JUL 9 1965

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS
SECOND SESSION

VOLUME 90—PART 7

NOVEMBER 30, 1944, TO DECEMBER 19, 1944
(PAGES 8591 TO 9808)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1944

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Congressional Record

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

SENATE

THURSDAY, NOVEMBER 30, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God whose kingdom is an everlasting kingdom and whose dominion endureth from generation to generation, grant us a revealing glimpse of the white throne of Thy justice arched with purity and mercy, and so abase our pride and shatter our complacency. As our words for this solemn and searching moment are hushed to silence, breathe upon our thinking with Thy truth; breathe upon our understanding with Thy light; breathe upon our attitudes with Thy love. Thus may we meet Thee on the lofty peaks of the spirit, higher than our highest thought yet nearer to us than our very selves. May the pressures of the world not mold us this day, but may we be so strengthened that we may help mold the world nearer to the fashion of Thy righteous will. We ask it through riches of grace in Christ Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, November 29, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans, and for other purposes, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 5029) to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 262. An act for the relief of Mrs. J. C. Romberg;

H. R. 1318. An act for the relief of Jack V. Dyer;

H. R. 1654. An act to authorize the acquisition, rehabilitation, and operation of the facilities for the public in the Olympic National Park, in the State of Washington, and for other purposes;

H. R. 1665. An act for the relief of Joseph Paste, Anna Paste, Rose Paste, and to the legal guardian of Doris Paste, and to the legal guardian of Evelyn Paste;

H. R. 1919. An act for the relief of Vannie Butler;

H. R. 2097. An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of W. J. Cox against the United States;

H. R. 2512. An act for the relief of Betty Robins;

H. R. 2576. An act to confer jurisdiction upon the Court of Claims to determine and render judgment for any losses by Duffy Bros., Inc.;

H. R. 2601. An act for the relief of Mrs. Flossie Leeser;

H. R. 2896. An act for the relief of Mr. and Mrs. R. L. Rhodes;

H. R. 3000. An act for the relief of Clara E. Clark;

H. R. 3373. An act for the relief of Dewey H. Davis;

H. R. 3495. An act for the relief of Constantino Arguelles;

H. R. 3548. An act for the relief of Mr. and Mrs. Robert W. Nelson and W. E. Nelson;

H. R. 3608. An act relating to certain overtime compensation of civilian employees of the United States;

H. R. 3750. An act to provide for the appointment of an additional circuit judge for the third circuit, and to permit the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania;

H. R. 3753. An act for the relief of the legal guardian of Virginia McMillan, a minor, and Howard McMillan;

H. R. 4024. An act for the relief of Victoria Cormier;

H. R. 4065. An act further defining the number and duties of criers and baliffs in United States courts and regulating their compensation;

H. R. 4099. An act to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 31, 1913;

H. R. 4226. An act for the relief of the legal guardian of William L. Owen, a minor;

H. R. 4439. An act for the relief of Dennis C. O'Connell;

H. R. 4929. An act for the relief of Lt. James H. Clark and Eleanor Clark;

H. R. 4999. An act to increase the service-connected-disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War No. 1;

H. R. 5041. An act to amend the Veterans Regulations;

H. R. 5232. An act to transfer jurisdiction over the Chattanooga National Cemetery, Chattanooga, Tenn., from the Department of the Interior to the War Department, and for other purposes;

H. R. 5289. An act to provide for the acceptance and protection by the United States of property within the authorized boundaries of the Everglades National Park project, Florida, pending the establishment of the park, and for other purposes; and

H. R. 5493. An act to provide for the continuation on the active list of the Regular Army for the duration of any of the wars in which the United States is now engaged, and for 6 months thereafter, of any officer on the active list of the Regular Army who has served as Chief of Staff during the wars in which the United States is now engaged.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Daniel
Austin	Green	O'Mahoney
Bailey	Guffey	Overton
Ball	Gurney	Radcliffe
Bankhead	Hall	Reed
Bilbo	Hatch	Revercomb
Brewster	Hawkes	Reynolds
Brooks	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Stewart
Butler	Johnson, Calif.	Taft
Byrd	Johnson, Colo.	Thomas, Okla.
Capper	La Follette	Tunnell
Caraway	Langer	Vandenberg
Clark, Mo.	Lucas	Wagner
Connally	McClellan	Walsh, Mass.
Cordon	McFarland	Walsh, N. J.
Danaher	McKellar	Weeks
Davis	Maloney	Wheeler
Downey	Maybank	Wherry
Ellender	Mead	White
Ferguson	Millikin	Wiley
George	Murray	Willis
Gerry	Nye	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER] is absent attending the funeral of a friend.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Kentucky [Mr. BARKLEY], the Senator from West Virginia [Mr. KILGORE], and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON].

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

FEDERAL AID FOR POST-WAR HIGHWAY CONSTRUCTION

Mr. HAYDEN. Mr. President, I ask unanimous consent that the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans, and for other purposes, which passed the House yesterday with an amendment, be printed with the House amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Claims:

H. R. 2903. A bill for the relief of the Washington Asphalt Co.; without amendment (Rept. No. 1278).

By Mr. WILEY, from the Committee on Claims:

H. R. 3017. A bill for the relief of Hubert McMahon and the legal guardian of Barbara McMahon; without amendment (Rept. No. 1279);

H. R. 4014. A bill for the relief of Mrs. Ruby Winsch; without amendment (Rept. No. 1280); and

H. R. 4380. A bill for the relief of Mabelle E. Olive; without amendment (Rept. No. 1281).

By Mr. WHERRY, from the Committee on Claims:

H. R. 3678. A bill for the relief of Floyd E. and Lena Mae Drummond; without amendment (Rept. No. 1282);

H. R. 3727. A bill for the relief of the legal guardian of Violet DeGroot; without amendment (Rept. No. 1283); and

H. R. 4442. A bill for the relief of Albert B. Weaver; without amendment (Rept. No. 1284).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 1218. A bill for the relief of F. L. Riddle; without amendment (Rept. No. 1285);

H. R. 2827. A bill for the relief of the estate of Ida M. Rutherford; without amendment (Rept. No. 1286);

H. R. 3279. A bill for the relief of Clarence G. Doelling and Doris J. (McNeil) Doelling; without amendment (Rept. No. 1287);

H. R. 3465. A bill for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osgetel Berberian; without amendment (Rept. No. 1288);

H. R. 3590. A bill for the relief of the city and county of San Francisco; without amendment (Rept. No. 1289);

H. R. 3852. A bill for the relief of the O. S. Stapley Co.; without amendment (Rept. No. 1290);

H. R. 4016. A bill for the relief of John Casey and Marie Casey; without amendment (Rept. No. 1291);

H. R. 4105. A bill for the relief of Ira Cannon; without amendment (Rept. No. 1292);

H. R. 4703. A bill for the relief of the estate of Annie Brown; without amendment (Rept. No. 1293); and

H. R. 5060. A bill for the relief of Clyde H. Palmer; estate of Lola J. Palmer; legal guardian of Margie Joan Palmer, a minor; without amendment (Rept. No. 1294).

By Mr. HILL, from the Committee on Expenditures in the Executive Departments:

H. R. 2969. A bill to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals; without amendment (Rept. No. 1295).

AMENDMENT OF TRANSPORTATION ACT OF 1940—INDIVIDUAL VIEWS OF MR. REED

Mr. REED. Mr. President, 2 days ago the Committee on Interstate Commerce reported, with amendments, House bill 4184, to amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic. At that time I asked permission to file my individual views, and the request was granted. I ask unanimous consent that I may be shown in the RECORD as now offering my individual views.

There being no objection, the individual views submitted by Mr. REED as a member of the Committee on Interstate Commerce on House bill 4184, supra, were received and ordered to be printed as part 2 of Report No. 1208.

BILL INTRODUCED

Mr. SHIPSTEAD introduced a bill (S. 2206) to amend the act entitled "An act to aid the several States in making, or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," approved August 14, 1937, as amended, which was read twice by its title, and, with the accompanying papers, referred to the Committee on Post Offices and Post Roads.

HOUSE BILL REFERRED

The bill (H. R. 5029) to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes, was read twice by its title and referred to the Committee on Territories and Insular Affairs.

OUR CHOICE—TWO ROADS—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Our Choice: Two Roads," delivered by him in November and broadcast over Wisconsin radio stations, which appears in the Appendix.]

FARMERS IN THE WAR—ADDRESS BY CHESTER BOWLES

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "Farmers in the War," delivered by Hon. Chester Bowles, Administrator of the Office of Price Administration, at the annual meeting of the National Grange, Winston-Salem, N. C., November 22, 1944, which appears in the Appendix.]

EXECUTIVE SESSION

Mr. HILL. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate executive messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE ARMY—NOMINATIONS PASSED OVER

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. HILL. I understand these nominations go over until Friday.

The VICE PRESIDENT. By unanimous consent, the nominations will go over until Friday.

SECRETARY OF STATE

The legislative clerk read the nomination of Edward R. Stettinius, Jr., to be Secretary of State.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. CONNALLY. Mr. President, I submit this nomination, and urge the confirmation of the nomination of Mr. Stettinius to be Secretary of State.

Mr. Stettinius first came to Washington in the early stages of war preparation, and occupied a position in connection with the Council of National Defense, which later was more or less transformed into what we now know as the War Production Board. That was at the time when General Knudsen and others were in charge of that organization. Later Mr. Stettinius was designated as Administrator of lend-lease operations, and in that position he had many contacts with Members of the Senate and became well known to them. Subsequently he was appointed Under Secretary of State, in which position he has served for about 14 months. In his capacity of Under Secretary he was chairman of the American delegation to the Dumbarton Oaks Conference, and gave to the deliberations of that conference very careful and studious attention, as no doubt would be attested by numbers of the members of the Senate Foreign Relations Committee who have conferred

with him from time to time respecting that matter.

Mr. President, I do not care to take up the time of the Senate in any unnecessary praise or discussion of the qualities and abilities of Mr. Stettinius. He is a man of education. After graduating at the University of Virginia he secured employment in a factory in order to learn the practical side of industry. He was later connected with the General Motors Corporation, in an executive capacity, and subsequently served for a time as chairman of the board of the United States Steel Corporation.

He has wide contacts with foreign diplomats, and is thoroughly acquainted with all the current matters relating to our foreign relations, and it seems to me that in designating Mr. Stettinius to be Secretary of State the President has made a very suitable appointment.

Mr. President, I submit the matter and ask the Senate to vote on this nomination promptly and without unnecessary discussion and debate, because the aspect of our foreign relations, as all Senators know, is reaching a very critical point, and it is necessary for the prestige of the Secretary of State not only at home but abroad, that his nomination be promptly confirmed so that the world may know that the Senate is backing him in his high endeavor.

Mr. LANGER. Mr. President, I rise today realizing that what I have to say will not be popular with my colleagues. In view of the fact that this nomination was made by the President only on Monday afternoon, and was reported to the Senate yesterday, I have not had much time to prepare my data. I was up all night, so if I make some mistakes I want my colleagues to know that they are mistakes of the head and not of the heart.

To North Dakota this is one of the most important appointments, insofar as it affects the welfare of our State, that could possibly be made either at this time or at any other time in months and months to come, as I shall conclusively demonstrate in just a little while.

Not only do I realize, Mr. President, that what I have to say may not be popular with some of my colleagues, but I also realize that it will not be published to any appreciable extent in the press of the country. I rise, however, Mr. President, knowing that we are voting upon a nomination to the most important post in the United States Government next to that of President, knowing that upon this man hangs to a large extent the future peace of the world. What I have to say, therefore, may not be read in the newspapers tomorrow, but I think it will be read some years from now when we look back on the hasty decision made in this so-called deliberative body.

Yesterday the Senator from Texas [Mr. CONNALLY], the Senator from Michigan [Mr. VANDENBERG], and other Senators seemed provoked when I objected to rushing confirmation of an appointment of one in whose hands rests the fate of your sons and grandsons. If this nominee were a man who had served in this honorable body for many years as did the retiring Secretary of State Cordell Hull, or if we had known him intimately as we have the Honorable James F. Byrnes, or the Honorable Henry Wallace, I would not be addressing these remarks to the Senate today. An immediate vote upon their qualifications would be justifiable. But we do not know—and I challenge any Senator to recite the facts in the life of Edward R. Stettinius to show that he really knows the man whom it is proposed to confirm as Secretary of State.

It is possible that I may be wrong. To err is human. I have hesitated a long time about interposing my sole objection as against the will of my colleagues. But though I am human and fallible, of this I am certain: The affairs of this great Nation will not be retarded beyond repair if we wait 1 day or 2 days or a week before we pass final judgment upon the man who is appointed to this all-important position.

Ever since October 20, when the retiring Secretary of State was first confined to the hospital, it was known to this administration and, I suspect, to many Senators, that there would have to be a change in the directing head of the State Department. It is true, I recognize, that the reported resignation of Secretary Hull was vigorously denied. But although the public and the Senate may have been misled by these denials, the leaders of this administration undoubtedly were not. They knew that a change was impending, and they were willing to let the State Department continue during a period of more than a month without speeding up the appointment of a new Secretary of State. Having waited this long, I see no reason why this so-called deliberative body should be unduly hasty in passing upon the nomination.

Let me make it clear before I proceed further that I have no objection whatsoever personally to Edward R. Stettinius, Jr. It is to his qualifications and his experience that I wish to address myself and also to call the attention of the Senate to the fact that many of us do not know his views upon some very important matters, particularly those which affect the western section of this Nation.

Mr. Stettinius is a very charming and likable gentleman. If he is confirmed—and I am under no delusions but that mine will be the only dissenting vote—I shall do my best to cooperate with him personally. But I want the record to show exactly the experience, the qualifications, the background of the man whom we are confirming to this most important appointive position in the United States Government. I owe it to my constituents and to the people of this entire country to make the record clear. And I am willing to predict to Senators that 1 year from now, and even 6 months from now, they will look up in the record and re-read what I am saying today and they may find that the mistakes of the most important era in this century shall be, in part, upon their heads.

I need not recall to Senators who sit in this body that it was only 26 years ago that we finished fighting a war which, as we thought, was to end all wars. And now we are engaged in another war. The slogans resulting from this war are not as eloquently expressed by the incumbent in the White House as were those expressed by his predecessor in 1917 and 1918, but in the hearts of 11,000,000 men who are fighting, hope, though silent, is far more eloquent.

There is no other ambition which they more fervently desire to have consummated than that their sons shall not have to fight another in 20 years.

It is with this in mind that I respectfully appear before this body to take up an extra day of the time of the Senate to ask more careful consideration of the qualifications of the new Secretary of State.

Some years ago, my learned colleague from Michigan [Mr. VANDENBERG], who yesterday objected to taking one more day to consider this all-important appointment, was a member of the Senate Munitions Committee. No doubt, he remembers the startling facts which his investigators uncovered regarding the manner in which the bankers of the Nation, particularly the firm of J. P. Morgan, had loaned millions abroad and then operated a propaganda agency in order to get the United States Government to retrieve their loans.

Again, my learned colleague the senior Senator from California [Mr. JOHNSON] no doubt will remember the investigation which he conducted single-handed in 1932 during the closing days of the Hoover administration. At that time, despite the opposition of many of his colleagues, the Senator from California revealed to the American people and to the Senate the manner in which bankers had influenced the State Department regarding oil concessions and loans to Latin America. The Senator from California revealed, among other things, that the late Secretary of the Treasury, Andrew W. Mellon, had discussed at dinner with the President-elect of Colombia a plan by which Mr. Mellon would secure the famous Barco concession in Colombia; following which the State Department, being subject to influence by Mr. Mellon, had moved heaven and earth and even intervened in the domestic affairs of a friendly country, Colombia, and tampered with its government in order to safeguard Mr. Mellon's oil concession.

The Senator from California also disclosed how the bankers, working in conjunction with the State Department, had floated bond issues to Peru, Bolivia, Brazil, and other countries at tremendous profit to themselves and with profit to the ruling regimes in Latin America, but with heavy losses to the people of both countries, including, Mr. President, the loss of several million dollars to the people of the State of North Dakota alone.

The Senator from California even disclosed how the banking firm of the present Secretary of the Navy, Mr. Forrestal, had negotiated loans in Bolivia which led to war between Bolivia and Paraguay—loans for which the American investor paid, and which only served to foment war and headaches for the Western Hemisphere.

Again, my colleague from New York [Mr. WAGNER] was, I believe, a member of an investigating committee which, with the assistance of Ferdinand Pecora, now a justice of the Supreme Court of New York, disclosed in shocking detail how J. P. Morgan and other banking interests had influenced the State Department in the foreign policy of the United States.

With these lessons of the past it behooves us to guard against similar banking interests of the future.

Before I go further into the manner in which the firm of J. P. Morgan & Co., from which Mr. Stettinius springs, has influenced our foreign policy, let us consider in some detail whether the proposed new Secretary of State has farsightedness and vision. We all agree that ability to see ahead is one of the most important requirements on the part of anyone who guides the foreign affairs of our Nation. He must be able to see ahead and he must have the ability to make decisions.

I assume that Senators are familiar with the history of Mr. Stettinius and how he came to Washington through the benevolent influence of Mr. Harry Hopkins, who has been his guiding star for many years. One of his first jobs in the war effort was in charge of raw materials on the National Defense Council. It was his job to look ahead and determine what raw materials were necessary for the war and for all arrangements. The American people depended upon him, and the safety of the sons of the American people depended upon him. He was supposed to have vision and foresight and make decisions.

As early as the summer of 1940 it became obvious to most of the planners in Government that we would need a tremendous amount of steel. But the decisions as to how much steel we would need and planning to secure that steel were in the hands of Mr. Stettinius. He had been the chairman of the United States Steel Corporation and, as has been so eloquently stated today by the chairman of the Foreign Relations Committee [Mr. CONNALLY], supposedly knew all about the situation. But it so happens, as Senators well know, that the steel industry of this Nation has been in the control of a small group of companies which in turn are controlled by a few bankers of Wall Street. The firm of J. P. Morgan is one of the most important, and dominates the United States Steel Corporation. In fact, United States Steel is known as a "Morgan" firm. My colleague from Wyoming also knows that United States Steel and the big bankers controlling the steel industry do not want steel mills to be built in the far West. If any of my colleagues doubt that statement, I suggest that they consult Hon. Judge Thurman Arnold, lately Assistant Attorney General of the United States, and have him produce some of the evidence which developed in the antitrust suits involving the building of steel mills in the West.

My colleagues from Utah know the pressure which is being brought to bear today to keep steel out of the far West. The steel industry has been completely controlled and carefully confined to a small area around western Pennsylvania, Ohio, Indiana, and Illinois.

Therefore, it was not in the interest of the J. P. Morgan firm and the steel monopoly to have new mills constructed. They did not want more competition after the war, especially from steel mills built in the western part of the country.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. LANGER. I will not yield until I shall have finished. I shall be glad to answer any questions afterward.

Therefore what did their representative, Mr. Stettinius, on the National Defense Council do? He did not do anything. He hung back and would not authorize or plan for more steel production. As early as the summer of 1940, economists working for Mr. Leon Henderson estimated that we would need at least 15 to 20 percent steel production expansion. They estimated that United States ingot capacity was approximately 80,000,000 tons, of which our normal needs in 1941 would be around 60,000,000 tons, leaving only 20,000,000 tons for armament.

Yet Great Britain alone needed 18,000,000 tons of American steel. This left practically nothing for the American war effort.

Yet Mr. Stettinius would not authorize more steel production. He waited for months and months. His adviser from the University of Virginia where Mr. Stettinius is a trustee, Prof. Melvin G. Chazeau, recommended immediate plant enlargement, but Stettinius did nothing. He sat in the key position in charge of raw materials on the National Defense Council doing nothing while deliveries fell further and further behind. Finally other members of the Council went to the President, and the President, in his message to Congress, publicly demanded that "industry must subordinate its concern over possible future effects of tremendous expansion."

In other words, the President of the United States, who now appoints Mr. Stettinius to this all-important job, in effect publicly rebuked his policy of favoring J. P. Morgan and United States Steel by blocking steel expansion. It was not until early in the next year, 1941, that Mr. Stettinius finally was overruled.

Had it not been for the lack of foresight on the part of Edward Stettinius, millions of American school children would not have had to comb the streets and ashcans and back yards of America in the tremendous scrap-iron drive to remedy the do-nothing policy and the failure of the man whom we are now called upon to confirm as Secretary of State. If Mr. Stettinius, in planning for the peace of the world, acts with the same vision as he did in planning for steel, the children who collected scrap iron for this war will be carrying arms in the next war.

Mr. Stettinius was equally negligent or else deliberately favoring his business friends on other strategic materials. He announced to the world that the Nation had plenty of zinc and plenty of brass. However, shortly after he made this announcement, President Roosevelt in the White House issued Presidential orders barring the export of these materials, which had the effect of directly slapping Mr. Stettinius in the face.

My colleague from Wyoming knows better than I do the story of the new Secretary of State's dereliction when it came to aluminum. Being charged with providing aluminum for the war effort, Mr. Stettinius played in with the great monopoly, the Aluminum Corporation of America. He cooperated with them, despite the fact that the Justice Department of this very Government was at that very time in the process of bringing suit against Alcoa for violating the Sherman Antitrust Act. And though the Justice Department had compiled figures regarding the production of aluminum, and although the Senator from Wyoming [Mr. O'MAHONEY], as chairman of the monopoly investigating committee, also had compiled very careful figures, what did Mr. Stettinius do? Did he accept the figures of my colleague from Wyoming or did he examine the figures from the Justice Department? No. He accepted without question the figures of the Aluminum Corporation itself. As a result this Nation was woefully behind in getting started with its airplane production.

Mr. Stettinius announced publicly that we would have plenty of aluminum, that we needed very few more aluminum plants. He said the Nation would only need 400,000,000 pounds of aluminum. But today do you realize what the aluminum production of this country is? It is around 1,600,000,000 pounds—exactly four times as much as Mr. Stettinius estimated.

I need not remind you that the Aluminum Corporation has for many years attempted to concentrate the aluminum industry in a small area in Tennessee, western Pennsylvania, and the East. Great deposits of aluminum clay exist in the States of Arkansas, Washington, and Oregon, and in many other parts of the country. The Aluminum Corporation, not anxious to develop these areas, has followed a dog-in-the-manger policy in order to prevent their development by other companies.

We must conclude, then, that the Aluminum Corporation did not want any factories to be built, and that it urged Mr. Stettinius to cooperate with them in opposing new production.

Mr. President, that was how farsighted our new Secretary of State was at a crucial period in our days of rearmament. He was personally and directly responsible for the fact that the housewives and the children of the Nation had to go out and scrape together teapots, dishpans, and aluminum kettles to make up for the failure to produce aluminum. If Mr. Stettinius, as Secretary of State, exercises the same vision in planning for peace as he did for aluminum, the children who collected aluminum scrap will be bearing arms in far less than 20 years.

Mr. President, what I am concerned about today are two things: One, the qualifications and fitness of the man we are considering for this high post. The other is the system which existed in the last war, but which we must not see

repeated so disastrously in this war, of placing representatives of the J. P. Morgan banking firm into key places where they can dominate governmental policies so vital to the future peace of the world.

I need hardly remind my colleague from Georgia, who performed such able service as a member of the Munitions Investigating Committee, or my colleague from Missouri [Mr. CLARK], who did likewise, or my colleague from Michigan, who also served so faithfully on that committee, of the circumstances which they revealed to the world for the first time regarding the manner in which J. P. Morgan had sold tremendous amounts of supplies to Great Britain and France before we entered the war, and then placed Morgan representatives in the War Department and in the Treasury Department in such a way that the American Government and American taxpayers ended up by reimbursing J. P. Morgan for everything they had spent.

The men who were placed in these key positions inside the Government, according to the evidence revealed by you gentlemen before I entered the Senate, were none other than the father of the man we are asked to confirm today, then a partner in J. P. Morgan—and he remained a partner for some time thereafter—together with a second Morgan partner, Russell Leffingwell.

One of them, Edward R. Stettinius, Sr., was made an Assistant Secretary of War. The other, Russell Leffingwell, the second Morgan partner, was made an Assistant Secretary of the Treasury. Mr. Stettinius, Sr., had spent several years as the Morgan agent buying supplies for the French and British. So the Morgan firm skillfully placed him in the War Department as an Assistant Secretary of War, where he continued to watch over the Morgan interests in buying those same supplies or similar ones.

When it came to paying for those supplies, Mr. Russell Leffingwell, another Morgan partner, as the evidence of the Senators reveals, was placed in the Treasury Department as an Assistant Secretary of the Treasury, and he arranged that the American taxpayer should pay the J. P. Morgan & Co. bill.

Mr. President, I repeat, is it not worth an extra day of the Senate's time for us to ponder this, and to consider the strange coincidence that Mr. Stettinius, Jr., the son of this Morgan partner, later took over the same duties as those his father had before him, in World War No. 1, in buying lend-lease supplies and in sending them to Great Britain? In this war we have refrained from using private banking agents. Fortunately, we bypassed the J. P. Morgan firm. But apparently we could not bypass the J. P. Morgan firm entirely. We found one of its members, first of all, holding up the production of steel to benefit the Morgan interests; then holding up the production of aluminum to benefit a monopoly; then transferred to the same job which his father had—that of buying supplies for the British, as Lend-Lease Administrator; and now we find him elevated to a place where he holds the future peace of the world in his hands. Yet we are asked to pass upon his qualifications in a few brief moments.

Mr. President, we do not confirm the nomination of even a United State district attorney or a United States district judge without at least 7 days' notice. But we are here being asked to confirm the nomination of a person who, if untoward events transpire, under our Constitution may become President of the United States. We are asked to confirm his nomination to be Secretary of State of the United States, and, comparatively speaking, we are being asked to confirm the nomination after only a few minutes of consideration. How could citizens from far-off States appear in opposition on such short notice as was here given—a little more than 1 day?

First of all, let me review some of the testimony so ably brought out by the members of the Munitions Committee investigating the Wall Street rackets of the last war. We have already seen that prior to American entry into the war in 1917 the House of Morgan had acted as sole purchasing agent for the French and British Governments and, incidentally, my senatorial colleagues in 1936 showed all too forcefully how J. P. Morgan propaganda in influencing the newspapers of this country had prepared us for entry into the war and for taking over the Morgan liabilities.

Mr. President, in order to show the deliberate manner in which that was done, at this point I read a letter which was written by the then Secretary of State, William Jennings Bryan, to his Chief, President Wilson. The document referred to appears on page 7517 of volume 25 of the hearings before the special committee of the United States Senate investigating the munitions industry.

The chairman said——

Mr. DAVIS. Who was the chairman?

Mr. LANGER. The senior Senator from North Dakota [Mr. NYE].

What I am about to read was written by the then Secretary of State, Mr. Bryan. The letter is as follows:

I beg to communicate with you an important matter which has come before the Department. Morgan Co. of New York have asked whether there would be any objection to their making a loan to the French Government and also the Rothschilds—I suppose that is intended for the French Government. I have conferred with Mr. Lansing and he knows of no legal objection to financing this loan, but I have suggested to him the advisability of presenting to you an aspect of the case which is not legal but I believe to be consistent with our attitude in international matters. It is whether it would be advisable for this Government to take the position that it will not approve of any loan to a belligerent nation. The reasons that I would give in support of this proposition are:

First. Money is the worst of all contrabands because it commands everything else. The question of making loans contraband by international agreement has been discussed but no action has been taken. I know of nothing that would do more to prevent war—

I wish to repeat that, Mr. President. Mr. William Jennings Bryan, the then Secretary of State, said in his letter to President Wilson:

I know of nothing that would do more to prevent war than an international agreement that neutral nations would not loan to belligerents. While such an agreement would be of great advantage, could we not, by our example, hasten the reaching of such an agreement? We are the one great Nation which is not involved and our refusal to loan to any belligerent would naturally tend to hasten a conclusion of the war. We are responsible for the use of our influence through example and as we cannot tell what we can do until we try, the only way of testing our influence is to set the example and observe its effect. This is the fundamental reason in support of the suggestion submitted.

Second. There is a special and local reason, it seems to me, why this course would be advisable. Mr. Lansing observed in the discussion of the subject that a loan would be taken by those in sympathy with the country in whose behalf the loan was negotiated. If we approved of a loan to France we could not, of course, object to a loan to Great Britain, Germany, Russia, Austria, or to any other country, and if loans were made to these countries, our citizens would be divided into groups, each group loaning money to the country which it favors, and this money could not be furnished without expressions of sympathy. These expressions of sympathy are disturbing enough when they do not rest upon pecuniary interests—they would be still more disturbing if each group was pecuniarily interested in the success of the nation to whom its members had loaned money.

Third. The powerful financial interests—

He was speaking of the J. P. Morgan firm.

The powerful financial interests which would be connected with these loans would be tempted to use their influence through the newspapers to support the interests of the Government to which they had loaned because the value of the security would be directly affected by the result of the war. We would thus find our newspapers violently arrayed on one side or the other, each paper supporting a financial group and pecuniary interest. All of this influence would make it all the more difficult for us to maintain neutrality as our action on various questions that would arise would affect one side or the other, and powerful financial interests would be thrown into the balance.

I am to talk over the telephone with Mr. Davison, of the Morgan Co., at 1 o'clock, but I will have him delay final action until you have time to consider.

Mr. President, Mr. Bryan was writing this letter to the then President of the United States of America.

It grieves me to be compelled to intrude any question upon you at this time, but I am sure you will pardon me for submitting a matter of such great importance.

With assurances of high respect, I am, my dear Mr. President.

Yours very truly,

W. J. BRYAN.

We find that on May 25, 1917, a cable was dispatched by J. P. Morgan & Co. of Wall Street to their Paris branch, Morgan, Harjes & Co., cable No. 31164, which, according to the Senate records, reads as follows:

We will hand to M. Andre Tardieu tomorrow a letter reading as follows:

"We have been led by developments during the past few weeks earnestly to consider the arrangements under which we have been making purchases for the French Government in this country.

"The entrance of the United States Government into the war has, of course, greatly altered the conditions under which we have operated heretofore. The demand for more important materials required by the Allies, which had been urgent, has now become acute and prices in many instances have advanced sharply. Moreover, the United States Government necessarily will require materials and supplies similar to those which have been purchased through us for the Allies and by law can obtain more favorable terms and deliveries than can possibly be secured by ordinary bargain and negotiation through a private purchasing agency.

"It appears obvious to us, therefore, that in the interests of the French Government, its purchases in the future should be made by or in connection with the United States Government. Indeed, it would seem that the procurement by the French Government of materials and supplies in this country has come to be a matter which can be dealt with satisfactorily through diplomatic channels only."

There, Mr. President, is the record made by J. P. Morgan & Co. themselves in this cable No. 31164, sent by J. P. Morgan & Co. on the 25th day of May 1917. There they say:

"It appears obvious to us, therefore, that in the interests of the French Government—

"In the interests of the French Government," mind you, Mr. President—

"its purchases in the future should be made by or in connection with the United States Government. Indeed, it would seem that the procurement by the French Government of materials and supplies in this country has come to be a matter which can be dealt with satisfactorily through diplomatic channels only. Therefore, while we do so with extreme reluctance in view of our anxiety to render every possible assistance to your government, we feel constrained to suggest that the arrangement under which we have made purchase in behalf of the French Government be canceled forthwith."

The foregoing is from page 170, volume 31, of the Senate hearings.

But the French Government objected to this proposal that their purchases now be handled by the United States Government. They had been dealing with J. P. Morgan for a long time. So there follow various other cables and letters exchanged between J. P. Morgan and the French and British Governments outlined in the Senate hearings.

J. P. Morgan is asked to remain on in a helpful way and continue to advise and keep a fatherly eye on British and French purchases in the United States. The significant upshot of all this was that Edward R. Stettinius, Sr., the J. P. Morgan partner who had handled French and British purchases for 2 years, was taken into the War Department and given a very important position, first as Surveyor General of Supplies for the War Department, and later as Assistant Secretary of War.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from North Dakota yield to the Senator from Tennessee?

Mr. LANGER. I prefer not to yield until I shall have concluded.

The PRESIDING OFFICER. The Senator from North Dakota declines to yield.

Mr. LANGER. We do not know all the activities of the elder Stettinius during this period. He was acting in a position of the highest trust in the service of his Government. But we do know from the evidence compiled by the Senate in 1935 and 1936 that certain operations of Mr. Stettinius as Assistant Secretary of War were most severely criticized, not merely by the Senate Munitions Committee, but even by the Department of Justice during the Republican administration which followed that of Woodrow Wilson.

The matter which appeared to scandalize, not merely the Senate Munitions Committee but also a Republican Justice Department during the administration of President Coolidge, was the operation of the Old Hickory Powder Plant near Nashville, Tenn. This plant was constructed by the du Pont Co.

The evidence shows very significantly that the du Pont Co. was accustomed to dealing with Edward R. Stettinius, Sr., prior to this contract and prior to his entry into the War Department when he was buying goods for the Allies. In other words, Stettinius and the du Pont firm, one as banker, the other as munitions manufacturer, enjoyed a very close relationship before Stettinius entered the Government.

After he entered the Government he then negotiated a contract with the du Pont Co. to construct and operate the Old Hickory powder factory and the evidence shows "thousands of dollars was paid for freight, and the overpayments and excess payments never paid back to the United States." The evidence further shows "charges of gross overcharges in the matter of cotton and cotton linters, gross irregularities in payments of labor, in administation, and in payment of bonuses to employees—very large bonuses—thousands of dollars."

And, Mr. President, most shocking of all, the evidence shows that after the war, while Mr. Stettinius was Assistant Secretary of War, the records supposed to have been kept by the du Pont Co., his friends, were taken to Wilmington, Del., the home of the du Pont Co., and some of them burned. I quote from the testimony of Major Guise, a witness of a Republican Department of Justice under President Coolidge, who told the then Secretary of War, Hon. Dwight F. Davis:

Affidavits were made to the effect that at the time the du Pont Co. left they transferred a large number of records to Wilmington—selected; that there were some records bundled up and this is hearsay based on affidavits—that there were some records that were taken out and burned.

Major Guise went on to testify that many primary records "were partially destroyed by acid and illegible and others mixed up with waste paper and other things of that kind," so that it was impossible for a later administration of the War Department after Stettinius left to decipher the records of the du Pont Co.

This investigation under the Coolidge administration was in executive session. The public was barred, and no one ever knew about it. It was hushed up. But before it was hushed up it was shown that millions of dollars were unaccounted for by the du Ponts and that the Assistant Secretary of War in charge of the contract had been extremely derelict in securing an account. Among other things the du Ponts were advanced a fund of about $18,000,000 for the operation of the plant. Since the war ended the plant was never operated for any appreciable period. That $18,000,000, so far as I can find from the record under the Coolidge administration, was never repaid. But in the Roosevelt administration the Senate Munitions Committee went into the whole matter much more thoroughly and the concluding statement by the chief counsel for the Senate committee states:

According to the recapitulation of the Old Hickory and other Government contracts held by the du Pont Engineering Co., a total of some $37,000,000 was advanced by the United States in connection with both construction and operation of Old Hickory, and a total of some $72,000,000 was reimbursed by the United States. In other words, the United States advanced sums to the du Pont Engineering Co., and the United States further reimbursed expenditures by the du Pont Co., and yet no audit was made of the expenditures by the du Pont Co. in the true sense of an audit. In other words, the burden of proof was put completely on the United States as to whether or not there had been improper payments.

At the conclusion of this hearing the Senate counsel also asked who was the Assistant Secretary of War in charge of this transaction. The reply was, "Edward R. Stettinius."

The Senate counsel then produced a memorandum addressed to Edward R. Stettinius pertaining to the du Pont contract for Old Hickory, and asked of the War Department representative:

Does that not constitute additional confirmation, in your opinion, of your impression that this contract was under the supervision of Assistant Secretary Stettinius?

The answer from Lieutenant Colonel Harris was, "It does."

That concluded one of the most revealing chapters in the Senate Munitions Committee Investigation, one in which my colleagues did a great service to their country, and one which should be reread by all Senators to refresh their memories. I touched upon only a few of the amazing details with which the representative of J. P. Morgan, who had enjoyed the closest business relations with the du Ponts before he entered the War Department, required no audit whatsoever of the du Pont accounts while he was Assistant Secretary of War, thereby permitting the du Ponts to leave in their hands one of the richest munitions profits of the war.

After the war what would the du Ponts do with their profits? The biographers of John J. Raskob, then bookkeeper for the du Ponts, tell how he advised them not to pay their profits in taxes, but to reinvest the money in a then almost unknown automobile company, General Motors. They did so.

And what was one of the things the du Ponts did after they had taken over General Motors? They rewarded a man who had permitted them to get away with such lush profits in the War Depart-

ment. The du Ponts gave a job to his son. Many people have wondered how Edward R. Stettinius, Jr., was able to catapult so quickly to the top of vast corporations, and I use the word "catapult" advisedly. They know, of course, that his father was a J. P. Morgan partner; and that is no handicap. They knew that the J. P. Morgan Co. controlled the U. S. Steel Corporation, of which young Stettinius became chairman of the board at the age of 36, and this, of course, may well have been explained by his Morgan connections. But before he joined U. S. Steel young Stettinius, at the age of only 24, received a very important appointment in General Motors, and after only a short interval there rose swiftly to the post of vice president of the giant General Motors Corporation. Many people have wondered why, since General Motors and the du Ponts were not J. P. Morgan, young Stettinius should have received this reward. The testimony of the Munitions Committee may be the answer.

But to me it is significant that the man who was closest to Stettinius in General Motors, John L. Pratt, the operational vice president, later came to Washington, and has sat at the right hand of young Stettinius ever since. He was his first adviser on the National Defense Council, and undoubtedly shared in Stettinius' grave errors in refusing to provide for aluminum and steel. Later he sat at Stettinius' right hand in the Lend-Lease Administration, and he has continued to be his unofficial adviser in the State Department ever since.

Thus the du Ponts have continued their influence, directly or indirectly, with the man whom we are now asked to elevate to the most important post in the Cabinet.

I am not one to visit upon the son the sins of his father. Far, far be that from me, Mr. President. I wish to make it very clear that I am not one who would visit on the sons the sins of the father. I could even forgive the fact that young Stettinius benefited from the reward which his father permitted the du Ponts to receive when he was Assistant Secretary of War. But I cannot forgive a system whereby Wall Street is able to permeate our governmental system and influence the peace of the world to come.

Again let me point to what J. P. Morgan did during the last war as revealed in the hearings of the Senate committee.

Now let us see what another Morgan partner managed to put across in the Treasury. We have already seen how the purchase of war supplies by Edward Stettinius, private citizen and banker, was simply transferred to the War Department and continued in the hands of Edward Stettinius, Assistant Secretary of War.

These war supplies purchased by the Allies were paid for through loans advanced by J. P. Morgan. J. P. Morgan in turn parceled out many of the loans to American industry, and there is a long list of letters in the records of the Senate Munitions Committee showing how American industry became the creditor of France and Great Britain and, therefore, was anxious to have us get into the war in order to bail them out. Industry wanted its profits, and it wanted the American taxpayer to hold the bag, whether that taxpayer lived in Oregon, or Tennessee, or in North Dakota. So what happened?

Russell Leffingwell, a J. P. Morgan partner, was made Assistant Secretary of the Treasury, and when we entered the war all of the loans advanced by J. P. Morgan to France and England were taken over by the Treasury. This in itself was understandable, and I am making no criticism, but here is where I do criticize, and in so doing I echo the report of my colleagues who conducted the Senate munitions investigation.

When J. P. Morgan advanced money to France and Britain, the French and British Governments deposited collateral with J. P. Morgan in the form of stocks and bonds held by French and British nationals. For the most part they were American or Latin-American securities, worth more than the half billion dollars loaned by Morgan to the Allies.

But when the United States Government took over the Morgan loan, this collateral was not transferred to the United States Treasury. J. P. Morgan, in testifying before the Munitions Committee, admitted that the Treasury was entitled to this collateral. But the fact remains that the Treasury never got it.

A J. P. Morgan partner, Russell Leffingwell, was then Assistant Secretary of the Treasury.

Later, Congress authorized the Treasury to advance money to the Allies "hereafter," but the testimony of William Gibbs McAdoo before the House Ways and Means Committee and the Senate Finance Committee made it clear that this act of Congress would not apply to loans already floated in this country—in other words, to the Morgan and other Wall Street loans. It was to apply only to future advances.

However, as I have already stated, the Treasury Department took over the Morgan loans floated before we got into the war, and even neglected to accept collateral.

Then came another strange transaction. When the Allied Governments began to repay the Treasury, the Treasury applied those payments against the Morgan loans, not against the advances made by the American Government. Later, because of the Allied defaults, this turned out to be a mere matter of bookkeeping. But at the time the repayments started, almost every American expected that the Allies would repay their debts. Yet the initial repayments were credited against the Morgan loans first.

Mr. President, I cite these things to illustrate what we must expect when we appoint representatives of Wall Street, particularly the House of Morgan, to high positions inside the United States Government. We can afford to sacrifice a few dollars. We can afford, if absolutely necessary, to lose out on war contracts because of inadequate supervision in the War Department. If necessary, we can take the blunders of a Morgan man on the National Advisory Council, who tells us we do not need more aluminum or steel, and we can win the war despite his lack of foresight—even though it may cost more lives than otherwise.

But today, in confirming the nomination of a man who is to be Secretary of State, we are not dealing, I repeat, merely in money, we are not dealing in war contracts, we are dealing, Mr. President—and I cannot say it too emphatically or forcefully—we are dealing with the lives of the next generation.

During the recent campaign some of my Democratic colleagues were rather vigorous in their criticism of the man whom Governor Dewey had selected, apparently, as his Secretary of State, John Foster Dulles. They pointed out, and perhaps with some reason, that Mr. Dulles came from Wall Street, that his roots were deep in Wall Street, that he had spent his life representing bankers and various monopolies. The Democrats criticized Governor Dewey then. He was criticized in Democratic newspapers for selecting this man, they saying that he had his roots in Wall Street, I, for one, think that my Democratic colleagues were right in their criticism. Certainly Mr. Dewey could have found, and I am sure would have found in the end, a man for Secretary of State who better represented the American people, and who better understood the foreign problems of our Nation.

But, frankly, I am amazed that, in view of the criticism of Mr. Dulles, an administration which criticized him should come forward with exactly the same type of man for the same job—Secretary of State. It is no excuse—as my colleagues will doubtless counter—that Mr. Stettinius has served already in the State Department. He served under a great leader, who knew this Nation and its problems. And, unfortunately, we have evidence all too clear that when Stettinius was permitted to act on his own, his decisions on the National Defense Council in charge of raw materials definitely delayed the war, though they may have helped the aluminum and steel industry monopolies.

Mr. President, I now desire to call the attention of the Senate to another very important matter—at least, to North Dakota and the Northwest it is very important. We have in the Cabinet individuals appointed by the President. Who are they? Where do they hail from? If the pending appointment shall be confirmed, we will have Edward R. Stettinius, Jr., of New York, Secretary of State. We have Henry Morgenthau, Jr., of New York, Secretary of the Treasury. We have Henry L. Stimson, of New York, Secretary of War. We have James V. Forrestal, of New York, Secretary of the Navy. We have Frances Perkins, of New York, Secretary of Labor.

Five members of the Cabinet, one-half of the entire Cabinet, come from the State of New York.

Mr. President, in addition to that, we have Harlan F. Stone, of New York, Chief Justice of the Supreme Court of the

United States. And we have the President of this country also coming from the State of New York.

Mr. President, I have no prejudice against a man coming from the State of New York. I have no prejudice against a man from New York being appointed to any position in this Government; but, after all, there are 48 States in the Union, and I find that my own State of North Dakota, whether it be under a Democratic administration or under a Republican administration, has been neglected, neglected, neglected—for how long, Mr. President? Why, since statehood, for 55 years. I do not know whether it is true of any other State, but in 55 years we have had just one appointment. Major Edwards, years and years and years ago, was appointed consul to Quebec. In the 55 years since statehood we have never even had appointed to the circuit court of appeals a man from the State of North Dakota. Here is a court which for 55 years, almost, has had charge of all the appeals of our citizens seeking justice, and yet not one man from our State has been appointed to that circuit court of appeals.

Mr. President, I speak today not only on behalf of North Dakota; I speak on behalf of all the Western States, and I speak in their behalf because I feel that they have not received their proper amount of representation. Five members of the Cabinet come from the State of New York alone, if the pending nomination is confirmed.

Mr. President, this appointment is of tremendous importance to the entire West. Yesterday my distinguished colleague, the Senator from Vermont [Mr. AIKEN], spent nearly an hour upon the Senate floor reading a statement which he had prepared showing that Cordell Hull was favorable to the St. Lawrence waterway. What, I ask, is the position of Mr. Stettinius with respect to the St. Lawrence waterway? The St. Lawrence seaway means much not only to North Dakota but to the entire Northwest.

In 1943 we raised in North Dakota over 150,000,000 bushels of wheat, over 25,000,000 bushels of corn, over 70,000,000 bushels of oats, over 63,000,000 bushels of barley, 42,000 bushels of buckwheat, over 15,000,000 bushels of flaxseed, and over 4,000,000 bushels of rye. The testimony given in connection with the hearings on the St. Lawrence waterway shows that there would be a saving of approximately 10 cents a hundred in the shipment of these grains through the St. Lawrence waterway.

In 1944 the amount of grains we raised in North Dakota was much larger than even that which we raised in 1943. So the Senate can readily see how important it is not only to North Dakota but to the entire western section of this country, that the St. Lawrence seaway be completed.

Mr. President, I ask unanimous consent that a table showing the grain raised in North Dakota in 1943 and 1944 be placed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Grain raised in North Dakota, 1943 and 1944

	Bushels in 1943	Bushels in 1944 [1]
Wheat	154,156,000	163,025,000
Corn	25,335,000	35,583,000
Oats	70,924,000	82,994,000
Barley	63,648,000	61,617,000
Buckwheat	42,000	96,000
Grain sorghum	60,000	50,000
Flaxseed	15,052,000	8,192,000
Rye	4,014,000	2,838,000

[1] These are preliminary figures for 1944, and it is expected they will be revised in December of this year.

Mr. LANGER. Mr. President, what is the position of the new Secretary of State as he will be in case the Senate confirms his nomination with respect to the St. Lawrence waterway?

Mr. President, I hold in my hand the CONGRESSIONAL RECORD for February 12, 1934. I read from a speech delivered in this Chamber by the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE]. On that occasion the Senator from Wisconsin said:

PERSONAL EXPLANATION—GREAT LAKES-ST. LAWRENCE WATERWAY TREATY

Mr. LA FOLLETTE. Mr. President, I rise to a question of personal privilege.

On Wednesday, January 31, 1934, I addressed the Senate on the Great Lakes-St. Lawrence Seaway Treaty, which at that time was under consideration.

On the evening of February 5, 1934, I received the following letter—

Mr. President, how germane this letter is in considering that in the formulation of treaties it will be this man, if he is confirmed, who will be negotiating them.

I ask unanimous consent to have the letter printed in the RECORD at this point as a part of my remarks. The letter is signed by Thomas W. Lamont, a partner of J. P. Morgan & Co.

Mr. DAVIS. Mr. President, will the Senator read the letter?

Mr. LANGER. Mr. President, the Senator from Pennsylvania says that he would like to have the letter read. It is of tremendous importance and I am always delighted to please the distinguished Senator or I would not take the time of the Senate to read it.

[J. P. Morgan & Co., Wall Street, corner Broad, New York; Drexel & Co., Philadelphia; Morgan, Grenfell & Co., London; Morgan & Cie, Paris]

NEW YORK, *February 5, 1934*

Senator ROBERT M. LA FOLLETTE,
Senate Office Building, Washington, D. C.

DEAR SENATOR LA FOLLETTE: My attention has been called to a speech which you made in the Senate on January 31 last regarding the pending treaty for the St. Lawrense seaway, and specifically to certain erroneous statements with reference to the firm of J. P. Morgan & Co. Ordinarily we do not feel called on to reply to unfounded or incorrect statements regarding this firm. When, however, a statesman of your position makes such statements, even though they may be based upon misinformation furnished to you, we feel warranted in calling them to your attention.

In the course of your remarks you say: "J. P. Morgan & Co. and their allied interests are seeking to destroy this administration and they are seeking to prevent the ratification of this treaty", etc. Both these statements are absolutely without foundation. In more detail we should like to point out that not only have we not opposed the present administration at Washington, but from the very start have cordially supported it.

The letter is dated February 5, 1934, and he was speaking about the Roosevelt administration. The letter continues:

For example, immediately upon the administration's withdrawal last April from the gold standard Mr. Morgan issued a public statement—a thing very rare for him to do—upholding the administration's declaration. Members of this firm have since made it clear upon many occasions that we regarded this step as having been of extraordinary benefit to the American people as a whole, who we believe have not always realized the renewed or increased hardships from which this decision, made in the early days of the present administration, saved us. With great respect, but very frankly, it is difficult for us to understand how you could feel justified in uttering such a baseless charge, so needlessly provocative in its effect upon the public mind.

As to your second statement, permit us to say that in no way, shape, or manner are we "seeking to prevent the ratification of this treaty," nor has the thought ever occurred to us to suggest or encourage opposition on the part of others, as you intimate. On the contrary, on September 18, 1929, this firm issued a public statement, which had wide currency, declaring its complete aloofness from any position as to the St. Lawrence River project, and adding this categorical declaration: "In our opinion these (the pending St. Lawrence developments) are matters for the determination of the Government of the United States and the government of the State of New York and the Canadian authorities."

In no particular on this question have we changed our views since the issuance of the statement above quoted. Permit us to make clear again with all emphasis that we have not directly or indirectly attempted to influence in one way or the other ratification of the St. Lawrence Treaty or the character and manner of the proposed St. Lawrence power development.

More than once in your speech, either by direct statement or by innuendo, you declare that we control or dominate certain public utilities. Any such statement is without basis in fact, as reference to the public records will readily show.

You implied that our relations (which you incorrectly state to be that of fiscal agents) with certain railroads which parallel the St. Lawrence seaway have a bearing on the policy of these railroads regarding seaways. This is emphatically not the case. We are neither directors nor stockholders of any of the railroads referred to, and have not once been consulted in this matter by either the directors or managements of the railways. We have, in fact, no knowledge of the attitude of any of the railroads toward the development of the seaway, other than any opinions or views which they may have stated publicly.

Your speech contains various other statements or allusions in regard to our firm which it is unnecessary for us to comment upon, inasmuch as they are largely a reiteration in various forms of the categorical statements quoted from you as above.

With great respect for the reputation for fairness and justice which you enjoy, may we suggest that you will in due course wish to read into the RECORD our correction of these statements which you have made?

Very truly yours,

THOMAS W. LAMONT.

As I have stated, the letter to the Senator from Wisconsin was dated February 5, 1934. On February 10, just 5 days after Mr. Lamont apparently dic-

tated that letter in Wall Street, the senior Senator from Wisconsin replied to it. In order to satisfy my colleague, the able senior Senator from Pennsylvania, I will read the reply:

UNITED STATES SENATE,
February 10, 1934.

Mr. THOMAS W. LAMONT,
J. P. Morgan & Co., New York City.

DEAR MR. LAMONT: I shall be pleased to place your letter of February 5 on behalf of J. P. Morgan & Co. in the CONGRESSIONAL RECORD in response to your request.

Your letter invites a frank reply, but I do not regard it as an occasion for mere personal controversy. The subject dealt with is of fundamental importance. It involves the use, control, and enjoyment of our natural resources, upon which the opportunity and security of American life depend. It presents a question contested throughout history which has never been more acutely at issue than it is now.

If I may digress a moment from the reply of the Senator from Wisconsin to Mr. Lamont, let me say that indeed the St. Lawrence seaway matter is of tremendous importance to the State of North Dakota. On an average crop, if the St. Lawrence seaway is built, we will save enough in shipping to pay one-half the annual cost of the entire State government of North Dakota. So it can readily be seen why my constituents are exercised, and interested in knowing something about the character, ability, and background of the man who will negotiate the treaties in case any new treaties are negotiated in regard to the St. Lawrence waterway. I know my distinguished friend and colleague from Texas well enough to understand that he would expect nothing less from me than a determined effort on my part, in behalf of my constituents, to go into this matter which is of such great moment to them, as I am doing and as I have done ever since this nomination was sent to the Senate by the President of this country. And, Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE] in the letter rightfully said that this great question "involves the use, control, and enjoyment of our natural resources" upon which the opportunity and security of American life depends.

The Senator from Wisconsin then said in his letter to Mr. Lamont:

When I addressed the Senate January 31, I made no charges. I stated facts of record.

Mr. President, digressing again, let me say that is what I have tried to do here this afternoon. I have not attempted to express personal opinions, but I have cited from record after record after record. I have cited testimony, some of it given under oath. The only opinion I cited at all was one expressed by the chief counsel of the Senate munitions investigating committee. All the rest has been matter in documentary form, in the form of letters, printed testimony, or cablegrams.

The able senior Senator from Wisconsin further stated in his letter to Mr. Lamont:

When I addressed the Senate January 31, I made no charges. I stated facts of record. But since you challenge them, I produce the proof.

That is the way the Senator from Wisconsin answered. Then he proceeded to produce the proof, as follows:

Reports of the Senate itself and agencies acting under Senate resolutions were the sources of the statements to which your firm objects.

The entire record supports the conclusion that corporations and agencies in which the influence of J. P. Morgan & Co. is notorious have been using every resource to block public development of St. Lawrence power in the interest of lower electric rates.

If the St. Lawrence Treaty is defeated, it will, in my opinion, be due largely to the false propaganda which has been directed for nearly 2 years against this project, and to the opposition fomented by utility interests affiliated with J. P. Morgan & Co.

This propaganda has been directed chiefly against the navigation features of the project. The obvious intent behind it has been to arouse "exaggerated fears" of harm on the part of "special or local interests," to which the President referred in his message on the treaty. The result of this campaign of deliberate misrepresentation has been to obscure the fact that ratification of the treaty will provide 1,100,000 horsepower of the cheapest electricity available on this continent to be used by a public agency in New York to insure the lowest possible rates.

To assert that J. P. Morgan & Co., with its vast utility holdings and enormous stake in the maintenance and excessive rates in the greatest market for power and electricity in the world, is indifferent to a public power project larger than Muscle Shoals and Boulder Dam combined is to tax the credulity of the Senate and the public and to belie the public records of both State and Federal Governments.

You state that no member of the firm of J. P. Morgan & Co. has opposed the public power and navigation project covered by the treaty.

Every Member of the United States Senate has received numerous printed statements demanding the defeat of the treaty, mailed at frequent intervals in the last 2 years by the Chamber of Commerce of the State of New York.

J. P. Morgan and 12 of his partners, including yourself, were listed as members of this chamber at the time it initiated the propaganda referred to.

The treasurer of the organization, who collected the funds and disbursed the expenditures for this campaign against the treaty, is Junius S. Morgan, Jr., the son of the head of the firm. Mr. Morgan still holds the office of treasurer today.

Mr. President, I notice that the junior Senator from Vermont [Mr. AIKEN] has just entered the Chamber. In view of what he said yesterday, just before the Senate took its recess, about the fine work which the Secretary of State, Mr. Hull, had done in behalf of the St. Lawrence waterway, I know the Senator will be interested in my attitude regarding the man who is going to succeed Secretary Hull. At this time I have been reading a letter written by the senior Senator from Wisconsin [Mr. LA FOLLETTE], on the 10th day of February 1934, in reply to a letter he had received from Mr. Thomas Lamont, one of the partners of J. P. Morgan & Co. I suggest that the Senator from Vermont direct his attention to the letter which the Senator from Wisconsin received from Mr. Lamont. It will be published in the CONGRESSIONAL RECORD which Senators will receive tomorrow morning.

I think the Senator from Vermont will be interested in the reply written by the Senator from Wisconsin, which I now continue to read:

I have made an analysis of the published roster of the membership of the chamber for 1932, when the effort to defeat the treaty began. With data derived from standard financial manuals and directories, this analysis shows:

1. The 13 members of the firm of J. P. Morgan & Co. listed as members of the Chamber of Commerce of the State of New York are: J. Pierpont Morgan, Thomas W. Lamont, Henry S. Morgan, Junius S. Morgan, Jr., Thomas S. Lamont, Henry P. Davison, E. T. Stotesbury, Charles Steele, Thomas Cochran, R. C. Leffingwell, Harold Stanley, George Whitney, and Francis D. Bartow.

2. Less than 10 percent of the membership show an address outside of New York City. It includes 510 bankers and 71 railroad and utility directors and officials. Of the 510 bankers, 64 are also directors of railroad or electric-power corporations.

3. Power and public-utility interests are represented in the list by Floyd L. Carlisle, chairman of the boards of the Niagara Hudson Power Corporation, the Consolidated Gas Co. of New York, and the New York Edison Co.; Harold Stanley, a member of the firm of J. P. Morgan & Co. and director of the Niagara Hudson, the United Corporation, and the United Gas Improvement Co.; E. T. Stotesbury, a Morgan partner and director of the United Gas Improvement Co.; and George Whitney, a Morgan partner and director of Consolidated Gas.

4. Junius S. Morgan, Jr., of J. P. Morgan & Co., is listed as treasurer of the chamber.

On November 18, 1932, a representative of the chamber appeared before the Borah subcommittee of the Committee on Foreign Relations and presented an elaborate report, together with a "summary and resolutions," denouncing both the power and navigation projects and demanding the rejection of the St. Lawrence Treaty.

This document appears on page 267 of the printed record of the hearings on the treaty. It had previously been mailed to each individual Senator and to the President. As printed in the record and as received by Senators in the mails, it is preceded by the following notice, printed in black-face type:

"This report was mailed to all members of the chamber 5 days before the meeting, and copies were also placed in the hands of each member attending the meeting, when opportunity was given for discussion. The vote thereon, therefore, can fairly be said to represent the opinion of the entire membership. The meetings of the chamber are attended by three or four hundred members."

I submit that if the 13 partners of J. P. Morgan & Co. who were members of the chamber on October 6, 1932, have been, as you state, indifferent to the action of the Senate on the treaty, their protest should not be directed to a Senator but to the officers of the chamber who caused such attacks against the treaty to be transmitted to Members of the Senate.

The fact is that the report and resolutions adopted on October 6, 1932, incorporated the misstatements, exaggerations, and half-truths which have since been chiefly relied upon and most widely circulated in the effort to defeat the treaty.

If you will consult 1 of the 13 copies of this document mailed to members of your firm in advance of its adoption and transmission to the Senate, you will find that it recites 22 detailed objections to the ratification of the pending treaty.

This report states that the chamber has opposed public development of the St. Lawrence since 1920; that the chamber adopted

a report in June 1931 against the public power project at Muscle Shoals; that "in the event of the United States being at war," England would prevent the United States from using the seaway; that the chamber has gone on record "against Government participation in business" and that "the huge expenditure in the St. Lawrence is closely akin to the enterprises this chamber has so often criticized"; that "the private electric-power industry will not know for years what competition to expect from the St. Lawrence" and "also the railroad industry will be uncertain."

I quote further from the CONGRESSIONAL RECORD setting forth the statement of the Chamber of Commerce of New York.

"It might even develop," the report concludes, "that the Government will go into the operation of barges or similar craft on the St. Lawrence waterway when completed, as it has on the Mississippi River, which this chamber condemned on December 31, 1931. It might even happen that Congress would decide to put the Federal Government further into the waterpower business."

The Senator from Wisconsin further said:

The chamber condemns the St. Lawrence project as "economically unsound, commercially unwise, and politically inadvisable," and directs that "copies of this report and resolutions be sent to the President, the Members of Congress, and others who may be interested."

The falsehoods contained elsewhere in this document in respect to construction costs, traffic movements, and production and marketing of power have been completely discredited by the official reports of the Corps of Engineers, the Federal Power Commission, the Power Authority of the State of New York, the State Department—

I invite particular attention to the words "State Department"—

and every other public agency that has dealt with the project.

It would appear, therefore, that members of the chamber should first dissociate themselves from such propaganda and repudiate its circulation among Members of the Senate before asking the Senate and the country to regard them as neutral and disinterested in respect to the pending treaty.

In your letter you refer to a categorical declaration by J. P. Morgan & Co. on September 18, 1929, and quote one sentence therefrom as follows:

"In our opinion, these (the pending St. Lawrence developments) are matters for the determination of the Government of the United States and the government of the State of New York and the Canadian authorities."

You add this comment in your letter of February 5, 1934:

I invite attention of the Senator from Vermont [Mr. AIKEN] to the fact that the quotation now is from Mr. Lamont, a member of the firm of J. P. Morgan & Co.:

"In no particular on this question have we changed our views since the issuance of the statement above quoted. Permit us to make clear again with all emphasis that we have not directly or indirectly attempted to influence in one way or the other ratification of the St. Lawrence Treaty or the character and manner of the proposed St. Lawrence power development."

I now continue quoting from the Senator from Wisconsin:

You evidently refer to your statement of September 17, 1929, published in the New York Times of September 18, together with the statement simultaneously issued by Floyd L. Carlisle, of the Niagara Hudson Power Corporation.

The statement of 5 years ago from which you quote could not, of course, relate specifically to the pending treaty, which was not signed until July 18, 1932. Your statement was issued at a time when Franklin D. Roosevelt, then Governor of New York, was striving to obtain the approval of the legislature for public development of St. Lawrence power and its distribution at the lowest possible rates.

Your statement was occasioned by the following events:

1. On September 13, 1929, it was announced that J. P. Morgan & Co., through the Niagara Hudson Power Corporation, had acquired control of the Frontier Corporation. The holdings of the Frontier Corporation consisted of riparian lands and islands on the St. Lawrence where the dams must be built for the development of power and navigation.

2. On September 15, 1929, Governor Roosevelt issued a public statement serving notice that Morgan control of the Frontier Corporation and recent mergers of Morgan companies would not deter his administration from proceeding with its plan for public development of St. Lawrence power and its distribution at low rates.

The New York Times published this statement under the caption, "Roosevelt declares deal by Morgan forces State to act to develop power. Insists on public control. Morgan foothold on the St. Lawrence makes step imperative, he says."

I believe the statement also quoted what Governor Roosevelt had said.

Mr. President, I know of nothing which won for Mr. Roosevelt more votes in the State of North Dakota when he was a candidate for President for the first time—he carried the State of North Dakota—than his announcement in favor of the development of the St. Lawrence seaway. The people of my State wish to know whether the present nominee for Secretary of State, who may take the place of the fine and eminent gentleman of whom the junior Senator from Vermont spoke so eloquently yesterday, will have the same attitude.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. I should like to make two observations with reference to the remarks of the able Senator from North Dakota. The first observation which I wish to make concerns the action of the New York Chamber of Commerce in adopting resolutions opposing the St. Lawrence seaway. In repeating what they have done for, I believe, 15 years, this year they adopted the usual resolution opposing the St. Lawrence seaway and, as usual, made false assertions on which the resolution was based. But for the first time, this year there was a revolt within the New York Chamber of Commerce itself, and I understand the resolution against the seaway was adopted by a vote of only 67 to 49.

The other matter to which the Senator from North Dakota referred concerns the votes which Governor Roosevelt received because he advocated the St. Lawrence River seaway. I invite attention to the fact that in the recent election the senior Senator from New York [Mr. WAGNER] publicly endorsed the seaway, and as a result, he carried every city in upState New York, which is traditionally Republican. In the city of Buffalo, for example, where there is supposed to be great opposition to the seaway, his majority was 36,000 greater than it was 6 years ago. That proves conclusively that the people of the city of Buffalo are not opposed to the seaway, although certain interests with headquarters in the city of Buffalo are opposed to it.

Mr. LANGER. Mr. President, I thank the Senator from Vermont in whose fine fight for the St. Lawrence seaway I have enlisted and I read further from the letter of the Senator from Wisconsin:

3. On September 16, 1929, Senator CAPPER, of Kansas, and Senator WAGNER, of New York, issued statements challenging any attempt by Morgan utility companies to subvert the policy of public development of the St. Lawrence.

According to the New York Times, Senator WAGNER said:

"The St. Lawrence is a boundary stream separating the United States and Canada. Any power development of the St. Lawrence must, therefore, first meet the necessity of international action by the Federal Government and the Dominion Government. * * *

"With the expansion of the Niagara-Hudson Power Corporation until it is reported to control 80 percent of the water power of the State."

One corporation, mind you, Mr. President, controlling 80 percent of the water power of the State. The Senator from Wisconsin said further, quoting from the editorial:

"It may be that when the State comes to sell the power which it develops, it will have but a single customer with whom to deal, who may be minded to dictate its terms to the State.

"Should such a situation develop and should the company be inclined to take advantage of its position to make an unfair bargain with the State, it may compel the State to go further into the business of supplying electricity than would otherwise be necessary or wise."

Mr. President, the letter of the Senator from Wisconsin is perhaps the best exposition of the St. Lawrence-Great Lakes project and the St. Lawrence seaway that we have ever had in the United States. It is the best one I have seen, and with the consent of the distinguished senior Senator from Pennsylvania [Mr. DAVIS] I shall not read the remainder of the letter but shall ask unanimous consent that it be printed in the RECORD. Before doing so, however, I wish to quote one paragraph of it because I know of no expression which in such few words contains the very heart of what the people of North Dakota and of the entire Northwest are striving for in the effort to have the St. Lawrence waterway built. On page 2413 of the CONGRESSIONAL RECORD of February 12, 1934, the Senator from Wisconsin said:

We have the greatest industrial plant, the finest agricultural development the world has ever seen. We are richly endowed with natural resources. Once freed from the domination of selfish interests intent upon the maintenance of special privilege and speculative profits, our economic resources can be directed toward social ends and lift our people to a standard of comfort, leisure, and security hitherto unknown.

I now ask that the remainder of the letter written by the Senator from Wisconsin, from which I have been reading, be printed in the RECORD.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

"Following issuance of the three public statements above referred to, you gave out at the office of J. P. Morgan & Co., on September 17, 1929, the statement from which you quote one sentence in your letter of February 5.

"The essence of your statement, which followed that of the Governor by 2 days, is found in the following quotation:

" 'Neither J. P. Morgan & Co. nor, so far as they know, any of the companies in which they have any interest, direct or indirect, have taken any position for or against public or private ownership of the St. Lawrence River water power or the manner of its development. In our opinion, these are matters for the determination of the Government of the United States and the government of the State of New York and by the Canadian authorities. Insofar as we have any opinion in the matter, it is our belief that, speaking generally, these power companies are abstaining, and should continue to abstain, from intervention in the decision of this question and should loyally cooperate with the decision of the public authorities when that decision has been arrived at.'

"When read in connection with your letter of February 5, 1934, your statement issued 5 years ago in reply to Governor Roosevelt has a familiar ring. Both statements seek to avoid public responsibility for the activities of utility companies you control in connection with St. Lawrence power.

"For years prior to 1929 water-power policy has been an important political issue in New York State. The Aluminum Co. of America, the General Electric Co., and the du Ponts—all interrelated with the House of Morgan—were extending their ownership of lands along the banks of the St. Lawrence in the vicinity of the proposed power project and filed application for the right to develop this rich resource under a long-term lease.

"After his election on this major issue in 1926, Governor Smith blocked a 50-year lease of the St. Lawrence power resources to the Frontier Corporation.

"By 1929 it was apparent that private interests must give up the idea of actually building the St. Lawrence powerhouses themselves. Public opinion had set strongly against that policy. It was becoming obvious that the strategic move for the utilities was to let the State put up the money for the dams and powerhouses and then secure control of the distribution of cheap St. Lawrence power at highly profitable rates.

"Creation of a State-wide power combine was already under way, so that the field for distribution of State-produced St. Lawrence power would be reduced to a single bidder—and this a corporation under Morgan control.

"I note the sweeping denial in your letter of February 5 that J. P. Morgan & Co. 'control or dominate certain public utilities. Any such statement,' you assert, 'is without basis in fact, as reference to the public records will readily show.'

"Among the most recent of these public records is Commission Exhibit No. 5297 in the Federal Trade Commission investigation carried out pursuant to Senate Resolution No. 83. The title of this exhibit is: 'The United Corporation (Intercorporate Relations Among Companies Comprising Morgan, Carlisle, and Thorne, Loomis (Bonbright & Co.) Group).'"

I digress long enough to say that I hold the document in my hand. Senators may see what a comprehensive survey of this question it was.

"The exhibit shows the United Corporation, organized by J. P. Morgan & Co., Drexel & Co., and Bonbright & Co., Inc., in January 1929, as a superutility holding company of a new type designed to preside over power mergers on a State-wide basis. The four original directors included two Morgan partners and two members of Bonbright & Co. This policy of the corporation, according to the report, was 'to build up a strong equity position in the utilities controlling the Atlantic seaboard field.'

"The board of directors was subsequently rounded out to include the chief executives of the component holding companies, including Floyd L. Carlisle, chairman of the Niagara-Hudson Power Corporation and subsequently of the Consolidated Gas Co., of New York; B. C. Cobb, chairman of the Commonwealth & Southern Corporation; Philip G. Gossler, president of Columbia Gas & Electric Corporation; Thomas N. McCarter, president of Public Service Corporation of New Jersey; and John E. Zimmerman, president of the United Gas Improvement Co.

"Federal Trade Commission Exhibit No. 5298 is a chart constructed from information furnished by the companies themselves, which shows the Niagara-Hudson Power Corporation, the Columbia Gas & Electric Corporation, the Commonwealth & Southern Corporation, the United Gas Improvement Co., the Public Service Corporation of New Jersey, and the Consolidated Gas Co. of New York as 'substantially under the control of the United Corporation.'"

I hold exhibit No. 5298 in my hand, and any Senator desiring to look at it is at liberty to do so.

"It is further a matter of common knowledge that the southern wing of this Atlantic coast power combine, marshaled under the Commonwealth & Southern Corporation, fought to the last ditch against the Norris bills to utilize Muscle Shoals power as a means of reducing electric rates throughout a large part of the South. This corporation controls, through 100 percent stock ownership, the Alabama Power Co., the Georgia Power Co., the Mississippi Power Co., the Mississippi Utilities Co., the Ohio Edison Co., the Southern Tennessee Power Co., and, through a majority stock ownership, the South Carolina Power Co. and the Tennessee Electric Power Co.

"It is true that J. P. Morgan & Co., Drexel & Co., and their individual partners were reported as holding only a small percentage of the voting stock of the United Corporation. But anyone in the least familiar with the method by which financial power is today exercised recognizes in this combination the most complete and effective Morgan control. The intercompany holdings and interlocking directorates which knit this holding company together are traced in the exhibit. The financial world itself recognizes the United Corporation as a creature of your firm.

"Another recent public record is available in the stock exchange practices hearings before the Committee on Banking and Currency of the United States Senate.

"J. P. Morgan himself testified under oath on May 23, 1933, that three members of his firm, George Whitney, Harold Stanley, and Edward Hopkinson, Jr., were directors of the United Corporation (pp. 30–31, hearings).

"He testified further that Mr. Stanley was also a director of the Niagara Hudson Power Corporation and that Mr. Whitney was trustee of the Consolidated Gas Co. of New York and director of the New York Edison Co.

"George H. Howard, president of the United Corporation, testified under oath in these same hearings that the office of the United Corporation, shared by the Niagara Hudson Power Corporation, immediately adjoins the offices of J. P. Morgan & Co., at 23 Wall Street, and that there is an interior passageway between the two buildings. He testified further that the books of the United Corporation are kept at the office of J. P. Morgan & Co. under the supervision of L. H. Keyes, and that he, the president of the United Corporation, did not have any idea who made the entries (p. 315, hearings).

"On page 37 of the hearings the following testimony of J. P. Morgan appears:

" 'Mr. PECORA. What is the relationship of Mr. Keyes to your firm?'

" 'Mr. MORGAN. Mr. Keyes is a sort of general office manager and most confidential clerk.'

"This same investigation is replete with testimony which reveals the various devices and methods used by J. P. Morgan & Co. to secure and to maintain their effective influence over banks, railroads, and public-utility corporations.

"The Federal Trade Commission exhibits further show that in 1930 the Niagara Hudson Power Corporation, which exploits Niagara Falls, produced 5,105,075,917 kilowatt-hours of electrical energy, and the Consolidated Gas Co. of New York, 3,176,488,984 kilowatt-hours, making a total of 8,281,564,901 for these New York components of the United Corporation group. This represents more than 70 percent of all the electrical energy generated by the utilities of New York State in that year.

"An exhibit prepared by Bonbright & Co., June 1, 1933, for the Senate Committee on Banking and Currency (committee exhibit No. 38) showed that these New York components of the United Corporation had a combined gross income of $299,000,000, or 85 percent of the gross income of all utilities for electricity and gas in New York State.

"The Federal Trade Commission exhibit shows that for the group of utility companies interrelated with the United Corporation the total production of electric energy in 1930 was 36,991,553,616 kilowatt-hours, or one-third of all the electric energy produced throughout the entire country in that year.

"These figures show the direct interest of J. P. Morgan & Co. in the electric rates throughout New York State, which will be affected by the public development of St. Lawrence power.

"To complete the picture a word must be said of the relation of H. Edmund Machold to the United Corporation combine in New York State.

"From 1928 to 1929 H. Edmund Machold was Republican State chairman. He had served 12 years in the legislature, including 4 years as speaker of the assembly.

"According to the Federal Trade Commission exhibit, as of December 31, 1931, Mr. Machold held 5,000 shares of stock in F. L. Carlisle & Co., which in turn held 171,299 shares of Eastern States Power Corporation, which with F. L. Carlisle & Co. held 1,255,893 shares of St. Regis Paper Co., which in turn held 2,035,800 shares of United Corporation, which in turn held 5,743,250 shares of Niagara Hudson Power Corporation stock.

"This important political leader and former speaker of the State assembly held personally an additional 16,100 shares of St. Regis common stock, was director of F. L. Carlisle & Co., Eastern States Power, and St. Regis Paper.

"According to the Senate committee investigation of stock-exchange practices, Machold's name appeared on three of the J. P. Morgan & Co. select lists. He got from your firm 2,000 shares of Allegheny Corporation, 2,000 shares of Standard Brands, and 3,000 shares of United Corporation stock. He could have sold this stock immediately at a profit of not less than $85,000.

"You and I, Mr. Lamont, do not need to quibble over terms. When I say that J. P. Morgan & Co. and its partners have consistently opposed everything that is vital about

this great public-power project I do not mean that either Mr. Morgan or you have gone about making speeches against it or that you have gone up to Albany or down to Washington to buttonhole legislators and lobby against bills which you feel jeopardize your strangle hold on the business of distributing electric energy to the people of New York and other States.

"It is through your innumerable agents, like this man Machold, that your influence is as effectively exerted as if you were operating in person. You will perhaps recall the recent address at Utica, December 8, 1933, of W. Kingsland Macy, a successor of Machold as chairman of the State Republican Committee. He said:

" 'It is intolerable that the invisible government set up by Mr. Machold in Albany during the legislative sessions, operating through his control of the clerkship under Mr. Hammond, manipulating chairmanships and directing legislation, should be permitted to continue.

" 'The trouble is not that Mr. Machold believes in the private ownership of public utilities but that he apparently believes in the private ownership of the State government.'

"This is a partial background which casts light on the purpose of your 1929 statement on behalf of J. P. Morgan & Co., to which you allude in your letter.

"After the Morgan merger of 1929 it required a year and a half of battling at Albany before Governor Roosevelt in 1931 got through the legislature an act authorizing public development of St. Lawrence power and the creation of a power authority to see that electricity reached the consumer at the lowest possible rates.

"In a message delivered to the New York Legislature on January 7, 1931, Governor Roosevelt said:

" 'I foresaw, of course, as everyone does, the possibility that existing private companies might refuse to treat with the State on fair terms for the transmission of this electricity under a contractual relationship fixing their rates and profits. It was for that reason that I viewed with such alarm the merger of the three largest holding companies of power corporations into the joint merger of the Niagara-Hudson Power Co. The creation of this superutility deprived the State of its right to bargain with several companies and compelled it to bargain with this company alone.'

"In this message the Governor recommended complete control by the State of the transmission of St. Lawrence power. He also recommended that publicly owned municipal systems 'should be given full opportunity to purchase a reasonable share of the St. Lawrence River power' at 'cost of generation and of transmission.'

"Governor Roosevelt continued in his message:

" 'These two alternatives which the power authority would have in determining the method of transmitting electricity are, of course, the only bargaining club in its possession in its negotiations with the present utility monopoly. If it did not have these alternatives the State would be at the complete mercy of the Niagara-Hudson Power Co. I believe that these alternatives form the very foundation of the plan, which will have its ultimate attainment only when the homes of the State get cheap electricity. I believe that these two alternatives provide the whip hand, the trump card, with which the State can treat with the Power Trust, and I believe that they should be emphasized to the utmost.'

"In the face of these public records to which I have referred you insist that 'not only have we not opposed the present administration at Washington but from the very start have cordially supported it.'

"It is true that Mr. Morgan issued a statement in April 1933 endorsing withdrawal from the gold standard. In respect to the Great Lakes-St. Lawrence Treaty, however, the public records prove your firm has a selfish interest in conflict with the public interest, and your letter states you are not supporting the administration's effort to secure its ratification. In your letter you assume a neutral attitude, but the record demonstrates you have in the past effectively opposed the administration's public power program.

"A policy of this administration vital to its success and of great importance to the people is the President's effort to free our natural resources from exploitation and control by private interests for extortionate private profit.

"Our flowing streams are peculiarly adaptable to development and use for the public benefit. In his avowed purpose of removing credit, production, and transportation from selfish exploitation, the President has wisely insisted upon the public development of water power under terms which will insure to every home its maximum benefits in cheap and increased use of current and the relief of needless drudgery—in short, a richer life for the average American family.

"In other ccuntries resourceful business minds have been dedicated to this same great task. Adam Beck built the Ontario system to develop and distribute electricity virtually at cost. Henry Thornton, an American railroad official, was drafted by the Dominion Government to organize and operate the great transportation system of Canada, which pays high wages and charges low rates. Both of these men were early and open advocates of the development of the St. Lawrence for navigation and power.

"We have the greatest industrial plant, the finest agricultural development the world has ever seen. We are richly endowed with natural resources. Once freed from the domination of selfish interests intent upon the maintenance of special privilege and speculative profits, our economic resources can be directed toward social ends and lift our people to a standard of comfort, leisure, and security hitherto unknown.

"I am convinced that the ratification of the pending treaty to open the midcontinent to the sea, and to develop water power now wasted equivalent to the energy of 5,000,000 men, is an important step in promoting recovery and in fulfilling the destiny of this Nation.

"If American financiers remain hostile to such broad national purposes, then I seriously doubt whether they can service as a useful instrumentality of society when we succeed in eradicating the greed and ignorance that produced the depression.

"You will recall the words of President Roosevelt in his inaugural address of March 4, 1933:

" 'Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men. * * *

" 'The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.'

"The St. Lawrence Treaty will, in my opinion, be ratified. If the withdrawal of further opposition by members of your firm, even at this belated hour, is made effective, it will unquestionably be welcomed by the American people.

"Very truly yours,

"ROBERT M. LA FOLLETTE, JR."

Mr. LANGER. Mr. President, I will now take a moment to state why the development of the St. Lawrence waterway and the development of the Missouri River Basin are so important to our people. In Rhode Island, for example, 93 farmers out of every hundred have light and power. I see present the distinguished junior Senator from Rhode Island [Mr. GREEN]. He knows from the record that 93 farmers out of every 100 in Rhode Island have light and power upon their farms. I see in the Chamber the distinguished Senator from the State of Washington [Mr. WALLGREN]. He knows that out of every 100 farmers in the State of Washington 80 have light and power upon their farms. The Senator from Minnesota [Mr. SHIPSTEAD] left the Chamber a moment ago. If he were here, he would verify the statement that in the State of Minnesota 40 out of every hundred farmers have light and power upon their farms. In the State of Montana 25 out of every hundred farmers have light and power upon their farms. But the State of North Dakota is at the very bottom of the list; of the 48 States, it is the lowest; it is the forty-eighth State, for only 6.9 percent, or less than 7 farmers out of every hundred in North Dakota have light and power on their farms, while in the State of South Dakota less than 10 farmers out of every hundred have light and power.

Now, to refer to the matter of irrigation, in the adjoining State of Montana, of all the land that can be irrigated 66 percent of the land is irrigated, and that State has 1,711,409 acres of irrigated land. But in North Dakota we have only 21,615 acres of irrigated land. So Senators can see how tremendously interested the people of North Dakota are.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. I should like to say to the Senator from North Dakota that he does not have to go so far away from the east to find unserved rural territory. According to information given me about 3 days ago by the Department of Agriculture there are in the States of New York, New Hampshire, and Vermont alone 50,000 farms that have no electric service, and 85,000 other rural homes, making a total of 135,000 rural homes without electricity within a radius of 200 miles of the St. Lawrence project.

Mr. LANGER. And I may say to the distinguished Senator from Vermont, contrast that if you will, with the conditions in countries we are now fighting. More than 90 percent of all the farms in Germany and more than 90 percent of all the farms in Japan have light and power, as shown by the official report of the R. E. A. of the United States Government.

Now, Mr. President, I call the attention of the Senate to the New York Times of this morning, page 1:

At the same time it was learned that Edward R. Stettinius, Jr., newly appointed Secretary of State, contemplates a thorough reorganization of the State Department which would include an increase in its jurisdiction in the foreign economic field. This in turn will involve a general reshuffling of foreign economic functions which are scattered about the Government, mainly in the Foreign Economic Administration, Commerce

Department, and Office of Coordinator for Inter-American Affairs.

This goes to show what tremendous significance this appointment has. Yet, Mr. President, we are asked to confirm this nomination which was submitted to the Senate on last Monday afternoon. We were asked to confirm it yesterday, Wednesday, when it was reported by the distinguished chairman of the Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY].

Now, Mr. President, I wish to call the attention of the Senate to an address made upon this floor by the late George W. Norris, on February 23, 1933, as it appears at page 4770 of the CONGRESSIONAL RECORD. I wish to quote from the speech, because I do not know of any Senator in recent years who has commanded a higher respect upon the floor of this body than the late Senator Norris. On that day Senator Norris said:

Senators will recollect that through interlocking directorships between banks dominated by Morgan and through the control of the Morgan-founded, Morgan-operated United Corporation, this banking house, within the past few years, has come into a position of absolute dominance in the power business. Take its United Corporation: It was founded early in 1929. United Corporation has substantial control of Columbia Gas & Electric Co., a far-flung holding corporation; the Niagara Hudson Power Corporation, which dominates the up-State utility picture in New York; and the Commonwealth & Southern Corporation, another huge power group. I shall have more to say in regard to that in the future.

I had assistants working on a chart that charted the United Corporation, which I have just mentioned. Some of the statistics and some of the information we were not able to get. I expected to have it, so that I could put it up beside these other charts on the wall and show to the Senate just how this United Corporation, controlled by Morgan in the public-utility field, spreads all over the United States; but we were unable to assemble all the information, and I shall have to wait until some future date for the information that that would convey.

United Corporation also is buying into Electric Bond & Share, which in the past has been headed by Sidney Z. Mitchell, who, with Insull, dominated the old-time National Electric Light Association.

At the present rate of progress, Morgan will soon control the industry.

Mr. President, I particularly ask that the Senate remember the last words I just quoted from Senator Norris' speech, delivered on the 23d of February 1933, because I intend to read from a letter written by President Roosevelt only a few months ago showing exactly how the electric-light industry has increased.

Senator Norris said further:

At the present rate of progress, Morgan will soon control the industry. That famous banking house is already well on the road in that direction. The record of the functioning of these various Morgan-controlled corporations in this new Edison Electric Institute will bear watching.

He warned us 10 years ago, said they would bear watching. He said further:

Is it because Morgan wishes to complete the picture of his control of the power industry that his power executives dominate 18 of the 22 trustees of this new organization?

An examination of the connections of the trustees of the Edison Electric Institute and the showing as to the interlocking directorships between bankers and the companies and the interlocking directorates between banking houses which also have interlocking directorates with the companies headed by the trustees of the Edison Electric Institute shows that of the 22 trustees of the new organization, 18 are so closely linked to the Morgan-Carlisle-United Corporation interests that it would be impossible to have the slightest independence of action.

Now let us consider some of these trustees.

He takes them up in order, and I ask unanimous consent to place in the RECORD the remainder of page 4770, all of page 4771, and everything Mr. Norris said on pages 4772 and 4773.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Who is Mr. Carlisle, for instance?

Carlisle is an upstate New York banker who launched into the power industry several years ago. His greatest rise, however, has been since he, acting for Morgan, moved into control of the upstate Niagara Hudson Power Co. and the Consolidated Gas Co., which controls the electric and gas picture in the city of New York, and is one of the real powers in the Morgan-owned United Corporation. United Corporation in December 1931, controlled about 22 percent of the voting strength of Niagara Hudson. Carlisle and other Morgan operators have enough stock to make this working control absolute.

Mr. Carlisle's investment company, known as F. L. Carlisle & Co., had about a 33-percent control of the New England Power Association, a public-utility group, when that organization was founded, and when it wrote up its assets by $17,000,000, according to the records of the Federal Trade Commission's investigation of utilities.

That is found on page 362, volumes 31 and 32. So Mr. Carlisle, one of the trustees of this holy institute, was the head of an institution that the Federal Trade Commission shows put $17,000,000 of water into the capitalization.

It is interesting to note that since the organization of the Niagara-Hudson Power Co., J. P. Morgan & Co. are always the head of the banking syndicate that handles the public offerings of the securities of the Niagara Power Co.'s subsidiary corporations.

Here are some of the samples:

In 1931 one of the subsidiaries, the Buffalo General Electric Co., floated general and refunding mortgage 4½-percent gold bonds due February 1, 1981, to the amount of $20,000,000. It is interesting to note who handled the bonds. Here are the bankers who did it:

J. P. Morgan & Co.; Bonbright & Co.; First National Bank; National City Co.; Guaranty Co. of New York; Bankers Trust Co. of New York; Chase Securities Corporation; Lee, Higginson & Co.; Bancamerica-Blair Corporation; and Schoellkopf, Hutton & Pomeroy, Buffalo, N. Y.

Note these names. I am going to repeat them a good many times before I get through with these charts that are on the wall. You will become familiar with them. These are the banking institutions that handled the bonds of this Morgan-controlled subsidiary of the new Edison Electric Institute.

In 1932 the Niagara Falls Power Co., another one of the subsidiaries, floated first and consolidated mortgage 5-percent gold bonds, due in 1959, to the amount of $2,000,000. Who handled that? J. P. Morgan & Co.; Bonbright & Co.; Schoellkopf, Hutton & Pomeroy.

Then in the same year, 1932, the Utica Gas & Electric Co., another one of the subsidiaries, floated $2,000,000 in 20-year general mortgage 5-percent gold bonds. Who handled them? J. P. Morgan & Co.; Bonbright & Co.; Schoellkopf, Hutton & Pomeroy.

So that gives the Senate an idea of Mr. Carlisle's connections. Incidentally do not forget that we always find him in the Morgan group.

George H. Howard is another trustee of this converted, Christianized Edison Electric Institute. Who is he? Why, he is president of the United Corporation. That, remember, is the corporation I have been talking about. That is the corporation that controls the electric-light companies of the subsidiaries in the public-utility business from New York to San Francisco and from the Canadian line to the Gulf. That is the corporation as to which I wanted to have a chart here, showing how they were connected, but was not able to get it ready.

Mr. Howard has associated with him as directors in various enterprises Harold Stanley, a Morgan partner; Landon K. Thorne, another Morgan associate; George Whitney, a Morgan partner; and Alfred L. Loomis, a codirector in the Morgan-controlled Bankers Trust Co.

Now let us take up Mr. B. C. Cobb, another one of the trustees. He is another of the Morgan triumvirate. He has been chairman of the finance committee of the National Electric Light Association. That is the one they got ashamed of and disbanded, you know. He was the head of the finance committee; so they not only have the same officers but the same fellows are going to run their finances. He is chairman of Commonwealth & Southern, a company that holds a large number of electric-light corporations, in which the Morgan-owned United Corporation has an important, if not a controlling, interest.

Mr. Cobb was serving on the boards of the companies he operates.

Mr. Thorne, the president of Bonbright Co., a Morgan associate, who, in addition to being a director in Commonwealth & Southern, is also director of Niagara Hudson, Public Service Corporation of New Jersey, the United Gas Improvement Co., Mohawk Hudson Power Co., American Superpower Corporation, the United Utilities, and the Morgan bank, the Bankers Trust Co.

Another associate of Mr. Cobb as a director of the Commonwealth & Southern Corporation is Alfred L. Loomis, who also is a director of United Corporation, Public Service Corporation of New Jersey, American Superpower, United Utilities, and the Bankers Trust Co. Back to Morgan again!

Another associate of Cobb is the far-famed Sidney Z. Mitchell. He is head of the Electric Bond & Share group, in which Morgan, through his United Corporation, seems to be acquiring a substantial interest. Mr. Mitchell's directorships are interlocking with other Morgan-controlled corporations.

Then here is Mr. Frank D. Comerford. He is another one of the trustees. He happens to be president of the New England Power Association. He is a director of International Paper & Power and Edison Electric Illuminating Co., of Boston.

Mr. Comerford will be recalled for his testimony before the Federal Trade Commission concerning the practice of writing up the value of properties. In the course of his testimony it was brought out that when the New England Power Association was formed and took over the assets of the New England Power Co. it wrote up these assets by more than $17,000,000. (Federal Trade Commission Reports, vols. 21 and 32, p. 360.) Mr. Comerford claimed that these write-ups did not affect the consumer in any way, since they were not used as a basis for rate making. That is always the claim made. Nevertheless, when any public-utility corporation is asking for new rates it always cites its capitalization, and how much it ought to be allowed to make, and that goes into figuring the value of its property, upon which, under the law, the rates must be graded. But lay that question aside. Lay the rate question aside for a moment. Forget it. This man, who is one of the trustees of this new, sanctified organization, claims in his testimony

that it did not make any difference how much water they put into the capitalization, because when they figured the rate they figured it on the value of the property. But he said nothing about the poor investor; he said nothing about the poor man or woman putting savings into these corporations made up of water. By the millions they were putting water in, and the Insull fiasco is an illustration of what happened. So, if Senators will forget the man who pays the rate and think of the men and women who are induced to part with their hard-earned cash to buy the bonds and the shares of these companies which are overinflated and oversupplied with water, they will get another viewpoint of it.

His testimony will be found in the Federal Trade Commission report, volumes 30 and 31, page 362.

Then I come to Alex Dow another one of these trustees. He is of the Detroit Edison Co. and has associated with him as director of that company Mr. Bulkley, of Spencer Trask & Co., of New York, who is also a director of the North American Co., the Cleveland Electric Illuminating Co., the Milwaukee Electric Railway & Light Co., the Milwaukee Electric Light, Heat & Traction Co., and the Bankers Trust Co., of New York, getting back to Morgan.

He has also associated with him as a director in the Detroit Edison Co. Mr. B. A. Thompkins, vice president of the Bankers Trust Co., a Morgan bank.

Mr. William Chamberlain is another member of the board of trustees. He is president of the United Light & Power Corporation. He is a director of the International Paper Co., which is a subsidiary of the International Paper & Power Co. Mr. Chamberlain is tied in with the following Morgan associates: Mr. George Roberts and Mr. Marshall Field. Roberts is director of the Niagara-Hudson Power Co., which is controlled by the Morgan-owned United Corporation, and Morgan's chief power dictator, Floyd L. Carlisle. Mr. Field is a director of the Columbia Gas & Electric, owned by Morgan, president of Field, Glore & Co., director of two of the Morgan New York City banks, the Guaranty Trust Co., and the Bank of Manhattan Trust Co.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. REYNOLDS. I heard the Senator a moment ago mention the name of Mr. Mitchell.

Mr. NORRIS. Yes.

Mr. REYNOLDS. He is one of the directors of that splendid institute the Senator has described so vividly. I should like to know if he is related to the Mr. Mitchell who is president of the National City Co. I make that inquiry because it is said that he testified before our Committee on Banking and Currency that in one single year that man himself earned in salaries and in bonuses the enormous, immense sum of $2,200,000, and in the next breath admitted that those innocent people who had trusted themselves to the salesmen for the big companies the Senator has so vividly described lost millions upon millions of dollars.

Mr. NORRIS. I thank the Senator for his interruption. The Mitchell about whom I am speaking is Sidney Z. Mitchell. I cannot say whether he is the same man who testified before the Senator's committee or not. There are two Mitchells. I think this was a different Mitchell.

I now come to Mr. Tidd, one of these trustees. He is president of the American Gas & Electric Co. He has associated with him in the American Gas & Electric Co. as a director Mr. Sidney Z. Mitchell, whose connections I have already noted in connection with B. C. Cobb. Also associated with Mr. Tidd as director of the American Gas & Electric Co. is Mr. C. E. Groesbeck, who is also trustee of the institute, president of the Electric Bond & Share, and a director of the Bankers Trust Co., a Morgan-controlled bank.

Mr. John Z. Zimmerman is another trustee. He is president of the United Gas Improvement, of Philadelphia. He has associated with him as director Mr. Harold Stanley, a partner of J. P. Morgan & Co., and already referred to in connection with Messrs. Chamberlain and Carlisle.

Mr. Zimmerman has also associated with him Mr. Edward Hopkinson, who is a director in the Public Service Corporation of New Jersey—also of the United Gas Improvement. He is also a partner in J. P. Morgan & Co. and in Drexel & Co., of Philadelphia.

Associated with him also is Mr. Landon K. Thorne, already referred to in connection with Cobb and Carlisle. He is another director of the United Gas Co.

Then there is Mr. Gossler, another one of these trustees. He is president of the Columbia Gas & Electric Co., and has associated with him as a director in the Columbia Gas & Electric Co. Mr. Harold Stanley, partner in J. P. Morgan.

He has also associated with him Mr. Marshall Field, referred to above in connection with Mr. Chamberlain.

Associated with him also is William C. Potter, who is also a director of the Electric Bond & Share Co. and president and director of the Guaranty Trust Co.

Associated also with him is Joseph Harriman, president of the Harriman National Bank, of New York City.

Then there is Mr. C. E. Groesbeck, another one of the trustees, who is president of the Electric Bond & Share and is a director of the Bankers Trust Co. and of the American Gas & Electric. He has associated with him as directors Mr. Sidney Z. Mitchell; Mr. William C. Potter, president of the American Trust Co.; Mr. L. E. Pierson, chairman of the Irving Trust Co.; Mr. Frederick Strauss, of J. W. Seligman & Co.; Mr. E. G. Merrill, chairman, Bank of New York & Trust Co.; and S. S. Colt, president of the Bankers Trust Co.

Another one of these trustees is Mr. Baylies, who is president of the Edison Electric Illuminating Co., of Boston. He has associated with him as director Frank D. Comerford, who is a trustee of the institute. He is another one of the trustees. He is also president of the New England Power Association, a subsidiary of the International Paper & Power Co., of which Mr. Comerford is also a director.

Another one of the trustees is Samuel Ferguson, who is president of the Hartford Electric Light Co., of Hartford, Conn., and who is a director of the New England Power Association.

Then there comes Mr. Harry J. Bauer, president of the board of the Southern California Edison. As far as I know, he is not connected with any Morgan institution.

George B. Cortelyou is president of this great institute, as well as one of the trustees. Senators will remember him, certainly, in connection with the activities of the National Electric Light Association, in trying to control the action of the United States Senate. Senators will remember that this great association employed two ex-Senators to appear before the committee to which had been referred the resolution of investigation. The evidence showed the fees they were paid, and, as far as any evidence I have ever seen is concerned, that was the only service they rendered.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. I yield.

Mr. COSTIGAN. Was any accounting ever made of the expenditure of the $400,000 referred to by the Senator from Nebraska?

Mr. NORRIS. Yes. The Federal Trade Commission, in its investigation, showed just how the money was spent. They itemized it somewhat in their report, and the fees paid to the attorneys were a part of the report. That is all in the record. I think I had it put in the CONGRESSIONAL RECORD at another time, but I do not remember the details of it now.

Mr. Cortelyou is president and also a member of the board of trustees of this Edison Electric Institute. He was also president of the National Electric Light Association, which has just gone out of business, and which was displaced by the Edison Electric Institute.

Associated with Mr. Cortelyou as a director of the Consolidated Gas Co. is Mr. Charles E. Mitchell. I will say to the Senator from North Carolina that I think that is the Mitchell who testified before his committee yesterday. He is associated with Mr. Cortelyou as a director of the Consolidated Gas Co. Mr. Mitchell is chairman and director of the National City Bank of New York, and he is also director of the American Foreign Power Co.

Associated with Mr. Cortelyou also is Mr. George Whitney, one of Mr. Morgan's partners. He has also been referred to in connection with Mr. Howard and with Mr. Cortelyou as a director of the Consolidated Gas Co. of New York.

Mr. Muhlfeld is another one of these trustees. He is a director of Stone & Webster, and has associated with him as a director Mr. Charles A. Stone, who is also a director of the Chase Securities & North American Co.

Senators, particularly from the West, will recognize the firm of Stone & Webster. They go clear to the Pacific coast from the Middle West and are interested in the generation and distribution of electricity in many places. They operate in Washington; they operate in Los Angeles; they operate up and down the coast and a great distance east of the coast.

Mr. Edwin Gruhl is another trustee. He is president of the North American Co., and associated with him is Mr. Bulkley, noted above in connection with Mr. Dow, and also Mr. Charles A. Stone, chairman of Stone & Webster, who is also director of the Chase Securities Co., and is mentioned above in connection with Mr. George O. Muhlfeld.

Mr. Hockenbeamer is another trustee. He is president of the Pacific Gas & Electric Co., the North American Co., whose chief financial influence is the Morgan-controlled Bankers' Trust Co., and is the most important stockholder in Pacific Gas & Electric Co.

Mr. McCarter is another trustee. He is president of the Public Service Electric & Gas Co., of Newark. Associated with Mr. McCarter as director is Mr. Landon K. Thorne, noted above, and Mr. Alfred L. Loomis, noted above, and Mr. Hopkinson, also noted in connection with Mr. John E. Zimmerman.

Mr. John J. O'Brien is another trustee. He is president of Byllesby & Co., and director of the Pacific Gas & Electric Co.

Mr. H. Hobart Porter is president of the American Waterworks Electric Co.

Mr. Herbert A. Wagner is president of the Consolidated Gas Electric Light & Power Co., of Baltimore.

Mr. James Simpson is the chairman of the board of the Commonwealth Edison Co.

There is no record that Mr. Porter, Mr. Wagner, or Mr. Simpson are in any way controlled by the Morgan-Carlisle-Cobb-Howard group. The same is apparently true of Mr. Harry J. Bauer, chairman of the board of the Southern California Edison Co., another director of the institute.

A careful review of the record will show that all of the gentlemen except the four I just mentioned are tied through interlocking directorships of banks and utility corporations as being associated with and either dominated or partially controlled through association with the new Morgan utility empire. So here we have this new Edison Elec-

tric Institute controlled, as was the National Electric Light Association in its final year, by this Morgan-Carlisle group. Are they merely pulling the wool over our eyes by their new purification efforts and at the same time getting into a position to still further dominate the industry in which they now have practical working control?

Mr. President, I believe that an examination will show that the old National Electric Light Association still lives in spirit; that these men have had no change of heart. If they had, why have they not individually and personally announced that they were going to quit the holding-company business; that they were going to stop the methods by which they control generation and distribution of electricity all over the United States? They themselves claim that they have 87 percent control of all the electric-light facilities in the United States. I believe it, and I think I shall continue to believe it until we have some concession from these men, some of whom were caught red-handed pouring water into the capitalization, and others of whom were interested in the propaganda spread all over the country to deceive the American people. It is my opinion that the National Electric Light Association have only changed their shirt, and the shirt they are putting on now is just as dirty as the one they have taken off.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. Certainly.

Mr. LONG. I have been out of the Chamber momentarily. What is the change to which the Senator refers?

Mr. NORRIS. The National Electric Light Association has changed to the Edison Electric Institute. They have given a new name to an old institution.

Mr. President, I have referred several times to the Commonwealth & Southern Corporation. Incidentally the Commonwealth & Southern, one of these holding companies, is one of the corporations which the Federal Trade Commission has not yet investigated. We have appropriated money today that will enable them to carry their investigation into this group. I want to outline briefly just what the Commonwealth & Southern Corporation is.

The Commonwealth & Southern Corporation is one of the utility combines upon which the Federal Trade Commission has not started work as yet, and most certainly will not before June 30. It is one of the 22 companies listed by the Commission for investigation in the next fiscal year and will be investigated at that time, I hope.

Commonwealth & Southern controls, through direct ownership of practically 100 percent of common stock, the following companies, among others: Alabama Power Co., Tennessee Electric Power Co., Gulf Power Co., Mississippi Power Co., South Carolina Power Co., Georgia Power Co. It controls others similarly in Pennsylvania, Illinois, Indiana, and Ohio.

The southern companies listed came into Commonwealth & Southern control through the Southeastern Power & Light Co., which formerly headed up this group of companies in the Southeast. In May 1929, Commonwealth & Southern Corporation was formed and acquired more than 90 percent of the common stock of this Southeastern Power & Light Co. Subsequently, Southeastern Power & Light Co. was merged into Commonwealth & Southern, along with three other holding companies much like Southeastern, but operating in other regions.

Just imagine what that means. If we take the language of the last two or three sentences to which I have given utterance, and analyze it, we will find out how the ordinary person may be deceived, unless he selects an expert to help him, and if he be an expert he will require considerable time to trace out the holdings, the swallowings, the buying out and selling out of these various corporations one to the other, one holding company getting control of another holding company, and so on down the line.

The other three holding companies which I have just mentioned as taken over were the Commonwealth Power Corporation, the Penn-Ohio Edison Co., and the Allied Power & Light Corporation.

The Commonwealth & Southern system, in the South, serves Pensacola, Fla.; Chattanooga and Nashville, Tenn.; Anniston, Birmingham, Montgomery, Gadsden, and Mobile, Ala.; Charleston and Aiken, S. C.; Atlanta, Augusta, Columbus, Macon, and Rome, Ga.; and Biloxi, Hattiesburg, and Meridian, Miss.

The vast extent of the system in the Middle West, as well as in the South, is tersely expressed in Moody's Manual of Public Utilities for 1932, which says:

"The operating companies serve over 2,600 cities, towns, and communities, in a territory having a population estimated to be in excess of 9,000,000, located in 11 industrial and agricultural States—Michigan, Ohio, Indiana, Illinois, Tennessee, Pennsylvania, South Carolina, Georgia, Alabama, Mississippi, and Florida, furnishing electricity to 1,046,971 customers' meters and gas to 218,002 customers' meters."

The system had consolidated assets at the end of 1931 of $1,155,760,000. Its consolidated gross earnings in 1931 were $130,000,000, and in 1932 were $144,000,000. Its net income, after expenses, taxes, retirement reserve, and fixed charges, but before preferred dividends, was, in 1931, $22,369,000; and in 1932 was $13,243,000.

Commonwealth & Southern Corporation had outstanding at the end of 1932 33,673,328 shares of common stock without par value. As of the end of 1931 there were nearly 160,000 common stockholders and about 181,000 stockholders of all classes.

All of this information is contained in Moody's Manual and Moody's Cumulative Manual Service.

From Holding Company Control of Licensees of the Federal Power Commission, a report of a survey made under the direction of the Power Commission last year, it is clear that the Commonwealth & Southern Corporation, huge as it is, is only one of the units in the great Morgan power combine that has been put together in the last 10 years. The Power Commission's report shows this, without comment, through the record of stockholdings. According to this report, the Commonwealth & Southern Corporation had outstanding in June 1931, 34,011,010 shares of common stock, or several hundred thousand more than remained outstanding at the end of 1932. Of the thirty-four million-odd shares outstanding in the middle of 1931, the American Super-Power Corporation held 4,571,663, or 13.4 percent; United Corporation held 1,798,270, or 5.3 percent; and United Gas Improvement Co. held 975,446, or 2.9 percent. The holdings of these three made a total of 7,345,379, or 21.6 percent.

The foregoing figures are contained in the "holding company control" report on page 8. The United Corporation is the giant investment trust, or investment company, of the Morgan interests in the utility field. The United Gas Improvement Co. has 26.1 percent of its common stock held by the United Corporation. The American Super-Power Corporation is closely related to these others. Moreover, besides the 21.6 percent of Commonwealth & Southern common stock held by American Super-Power, United Corporation, and United Gas Improvement, an additional 6 percent of Commonwealth & Southern common stock is held by the Electric Bond & Share Co. There are also certain stock interrelationships between Electric Bond & Share and the other corporations named.

Since the Power Commission's report was prepared there has been some building up of holdings in Commonwealth & Southern, by the American Super Power Corporation at least. Moody's Manual Service lists the holdings of the American Super Power Corporation in Commonwealth & Southern Corporation, as of December 31, 1932, as 5,000,000 shares of common stock and 2,721,447 option warrants.

[At this point Mr. Norris yielded the floor for the day.]

Thursday, February 23, 1933

Mr. NORRIS. Mr. President, when the Senate took a recess last night I had about reached the point where I was going to give some illustrations of corporate control. The particular subject about which I was talking was the investigation of the Power Trust by the Federal Trade Commission. But every student of the subject will learn before he investigates it very far that it is only one of the incidents of corporate control that needs investigation. The Federal Trade Commission has stated that on its own motion it intended to take up an investigation of corporations generally and their general control of the business of the country.

Mr. BORAH. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. Certainly.

Mr. BORAH. I want to ask the Senator if he has seen a book just published by Upton Sinclair on Wall Street, entitled "Upton Sinclair Presents William Fox"?

Mr. NORRIS. Yes; I have the book.

Mr. BORAH. I think it is one of the most remarkable stories in regard to such matters that I have ever read.

Mr. NORRIS. I have not yet read all of it, but the part which I have read indicates that it is a very remarkable story.

Mr. President, I wish now rather to broaden the scope of my discussion of the question by taking in corporations in general. The control of the public-utilities business, the electric-light business, is important, because it reaches into every home in the land, but it is only one of the illustrations of the control, by combinations of money, of practically all of the business of the Nation.

I desire at this point to give a list of eight leading banks in New York City, as follows:

Bank of America National Association, Bank of Manhattan Trust Co., Bankers' Trust Co., Chase National Bank, Chemical Bank & Trust Co., Guaranty Trust Co., National City Bank Co., New York Trust Co.

Almost any list of the large banks of Wall Street could be taken and the result would be about the same, but I have selected this list, because to take all the banks and gather the facts in regard to them would mean a job that would require months of toil.

The 8 banks on the list I have given have 287 directorships in insurance companies; they have 301 directorships in other banks. That shows how they are interlocked with other banks. They have 521 directorships in public-utility companies. That shows how they reach out over the country and handle the public-utility business of the country. These 8 banks have 585 directorships in railroad, steamship, and airplane transportation companies. So we cannot eliminate or reduce an appropriation for airplanes without treading on the toes of the money power of Wall Street.

Mr. LONG. Mr. President, will the Senator from Nebraska yield to me for just a moment?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. Their corporate control of the Power Trust does not differ materially from their control of anything else, does it?

Mr. NORRIS. No; it is about the same as in the case of any other corporation.

These 8 banks—and they are only a part of the great combination of wealth represented by banks in Wall Street, which are operating through interlocking directorships—have directorships in 846 manufacturing companies. So, there are 846 corporations engaged in all lines of manufacturing that these banks, either directly or indirectly, control, because the man who controls or the men who control the money of the country also control the country, as the Senator from Oklahoma [Mr. THOMAS] so well said yesterday. Let a combination of men control the finances of the United States, and they control all the activities of all the people of the United States. These 8 banks have 1,201 directorships in other corporations, making a total of 3,741 directorships held by the 8 banks in various corporations.

Mr. LANGER. Mr. Norris said further:

Now I want to make a little larger list of banks. I am going to include these 8, and add enough more to include 24 banks and trust companies in New York.

Mr. President, as I stated just a little while ago, and I repeat because additional Senators have entered the Chamber, if this nomination shall be confirmed, we will have in the Cabinet Edward Stettinius, Jr., of New York, Secretary of State; Henry Morgenthau, Jr., of New York, Secretary of the Treasury; Henry L. Stimson, of New York, Secretary of War; James V. Forrestal, of New York, Secretary of the Navy; Frances Perkins, of New York, Secretary of Labor; and we will have Harlan F. Stone, of New York, Chief Justice of the Supreme Court of the United States.

Five of the ten members of the Cabinet are from New York.

Mr. President, the late Senator Norris further said:

Now I want to take a little larger list of banks. I am going to include these 8 and add enough more to include 24 banks and trust companies in New York, and, so that any student who may want to examine into the question may have a little more detail, I will give the names of these 24 banks which I use in this illustration. They are the American Exchange Securities Corporation; Anglo-South American Trust Co.; Bancamerica-Blair Corporation; Bank of America, National Association; Bank of Manhattan Trust Co.; Bank for Savings in the City of New York; Bankers' Trust Co.; Bronx County Trust Co.; Brooklyn Trust Co.; Central Hanover Bank & Trust Co.; Chase National Bank; Chemical Bank & Trust Co.; City Bank Farmers' Trust Co.; Corn Exchange Bank & Trust Co.; First National Bank, City of New York; Guaranty Trust Co. of New York; Halsey Stewart & Co.; Irving Trust Co.; Lisman Trust Co.; Manufacturers' Trust Co.; Marine Midland Trust Co.; National City Bank of New York; New York Trust Co.; Title Guaranty & Trust Co.

Mr. President, these banks have 6,250 directorships in various corporations, including other banks.

Mr. President, the farmers in North Dakota, the farmers in the Northwest, who must buy farm machinery made of steel, are interested in the amount of the profits which the United States Steel Corporation or other corporations are making, and they are interested in the fact that this man, whose nomination we are asked to confirm, held a very high position in the United States Steel Corporation, and I understand he is reputed to be worth now about $40,000,000. I do not know. I have simply been told that—I believe, reliably. We do not know and I do not suppose any Member of the Senate on the Senate floor knows in what companies he has stock, but I, as one Senator on the floor representing my constituents, wish them to know before we confirm this appointment exactly what the situation is, and I will say that this situation instead of getting better has been progressively getting worse.

Mr. President, I repeat the statement made by the late Senator Norris:

Mr. President, these banks have 6,250 directorships in various corporations, including other banks.

I now ask, Mr. President, that the next two paragraphs may be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. CONNALLY. Mr. President, what was the request?

The PRESIDING OFFICER. The Senator from North Dakota made a request to place certain remarks made by the late Senator Norris in the RECORD at this point.

Mr. CONNALLY. I understood the Senator to ask permission to revise his remarks. I did not understand his request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

Let me call attention here to conditions existing right in the shadow of this Capitol. The Chase National Bank, as is known, owns, or at least controls, the gas company which supplies the people of Washington with gas. Between the Chase National Bank and the gas company that operates in the city of Washington there are more than a dozen holding companies. I put the list of those holding companies into the RECORD in some remarks I made here at the last session of Congress. In addition to those holding companies there are two voting trusts that intervene between the operating company and the corporation in Wall Street that controls it. There is not any reason for this maze of holding companies, Mr. President, except to deceive the people and to make difficult, in fact, to make almost impossible, the proper regulation of public utilities.

I want to show now, Mr. President, how these holdings have been increasing, how rapidly they are going forward, how rapidly the hands of these interlocking corporations are reaching out into all fields of human endeavor and controlling gradually but surely business of a corporate nature of all kinds in the United States. I propose in a very few words to show the increase of the control of the business of the country by a few banks in Wall Street.

Mr. LANGER. Mr. President, the late Senator Norris continued:

In 1899 there were 1,762 directorships in other corporations held by 15 commercial banks of New York City. Perhaps I had better read the names of those banks. They are: Bank of America, National Association; Bank of Manhattan Trust Co.; Bank for Savings in the City of New York; Bankers Trust Co.; Central Hanover Bank & Trust Co.; Chemical Bank & Trust Co.; Chase National Bank; New York City Bank Farmers' Trust Co.; Guaranty Trust Co.; Irving Trust Co.; Manufacturers Trust Co.; Marine Midland Trust Co.; National City Bank; New York Trust Co.; and Title Guaranty & Trust Co.

These 15 corporations in 1899 held 1,762 directorships in other corporations. In 1913, 14 years later, the same group of banks held directorships in 3,426 other corporations. In 1931 the same group of banks held directorships in 5,432 other corporations.

Mr. President, I ask unanimous consent to have placed in the RECORD the remainder of the late Senator Norris' statement up to and including the word "chart" on page 4774.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from North Dakota? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

Let me give just a brief statement in regard to the holding of directorships in other corporations by the National City Bank at the present time. The National City Bank has seven directorships in aviation companies; it has 41 directorships in other banks; it has 104 directorships in miscellaneous corporations; it has 44 directorships in insurance companies, it has 102 directorships in manufacturing companies; it has 29 directorships in transportation companies and it has 115 directorships in public utility companies.

Mr. President, I have prepared and placed on the wall here [indicating] a chart in which there is given somewhat of an analysis of the Chase National Bank, using that bank as an illustration, for the same thing would be true of almost any of the large banks I have mentioned. This chart was prepared by Mr. Frey, secretary-treasurer of the metals trades department of the American Federation of Labor. It is made up, to a great extent, from testimony taken before the subcommittee of the Judiciary Committee just a few weeks ago.

The Chase National Bank, of New York City, as shown by the chart, has 82 directors. They are named on the chart. It has in transportation companies 133 directorships; it has 236 directorships in manufacturing corporations. The transportation companies are named on the chart together with the names of the men who sit as directors. The manufacturing companies are also named on the chart, together with the names of the men who sit on the board of directors of the various corporations and who represent the Chase National Bank.

The bank has 59 directorships in other banks, and here [indicating] is the list of the banks, together with the names of the directors of the Chase National Bank who sit on the board of directors of the other banks. So the Chase National Bank is interlocked with 69 other banks.

That bank has 73 directorships in public-utility corporations, and here on the chart [indicating] is a list of the public-utility corporations upon the board of directors of each of which it has one or more directors. They have 82 directorships in insurance companies; and so that the Senate may know that these are not little local insurance companies, I have here on the chart the name of every one of those 82 insurance companies.

The Chase National Bank also has 262 directorships on miscellaneous corporations, some of the most important corporations in the United States, and they are listed on the chart.

Mr. LANGER. The late Senator Norris continued:

Since I cannot put the chart in the RECORD, and since I should like to have in the RECORD in connection with my remarks a complete list of these various public-utility companies, banks, manufacturing corporations, insurance

companies, and miscellaneous corporations, I ask unanimous consent, without reading, to have printed at this point the names of the various corporations to which I have referred and that are already outlined and named on this chart.

Then Mr. Norris named the corporations, and I ask unanimous consent that the names may be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

CHASE NATIONAL BANK

One hundred and thirty-three directorships in transportation companies, as follows: Adams Express Co.; Albany & Susquehanna Railroad Co.; American Express Co.; American Express Co. (Inc.); American Ship & Commerce; Aviation Corporation; Bingham & Garfield Railway Co., Brooklyn & Queens Transit; Canadian Pacific Railway Co.; Canton, Aberdeen & Nashville Railroad; Champlain Transportation Co.; Chateaugay & Lake Placid Railroad Co.; Chicago, Milwaukee & St. Paul Railroad Co.; Chicago, Rock Island & Pacific Railroad Co.; Chicago, St. Louis & New Orleans Railroad Co.; Cincinnati, Indianapolis & Western Railroad Co.; Cleveland, Cincinnati, Chicago & St. Louis Railway Co.; Colorado & Southern Railway Co.; Cooperstown & Charlotte Valley Railroad Co.; Copper River & Northwestern Railroad Co.; Delaware & Hudson Co.; Delaware & Hudson Railroad Corporation; Denver & Rio Grande Western Railroad Co.; Dubuque & Sioux City Railroad; Eastern Steamship Lines; Erie Railroad Co.; Georgia & Florida Railroad Co.; Great Western Railway Co.; Greenwich & Johnsonville Railway Co.; Hudson & Manhattan Railroad Co.; Illinois Central Railroad Co.; International Mercantile Marine Co.; Kansas City Southern Railway Co.; Kansas, Oklahoma & Gulf Railway; Lake George Steamboat Co.; Lehigh & New England Railroad Co.; Long Island Railroad Co.; Los Angeles & Salt Lake Railroad Co.; Louisiana & Arkansas Railway Co.; Manhattan Railway Co. Mechanicsville & Fort Edward Railroad Co.; Mexican-American Steamship Co.; Mexican-Central Railway Co.; Mexican Mineral Railway Co.; Mexican Northern Mining & Railway Co.; Michigan Central Railroad Co.; Midland Valley Railroad Co.; Mississippi Valley Railway Co.; Morris & Essex Railroad Co.; Munson Steamship Line; Napierville Junction Railway Co.; National Railroad Co. of Mexico; National Railways of Mexico; Nevada Northern Railway Co.; New York & Harlem Railroad Co.; New York Central Railroad Co.; New York, Chicago & St. Louis Railroad Co.; New York, New Haven & Hartford Railroad Co.; New York, Ontario & Western Railroad Co.; Norfolk Southern Railroad Co.; North Atlantic Steamship Corporation; North River Railway Co.; Northern Pacific Railway Co.; Norwood & St. Lawrence Railroad Co.; Ontario, Carbondale & Scranton Railway Co.; Oregon Short Line Railroad Co.; Oregon-Washington Railroad & Navigation Co.; Pacific Steamship Co.; Parral & Durango Railroad Co.; Philippine Railway; Port Jervis, Monticello & Summitville Railroad; Potosi & Rio Verde Railway Co.; Quebec, Montreal & Southern Railway Co.; Ray & Gilla Valley Railroad; Rensselaer & Saratoga Railroad Co.; Rio Grande Junction Railroad Co.; Roosevelt Steamship Co.; Rutland & Whitehall Railroad Co.; St. Louis-San Francisco Railway Co.; Schoharie Valley Railway Co.; Seaboard Air Line Railway Co.; Shell Pipe Line Corporation; Societe Financiers de Transports et d'Entreprises Industrielles; South American Railway Co.; Southern Express Co.; Southern Railway Co.; Texas & Pacific Railway Co.; Texas Midland Railroad Co.; Ticonderoga Railroad Co.; Transatlantic Steamship Corporation; Transcontinental Air Transport (Inc.); Troy Union Railroad Co.; Union Pacific Railroad Co.; Wabash Railway Co.; Western Pacific Railroad Co.; West Shore Railroad Co.; Wheeling & Lake Erie Railroad Co.; Wilkes-Barre Connecting Railroad Co. Cooperstown & Susquehanna Valley Railroad Co.

Two hundred and thirty-six directorships in manufacturing corporations, as follows: Agasote Millboard Co.; Allis-Chalmers Manufacturing Co.; Amalgamated Metal Corporation; American Agricultural Chemical Co.; American Brake Shoe & Foundry Co.; American Chicle Co.; American Colortype Co.; American Locomotive Co.; American Metal Co.; American Metal Co. of New Mexico; American Smelting & Refining Co.; American Sugar Refining Co.; American Woolen Co. of Massachusetts; American Writing Paper Co.; Armour & Co.; Art Metal Construction Co.; Atlantic Fruit & Sugar Co.; Maker Castor Oil Co.; Bethlehem Steel Corporation; Borden Co.; Borden's Farm Products Co. (Inc.); Braden Copper Co.; Britannia Mining & Smelting Co.; Brooklyn Elevator & Milling Co.; Butte & Superior Mining Co.; California Cyanide Co.; Canadian International Paper Co.; Canadian Westinghouse Co.; Cape Cruz Sugar Co.; Carter White Lead Co.; Champion Paper Co.; Champion Silk Mills; Chateaugay Ore & Iron Co.; Chazy Marble Lime Co. (Inc.); Chicago Pneumatic Tool Co.; Chihuahua Mining Co.; Coca-Cola Co.; Colorado Iron & Fuel Co.; Commercial Solvents Corporation; Companio Hispano-Americana de Electricidad; Consolidation Coal Co.; Continental Banking Corporation; William Cramp & Sons Ship & Engine Building; Cranston Print Works; Cream of Wheat Corporation; Crosse & Blackwell (Inc.); Cuba Distilling Co.; Cuban Cane Products Co. (Inc.); Cuban Portland Cement Corporation; Curtiss-Wright Corporation; Dardelet Threadlock Corporation; DeHaven Razor Co.; Delaware, Lackawanna & Western Coal Co.; Dominican Molasses Co.; Dunlop Tire & Rubber Co.; E. I. du Pont de Nemours & Co.; Durable Wire Rope Co. of Boston; El Potosi Mining Co.; Endicott-Johnson Corporation; Ethyl Gasoline Corporation; Federal Mining & Smelting Co.; Federated Metals Corporation; Fidelity Sugar Co.; Flintkote Co.; Fox Film Corporation; Gallup American Coal Co.; General Cable Corporation; General Foods Corporation; General Motors Radio Corporation; Georgian Manganese Co.; General Motors Corporation; General Office Equipment Corporation; Gould Coupler Co.; Granby Consolidated Mining, Smelting & Power Co.; Granite City Steel Co.; Great Northern Paper Co.; Gulf States Steel Co.; Haenichen Bros. Silk Co.; Harrisville Paper Corporation; Hudson Coal Co.; Inspiration Consolidated Copper Co.; International Cement Corporation; International Nickel Co. (Inc.); International Paper Co.; Johns-Manville Corporation; Kelsey-Hayes Wheel Corporation; Kennecott Copper Corporation; Kildun Mining Corporation; Knickerbocker Cement Co.; B. Kuppenheimer & Co.; Lakeside Ice Co.; Lima Locomotive Works (Inc.).

Locomotive Feed Water Heater Co.; Long Bell Lumber Co.; Macbeth-Evans Glass Co.; Mack Trucks (Inc.); Matanzas Sugar Co.; Matieson Alkali Works (Inc); Mesavi Iron Co.; Mexican Lead Co.; Minneapolis-Mobile Power Implements Co.; Monel-Weir (Ltd.); Montreal Locomotive Works (Ltd.); Munsingwear (Inc.); Mutual Chemical Co. of America; Nash Motors Co.; National Bearing Metals Corporation; National Carbide Corporation; National Cash Register Co.; National Enameling & Stamping Co.; National Seal Co. (Inc.); Nevada Consolidated Copper Co.; Newmont Mining Corporation; Northern Coal & Iron Co.; Ontario Refining Co. (Ltd.); Oswego Board Corporation; Oswego Rayon Corporation; Otis Elevator Co.; Pantasote Leather Co.; Patino Mines and Enterprises Consolidates (Inc.); Phillips Petroleum Co.; Pillsbury Flour Mills (Inc.); Pond Creek Pocahontas Co.; Prairie Oil & Gas Co.; Punta Alegre Sugar Co.; R. C. A. Photophone (Inc.); Radio Corporation of America; R. C. A. Radiotron Co. (Inc.); R. C. A. Victor Co. (Inc.); Remington Arms Co. (Inc.); Remington Cash Register Co.; Remington Rand (Inc.); Revere Copper & Brass (Inc.); John A. Roebling's Sons Co. of New Jersey; John A. Roebling's Sons Co. of New York; Rome Iron Mills (Inc.); Roxana Petroleum Corporation; Ruberoid Co. (Inc.), N. J.; St. Regis Paper Co.; Schuylkill Coal & Iron Co.; Scranton & Lehigh Coal Co.; Seaboard Oil Co. of Delaware; Shanferoke Coal & Supply Corporation; Shell Eastern Petroleum Products; Shell Co. of California; Shell Oil Co.; Shell Petroleum Corporation; Shell Union Oil Corporation; Sinclair Consolidated Oil Corporation; Skenandoa Rayon Corporation; W. & J. Sloane Manufacturing Co.; Alexander Smith Carpet Co.; A. O. Smith Corporation; Socony-Vacuum Corporation; Sombrerete Mining Co.; South Porto Rico Sugar Co.; Southern Mineral Products Corporation; Southern Wheel Co.; Sunstrand Corporation; Superheater Co.; Taggart-Oswego Paper & Bag Co.; Technicolor (Inc.); Toledo Glass Co.; Towene Mines (Inc.); Truax-Traer Coal Co.; Underwood-Elliott-Fisher Co.; United Biscuit Co. of America; United States Industrial Alcohol Co.; United States Industrial Chemical Co.; United States Leather Co.; United States Rubber Co.; United States Zinc Co.; United Zinc Smelting Corporation; Vacuum Oil Co. (Inc.); Vanadium Corporation of America; Virginia-Carolina Chemical Corporation; Ward Baking Corporation; Warner Sugar Corporation; Western Electric Co. (Inc.); Westinghouse Electric & Manufacturing Co.; Wickwire Spencer Steel Co.; Wright Aeronautical Corporation; L. A. Young Spring & Water Corporation.

Seventy-three directorships in public utilities, as follows: All American Cables, (Inc.); American & Foreign Power Co., (Inc.); American District Telephone Co.; American District Telegraph Co. of New Jersey; American Telephone & Telegraph Co.; Atlas Utilities & Investors Co., (Ltd.); Atlas Utilities Corporation; Brooklyn, Manhattan Transit Co.; Carolina Power & Light Co.; Central Hudson Gas & Electric Corporation; Central Mexico Light & Power Co.; Cities Service Power & Light Co.; Columbia Gas & Electric Corporation; Commercial Cable Co.; Connecticut Electric Service Co.; Eastern Massachusetts Street Railway Co.; Eastern State Power Corporation; Electric Bond & Share Co.; Electric Power & Light Co.; Fulton Light, Heat & Power Co.; General Realty & Utilities Corporation; Guanajuato Power & Electric Co.; Havana Electric Railway Co.; Interborough Rapid Transit Co.; International Ocean Telegraph Co.; International Paper & Power Co.; International Power Securities Corporation; Lehigh Power Securities Corporation; Mackay Radio & Telegraph Co.; Mexican Telegraph Co.; Michoacan Power Co.; Mohawk Hudson Power Corporation; Montana Power Co.; National District Telegraph Co.; New Orleans Public Service, (Inc.); New York Power & Light Corporation; New York Rapid Transit Co.; Niagara, Hudson Power Corporation; Northern Mexican Power & Development Co., (Ltd); Postal Telegraph & Cable Corporation; Public Service Corporation of New Jersey; Second Avenue Railroad Corporation; Standard Gas & Electric Co.; Standard Power & Light Corporation; Twin City Rapid Transit Co.; United Gas Improvement Co.; United States Electric Power Corporation; United Light & Power Co.; Utah Power & Light Co.; Warren County Electric Light, Heat & Power Co.; Western Union Telegraph Co.; Williamsburg Power Plant Corporation.

Sixty-nine directorships in other banks: Anglo-South American Trust Co.; Bankers Trust Co., Little Rock, Ark.; Bank for Savings in the City of New York; Bowery Savings Bank; Canal Bank & Trust Co., New Orleans; Central Farmers Trust Co., West Palm Beach,

Fla.; Central Hanover Bank & Trust Co.; Central Savings Bank in the City of New York; Citizens National Bank & Trust Co., of Englewood, N. J.; Commercial Investment Trust Corporation; Commercial Trust Co. of New Jersey; County Trust Co. of New York; Dunbar National Bank of New York; Equitable Eastern Banking Corporation; Equitable Trust Co. of New York; Farmers Deposit National Bank; First and Second National Bank & Trust Co.; First Mechanics National Bank, Trenton, N. J.; First Seattle Dexter Horton National Bank; First Stanford National Bank & Trust Co.; Goldman Sachs Trading Corporation; Greenwich Trust Co., Greenwich, Conn.; Harris Trust & Savings Bank; International Acceptance Bank (Inc.); International Bank de Amsterdam; Lawyers Mortgage Co.; Lawyers Title & Guaranty Co.; Lawyers Trust Co.; Lee Higginson Trust Co.; Montclair Trust Co., Montclair, N. J.; Morristown Trust Co., Morristown, N. J.; Mortgage Bond Co. of New York.; National Shawmut of Boston, Mass.; Northern New York Trust Co., Watertown, N. Y.; Peoples Trust Co., Malone, N. Y.; J. Henry Schroeder Banking Corporation; J. Henry Schroeder Trust Corporation; Seaman's Bank for Savings in the City of New York; Title Guaranty & Trust Co.; Union Dime Savings Bank; United States Savings Bank of New York; United States Trust Co. of New York.

Eighty-two directorships in insurance companies: Agricultural Insurance Co.; American Alliance Insurance Co.; American Constitution Fire Assurance Co.; American Eagle Fire Insurance Co.; American Home Fire Assurance Co.; American National Fire Insurance Co.; American Re-Insurance Co.; American Surety Co. of New York; Associated Reinsurance Co. of New York; Bankers & Shippers Insurance Co.; Church Life Insurance Corporation; Church Properties Fire Insurance Corporation; Continental Insurance Co.; County Fire Insurance Co. of Philadelphia; Detroit Fire & Marine Insurance Co.; Eagle Indemnity Co.; Empire State Insurance Co.; Equitable Life Assurance Society of the United States; Fidelity-Phoenix Fire Insurance Co. of New York; First American Fire Insurance Co.; Great American Insurance Co.; Great American Indemnity Co.; Home Fire Security Corporation; Massachusetts Fire & Marine Insurance Co.; Mercantile Insurance Co. of America; Merchants Fire Assurance Corporation of New York; Merchants Indemnity Corporation of New York; Metropolitan Life Insurance Co.; Mount Royal Insurance Co. of Montreal; Mutual Life Insurance Co. of New York; National Surety Co.; Newark Fire Insurance Co.; New Jersey Insurance Co.; New York Casualty Co.; Niagara Fire Insurance Co.; North American Reassurance Co.; North British & Mercantile Insurance Co. (Ltd.) of London and Edinburgh; North Carolina Home Insurance Co.; Northwestern Mutual Life Insurance Co.; Pacific Fire Insurance Co.; Penn Mutual Life Insurance Co.; Pennsylvania Co. for Insurance of Lives & Granting Annuities; Pilot Reinsurance Co. of New York; Prudential Insurance Co. of America; Reliance Life Insurance Co.; Rochester American Insurance Co.; Royal Indemnity Co.; Seaboard Fire & Marine Insurance Co.; Standard Fire Insurance Co., Trenton, N. J.; Standard Surety & Casualty Co. of New York; Star Insurance Co. of America; Teachers Insurance & Annuity Association; Union Guarantee & Mortgage Co.; Washington Assurance Corporation of New York.

Two hundred and sixty-two directorships in miscellaneous corporations: Agfa Ansco Corporation; Air Reduction Co. (Inc.); American Arch Co. (Inc.) of New York; American Founders Corporation; American and Continental Corporation; American Enka Corporation; American Institute of Mining and Metallurgical Engineers; American International Corporation; American Investors (Inc.); American Petroleum Institute; American-Russian Chamber of Commerce; Archer-Daniels-Midland Co.; Astor Safe Deposit Co.; Austin, Nichols & Co. (Inc.); G. M. Basford Co.; Bell Telephone Securities Co.; Bluff Point Land Improvement Co.; Borden Realty Corporation; Boyce Thompson Institute for Plant Research; William Bradley & Son; Brooklyn Eastern District Terminal; Brooklyn Real Estate Exchange (Ltd.); Brooks Bros. Brunswick Site Co.; Edward G. Budd Manufacturing Co.; Burns Bros.; California Petroleum Corporation; California Petroleum Corporation of Venezuela; Cape Cruz Co. (Inc.); Carib Syndicate (Ltd.); F. L. Carlisle & Co. (Inc.); Central Cunagua, South America; Century Holding Co.; Chamber of Commerce of the State of New York; Chapultepec Land Improvement Co.; Chase-Harris-Forbes Corporation; Chase-Harris-Forbes Corporation, Boston, Mass.; Chase-Harris-Forbes Corporation (Ltd.), London; Chase-Harris-Forbes et Cie, Paris, France; Childs Co.; Chromium Corporation of America; City & Suburban Homes Co.; Cold Run Water Co.; Colon Oil Corporation; Commercial Factors Corporation; Commercial Pacific Cable Co.; Commonwealth Fund; Commonwealth & Southern Corporation; Company of Master Craftsmen (Inc.); Consolidated Selling Co.; Continental Mortgage Guarantee Co.; Continental Securities Corporation; Copper Exporters (Inc.); Copper Institute; Corn Products Refining Co.; Council on Foreign Relations (Inc.); Cuban Air Products Corporation; Cuban All American Cables (Inc.); Cuyler Realty Co.; Debevoise Co.; Detroit River Tunnel Co.; Discount Corporation of New York; Dongan Hall (Inc.) Dunbar Safe Deposit Co.; Electric Overseas Investment Co.; Elliott-Fisher Co.; Empire Mortgage Co.; Empire Safe Deposit Co.; English Speaking Union; European Mortgage Investment Co.; Far Hills Land Corporation; Fifth Third Union Trust Co.; Finance Co. of Great Britain and America (Ltd.); First National Co., Trenton, N. J.; Fishers Island Corporation; Fish University; Fort William Henry Hotel Co.; Forty-four Wall Street Corporation; Four Seventy Five Fifth Avenue Corporation; Franklin Railway Supply Co. (Inc.); Andrew Freedman Home; Freeport Texas Co.; Frontier Corporation; Garden City Co.; Henry Gardner & Co. (Ltd.).

General American Investors Co.; General American Tank Car Corporation; General Motors Acceptance Corporation; General Motors Holding Corporation; General Motors Export Co.; Gold & Stock Telegraph Co.; B. F. Goodrich Co.; Great A. & P. Tea Co.; Great American Investing Co. (Inc.); Great Northern Iron Ore Properties; Greenwich Title & Trust Co.; M. A. Hanna Co.; Harbor Acres Realty Corporation; W. A. Harriman Securities Corporation; Harris-Forbes & Co. (Ltd.), Montreal, Canada; Harvey & Outerbridge (Inc.); Harway Improvement Co.; Havana Docks Corporation; Havemeyers & Elder (Inc.); Horticultural Society of New York; Hotel Waldorf-Astoria Corporation; Howe Sound Co.; Hudson River Estates (Inc.); Hudson Valley Fuel Corporation; Indian Refining Co.; Intercontinental Investment Trust; Intercontinental Rubber Co.; International Agricultural Corporation; International Carriers (Ltd.); International Communications Laboratories (Inc.); International Match Corporation; International Motor Co.; International Nickel Co. (Inc.); International Products Corporation; International Securities Corporation of America; Jewel Tea Co. (Inc.); F. B. Keech & Co.; Knickerbocker Forty-second Street Co. (Inc.); S. H. Kress & Co.; Lehigh Coal & Navigation Co.; Libby Owens Securities Corporation; Lincoln Warehouse Corporation; Loew's (Inc.); Mackay Cos.; Magnus Co. (Inc.); Maracaibo Oil Exploration Corporation; C. H. Masiland Sons Co.; Mayflower Associates (Inc.); Melville Bond & Share Corporation; Merchant Sterling Corporation; Metropolitan Opera Co.; Mexican National Construction Co.; Mexican Utilities Co.; Minerals Separation North America Corporation; Morristown Securities Corporation; Mortgage-Bond & Title Corporation; Muskogee Co.; N. & L. Realty Corporation; Nassau Hospital; National Bellas Hess Co. (Inc.); National Broadcasting Co.; National Employment Exchange; National Lead Co.; Newark Factory Sites (Inc.); New York Clearing House Building Co.; New York Mutual Telegraph Co.; New York Produce Exchange Safe Deposit & Storage Co.; New York Stock Exchange; Northern Finance Corporation; Northern New York Development Co.; Northern Securities Co.; Oceanic Investing Co.; One East End Avenue Corporation.

One Hundred Fifty William Street Corporation; One Liberty Street Realty & Securities Corporation; One Ninety-five Broadway Corporation; Pacific Coast Co.; Pacific Commercial Co.; Panther Valley Water Co.; Petroleum Corporation of America; Philharmonic-Symphony Society; Porto Rico Mercantile Co.; Postal Telegraph Cable Co.; Power Securities Corporation; Provident Loan Society of New York; Public Utility Holding Corporation of America; Pullman (Inc.); Radio Communication Co. (Inc.); Radio-Keith-Orpheum Corporation; Rail Joint Co.; R. C. A. Communications (Inc.); Royal American Corporation; St. Lawrence Securities Co.; Saratoga Association; Saratoga Association for the Improvement of the Breed of Horses; F. A. O. Schwarz; Sheafer's Creek Water Co.; Shelton Holding Corporation; W. & J. Sloane; Society Realty Co. (Inc.); Solvay American Investment Co.; Sprague Safety Control & Signal Corporation; Springler-van-Beuren Estates (Inc.); Sterling Securities Corporation; Stock Quotation Telegraph Co.; Stone & Webster (Inc.); Texas Co.; Texas Co. (California); Texas Co. (Delaware); Texas Co. (Mexico) South America; Texas Corporation; Texas Petroleum Co.; Texas Production Co.; Thompson-Starrett Co. (Inc.); Tide Water Associated Oil Co.; Tobacco Products Corporation; Township Realty Corporation; Transamerica Corporation; Tri-Continental Corporation; Trust Co. of Northern Westchester; Union Mortgage Co.; United Chromium (Inc.); United Cigar Stores Co.; United Corporation; United Founders Corporation; United Securities Corporation; United States & Foreign Securities Corporation; United States Guarantee Co.; United States & International Securities Corporation; United States Leather Co.; United States Lines (Inc.); United States Lines Operations (Inc.); Westinghouse Electric International Co.; Wood Struthers & Co.

Mr. LANGER. I now ask unanimous consent to place in the RECORD Mr. Norris' remarks, appearing on page 4777, beginning with the word "knowing", and ending with the word "companies."

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

Mr. NORRIS. Knowing that it would violate the rule to put that illustration in the RECORD, and that we would have to change that rule, I had not intended to ask that it be put in. I do not believe I would be justified in doing it, much as I should like to have it go in.

Mr. President, I think I was through with this chart when I was interrupted. I want to say, before leaving it, that this is only a sample; and this does not tell the whole story. The interlocking directorates go a great deal further than is shown here. The control by the Chase National Bank of a certain corporation of which it does not have, we will say, a majority of the stock holdings will be made complete by the other interlocking directorates that come from other

banks which in turn, through these directorships are connected with the Chase National Bank.

I have here a chart outlining in a somewhat similar way the interlocking connection, through directorships, of the House of Morgan. J. P. Morgan & Co. have 19 partners. Here are 7 banks and trust companies—in reality 8, because there are 2 in one or two places—known as Morgan banks. They are not the only banks that are controlled at least partially by the firm of J. P. Morgan & Co., but they are outstanding ones. They consist of the Bank for Savings in New York City; the Bankers' Co. and the Bankers' Trust Co.; the Corn Exchange Bank & Trust Co., of New York; the Fidelity Trust Co., of Philadelphia, Pa.; the Girard Trust Co., of Philadelphia, Pa.; the Guaranty Trust Co., of New York; and the New York Trust Co. These spaces down here, connected with each one of the banks I have mentioned, show the control by these particular subsidiaries of J. P. Morgan & Co. of the interlocking directorships that they have with other and outside corporations not named here.

For instance, the Bank for Savings in the city of New York has 30 directorships in other banks. The same bank has 56 directorships in miscellaneous corporations. It has 48 directorships in insurance companies. It has 18 directorships in manufacturing companies. It has 32 directorships in transportation companies. It has 20 directorships in public-utility companies.

Let us take another one, the Corn Exchange National Bank & Trust Co., of New York. That is another one of the banks controlled by the House of Morgan. The Corn Exchange Bank has 11 directorships in other banks. It has 41 directorships in miscellaneous corporations. It has 26 directorships in insurance companies. It has 28 directorships in manufacturing companies. It has 6 directorships in transportation companies; and it has 4 directorships in public-utility companies.

Mr. LANGER. The late Senator Norris continued:

Here, for instance, is the Guaranty Trust Co., of New York, one of the banks controlled by Morgan. It has 34 directorships in other banks. It has 222 directorships in miscellaneous corporations. It has 39 directorships in insurance companies. It has 92 directorships in manufacturing companies. It has 154 directorships in transportation companies. It has 106 directorships in public-utility companies.

And so on with all the others that I will not stop to read that appear on this chart.

At this point the late Senator Logan said:

Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield to the Senator.

Mr. LOGAN. I will ask the Senator if the 4-line doggerel that describes old Noah's fleas could not very well be applied to some of these banks?—

"Old Noah's fleas had other fleas
Upon their backs to bite 'em,
And those small fleas had smaller fleas,
And so on ad infinitum."

[Laughter.]

The late Senator Norris continued:

I am rather inclined to think that that will apply very well not only to this particular illustration but to all the others.

So that taking the total, Mr. President, the house of Morgan directly, through these banks I have named and which the house of Morgan controls, has 219 directorships in other banks; and Morgan has, in the same way, 642 directorships in miscellaneous corporations. The house of Morgan has 215 directorships in insurance companies. It has 425 directorships in manufacturing and mining companies. It has 423 directorships in transportation companies. It has 318 directorships in public-utility companies. This makes a total of 2,242 directorships held directly by the Morgan banks in the various kinds of corporations that I have named.

Mr. President, I ask unanimous consent to have placed in the RECORD the next paragraph in Senator Norris' remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

I do not have the names of these various corporations here as I do in the analysis of the Chase National Bank. I do not have that simply because I did not have time to complete this, but if we should take the names of these various corporations and put them on here, we would find that to a very great extent they would correspond with the corporations named on this chart for the Chase National Bank. In other words, these banks, by their interlocking method of directorships, when they combine, can control practically any corporation of any size in the United States. I do not care whether it is a banking institution, whether it is a railroad, whether it is operating flying machines, whether it is engaged in mining, whether it is engaged in any line of manufacturing, that statement holds true as to practically all of them in the United States.

Mr. LANGER. Mr. President, Mr. Norris further said:

Now, Mr. President, I want to take up this other chart. I have here on this chart what is named "The Spider Web of Wall Street." It has on it the following banks and trust companies, showing connections with other corporations and other banks:

Then Mr. Norris proceeds to name them, and I ask unanimous consent that the remainder of Mr. Norris' speech be printed at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from North Dakota? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

First, J. P. Morgan & Co., the Guaranty Trust Co., the Bankers' Trust Co., the First National Bank, the Central Hanover Bank, the Irving Trust Co., the National City Bank, the Chase National Bank.

This chart contains the names of 120 corporations of various kinds that are connected with 1 or more of these banks. It does not tell the whole story by any means, Mr. President. It represents interlocking directorates on July 1, 1932, between 8 leading banking institutions in New York City on the one hand, and 120 major corporations on the other.

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield to the Senator.

Mr. LOGAN. Does the Senator mean that these corporations named around the rim are the 120 to which he refers?

Mr. NORRIS. They are the 120.

Mr. LOGAN. It seems to me, just from looking at the chart, that there are more than 120 there.

Mr. NORRIS. No; I think the Senator will find, if he will look at them, that there are 120.

Mr. LOGAN. I do not have to count them to find out that there are more than 120 names around that rim.

Mr. NORRIS. I want to say to the Senator from Kentucky, however, and to other Senators, that this list of corporations around here does not come anywhere near naming all of them. This chart, in round numbers, is about 8 feet square. If I had a chart large enough to contain the names of all the corporations that are directly and indirectly controlled through interlocking directorates by these 8 banks, and if it were big enough so that you could read it, there is not a wall space in the Senate Chamber that would hold it. Instead of 120 corporations we would have thousands of corporations. You can well see, from even 1 of the institutions I have given from this chart, that that is so.

So that we have just a miniature picture here. It is 8 feet square; but, as a matter of fact, if all the corporations controlled as these 120 are controlled were put on the map, there is not a magnifying glass in the country that would magnify it sufficiently so that it could be read.

Each line on this map means that the company and the bank or banks connected by the line had at least one director or similar official in common. The chart may look complicated; but it is, in fact, a simplification of the actual state of affairs. No attempt has been made to indicate where there are two or three identical directors between a company and a bank. Only a few of the total number of corporations with which the 8 banking institutions symbolized by the legs of the Wall Street spider are interlocked appear in this chart. Five hundred corporations alone are connected with 2 or more of the 8 banks by the same directors. Of this number, approximately 160 have common directors in 3 or more banks. The web indicates only 120 of the most typical companies. They are found among railroads, public utilities, insurance companies, banks, investment corporations, manufacturing enterprises, chain stores, etc.

The main leg of the Wall Street spider is J. P. Morgan & Co. That is a private banking house, a partnership, which does not publish a financial statement of its business. Three of the banks shown on the chart are dependents of J. P. Morgan & Co.—the Guaranty Trust Co., the Bankers Trust Co., and the First National Bank. The two largest banks in the United States are close allies of Morgan—the Chase National Bank, and the National City Bank. The Central Hanover Bank & Trust Co. and the Irving Trust Co. are also within the Morgan sphere of influence. All these banking institutions have common directors. Together, they exercise control over one of the most important sections of economic life in the United States today.

Mr. President, I ask at this point to have printed the names of these 120 corporations which are shown on the plat here, and which are connected by interlocking directorates with these various banks named.

The VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE SPIDER WEB OF WALL STREET

1. Adams Express.
2. Aetna Insurance.
3. Air Reduction.
4. All American Cables.
5. American Can.
6. American Locomotive.
7. American Radiator.
8. American Smelting.
9. American Sugar Refining.
10. American Surety Co.
11. American Telephone & Telegraph Co.
12. American Woolen.
13. American Writing Paper.
14. Anaconda Copper.
15. Associated Dry Goods.
16. Astor Safe Deposit.
17. Atchison, Topeka & Santa Fe.
18. Aviation Corporation.

19. Atlantic Fruit.
20. Baldwin Locomotive.
21. Baltimore & Ohio.
22. Bank for Savings.
23. Bates Valve Bag.
24. Bethlehem Steel.
25. Bonbright & Co.
26. Borden Co.
27. Bowery Savings.
28. Braden Copper.
29. Bush Terminal.
30. Case Threshing.
31. Cerro Copper.
32. Chase Securities.
33. Chrysler Corporation.
34. Coca-Cola.
35. Colorado Fuel & Iron.
36. Columbia Gas & Electric.
37. Commonwealth & Southern.
38. Consolidated Gas.
39. Consolidated Coal.
40. Continental Baking.
41. Corn Exchange.
42. Delaware & Hudson.
43. Delaware, Lackawanna & Western Coal.
44. Dillon, Read.
45. Discount Corporation.
46. Du Pont de Nemours.
47. Electric Bond & Share.
48. Equitable Life.
49. Erie Railroad.
50. Fifth Avenue Coach.
51. First Security.
52. Fox Film.
53. General Electric.
54. General Motors.
55. Goodyear Tire.
56. Great Atlantic & Pacific Tea.
57. Illinois Central.
58. Ingersoll-Rand.
59. I. R. T.
60. International Agricultural.
61. International Harvester.
62. International Mercantile.
63. International Nickel.
64. International Paper.
65. International Telephone & Telegraph.
66. Johns-Manville.
67. Kennecott Copper.
68. Laurens Cotton.
69. Loew's.
70. Mellon National Bank.
71. Merchantile Insurance.
72. Metropolitan Life.
73. Michigan Central.
74. Montana Power.
75. Montgomery Ward.
76. Mutual Life.
77. National Aviation.
78. National Biscuit.
79. National Broadcasting Co.
80. National Cash Register.
81. New York Central.
82. New York Edison.
83. New York, New Haven & Hartford.
84. New York Title.
85. New York Trust.
86. Niagara Hudson.
87. Northern Pacific.
88. Otis Elevator.
89. Pennsylvania Railroad.
90. Phelps Dodge.
91. Postal & Cable.
92. Prudential Insurance.
93. Pullman (Inc.).
94. Public Service Corporation of New Jersey.
95. Radio Corporation.
96. Radio-Keith-Orpheum.
97. Remington Arms.
98. Remington Rand.
99. St. Regis Paper.
100. Shell Union Oil.
101. Southern Pacific.
102. Southern Railway.
103. Standard Brands.
104. Standard Oil of New York.
105. Stone & Webster.
106. Texas Gulf Sulphur.
107. Thompson-Starrett.
108. Tidewater Atlantic Oil.
109. Union Pacific.
110. United Corporation.
111. United States Guarantee.
112. United States Leather.
113. United States Rubber.
114. United States Steel.
115. Utah Copper.
116. Ward Baking.
117. Westinghouse Electric.
118. Western Union.
119. White Rock.
120. Woolworth & Co.

Mr. NORRIS. Mr. President, what does all this show? It demonstrates very clearly, in my judgment, that the control of all the business of the United States is drifting rapidly toward corporations. Especially when we consider the development and the advance that has been made in this control, as shown by me a short time ago, it demonstrates, it seems to me, that all of us soon will be hired men, working for some corporation.

Mr. President, if the Government of the United States today wanted to take over the railroads of this country, they would have to see only one man, just one, J. P. Morgan. That is true of almost any other operation. Morgan and his associates would be able to enter into the deal if they wanted to, and compel a sale if they wanted to. They can control in any of these corporations the lowering or the raising of wages; they can change the conditions of labor; they can raise or lower the price of the output of any of these manufacturing establishments simply because they control the money of the United States.

The railroad officials are only their servants. The presidents and the officers of these various manufacturing corporations are compelled, whether they like it or not, to obey the mandate that comes from Wall Street. Then will somebody have the courage to deny that there is a money trust?

When we look over the public-utility field and see how the house of Morgan is gradually and rapidly getting control, as shown by the figures and the statistics I put into the RECORD, can we reach any other conclusion than that any of these organizations, any of these operating companies, any of these holding companies, will find it impossible to do anything contrary to the wishes of the men who control the money strings in Wall Street? In that case it has almost reached the point now when it is one man, J. P. Morgan.

J. P. Morgan, with the assistance and cooperation of a few of the interlocking corporations which reach all over the United States in their influence, controls every railroad in the United States. They control practically every public utility, they control literally thousands of corporations, they control all of the large insurance companies.

Why do they want to mix in the insurance business? In the real insuring of people they have no interest; they do not care anything about that. They want the money. They want to be the depositories of the large funds, the enormous funds, the millions of dollars which are necessary in the operation of these great insurance companies. It is the money they are after.

Any of these other corporations which want to borrow money cannot find a place on earth to get it unless they go to some one of the webs of this giant spider, it may be in San Francisco, it may be in Washington, it may be in Nebraska, it may be in Maine. Wherever it is, these lines connected with the money power of Wall Street are connected with practically every large banking institution, either wholly or partially.

Mr. President, we are gradually reaching a time, if we have not already reached that period, when the business of the country is controlled by men who can be named on the fingers of one hand, because those men control the money of the Nation, and that control is growing at a rapid rate. There is only a comparatively small part of it left for them to get, and when they control the money, they control the banks, they control the manufacturing institutions, they control the aviation companies, they control the insurance companies, they control the publishing companies; and we have had some remarkable instances of the control of the publishing companies presented before a subcommittee of the Committee on the Judiciary.

These corporations forget nothing. We had illustrations given us where a magazine would start out on a particular line, but would find itself called on the carpet by some one from one of these great institutions. They were told what the policy must be. Absolute failure stared them in the face unless they obeyed. Through the control of advertising, which, incidentally, to a great extent, is handled by corporations which this money trust controls, they control the avenues of publicity.

Mr. President, the tramp on the street who munches a crust of bread somebody has given him is very likely eating something which came from a corporation controlled by this great Money Trust. Bread is manufactured by corporations, and shipped all over the country, and the price is kept up, while the price of wheat goes down. We have to pay practically the same price for a loaf of bread when wheat is 25 cents a bushel in the Western States, as we paid when wheat was $2.50 a bushel. It is all controlled by corporations. The clothing we wear, the food we eat, the automobiles, in the main, that we use, the gasoline and the oil we buy to operate them, to a great extent are controlled by this financial center represented by this spider.

Mr. President, how long are we to stand for that? How much longer will we stand for it before we realize that we are just hired men of corporations; that we are just slaves; that we have nothing to say about anything that shall be done unless we get the consent of some great big corporation which through its interlocking directorates controls practically every avenue of human activity?

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALSH of Massachusetts. I would like to ask the Senator a question. I do not suppose the Senator objects so much to the management of all these varied financial and industrial activities by corporations as to the fact that many of their officials have created corporations whose stock is filled with water, that they have paid their entrenched officials unconscionable salaries, that they have speculated and gambled with the private financial resources they have been entrusted with, and have carried on their functions in disregard of the public interest and without an effort to do justice to their employees or even to their stockholders?

Mr. NORRIS. Of course, Mr. President, a beautiful theory can be woven, and it can be said that if we get a big corporation that covers everything we will be able to reduce the prices of products to the consumers. But human nature is just the same now as it was a hundred years ago. Give to a man the power, especially if he has in his heart the greed that comes with great financial power as a rule, and when he gets the power the consumer will not get any bene t—the man will get it. When the power is all in the hands of one or a few men, the consumer will be bled white. That has been the lesson of history. Evidence taken only yesterday before the Committee on Banking and Currency shows how one of these men I have named here, drawing a salary of $50,000 a year for operating one of these great banks, received bonuses to the amount, as I remember, of over $3,000,000 in 3 years besides his salary. He sold stock at from $200 to $500

a share that is now worth less than $40, sold some of it to the employees of the bank, and they are paying on the installment plan. I understand it would be possible for them to buy the stock on the market for less than what they still owe on it, but they cannot do it because they want their jobs, especially in these times.

Mr. WALSH of Massachusetts. Mr. President, the abuses are more apparent today than ever before, and for that very reason, if for no other, I agree with the Senator that some action ought to be taken to prevent the further suffering of the American public caused by the unethical and selfish manner in which so many of the large corporations have been managed and which has largely contributed to the present economic distress.

Mr. NORRIS. Mr. President, just a day or so ago, before the Committee on Banking and Currency, it was developed that Halsey Stuart & Co., one of the greatest houses of its kind, if not the greatest, in the United States, had hired a professor out of a university to talk over the radio to the people of the United States. I have heard him, and I suppose all Senators have heard him, telling how to invest money. They call him the "Old Counselor." He was a professor from a university. They paid him, I understand, $50 a week. He did not prepare his addresses; Halsey Stuart prepared them. They got them up for him, and all he did was to read them, and that is one of the ways they operate. That looks a good deal like the methods the public-utilities companies have used to control the public during all the years that have passed.

Here were men and women with some money, savings, perhaps the proceeds of a life-insurance policy to a widow from a dead husband, wanting to invest the proceeds, and they were talked to by "Old Counselor," hired by Halsey Stuart & Co., paid by them, talking their words, not his, over the radio, giving this advice. They would naturally suppose he was a professor in a university, an economist, an honest man, and that he was giving his own ideas. When simmered down, the advice was that the securities they were advised to buy were securities which Halsey Stuart & Co. had for sale and which afterwards became practically worthless.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. On yesterday, in the course of some remarks made by myself, I made the statement that the three larger banks in New York City—the Chase National, the National City, and the Guaranty Trust Co.—have combined resources approximating $5,000,000,000. At the present time, because the dollar is worth 200 cents instead of 100 cents, their resources in buying power and real financial power are $10,000,000,000. In addition to these are many other banks in New York City. Can the Senator advise the Senate of the total resources of all the banks in New York City?

Mr. NORRIS. No; I cannot. I do not have the figures here.

Mr. THOMAS of Oklahoma. The amount would be much larger than for the three banks?

Mr. NORRIS. Oh, yes; much larger.

Mr. THOMAS of Oklahoma. It would approximate many times $5,000,000,000. The consolidated banks in New York, represented by the spider on the chart on the wall, have perhaps $20,000,000,000 of resources, which, at the present time, on the basis of the present value of the dollar and its buying power, would be, in effect, $40,000,000,000, and that exercised through central control, is practically the financial control and power of the United States. Does the Senator agree with that conclusion?

Mr. NORRIS. Yes; I do.

Mr. President, I am reminded by the interruptions of the Senator from Oklahoma [Mr. THOMAS] and the Senator from Massachusetts [Mr. WALSH] of one other thing I want to say. I referred to the evidence given by Mr. Stuart, of Halsey Stuart & Co., before the Banking and Currency Committee yesterday and the day before. I referred to the "Old Counselor" giving advice as to how money should be invested. Let me suppose a case. Suppose the Senator from Oklahoma were walking down the streets of Washington and a widow should come along whom he knew had in her pocketbook the proceeds of a life-insurance policy on her dead husband, which she was probably going to the bank to deposit. Suppose the Senator would knock her down and steal the money from her and undertake to escape. The people roundabout, if they saw what had happened, would seize the Senator from Oklahoma, and if they did not tear him limb from limb—if the mob did not kill him on the spot—he would be sent to prison when he got into court a short time afterward.

But what about Halsey Stuart & Co.? This same widow with the $10,000 that her husband had worked perhaps during almost a lifetime to accumulate in the form of a life-insurance policy, hears the "Old Counseler" say in effect, "Why I am a professor in a university. From the bottom of my heart I am trying to give advice to men and women about how to invest their savings. I am the 'Old Counselor.' I advise you to go and buy some stock in Mr. Insull's company. That is the best investment I know of." When that is done now by the men who get millions and millions from the poor people of the United States in that manner, in their fictitious securities that they float and sell to innocent and honest people of the country, when they do that kind of thing and take the $10,000 away from the widow, they are considered financiers. They are not punished like the Senator from Oklahoma would be if he stole it on the street in the case I have just supposed. He did not use any deception. He simply robbed her of the money. But Halsey Stuart & Co. used deception. They hired a decoy. They hired a man who is supposed to be an upright man, a professor in a college. They paid him their money. They wrote the articles which he was to read over the radio.

In the outcome they got the money from the widow just the same as the Senator from Oklahoma would have gotten it if he had robbed her on the streets of Washington. But the Senator would go to jail because he would be a criminal. Halsey Stuart & Co. are financiers. They are specialists. The professor is a specialist. He is an economist. They are men of high standing, away up at the top of the ladder, and when we want to find out how we are going to get out of the depression we send for such men and ask their advice about how to get out, when they are the men who put us into the depression. We still believe they know how to redeem us from what looks a good deal like destruction.

Mr. LANGER. Mr. President, I wish to ask the indulgence of the Senate for a moment. As I said in the beginning of my remarks, I was up all night, and because of the fact that this nomination is being rushed through I did not have a chance to prepare as thoroughly as I should have liked to do on this very important matter, and I want my constituents in North Dakota to read the RECORD so that they may know I did the very best I could in the short time allowed to get these matters together so I could present them to my colleagues and to the Members of this body.

I now refer, Mr. President, to page 5068 of the CONGRESSIONAL RECORD for June 6, 1933. After having quoted from the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE] and from the late distinguished Senator from Nebraska, Mr. Norris, I now wish to quote from former Senator Robinson of Indiana, and from the late Senator Huey Long, of Louisiana.

Mr. LONG. Mr. President, I hope we shall not have a prolonged discussion of the Morgan investigation from a partisan standpoint. It is not a partisan matter.

I now quote from Senator Robinson of Indiana:

Mr. ROBINSON of Indiana. Mr. President, I do not desire to get into any political argument with the Senator from Texas [Mr. CONNALLY], nor do I propose to do so.

I stood here a moment ago as a Senator in my own right, representing one of the sovereign States of the Union, to protest against certain things that apparently are going on. That I shall continue to do as long as I remain a Member of this body.

I was amazed at the outburst of the Senator from Texas. Why he should undertake to abuse me personally because I was pointing my finger at the most notorious tax dodgers of the century I cannot imagine; but he did, and flung the charge of politics.

There is no politics in what I said. I can mention the names, if the Senator from Texas desires them, of those who have been branded by this committee. I do not desire to do that. The Senator from Texas will find illustrious Democratic names in that list, and he will find Republican names just as illustrious. If anything, in trying to be fair in the matter, I think any unprejudiced judge of the controversy would be bound to say I was harsher with members of my own party than I was with members of the party of the Senator from Texas.

Now, however, I propose to say something about politics, since the Senator from Texas has injected it.

You have a Secretary of the Treasury down there who ought to be removed, and immediately; and the American people have no confidence in him. I am speaking of Mr. Woodin.

Why should he be removed? Because time after time in recent years he has accepted gratuity after gratuity from the House of Morgan. They gave him stock at $20 a share when they were selling the same stock at $35 to $40 a share to the poor, gullible lambs they expected to fleece. That meant that for every single share they gave Mr. Woodin at $20 they made him a present of $15, then and there. That meant, with 1,000 shares, at least a $15,000 gratuity.

Was he on one list only? No; he was on list after list.

Is he beholden to the House of Morgan? Of course he is, or else he is an ingrate.

How could a man accept gratuity after gratuity, money which he never earned and knew he never earned, from these international bankers, without being under terrific obligations to them? He cannot serve two masters. He cannot serve the people of the United States in the Treasury, that powerful office, and at the same time serve the House of Morgan. Therefore, he should get out; and if he does not get out, the President of the United States should remove him; and if he does not remove him, the Senate should impeach him. There is not any question about that, Mr. President—no question about that. Any fair-minded man will say as much.

Here is the House of Morgan. Neither Mr. Morgan nor any of his partners, during the past 2 years, has paid 1 cent of income taxes. The income taxes go through the Treasury. The Secretary of the Treasury is a catspaw, a tool of the House of the Morgan; and he is permitted to remain there by the administration in charge of the Government. He should get out. He should have been removed long ago. Instead of that, the President of the United States flaunts him before the American people and takes him on a cruise on his yacht down the Potomac River.

Powerful! There he is in the Treasury right now. How can he deal with these tax dodgers?

Mr. President, to show that this is all of one pattern, only a few years ago, in the early part of my boyhood, we had a Democrat running for the Presidency, Alton B. Parker, of New York, a Morgan man. A little later we had John W. Davis as a candidate on the Democratic ticket. He was the attorney for J. P. Morgan & Co. A little later we had a Republican convention, and there Mr. Tom Lamont, the man to whom the Senator from Wisconsin wrote the very illuminating letter from which I have quoted this afternoon, put over the nomination of Wendell Willkie. When I endeavored months ago to obtain an investigation in the Senate to show how that nomination was put over, I was unable to have the resolution adopted.

Mr. President, as I stated a short time ago, we are face to face with this situation: In the last war Morgan partners were in the Treasury Department and in the War Department. In 1933 we still had a similar situation.

After talking about Mr. Woodin, Senator Robinson of Indiana continued:

Then there is Mr. Norman H. Davis, on the other side of the sea, undertaking to overturn sound American policy in every utterance, agreeing, so far as he can agree as a mythical ambassador, to consultative pacts that would involve us in every war of the future. He is heavily obligated to the House of Morgan—the House of Morgan!—now; not last week, not last year, but now, this minute; and still he remains over there, representing not the country, thank God! He never was confirmed as ambassador. He is an ambassador of nothing. He represents Mr. Roosevelt over there, as Colonel House represented Woodrow Wilson. If Colonel House and a few others of these mythical ambassadors had not been roaming all over Europe in those days, we never would have gotten into the World War, with all the vast consequences that have come therefrom.

Mr. Davis also is one of the Morgan pets. He is on the list. He has been receiving these gratuities. Whom does he represent over there? Does anybody doubt for a moment that at least partially he represents the House of Morgan, composed of tax dodgers? Not one member of the firm paid a cent of taxes during the year 1931, though they were asking—demanding, even—that the Budget be balanced, and that we drive the disabled veterans from the hospitals of the United States in order to balance the Budget, when these tax dodgers were refusing to pay one cent toward balancing that same Budget, though they were building yachts costing two and a half million dollars. Of course Mr. Davis should be removed.

The most recent disclosure is that remarkable speech of Mr. Bingham, newly appointed Ambassador at London. What a mess we are getting into. He undertakes to say that a 10-year-old child could find the aggressor in any world conflict, and historians for 15 years have been doing their best to decide the war guilt of the great conflict, who was the aggressor in the World War. Yet blithely, magically, without the slightest effort at all, this remarkable Ambassador of ours, Mr. Bingham, waves aside the question and says that a 10-year-old child can always tell the aggressor.

"We have overturned the policy of Washington," said he, "and the policy of the founders. Imagine that. That policy, I think, will be the American policy long after Mr. Bingham and Mr. Davis are dead and in their graves. But think of the infinite harm they do to our international relations over there because someone may believe them. We know them and we discount all they say, but someone over there may believe what they say, and it may do violence to our friendly relations with other lands. So all of them ought to be brought back, and Mr. Woodin should be kicked out of the Treasury.

I say to the Senator from Texas that if that is politics, make the most of it. I will continue to talk politics along that line so long as I am in this body.

Mr. President, I realize I am a lone voice in the wilderness. I realize that my vote will be one of very few, if not the only vote, cast against confirmation of the pending nomination. But I wish to have the RECORD show, and I wish future generations to be able to read, that I opposed the nomination for this high post of a man who, in my opinion, has no qualifications for it, other than the fortune of birth and the backing of bankers whom the President of the United States, in his inaugural address on March 4, 1933, promised to drive from the temple.

Mr. President, I could not face my constituents, I could not mingle among the rank and file of the people whom I represent upon this floor, knowing the situation as I do, if I did not protest against and vote against the confirmation of this nomination. I do not want big business to write the new peace terms. I want that left to the people who compose this great democracy and whose sons are dying upon the fields of battle to preserve it.

Mr. McKELLAR. Mr. President, I shall detain the Senate only a few minutes.

When this body passes on a nomination which comes before it, in my judgment the greatest essentials to be considered are, first, a man's honesty and integrity; second, his capacity and ability; and third, his experience.

Now let us measure this nomination by that rule. It is the rule I have tried to follow since I have been a Member of the Senate.

The Senator from North Dakota has said that the nominee has received this appointment because of the fortune of birth. Mr. President, I am here to testify that in a different sense from the one the Senator from North Dakota intended the expression to mean, that is true. I was here in 1918 when President Wilson appointed the elder Mr. Stettinius, the father of E. R. Stettinius, Jr., an Assistant Secretary of War. I was on the Committee on Military Affairs, which at that time passed on the appropriations for the Military Establishment. Therefore, I had occasion to see the elder E. R. Stettinius very frequently. He appeared before our committee. I learned to know him and to like him. He was a quiet man, almost diffident, most intelligent, able, and learned; and he made a splendid official. I knew of no man in any department of Government for whom I had greater respect than I had for the elder E. R. Stettinius. So, when my friend from North Dakota says that Mr. E. R. Stettinius, Jr., was fortunate in his birth, I am inclined to agree with him, for he did have a very fine father; his father was as grand a man as I ever knew in my life.

Some time ago Mr. E. R. Stettinius, Jr., the nominee whose name has been sent to the Senate and whose nomination for other positions has previously been confirmed by this body, was made Under Secretary of State. I do not remember the exact date when that was done. My friend, the Senator from Texas, says it was approximately 14 months ago, and according to my recollection that was about the time.

I have known Mr. E. R. Stettinius, Jr., since he has been in Washington. Unless I am more mistaken about him than I ever was about any man in my life, E. R. Stettinius, Jr., is a man of ability, he is a man of the highest character, he is a man of the greatest honesty and integrity, and he is a man of experience in this very job.

Mr. President, something has been said about the politics of the situation and about the lack of experience of Mr. Stettinius. I remember that not many weeks ago Mr. Stettinius presided over the Dumbarton Oaks Conference, to a large extent because of the illness of the Secretary of State, Cordell Hull. He took a most active part in that conference. Both the Democratic candidate for President and the Republican candidate for President were greatly interested in that conference. The Republican candidate for President sent his personal representative to Washington, and had him familiarize himself with that conference, over which Mr. Stettinius was presiding. After considering its proceedings most carefully, the distinguished candidate of the Republican Party endorsed substantially what that conference, under the leadership of Mr. Stettinius, was doing.

Mr. Stettinius has had experience in the State Department in the most crucial time in our history, insofar as that Department is concerned. It seems to me that to say that he is not a man of experience is entirely beside the mark, and the statement should not be made.

Mr. Stettinius frequently has come before the Appropriations Committee, as other members of the committee who are now present know. They have heard him testify. They know what kind of a man he is. He is a man of the most marvelously engaging manner whom I believe I ever knew. I do not think it should be held against him that he is one of the best-looking men I ever knew. That is a matter of minor consequence, of course. But Mr. Stettinius has shown by his appearances before our committee that he knows his business, that he is familiar with the questions about which he testifies. He has shown, and I doubt

whether there is a member of that committee present here today who would not say that he is one of the most efficient, one of the most active, one of the most vigorous of all the Government officials who come before us.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. While the Senator is speaking of Mr. Stettinius' appearance before the Appropriations Committee I should like to add a word of similar testimony which I am sure will be borne out by the able chairman of the Committee on Foreign Relations regarding his appearance before that committee.

Mr. McKELLAR. I shall be glad to have the Senator do so.

Mr. VANDENBERG. The thing about Mr. Stettinius which has impressed me from the first is his total candor with Members of Congress. I have never known a man to come from downtown to testify upon the Hill who, so far as I can judge, has made such extreme effort to give us the benefit of his total information.

Mr. McKELLAR. I entirely agree with the Senator; that has been my experience with Mr. Stettinius; and that has been the experience of the Appropriations Committee of the Senate with him.

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me?

Mr. McKELLAR. In just a moment.

First, Mr. President, let me say that there is no "put-on" about Mr. Stettinius; there is no arrogance about him. He is a frank, open, fair, and able man; and he makes a splendid impression on everyone. I think he has one of the most attractive personalities of any man with whom I have ever come in contact. Such a personality can be used to the greatest advantage by our country at a time such as this.

I regret more than I can say that his nomination is opposed by the Senator from North Dakota. I felt it so acutely yesterday, even though his nomination did not come before a committee of which I am a Member, that I walked over to the desk of my distinguished friend from North Dakota and urged him not to make a fight on this nomination, because, aside from every other consideration, Mr. Stettinius has the ability, he has the honesty and integrity, and he has the experience to make one of the best Secretaries of State this country ever had.

I now yield to the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, I merely desire to bear out what the distinguished senior Senator from Michigan [Mr. VANDENBERG] has said as to the impression Mr. Stettinius has made on the Committee on Foreign Relations in his every appearance before it. It seems to me it should bear some weight with this body that the confirmation of the nomination of Mr. Stettinius, first as Under Secretary of State, and then as Secretary of State, has twice been unanimously recommended by the Committee on Foreign Relations.

On one occasion when Mr. Stettinius was nominated for Under Secretary of State, he appeared before us, and voluntarily subjected himself, without a request on the part of the committee, to cross-examination—it might be called that—as to his whole career, from his youth up.

In that connection, and since the business connections of Mr. Stettinius have been attacked here, I may say that he gave up a princely salary as a very able business executive. From purely patriotic motives he gave up such a salary to enter the Government service. I do not suppose that at the time he did so any other young man in the history of the world had ever had better prospects as a brilliant executive in charge of a great industrial concern than did Ed Stettinius. He not only, for purely patriotic reasons, gave up a princely salary in order to enter Government service, but when he did so he disposed of every security of business organizations which he possessed which could possibly be connected in any way with any negotiations of the Government, and particularly negotiations involving munitions. The remainder of his securities was put in a trust fund for the benefit of his children. Over such fund he has no control.

I do not believe I have ever known of a higher minded or more disinterested man than Under Secretary of State Stettinius, and I think it comes with very poor grace for any Senator to attack him because his father, who was a distinguished businessman himself, who used to live in my town, and who rendered very distinguished patriotic service during the last war, happened afterward to be a partner in the House of Morgan.

Mr. McKELLAR. Mr. President, I thank the Senator for his worth-while contribution to the discussion. I believe that no one could entertain the idea that I ever had anything to do in the remotest way with big business. However, I do not believe that a man should be attacked in the way Under Secretary of State Stettinius has been attacked merely because he or some member of his family was once connected with big business.

My friend the Senator from North Dakota stated that he was opposed to Mr. Stettinius because of transactions which took place during World War No. 1, or before World War No. 1, or away back in 1917. Mr. Stettinius is 44 years old. By simple subtraction it can be ascertained that at that time Mr. Stettinius was 17 years of age. If he has disposed of all the stocks and bonds of the several corporations in which he may have had an interest, he should certainly not be charged with what was possibly done by some member of the firm of Morgan & Co. while Mr. Stettinius was a boy 17 years old and possibly in high school or college.

I am speaking in behalf of Mr. Stettinius because I believe that he is a man of the highest character, of the best motives, and one of the most patriotic men I ever knew. I believe him to be careful in whatever statement he makes. After he has once made a statement, we have always found it to be correct and that he had knowledge of what he was saying. I have confirmed that a number of times in connection with lend-lease. As we all know, lend-lease is one of the most important activities the Government has undertaken during this war. The lend-lease program was much criticized, but, if the reports which we have received on lend-lease are examined, it will be seen that every item in every particular which has been connected with lend-lease was presented to the Congress, and that no one was more active and accurate in bringing the facts before both Houses of Congress than was Mr. Stettinius in his capacity as administrator of lend-lease operations.

Mr. President, Mr. Stettinius and Mr. Hull have cooperated to the fullest extent. As I said a few days ago, while I regret that it is impossible for Mr. Hull to continue longer his duties as Secretary of State because of the condition of his health, I am quite sure that he believes that the policies inaugurated under his administration will be carried on by Mr. Stettinius.

I wish to say a word further. I do not know how many votes will be cast against Mr. Stettinius today, but the only possible objection that could be made against him is the statement which has already been made, namely, that he or his father was a member of the firm of J. P. Morgan & Co. I do not know about that. I am not discussing it. But I think that Mr. Stettinius' nomination should be rejected or confirmed on his own merits and not on the merits or demerits of other persons. I have referred to his father, of course, because we can frequently tell what kind of a man one is when we know his father.

Mr. President, I have very little more to say. My good friend from North Dakota has laid his facts before this body. I hope that at this late date the Senate will show the American people, as well as the whole world, that we are behind the program which has been established by the State Department, and endorsed by both candidates for President, as well as by both parties. That program was aided and abetted by the distinguished gentleman whose nomination for Secretary of State is now before us. Yesterday I earnestly urged the Senator from North Dakota not to raise any objection to this nomination. During this war let us stand as one in favor of the policies which our Government has espoused and is putting forth before the world. In my judgment, Mr. Stettinius will go down in history as a great Secretary of State. I sincerely hope that he will be given every vote in the Senate, including that of the Senator from North Dakota.

Mr. WHITE. Mr. President, I can add nothing to the approving words spoken by the distinguished Senator from Michigan [Mr. VANDENBERG] yesterday and today, or to the endorsements of the pending nomination given by the Senator from Tennessee [Mr. McKELLAR] and the Senator from Missouri [Mr. CLARK]. I had hoped, and I hope even now, that we may give to Mr. Stettinius the unanimous endorsement of the Senate. He has had a distinguished business career. It seems to me that his life should be

an inspiration to all the youth of America, and proof of the fact that in this country of ours there can be a career in the business world so distinguished as that which Mr. Stettinius has carved out for himself.

Mr. President, he has been associated with us in the Nation's Capital in various activities of the Government. He has served with unusual distinction and great ability; he has been motivated always by the loftiest ideals of public service, and his personal character is unimpeachable.

I close as I began with expressing regret that there cannot be a unanimous vote cast for the confirmation of his nomination.

Mr. CONNALLY. Mr. President, if any other Senator desires to speak I shall give way.

Mr. DAVIS. I should like to make a few brief remarks.

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Texas yield to the Senator from Pennsylvania.

Mr. CONNALLY. I yield.

Mr. DAVIS. Mr. President, I am confident that President Roosevelt has chosen a qualified and competent successor to Mr. Hull in designating Mr. Stettinius as his new Secretary of State. When Mr. Stettinius appeared before the Foreign Relations Committee I was deeply impressed, as I think all other members of the committee were, by his statement, and felt that we had heard a man who inspired faith in his worth and ability, who understood thoroughly the work which he would be called upon to do in the great office of Secretary of State and who was familiar with the delicate international situation which the country now confronts. I am sure that Mr. Stettinius will fill his new position in a most creditable and satisfactory manner. While I believe my colleague from North Dakota was sincere in what he said, I hope that he will join with his colleagues and make unanimous the vote on the confirmation of the nomination of Mr. Stettinius.

Mr. CONNALLY. Mr. President, I shall not detain the Senate. The encomiums by Senators on both sides of the Chamber who know Mr. Stettinius best should be a sufficient recommendation of him for this high office.

Mr. President, I recall what the Senator from Missouri said, that Mr. Stettinius in accepting Government service had relinquished a very princely salary. My information is that he gave up a position that carried very large pecuniary emolument.

So far as Morgan & Co. are concerned, I have been informed on most reliable authority that Mr. Stettinius, Jr., never had any contact with Morgan & Co. in his own right at any time. It seems that his father, who was a very distinguished man, was in Washington during the First World War as an Assistant Secretary of War and later did become a member of J. Pierpont Morgan & Co.

I shall not undertake to reply to all the statements of the Senator from North Dakota, but I wish to observe that when Mr. Stettinius was nominated for Under Secretary of State he came before the Senate Committee on Foreign Relations, as pointed out by the able Senator from Michigan, and tendered testimony on anything in his whole past life about which we might want to inquire. On the 30th day of September 1943, Mr. Stettinius was by the Senate confirmed as Under Secretary of State. There was no record vote but his nomination was confirmed unanimously. The RECORD further shows that the Senator from North Dakota was present and had answered a roll call during the day. I do not mean there was a roll call on the nomination but the Senator from North Dakota was in the Chamber at a time early in the session on that day when the roll was called. So the Senator from North Dakota was here, but he did not vote against Mr. Stettinius as Under Secretary of State. The RECORD does not disclose any motion on his part to reconsider the vote at any other time. I merely submit those matters as circumstances.

Now, Mr. President, I ask for the yeas and nays on the confirmation of the nomination of Mr. Stettinius.

The PRESIDING OFFICER. The yeas and nays are demanded. Is there a sufficient second?

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Nye
Austin	Gerry	O'Daniel
Bailey	Gillette	O'Mahoney
Ball	Green	Overton
Bankhead	Guffey	Reed
Bilbo	Gurney	Revercomb
Brewster	Hall	Robertson
Brooks	Hatch	Russell
Buck	Hawkes	Shipstead
Burton	Hayden	Stewart
Bushfield	Hill	Taft
Butler	Jenner	Thomas, Okla.
Byrd	La Follette	Tunnell
Capper	Langer	Vandenberg
Caraway	Lucas	Wagner
Clark, Mo.	McClellan	Walsh, Mass.
Connally	McFarland	Walsh, N. J.
Cordon	McKellar	Weeks
Danaher	Maloney	Wheeler
Davis	Maybank	Wherry
Downey	Mead	White
Ellender	Millikin	Wiley
Ferguson	Murray	Willis

The PRESIDING OFFICER. Sixty-nine Senators have answered to their names. A quorum is present.

The question is, Will the Senate advise and consent to the nomination of Edward R. Stettinius, Jr., to be Secretary of State? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. CHANDLER]. I understand that if the Senator from Kentucky were present he would vote as I am about to vote. I am therefore free to vote. I vote "yea."

The roll call was concluded.

Mr. HATCH. My colleague the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained from the Senate, being absent on official business. If present he would vote "yea."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER] is absent attending the funeral of a friend.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. MURDOCK], and the Senator from Colorado [Mr. JOHNSON] are detained on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from West Virginia [Mr. KILGORE] are unavoidably detained.

I am advised that if present and voting, all the Senators whose absences I have announced would vote "yea."

The Senator from Nevada [Mr. MCCARRAN] is detained on official business. I am not advised how he would vote if present.

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Idaho [Mr. THOMAS] are necessarily absent. Both of these Senators would vote "yea" if present.

The Senator from Oregon [Mr. HOLMAN] is detained on official business.

The Senator from Oklahoma [Mr. MOORE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The result was announced—yeas 68, nays 1, as follows:

YEAS—68

Aiken	George	O'Daniel
Austin	Gerry	O'Mahoney
Bailey	Gillette	Overton
Ball	Green	Reed
Bankhead	Guffey	Revercomb
Bilbo	Gurney	Robertson
Brewster	Hall	Russell
Brooks	Hatch	Shipstead
Buck	Hawkes	Stewart
Burton	Hayden	Taft
Bushfield	Hill	Thomas, Okla.
Butler	Jenner	Tunnell
Byrd	La Follette	Vandenberg
Capper	Lucas	Wagner
Caraway	McClellan	Walsh, Mass.
Clark, Mo.	McFarland	Walsh, N. J.
Connally	McKellar	Weeks
Cordon	Maloney	Wheeler
Danaher	Maybank	Wherry
Davis	Mead	White
Downey	Millikin	Wiley
Ellender	Murray	Willis
Ferguson	Nye	

NAYS—1

Langer

NOT VOTING—26

Andrews	Johnson, Calif.	Scrugham
Barkley	Johnson, Colo.	Thomas, Idaho
Bridges	Kilgore	Thomas, Utah
Chandler	McCarran	Tobey
Chavez	Moore	Truman
Clark, Idaho	Murdock	Tydings
Eastland	Pepper	Wallgren
Glass	Radcliffe	Wilson
Holman	Reynolds	

So the nomination of Edward R. Stettinius, Jr., to be Secretary of State was confirmed.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination of Mr. Stettinius.

The PRESIDING OFFICER. Is there objection. The Chair hears none, and the President will be notified forthwith.

FOREIGN SERVICE

The legislative clerk read the nomination of Maj. Gen. Patrick Hurley to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

Mr. CONNALLY. Mr. President, I move that the nomination of Gen. Patrick J. Hurley as Ambassador to China be confirmed.

The motion was agreed to and the nomination was confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask unanimous consent that the postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. HILL. Mr. President, I ask unanimous consent that the President be notified forthwith of all confirmations of today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

LEGISLATIVE SESSION

Mr. HILL. Mr. President, I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate proceeded to the consideration of legislative business.

MEETING OF SENATE BANKING AND CURRENCY COMMITTEE

Mr. WAGNER. Mr. President, I announce that the Banking and Currency Committee is continuing its hearings on very important matters, and I hope all members of the Banking and Currency Committee will at once return to the committee room.

SETTLEMENT OF ACCOUNTS OF DECEASED OFFICERS AND ENLISTED MEN OF THE ARMY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1795) to amend that portion of the act approved June 30, 1906 (34 Stat. 697, 750), authorizing the settlement of accounts of deceased officers and enlisted men of the Army, which was to strike out all after the enacting clause and insert:

That the portion of the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1907, and for other purposes", approved June 30, 1906 (34 Stat. 697, 750; 10 U. S. C. 868), relating to the settlement of accounts of deceased officers and enlisted men of the Army, which reads:

"Hereafter, in the settlement of the accounts of deceased officers or enlisted men of the Army, where the amount due the decedent's estate is less than $500 and no demand is presented by a fully appointed legal representative of the estate, the accounting officers may allow the amount found due to the decedent's widow or legal heirs in the following order of precedence: First, to the widow; second, if decedent left no widow, or the widow be dead at time of settlement, then to the children or their issue, per stirpes; third, if no widow or descendants, then to the father and mother in equal parts, provided the father has not abandoned the support of his family, in which case to the mother alone; fourth, if either the father or mother be dead then to the one surviving; fifth, if there be no widow, child, father, or mother at the date of settlement, then to the brothers and sisters and children of deceased brothers and sisters, per stirpes: *Provided*, That this act shall not be so construed as to prevent payment from the amount due the decedent's estate of funeral expenses, provided a claim therefor is presented by the person or persons who actually paid the same before settlement by the accounting officers", is hereby amended to read as follows:

"Hereafter, in the settlement of the accounts of deceased officers or enlisted men of the Army, where the amount due the decedent's estate is less than $1,000 and no demand is presented by a duly appointed legal representative of the estate, the accounting officers may allow the amount found due to the decedent's widow or legal heirs in the following order of precedence: First, to the widow; second, if decedent left no widow, or the widow be dead at time of settlement, then to the children or their issue, per stirpes; third, if no widow or descendants, then to the father and mother in equal parts, provided the father has not abandoned the support of his family, in which case to the mother alone; fourth, if either the father or mother be dead, then to the one surviving; fifth, if there be no widow, child, father, or mother at the date of settlement, then to the brothers and sisters and children of deceased brothers and sisters, per stirpes. Where the amount due the decedent's estate is $1,000 or more and no demand is presented by a duly appointed legal representative of the estate, the accounting officers may allow $1,000 of the amount due to the estate to the widow or legal heirs in the order of precedence hereinabove set forth. *Provided*, That this act shall not be so construed as to prevent payment from the amount due the decedent's estate of funeral expenses, provided a claim therefor is presented by the person or persons who actually paid the same before settlement by the accounting officers."

Mr. HILL. Mr. President, this bill simply changes the law of 1906, which provided that when a member of the armed services died or was killed in the service, his widow or legal heirs could collect up to $500 from the General Accounting Office, without going to the expense and delay of having an administration of the estate, and having an executor or administrator appointed. What the bill does is to change that law so as to raise the amount from $500 to $1,000. The bill does not involve any claim against the Government. It involves merely the collection by the widow or legal heirs of the pay which the Government of the United States owes the widow or legal heirs, and is designed to save the expense and delay of issuing letters of administration.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHITE. As I understand, this bill relates only to the disposal by the proper authorities of the Government of accrued pay owing to the member of the armed forces.

Mr. HILL. The Senator is correct.

I move that the Senate concur in the House amendment.

The motion was agreed to.

FEDERAL AID FOR POST-WAR HIGHWAY CONSTRUCTION

The PRESIDING OFFICER (Mr. STEWART in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes.

Mr. McKELLAR. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. HAYDEN, Mr. BAILEY, Mr. REED, and Mr. LANGER conferees on the part of the Senate.

OLIVER N. KNIGHT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1827) for the relief of Oliver N. Knight, which was, on page 1, line 6, to strike out "$20,442.16" and insert "$22,992.16."

Mr. ELLENDER. I move that the Senate concur in the House amendment.

Mr. WHITE. Mr. President, will the Senator indicate just what the amendment is?

Mr. ELLENDER. The House has increased an allowance made by the Claims Committee, by about $2,000, and I now move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. ELLENDER subsequently said: Mr. President, a while ago I moved that the Senate concur in the amendment of the House to Senate bill 1827, an act for the relief of Oliver N. Knight. That was made by me under a misapprehension of the facts in the case.

I have consulted the distinguished senior Senator from North Carolina [Mr. BAILEY], who originally introduced the bill, and he has no objection to the motion which I am about to make.

I now move to reconsider the vote by which the Senate concurred in the House amendment, that the Senate ask for a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LANGER. What is the nature of the bill?

Mr. ELLENDER. The bill concerns a claim for the relief of Oliver N. Knight,

whose entire family was wiped out in an airplane accident.

Mr. LANGER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and the Presiding Officer (Mr. MAYBANK in the chair) appointed Mr. ELLENDER, Mr. STEWART, and Mr. ROBERTSON conferees on the part of the Senate.

FLOOD-CONTROL PROJECTS

The Senate resumed the consideration of the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

Mr. LA FOLLETTE. Mr. President, I have received a telegram from the president of the Wisconsin Farmers Union relating to the flood-control and rivers and harbors bill, which at his request I ask be inserted in the RECORD as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHIPPEWA FALLS, WIS., *November 28, 1944.*
Senator ROBERT M. LA FOLLETTE,
Senate Office Building:

Present flood-control and rivers and harbors bill should be delayed until next session. They do not fulfill needs of people. Both M. V. A. and St. Lawrence waterway projects as now proposed a waste of public funds to serve all the people. Wisconsin Farmers Union on record for a complete program in development of natural resources that will serve farmers and others to the fullest utilization of projects. Insert in CONGRESSIONAL RECORD.

WISCONSIN FARMERS UNION,
K. W. HONES, *State President.*

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY], at the end of section 2, line 19, page 2, of the bill, to insert new matter.

The amendment of Mr. MURRAY is as follows:

At the end of section 2, line 19, page 2, insert: "*Provided*, That all functions, powers, duties, and projects of the Secretary of War, the Chief of Engineers, and the Corps of Engineers with respect to the examination, survey, construction, operation, and maintenance of western water conservation reservoirs owned or controlled by the Federal Government, or with respect to any works of improvement appurtenant to such reservoirs, whether heretofore, herein, or hereafter authorized for examination, survey, construction, operation, or maintenance, are hereby transferred to the Secretary of the Interior and shall be administered, under his direction and supervision, by the Bureau of Reclamation in the Department of the Interior. The term 'western water conservation reservoirs' as used in this section shall be deemed to include all reservoirs which are used, or capable of being used, in whole or in part for the conservation, storage, or detention of water, including flood control, or for the reclamation of arid or semiarid lands, and which are located in the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming: *Provided further*, That all records and property (including office equipment, machinery, supplies, facilities, contracts, and assets of every kind, but excluding property needed in the conduct of military operations) used primarily in the administration of any such functions, powers, duties, and projects shall be transferred to the Department of the Interior for use in connection with the administration of said functions, powers, duties, and projects: *Provided further*, That all civilian personnel engaged primarily in the administration of any such functions, powers, duties, and projects shall be transferred to the Department of the Interior for use in connection with the administration of such functions, powers, duties, and projects. Any of the civilian personnel transferred under this section who are found by the Secretary of the Interior to be in excess of the personnel necessary for efficient administration of the activities covered by this section shall be retransferred under existing law to other positions in the Government service or shall be separated from the service. Any person whose employment is terminated on account of a reduction of personnel resulting from the operation of this order shall, for a period of 1 year from the date of such termination of employment, be given preference, if qualified, whenever an appointment is made in the executive branch of the Government: *Provided further*, That so much of the unexpended balances of appropriations, authorizations, allocations, or other funds heretofore or hereafter made available for use in the administration of any of the functions, powers, duties, and projects transferred by this section (including appropriations, authorizations, allocations, or other funds available for general departmental or staff services used in the administration of any such activity) as shall be determined, upon the basis of the pertinent legislative, budgetary, and administrative apportionments, to be properly subject to utilization in the administration of such functions, powers, duties, or projects shall be transferred to the Department of the Interior for use in connection with the administration of the functions, powers, duties, and projects transferred by this section. The moneys so transferred may include amounts to provide for the liquidation of obligations incurred against such appropriations, authorizations, allocations, or other funds prior to the transfer. No moneys transferred under this provision shall be expended for purposes other than those for which such moneys were appropriated or otherwise originally made available, except to the extent to which their expenditure for other purposes may be authorized by law: *Provided further*, That nothing contained in this section shall impair the validity of any outstanding obligations or contracts of the United States of America or of any department, establishment, or agency thereof: *Provided further*, That all rules, regulations, orders, permits, licenses, privileges, or other like matters made, issued, or granted in pursuance of, or with respect to, any function, power, duty, or project transferred by this section which are in effect at the time of such transfer shall continue in effect to the same extent as if such transfer had not occurred until modified, superseded, or repealed: *Provided further*, That the Director of the Bureau of the Budget shall take such action as may be necessary or appropriate for the effectuation of the transfers provided for herein, and shall prescribe the date or dates on which such transfers shall become effective. His determinations with respect to the proper allocation of the records, property, personnel, and funds referred to in said sections shall, when approved by the President, be final for the purposes of this act."

Mr. MURRAY. Mr. President, last evening I was about to explain the amendment. It will have the effect of transferring the civilian construction functions and activities of the Corps of Engineers in the West to the Bureau of Reclamation. I will undertake to explain as briefly as possible why such an amendment is needed.

This action is needed first of all for the protection of all interests in the western part of our country against the inroads of a Federal agency which by law is not required to obey State statutes. Acting under the authority of the commerce clause of the Constitution, the Corps of Engineers can and does invade the West, interferes with vested rights in water, and otherwise plays havoc with State rights. On the other hand, the Bureau of Reclamation is required by Federal law to observe the State laws governing water rights.

The economy of the arid and semiarid areas of the West is dependent upon the establishment and recognition of the fundamental concept that waters arising in the West shall remain available for beneficial consumptive uses in the West. The whole future of the West depends on recognition of this policy. In recognition of this policy, and to facilitate administration and development of the water resources of the West, the Western States have developed through the years, by constitutional and statutory provisions and through the decisions of their courts, certain rules governing rights in water. If the Corps of Engineers of the United States Army is authorized by the pending flood-control bill to undertake the projects it has in mind in the West, then the West will, in effect, have surrendered to a large extent the dominion which it now exercises over its own water resources.

The authority of the Corps of Engineers to proceed with these projects will depend, of course, upon the enactment of H. R. 4485. The authority of the Congress to enact H. R. 4485 derives from the commerce clause of the Constitution of the United States. Under the commerce clause of the United States Constitution, the Federal Government may proceed with navigation and flood-control developments without regard to the impairment or even the complete obliteration of rights for irrigation or other beneficial uses established under State law and even without compensating for the rights so impaired or so taken. That statement is made on the authority of a series of decisions of the Supreme Court of the United States in the following cases: *Sanitary District of Chicago* v. *United States* (266 U. S. 405 (1925)); *United States* v. *Chandler-Dunbar Co.* (299 U. S. 53 (1913)); *Scranton* v. *Wheeler* (179 U. S. 141 (1900)); *United States* v. *Rio Grande Irrigation Co.* (174 U. S. 690 (1899)); *Gibson* v. *United States* (166 U. S. 269 (1897)).

There can be no doubt whatsoever, on the basis of the cases decided by the highest court in the land, that the Corps of Engineers can, if it wishes to do so, proceed with the construction, operation, and maintenance of the works which it seeks authority to construct, entirely without regard to existing water rights, whether they be riparian or appropriative rights established under the Constitution and laws of a State. It is said that the Corps of Engineers has

given assurances to some of the people that it will not violate existing water rights. But how much are these assurances worth? What basis have we for believing that the promise to observe existing water rights, if such a promise has been made, will be kept even by the present Chief of Engineers whose consistent opposition to having such a promise written into law is a clear indication of his views? Such a promise would not be binding even on him and much less on his successors in office. This promise, if one has been made, is worth little or nothing in the face of the absolute power which the Corps of Engineers will have, if it undertakes these projects, to seize, without compensation, any water rights which it may need for the purposes of its projects.

It is said that one reason for authorizing the Corps of Engineers to undertake these works is that the portion of the costs of those projects, which will have to be repaid by local beneficiaries, will be less than the portion that will have to be repaid if some other agency constructs the works. But, even if construction by the Corps of Engineers would cost the local irrigators less, such saving would be mighty poor compensation for a surrender of established water rights. The whole proposition sounds like surrendering a birthright for a mess of pottage.

The West can have the benefits of Federal construction of conservation reservoirs—reservoirs that will serve also the purposes of flood control and navigation improvement—without surrender of water rights established under the Constitution and laws of the States, if and only if one agency is authorized to proceed with the construction of the necessary works. Under existing conditions, that agency should be such an agency as the Missouri Valley Authority, as recommended by the President in his recent letter to Congress.

Aside from the many other reasons for the proposition that the West should resist with all its might the proposed invasion of its territory by the Army engineers, one is particularly impressed with the protection to State water rights which would come from having every part of the Federal conservation program in the West constructed by the Bureau of Reclamation. That protection arises out of a provision contained in the fundamental statute under which Federal reclamation projects have been constructed for the last 40 years. I refer to section 8 of the act of June 17, 1902, commonly known as the Reclamation Act. That section reads as follows:

> That nothing in this act shall be construed as effective or intended to affect or to in any way interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with such laws, and nothing herein shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream or the waters thereof: *Provided*, That the right to the use of water acquired under the provisions of this act shall be appurtenant to the land irrigated and beneficial use shall be the basis, the measure, and the limit of the right.

The foregoing section of the Federal reclamation law does not pay merely lip service. It works. Pursuant to that section, the Bureau of Reclamation makes a filing, with the agency of the State having jurisdiction, looking to an appropriation of water. If, in a particular case, the waters of a stream are already fully appropriated and the flood flows are already fully appropriated, then the Bureau of Reclamation purchases water rights from prior appropriators. This practice it has followed in connection with the Central Valley project. For example, under a contract entered into as of July 27, 1939, between the United States and the firm of Miller & Lux, Inc., and the Gravelly Ford Canal Co., and others, the United States acquired the appropriative and riparian rights of these companies to divert and use the waters of the San Joaquin River and the Fresno Slough for the irrigation of land, the watering of livestock and for other purposes. The consideration agreed to be paid for the water rights thus acquired is specified in the contract at $2,450,000.

Under a contract dated July 27, 1939, the United States acquired from the San Joaquin & Kings River Canal & Irrigation Co., Inc., the Columbia Canal Co., the San Luis Canal Co., and the Firebaugh Canal Co. the right to store certain San Joaquin River flows in consideration of its agreement to construct and operate a pumping system to bring substitute supplies of water into certain cropland areas. Under this arrangement, the cropland areas obtain a substitute and a more dependable supply of water for their cropland areas.

Under a contract entered into on October 2, 1939, the United States acquired from the Chowchilla Farms, Inc., the perpetual right to divert, store, and use all the waters of the San Joaquin River and its tributaries to the use of which Chowchilla Farms, Inc., was entitled for a consideration of $842,000.

Under a contract dated January 29, 1940, the United States acquired certain lands and certain water rights from the Madera Irrigation District for a consideration including the payment of $299,900.

In the same circumstances, had the Army engineers been constructing the Central Valley project, they would not have been obliged to make these purchases, but could have utilized the waters in question without the expenditure of one penny for reimbursing the owners thereof.

Aside from protection of western water rights, there are good, sound national reasons for transferring the civilian construction functions of the Corps of Engineers to the Bureau of Reclamation.

First of all, such a transfer would protect the country against the growth of a military oligarchy, impertinent and unmindful of civilian rights. I think, in this connection, of the statement by General Robbins, at one of the sessions of the subcommittee of the Senator from Louisiana [Mr. OVERTON], to the effect that the amendment proposed by Senator O'MAHONEY—to protect the beneficial consumptive use of water against the demands of navigation—was "crazy."

Apparently the Army engineers have decided that they will accept the "crazy" amendment rather than take a chance on losing their opportunity to construct these "pork barrel" projects.

I may say at this point, Mr. President, that during the course of the debate it was suggested on the floor of the Senate that I had failed to appear before any of the committees considering this legislation and make objections to this bill at the time it was under consideration. I wish to say that that is not true. As early as February 1944 I appeared before the House Committee on Flood Control, when the bill was under hearings before that committee, and testified at some length on that occasion. I then presented the amendment which was suggested by the President of the United States to protect the water rights of the upper States in the Missouri Valley. That testimony will be found on page 934 of the House hearings, volume II, February 1 to February 23, 1944. The amendment which I suggested at that time is found on page 934, and reads as follows:

> Page 21, line 13, after the word "Congress", substitute a colon for the semicolon and insert the words, "*Provided*, That the use of waters of the Missouri River for municipal, domestic, and livestock water supply, for irrigation of arid and semiarid lands, and for mining and industrial purposes shall not be adversely affected thereby."

In connection with the proposal of the amendment, I stated as follows:

> I believe all the advocates of the navigation project contend that the 9-foot channel will not interfere with future irrigation upstream. I am sure, then, that they can have no legitimate objection to such a statement in the bill as that worded by the President.

At the same hearing before the House committee I also suggested the other amendment, with reference to electric power. That will be found on page 935, and reads as follows:

> Page 29, line 12, add the following new paragraphs at the end of section 1:
>
> "Electric power and energy generated at projects authorized by this act and not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers, and preference in the sale of such power and energy shall be given to public bodies and cooperatives. At dams or works authorized by this act which are suitable for the production of electric power and energy the Secretary of War shall provide, construct, operate, maintain, and improve such structures, machinery, equipment, facilities, and supplies as the Secretary of the Interior may deem necessary to develop power and energy for existing and potential markets and for the proper reception, handling, and dispatch of electric power and energy; and operations of all such machinery and facilities shall be scheduled in accordance with the requirements of the Secretary of the Interior so far as consistent with requirements for the use of water for the other purposes of said projects. The Secretary of the Interior is authorized to construct and acquire such transmission lines and facilities and to enter

into such contracts, agreements, and arrangements as he deems necessary to carry out the duties and responsibilities herein conferred upon him.

"In connection with dams or works authorized by this act which the Secretary of the Interior determines, with the concurrence of the Secretary of War, may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws; and, within the limits of the water users' repayment ability, such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dam and works authorized by this act may be utilized for irrigation purposes only in conformity with the provisions of said Federal reclamation laws and this paragraph."

Mr. President, both those amendments were presented before the committee while this legislation was pending in the House, but they were rejected by the engineers at that time. Apparently the Army engineers have now decided that they will accept these amendments, rather than take a chance on losing their opportunity to construct these projects.

Then, again, such a transfer will give the West assurance that the fundamental interests of the West in irrigation and incidental power will be given adequate treatment. It will protect the West against the construction of works whose primary function seems to be to carry fresh water to the sea—this in a land where every drop of fresh water should be stored for beneficial consumptive use.

Finally, a transfer, such as my amendment provides for, is needed for efficient administration in Washington. Even with the best will in the world conflicts are inevitable if you have two agencies operating in the same field. Congress should take cognizance of the fact that it has itself to blame for much of the conflict and confusion which have arisen in connection with navigation, flood control, and irrigation. Although these three items involve—when performed in the West—the maximum conservation of water for beneficial consumptive use, we have too many committees dealing with them. In the House we have the Committee on Flood Control, the Committee on Rivers and Harbors, the Committee on Agriculture, the Committee on Irrigation and Reclamation. In the Senate, we have the Committee on Irrigation and Reclamation, the Committee on Commerce, and the Committee on Agriculture and Forestry. In the name of simplification and economy we ought at least to reduce the number of committees which may consider these matters. By virtue particularly of the practice existing on the House side, there is an unusual relationship between a portion of the executive branch and the Congress. For instance, if notwithstanding the views of the President and of the Bureau of the Budget, the Chief of Engineers desires to submit a report on a particular project, he resorts to the simple practice of requesting, informally of course, a resolution from an appropriate committee requesting his report on that project. The relations between the Chief of Engineers and certain committees of the Congress have grown so close that the Chief of Engineers regards himself as unable to make joint investigations with other agencies. Thus, the saving of time and money which would result from joint investigations is lost to the country because the Corps of Engineers must make an exclusive report.

Finally, our confusion of committees is so great that we find the Bureau of Reclamation submitting substantially the same testimony with regard to its plans for the Missouri River Basin on no less than three occasions—once, before the subcommittee of the Senate Committee on Commerce studying the river and harbor bill; again, before the subcommittee of the Senate Committee on Commerce studying the flood control bill; and, again, before the Senate Committee on Irrigation and Reclamation. Such a procedure is an extravagant expenditure of time and money both in the legislative and executive branches.

Mr. President, I am sure very few Senators are familiar with the broad outlines of the projects which would be authorized for construction by the Army engineers under and by virtue of the language of the provisions on page 31 of the bill. I call attention to the reference, in line 17, page 31, to House Document No. 649, Seventy-eighth Congress, second session. I wonder how many Senators have read House Document No. 649. I wonder if the Senate realizes how many dams would be authorized for construction by this one item alone. Note that the estimated cost of the projects described in House Document No. 649 is $50,100,000. I assume that a project which is estimated to cost over $50,000,000, and which in all probability will cost considerably more, is not the sort of project which the Senate would wish to approve unless it knew the facts and was, therefore, in a position to determine whether the authorization and construction of the project represented sound national policy and a wise expenditure of public funds. I shall therefore ask the Senate to indulge me while I discuss as briefly as possible the salient features of the projects represented by this item and the important questions of national policy involved.

In the first place, I believe I should call attention to the fact that the basic document upon which authorization of this project would be predicated does not represent the last word of the Chief of Engineers. The Chief of Engineers himself refers to his report on the Sacramento River and tributaries as an "interim" report. Webster's New International Dictionary, second edition, defines the term "interim" as "belonging to an interim, done, made, occurring, etc., for an interim or meantime; temporary." We are thus faced with the proposition that the report on the basis of which the Congress is asked to authorize the appropriation of more than $50,000,000 is described by its author as an "interim" or temporary document. There can be only one reason for so describing it. That reason must lie in the fact that he lacks confidence in the conclusions drawn from the studies and surveys so far made, and that, therefore, he wishes to reserve the right to change those conclusions in whatever ways that facts developed from more thorough studies and surveys may indicate to be desirable. I can scarcely believe that the Congress will wish to authorize appropriations in excess of $50,000,000 on the basis of any recommendation which is labeled as one that is likely to be changed. I believe, on the contrary, that in these days of rapidly mounting national debt, the Congress will wish to exercise greater care. I believe that on this item the Congress should say to the Chief of Engineers that it is not prepared to authorize the appropriation of vast sums on the basis of hastily prepared and perhaps superficial studies. I hope and believe that, by eliminating this item from the bill, the Congress will say to the Chief of Engineers: "We will not let you draw on the Treasury for funds to build a project until and unless you can assure us that in your judgment the project you have proposed is the final and best plan you can devise for the purpose you have in mind."

Not only is the report of the Chief of Engineers, on the basis of which the Congress is asked to appropriate millions of dollars, a temporary report, but it is also a report which conflicts with the views of the President. I shall have something more to say on this point at a later time. For the time being, let me call the attention of the Senate to a letter addressed to the Secretary of War on May 22, by the Director of the Bureau of the Budget. This is a letter of comment by the Director of the Bureau of the Budget on the "interim" or temporary report referred to in line 17 of the flood-control bill. I read it:

MY DEAR MR. SECRETARY: This will acknowledge your letter of May 15, 1944, transmitting the proposed report of the Chief of Engineers, dated May 10, 1944, on a preliminary examination and survey for flood control of the Sacramento River and tributaries, California, from its mouth to Shasta Dam, and requesting advice as to the relationship of the proposed report to the program of the President.

A review of this proposed report indicates that the adoption of the general plan of development recommended therein for further improvement of the Sacramento River and its tributaries, upon the basis of the construction, operation, and maintenance under the direction of the Secretary of War and supervision of the Chief of Engineers of some elements of that general plan, would be in conflict with the program of the President for the Central Valley of California as set forth in his letter of March 7, 1944, to the chairman, Committee on Flood Control, House of Representatives. There would, of course, be no objection to a modification of the existing Sacramento River flood-control project to provide for changes and extensions in levees and other structures, and for the construction of nine local levee and channel improvements, as recommended in this proposed report of the Chief of Engineers. However, the dam and reservoir projects that are recommended by the Chief of Engineers are component units in a basin-wide plan for the use and control of the water resources in the Central Valley. The

President has stated in his letter of March 7, 1944, that it would appear that, if any such plan is to be successful, the operation of all units should be fully coordinated on a regional basis and that such coordination, insofar as projects undertaken by the Federal Government are concerned, can best be obtained if the Bureau of Reclamation constructs, operates, and maintains all multiple-purpose elements of the Central Valley plan.

Furthermore, it would appear desirable that, in view of the differences of opinion that have been expressed, the authorization of the construction of any dam at the Table Mountain site be deferred pending the completion of investigations, now being made by the Bureau of Reclamation, to determine the possibilities of providing alternate equivalent storage by means of reservoirs on tributaries of the Sacramento River between Shasta Dam and the proposed site for the Table Mountain Dam and Reservoir, and the completion of the final report by the Chief of Engineers of the preliminary examination and survey of the entire Sacramento and San Joaquin River Valleys.

In addition to what has been said above, I must also advise you that, in the absence of evidence showing that the proposed improvements are necessary to the prosecution of the war, the submission during the present emergency of any estimate of appropriation for construction of the improvements would not be in accord with the program of the President.

In view of their direct concern with the proposed report, I am furnishing copies of this letter to the Secretaries of Agriculture and Interior and to the Chairman, Federal Power Commission.

Mr. President, what does this letter indicate? It indicates, first of all, that the President of the United States has a plan for the Central Valley area of California. Secondly, it shows that the interim or temporary report made by the Chief of Engineers is in conflict with that plan. In the absence of a strong showing that the plan of the Chief of Engineers—hastily put together and containing conclusions which the Chief of Engineers himself is not prepared to describe as final—should be substituted for the long-range plans of the President of the United States, I submit that the Senate should not be asked so to substitute it. I submit further, and I am prepared to prove, that the Committee on Commerce, so far as its report is concerned, gives little or no evidence of having considered the recommendations made by the President of the United States and by the Bureau of the Budget in connection with this item. In this connection I ask Senators to turn to page 22 of the majority report submitted by the Senator from Louisiana [Mr. OVERTON], of the Committee on Commerce, to accompany House bill 4485. Twelve lines are devoted to a discussion of the item in question. Nowhere in that discussion does the Committee on Commerce even so much as take note of the fact that the interim or temporary plan of the Chief of Engineers is contrary to the wishes of the Chief Executive. No mention is made of the letter which I have just read from the Director of the Bureau of the Budget. One very important item is brought out in those 12 lines, namely, that when the House approved this item it did not even have the benefit of the Chief of Engineers' interim report. Indeed, this interim or temporary report of the Chief of Engineers was not transmitted to the Congress until 1 day after the subcommittee had begun its hearings on the flood-control bill.

Not only does the report submitted by the Senator from Louisiana fail to apprise the Senate of the fact that the interim or temporary plan of the Chief of Engineers for this project is in conflict with the plans of the President for the Central Valley area of California, but it fails also to apprise the Senate of the fact that much testimony by skilled and experienced engineers and others in opposition to the authorization of this project for construction by the Army engineers was submitted to the very subcommittee over which the Senator from Louisiana presided. I do not say that the failure thus fully to advise the Senate was by design; but I do say that busy Senators are entitled to have their attention called to controversial items so that they may, if they are so minded, refer to the transcript of the testimony and make up their own minds as to the way in which the controversy should be resolved. More than 800 pages of comparatively small print were required to cover the testimony presented before the Senate subcommittee in connection with the flood-control bill. Many of those pages were devoted to testimony presented for and against the interim or temporary report presented by the Chief of Engineers in connection with this project. Yet only 12 lines of the report submitted by the Senator from Louisiana deal with the whole vast problem involving the expenditure of more than $50,000,000. If a Senator were to rely solely upon the report submitted by the Senator from Louisiana he would be led to believe that this item had been marked by no controversy whatsoever. As a matter of fact, testimony taken before the subcommittee revealed that qualified engineers and also members of the general public were opposed to the plans of the Chief of Engineers as contained in his interim or temporary report on this project.

For example, a member of the California State Senate, Hon. Oliver J. Carter, testified at length in opposition to the project. He was particularly opposed to the authorization of the Table Mountain Dam. I ask Senators to note particularly the attempts made by this witness to bring out the facts respecting the dam at the Table Mountain site. Senator Carter came from a long distance in an attempt to protect the interests of his constituents in Shasta and Trinity Counties, Calif.

Senator Carter gave testimony which will impress any fair-minded man. He showed, first, that it was difficult for the general public to know just exactly what kind and size of dam was proposed to be built at the Table Mountain site. His testimony is impressive also on the proposition that no dam whatsoever should be authorized for construction at the Table Mountain site. He showed that even a low dam would result in flooding a large area of valuable agricultural land. He showed that the area which would be flooded as a result of the construction of the low dam has an annual agricultural production valued at more than $1,600,000. He urged a study of alternative storage possibilities. Notwithstanding the fact that this statesman from California traveled a great distance for the purpose of coming to Washington to present the views of the people most affected, and notwithstanding the fact that he presented those views in impressive fashion, the Senate Committee on Commerce made no reference to differences of opinion with respect to the construction of the Table Mountain Dam.

I have said that qualified engineers testified before the subcommittee in opposition to this project. Let me elaborate. Testimony in opposition to this project was presented by qualified engineers with national reputations. For example, the Commissioner of Reclamation himself, an engineer who has spent a lifetime in the study, preparation, and working out of plans for the conservation and the beneficial consumptive use of water in 17 Western States, gave extensive testimony in opposition to the authorization of this project. I realize that there may be those who will say that Commissioner Bashore had "an ax to grind." There will be those who, not knowing him as well as do some Senators, will feel that his testimony may have been colored by a belief that this project should be built by the Bureau of Reclamation rather than by the Corps of Army Engineers. To those Senators I am glad to be able to say that Commissioner Bashore is a man whose integrity rises above petty jurisdictional quarrels. He testified as an engineer. If as an engineer he had believed that the project described in the interim report should be built as proposed in that report, he would have said so, no matter what the consequences might have been. His whole career assures us of that. The Congress and the Nation can rely upon it.

Among other engineers who testified against the authorization of this project for construction by the Army engineers were the following: Mr. R. S. Calland, who spent 7 years on the Central Valley project in California and who, before that, was assigned throughout the construction period to the Boulder Dam project; Mr. S. A. Kerr, an engineer who has had 37 years of experience in connection with water-supply projects in the Western States; and Mr. R. P. Bryan, a man with 23 years of practical engineering experience. No reference to this impressive testimony is to be found in the report submitted by the Senator from Louisiana.

I wish to be entirely fair. I think that justice requires me to say that much testimony was offered on all sides of the controversy which raged before the subcommittee over which the Senator from Louisiana [Mr. OVERTON] presides in connection with these California projects. I think justice requires me to say that much impressive testimony was presented by the proponents of the Army plan. On the other hand, where there has existed a serious controversy before a committee of the Senate in connection with a particular bill, I think it is unfair to the Members of the Senate if they are not fully apprised of the fact that the

controversy has existed, and if they are not fully apprised of the principal arguments against as well as for the measure which is reported out. To put it another way, I do not think that the Congress should be asked to authorize an appropriation in excess of $50,000,000 until and unless the appropriate committee of the Congress has fully analyzed and answered the arguments against the authorization of such an appropriation. Mere silence on the part of the committee having charge of the bill is not enough.

I want to know, and I am sure other Senators want to know, why the Senate Committee on Commerce decided that the preponderance of the evidence presented to it was in favor of constructing the project proposed by the Army engineers in an interim report. Since the Senate Committee on Commerce has not favored the Senate with an analysis of the evidence presented to it and with its reasons for preferring the plan presented by the Army engineers to the plans favored by the President, by the Bureau of the Budget, and by other agencies, I shall ask the Senate to bear with me while I discuss the proposals and counterproposals made for the Central Valley area in some detail, so that the Senators may have a complete understanding of it.

The project proposed, according to the interim or preliminary report of the Army engineers—a project for which the Congress is asked to appropriate more than $50,000,000—includes the construction of seven reservoirs in the Central Valley area of California. These reservoirs would be formed respectively by dams at the following sites: Table Mountain, Bidwell Bar, Narrows, Folsom, Monticello, Wilson Valley, and Black Butte.

I have already referred to the Table Mountain Dam. It may be useful, however, to point out that, as proposed in the interim or preliminary report by the Army engineers, the Table Mountain Dam is proposed as a high dam. Its justification in the report by the Army engineers is founded in large part on its being constructed as a high dam. If the item proposed by the Senate Committee on Commerce is adopted, then it can never be built as a high dam. Hence, much of the justification for building it at all disappears.

I want to call the Senate's attention to one statement in chapter III of the report made by the district engineer to the Chief of Engineers in regard to the Table Mountain Dam. The statement is as follows:

> Inundation of present irrigated lands in the Table Mountain Reservoir area would result in a loss in tax income to the counties affected, estimated at $30,000 per annum for the low dam and approximately $90,000 per annum for the high dam, and would detrimentally affect existing business and commercial activity in the community of Redding, which is now dependent for a large part of its income upon the activities of this agricultural area. Such detrimental effect on local business, or the loss in taxes from inundation of lands in the other proposed reservoirs, has not been evaluated herein as it is considered that it would be more than balanced by similar unevaluated local benefits in other parts of the valley.

That statement bears out the testimony presented by Senator Carter as to the serious damage that would be done to the area he so ably represents in the California Senate if the Table Mountain Dam is constructed. I might say that Senator Carter is a State senator of California, who appeared and testified in this matter.

The last sentence of that statement is one of the most remarkable sentences I have ever read in any public document. To my mind, it is equivalent to saying, "We do not know what damage will be done to the local people by the construction of the other proposed reservoirs, but regardless of the extent of the damage to those people, we feel sure that it will be more than compensated for by the benefits which people in other localities will derive from the reservoirs. We have not figured out what those benefits may be." In fact, this statement reminds me very much of a foreword which it is said appeared on the cover page of a prospectus of one of the Dublin expositions many years ago. That foreword is said to have read as follows: "All statements made in this prospectus are based on facts and figures, but the visitors are cautioned against being influenced thereby." How can the Congress be expected to authorize the appropriation of more than $50,000,000 for a project on the basis of a report which deals so cavalierly with the question of damage that may be done to local property owners, and which suggests that that damage will be compensated for by benefits which, it admits frankly, have not been computed?

Much impressive testimony was presented to Senator OVERTON'S subcommittee on the proposition that this project, among other projects proposed for construction by the Army engineers in California, was in all major respects a logical extension of the Central Valley project now authorized for construction by the Bureau of Reclamation. I think that at this point it may be worth while to consider some aspects of the Central Valley project and its purposes, so that the Senators may have a full appreciation of the significance of the testimony to which I have referred.

The Central Valley project comprehends, among its purposes, the control, regulation, conservation, conveyance, and use of portions of the waters of the Sacramento and San Joaquin Valleys for the maximum benefit of the entire area. Some engineering features of the Central Valley project are already authorized by law for present development. Others will presumably be authorized by law for development in the future to the extent deemed desirable by the Congress. The initial and the presently authorized features of the Central Valley project include the following: Shasta Dam, Reservoir, and power plant on the Sacramento River 12 miles north of Redding; Keswick Dam and power plant on the Sacramento River about 9 miles downstream from Shasta Dam; transmission lines from Shasta and Keswick power plants to Oroville and to Antioch, or alternate location; Cross channel from Sacramento River to San Joaquin River through the edge of their common delta near Stockton; Contra Costa Canal and pumping system, about 48 miles long, from Rock Slough to Martinez; Delta-Mendota Canal and pumping system, length 100 miles, from the San Joaquin Delta to Mendota; Friant Dam and Reservoir on the San Joaquin River about 20 miles northeasterly from Fresno; Madera Canal from Friant Reservoir northerly for about 36 miles to Ash-Berenda Slough; and Friant-Kern Canal extending southerly from Friant Reservoir about 160 miles to a point just south of Kern River.

The Central Valley project will provide new and supplemental water for irrigation through the equalization of the waters of the Central Valley between the Sacramento and the San Joaquin areas. It will provide flood control and power. It will constitute an improvement in aid of navigation, and it will be an important element in the battle now being waged against the intrusion of salt water on the delta lands of the upper San Francisco Bay region. It will constitute an important source of fresh water for municipal and industrial purposes.

While I have no wish to take the time of the Senate unnecessarily, still I believe that in order that Senators may have a complete understanding of the primary features of the presently authorized Central Valley project, I must describe each of those features at least briefly.

Shasta Dam, now nearing completion, is the second largest masonry dam in the world, and will contain an approximate total of 6,400,000 cubic yards of concrete. The dam is of the massive concrete gravity type, consisting of a central straight spillway section and slightly curved abutment sections. An earth and rock fill embankment is constructed at the left end of the main concrete portion of the dam. The concrete dam and embankment are about 3,500 feet in overall length on the crest and about 602 feet high. It will be the highest dam of the overflow type in the world. The reservoir created by the dam has a total capacity of 4,500,000 acre-feet. The power plant under construction immediately below the dam will have five main units of 75,000 kilowatts each, and two station service units each 2,500 kilowatts. Both station service units are now installed, and two main units are nearly completed and probably will be in operation early in June 1944. Two other units constructed for Shasta power plant were temporarily transferred to Grand Coulee power plant, since their use there would result in additional power being more quickly secured for war industries. Restrictions have been placed on the construction of the remaining units by the War Production Board.

Keswick Dam will form the afterbay reservoir for smoothing out Shasta releases. The dam is nearly completed. It will be about 1,030 feet long, 140 feet high, and contain 200,000 cubic yards of concrete. A power plant under construction will ultimately contain three units with a total capacity of 75,000 kilowatts. Restrictions have been placed on the

manufacture of these units by the War Production Board.

The 100-mile-long transmission line from Shasta power plant to Oroville is nearing completion. Ultimately there will be a line down the west side of the Sacramento Valley to a substation near Antioch—or alternate location. A steam electric plant will also be required ultimately with a probable installed capacity of 162,000 kilowatts.

The Delta Cross Channel as now planned will extend from the Sacramento River across the easterly edge of the delta to a location near Stockton. Its total length will be about 50 miles, with a diversion capacity tentatively set at about 10,000 second-feet.

The Contra Costa Canal extends from its Rock Slough diversion along the south side of Suisun Bay to Martinez. Of the total length of 48 miles there is now about 40 miles completed. Four separate pumping lifts raise the water to an elevation of 124 feet. Construction of the remainder of the canal has been restricted by the War Production Board. The canal has a diversion capacity of 350 second-feet and is in partial operation, delivering municipal, industrial, and agricultural water.

The Delta-Mendota Canal will divert from the delta (Tom Paino slough) with a capacity of 4,600 second-feet. It will comprise a series of pumping plants and a high line canal about 100 miles long leading up the west side of the San Joaquin Valley to Mendota. Croplands along the lower San Joaquin River now using water that under future project operation is to be stored and diverted at Friant Dam, thereby will be given in exchange a substitute supply from the more abundant Sacramento River.

Friant Dam, now completed except for installation of drum gates and river and canal outlet gates, is the fourth largest masonry dam in the world and contains approximately 2,130,000 cubic yards of concrete. The dam is of the gravity type about 3,440 feet long on the crest and 320 feet high. The reservoir, officially named Millerton Lake, has a total capacity of 520,500 acre-feet. Some of the river and canal outlet gates are now being installed to permit partial operation of the reservoir for irrigation and flood control. Work on the remaining gates has been restricted by the War Production Board.

Madera Canal will divert water northerly from Millerton Lake to furnish a supplemental irrigation supply to the Madera Irrigation District. The initial capacity of the canal is 1,000 second-feet with structures designed for 1,500 second-feet, thereby allowing for future expansion if desired. At present about 8½ miles of the total length of 36 miles is completed with the remainder under construction. Completion of the canal to its terminus in Ash-Berenda slough east of Chowchilla is expected early in 1945.

Friant-Kern Canal will divert water southerly from Millerton Lake for irrigable areas with deficient water supplies. When completed it will extend about 160 miles to a point south of Kern River, near Bakersfield. The tentative initial capacity of the canal is 3,500 second-feet. Construction of the canal is at present restricted by the War Production Board.

Before being asked to authorize the appropriation of vast sums for the construction of projects, the Senate is entitled to know something of the geography and of the other characteristics of the area in which these projects are to be located. I regret to say that the interim or preliminary report by the Army engineers in House Document No. 649, Seventy-eighth Congress, second session, does not afford sufficient information on these matters. I must, therefore, supply the deficiency.

Upper Sacramento Valley as herein considered includes the drainage basins of Sacramento River and its tributaries upstream from the town of Red Bluff. The drainage basin above Red Bluff has an area of 9,258 square miles. The western half of the basin drains a portion of the Klamath and Cascade Mountains. The Cascades rise to their highest point at Mount Shasta, a peak with a crest elevation of 14,162 feet. To the east and south of Mount Shasta is a large plateau area which extends easterly to the Warner Mountains near the border of California.

The drainage basin of the upper Sacramento River is largely mountainous, except in the eastern plateau region where there is a considerable area of developed agricultural land. Some scattered areas of partially developed agricultural land are located between Redding and Red Bluff.

The average annual run-off of Sacramento River at Red Bluff for the 20-year period 1921–41 was 6,700,000 acre-feet. This run-off amounts to nearly 40 percent of the total inflow to the Sacramento Valley. Future developments in the area above Red Bluff will consume only a small portion of this run-off, leaving large quantities of water available for regulation and for use in the lower Sacramento Valley, and for export to areas of deficient supply in San Joaquin Valley. Shasta Dam, which is now practically complete, will effect substantial regulation of the run-off of the upper Sacramento Basin. Table Mountain Reservoir, near Red Bluff, is proposed to complete the regulation. An additional 800,000 to 1,000,000 acre-feet of water may also be obtained annually by diversion of the upper Trinity River to Sacramento River near Redding.

Upper Sacramento Basin has a large existing and potential power development. Pacific Gas & Electric Co. already has built four plants on Pit River and its tributaries, and a fifth is nearing completion. Operation of the initial units of Shasta power plant of the Bureau of Reclamation has begun. Pacific Gas & Electric Co. also operates six additional plants on tributaries of Sacramento River between Redding and Red Bluff. The total power-plant capacity which is now installed or is definitely planned for the near future on Pit River, at Shasta and Keswick, and on Sacramento River tributaries, is 766,000 kilowatts. The possible average annual output of these plants, including supplemental steam plants to firm the Shasta and Keswick output, is 4,200,000,000 kilowatt-hours per year.

Above Shasta Dam the Sacramento River and its principal tributaries, the Pit and McCloud Rivers, have a drainage area of 6,665 square miles. The average run-off from this area for the 20-year period 1921–41 was 4,730,000 acre-feet.

A large portion of the drainage area above Shasta Dam is mountainous, but in the eastern section of Pit River Basin there is a plateau area ranging from 3,000 to 6,000 feet in elevation which contains a considerable area of irrigable land. It is estimated that 100,000 acres are now irrigated in this area, but only about one-third of the area receives a full irrigation supply; the remaining area is irrigated only in the spring and early summer months when streamflow is available. Complete data regarding the use of water are not available, but such use probably does not exceed 200,000 acre-feet.

Estimates of the extent of agricultural land above Shasta Dam vary from 180,000 to 350,000 acres. It appears unlikely that all of the available land will ever be supplied with water. Irrigation already has been extended to those lands which can be reached easily from streams and reservoir sites. Most of the favorable storage sites are now developed, including more than 150 reservoirs, with an aggregate capacity of over 150,000 acre-feet. Proposals for additional developments in Big Valley and other areas have been made by several State and Federal agencies. These projects would be principally to provide supplemental water for lands now irrigated.

Pit River below its confluence with Fall River has a relatively uniform flow in comparison with most California streams, the average minimum monthly flow being only about one-half the average maximum monthly discharge. This condition coupled with a reasonably steep river gradient and a sinuous stream course makes the lower Pit River particularly favorable for power development. As previously stated, four projects on Pit River and its tributaries have been completed by Pacific Gas & Electric Co. These include two small plants on Hat Creek, a project diverting from Fall River to Pit River, and one plant on the main stream. A fifth development, also on the main stream, is expected to be completed in the spring of 1944. The total installed capacity of these five plants will be 277,000 kilowatts and the possible average annual output 1,500,000,000 kilowatt-hours.

According to Bonner in Water Powers of California, four projects in addition to the five developments previously described would utilize most of the remaining head on Pit River from Fall River down to the maximum water surface of Shasta Reservoir. The four undeveloped projects have a potential installed capacity of 200,000 kilowatts and could produce 1,000,000,000 kilowatt-hours annually. An additional small project on Hat Creek could produce 42,000,000 kilowatt-hours annually.

A project proposed by Bonner on the McCloud River would include four run-of-river plants with an aggregate head of 2,025 feet, which could produce 1,170,000,000 kilowatt-hours of power annually. A project on the upper Sacramento River above Shasta Reservoir would include a 25,000 acre-foot reservoir and a power drop of 800 feet at which 90,000,000 kilowatt-hours could be produced.

Consideration has been given to the possibility of diverting water from Klamath River Basin into Sacramento Valley. One of the more favorable plans for such a project would include a diversion from Klamath River to Tule Lake, thence to Pit River. Water diverted from Klamath River would augment the irrigation supply for the Central Valley and would increase the output of the power plants on Pit River, at Shasta and Keswick Dams and at other future downstream projects. The Klamath water might also be used for irrigation in the Big Valley area of Pit River, but this possibility has not been investigated in detail. Further detail regarding the Klamath diversion project are presented in the discussion of Klamath River.

Coming back to the Central Valley project as authorized by law for construction by the Bureau of Reclamation, we find that Shasta Dam, a key unit in the portion of the Central Valley project now under construction, is nearing completion on Sacramento River 12 miles north of Redding. The reservoir formed by Shasta Dam will have a capacity of 4,500,000 acre-feet, which will regulate the run-off from the upper Sacramento River to accomplish the following primary functions:

(a) Supplying over 1,500,000 acre-feet of supplemental and new water annually for lands in Sacramento and San Joaquin Valleys. This is in addition to water used at present.

(b) Maintaining a continuous flow of 3,300 cubic feet per second into San Francisco Bay for protection of lands in the Sacramento-San Joaquin Delta from salt-water intrusion.

(c) Controlling floods on upper Sacramento River.

(d) Maintaining a minimum river discharge of 5,000 cubic feet per second below Red Bluff for navigation purposes.

(e) Producing hydroelectric power, in conjunction with Keswick power plant and supplemental steam plants, to the extent of 430,000,000 kilowatt-hours annually for project pumping and 1,920,000,000 kilowatt-hours of firm power for commercial sale. The ultimate installed power-plant capacity at Shasta Dam will be 380,000 kilowatts, including 5,000 kilowatts for station service units.

In addition to the above, releases will be made for maintenance of fish life. Other benefits will include recreation, pollution abatement, and decreased pumping costs for irrigators diverting from Sacramento River.

Keswick Dam, located on Sacramento River, 3 miles northwest of Redding, is now under construction by the Bureau of Reclamation. This dam will provide storage to reregulate the fluctuating power releases through Shasta power plant to a uniform flow below Keswick Dam. The project will also include a 75,000-kilowatt power plant and fish traps necessary for the protection of fish life. Keswick Dam will raise the water surface of Sacramento River to the tailwater elevation of Shasta power plant.

I have pointed out already that testimony which was presented to the subcommittee over which the Senator from Louisiana presided, indicates that the Central Valley project and all projects for the storage of water in the Central Valley area in California should be constructed by the Bureau of Reclamation. Some attempt was made, during the hearings before the subcommittee, to show that the desire of the Bureau of Reclamation to build these projects was based upon bureaucratic ambitions. Any Senator who has read the testimony which was heard by the Senator from Louisiana will appreciate, as I have, that those attempts ended in failure. Commissioner Bashore and other witnesses from the Bureau of Reclamation and the Department of the Interior gave pursuasive and impressive testimony to the effect that these projects should be constructed by the Bureau of Reclamation because they are essentially irrigation projects. I suspect that very few Senators have had the time to read the testimony on this point and, because of its importance in connection with the questions now before the Senate and because of the fact that no reference whatsoever is made to it in the report issued by the Senator from Louisiana, I will ask the Senate to bear with me while I read some excerpts from that testimony. Beginning at page 219 of the transcript, we find Commissioner Bashore testifying as follows:

> I would like to say for the record at this point that there is no question about our re ognition of the ability of the Corps of Engineers. We know that they are preeminent in their field of flood control and navigation improvement. It has been my privilege to visit some of the great works constructed by the Corps of Engineers and personally I am proud of that work.

Does that statement sound like the expression of a petty bureaucrat? On the contrary, standing by itself, it is evidence enough of the proposition that if, in Commissioner Bashore's judgment, the construction of these works in the Central Valley area of California and the purposes that these works are to serve constituted them primarily a flood-control undertaking, he would have said so. There follows in the testimony, presented by Commissioner Bashore and other officials and engineers, persuasive evidence of the proposition that these projects are essentially irrigation projects and that they should, therefore, be constructed by the Bureau of Reclamation. If Senators will read that testimony, I am satisfied that they will conclude, as I have, that it would be a tragic mistake on the part of the Congress to authorize any agency other than the traditional agency entrusted with the construction, operation, and maintenance of irrigation works to build these projects. I refer to the testimony beginning on page 224 and ending at the bottom of page 244.

Can anyone doubt now that these projects are predominantly projects for the storage and beneficial consumptive use of water? If any doubts remained at the conclusion of the testimony presented by Mr. Kerr ad Mr. Bryan, those doubts surely must have been removed from the mind of any fair-minded man by the following statement which was presented by Assistant Regional Director Calland.

I shall not take the time to read the statement by Mr. Calland, but it will be found in the transcript commencing at page 250 and ending at page 258.

Mr. President, entirely aside from the question whether these projects are primarily irrigation projects, I wish to point out to the Senate that since all have irrigation features, they should, in any event, be constructed, operated, and maintained by the Bureau of Reclamation in order to assure that the principal purposes of the Congress in appropriating for their construction will be carried out. I am impressed by the fact that the Federal reclamation laws, with their various provisions for the development of family-size farms and the prevention of speculation in lands, should be made applicable to all reservoir projects in the west. If the policy of the family-size farm, a policy which, by the way, is written into the platform of both major parties, is to be accomplished, then these projects must be built, operated, and maintained by the Bureau of Reclamation under the reclamation laws. If this is not done, then the millions of dollars poured out of the Federal Treasury into these California projects may well have been misspent. If we are not watchful, we can have in California an experience similar to the experience of fascist Italy in connection with the reclamation of lands. Senators will recall that some years ago Mussolini undertook an ambitious program to reclaim lands. It was widely advertised as a program that would "give land and bread to millions of Italians in the future." In practice, however, it resulted in enriching the owners of large estates and in providing little land for the masses of the working people. Surely the Senate will wish to avoid a similar result in California. The way to do that is to authorize the construction of these projects by the Bureau of Reclamation under the Federal reclamation laws, with provision for subdivision of large landed estates and the settlement on lands of returning war veterans and demobilized war workers.

While this problem is of particular concern to California, since these projects will be located there, I wish to emphasize the fact that it is nonetheless a national problem. It is a problem in which the Congress of the United States must be concerned, not merely because millions of dollars of Federal funds will be required for the construction of these projects, but also because if these projects are wisely administered and if they are made to result in the creation of family-size farms, then they will play an important part in helping California to return to a prosperous peacetime economy.

Mr. President, I have offered also amendments to delete from this bill the

special authorization for the Folsom reservoir on the American River, the project for the Isabella Reservoir on the Kern River, the plan for the Terminus and Success Reservoirs, Keweah and Tule Rivers, the project for the Kings River and Tulare Lake Basin and the plan of improvement for flood control and other purposes on the Calaveras River and Littlejohn Creek. All of these projects are logical extensions of the Central Valley project and, therefore, they should be planned, designed, constructed, operated, and maintained as integral parts of the Central Valley project by the Bureau of Reclamation in accordance with the established policies of the Federal Reclamation law. What I have said in connection with my amendment for the deletion for the project described in House Document 649, Seventy-eighth Congress, second session, is, in general, applicable to these projects also. I do not wish to take the time of the Senate to reiterate those reasons as to each one of these projects. But I do wonder why the subcommittee of the Senator from Louisiana [Mr. OVERTON] thought it advisable to authorize the project for the Folsom Reservoir twice. The Folsom Reservoir is one of the reservoirs proposed in House Document 649 and included in the proposed authorization beginning on line 12 of page 31 and ending on line 4 of page 32 of the bill as reported by the Senate Committee on Commerce. Yet, for some reason, it seems to have been found advisable to single it out and to authorize it specially again by the item beginning on line 5 and ending on line 11, page 32. Perhaps the reason was that the language in House Document 649 was not sufficiently broad to satisfy the Chief of Engineers and that the Senate Committee on Commerce decided that a blank check would be preferable. I suggest this possibility because the language of committee amendment No. 26, which provides special authorization for the Folsom Reservoir, also provides that it may be built "with such modifications thereof as in the discretion of the Secretary of War and the Chief Engineer may be advisable." This language, I suggest, is so broad as to permit the Chief of Engineers to build anything he wishes under the guise of a reservoir on the American River. Does the Senate really intend to write such a blank check? Is there not a point where the Congress will hesitate to delegate authority of this sort? Such delegation as this is the very negation of the democratic process.

I have referred to the fact that the President does not approve of the plans of the Chief of Engineers for these projects in the Central Valley area of California. The evidence of that is in the following letters, which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks. The letters have been heretofore referred to, I believe, during the course of the debate. One of the letters, dated February 7, 1944, was written by the President to Mr. WHITTINGTON, chairman of the Flood Control Committee of the House. The other letter is dated August 7, 1944, and was written by the President to the chairman of the subcommittee of the Commerce Committee of the Senate. I ask that the two letters be printed at this point in the RECORD as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, February 7, 1944.

Hon. WILLIAM M. WHITTINGTON,
Chairman, Flood Control Committee,
House of Representatives.

MY DEAR MR. WHITTINGTON: Over 2 years ago, on May 5, 1941, I wrote to you about the Kings River project and the Kern River project in California. Your committee was then considering the authorization of both of these projects for development by the Corps of Engineers under the jurisdiction of the Secretary of War.

The schedule of hearings on the flood control bill of 1944 indicates that proposals for authorizing these projects as undertakings of the Corps of Engineers will be considered again on February 9, 1944. I shall appreciate it if you will read this letter into the record at that time.

In my letter of May 5, 1941, I said, in part: "Good administration continues to demand that projects which are dominantly for irrigation should be constructed by the Bureau of Reclamation, Department of the Interior, and not by the Corps of Engineers, War Department. The Kings River project is authorized for construction by the Bureau of Reclamation at this time. The proposed project on the Kern River is dominantly an irrigation project. Neither of these projects, therefore, should be authorized for construction by the Corps of Engineers. To do so would only lead to needless confusion." That letter is applicable today.

These projects should be constructed by the Bureau of Reclamation and that portion of their cost to be charged to irrigation should be financed on the basis of the prevailing Federal policy of 40 annual payments by irrigation beneficiaries. These projects should be maintained and operated by the Bureau of Reclamation, but operation for flood control should be in accordance with regulations prescribed by the Secretary of War.

In my letter of May 5, 1941, I suggested that a sound policy in connection with these water projects would consist of selecting the construction agency by determining the dominant interest. Projects in which navigation or flood control clearly dominate are those in which the interest of the Corps of Engineers is superior and should be so recognized. On the other hand, projects in which irrigation and related conservation dominate are those in which the interest of the Bureau of Reclamation in the Department of the Interior is paramount and should be so recognized. No matter which agency builds a multiple-purpose structure involving in even a minor way the interests of the other, the agency with the responsibility for that particular interest should administer it in accordance with its authorizing legislation and general policies. For example, the Bureau of Reclamation in the Department of the Interior should administer, under the reclamation laws and its general policies, those irrigation benefits and phases of projects built by the Corps of Engineers. These suggestions are, to my mind, even more pertinent today. For today we gird for peace. Confusion over jurisdiction ought not to be allowed to disrupt the great preparations now being made for post-war construction of vital public works.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
Washington, August 7, 1944.

Hon. JOHN H. OVERTON,
United States Senate.

MY DEAR JOHN: I am glad to learn from your letter of June 23 that the Senate Commerce Committee adopted a progressive provision for the marketing of power from navigation and flood-control projects in the bills that have been reported to the Senate.

The dam and reservoir projects in the Central Valley of California, which would be authorized by H. R. 4485 for construction by the Army engineers, should, for purposes of sound administration and coordinated operation, be constructed by the Bureau of Reclamation in the Department of the Interior. These projects constitute logical extensions of the existing Central Valley project of the Bureau of Reclamation. California, in common with the other Western States, has a flood-control problem and a need for water. The basic and best solution of her flood-control problem lies in the minimum storage and use of water for irrigation. Every flood-control project and every navigation project in the West should therefore be made, so far as practicable, to play its part in the great scheme of conservation of water for beneficial consumptive use.

It may well be that testimony before your committee in favor of the construction of these projects by the Corps of Engineers was a reflection of the desire of certain large land interests in California to obtain irrigation and other benefits without being subjected to the repayment requirements and to the other public safeguards that are a part of the reclamation law, but I do not believe that this should be allowed to obscure the fundamental objectives of that law. In this connection, I was pleased by the inclusion of the irrigation amendment. But this amendment will not assure that the planning, design, construction, and operation of these reservoirs shall be such as to fulfill the primary need for conservation and beneficial consumptive use of water. I hope, therefore, that the Congress will see fit to place in the Bureau of Reclamation the authority and the responsibility for accomplishment of the great objectives that the Federal Government should achieve in California.

I am convinced of the soundness of the amendment designed to assure that the respective States have opportunity to have their views formally recorded in reports on proposed projects of interest to them. While I appreciate your concern over the provision of that amendment that would allow the States to hold up construction of projects already approved by the Congress, this appears to be the case only with respect to projects in the present bill and is necessary to permit transition to the procedure that would be effective for future projects. This amendment seems to me to be no less constitutional than other limitations written by the Congress from time to time on the extent and manner of the execution of powers vested in the Federal Government by the commerce clause of the Constitution.

With respect to the Missouri River, specifically, I am hopeful that a method can be found for the settlement of differences between the proponents of irrigation and of navigation so that the needed over-all development of the basin can proceed expeditiously.

I appreciate your having given my views consideration and having made them available to your committee. You have undertaken an important job and one that is particularly close to my heart. I am grateful and I am sure the Nation as a whole will be grateful for the great effort you are putting into this task.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. MURRAY. I also invite attention to a letter which was received by the Vice President from the Secretary of the Interior, dated November 21, 1944. I ask unanimous consent to have that letter printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., November 21, 1944.

The VICE PRESIDENT OF THE UNITED STATES.

MY DEAR MR. VICE PRESIDENT: In the interest of sound reclamation development in the western United States, I call to your attention recent proposals regarding the rivers and harbors bill and the flood-control bill, which will be urged upon the Senate when it gives active consideration to those measures. These proposals, if adopted, would breach the long-established policies of the Congress under which reclamation development in the West has proceeded since 1902 in a manner that has gained for it bipartisan and Nation-wide support. It would be tragic if the basic reclamation policies of the Nation were breached by the pressure of short-sighted and selfish local interests.

Early in September in Chicago, there was a conference of representatives of the Western States and of some Eastern States. I am not informed as to the proceedings of that conference, but the results have been made public. The resolutions and proposed amendments to the rivers and harbors and flood-control bills which were adopted by the conference were printed in the CONGRESSIONAL RECORD on September 19, appearing on page 7882. In this letter I want to emphasize the major policies of the Congress that those proposed amendments endanger.

Federal reclamation of arid and semiarid lands has proceeded, since the Reclamation Act of 1902, on the reciprocal basis of Federal provision of interest-free money and repayment by the local water users, without interest, of that part of the reclamation construction costs found to be within the repayment ability of the water users. As experience developed and economic circumstances changed or varied, the Congress, from time to time, very properly made changes in the repayment period and in the amount to be paid annually. However, throughout these legislative variations in the term of years and the basis of the annual charges, the Congress has adhered rigidly to the principle that the water users should repay without interest that part of the construction costs found to be within their repayment ability. That principle has been the essence of every repayment law. Repayment in accordance with that principle has been required by the Congress, ever since 1902, as one of the conditions upon which Federal funds would be provided for reclamation development.

The appropriateness of that condition has been underscored in the last decade when the Congress has undertaken the financing of reclamation developments, not only from the receipts from disposals of public lands but also from funds in the General Treasury, taxpayers' money.

Within the past few years there has been an increasing attempt on the part of a few local interests to have reclamation developments provided in connection with flood-control projects to be constructed by the Army engineers, without requiring adherence to the repayment principle or to the other policies of the Federal reclamation laws. One of the amendments proposed by the Chicago conference would authorize the Secretary of War, in connection with any flood-control project the Army engineers build out West, to contract for water storage for irrigation and any other beneficial uses on whatever terms the Secretary of War may deem reasonable.

The Congress, again ever since 1902, has prescribed, as another condition of Federal reclamation with interest-free money, that the lands receiving the benefits of the Federal reclamation developments, whether public lands or privately owned lands, shall be family-sized farms. Through Democratic and Republican administrations this condition has been reiterated by the Congress. Coupled with these so-called excess-land laws have been legislative provisions to prevent speculation in land prices.

In the past 15 years there have been three exceptions from the excess-land laws. Two of them have been legislative and one administrative. On June 16, 1938, the Congress provided "That the excess-land provisions of the Federal reclamation laws shall not be applicable to lands which now have an irrigation water supply from sources other than a Federal reclamation project and which will receive a supplemental supply from the Colorado-Big Thompson project." Legislative history will show that this Department reported favorably on that 1938 legislation, which did not provide a blanket exemption. On November 29, 1940, the Congress exempted from the excess-land laws the lands served by the Truckee River storage project, Nevada, and the lands served by the Humboldt River Reservoir in the same State. Legislative history will show that, although this Department did not report favorably on that blanket exemption, it interposed no objection. However, I am now certain that there was no justification for the unqualified exemption regarding the Nevada projects and that the act providing a partial exemption for the Colorado-Big Thompson project should have been so framed as to give greater assurance that the reclamation land policy of the Congress would be in effect on that project.

In 1933, in connection with a repayment contract between the United States and the Imperial irrigation district involving the All-American Canal, my predecessor ruled that at least some of the lands which would be serviced by the new canal were not subject to the excess-land laws. The extent of that ruling, its basis, and its governing effect are not clear.

Besides those three exceptions, the record shows that the administration and enforcement of the excess-land laws has shortcomings. Many practical difficulties were caused by shifts in and consolidations of ownerships during the depression years. However, the shortcomings to an extent have outlasted the situations that gave rise to them.

In the Columbia Basin Project Act of 1943, consideration was given by the Congress to the length of time over which the anti-speculation provisions of the excess-land laws need to be applied in order to accomplish their purpose. This Department recommended for that particular project a 10-year period for each block of irrigation lands involved. The Congress adopted, and the law provides, a 5-year period. Some limited period for application of the antispeculation provisions, long enough to protect settlers against being victimized by land speculators yet shorter than the full repayment period, might be desirable for all reclamation projects.

I mention these developments of the last 15 years because in the light of experience gained and changed conditions they show that there is need to recast the excess-land provisions of the Federal reclamation laws. However, I want it clearly understood that I believe that any new legislation on excess-land matters and antispeculation should adhere as closely as practicable to the long-established policies of family-sized farms and of protection of settlers against speculative land prices. Failure of any new legislation, whether for a particular project or general in scope, to maintain those basic policies to the fullest extent practicable would seriously weaken the justification for Federal development of reclamation projects on an interest-free financial basis. It must be admitted, however, that the problems are complex and that even the local interests involved are conflicting. Ample proof of this fact is contained in the hearings conducted in California last summer by the subcommittee of the Senate Committee on Irrigation, headed by Senator DOWNEY.

The Central Valley project, like other recent and proposed Federal reclamation projects, will provide supplemental water supplies for lands which are already irrigated but which have inadequate water supplies. Like other recent and proposed projects, the Central Valley project will provide irrigation water supplies for large areas of lands not now irrigated. There also is a complication on that project arising from the fact that a substantial amount of irrigation water is pumped from underground sources instead of being delivered through surface distribution systems. Even so, in those hearings held last July from Sacramento to Bakersfield a hue and cry was raised against the blanket exemption from the excess-land laws urged by the proponents of the so-called Elliott amendment to the rivers and harbors bill. The protest came from members of the Grange; it came from representatives of urban labor organizations making common cause with the small farmers and farm workers; it came from representatives of church groups who pointed out that rural areas of family-size farms are stable enough to permit religious development, whereas large-scale, industrialized farming, with its generally itinerant farm labor, allows little opportunity for stable community life, religious and otherwise. Family-size farms for individual citizens, prosperous small towns supported by such an agriculture, and the good American community life they permit—those are the very things Congress sought since 1902 to promote and protect by the Federal reclamation laws.

Full credit should go to the members of the committee and to Congressman ELLIOTT, who, at the last hearing in Bakersfield, frankly recognized the complexity of the problem and stated their willingness to consider any compromise legislation that in a workable manner would deal fairly and reasonably with the developed farm lands which need and should receive supplemental water and that would provide at the same time, to the fullest extent practicable, for development of family-sized farms in the Central Valley area.

Following those hearings, local representatives of the Bureau of Reclamation in the Central Valley of California have been working with the various local interests with the objective of working out such compromise legislation, and progress is being made by open-minded discussion and cooperation in the area affected. Early in the next Congress, and perhaps during the present session of this Congress, there will be presented to the Congress for its consideration proposed legislation that will reflect those cooperative efforts. Yet the Chicago conference proposes that the Elliott amendment, which would make a blanket exemption of the Central Valley project from the excess-land laws, be reinserted in the rivers and harbors bill. It would be tragic not only as regards the future of the Central Valley project but also as regards the reclamation program in the West if the Elliott amendment became law.

The Chicago conference also proposes an amendment to the flood control bill which would have the effect of precluding any reclamation development by the Bureau of Reclamation under the Federal reclamation laws in connection with an Army flood-control dam if any of the lands to be served already

have a partial water supply from a locally operated system. The flood control bill would authorize a number of multiple-purpose projects in California which would provide irrigation water supplies and which this proposed amendment, in effect, would exempt from the reclamation laws.

The President and I have urged that the proposed multiple-purpose developments in California should be constructed by the Bureau of Reclamation so that the reclamation developments in that State which will be served by these Federal structures will be carried forward under the Federal reclamation laws. Consistency with the policies Congress has iterated, and reiterated from 1902 to date, requires it.

I would appreciate your placing this letter before the Senate so that it may be informed of the dangers inherent in these proposals of the Chicago conference.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

Mr. MURRAY. Mr. President, I submit that this discussion of the problem proves conclusively that these projects concern reclamation, and that the amendment which I have offered should be adopted.

Mr. OVERTON. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point as a part of my remarks two telegrams, one from the Mississippi Valley Association and the other from the Ohio Valley Conservation and Flood Control Congress, urging the elimination of all controversial questions and the prompt passage of the pending bill.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ST. LOUIS, MO., *November 27, 1944.*

Hon. JOHN H. OVERTON,
United States Senate Chamber:

Mississippi Valley Association, representing 23 States with more than 50 percent of population of the United States, assembled in annual convention at St. Louis passed unanimously the following resolution and endorsement:

We urge immediate passage of the flood-control bill, H. R. 4485, and recommend acceptance of the coordinated plan of Missouri Basin development agreed upon by the Army engineers and Bureau of Reclamation. Immediate passage of this bill necessary to preparations for timely post-war readjustment and in order that flood damages and erosion damage of continually increasing amounts may be stopped.

LACHLEN MACLEAY.

ST. LOUIS, MO., *November 28, 1944.*

Hon. JOHN H. OVERTON,
Committee on Commerce:

The Ohio Valley Conservation and Flood Control Congress urge you to eliminate all controversial questions and projects and then pass flood-control bill.

DR. CHARLES E. HOLZER, *President.*
ALAN N. JORDAN, *Secretary.*

Mr. OVERTON. Mr. President, I wish to make a few brief observations with reference to the matters on which the very able junior Senator from Montana [Mr. MURRAY] has made comments today. I shall take them up in the order in which he presented them. I shall not undertake to cover the whole subject matter of his remarks.

The junior Senator from Montana did appear before the House Committee on Flood Control, and he filed with that committee, without reading, a written statement. In that written statement he did propose the amendments to which he has referred. Substantially, however, those amendments have been incorporated in the present bill. They are not word for word as suggested by the Senator from Montana, but they are substantially the same. They relate to irrigation and electric power. It is my understanding that both those amendments meet with the approval of the Department of the Interior and the Bureau of Reclamation.

The Senator has referred to a letter written by the President on February 7, 1944, to the chairman of the House Committee on Flood Control. So far as I am concerned, I endorse the statement made by the President of the United States. He undertakes to show a line of demarcation between reservoirs for reclamation and irrigation purposes and those built for flood control and navigation. One category is to be built by the Bureau of Reclamation, and the other by the Army engineers. I quote from the letter of the President, found on page 935 of the House committee hearings, in the statement of the Senator from Montana. The President said:

In my letter of May 5, 1941, I suggested that a sound policy in connection with these water projects would consist of selecting the construction agency by determining the dominant interest. Projects in which navigation or flood control clearly dominate are those in which the interest of the Corps of Engineers is superior, and should be so recognized. On the other hand, projects in which irrigation and related conservation dominate are those in which the interest of the Bureau of Reclamation in the Department of the Interior is paramount, and should be so recognized.

The projects in this bill are along the lines suggested by the President. According to the testimony, as appraised by the Committee on Commerce, there are no projects in this bill proposed to be constructed by the Army engineers in which the interests of flood control do not predominate, and in the rivers and harbors bill there are no projects in which the interests both of flood control and navigation are not the predominating and controlling factor. In the joint report submitted as a result of a conference and agreement between the Bureau of Reclamation and the Army engineers that policy has been carried out, and the reservoirs in which the predominant interest is conservation, irrigation, and reclamation are to be under the control of the Bureau of Reclamation and the Department of the Interior. Those in which navigation and flood control predominate are to be under the control and operation of the Army engineers. I think what the President has said is fair, and that policy is the one which is being pursued.

The able junior Senator from Montana has made considerable comment in reference to the Sacramento and San Joaquin Rivers and the Central Valley, in California. The principle to which I have just referred was carried out in respect to the projects contained in the bill which were authorized for those streams. The testimony shows, I think rather conclusively, that the projects herein authorized to be constructed by the Army engineers are ones in which flood control predominates over irrigation. Of course, the Senate will understand that, insofar as irrigation is concerned, all surplus water which can be used for irrigation is turned over to the Department of the Interior, and the method of irrigation and the operation of the irrigation works are under the control of the Department of the Interior.

There was another and I think a very cogent reason which addressed itself to the members of the Committee on Commerce as to why these projects should be authorized to be constructed by the Chief of Engineers. It is that of the 78 irrigation associations in the Central Valley; all except 2, which I do not think appeared or made any statement at all, desired that those projects be contructed by the Army engineers.

Mr. President, stated briefly, that is the reason which actuated the Commerce Committee. The original authorization was made in the House, and one or two, or three or four projects were added by the Commerce Committee.

Mr. President, I think I could not present to the Senate a better argument in favor of this policy and a finer tribute to the Corps of Engineers than that made by the very distinguished junior Senator from Montana. He later appeared before the House Committee on Flood Control, and I wish to quote from his statement before that committee. His statement was not merely a prepared one filed with the committee, but it was an oral statement made in response to questions propounded to him, and it contained his own off-the-reel observations, as it were. I read from his statement:

Senator MURRAY. I will speak just very briefly. I was here on the occasion of filing my statement and listened very attentively to the statements being made by Colonel Reber of the Army engineers, and I was so impressed with the fact that the Corps of Army Engineers understood this problem so perfectly that I did not have any apprehension but what the rights of the upper States would be very well safeguarded.

At that time the Senator was speaking in respect to the Missouri Valley.

I now omit a part of the Senator's statement; I shall not quote all of it, because it is too long. At a later point in his statement he said:

I want to say that I feel that I can endorse the Army engineers' program here, because I am confident that with their knowledge of all the interests and conditions involved, they are not going to overlook the need of protecting the rights of the upper States, the neglect of which would be a great injury to the Nation as a whole.

I now quote from another part of the Senator's statement:

I merely want to say that I approved the Army engineers' effort because I am confident that they are going to work out a program that will be beneficial to all the States involved and to the country as a whole.

Later in his statement the Senator said:

I can see no basis whatever for any feeling that the rights of our State would be jeopardized in any manner by the Pick report or

by the Army engineers, in any respect, if their enunciated policies are carried out.

Later in his statement the Senator said:

I have the greatest confidence in the Army engineers. I think we are very fortunate to have this agency, which has made such a thorough study of these problems, to work out this project, and I am satisfied that as a result of their efforts we are going to solve this problem for the mutual benefit and advantage of all the States involved.

Mr. MURRAY. Mr. President, will the Senator permit me to interject at this point?

Mr. OVERTON. Certainly.

Mr. MURRAY. I wish to say that I expressed my judgment at that time. But I was exceedingly disappointed to find that they utterly disregarded the interests of the upper States, and flatly refused to do anything about it at the time. I was impressed by the way they talked and by the assurance they gave us offhand when we would talk with them. But since then I have discovered that they had no intention whatever of recognizing and respecting the irrigation rights of the upper States.

It was not until the Missouri Valley Authority bill began to be agitated that they changed their minds with reference to that.

I wish to say that the Army engineers are very able and very persuasive men. I noticed an article which appeared in the Survey Graphic a short time ago, which describes the ability of the Army engineers to develop good will amongst the people. The article says, in part:

Colonel Pick has a flair for stirring up good will by personal contact and extending it by sound techniques. Into his division office he has introduced the first public-relations man—and to date the only one—ever to operate in the sacred and somewhat tongue-tied purlieus of the Army engineers. This was William E. Langdon, an able ex-journalist from New England.

The article then describes how he developed his plan, which is not a completely worked-out plan but is a mere conglomeration of projects which will have to be more thoroughly engineered after they are approved.

But I wish to say that he did impress me at the time, and I have the utmost confidence that there was no intention on the part of the Army engineers to ignore the rights of the Northern States.

Mr. OVERTON. Mr. President, the able junior Senator from Montana did specifically endorse the Pick report—and it is what is authorized in the pending bill—because he said:

I can see no basis whatever for any feeling that the rights of our State would be jeopardized in any manner by the Pick report or by the Army engineers, in any respect—

And so forth.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HALL in the chair). Does the Senator from Louisiana yield to the Senator from Montana?

Mr. OVERTON. I am glad to yield.

Mr. MURRAY. That statement was made in connection with my amendment which was proposed at that time, and which I was led to believe would be accepted by the engineers. They promised us on numerous occasions that their plan would not in any manner rob the Northern States of their water rights; and assuming that they were telling the truth about that, I was confident that they would accept the amendments which merely carried into effect their protestations that there was no intention to deprive the irrigation States of their water rights. Therefore, I was willing at that time to go ahead with the program provided recognition were given to the irrigation rights of the Northern States.

Mr. OVERTON. Mr. President, the Assistant Chief of Engineers, as well as all the engineers who appeared before our committee, stated that they had absolutely no objection whatsoever to the irrigation and power amendments which were suggested by the Secretary of the Interior. They were similar to those suggested by the Senator from Montana, and were subsequently incorporated in the pending bill. The engineers stated that they were perfectly willing to turn over to the Department of the Interior control of the power generated for distribution, and were perfectly willing to turn over to the Bureau of Reclamation the distribution of all surplus water held back by the dams constructed by them, the distribution of which would come under the reclamation law, or would follow whatever method Congress might determine upon.

The amendment suggested by the Senator from Montana is in opposition to the agreements entered into as set forth in the joint report between the Bureau of Reclamation and the Army engineers which has already been authorized by this body. That report covers the entire Missouri River Basin, including the reservoirs and dams which would be constructed by the Army engineers, as set forth in the report, and the remaining reservoirs which would be constructed by the Bureau of Reclamation.

Mr. President, I ask that the amendment be not agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

The amendment was rejected.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment.

Mr. THOMAS of Oklahoma. Mr. President, I have an amendment lying on the desk, which I call up and ask to have immediately considered.

Mr. OVERTON. Mr. President, I may say to the Senator from Oklahoma that I had the amendment incorporated in the bill during the Senator's absence.

Mr. THOMAS of Oklahoma. Mr. President, I understand that the amendment has already been incorporated in the bill. That is satisfactory to me.

Mr. OVERTON. The amendment was agreed to yesterday.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MURRAY. Mr. President, I am contemplating offering another amendment, but I do not have it perfected at this time. Inasmuch as it is near the time when we usually recess, I should like to have the matter go over until tomorrow. I assure the Senate that I do not intend to take up the time of the Senate unnecessarily, and that I can present the amendment with due dispatch when the Senate convenes tomorrow.

Mr. HILL. Does the Senator have in mind the amendment which he has been contemplating in connection with the creation of a Missouri Valley Authority?

Mr. MURRAY. That is the amendment which I have in mind.

Mr. HILL. I may say to the Senator that I favor a Missouri Valley Authority. Of course, as the Senator knows, any legislation which would create a Missouri Valley Authority would necessarily cover many different subjects. The legislation would be very broad in its scope, and very far reaching. As the Senator further knows, no opportunity has been afforded to hold any hearings on proposals of that character, no opportunity has been afforded to consider such a proposal in executive session, or for a committee to carefully consider it. That applies particularly to proposals of this character, which are broad in scope and far reaching in their effects. I wonder if the Senator insists on offering his amendment.

Mr. MURRAY. Mr. President, I appreciate the observations of the distinguished Senator from Alabama.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. ELLENDER. On several occasions I have stated on the floor of the Senate that I strongly favor the project referred to by the distinguished Senator from Montana. However, I for one would not vote for the proposal unless hearings were held and perhaps some changes were made in the proposal.

I have had occasion to discuss the matter with my distinguished colleague [Mr. OVERTON], the chairman of the subcommittee, and I have been assured that he is willing that hearings be held on the proposal. He has assured me that if, after the Seventy-ninth Congress has convened, the measure proposed by the distinguished Senator from Montana shall be introduced, he will see to it that hearings are held on it at an early date. With that understanding, I wonder if the Senator from Montana would not be good enough to refrain from pressing his amendment at this time.

Mr. MURRAY. Mr. President, I appreciate the sentiments expressed by the several Senators.

Mr. WHITE. Mr. President, will the Senator yield to me?

Mr. MURRAY. I yield.

Mr. WHITE. I hope the Senator from Montana will not press his amendment at this time. I understand that no hearings have been held on it. But, quite apart from that, it is a matter of a highly controversial nature. It would require the development of a quorum, it might lead the Senate into long debate, and I feel it would be unfortunate if the matter were pressed at this time, regard-

less of whatever disposition might be made of it.

Mr. MURRAY. Mr. President, I have felt compelled to offer the amendment because I have believed right along that if we permit the bill in its present form to be passed, we might be foreclosed from having my proposal brought up for consideration before the convening of the next Congress. The bill as presented in the Senate in the first instance contained provisions which, of course, have since been eliminated. However, I have felt right along, in view of the fact that the program for the development of the entire Missouri River Basin is a comprehensive one, that it provides a list of projects which would cover the entire river from one end to the other, and that it is proposed that the development be carried out under the Bureau of Reclamation and the Army engineers under a joint agreement which was recently entered into by the two Federal agencies, that that situation might be recognized and considered as a complete solution of the problem. It is also my fear that the Senate might hereafter feel that there was no need of a new over-all agency which would carry on a unified development of the river.

Of course, the President's letter which was recently read to the Senate indicated that he recognized the agreement which was entered into as merely a step in the right direction, but that it did not cover the entire field. It would be impossible to bring about a complete development of the Missouri River Basin to the best interests and welfare of all the people without there being provided one single agency which would have complete jurisdiction. It should not be necessary to go back and forth between agencies and up and down the river to the various States in order to obtain consent to undertake various activities.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Vermont?

Mr. MURRAY. I yield.

Mr. AIKEN. I was interested in the remarks of the distinguished junior Senator from Louisiana [Mr. ELLENDER], to the effect that he had discussed the matter with the chairman of the subcommittee which would hold hearings on the bill which the Senator from Montana has introduced. May I ask to what committee he refers?

Mr. ELLENDER. Mr. President, I understood that this matter was to be referred to the Committee on Commerce, and that the senior Senator from Louisiana is chairman of the subcommittee which usually holds hearings on the subject.

Mr. AIKEN. Has that arrangement been effected?

Mr. MURRAY. No; it has not been effected, and I did not consent that the bill should be sent to that committee. I promised the chairman of the Committee on Commerce that I would discuss the matter with him after the bill had been reintroduced on the opening of the new Congress, and determine then whether the bill should go to the Committee on Commerce. The bill as introduced during this session went to the Committee on Agriculture and Forestry, and also to the Committee on Irrigation and Reclamation.

Mr. ELLENDER. I happen to be on the Committee on Agriculture and Forestry, and if the bill should go to that committee, I assure the Senator that I shall do all in my power to have hearings held as soon as possible.

Mr. AIKEN. I hope the junior Senator from Louisiana will help keep bills of this nature in the Committee on Agriculture and Forestry, because in the great Central West and Northwest, the States of Montana, Wyoming, Colorado, Utah, and all the others, there are tens of thousands of producers, and if the Agricultural Committee should give up jurisdiction over a bill of this nature, it would be an admission that producers existed for the benefit of transportation companies.

Mr. ELLENDER. I was under the impression that the distinguished Senator from Montana expected to send his bill to the Committee on Commerce, and that is why I discussed the matter with my colleague. But if he should insist on sending the bill where I believe it belongs, I shall then do what I can to have hearings at the earliest possible date.

Mr. HILL. Mr. President, will the Senator from Montana yield?

Mr. MURRAY. I yield.

Mr. HILL. I understand the declaration of policy which was in the bill, which the author of the Missouri Valley Authority bill thought might be prejudicial to the M. V. A. bill, has now been stricken from the bill, and the provision in the bill creating the Missouri River Commission has also been stricken out. So that as the bill now stands, as I understand, there is nothing in it which would be prejudicial, or inimical, let me say, to the creation of a Missouri Valley Authority. As I understand, by the passage of the bill we would take the first step which the President recommended. The second step would be the creation of the Missouri Valley Authority. As I stated previously, I favor a Missouri Valley Authority.

The distinguished senior Senator from Louisiana, who is chairman of the subcommittee of the Committee on Commerce, which handles all flood-control, river-and-harbor, and waterway legislation, is present, and I wondered if he might not at this time make a statement as to what his disposition would be in the event the Missouri Valley Authority bill should be referred, in the next Congress, to the Senate Committee on Commerce.

Mr. OVERTON. If the Senator from Montana will yield——

Mr. MURRAY. I yield.

Mr. OVERTON. Of course, I do not know whether the bill is to be referred to the Senate Committee on Commerce, and I do not know whether I would be chairman of the subcommittee which would handle it, but in the event I should be, I am willing to give assurance that there would be no undue delay in taking up the bill for hearings and for disposition before the Committee on Commerce. I talked with the chairman of the Committee on Commerce late this afternoon, and he stated he would proceed in the usual course in handling this bill, and that there would be no undue delay. I do not think there has ever been any undue delay on the part of the Commerce Committee in connection with proposed legislation.

Mr. MURRAY. The question of jurisdiction in this case is a matter which of course will be taken up in the next Congress. I do not concede that the bill should properly go to the Committee on Commerce, but, as I have said, that is a question which will have to be determined when the bill is reintroduced at the next session. But I should like to have the chairman of the Committee on Agriculture and Forestry, who is present, express his views on this subject.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator will yield, my State does not happen to be in the Missouri Valley. My State is in the Arkansas Valley. The junior Senator from Arkansas has a bill pending proposing to create an Arkansas Valley Authority. That is very important, and I favor something along that line, and I favor something along the line of the Missouri Valley Authority.

I will say that if in the next Congress I am chairman of the Committee on Agriculture and Forestry, as I hope and expect to be, and if the Committee on Agriculture and Forestry shall be given jurisdiction of this subject matter, we shall have before the committee not only the Missouri Valley Authority bill, but an Arkansas Valley Authority bill, and upon request of the authors of the bills, if they desire to have subcommittees appointed, or desire to have the main committee hold hearings, it will be my pleasure, and I hope my opportunity, to authorize the appointment of subcommittees immediately, or to have the entire committee hold hearings. In other words, I should like to cooperate, to the end that full hearings may be had, and, if possible and agreeable, a bill be reported and passed by the Senate at the earliest possible moment.

Mr. MURRAY. I thank the Senator for his observation. When I introduced the bill in the first instance, it was my judgment that it properly should go to the Committee on Agriculture and Forestry, but at the time it was introduced, the distinguished Senator from Wyoming asked that it also go to the Committee on Irrigation and Reclamation. Of course, if it goes to the two committees, there would be no difficulty, I suppose, in holding a joint hearing, but it does not seem to me it properly belongs in the Committee on Commerce at all, and I should prefer to see it in the Committee on Agriculture and Forestry, because then we would have an impartial chairman, one who did not reside in the area involved, and one who would be inclined to be more equitable in his consideration of the problem.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. AIKEN. I call attention to the fact that the Committee on Agriculture and Forestry has from the beginning

handled all the Tennessee Valley Authority bills which have been introduced, and I think they have been very well handled. As everyone knows, the Tennessee Valley Authority is a model of developments of its kind. It appears to me that producers should come first. I presume there are upward of a million farm families in the area drained by the Missouri River and its tributaries; there must be several hundred thousand, at least. It seems they should be given the first consideration, and that transportation should be incidental to production. That is, we must have production before we can have transportation. Therefore the committee which has to deal with the producers should have jurisdiction over bills of this nature.

Mr. MURRAY. Mr. President, in view of the expressions of the several Senators who are interested in this subject, in regard to the bill being considered in the next Congress, and who have stated it would be given sympathetic consideration at that time, I do not wish to prolong the consideration of the flood-control bill by offering my bill now as an amendment, but I should like to present briefly my views on the need of such an authority so as to carry forward the program which we are about to enact, and I wish I could have the matter go over until tomorrow morning to present my views.

Mr. OVERTON. Would there be any objection to our passing the bill at this time, since there do not seem to be any further amendments to be offered, and tomorrow have the Senator make his remarks in reference to the amendment he proposes to offer next year, or the bill which is now before the Committee on Agriculture and Forestry? Since it is not to be offered as an amendment to this bill, can we not pass the bill now, and the Senator can take advantage of tomorrow's session to make his observations?

Mr. MURRAY. I should like my discussion of the matter to be a part of the debate and the consideration of the bill which is now pending. It would be somewhat irregular, it seems to me, to pass a bill and to discuss it afterwards. I should very much like, if the Senator will permit me to do so, to discuss the bill while it is still being considered. I assure the Senator now that I do not intend to prolong consideration of the pending bill, and I shall not offer my amendment. I merely wish to present my views.

Mr. GEORGE. Mr. President, will the Senator from Montana yield to me?

Mr. MURRAY. I yield.

Mr. GEORGE. I ask the Senator in charge of the bill whether there are other amendments to be considered to the bill?

Mr. OVERTON. So far as I am advised, there are no other amendments to the bill. Time is of the essence, not only in undertaking this legislation but the river-and-harbor legislation immediately to follow; and if we postpone passage of the bill another day, we simply have lost 1 day.

Mr. MURRAY. We will be through with it in an hour after the Senate convenes tomorrow. Passage of the bill can be had quickly tomorrow.

Mr. OVERTON. There is another consideration. When the bill is finally passed and it is printed the members of the House Flood Control Committee will want to study the bill, and they generally keep such a bill under advisement a few days so they may understand its provisions before they wish to go into conference with respect to it.

So there would be a day lost if we put off the passage of the bill until tomorrow. If we pass the bill today it will be immediately printed and go to the House. I should be delighted to hear the Senator on the bill, but I should like to have the bill passed so it can go to conference. It must go to conference. The House is not going to agree to all the Senate amendments.

Mr. MURRAY. Mr. President, it seems to me I am saving a considerable amount of time by withholding this elaborate amendment.

Mr. OVERTON. Oh, the Senator is, and I am very much indebted to him, I will say to him, and I thank him very much.

Mr. MURRAY. The reading of the amendment alone would take about an hour. I think it would make me appear very foolish if I were to undertake to argue the matter after the bill had been passed.

Mr. OVERTON. Mr. President, I wonder if it is possible at this time to fix by unanimous consent an hour at which to vote on the bill.

Mr. HILL. Mr. President, if we were to seek to fix an hour at which to vote on the bill it would be necessary to have a quorum call. The Senator knows that if such a request were to be made it would be necessary to have a quorum call. I should not like to have suggestion of the absence of a quorum at this time. I understand the Senator from Montana will speak about an hour on his proposal.

Mr. MURRAY. Yes. Mr. President, in connection with my remarks, I ask to have printed in the RECORD at this point certain telegrams.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

GREAT FALLS, MONT., *November 28, 1944.*
Senator JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:

This is to let you know that our organization is back of you in your work for M. V. A. We feel we must not lose this fight.

Urge that no compromise be accepted and if necessary, action on all pending legislation be deferred until new Congress convenes. Much sentiment can be aroused in country for M. V. A. with more time.

D. W. CHAPMAN,
President, Montana Farmers Union.

HELENA, MONT., *November 28, 1944.*
Hon. JAMES E. MURRAY,
Senate Office Building:

Montana people appreciate your efforts behalf M. V. A. Hope legislation on Missouri development may be postponed until next session of Congress.

SAM. W. MITCHELL,
Secretary of State.

WOLF POINT, MONT., *November 29, 1944.*
Senator JAMES E. MURRAY,
Washington, D. C.:

In regular convention October 7 Farmers' Union of McCone County endorsed the M. V. A. bill unanimously. Please do all in your power to prevent the bill from being killed by "lame duck" session. Membership of McCone County, 1,200.

O. B. HORSFORD,
Chairman, Resolution Committee.

GREAT FALLS, MONT., *November 29, 1944.*
Senator JAMES E. MURRAY,
Senate Office Building:

Have been in Montana a few days. Find keen sentiment on your great fight for Missouri Valley Authority. If there is a possible way of holding up final action until new Congress convenes, we can give you solid support.

H. D. ROLPH,
Vice President, National Farmers Union.

BUTTE, MONT., *November 28, 1944.*
Senator JAMES MURRAY:

Keep up good work on M. V. A. Try to stop any action until new Congress convenes.

ED. C. VAWTER,
Secretary, M. C. P. P. A.

WOLF POINT, MONT., *November 29, 1944.*
Hon. JAMES E. MURRAY,
United States Senator:

This organization composed of 450 members residing in the counties of McCone and Roosevelt most urgently urge the passage of the Missouri Valley Authority bill. They foresee great possibilities in the use of waters distributed over this entire valley by the use of power already being developed at the Fort Peck Dam and are full in accord with the bill as now written. In the event of an attempted defeat of this bill in this short session they insist that no definite action be taken until the regular session is organized. We do not want this legislation defeated by a few lame ducks who have a grudge they want to fulfill.

FARMERS UNION OIL CO.,
P. R. DOUGHERTY, *Manager.*

DENVER, COLO., *November 28, 1944.*
Senator JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:

Have wired Colorado, Wyoming, and New Mexico Senators as follows: "Rocky Mountain Farmers Union feels no adequate solution for regional river valley problems possible through enactment of flood-control and rivers and harbors bills. Therefore we urge that final action on these bills be postponed until next session of Congress for better permanent solution. We vehemently protest any shackling of public power program such as that of Bailey amendment."

HARVEY R. SOLBERG,
President, Rocky Mountain Farmers Union.

SALINA, KANS., *November 28, 1944.*
Senator MURRAY OF MONTANA,
Senate Building:

Our organization is bitterly opposed to the flood-control and rivers and harbors bills presently being considered. We abhor the efforts of special interest groups to pass legislation foreclosing the people's rights to full development and use of the vast resources of our valleys. The bills now under consideration will waste vast sums of money in partial development of our river valleys for the protection of and use by special-interest groups. We urge you to use all of your influence to have these bills carried over to the next session of Congress when time will be available to give proper consideration to full

development of our valley resources in the interest of all of the people.

KANSAS FARMERS UNION,
E. K. DEAN, *President.*

CHIPPEWA FALLS, WIS., *November 28, 1944.*
Senator JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:

Present flood-control and rivers and harbors bill should be delayed until next session. They do not fulfill needs of people. We favor both M. V. A. and St. Lawrence waterway project as now proposed to serve all the people. Wisconsin Farmers Union on record for a complete program in development of natural resources that will serve farmers and others to the fullest utilization of resources.

WISCONSIN FARMERS UNION,
K. W. HONES, *State President.*

BUTTE, MONT.,
November 28, 1944.
Senator JAMES E. MURRAY,
Washington, D. C.:

Organized labor here feels that any further action on flood-control bill in the absence of establishment of Missouri Valley Authority should be postponed until after the convening of next Congress in 1945.

JOHN CRAWFORD.

WOLF POINT, MONT.,
November 29, 1944.
Hon. JAMES E. MURRAY,
United States Senator:

In contacting a great many of my neighbors and party associates in Roosevelt County they are unanimously of the opinion that the Missouri Valley Authority bill should be enacted as now written. They feel that this measure is one of vital importance as a post-war project in the development of permanent farming possibilities thereby furnishing employment and homes for returning servicemen.

ALEX SANSAVER,
Chairman Democratic Central Committee.

JAMESTOWN, N. DAK.,
November 28, 1944.
Hon. JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.:

Sincerely hope you will do everything in your power to defeat rivers and harbors bill presently before Senate. If passed it will, in my judgment, make impossible the creation of an independent regional authority for unified and complete development of the Missouri River's resources as envisaged in Murray-Cochran bill. Our State Farmers Union organizations in Montana, North Dakota, Iowa, Colorado, and Kansas have already endorsed the Murray-Cochran bill. The national Farmers Union in annual convention at Denver, Colo., last week unanimously endorsed the Murray-Cochran bill and also unanimously recorded opposition to any legislation which would prevent complete unified development by a regional authority. Members of national Farmers Union committee on regional resource development are, in addition to myself, D. W. Chapman, president, Montana Farmers Union; E. K. Dean, president, Kansas Farmers Union; Harvey R. Solberg, president, Rocky Mountain Farmers Union; John Skage, South Dakota Farmers Union; Tom W. Cheek, president, Oklahoma Farmers Union; Roland Jones, Oregon Farmers Union; Ed. Roellofs, Iowa Farmers Union; Hans Hansen, Nebraska Farmers Union; R. W. Hones, Wisconsin Farmers Union; Dr. M. E. Dickinson, Arkansas Farmers Union. You have the united support of Farmers Union in your opposition to rivers and harbors bill now before you.

NATIONAL FARMERS UNION COMMITTEE ON REGIONAL RESOURCES DEVELOPMENT,
By GLEN J. TALBOTT, *Chairman.*

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Montana if he will yield so that I may ask a question of the acting majority leader.

Mr. MURRAY. I yield to the Senator from Nebraska for that purpose.

Mr. WHERRY. I should like to ask the distinguished Senator from Alabama [Mr. HILL] if I correctly heard him say in the statement he made a few moments ago that he considered the passage of this bill to be the first step toward establishing the Missouri Valley Authority.

Mr. HILL. No; I said that the President in his letter suggested two steps—that two things be done. One was to have the Congress consent to the agreement which had been reached between the Bureau of Reclamation on the one hand and the Army engineers on the other hand. The second step which the President suggested was the creation of the Missouri Valley Authority.

Mr. WHERRY. I understand now what the Senator from Alabama had in mind. I simply want the RECORD to show that, so far as I am concerned, I shall vote for the pending bill on its merits, and that when the proposal for the establishment of a Missouri Valley Authority comes up for consideration, I shall consider it on its merits. I have not given any thought to the Missouri Valley Authority, and I do not want the RECORD to show that I am voting on this bill as a step toward anything, although when the Missouri Valley Authority proposal comes before the Senate I shall give it full consideration. I wish the RECORD to show that, so far as I am concerned, I, as a Senator from Nebraska, am voting for the passage of the pending bill, which I hope will be passed, on the merits of the bill itself.

Mr. MURRAY. As I understand the Senator from Nebraska, there is no prejudice against the proposed legislation or against the proponents of the proposed legislation.

Mr. WHERRY. In answer to the question of the distinguished Senator I wish to say that I have not committed myself with respect to the Missouri Valley Authority. What I wish to have understood is that I am not voting for the pending bill with the idea that it is a first step toward anything except what is in the bill itself, and I believe in the bill, and I want to go on record as saying that I support it. When the proposal with respect to the Missouri Valley Authority comes up for consideration we will discuss it and take it up on its own merits.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. HILL. The Senator from Nebraska wishes to make it clear that in voting for the bill he is not committing himself to any future legislation.

Mr. WHERRY. That is correct. I am not voting for anything except what is in the pending bill itself.

Mr. MURRAY. Of course, when the Missouri Valley measure comes up and the Senator from Nebraska is shown how important and how necessary it is to establish the Missouri Valley Authority, he will have no prejudice against it.

Mr. WHERRY. I will say to the distinguished Senator from Montana that when that moment arrives there is no one in the Senate to whom the Senator from Nebraska will give greater attention than the Senator from Montana. He will listen with the greatest respect and consideration to the Senator's explanation, and after the explanation is made, the Senator from Nebraska will govern himself accordingly. After hearing the explanation which the Senator from Montana will make the Senator from Nebraska will make up his mind as to whether he will support the bill.

Mr. MURRAY. I thank the Senator.

Mr. WHERRY. I will say, Mr. President, that I have the highest respect for the Senator as chairman of the Senate Small Business Committee. He has been a friend of small business and I will give him close attention and consideration when he makes his explanation with respect to Missouri Valley Authority.

Mr. MURRAY. I thank the Senator.

Mr. HILL. Mr. President, will the Senator from Montana yield so I may make a motion that the Senate recess?

Mr. MURRAY. I yield.

RECESS

Mr. HILL. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 8 minutes p. m.) the Senate took a recess until tomorrow, Friday, December 1, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate November 30 (legislative day of November 21), 1944:

DIPLOMATIC AND FOREIGN SERVICE

Alexander C. Kirk, of Illinois, now United States representative on the Advisory Council for Italy, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named officers for appointment and promotion in the Regular Corps of the United States Public Health Service:

To be assistant surgeons effective date of oath of office:

Raymond F. Corpe
Reuben W. Widmer

Assistant surgeons to be temporary passed assisant surgeons effective dates indicated:

William R. Rosanoff, October 1, 1944.
David F. Bradley, November 1, 1944.

Passed assistant surgeons to be temporary surgeons effective dates indicated:

Waldron M. Sennott, October 1, 1944.
Edwin N. Hesbacher, November 1, 1944.
William S. Baum, November 1, 1944.

Surgeons to be temporary senior surgeons effective November 1, 1944:

John D. Lane, Jr.
Robert K. Maddock
Charles R. Mallary

Senior sanitary engineers to be sanitary engineer directors effective dates indicated:
Frank R. Shaw, December 18, 1944.
Howard N. Old, December 15, 1944.
Passed assistant dental surgeons to be dental surgeons effective dates indicated:
Robert H. Moore, November 16, 1944.
Frank E. Law, December 24, 1944.
Dental surgeons to be senior dental surgeons effective December 1, 1944:
Frederick W. Harper
Pendleton J. Slaughter

IN THE NAVY

Capt. Frederick W. McMahon, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Air Force, United States Pacific Fleet.

Capt. Howard B. Macleary, United States Navy, retired, to be a commodore in the Navy, on the retired list, for temporary service, to continue while serving as commanding officer, United States Naval Advance Base, Espiritu Santo.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 30 (legislative day of November 21), 1944:

STATE DEPARTMENT

Edward R. Stettinius, Jr., to be Secretary of State.

FOREIGN SERVICE

Maj. Gen. Patrick J. Hurley, United States Army, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

POSTMASTERS

ARKANSAS

Opal Mae Roland, Bryant.
Myrtle Cunningham, Calion.
Howard E. Powell, Gurdon.
Manley E. Nation, Lamar.
Jesse C. Latta, Pollard.
Riley B. Emory, Rose Bud.
Don L. Van Horn, Weiner.
William Hall, Widener.
Alma T. Harnden, Wilson.

COLORADO

Otis Murray, Grand Valley.
Elmer E. Owen, Minturn.
Mary E. Harman, Pagosa Springs.
Charlotte Coffman, Penrose.
Irene E. Lee, Rico.
Alice L. Myers, Roggen.

HAWAII

Arthur Chong Kong, Halaula
Manuel F. Xavier, Puunene.

IOWA

Frank E. Barnes, Blakesburg.
Laura M. Rheingans, Bristow.
Bert Kirk, Drakesville.
Ernest H. Brunsvold, Joice.
Phoebe E. Stubbs, Lawton.
Norman L. Meyers, Liscomb.
Grover F. Eisele, Malcolm.
James A. Ward, Melrose.
Tom Olson, Okoboji.
Helen C. Jorstad, Wallingford.

MISSOURI

Opal B. McCann, Cooter.
Edward R. Sinnott, Edina.
Maude M. Fleming, Graham.

MONTANA

Hazel B. Gross, Wyola.

NEW HAMPSHIRE

Charles Myers, Jaffrey.

NEW JERSEY

Frances McLaughlin, Blackwood Terrace.
L. Raymond Gunter, Columbia.
Samuel J. Billig, Mount Royal.
William T. Keeshan, Navesink.
Peter Klapmuts, Oak Ridge.

SOUTH DAKOTA

Carl H. Weir, Huron.

VIRGINIA

William H. Long, Buena Vista.
Alvah B. Chappell, Clarksville.
E. Paul Osborne, Dungannon.
Silas F. Hutchison, Herndon.
Eliza B. Kennedy, Jewell Ridge.
Marvin R. French, Pocahontas.
Charles G. Coppedge, Powhatan.
Lillias L. Martin, Toms Creek.
William R. M. Moss, Virginia Beach.
Mazie C. Sanders, Warsaw.

WASHINGTON

Inez G. Spencer, Creston.
Edythe Pottratz, Cowiche.
Carmel L. Bellinger, Gorst.
William O. Kurth, Grand Coulee.
Rose Champlin, Kennydale.
Minnie A. Hubble, Veradale.

WEST VIRGINIA

Eugene B. Keenan, Nellis.
Hazel M. Oliver, Pratt.
Myra D. Duncan, Rachel.
D. Watson Oxley, West Hamlin.

WITHDRAWALS

Executive nominations withdrawn from the Senate November 30 (legislative day of November 21), 1944:

POSTMASTERS

WASHINGTON

Mrs. Lena A. Voreis to be postmaster at Richmond Beach, in the State of Washington.

WISCONSIN

Elmer White to be postmaster at Browntown, in the State of Wisconsin.

HOUSE OF REPRESENTATIVES

THURSDAY, NOVEMBER 30, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Very Reverend William J. Murphy, Society of Jesus, president of Boston College, Boston, Mass., offered the following prayer:

God the Creator of all things who through Thy wisdom hast made man in Thine own likeness: O Heavenly Father, who has been our refuge from generation to generation, look down again in mercy upon us. By Thine eternal law all things are ordered. The firmament, measureless to man, remains constant to Thy appointed pattern. All living things on earth through Thy unerring law attain their life and increase and perfect form. Thy law is fixed in the souls of men that, knowing and freely choosing what is right and proper, they may live in fruitful peace and earn the eternal destiny Thou hast ordained for them. From Thy law descendeth whatever sway man holds over his fellow men.

Without Thee all is discord, darkness, and disaster; nor can our human counsels lead us from under the shadow of our own waywardness. In Thy law alone is the unity of men into a nation and of all nations into a world of peace.

Grant us in this hour Thy penetrating grace that our wisdom may be mightier than our armaments, our virtues stronger than our valor. Prepare us to shape a world which Thou wilt recognize as of Thine own creation.

This we ask through Jesus Christ, Thy Son, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5386. An act to amend the Selective Training and Service Act of 1940, as amended, to extend the time within which application may be made for reemployment, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1954. An act to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943.

JACKSON HOLE MONUMENT

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I would like to inquire of the majority leader if it is the intention of the leadership to bring before the House in the near or immediate future the bill H. R. 2241, introduced by the gentleman from Wyoming [Mr. BARRETT], relative to the Jackson Hole National Monument?

Mr. McCORMACK. Mr. Speaker, it is not the intention to bring it out.

Mr. BROWN of Ohio. It is not on the legislative schedule?

Mr. McCORMACK. No.

Mr. BROWN of Ohio. Then, Mr. Speaker, I would like, if I may, to serve notice on the majority leader that I expect, at the proper time, to make a motion as a member of the Committee on Rules to bring up the resolution as a privileged matter.

Mr. McCORMACK. Mr. Speaker, I appreciate the action of the gentleman from Ohio. I might say that the gentleman from Ohio has been very courteous. He has conferred with me about this and served notice upon me. He has cooperated in a manner which I appreciate. I gave a frank statement that it was not on the program, in answer to the gentleman's inquiry. However, in view of the gentleman's statement to bring up the resolution as a privileged matter, which is clearly within his rights as a member of the Committee on Rules, and under the rules, if he desires to exercise that right, naturally I shall place the bill upon the program for next week, if that is agreeable to the gentleman.

I cannot state what day. Will any time next week be agreeable to the gentleman?

Mr. BROWN of Ohio. That will be perfectly agreeable. I appreciate very much the courtesy and fairness of the gentleman from Massachusetts.

Mr. McCORMACK. I want to be frank and I want the RECORD to show that this is no surprise to me; that the gentleman

has conferred with me and that he is clearly within his rights under the rules. I appreciate the fact that he has served notice and accepts my suggestion that I shall place it upon the program for next week.

Mr. BROWN of Ohio. With that understanding, I will reserve my motion.

EXTENSION OF REMARKS

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 4715.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

[Mr. JENNINGS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. STOCKMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Pendleton (Oreg.) East Oregonian regarding the war effort of Bonneville-Grand Coulee Dams.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

THE PRODIGAL SON

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the Chicago Tribune of November 27 has a cartoon entitled "The Prodigal Son." It shows the G. O. P. elephant as a hobo returning home, the elephant holding a stick with the hobo's customary pack on the end, a bottle in his pocket, an old-fashioned pack down at the side, "Republican failures under eastern misguidance," and the elephant is met by the farmer. Back of the farmer are the small buildings; on the roof of one are the words "Middle West"; on the side of the building is the legend "Birthplace of G. O. P."; off to the left on the other side of the picture is a field, on the top of which stands a plow; across the field are the words, "Real Americanism G. O. P. reorganization"; down in the right-hand corner are these words:

Well, son, you've been gone from home a mighty long time—associatin' with those big city slickers from New York, and drinkin' cocktails with international dudes and ashamed Americans who think that the Declaration of Independence was a big mistake. They made a bum out of you. But if you want to start over again, there's the plow; and now's the time to plant the seed for the crop in '48.

It is my hope that the leadership of the Republican Party will now, after the knock-out blow of '32; after we were flattened out in '36; after we were K. O.'d in '40, and again counted out in '44, take thought of the future and give some consideration to the possibility that we have not lost four campaigns merely because of the strength of either the New Deal or its candidate and his political allies.

It may now occur to our leadership that possibly a lack of an aggressive program; a clear exposure of the New Deal fallacies; a little fight and determination on our own part, may have contributed to our successive defeats.

A subsequent cartoon, that of yesterday in the same publication, shows a badly battered G. O. P. elephant and it also shows that the elephant has been partaking too frequently and too copiously from bottles which are labeled: "Coma of G. O. P. leadership"; "Languor of Republican National Committee"; "Torpid Republican Congressmen"; "Lethargy of G. O. P. Senators." Under the table on which some of the bottles are placed are these words, "Four years' stupor after each campaign."

If not considered disloyal to my party, I would like to suggest that the Republicans here in the House shake themselves together, forget the hush-hush boys, and really start working on the New Deal, its socialistic and its communistic supporters.

PENSIONS TO CERTAIN UNREMARRIED DEPENDENT WIDOWS OF CIVIL WAR VETERANS WHO WERE MARRIED TO THE VETERAN SUBSEQUENT TO JUNE 26, 1905

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 86) to grant pensions to certain unremarried dependent widows of Civil War veterans who were married to the veteran subsequent to June 26, 1905, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

On page 2, line 3, after the word "ten", insert the words "or more."

On page 2, line 24, strike the comma after the word "administration" and insert the words "after the date of enactment of this act."

On page 2, line 25, after the word "Affairs,", change the comma to a period and strike out the words "but not prior to the date of enactment of this act."

On page 3, line 3, after the words "more than once" and before the comma, insert the words "since the death of the veteran."

On page 3, line 9, strike out all of section 3.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Mr. Speaker, reserving the right to object, has that bill passed the Senate?

Mr. LESINSKI. The bill passed the House, was favorably reported by the Committee on Pensions of the Senate and passed by the Senate. These are Senate amendments, clarifying amendments, and have been approved by the Veterans' Administration and the Bureau of the Budget.

Mr. RANKIN. I was wondering if the Senate had passed it. It has held for months and months a bill for the relief of widows and orphans of veterans of World War No. 1, veterans many of whom died from service-connected disabilities; now comes in this proposition to put widows of Civil War veterans on the pension rolls who married these men 40 years after the war closed.

Mr. LESINSKI. The bill was returned to the House with Senate amendments and is on the Speaker's desk.

Mr. RANKIN. I will accept the gentleman's statement but I was just wondering.

The SPEAKER. It is a House bill with Senate amendments and is on the Speaker's desk. The gentleman from Michigan asks unanimous consent to consider the Senate amendments.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the amendments?

Mr. LESINSKI. These amendments are only clarifying amendments. They do not alter the purpose of the bill as passed by the House. H. R. 86 passed the House April 17, 1944.

Mr. MARTIN of Massachusetts. It does not materially change the bill?

Mr. LESINSKI. Not whatever and the bill as amended has the approval of the Veterans' Administration and the Bureau of the Budget.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw the reservation of objection.

Mr. LESINSKI. Mr. Speaker, for the purpose of the RECORD, I would like to explain the amendments. The Senate Committee on Pensions adopted these amendments for the purpose of clarification at the suggestion of the Veterans' Administration after clearance by the Bureau of the Budget. The Veterans' Administration recommends the favorable consideration of the bill as amended. Because of the similarity of purposes of this bill and Public Law No. 245, which was the Indian war bill, approved on March 3, 1944, the Veterans' Administration is of the opinion that the language of sections 1 and 2 of H. R. 86, the bill now under consideration, should be identical with the language of Public Law No. 245; otherwise the difference in the wording might require a difference in interpretation, and that is the purpose of the first four amendments. The last amendment, which deletes section 3 of the bill, was recommended by the Veterans' Administration because of the general provisions relating to fees of agents or attorneys as contained in title II of Public Law 844 of the Seventy-fourth Congress, which was approved on June 29, 1936, and will be applicable if this bill is enacted.

I have a report from General Hines, dated November 27, 1944, explaining in detail these amendments, and I ask that

same be made a part of my remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

The letter referred to follows:

VETERANS' ADMINISTRATION,
Washington, November 27, 1944.

Hon. JOHN LESINSKI,
Chairman, Committee on Invalid Pensions, House of Representatives,
Washington, D. C.

MY DEAR MR. LESINSKI: Further reference is made to your letter dated November 20, 1944, enclosing a copy of committee print of H. R. 86, Seventy-eighth Congress, as reported by the Senate Committee on Pensions, together with copies of House Report No. 1288 and Senate Report No. 1148 to accompany H. R. 86, and asking for an explanation of the amendments thereof made by the Senate Committee on Pensions.

Bills similar to H. R. 86, Seventy-eighth Congress, were introduced in the Seventy-sixth Congress as H. R. 7981 and in the Seventy-seventh Congress as H. R. 1091. The report of the Veterans' Administration on H. R. 86, Seventy-eighth Congress, was forwarded to your committee under date of March 25, 1943.

Public Law 245, Seventy-eighth Congress, an act to amend the act of March 3, 1927, entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1899, and for other purposes," was approved by the President March 3, 1944. In preparing the report on H. R. 86 to the Senate Committee on Pensions, made under date of May 18, 1944, it was noted that there were certain differences between the language used in Public Law 245 and in H. R. 86. Because of the similarity of purposes of Public Law 245 and the bill under consideration, it was felt that the language of sections 1 and 2 of H. R. 86 in the places indicated in the committee print should be identical with the language of Public Law 245; otherwise the difference in the wording might require a difference in interpretation. The deletion of section 3 was recommended because the general provisions relating to fees of agents or attorneys contained in title II of Public Law 844, Seventy-fourth Congress, June 29, 1936, will be applicable if the bill is enacted. A similar provision in H. R. 85, which became Public Law 245, was stricken therefrom by the Senate Committee on Pensions.

The Senate Committee on Pensions adopted the clarifying amendments suggested by the Veterans' Administration after clearance by the Bureau of the Budget, and favorable consideration of the bill, as amended, is recommended.

The enclosures forwarded with your letter are returned.

Very truly yours,

FRANK T. HINES,
Administrator.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances; in one, to include an article which appeared in the New York Post, and in the other to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a news item that appeared yesterday in the New York Times on the subject of post-war trade.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial appearing in the New York Sun under date of November 29.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF THE SECOND WAR POWERS ACT

The SPEAKER. The Chair is ready to recognize some Member to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4993) to extend the Second War Powers Act.

The gentleman from Alabama.

Mr. HOBBS. Mr. Speaker, our distinguished chairman of the committee is supposed to be handling that. I have no authority to speak for the committee.

The SPEAKER. The Chair recognized the gentleman from Alabama to make the motion.

Mr. HOBBS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4993) to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4993) to extend the Second War Powers Act, with Mr. CLARK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the Clerk's reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Alabama is recognized.

Mr. HOBBS. I yield to the gentleman from New York.

Mr. HANCOCK. Mr. Chairman, I hope there will not be much controversy about this bill. It is "must" legislation.

About 2 years ago the Senate passed the second war powers bill. It came to the House where we thoroughly considered it both in the Judiciary Committee and on the floor. About 50 amendments were adopted, as I remember, all designed to protect the rights and interests of private individuals without unduly restricting the necessary war powers of the Executive. All were agreed to by the Senate. Despite the fact that the Attorney General has held that the President has a bottomless reservoir of war powers we are asked to extend the life of the act for 1 year, and we are practically unanimous in believing it essential that we do so.

Your committee spent about 4 full days considering this bill. We consulted the Under Secretary of War, the Chief of the W. P. B., counsel for O. P. A., counsel for the Department of the Navy, and with various other officials concerned with these war powers.

All of us are cognizant of instances of abuse of power, of mistakes, of discrimination and favoritism in the administration of the powers of allocation, priorities, and rationing under title 3 of the act, but these are mistakes of administration and we haven't found it practicable to correct them by law without interfering with the war effort, which is the all-important consideration and requires the pooling of all our resources, human and material. When the magnitude of the job is considered, the number of such mistakes is amazingly small.

We considered various proposals to protect individuals against such abuses. Most of the members of the Judiciary Committee regard it as dangerous and unwise to do anything more than to adopt one amendment to the present War Powers Act which will make it definite and certain that aggrieved persons may have the right of injunctive relief when suspension orders are issued for alleged violation of administrative orders. It is generally realized suspension orders often have the effect of absolutely destroying a business. In such extreme cases we feel that the individual should have the right to go into court and obtain relief through injunction; otherwise the bill extends the war powers as they now exist under the Second War Powers Act.

Of course, we all dislike the restraints and restrictions that the exercise of these war powers impose upon us but it is a very little sacrifice to ask of us and it is a very small contribution that we as individuals and private citizens are making toward winning the war. So long as the war lasts the American people will submit cheerfully and gladly.

As far as I am concerned, I am willing to support the bill just as it comes from the committee.

Mr. COCHRAN. Will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Missouri.

Mr. COCHRAN. Does the gentleman indicate that this bill is going to be passed without the amendment being thoroughly discussed? As far as the original bill is concerned, we all agree it is a "must" bill, but there is no "must" about the amendment.

Mr. HANCOCK. Does the gentleman mean the amendment that the committee proposes?

Mr. COCHRAN. The amendment that starts on page 2, line 8, which gives the right to take these cases into the district court. That was not in the original act?

Mr. HANCOCK. As I stated, that is the only amendment which the committee proposes, and it is not opposed by the W. P. B., the War Department, the Navy Department, or any other agency of government. They all agree that is a reasonable protection to give the people of the United States.

Mr. COCHRAN. But, on the other hand, you are going to give all these business houses, individuals, and corporations the right to go into the Federal court whenever an order is issued, and during the time the case is pending they will be able to secure the material which they desire. It seems to me that you are treading on very dangerous ground when General Eisenhower and General MacArthur are calling for more ammunition. It might be that strategic materials needed for the manufacture of ammunition will be involved in the cases that are taken to the Federal court. I think it is a dangerous thing to tie the hands of a government board dealing with this material by letting these corporations and business houses go into court and upset the apple cart. As far as I am concerned, I am opposed to that amendment.

Mr. HANCOCK. The amendment applies only to suspension orders, and that is an extreme penalty. When a man is suspended from doing business it might mean his absolute ruin. The gentleman proposes that an aggrieved person may have no access to the courts whatever, no matter how flagrantly a government agent has abused or exceeded his authority.

Mr. COCHRAN. Assume that the O. P. A. suspends the license of a gasoline dealer for dealing in the black market, would he have a right to go into court?

Mr. HANCOCK. No; this does not apply to rationing orders or allocations or priorities—merely to suspension orders.

Mr. COCHRAN. Does the gentleman think it is absolutely necessary to tack this amendment on here?

Mr. HANCOCK. It is desirable but probably not necessary. I think the right already exists. At least two injunction suits have been brought against the W. P. B. The Government did not raise the question of jurisdiction and the court has not passed on it.

Mr. COCHRAN. If we got along without it during the period that this original law has been in force, why can we not get along without it now?

Mr. HANCOCK. We feel that a man in business is entitled at least to have a court review of an order which might ruin him.

Mr. COCHRAN. That is all right, but the prosecution of this war is more important than trying to save a business.

Mr. HANCOCK. The gentleman apparently thinks that this applies to all rationing orders instead of suspensions. We do not have that question before us. There have been something like 24,000,000 gasoline-rationing cards issued, to mention only 1 article. If any substantial part of them got into court, of course, it would seriously interfere with the work of the O. P. A. and swamp the courts.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Did the heads of the agencies affected testify that this amendment, if adopted, would not in any wise interfere with their work?

Mr. HANCOCK. They so stated, and they intimated that individuals have the right under the law as it now exists to seek injunctions. The War Department and W. P. B. have never raised that question. There have been injunction actions brought—there were two, if I remember the testimony. The question of the right to bring these injunction suits, however, has not been judicially determined. The committee amendment will make it certain that the private citizen has that right.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman has characterized this bill as being "must" legislation. Of course, as the gentleman knows, that expression has a very definite meaning. I am curious to make certain the gentleman's opinion as to whether word has been sent down from the White House to the Congress that this bill is a "must or else" or is it "must" legislation by reason of circumstances that prevail throughout the world?

Mr. HANCOCK. Oh, I think it is absolutely essential in a war as vast as this. We have to mobilize not only our human but our material resources, and without the exercise of these extraordinary powers it is impossible to control the materials and supplies needed by the Army and Navy.

Mr. COLE of New York. This is not a bill to which the attention of Congress has been directed by the White House as being "must" legislation?

Mr. HANCOCK. No; we have not had any direct word from the White House. The Under Secretary of War, the head of W. P. B., the chief counsel for the Navy Department, the chief counsel for the O. P. A., and other high ranking officials appeared before us and said it was essential that this bill be passed, and be passed before the end of this session.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I hope to be able to be of some assistance in giving you a clear notion of what the situation is, the reason for this legislation, and the reason for the amendment which has come under consideration. As the members of the Committee know, the Committee on the Judiciary had the responsibility for the original War Powers Act.

It is recognized by the Committee and I think by the Congress and by the country that this War Powers Act is not ordinary legislation. When a democracy goes to war it is necessary to give greater speed and greater strength to its government than democratic institutions functioning normally can provide. I like to make that statement because I think it is rather important that the country understand the position of the legislative branch with regard to these items of war legislation. They come under considerable criticism.

The whole history of Anglo-Saxon systems of government shows that one of the reasons why we have been able effectively to conduct war against even dictators and have been able to escape long periods of dictatorship is that we seem instinctively to sense a situation that requires a quicker pick-up and a stronger power than our institutions functioning normally can provide. It is a fascinating thing that in such a situation we meet that situation by conferring extraordinary powers in the agencies that are charged with the responsibility of fighting the war. We have demonstrated a genius thus far to do that thing and at the same time to retain the power to control the exercise of that extraordinary power, if necessary, and the power to recapture and redistribute it when the emergency is over. It is a fascinating thing when you come to examine it.

Responding to that necessity, this Committee on the Judiciary brought out the war powers bill. In practice a good many unnecessary and arbitrary exercises of power have developed. That is a bad thing. It should be avoided. I think everybody recognizes that. It tends to weaken the morale of the country to have an abusive exercise of a necessary war power.

In this section 3 the committee undertook to provide remedies as far as it could do so without weakening the war power. I want that distinctly understood. We have no partisanship in our committee. We recognize we are fighting a war. We were very anxious to see that whatever we did to give relief to individuals against the abusive exercise of this extraordinary power did not weaken the war power. We had representatives of the agencies of government whose powers arise under the War Powers Act come before the committee and there was general agreement that that thing was accomplished by the provisions of this bill. There is the right of the individual citizens under the circumstances provided for in this amendment to resort to a court of equity against the abusive exercise of even a necessary power. There is one point which one or two of the agencies of the Government have become concerned about since the amendment was agreed to. That is with regard to allocations already made. The concern is that if a change in condition should develop, if, for example, General Eisenhower or somebody else should indicate that they need a larger percentage of essential material than had theretofore been thought necessary these representatives were somewhat concerned that this injunctive power, this right to resort to a court of equity on the part of an individual, might in such a situation operate against the power of the Government to change the allocation and withdraw from allocation

for civilian use a part of the necessary material already allocated but later found to be required for war purposes. We did not agree that that apprehension was well founded. I am authorized by what I know to have been the purpose of the committee to say that there was and is no intention on the part of the Judiciary Committee that no provision of section 3, or any other section, would make it impossible to reallocate that material without injunctive interference in order that the Army might get quickly all that the Army required and that a private citizen will not be permitted to interpose a private interest against the public necessity.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to my friend, the gentleman from Texas.

Mr. LUTHER A. JOHNSON. I wish to say that my personal opinion is the committee ought to be commended rather than condemned for this provision. Of course, I am not familiar enough with this provision to know what the effect might be, but I am sure that the committee has given consideration to see that it does not destroy the war power, but at the same time does give the citizen his day in court, which I think he should have. I am especially pleased with that part of the amendment which fixes venue in suits of this kind in the residence of the petitioner rather than in the Capital or in some remote point which would make it impossible for him to come to court and thus have his day in court.

Mr. SUMNERS of Texas. May I say to my colleague from Texas that the committee had in mind what I believe to be in the mind of my colleague, that is, that we would do nothing to interfere with the carrying on of the war and that wherever there is a conflict between the public interest and what would ordinarily be the right of a private citizen, the right of the private citizen would have to yield to the public necessity. As the gentleman from New York [Mr. HANCOCK], the ranking Republican on the Committee on the Judiciary, has said, and I repeat, "In our committee there is the very minimum of partisanship, in fact I believe it is practically nonexistent."

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 5 more minutes.

Mr. COCHRAN. Mr. Chairman, I have listened to the gentleman from Texas, and he is somewhat in conflict with members of his committee, because a moment ago the gentleman from New York [Mr. HANCOCK], as I understood him, said that the representatives of the various agencies appeared before your committee and were in accord with the amendment. The gentleman from Texas, chairman of the committee, says that some of those officials who appeared before his committee were rather doubtful about the phrase, and he referred to the example to which the gentleman referred, that in the event priorities in allocation had been made and there developed a situation that required them to revoke it, due to the fact that the material was needed for war purposes, they doubted whether they would have the power, without the individual or the corporation going into the court and seeking an injunction. That was my fear, and I asked the gentleman to point out in that language any protection that the agencies would have if it did develop that the material was needed for war purposes.

Mr. SUMNERS of Texas. My distinguished friend misunderstood me, or I was not clear in what I was trying to state. I do not agree with the apprehension that seems to have developed, and I know to whom the gentleman refers, since the amendment was adopted. I do not agree. But my statement, made as chairman of the committee on the floor of the House, to be a part of the RECORD, was made for the purpose of removing any apprehension that might exist in any quarter, that anybody could interfere with the reallocation of these necessary commodities required for the conduct of the war. Now, does the gentleman understand my purpose in making the statement?

Mr. COCHRAN. Yes; I understand it, but, on the other hand, we know that Government agencies and individuals do not pay any attention to the intent of Congress. They pay attention to the language that is laid down in the act.

Mr. SUMNERS of Texas. Well, we are going to "learn them" how to pay a little attention to the intent of Congress.

Mr. KEFAUVER. Will the gentleman yield to me?

Mr. SUMNERS of Texas. I yield to the gentleman.

Mr. KEFAUVER. As I understand the statement of the chairman of the committee as giving the legislative intent of the Committee on the Judiciary, in an instance like this, for example: Suppose 30,000,000 tons of steel had been allocated to civilian production, and then by virtue of the demand of war agencies it was found that only 15,000,000 tons would be available for civilian production, but it was necessary to make an over-all cut in the amount of the allocation to civilian industries; if that were done an order making the reallocation or the cut in the allocation or the quasi-suspension order would not be subject to review under the injunctive processes set up in the amendment herein provided.

Mr. SUMNERS of Texas. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. SUMNERS of Texas. I will take 5 additional minutes, Mr. Chairman.

I appreciate the observation of the gentleman from Tennessee. That is what I was trying to say and that is what I thought I had said. We cannot legislate, committees cannot report out a bill that will take care of every apprehension of a nervous person who happens to be connected with one of these departments of government. I hope the statement of legislative purpose will allay any unnecessary and unwarranted apprehension.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. JENKINS. I should like to ask the gentleman for my own information, Am I to understand we are now amending the Second War Powers Act?

Mr. SUMNERS of Texas. That is right; extending it and amending it.

Mr. JENKINS. Would the gentleman have time to state briefly what is contained in the First War Powers Act and what in the second one, without going into detail?

Mr. SUMNERS of Texas. May I make this statement, and it is broad and comprehensive and would require some modification, to be exact or approximately so: The War Powers Act, insofar as the Committee on the Judiciary is concerned, and the legislative jurisdiction which it assumed in reporting out the bills with regard to various items with which they deal, was to make the necessities of the Government in the conduct of this war paramount in governmental concern.

At the same time, of course, as a matter of justice to the civilian population, and as a matter of good sense in holding to the support of the war the public attitude of the people, we have tried as far as we could to avoid hardships to the people growing out of the very fact that many people have to exercise these powers and there are a good many people among them who, possessed of such powers, become contemptuous of individual rights and of public opinion.

Mr. JENKINS. The reason I asked this question was because I noticed in the report on the bill that section 303 which as I read it applies to the activities of the Navy——

Mr. SUMNERS of Texas. The gentleman means section 3.

Mr. JENKINS. Yes—and the Army. I had in mind that when we adopted the First War Powers Act it was held within one field of activity; that when we adopted the Second War Powers Act we dealt with another field of activity. Have we had more than two War Powers Acts? Is there a third?

Mr. SUMNERS of Texas. There are two War Powers Acts.

Mr. JENKINS. Only two?

Mr. SUMNERS of Texas. Yes.

Mr. JENKINS. If someone were to ask me what was encompassed in War Powers Act No. 1 and War Powers Act No. 2 I could not offhand tell them. Both are very general, of course.

Mr. SUMNERS of Texas. They outline just the general purpose. The gentleman will excuse me for not going into the whole scope of the War Powers Act.

This bill proposes to extend the life of the Second War Powers Act. Section 3 is the only important amendment; and section 3 has been explained. While it is not agreeable to everybody, as is evident, it is the best the Judiciary Committee could do. We thrashed it out thoroughly in the committee. We had a considerable difference of opinion in regard to one particular matter, but that was adjusted in the committee. Insofar as I know, the committee is unanimous in its attitude in presenting this bill to the House with the recommendation that it do pass.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back 1 minute.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I believe I understand exactly what the committee desires to do. We all know the views of the gentleman from Texas [Mr. SUMNERS] and the views of the gentleman from Pennsylvania [Mr. WALTER] who entered the colloquy a few moments ago. To me this amendment is an effort to apply the principles of the so-called Logan-Walter bill to the War Powers Act to provide for the judicial review of an administrative decision. I believe that is exactly what this amendment will do. The House has previously refused to approve the principle laid down in the original Logan-Walter bill.

As far as I am concerned, and I do not care whether I am alone or not, there is no power that I will not delegate to the Chief Executive and to the Army and Navy for the purpose of bringing this war to an early and successful conclusion. I do not want to tie their hands in any manner, shape, or form. I want them to secure everything they need for the war fronts no matter what inconvenience or hardships are suffered on the home front. The war effort must come first.

Once priorities are issued and allocations made, as the gentleman from Texas said, there might develop a situation where that allocated material would be needed for war purposes. The truth of the matter is we are faced with a very critical condition at the moment. It is no secret. Speed up production is the cry. Two dozen or more men have been withdrawn from the fox holes and are back here now to visit manufacturing plants and plead for more bullets, shells, tanks, trucks, and planes.

If you show me in the amendment where the Government agency can revoke the priority and revoke the allocation and at the same time take away from the individual, partnership, or corporation their right to go into the Federal court, then I will stop talking. I yield to anyone to show me in the wording of the amendment where in a case of that kind you take the right away from the individual, partnership, or corporation to go into court if the material is needed for war purposes. Until the amendment reads that way I do not think it should be adopted. No one seems to show me the language.

No one wants to take away the right of a citizen under the Constitution of the United States unless absolutely necessary under the powers granted in the Constitution to the President to fight a war. It is dangerous procedure to fool with material that might be needed at a future date to make arms and ammunition to use in order to defeat the enemy.

What good are the guns going to be if we do not have the shells to fire in them? What good are the tanks going to be if we do not have the gasoline to run them? The same may be said as to airplanes. They need the gasoline. They need the bombs. You and I know that appeals are being made to the country today for more ammunition, more tanks, more planes, and more ships, and if we are going to get more planes, more tanks, more ships, and more ammunition we might need this material that has already been allocated through these priorities, and if we do business must give it back.

Mr. Chairman, I say that an amendment of this kind has no place in this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, I am afraid that my friend from Missouri has not read the amendment with the care that he usually exercises before he takes a position, because this amendment does not do the things that he feels it would do. If I had had my way I would have written into this law a provision that would have protected our citizens from the capricious and arbitrary action of the men administering the law.

I do not have to apologize for my position with respect to reviewing decisions of administrative agencies. The House by a very large majority some months ago passed a bill that provided for judicial review of administrative decisions and the fact that such a measure is not being considered by this Congress indicates pretty clearly the attitude of myself and others on that type of legislation with respect to the possibility that such legislation might interfere with the war effort. The mere fact that we have not introduced such legislation in this Congress indicates our desire to avoid anything at all that might be construed as an interference with the war effort. But this amendment can in no wise impede or hamper the activity of any of the agencies administering these unusual powers. After all, we are dealing with human beings, and we are going to have these problems upon the cessation of hostilities.

Somebody is going to be in a position where he can say that company A may have some strategic materials as to companies B, C, D, and other companies, and in that I can see the possibility of all sorts of fraud and corruption, if you please. So it seems to me that a citizen ought to be in a position, where a decision is purely arbitrary and capricious, to go into court and enjoin that administrator from carrying out the things that are improper.

Bear this in mind, that the action is in equity, and in order to make out a case it is necessary to demonstrate to the satisfaction of the court that the action is capricious and arbitrary. I cannot imagine a judge who would issue a temporary restraining order, and I cannot imagine a judge issuing any restraining order until after a full and complete hearing at which the administrative agency could make the representations that the gentleman from Missouri [Mr. COCHRAN] thinks they would make in case any application is made. No judge under those circumstances would grant a restraining order.

This amendment is absolutely necessary if we are to protect our people from those things that inevitably happen when some people get too much power, power that cannot be reviewed. I urge this amendment.

Mr. SPRINGER. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE. Mr. Chairman, I agree with the gentleman from Missouri in being opposed to the committee amendment, but for an entirely different reason. In my judgment the amendment does nothing. It simply restates existing law, except that it makes a slight change in the form of service.

If you will follow me just a minute, I would like to call your attention to what has happened under this Second War Powers Act. It illustrates how bureaucracy has us by the throat, and how this Congress is refusing to do anything to protect the people from it. If you have before you the original Second War Powers Act, you will see it covers some 16 titles. If you will turn to title 3, on page 3, "Priorities powers," you will find this sentence:

> Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material—

And so forth—

> the President may allocate such material or facilities in such manner, upon such conditions, and to such an extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

That sentence is the sentence that gives the President authority to allocate materials, to set up priorities, and to establish rationing. Mr. Chairman, that sentence gives to the President and to his agencies an authority we all admit he should have. For instance, the President under that sentence can do this: He can say to company A, "You can have a thousand tons of steel to make tanks." He can say to company B, "You can have 500 tons of steel to make some civilian goods essential or useful in the war effort." He can say to company C, "You can have nothing, because the product you make is not essential."

We anticipated, when we passed that law and wrote that sentence, that there would be violations of the orders of the President; that steel might be given to some corporation with which to make war material, and that they might divert it to improper uses. So we provided penalties. We provided that the W. P. B. might go into court and get an injunction against the person who violated these orders, or they might go into court and have the man prosecuted criminally and put in the penitentiary. Those are the methods of enforcement provided in the law.

But you know that a bureau never likes to take a citizen into court. They are afraid they will run up against some judge who is old-fashioned enough to think that the Constitution is equally sacred with the rules and regulations of the bureaus. So here is what the W.

P. B. did. They invented a penalty of their own. They invented what they are pleased to call a suspension or a sanction. For example, if they give 1,000 tons of steel to someone and they think he misuses it, they will put an order into effect that he is thereafter during the lifetime of the act, and in some cases even beyond the lifetime of the act, prohibited from getting any of that critical material.

A case went to the Supreme Court, not from the W. P. B. but from the rationing agency, and the Court held that the power to allocate did give the allocating authority the power to take away and reallocate and prohibit the offending person from ever thereafter during the lifetime of the law getting any goods to be allocated. That is the case of Stuart against Bowles. I submit you should read it.

This amendment which is advertised here as being something great for the citizen and as being a defense against the suspensions and these sanctions says just this. Let us analyze it a minute. All it says is that the district court shall have jurisdiction to enjoin these suspension orders. They have that now. The Government does not deny it, and in the Stuart case they admitted it. The only change that I can see that this amendment makes in existing law is a minor change as to the manner of service.

Here is what your remedy is if you go in for an injunction. In the first place, you will get no relief. You cannot get into the courts until you have exhausted all your administrative remedies. In the W. P. B. they have not just one of these administrative courts, they have a series of them. You must go from one to the other before you can even be heard in court. The lower court has jurisdiction to hear your injunction suit. If you want to know how independent the courts are in deciding cases for themselves, read the recent decision of the Supreme Court in 310 United States 570. In other words, they will enjoin the enforcement of a law only in rare cases where there is a clear showing that the agency acted capriciously or arbitrarily and without evidence. The remedy the citizen has today is nothing and the remedy he has under this amendment is nothing.

This is what we should do. Here is the kind of amendment we should have. We gave the W. P. B. their rights. We said, "We are laying down a course of conduct for the citizen. If he violates it you can take him into court." Let them do it. Do not let them set up a kangaroo court of their own and then make the citizen go into court in a futile effort to try to enjoin them. This is the kind of an amendment we need. We should add this language to this bill instead of the suggested committee amendment:

> Nothing in this act shall be construed as giving the President or any Federal agency, official, or employee the right to inflict or impose penalties, sanctions, or suspension orders of any kind, remedial or otherwise, not both specified by statute and expressly delegated to such agency or person by lawful authority.

What we do by this amendment, if it should be adopted, is simply to make the W. P. B. enforce the rights we give them and enforce the obligations we put on the citizen, in a proper court, instead of inventing their own penalties and their own judicial process, and then expecting the citizen by some remedy that does not exist to go in and protect himself.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I am not sure that I am making myself clear. I should like to yield on that point.

Mr. JENKINS. Is the gentleman going to offer that kind of an amendment?

Mr. GWYNNE. I trust an amendment like that will be offered.

Mr. JENKINS. I hope it will, because I should like to support it.

Mr. GWYNNE. They tell us, "Oh, that would hamstring the W. P. B." Why will it? We are losing our rights every day and we are losing them under this claim of emergency. Mr. Chairman, if we are here 50 years, you will hear that claim as we heard it in connection with the depression and as we hear it now on account of the war. Then it will be the rehabilitation of Europe; then it will be another depression and another period of unemployment. After all we have come to a pretty pass in this country when we admit that the courts and the judicial machinery are not adequate to enforce the rights that we, ourselves, are giving to these bureaus.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield for a question?

Mr. GWYNNE. I yield.

Miss SUMNER of Illinois. The way this committee amendment is phrased, it speaks of the right to do it under any other law or authority and then it also uses the word "allocation." I should think in a case, for instance, where money was given to an automobile concern, let us say a million dollars, by the Defense Plant Corporation, that would be an allocation and somebody else could go and enjoin that because they wanted the money and did not consider it fair and thus hold up the war effort. For that reason, I wonder if this amendment is entirely innocuous.

Mr. GWYNNE. In my judgment, it is entirely innocuous. Nothing can be done under this amendment by way of any substantive right that you cannot now do under existing law. In other words, if you maintain that some department of the Government is, in violation of law, depriving you of your rights, you always have the right to go to court for an injunction. We all know that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, when I reported the rule yesterday making this bill in order, I stated that I would oppose one of the committee amendments. Later, however, after having carefully read both of the amendments I was satisfied that both amendments should be approved. I was misled, originally, in believing that the first amendment, which I think is known as the Walter amendment and on which the committee had agreed, was too restrictive. The Committee on the Judiciary, in its wisdom, changed and rewrote the originally proposed Walter amendment and I am further informed that the gentleman who has the present duty of enforcing the law agreed to the changes in the amendment as proposed and agreed upon by the committee. Opportunity was afforded me to correct my remarks with respect to the two amendments before they went to the Government Printing Office yesterday and they properly explain the consideration given the amendments by the Committee on the Judiciary and that I favored their adoption by the House. I again reiterate my support of these two committee amendments and hope that they will receive the approval of the House and that no amendments will be considered which may destroy the intent and prudence displayed by this splendid committee in reporting out and agreeing to satisfactory amendments to the bill.

Mr. Chairman, I trust that we will not lose much time on this matter because the moment we are through with this bill, I shall call up a rule making in order the Smaller War Plants Corporation bill.

Mr. Chairman, I yield back the balance of my time.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, the proposed amendment, as I understand it, merely gives the citizen the right, in a very few instances, to get into court and there ask judgment as to the validity of a Board order. To my mind there are many other occasions on which a citizen should be given the right to go into court and ask a review of the orders. Perhaps an amendment to lessen the evil is not germane to this bill or to this amendment to the War Powers Act, but there has been altogether too much abuse in the exercise of the powers which have been given to the various boards. What I have in mind is this. The War Labor Board in settling disputes—and disputes have interfered with the war effort—has taken the authority, which it never had, to issue an order requiring the security-of-membership clause to be incorporated in contracts; to require the employer and employee to enter into a contract containing that provision.

In testifying before one of the House committees, the Chairman of the War Labor Board stated that his justification for those orders was the fact that inasmuch as under the National Labor Relations Act, the employer and employee might agree upon a maintenance of membership and check-off or closed shop, inasmuch as they might voluntarily agree to that, therefore the Board, having authority under the Smith-Connally Act to settle disputes, had the power to go ahead and order the employer and employee to do it; that is, to agree to those provisions. That is, order a closed shop, order a check-off, order a maintenance of membership, which is but a variation of the closed shop and

check-off. When attention was called to the fact that under section 3, of the Smith-Connally Act, it was provided that in making such orders the Board should have in mind and keep in mind the provisions of other acts, such as the wage-hour law, the N. L. R. A., he simply said, "Well, as long as we are required to settle disputes we can do whatever is necessary to settle them."

In opening this debate someone said that the first objective before all the people at this time was the winning of the war. That is true, but it is only true in a limited sense. If when this war has been won, or more accurately speaking, if when the fighting is over, when all the battles have been won, we find ourselves without those things for which we have said the war was being fought, that is, the "four freedoms," then certainly we have fought the war in vain, and we have made no progress whatever.

I do not understand why it is that this Congress, I do not understand why it is that the Republican organization, cannot see fit to demand that in this legislation which we pass from week to week, and month to month, we do not insert provisions which protect the rights of the citizens under our Constitution.

I cannot understand why it is that the War Labor Board should be permitted to go on and issue the orders which it has been issuing, an order for example down here in Philadelphia which caused that strike; orders which indirectly in Chicago for 17 days tied up 35 percent of the war workers of certain plants and kept them from getting to their jobs because of a strike on the railroad system. I cannot understand why it is we sit here and refuse to take action which will prevent strikes, for example, in the city of Detroit. Not a single day goes by but that there are strikes which directly, not indirectly, but directly, interfere with the production of war materials. It was only a short while ago that the President said these strikes were causing the death of American soldiers. Yet the Republican organization has not the inclination or courage, I do not know which it is, to put an end, as far as we can, to that situation. I do not understand why it is that you on the majority side, when the President, who you said had just received a mandate from the people, said that these strikes are causing the death of American soldiers, do not initiate legislation, do not start a movement to end it—to correct the situation. Is it because the President owes his reelection to the P. A. C., to the C. I. O., and this is the payoff?

I have been accused of being a seditionist, so-called, of being a Hitlerite, pro-Nazi, because I protested those things; and yet your President tells you that delay in passing legislation to settle this is causing the death of our soldiers.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. WALTER. Perhaps when the gentleman makes the statement he just made he does not realize that in France it was a crime to strike at the time of the invasion.

Mr. HOFFMAN. What has that to do with this? We are not in France; we are not French; we are not under any French Government.

Mr. WALTER. They had a strike policy.

Mr. HOFFMAN. We are supposed to be under a constitutional government. But we have no effective program or policy to prevent interference with the war production. We are not running things the way they ran them in France; we are not following Frenchmen. There is a way out of this. I believe and always have believed that the American workers as a group, the overwhelming majority, are just as honest and patriotic as you and I claim to be, as we think we are; but we know very well that for their own purposes there is a small number of their leaders who are profiting out of this war situation, building up funds of millions of dollars, drawing large salaries, whose expense accounts are almost unlimited; yet we do nothing about it. I tried 2½ years ago to get the House to pass legislation here that would have prevented the formation of the P. A. C. Now they intend to take over—they have already taken over—the Democratic Party. Sure. It controlled the last election in many States. The gentleman may smile, but they got rid of JOE STARNES, one of the best men this House ever had; they got rid of JOHN COSTELLO. They boast of defeating those men whose only offense was that on occasion—not always, on occasion—they voted against the program of those who controlled the P. A. C. and the corrupt leaders in the C. I. O. Now you let them go on.

Republican members have said to me: "Oh, stick your neck out and you will get it." All right; I stuck it out and I got it; and I am glad I was not silent. I know where my friends are and I know who are my enemies. I thank God for the enemies I have made while I have been in this Congress. I know, too, that those Republicans who told me to go back and shut up will themselves be subject to the same kind of abuse and be as falsely accused as I was. Many Republicans and Democrats have already been so accused. I just cannot understand why so many sit here and without protest let the P. A. C. and subversive groups skin you alive; why no effective action is taken. I hope that ultimately you will all realize what they are going to do to all of you and take effective action.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, now let us return to the bill which is before the House. The Second War Powers Act was enacted some time ago. It has been effective in more ways than one. Many necessary things have been accomplished under the act, but at the same time many inequalities have followed the administration of the act. I can, from personal experience, name many cases where injustice and inequities have occurred by reason of the way the law was administered. We are today, however, confronted with a condition, not a theory. This law will soon expire. It must be continued. I believe we are all agreed as to that.

If we were to attempt to amend the law to make it suit me exactly, to make it suit every one of my constituents exactly, we just could not get anywhere. I say the necessities of the hour, the necessities of the occasion, are such that in my humble judgment, we should pass this bill with the committee amendment and stop there.

The gentleman from Missouri [Mr. COCHRAN] criticized the committee amendment. I think he was ill advised or possibly was not advised at all. If I can understand the English language, if I understood Judge Patterson, if I understood the representatives of the Navy Department, if I understood the representatives of the other agencies that are carrying on this war work, they are not opposing this amendment. They told us they were trying as nearly as they could, in the administration of the law, to comply with what the amendment provides, even though a mandate is not written in the present law.

The committee had these agencies before it and my judgment is that as a result of those hearings and as a result of the attitude expressed by the members of the committee unanimously, by this amendment being included, and because of this debate, they are going to be doubly careful in the future, in protecting the rights of those affected by priorities and suspensions.

Mr. Chairman, I am going to vote for the bill as amended. It is not, of course, all I want, but this extension is necessary now. May I say further that Under Secretary of War Judge Patterson came before my committee and went on record, taking the position that to attempt to include additional amendments would interfere with the war effort right now. The people of the country do not want this, they know that these laws cannot be repealed at this stage of the war and they will not favor attempts to destroy them by amendments, regardless of their merits in peacetimes. Eliminate the kangaroo courts, yes, but do not hamper the war effort. None of us like war restrictions, and we must get rid of them as soon as possible after the emergency.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, the gentleman from Ohio [Mr. JENKINS] said a few minutes ago that he thought it would be of some value to the members of the committee if we would review very briefly what the two War Powers Acts previously passed provided.

Immediately after Pearl Harbor Congress gave consideration to the First War Powers Act and it was approved by the two Houses of Congress and signed by the President on December 18, 1941. The First War Powers Act provided, however, that it should remain in force during the continuance of the present war and

for 6 months after the termination of the war or until such earlier time as the Congress by concurrent resolution or the President may designate. So we have not before us and have never had before us the matter of renewing or extending the First War Powers Act.

To refresh the recollection of the Members, the First War Powers Act provided in title I "coordination of executive bureaus in the interest of a more efficient concentration of government." It dealt under title II with the matter of giving the President through the various departments of the Government power to make certain contracts in connection with the war; and the third title of the First War Powers Act had to do with the matter of trading with the enemy, regulation of currency and bullion, communications, and giving the Government certain rights of censorship.

Immediately after passage of the First War Powers Act the Congress gave consideration to the Second War Powers Act, which was originally passed and approved on March 27, 1942. Under the terms of that act it did not continue for the duration of the war but until December 31, 1944. So it will expire very shortly unless renewed.

The Second War Powers Act contained some fifteen titles and I take it it is not important at this time to review what all of the titles provide unless some one especially wants that information. I have the law here before me.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Iowa.

Mr. JENSEN. I think it would be well if the gentleman would include those 15 titles in the RECORD so that we might refresh our memory, and the public might have their memory refreshed again on what the Second War Powers Act really is and what it constitutes.

Mr. KEFAUVER. May I inquire of the gentleman from Alabama if I may have a few additional minutes to read the titles of the Second War Powers Act?

Mr. HOBBS. The gentleman may have all the time he desires within reasonable limits. I yield the gentleman 2 additional minutes.

Mr. KEFAUVER. Title I of the Second War Powers Act deals with emergency powers of the Interstate Commerce Commission over motor and water carriers, suspending certain rules which might impede the movement of traffic.

Title II deals with the acquisition and disposition of property which is well known by all Members.

Title III deals with priority powers which were given to the Executive under which the War Production Board and other agencies operate.

Title IV has to do with the purchase by the Federal Reserve banks of Government obligations.

Title V has to do with the waiver of certain navigation and inspection laws in order to facilitate the movement of traffic on rivers and in ports.

Title VI has to do with the power of requisitioning property that might be needed in connection with the war effort.

Title VII deals with political activity, and it exempted from the Hatch Act certain people working in a purely advisory capacity in connection with the war activity where they are not receiving any salary from the Federal Government.

Title VIII is entitled "Protection of War Industries and Protection of Resources Subject to Hazards of Forest Fires." It gives the President the right to make certain rules and regulations in connection therewith and to use the Civilian Conservation Corps to fight forest fires.

Title IX provides for free postage for soldiers, sailors, and marines.

Title X has to do with the naturalization of persons serving in the armed forces of the United States during the present war, giving them certain benefits in connection with naturalization laws by virtue of their service in the Army of the United States.

Title XI provides and authorizes the acceptance of conditional gifts to further the war program, and provides for the setting up of a section in the Treasury so the United States could receive gifts from individuals for the prosecution of the war.

Title XII has to do with the coinage of 5-cent pieces; the bullion and make-up of 5-cent pieces.

Title XIII deals with the inspection and audit of war contractors, giving the Executive the right to inspect certain books of war contractors who have contracts with the United States Government.

Title XIV is the utilization of vital war information, restraining the use of certain information in certain cases so as not to make it public where it had to do with the carrying on of the war.

Title XV sets the time limit for the Second War Powers Act to expire on December 31, 1944.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from New York.

Mr. HANCOCK. May I call the gentleman's attention to the fact that title VIII is not extended by this bill.

Mr. KEFAUVER. That is correct.

Mr. HANCOCK. That is the title that authorized the establishment of the C. C. C., and for fighting forest fires.

We do not have a C. C. C. any more.

Mr. KEFAUVER. That is right; title VIII is not continued by this bill.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Iowa.

Mr. JENSEN. The Second War Powers Act gives the President permission to act on all these matters as he sees fit without the consent of Congress. That is the authority we are giving him, is it not?

Mr. KEFAUVER. No. The authority is set forth in the provisions here. It limits what the Executive can do in accordance with the law we passed. It gives him the authority to do certain things under regulations set forth in the acts themselves by Congress which were necessary for the war effort.

Mr. JENSEN. Yes; I understand that; but after we passed the War Powers Act, we gave to the President the authority to act under his own discretion.

Mr. KEFAUVER. Not at all. It gave the President greater authority to do many things in connection with certain matters, as has been recited here, that have to do with the prosecution of the war. If the gentleman will read Public Law 509 of the Seventy-seventh Congress, he will find that it says exactly what it gives the President authority to do and the conditions under which he may do it. All the bill now before us does is, of course, to extend the Second War Powers Act for 1 more year, with title VIII eliminated, and with an amendment to title III, which is the section that deals with priorities.

Mr. JENSEN. The reason I am bringing up that point is simply that there are many people in the United States who do not realize that the President does have great powers handed to him by the Congress in this all-out war emergency, and that, of course, it is necessary to give the President these unlimited powers, which we hope he will use to the best advantage possible in winning the war.

Mr. KEFAUVER. I thank the gentleman. I think the powers given under these war acts are definitely required. When the President assumed the role of Commander in Chief he had to have these powers. The Constitution contemplated a concentration of power for war purposes.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. HOBBS. Mr. Chairman, I yield 4 additional minutes to the gentleman from Tennessee.

Mr. KEFAUVER. In connection with the amendment which is placed on section 3, the priority section, I think we should state again just what this amendment does so as to have the legislative record clear. It deals only with a suspension order by the War Production Board or the agencies operating under this section after a person or firm has had an allocation. You will recall that in the Stabilization Act a right of appeal was given in O. P. A. cases where suspension orders were issued. This gives the same right, or substantially the same right, to all the agencies operating under the Second War Powers Act that was given to the citizen by the Stabilization Act in regard to matters under the O. P. A. If a person has an allocation and it is suspended for some reason or violation, he has his right to go to court. If it is modified or, if you want to call it that, suspended by reason of some general cut-back of the amount of material that may be allocated for civilian use in conformity with the general program of the War Production Board, it is not intended to give him any right to question in court the cut-back required in order to have more of the strategic material for the war purposes. We had under consideration in the committee an amendment which would give the person a right of injunction when an allocation was refused him. It was insisted and urged by some members of the com-

mittee that he should have a right to injunctive relief where an allocation was refused in the first instance when a person applied for one, but statements of all of the agencies affected that this would divide the allocating power out to all the district courts over the country, who would not have an all-over picture of the situation, and that in order to handle priorities intelligently and effectively the authority had to be concentrated in one group, led the committee in its wisdom—and I think it decided correctly—to vote down the amendment which would give an appeal where an application was made for an allocation in the first instance.

I take it, in order to go into court and ask for an injunction, you have to show that you have no adequate remedy at law and that you would be irreparably damaged if the suspension order were put into effect. You must exhaust your effort to secure relief through administrative appeal before being entitled to injunctive relief.

I do not believe that this will interfere with the war effort. The agencies appeared and they did not express any opposition to giving this right of injunctive process, and, as a matter of fact, they said the citizen had it already.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from California.

Mr. VOORHIS of California. I just want to ask the gentleman what would happen in a case of this kind: Suppose the War Department finds that its needs for a certain type of war equipment are much greater than they had thought they were going to be a few days before, or a week before, and they therefore find it very desirable to encourage an increased production in that particular field, and, perhaps, in order to get the raw material to make that possible, they have to take it away from some other field. How would this provision affect a situation of that sort?

Mr. KEFAUVER. It will not affect it. There will be no right of injunctive process or appeal to a court in that case.

Mr. VOORHIS of California. Does the gentleman think the language makes that plain?

Mr. KEFAUVER. I think the language makes it plain, and certainly the proceedings of the Committee on the Judiciary, the report of the committee, and the statement of the chairman and the ranking minority member of the committee make it plain, if there is any doubt about that.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HANCOCK. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, at the outset of my remarks on this subject, I want to direct my remarks to the effect this bill might or could have, with respect to the war effort. Of course, it is the policy of our committee, as was evidenced continuously throughout the hearings, that we do not wish in any manner to disturb or disrupt the war effort. Whatever is necessary, and whatever is essential, for use in this war effort, that we want to give, because it is the policy, I know, of every Member of this great law-making body that we desire this war to be ended as quickly as possible, and with a complete victory and by the complete surrender of our enemies. The different titles of the Second War Powers Act have been explained very carefully. During the time that we were discussing in our committee the various features of this particular legislation, which extends the Second War Powers Act for 1 year, we heard quite a lot of evidence. As you know, the present War Powers Act expires on the 31st of December of this year and action at this time is necessary in the event the provisions of that bill are extended. It is the desire of all Members to grant every authority necessary to successfully prosecute this war to a speedy conclusion. In the hearings in the Judiciary Committee the question arose respecting the disposition of matters within the departments. I recall especially the question arose with reference to the War Production Board; this matter was gone into very carefully, concerning the procedure, the hearings before the first hearing agent on the question of priorities, and then the appeal from that agent to the Administrator himself; and, in certain cases, after the hearings had been had before the hearing agent or the hearing authority, then the matter could be taken before the five-man appeal board within the department. Those men who tried the case, and before whom the appeal is taken, are all members of that department. We found that during the time the War Production Board has been in existence they have had some 42,000 of these particular application cases which have been appealed from the first hearing agent, either to the appeal board within the department or before the Administrator.

Out of those 42,000 cases in which there had been an appeal, there have been modifications, or there have been reversals, in whole or in part, in some 38,000 cases. In other words, they have been handling many matters; in these appeals they have been evidently giving fair consideration, because certainly that is a very large percentage of modifications with respect to either reversals, in whole or in part, or modifications of the original orders which were made in those particular cases.

Of course, we have before us the question of favoritism in allocations; we have the question of suspension orders and of closing orders. Those questions were considered, and they had a compelling influence upon members in writing into this measure the amendment which appears as title 3, on page 2, of the bill now before the Committee. Some of the members of the committee have taken the position that the amendment embraced in this measure does not give any more right to the people than they already have under the original Second War Powers Act. It was admitted by those who represented the Department that under existing law and under the Second War Powers Act, the right of the individual or the citizens, the firms, or corporations involved to go into court and seek injunctive relief, where they believed they were aggrieved by reason of the suspension orders or the closing orders, or matters which directly affected their business or the operation of their plant, was permitted. The Second War Powers Act does not clearly define that right. We sought to clarify this measure by approving an amendment, which is set forth as title 3, on page 2. Without doubt that amendment gives the right in those questions of suspension, or in the denial of a stay of suspension—and those are the most drastic penalties which can be asserted by the agency under this bill. This amendment would give the right to the people to go into court and seek injunctive relief where they are aggrieved by that order being oppressive and wrong, and where the same operates to destroy the business which they are seeking to operate.

One of the thoughts that impressed me, as we heard the testimony with respect to this particular measure and its extension, was the fact that the people should have the right to appeal to a court, rather than to submit all of their important questions to an appeal board within the department or the agency, which is composed of men who are employed by that particular agency, and who are drawing their salaries from that particular agency. Judge Patterson, the Under Secretary of War, came before our committee and expressly stated that direct appeals in allocations could and would interfere with the prosecution of the war. Of course, the members of this committee do not want to do anything with respect to this measure which will in any way deter or interfere with the prosecution of the war. The war must go forward. It must go forward to a speedy conclusion. With this amendment now in the bill, I intend to support it. I firmly believe that as far as the question of the prosecution of the war is concerned, it is highly essential and absolutely necessary that this act be extended for the period of 1 year, and that the powers and rights vested in the various agencies of Government under this existing law be continued until this war ends. We cannot step in at this time and take any action which will in any way interfere with our war effort.

With the ending of this war, legislation of this character should, of course, be entirely eliminated from the statutes and the people left free again and given the right to assert their own independence as free American citizens. I propose to support this measure and I propose to vote to continue the Second War Powers Act for the period of 1 year as provided in this measure, for the purpose of aiding the war effort.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished friend from Wisconsin.

Mr. KEEFE. I have not been privileged to hear all of the arguments on this bill, but I have heard the last four statements. I would like very much to understand exactly what this amendment to title 3 purports to do.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HANCOCK. Mr. Chairman, I yield 3 additional minutes to the gentleman from Indiana.

Mr. KEEFE. Am I correct in the assumption that the provisions of this amendment to Title 3 relate only to circumstances where a priority or an allocation order has already been issued by the War Production Board and the protection afforded to the citizen applies only as against attempts to recall the priority order or allocation that may have theretofore been given?

Mr. SPRINGER. I wish to thank the gentleman for propounding that question and I will attempt to answer it.

In the first place one must go through the entire proceeding in the department before one is entitled to go into court to seek injunctive relief as is provided under Title 3 of the pending bill. In other words, the matter would be heard before this hearing agent; then an appeal might be taken either to the administrator of that department, or to the 5-man appeals board. The case is finally decided and the order rendered. If the citizen is then aggrieved by the final determination by that board, or other administrative agent, the citizen can seek so-called injunctive relief before the courts. This bill provides, as the gentleman knows, that the jurisdiction is where the citizen himself resides.

Mr. KEEFE. I would thank the gentleman if he would yield for a further answer; that does not specifically touch the point I had in mind. Am I correct in the assumption that there is nothing in this amendment to Title 3 to disturb the present position or authority of the War Production Board and their jurisdiction to make allocations and to grant or deny priorities in the first instance?

Mr. SPRINGER. There is nothing in this bill which disturbs the right of the War Production Board to operate as it is now operating. The only thing this bill does is to give the additional right to the person, firm, or corporation, or whoever is involved, to go into the courts and seek injunctive relief if he is aggrieved by the final order which is issued and entered by the War Production Board, or any other agency using such power. This amendment merely clarifies and makes certain that right to the people. From the statements made by the various departments and heads of Government, they agree to this amendment. They contend that power is already vested in the people, but this amendment clarifies the bill and makes certain that the power to resort to the courts rests with the people.

Mr. KEEFE. I may say to the gentleman that he still does not reach the point I had in mind. I should like to have it clarified for the RECORD and I hope some other Member will use his time to clarify the point I am trying to reach.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. KEEFE. Will the gentleman yield?

Mr. HOBBS. I will be so happy to yield, but I have heard the question asked twice, and I believe I can answer it.

Mr. KEEFE. For continuity's sake in the RECORD, I just want to clear that one question up right now so that there will not be any doubt about it so far as the RECORD is concerned.

Mr. HOBBS. I will be so happy to do so. In fact, that is one of the reasons I am rising at this time. If I do not do it, please call my attention to the fact at the end of my statement.

The first thing I wish to do is to pay tribute to the administration, at the higher levels, of these agencies that have been administering the Second War Powers Act and those powers that have been delegated in pursuance thereof. We were tremendously impressed by the testimony before our committee in these hearings, giving us the facts with reference to how this trust thus imposed has been administered. Their record shows that the men who are discharging this great responsibility are excellent public servants, extremely interested in doing their duty, their whole duty, and nothing but their duty, with fairness to "John Q. Citizen" and all affected. They frankly admitted that mistakes have been made, but most of them have been made on the lower levels by men who in spite of care exercised in their selection were human beings and made mistakes sometimes.

Mr. Chairman, there are only two committee amendments to the pending bill. One is a mere matter of clarification to bring about technical accuracy. Instead of referring to a concurrent resolution of Congress which, according to a strained construction, would include the President because of his approval and veto powers, we recommend the change to concurrent resolution by the two Houses of Congress, which excludes the President. In the very next sentence the President is empowered also to declare the termination of the act before the date to which its life is conditionally extended. That amendment need not worry anyone and does not.

The gentleman from Missouri [Mr. COCHRAN] and the gentleman from Illinois [Mr. SABATH] at first thought that the second committee amendment was wrong and dangerous, but have abandoned the field, because they were honestly mistaken about it. Probably the trouble has been as explained by the gentleman from Illinois [Mr. SABATH], when he said that he was opposing the Walter amendment that was offered in our committee and there voted down. May I, therefore, address myself for a few minutes to the effect of this second amendment which the gentleman from Iowa [Mr. GWYNNE] thinks is innocuous?

Mr. Chairman, without abating one jot or one tittle of the power of any of these agencies to control the distribution of strategic war materials, in no sense giving any power to diminish the stock pile for war purposes of any of these materials, in no sense curtailing nor hampering any necessary power, we propose this amendment as fair, just, and reasonable to all parties concerned. This would affect only the least of the three modes of what might be loosely called appeal. The first one is where an application for priority or for allocation is denied in the regular routine under a general order. That goes into the agency and may or may not find relief for the appellant. But as my distinguished confrere the gentleman from Indiana [Mr. SPRINGER] has pointed out, we find that in that field, which we explored fully, ample justice has been done in many cases.

Then the second category of the three categories of the so-called appeals is where, admitting that the law was against the citizen seeking relief, he was asking for an exception to be made in his case because of a peculiar hardship or necessity, which transcended the need served by the general order. There again the appeal has been within the agency, and most of them, in fact 90 percent of them, have been recommended by the one in the field who denied the relief sought. So we cannot possibly afford to jeopardize expedition by running the risk of overwhelming the courts and short-circuiting war necessities in 25,000 cases a year when there is so little apparent need. In 9 out of 10 cases the relief sought has been granted.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman from Indiana.

Mr. SPRINGER. May I ask the gentleman to state if it is not a fact that the heads of these agencies gave testimony before our committee that there had been but two injunction suits filed?

Mr. HOBBS. Yes; that is so. The third category of the so-called appeals is the one in which this amendment operates. It simply says that where there has been an allocation of strategic war material or priority given by one of these agencies, and any citizen or firm or corporation has not exercised its right in accordance with the understanding the board has of its allocation or priority assistance, then an order is issued, called a suspension order, as to the rights being exercised by that citizen or that person or that firm. It is called generally a sanction. Some people call it a punishment. It has been challenged in the courts on the ground that it is a punishment not in accordance with the penalties fixed by law. But the Supreme Court has upheld it as an honest, fair administration of the allocation power under the Second War Powers Act. So that is settled.

It is only in that limited sense that this amendment gives any right at all, and then in that third group of so-called appeals it does operate. It could not by any stretch of the imagination alter the power of any board to preserve strategic war material or to further the war effort or to expedite it.

What does it do then? It simply says that where this particular situation comes into the picture, then the citizen shall have the right to go into the district court in the district of his major place of business, his home court, and ask the court to enjoin this suspension

of the right he had been exercising. We recognize that citizens generally are not familiar with the labyrinthine spread of the agencies. He may not even know the name of the agency that has, according to his contention, in the vernacular, "done him wrong." He can tell his story to the judge through his attorney and get a temporary restraining order.

How shall he reach that agency?

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield to the gentleman from Alabama the remainder of the time assigned to this side.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman from New York.

Mr. REED of New York. I notice that the committee amendment includes this language:

Any action to enjoin or set aside any such order shall be brought within 5 days after the service thereof.

It seems to me that is a very short period of time. A large corporation with a highly trained legal staff could perhaps take the necessary steps very quickly, but corporations or people of limited means, perhaps dealing with a lawyer in the country of less experience, might require more time. What does the gentleman think of that?

Mr. HOBBS. I think I will be able to satisfy the gentleman perfectly on that. The purpose of fixing only a 5-day limitation is to insure the progress of our war effort. It is, therefore, aimed at getting justice quickly, while it is fresh in the mind of the man who thinks he has been wronged. There is no question that that 5 days will be ample for him, because we are putting the court at his door. There may be doubt as to whether the Government would have time to answer within the limited time that is given it, but there certainly is not that doubt as to the citizen.

In the next place, we not only give him the right at his door but we also reach out the strong arm of this law and bring that agency within his reach whether he knows its name or not, whether he knows its officials' names or not, whether he knows the name of its head, or anything else about it. He can reach that agency by serving the process on the local agent or by sending a registered-mail letter to the agency; or if he does not know where to direct that letter, then he can send it to the Attorney General of the United States, who under the law is charged with representing every agency and every department, and then we trust to the Attorney General to get the word to the proper agency in time for them, within 10 days before the return date, to appear in that local court.

That is all the amendment does, but it does do those things. I cannot conceive how anyone can object to giving full, free, and ample access to his court to an American citizen, who foots the bill for the maintenance of the courts.

There is no objection to this by the departments affected insofar as vesting venue in the local court is concerned. They want it. The only question is as to whether or not it might possibly interfere with the powers, almost omnipotent powers, granted under the Second War Powers Act and already conferred upon these agencies. We respectfully submit that there is nothing to justify that fear. None of us would have that possibly occur, and we are going to see to it that this is made as abundantly clear as we possibly can in the record of this debate so that there can be no question of misunderstanding the plain meaning of this amendment.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HOEBS. I am delighted to yield to my colleague from Kentucky.

Mr. ROBSION of Kentucky. The gentleman referred to appeals to the Supreme Court from these orders.

Mr. HOBBS. No, sir.

Mr. ROBSION of Kentucky. I mean, that we have an appeal to the courts without the provisions of this bill, and that the Supreme Court in a case passed upon one of these questions. Did they not hold, and will not that be the law that every citizen will be up against, that it will be up to the citizen to show that there was no evidence on which the order or suspension or allocation was made?

Mr. HOBBS. I think the rule to which the gentleman adverts is that there must be substantial evidence to justify the ruling.

Mr. ROBSION of Kentucky. I mean that the Government would have to show that.

Mr. HOBBS. Yes, sir; the record must so show.

Mr. ROBSION of Kentucky. But before the aggrieved citizen could get relief, he would have to show that there was no substantial evidence.

Mr. HOBBS. It depends on which way the appeal arises.

Mr. ROBSION of Kentucky. I am talking of the situation where a citizen appeals.

Mr. HOBBS. If you are the appellant, the burden of proof is upon you. If the other man is the appellant, the burden of proof is on him.

Mr. ROBSION of Kentucky. The way it works out is that as a matter of law you can get to the Supreme Court but you really have very little relief after you get in the court.

Mr. HOBBS. I do not think so. I think you will find that the courts will have the disposition which has been the ideal of all courts, to be absolutely fair and just and to hold the scales of justice in absolute balance.

Mr. ROBSION of Kentucky. They may have, under this amendment, but not in the appeal the gentleman referred to, to the Supreme Court.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, is amended to read as follows:

"SEC. 1501. Titles I to VII, inclusive, and titles IX, XI, and XIV of this act, and the amendments to existing law made by any such title, shall remain in force only until December 31, 1945, or until such earlier time as the Congress by concurrent resolution, or the President, may designate, and after such amendments cease to be in force any provision of law amended thereby shall be in full force and effect as though this act had not been enacted; but no court proceeding brought under any such title shall abate by reason of the termination hereunder of such title."

Committee amendment: On page 2, line 1, after the word "the", insert "two Houses of."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 2, line 8, insert the following:

"Title III of the Second War Powers Act, 1942, is hereby amended by adding at the end thereof the following:

"'(9) The district courts of the United States are hereby given exclusive jurisdiction to enjoin or set aside, in whole or in part, any order suspending any priority or allocation, or denying a stay of any such suspension, that may have been issued by any person, officer, or agency, acting or purporting to act hereunder, or under any other law or authority.

"'Any action to enjoin or set aside any such order shall be brought within 5 days after the service thereof.

"'No suspension order shall take effect within 5 days after it has been served, or, if an application for a stay is made to the issuing authority within such 5-day period, until the expiration of 5 days after service of an order denying the stay.

"'The venue of any such suit shall be in the district court of the United States for the district in which the petitioner has his principal place of business; and the respondent shall be subject to the jurisdiction of such court after 10 days before the return day of the writ, either when (1) process shall have been served on any district manager or other agent of the respondent of similar or superior status; or (2) notice by registered mail shall have been given to respondent, or to the office of the Attorney General of the United States.'"

Mr. GWYNNE. Mr. Chairman, I offer an amendment in the nature of a substitute for the committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE, of Iowa: Page 2, line 9, strike out the remainder of the bill and insert:

"(9) Nothing in this act shall be construed as giving the President or any Federal official or employee the right to inflict or impose penalties, sanctions, or suspension orders of any kind, remedial or otherwise, not both specified by statute and expressly delegated to such agency or person by lawful authority."

Mr. GWYNNE. Mr. Chairman, the question presented here is a very simple one. My amendment, if adopted, would insert the language of that amendment, instead of the committee amendment, beginning on page 2, line 10. If this amendment is adopted, the situation will be as follows: The right of the W. P. B. or any agency chosen by the President to allocate strategic material will not be interfered with. They may still say that you can have a thousand tons of steel for a certain purpose and that I can have none.

The only difference is it requires the War Production Board or any other agency to enforce the law, to punish

or restrain violations of it by recourse to the courts in the proper way. That is to say, if I should be allocated as a manufacturer a certain amount of steel and I am using it in violation of the allocation order, the moment I do that one of two things may happen. The Government may go into court and get an injunction restraining me from proceeding; or, second, they can punish me in the criminal courts. If the amendment I propose is not adopted and you rely upon this proposed committee amendment, this is the situation you will have; you will have the same situation we had in the Stuart case, which was this: Here was a man engaged in the business of selling gasoline. He violated certain rationing orders. They had a regulation in the O. P. A. that anyone who did violate the rationing rules and regulations would have taken away from him his right to use the rationed material for the balance of the year. In other words, instead of going into court for an injunction to restrain him from violating the law, instead of prosecuting him as every citizen should be, they impose their own penalty, which in substance is to nail a board over his door.

The committee amendment does not touch that situation. It is my contention that you always had the right to go into court, and it is not a new right given by the committee amendment. Bear in mind, the Supreme Court in the Stuart case has held, in construing the Second War Powers Act, that Congress gave the power to make suspensions by these governmental agencies. I never intended to, but that is the way the court has construed it. So, in effect, though we may give the court jurisdiction to hear injunction cases to prevent these suspensions, nevertheless, the court would have no real power because of the decision in the Stuart case. In other words, the Court must hold that it is without power to act. An agency can put you out of business. You cannot do anything about it because the Court has already said that the law we wrote meant that very thing.

What I am doing by this amendment is to simply restate what I think we meant in the first place. We are saying: "We are not giving you, the War Production Board, authority to set yourself up as a court. We are not making you a Constitution maker to set up some tribunal, some kangaroo court of your own, and to impose some penalty upon a citizen that Congress did not have in mind."

It seems to me the question is simple. Are we going to have constitutional government in this country, or are we not? They talk about hamstringing the War Production Board. All they have to do, if there is a violation of the law, is to go into court and get an injunction. If they cannot operate with the weapons that we have heretofore been satisfied to give to citizens and have heretofore been satisfied to give to our own Government, then it seems to me we have come to a pretty pass in this country, and the war that our soldiers are fighting will be a fruitless victory because we are setting up the very fascism, the very lack of constitutional authority in this country that we are supposed to be fighting against.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOBBS. I rise in opposition to the amendment.

Mr. Chairman, there will be no need of our boys fighting and dying if you are going to kill the war effort at home. That is exactly what this Gwynne amendment would do in large measure. What good is it to try to safeguard the stockpile of aluminum if the man to whom aluminum is allocated is going to use it to build juke boxes, as has been the case in several instances, and then deny this Government, these War Production Board men, who are trying to save strategic war materials, the right to go in and stop that misappropriation of aluminum quickly?

Give those who abuse their privileges the right to resort to the courts. How long does it take for an appeal? It takes 90 days to prepare a bill of exceptions. So it is absolutely preposterous. There have been 42,559 cases of 1 class. The courts of the United States handle an average of 600 cases a year each. Now you want to dump 50,000 additional cases into the lap of the courts? It means you would simply kill the allocation power and there would be no preservation of the war materials that our boys need. That was the opinion of the committee.

The Walter amendment which sought to amend my amendment—which is the second committee amendment—was debated fully for a couple of days in our committee. It is very similar to the Gwynne amendment, and that was finally defeated by a narrow margin.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Of course, I am happy to yield to my esteemed colleague.

Mr. GWYNNE. I am certain the gentleman does not think my amendment is like the Walter amendment.

Mr. HOBBS. I thought it was or I would not have said it. If I have done the gentleman a wrong I apologize, for I have the highest regard for the gentleman from Iowa. If I did not think his amendment was very similar to the Walter amendment I would not have said that. I withdraw the remark, then. Whatever it is, it stands in its stark nakedness before you now. You jeopardize the very thing that the Second War Powers Act is aimed to do, to preserve the small and diminishing stock piles of strategic war materials that we need to win this war. That is what this act is fighting for, to preserve them and to uphold the hands of these agencies that are doing their best to preserve these precious metals that will enable us to win this war. I beg of you as you love your country, and all of you do, and there is not a man here who loves it any more than the gentleman from Iowa, JOHN GWYNNE, not to make the mistake of adopting this amendment which would choke down and throttle these agencies in their effort to help us win the war.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am glad to yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. Regardless of which amendment was adopted, the war agencies have the additional safeguard of allocating materials on a quarterly basis to those who receive them. It would at the most be a matter of 3 months' supply getting away, regardless of which it was.

Mr. HOBBS. That is right. Sometimes it is 3 months and sometimes 1 month. It does not make any difference. If you give the right to resort to the courts, you would not have a Chinaman's chance of doing anything with any violator, no matter how flagrant his sin might be, for a year, at least. I beg the Members of this House not to make this mistake, and I am sure you will not, because we are standing on holy ground, ground hallowed by the blood of our boys over yonder, ground that is hallowed here by the blood of our boys that have fallen in accidents here because of inadequate supplies of vital war materials. Again I beg of you not to make the mistake of adopting this amendment, although it has the highest sanction, coming from the distinguished and honorable quarter it comes from.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. COCHRAN and Mr. ROBSION of Kentucky rose.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky, a member of the committee.

Mr. ROBSION of Kentucky. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes, 8 in all.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, I do not believe my colleague the gentleman from Alabama [Mr. HOBBS] understands the amendment offered by the gentleman from Iowa [Mr. GWYNNE]. The gentleman from Alabama [Mr. HOBBS] refers to our boys in the service. Many of us have sons in the service and many of the Members of Congress have lost sons in the service and they are quite as anxious to win the war as our friend from Alabama. Neither party in the House has a monopoly on patriotism or on loyalty or devotion to our country. I am quite sure that no Member of the House desires to obstruct or interfere with the prosecution of the war. By almost unanimous vote we granted to the President extraordinary powers provided in the so-called Second War Powers Act of 1942. I favor the renewal of those powers and, I am sure, this is the attitude of practically every Member of the House.

Those who are in charge of our war effort have insisted that these extraordinary powers are necessary for the prosecution of the war. Neither the President nor those in charge of our war effort have asked for any additional power. Many witnesses before our Judiciary Committee complained of the arbitrary action of some of the officers and agencies of the Government. It was charged that penalties, sanctions, and

suspensions were invoked and imposed in violation of law and without authority of any statute. The Gwynne amendment merely provides that the executive officers and agencies set up by the President cannot invoke penalties, sanctions, or suspensions unless such penalties, sanctions, or suspensions are expressly provided by statute and authority delegated to such officer or agency to invoke such penalties, sanctions, or suspensions. It does not take away one word or syllable of the War Powers Act of the Congress under which the President and his subordinates and agencies are presumed to be acting to carry on the war.

It has been a matter of general complaint and comment throughout the Nation that many officers and agencies of the executive branch of the Federal Government have by Executive orders or directives imposed these penalties, sanctions, and suspensions in violation of law and the authority delegated to them by Congress. In fact, we have heard over and over that the executive branch has issued almost as many Executive orders and directives as acts passed by the Congress. These officers and agencies carry on their duties under these Executive orders and directives, giving them the force and effect of law, when they are in fact contrary to the acts passed by the Congress. I have heard many Democrats on the floor of the House and in public speeches denounce these so-called bureaucrats for usurping the power of Congress by the use of Executive orders and directives. The Gwynne amendment merely forbids the imposition of penalties, sanctions, and suspensions unless such penalties, sanctions, and suspensions have been and are authorized by acts of Congress. I cannot understand why any Member of Congress should object to this amendment. If the executive branch desires additional power or authority to carry on the war, there is little doubt but what Congress will grant such power promptly. If officers and agencies of the Government are permitted to disregard the acts of Congress and impose their own wishes, whims, and will in dealing with citizens of our country, then we have abandoned constitutional government and are subject to the autocratic and dictatorial rule of those of the executive branch of the Government, and we have substituted the totalitarian rule of Hitler for free government with law.

Mr. MAY. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman from Kentucky.

Mr. MAY. As a matter of fact, the only thing this amendment does is to give anybody aggrieved the right to go to court which we should have put in the original bill.

Mr. ROBSION of Kentucky. It does give the aggrieved person the right to take his case into court after it has been reviewed by the executive agencies set up for that purpose but the amendment goes further than that. It says to the executive officers and agencies that they cannot go out and make the laws. Their acts must be predicated upon the laws passed by Congress. If you vote against this amendment, I hope you will be consistent and hereafter instead of complaining about the bureaucrats, you will be prepared to defend everything that the bureaucrats do through their executive orders and directives throughout the country. We simply want the executive branch of the Government to operate within the law and if additional laws are required to successfully carry on the war point out to the Congress what is needed and Congress no doubt will aid in every way possible in the successful prosecution of the war.

If the Gwynne amendment is defeated, I shall support this bill with the amendment adopted by the Judiciary Committee of the House. It gives the right of review by the Federal courts to aggrieved parties after their case has been reviewed by the executive agencies set up by the executive branch.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have read this committee amendment with extreme care since I addressed the committee. I have not changed my views.

I was very much impressed by the statement of the gentleman from Alabama [Mr. HOBBS]. As a matter of fact, the argument so impressed me that I propose to vote against the amendment offered by the gentleman from Iowa [Mr. GWYNNE]. I cannot conceive of any words that could be put together which would be a stronger argument against the committee amendment, the Hobbs amendment, so-called, than the speech the gentleman himself made here 5 minutes ago. The Hobbs amendment should be defeated for the same reasons that the said the Gwynne amendment should be defeated. There is no doubt about that. He made a fine argument against the amendment offered by the gentleman from Iowa and likewise a grand argument against his own amendment.

We have allocated the aluminum he talks about, the copper and other strategic materials; we have granted priorities because the War Production Board did not feel at the time that it needed this material or all of the material for war purposes. Since then, however, comes the call from all fronts for more supplies of every nature.

I have the largest small arms and ammunition plant in the world in my district. It formerly ran on a 24-hour basis, Sundays included. Then they cut production to 8 hours and stopped work on Sundays. Twenty-five miles away we have the largest TNT and DNT plant in the country. They shut it down entirely because they thought they had all the ammunition they needed. But what happened? They are both going again because General Eisenhower said, "Send us ammunition," and because General MacArthur said, "Send us ammunition." General Eisenhower told you that they are using ammunition today that they did not expect to touch until the middle of 1945. If the W. P. B. allocates this material and it develops that it is needed for war purposes and the W. P. B. says so, it should revoke the priority, and stop the allocation and the courts should have no jurisdiction.

Under the amendment you provide that the individual partnership or corporation may go into the courts. I am not going to vote for any amendments that will cripple the War Powers Act. You can talk all about "there is no use of having a war" or "winning the war unless we do this or do that." We better win the war first, and then we can turn around and operate as we should operate under the Constitution. Yes, the Government agencies have powers, I will say to the gentleman from Kentucky [Mr. ROBSION], and we delegated them to the Chief Executive, the Commander in Chief. Criticize yourselves, if you want to criticize anybody for delegating powers, but do not criticize the officials for administering the laws that you pass.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Alabama.

Mr. HOBBS. I know that the distinguished gentleman from Missouri does not wish to make a misstatement of fact, and I am sure in my judgment that he has done so with respect to my amendment, when he says that this would affect the right to withdraw from allocation strategic war material. It does not do anything of the sort.

Mr. COCHRAN. If it does not, then put a proviso on the amendment to that effect.

Mr. HOBBS. The testimony before our committee has been uniform that the right which is expressed in my amendment now exists; that this would make no substantial change in the law, and that the agencies, while they would prefer not having anything of this kind written into the law, would have no objection to an amendment such as this.

Mr. COCHRAN. If that be so why add it to existing law? I hope that both amendments are voted down and the best argument advanced as to why that should be done was made by the gentleman from Alabama [Mr. HOBBS].

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we are going to take a very important vote directly. This is what I believe to have been the position, speaking generally, of the Committee on the Judiciary that reported this bill: It considered of first importance the prosecution of the war. Next, doing what it could to remove the just ground of complaint on the part of private citizens as to the autocratic and tyrannical exercise of power by some persons connected with the administrative agencies of the Government. I should like to restate that. Speaking generally, the committee recognized the first importance of the conduct of this war and the making available for its successful prosecution all of the material which we possess, in the first instance. Where there is so large a personnel as that entrusted with the responsibility of administering these bureaus, there come instances and situations where there is an unnecessary, abusive, and tyrannical exercise of power, which not only is not in the interest of the prosecution of the war but is contrary to

the best interests of the country prosecuting the war.

I think no member of this committee has any apology for this amendment. I see no reason why we should apologize for an attempt to protect the constitutional rights of a private citizen as far as we can do so and not interfere with the war effort. That is what we have done. It is that sort of a bill we have brought in here. It has been thoroughly considered. I sincerely hope, with all respect to my friend—and we have no better member of our committee than the gentleman who has offered this amendment, Mr. GWYNNE—that his amendment will not be agreed to. Let us not disturb the harmony and the effectiveness of this bill which this committee has brought in here after working on it a long time.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Kentucky.

Mr. MAY. How much delay can occur under the provisions of the committee bill as reported in connection with the granting of these restraining orders or injunctions?

Mr. SUMNERS of Texas. It is very difficult to answer that question as to when the court may act on the application for the injunction, probably immediately upon the application for the temporary restraining order. There are two 5-day periods when the order of the agency is suspended. The gentleman is a good lawyer and understands the situation. It depends on the condition of the court docket, on the disposition of the court, and a good many other things. My recollection is there is a stay of 5 days following the adverse order of the agency in which the aggrieved person may apply to the court for a temporary restraining order, and another 5-day stay after that application.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Iowa.

Mr. GWYNNE. There would not be any delay at all unless the sitting judge thought that the facts authorized the granting of a temporary injunction.

Mr. MAY. Let me get definite on it. I understand that under this amendment the application must be made and disposed of within 5 days?

Mr. SUMNERS of Texas. No. The application for the injunction must be made within 5 days after the order of the agency. There is a stay of 5 days.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Does my distinguished chairman favor any of these agencies of the Government or representatives of the Government applying penalties, sanctions, or suspensions unless such penalties, sanctions, or suspensions have been delegated to the executive branch or to this agency by statute, by act of Congress?

Mr. SUMNERS of Texas. I dare say to my distinguished friend from Kentucky that when you come to construe the words "specific designation" you get into a pretty broad and difficult territory when the exercise of a broad general war power is involved, a power being exercised in the conduct of a war.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I will be happy to yield to the gentleman from Alabama if he will answer a question concerning a matter which is disturbing me. Section 9 of this amendment provides that the district courts are given jurisdiction to enjoin or set aside any order suspending any priority or allocation. It would strike me in the situation described by our friend the gentleman from Missouri [Mr. COCHRAN] that language might be broad enough to cover appeals to court of the industries involved. I certainly would hate to see all of these plants tying up the allocation of vital materials by appeals to judges who, although they undoubtedly are very learned lawyers, nevertheless, are not military men, nor industrial men, and therefore would not have the expert knowledge to make decisions concerning the waging of war.

Mr. HOBBS. Of course you would, sir, and so would we. I have tried in my remarks to make clear that proposed section 9 would apply to only one, and that the smallest, of the three classes of so-called appeals. There are thousands upon thousands of the other two classes to one of this class. This amendment deals solely with suspension orders; what they are pleased to call sanctions or punishment; with reference to which we say that when the accusing finger is pointed at anyone charging expressly, or by implication, that our war effort is being hurt by misappropriating war material, then the accused should have the right to his day in court so that the accuser may not be also the only judge. Such a court review would vindicate the accused only if innocent, not if guilty of using aluminum allocated for airplanes for making juke boxes.

Mr. WRIGHT. The language is rather broad. I hope it will be construed as the gentleman says it will be.

Mr. HOBBS. Mr. Chairman, the language is all right. Of course, the vice in this amendment offered by my friend the gentleman from Iowa [Mr. GWYNNE] is that he has a joker in it which says sanctions to be imposed must be specifically authorized by law or delegation, when he knows that all the powers in the Second War Powers Act are conveyed in four or five lines and there is no specific authorization of any such thing.

Mr. MAY. Mr. Chairman, will the gentleman from Pennsylvania yield to allow me to propound a question to the gentleman from Alabama [Mr. HOBBS]?

Mr. WRIGHT. I yield.

Mr. MAY. I wish the gentleman from Alabama would, if he can, explain just exactly the material difference in the amendment which the committee brings in here to title 3 of the Second War Powers Act. In what respect is it a change from the original act?

Mr. HOBBS. There was not anything like that in the original act at all.

Mr. MAY. There was no right to go to the courts at all?

Mr. HOBBS. There was no right to go to the courts at all given in the act.

Mr. SUMNERS of Texas. It was a substantive right.

Mr. HOBBS. However, there was nothing in the act at all, although it is a matter of substantive law.

Mr. FOLGER. Mr. Chairman, I offer an amendment to the committee amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FOLGER: On page 2, line 15, after the word "authority" strike out the period and insert a semicolon and add the following: "unless such order of suspension as to priority grant or allocations is the result of a determined general requirement to the effective prosecution of the war."

Mr. FOLGER. Mr. Chairman, it is mighty hard for me to go along with this amendment at all, and it is likewise difficult for me to go against it. I refer to the main committee amendment. I think any legislation of this kind at this critical period of the war is exceedingly dangerous. With great respect I suggest that it is not timely. There is no use to predict or undertake to prophesy how long this war will last, either in Germany or Japan.

I am convinced that, while we think just as much as we can think of the citizen's private rights, the greatest privilege and guaranty he has that those rights will be substantially maintained after the war is over is our disposition to try to take care of the public welfare, in view of the fact that we are in the midst of a war.

The gentleman from Missouri [Mr. COCHRAN], with whose ideas I am in very definite accord, asked the question why something is not put in here to guarantee that this will not interfere with the war effort. The amendment which I am proposing gives this authority of law as contained in the committee amendment, unless such order of suspension as to prior grants or allocations is the result of a determined general requirement to the effectual prosecution of the war, in which event such proceeding would have to yield to the requirements found, that it would be too dangerous to stop and take 5 days and then 10 days, and then 3 months, and perhaps 6 months or a year to settle this whole matter as to the individual right of some man to continue to have certain allocations of materials that he does not want to surrender. I am not suggesting any particular person. I have nobody in mind, but any person could be so obstinate as to carry it to the Supreme Court of the United States while the war is on, with Eisenhower and MacArthur calling for the munitions and planes and guns, which require this very material that we have

got suspended between heaven and earth, to protect some private right.

Mr. MAY. Will the gentleman yield?

Mr. FOLGER. I yield.

Mr. MAY. Does not the gentleman think that in view of the fact that the original act made no provision for application to the courts, and that this does provide for injunctive proceedings in the courts, the courts would construe it as the intent of Congress to delay these things from time to time?

Mr. FOLGER. My answer to that is, it is the intent of Congress if it is adopted. We are all in sympathy with the idea that gave rise to the proposal of this amendment to the Second War Powers Act, but we must go back and say that you cannot do that if it is predetermined that the suspension is a general requirement to the prosecution of the war.

Mr. WALTER. Will the gentleman yield?

Mr. FOLGER. I yield.

Mr. WALTER. I would like to call the gentleman's attention to the fact that in the type of case he just described, the agency could go into court and secure an injunction against the citizen who is doing the things that the gentleman said might be done.

Mr. FOLGER. With all the rights of appeal and different procedures that would be necessary and the time that might be required for final determination, with the differences of opinion of many men as to what ought to be done and what ought not be done, this safeguard to protect our war program should be provided. I think we are not through with the war. I just think they are fighting over in Germany today. I just think they have got 27 men in this country trying to impress upon our people that we are in danger because we do not have the implements of war with which to fight—the danger of prolonging the war.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. FOLGER] has expired.

All time has expired.

Mr. COCHRAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COCHRAN. Am I correct that the first vote will come on the amendment offered by the gentleman from Iowa [Mr. GWYNNE]?

The CHAIRMAN. The first vote will come on the amendment offered by the gentleman from North Carolina to the committee amendment.

Mr. COCHRAN. And then following that will be the vote on the amendment offered by the gentleman from Iowa?

The CHAIRMAN. That is the situation.

Mr. COCHRAN. And if that is defeated then the vote comes on the committee amendment.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The time for debate was fixed by unanimous consent on the committee amendment and all amendments thereto. The time agreed upon has expired.

Mr. THOMASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. THOMASON. Do I understand that all debate is concluded now on the committee amendment as well as the amendments thereto?

The CHAIRMAN. Yes.

Mr. THOMASON. And there may be no further debate on any section of the bill?

The CHAIRMAN. Only by unanimous consent. The request was that the debate on the pending amendment and all amendments thereto be limited to 7 minutes.

The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. FOLGER) there were—ayes 7, noes 95.

So the amendment was rejected.

The CHAIRMAN. The question recurs on the substitute offered by the gentleman from Iowa to the pending committee amendment.

The question was taken; and on a division (demanded by Mr. GWYNNE) there were—ayes 49, noes 57.

So the substitute was rejected.

The CHAIRMAN. The question recurs on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rules, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CLARK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 4993) to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942, pursuant to House Resolution 660, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previcus question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that on tomorrow after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered, the gentleman from Massachusetts [Mr. WIGGLESWORTH] may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MEETING OF COMMITTEE ON INDIAN AFFAIRS

Mr. MUNDT. Mr. Speaker, on Monday next at 10 o'clock the Specia' Committee on Indian Affairs will begin hearings in its committee room. I ask unanimous consent to extend my remarks in the RECORD and to include an announcement of that fact, together with copy of a letter sent to Commissioner Collier.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

There was no objection.

THE LATE EDWARD C. EICHER

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to address the House in order to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. GILCHRIST]?

There was no objection.

Mr. GILCHRIST. Mr. Speaker, the noon papers today carry news of the sudden death of Justice Edward C. Eicher, of Iowa, in his sleep during the night at his home in Alexandria.

Mr. Eicher was a Member of the Seventy-third, Seventy-fourth, and Seventy-fifth Congresses. During his membership in Congress he was very active in many things but especially so in getting the approval of the Congress to and securing the passage of what is known as the death-penalty clause for certain utility holding corporations. This gave him fame and public recognition throughout the whole country. Upon his leaving the Congress he was appointed a member of the Securities and Exchange Commission, after which he was appointed as a justice of the Federal District Court here in the District of Columbia.

Justice Eicher was presently engaged in presiding at the trial of the so-called sedition case that has been going on for several months. I knew him and served with him in Congress as many of you did. There has not been a case in the history of this country, that I can recall, which has been so difficult to preside over as that particular case to which I just referred. He was at his post and in court yesterday and he died like a soldier on the field, doing his duty and rendering his service in presiding over this particularly difficult case.

I understand at the start of this trial there were about 59 lawyers engaged in defending the case and, as I read the account of it in the newspapers, they all seemed to be trying to make trouble and to find fault with the presiding judge and to see if they could inject into the case some prejudicial error upon which an appeal might be founded. Edward Eicher sat there and presided over that

trial and preserved order and judicial decorum as best he could for months and months. He was a man whom we all loved, a man who did his duty as he saw it, a man who did not have what the doctors call the hygiene of repose. He was an indefatigable worker and always active while a Member of this body, and he was the advocate and author of much worth-while legislation. He did his duty in helping to enact into law measures of great and lasting value to the country. He was given acclaim for having done so. The country this morning has lost a great jurist, a great man, and a great legislator in the person of Edward Eicher, of Iowa. But first of all he was a great friend and we all regret his passing.

Mr. MARTIN of Iowa. Mr. Speaker, word has just come to me this afternoon of the death of the Honorable Edward Clayton Eicher, chief justice of the District Court for the District of Columbia. Judge Eicher was my immediate predecessor in Congress. He represented the First District of Iowa in the Seventy-third, Seventy-fourth, and Seventy-fifth Congresses, and received the Democratic nomination unopposed for his fourth term in June 1938. I received the Republican nomination at the same time, but Mr. Eicher withdrew his candidacy July 1, 1938, and resigned his seat in Congress in December 1938 to accept an appointment on the Securities and Exchange Commission. Later he was promoted to the chairmanship of the Securities and Exchange Commission, in which capacity he served until his appointment as chief justice of the United States District Court for the District of Columbia. During his service in Congress, Mr. Eicher was a member of the Interstate and Foreign Commerce Committee and took a leading part in legislation coming before that committee for consideration.

It is with profound sorrow that we have learned of Judge Eicher's untimely passing away in the midst of his work as chief justice of the district court. He attended to his arduous duties as chief justice only yesterday, and his passing away was wholly unexpected and is a shock to his host of friends and neighbors and his many former associates here in Congress, all of whom have always held him in highest esteem. Our deepest sympathy goes out to his widow and daughter in their bereavement.

Mr. VOORHIS of California. Mr. Speaker, a very great American, in my judgment, has come to the end of his labors on this earth and has passed to the Great Beyond. I refer to Justice Edward C. Eicher.

It happens that I knew Judge Eicher first as a lawyer in a small town in Iowa, where he was a law partner of my wife's father. I knew him as a man, respected and loved by all who had his acquaintance.

I knew him next as one of the most conscientious, devoted Members of Congress that has ever served in this body. It was he whom I contacted when I was newly elected to this body in 1937. It was on his guidance and friendship I relied primarily in getting a start here.

He was a man who believed in the fundamental principles of this country as deeply and as profoundly as anyone I have ever known and who practiced those in his personal day-to-day life. He was a deeply religious man. I know of no words that are more fitting or appropriate to describe Judge Eicher than the following:

Fierce for the right he bore his part
To show them where 'twas right to go,
But laughter winged his polished dart
And kindness tempered every blow.

Mr. COCHRAN. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Missouri.

Mr. COCHRAN. When Judge Eicher came to the Congress, he was assigned to the committee of which I was chairman. I learned to love him and above all to respect him for his great ability. I agree with everything that the gentleman from California has said.

Mr. VOORHIS of California. I thank the gentleman.

Mr. McCORMACK. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to join the gentleman from California and the gentleman from Missouri in their expression of regret in the passing our our late distinguished colleague, Judge Eicher. I never met any Member of the House who was more serious minded and more devoted to his duty than was Judge Eicher.

His passing is a great loss to the judiciary of the United States and is a personal loss to myself and his many friends.

Mr. VOORHIS of California. I thank the gentleman very much.

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a resolution as well as an editorial from the Fort Wayne News-Sentinel.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AMENDMENT OF SELECTIVE TRAINING AND SERVICE ACT OF 1940

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5386) to amend the Selective Training and Service Act of 1940, as amended, to extend the time within which application may be made for reemployment, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

After line 11, insert:

"SEC. 2. Section 3 (b) of Public Resolution 96 of the Seventy-sixth Congress (U. S. C., 1940 ed. Supp. III, title 50, App., secs. 401; 54 Stat. 858), as amended, authorizing the President to order members and units of reserve components and retired personnel of the Regular Army into active military service, is further amended by striking out the word 'forty' therefrom and substituting the word 'ninety' therefor and by adding after the words 'relieved from such active duty or service' the following: 'or from hospitalization continuing after discharge for a period of not more than 1 year.'"

After line 11, insert:

"SEC. 3. Section 7 of Public Law 213 of the Seventy-seventh Congress (U. S. C., 1940 ed. Supp. III, title 50, App., sec. 357; 55 Stat. 627), the Service Extension Act of 1941, is hereby amended by inserting ', as amended,' after the words "Selective Training and Service Act of 1940.'"

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to objection, I understand these amendments are merely expanding the legislation and taking in other groups that should be included.

Mr. MAY. That is exactly right.

Mr. MARTIN of Massachusetts. For the benefit of the House, will the gentleman explain the amendments?

Mr. MAY. What happened was this: H. R. 5386 was passed by unanimous consent without hearings, and it went to the Senate, but did not contain any reference to the National Guard or those who were taken in under the Selective Training and Service Act after it was extended. The bill as amended by the Senate takes care of not only those who are retired but the National Guard and the Reserve Corps that may be called in, and also retired officers that are recalled, as well as those who are discharged and stay in a hospital more than 90 days; in other words, so long as they are in the hospital they cannot apply for a job, but when the time comes that they can be released from the hospital, then they have 90 days from that time on.

Mr. MARTIN of Massachusetts. Ninety days after they leave the hospital?

Mr. MAY. Yes; not exceeding a year.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point in connection with the bill, the Senate amendments to which have just been concurred in.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I believe it is appropriate in connection with this legislation for me to comment briefly about the veterans' assistance program of the Selective Service System. The President of the United States has recently seen fit to commend personnel of the Selective Service System for the splendid work it has already done in mobilizing the many millions of men for

our armed forces. In addition to such commendation, President Roosevelt had the following to say concerning the reemployment functions of representatives of the Selective Service System:

But there is another important task which must be discharged with equal efficiency by the Selective Service System. That is to assist the veteran in obtaining reemployment on discharge from the armed forces. It also is a task for which you have prepared and in which your interest is fundamental.

As our veterans return to their homes and their families, they must be relocated in the civilian activities of their communities as advantageously as possible. They are your neighbors and you, members of the Selective Service local boards and reemployment committeemen, have that intimate knowledge of their civilian experience, of their capabilities as well as desires, together with an understanding of local conditions, vitally required for their proper reemployment upon return to civilian life. And I am sure you will do your part equally well in assisting the veteran to obtain reemployment upon his return from the armed forces.

Although we must concentrate our efforts on winning the war at the earliest possible moment, which will require the Selective Service System to continue to concentrate its efforts on manpower mobilization, preparations must be made for the benefit of returning veterans to such an extent as will not adversely affect the war effort. In order to assure that returning veterans will be reemployed in their former jobs or will be furnished with new jobs, a tremendous national effort on the part of all citizens in every community of the Nation will be required. I, therefore, heartily concur with the substance of President Roosevelt's statement in which he recognizes the important part which Selective Service local board members and other personnel must undertake in assisting the veteran.

The bulwark of the Selective Service System consists of 6,500 local boards, at least one in every county of every State. It is important to note that each local board in every community consists of a well-balanced team of both compensated and uncompensated personnel. Although we have praised the splendid work performed by this uncompensated personnel, we cannot praise them sufficiently. However, I do not believe we have given sufficient recognition to the local board compensated personnel, which, after all, is a very important and indispensable part of the local board team. This compensated personnel in addition to the uncompensated local board members have now been a going concern for over 4 years. In the course of their service, both the paid and unpaid personnel have been in close personal contact with the millions of men who have become members of the armed forces. They necessarily already have the most confidential and complete information available about those men, including information concerning their mental, physical, family, financial, and occupational status. Having selected these men for military or naval service, while at the same time deferring or exempting others, the local board personnel naturally have a deep feeling of responsibility toward the men they have sent into battle. In view of that responsibility and in view of the confidential relationship and information, each of these local boards is a unit already in existence which is well qualified in itself to perform most valuable employment services in behalf of the veteran and also to activate the enthusiastic support of other persons and organizations in every community.

In view of the confidential information which the local board clerks and members already have in their possession, and in view of the confidential relationship that already exists between the local board personnel and the members of the armed forces, when the veteran returns it will be very natural and easy for him to discuss his affairs with local board personnel, much more so than with persons who do not already have such information and such a relationship with him. This is of utmost importance, particularly in cases of men released for mental or psychological difficulties.

There are many other factors involved, and there is much more that can and should be said about this subject. I believe that such action should be taken as may be necessary to assure the continued assistance of these local boards and of the selective-service personnel on behalf of the returning veterans, at least until such time as demobilization has been substantially completed and the veterans are satisfactorily reemployed in their former or new jobs.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, the news has just come through that Assistant Attorney General Norman Littell has been removed from his office by action of the President. I can readily understand the difficult position in which the President has been placed by this whole matter. But the reason given is "insubordination," which is based upon the issuance of Littell's statement giving his reasons for refusal to resign.

However, Littell issued no statement himself, but, on the contrary, the statement was requested of him by the Senate War Investigating Committee and released by that committee.

Further than that, whatever may have been the personal incompatibility between the Attorney General and Mr. Littell, of one thing I am sure—Littell has conducted himself as a fearless, conscientious, forthright, and thoroughly honest public servant and has repeatedly resisted special influences in connection with his work as head of the Lands Division.

In my opinion, by insisting upon giving the Congress the full facts in connection with one thorny problem after another, he had rendered a signal service to the Nation. This was true in the case of Elk Hills, surplus-lands disposal, and in a number of other instances.

It seems to me one question involved here, and one in which the Congress should have a deep interest, is whether a Government official is to be penalized for being too forthright in his statements to the Congress itself.

For these reasons I have today introduced a simple resolution providing for an investigation of all the circumstances surrounding Mr. Littell's dismissal. My resolution provides for the investigation to be made by the Judiciary Committee, since it is clearly a matter that belongs within the jurisdiction of that committee.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DURHAM. Mr. Speaker, last week I secured permission to extend my remarks and include a historical address by Dr. Archibald Henderson. This has been returned to me by the Government Printing Office with a report that it exceeds two pages and will cost $138.80.

Notwithstanding the cost, I ask unanimous consent that it may be extended in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Friday, December 1, 1944, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

Beginning at 10 a. m., December 1, and December 2, 1944, the Committee on the Judiciary will continue public hearings on the various proposals to amend the Constitution to permit ratification of treaties by a majority vote of the House and the Senate. The resolutions are House Joint Resolution 6, House Joint Resolution 31, House Joint Resolution 64, House Joint Resolution 238, House Joint Resolution 246, House Joint Resolution 264. Hearings will be held in the Committee Judiciary Room, 346 House Office Building.

COMMITTEE ON REVISION OF THE LAWS

The committee will hold a hearing on Wednesday, December 6, 1944, at 10 a. m., in the committee room of the Committee on Agriculture, to consider H. R. 5450, to revise and codify the criminal laws of the United States and to hold public hearings thereon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2044. A communication from the President of the United States, transmitting a proposed provision relating to a judgment rendered by

the Court of Claims (H. Doc. No. 787); to the Committee on Appropriations and ordered to be printed.

2045. A communication from the President of the United States, transmitting an estimate of appropriation under the Treasury Department for payment of a certain claim allowed by the General Accounting Office, covering a judgment rendered in a United States district court, amounting to $591.19 (H. Doc. No. 788); to the Committee on Appropriations and ordered to be printed.

2046. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Department of Justice to pay a claim for damages in the sum of $50, which has been considered and adjusted under the provisions of the act of March 20, 1936 (31 U. S. C. 224b), and requires an appropriation for its payment (H. Doc. No. 789); to the Committee on Appropriations and ordered to be printed.

2047. A communication from the President of the United States, transmitting an estimate of appropriation for payment of judgments rendered against the Government by United States district courts, amounting to $41,227.01, together with an indefinite appropriation to pay interest (H. Doc. No. 790); to the Committee on Appropriations and ordered to be printed.

2048. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Navy Department to pay claims for damages by collision or damages incident to the operation of vessels of the Navy, in the sum of $13,605.50, which have been considered and adjusted under the provisions of the act of December 28, 1922 (34 U. S. C. 599), and which require an appropriation for their payment (H. Doc. No. 791); to the Committee on Appropriations and ordered to be printed.

2049. A communication from the President of the United States transmitting records of judgments rendered against the Government by United States district courts as submitted by the Department of Justice through the Treasury Department, and which require an appropriation of $13,327.47, together with an indefinite appropriation to pay interest (H. Doc. No. 792); to the Committee on Appropriations and ordered to be printed.

2050. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an appropriation for the Department of Agriculture for the fiscal years 1944 and 1945 (H. Doc. No. 793); to the Committee on Appropriations and ordered to be printed.

2051. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Public Roads Administration to pay claims for damage to roads and highways of States or their subdivisions, in the sum of $417,910.29 (H. Doc. No. 794); to the Committee on Appropriations and ordered to be printed.

2052. A communication from the President of the United States, transmitting herewith an estimate of appropriation submitted by the War Department to pay claims for damages to or loss or destruction of property or personal injury or death, in the sum of $276,702.96 (H. Doc. No. 795); to the Committee on Appropriations and ordered to be printed.

2053. A communication from the President of the United States, transmitting herewith an estimate of appropriation submitted by the Federal Security Agency to pay a claim for damages by collision or damages incident to the operation of vessels of the Public Health Service, in the sum of $66.99 (H. Doc. No. 796); to the Committee on Appropriations and ordered to be printed.

2054. A communication from the President of the United States, transmitting herewith a schedule of judgments rendered by the Court of Claims which has been submitted by the Treasury Department and requires an appropriation for payment, amounting to $225,278.24 (H. Doc. No. 797); to the Committee on Appropriations and ordered to be printed.

2055. A communication from the President of the United States, transmitting herewith an estimate of appropriation submitted by the Navy Department to pay claims for damages by collision or damages incident to the operation of vessels of the United States Coast Guard, in the sum of $523.06 (H. Doc. No. 798); to the Committee on Appropriations and ordered to be printed.

2056. A communication from the President of the United States, transmitting estimates of appropriation amounting to $21,311,025.58 to cover claims allowed by the General Accounting Office and for the services of the several departments and independent establishments (H. Doc. No. 799); to the Committee on Appropriations and ordered to be printed.

2057. A communication from the President of the United States, transmitting estimates of appropriations submitted by the several executive departments and independent establishments to pay claims for damages to privately owned property, in the sum of $95,222.02 (H. Doc. No. 800); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON of Georgia: Committee on Naval Affairs. S. 1801. An act to authorize the Secretary of the Navy to convey to the Virginian Railway Co., a corporation, for railroad-yard enlargement purposes, a parcel of land of the Camp Allen Reservation at Norfolk, Va.; without amendment Rept. No. 1989). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. S. 2194. An act authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes; without amendment (Rept. No. 1990). Referred to the Committee of the Whole House on the state of the Union.

Mr. MYERS: Committee on Interstate and Foreign Commerce. H. R. 5219. A bill to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.; with amendment (Rept. No. 1991). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. Interim report pursuant to House Resolution 30. Resolution to investigate the national war effort (Rept. No. 1992). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOWELL: Committee on Interstate and Foreign Commerce. H. R. 4626. A bill to declare a portion of the Illinois and Michigan Canal an unnavigable stream; without amendment (Rept. No. 1993). Referred to the House Calendar.

Mr. HARLESS of Arizona: Committee on Interstate and Foreign Commerce. H. R. 4910. A bill authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.; without amendment (Rept. No. 1994). Referred to the House Calendar.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 5002. A bill granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E; without amendment (Rept. No. 1995). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 5206. A bill to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.; without amendment (Rept. No. 1996). Referred to the House Calendar.

Mr. BLOOM: Committee on Foreign Affairs. House Resolution 418. Resolution relative to the Jewish national home in Palestine; with amendment (Rept. No. 1997). Referred to the House Calendar.

Mr. ELLSWORTH: Committee on the Public Lands. S. 275. An act relating to the administrative jurisdiction of certain public lands in the State of Oregon; with amendment (Rept. No. 1998). Referred to the Committee of the Whole House on the state of the Union.

Mr. POAGE: Committee on Agriculture. H. R. 5551. A bill to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service; without amendment (Rept. No. 1999). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. H. R. 3507. A bill to provide for the disposition of tribal funds of the Ute Indians, or any of the tribes or bands of Utes; with amendment (Rept. No. 2000). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. S. 338. An act for the relief of the Indians of the Fort Berthold Reservation in North Dakota; without amendment (Rept. No. 2001). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. S. 1580. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the nonreservation Indian boarding school known as Sherman Institute, California; without amendment (Rept. No. 2002). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Indian Affairs. S. 1597. An act to amend section 1, act of June 29, 1940 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes; without amendment (Rept. No. 2003). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ABERNETHY: Committee on Claims. S. 1740. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini; without amendment (Rept. No. 1978). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 1756. An act for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.; without amendment (Rept. No. 1979). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 1899. An act conferring jurisdiction upon

the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files; without amendment (Rept. No. 1980). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 1900. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault; without amendment (Rept. No. 1981). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 1958. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.;; without amendment (Rept. No. 1982). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 1960. An act for the relief of Clifford E. Long and Laura C. Long; without amendment (Rept. No. 1983). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 1968. An act for the relief of Elizabeth A. Becker; without amendment (Rept. No. 1984). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 1993. An act for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen; without amendment (Rept. No. 1985). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 2006. An act for the relief of J. A. Davis; without amendment (Rept. No. 1986). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 2064. An act for the relief of Richard H. Beall; without amendment (Rept. No. 1987). Referred to the Committee of the Whole House.

Mr. ABERNETHY: Committee on Claims. S. 2168. An act for the relief of certain disbursing officers of the Army of the United States, and for other purposes; without amendment (Rept. No. 1988). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 5561. A bill to amend the Emergency Price Control Act of 1942, as amended, with respect to the control of rents for business accommodations; to the Committee on Banking and Currency.

By Mr. JENNINGS:

H. R. 5562. A bill relating to burley tobacco of the 1944 and 1945 crops; to the Committee on Agriculture.

By Mr. CASE:

H. R. 5563. A bill to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura Irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.; to the Committee on Agriculture.

By Mr. DOUGHTON of North Carolina:

H. R. 5564. A bill to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945; to the Committee on Ways and Means.

H. R. 5565. A bill to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps; to the Committee on Ways and Means.

By Mr. McCORD:

H. R. 5566. A bill to amend section 502 (a) of the Department of Agriculture Organic Act of 1944; to the Committee on Agriculture.

By Mr. O'BRIEN of New York:

H. R. 5567. A bill to repeal the income limitation as to payment of death compensation to dependents of deceased service-connected disabled World War veterans; to the Committee on World War Veterans' Legislation.

By Mr. VINSON of Georgia:

H. Res. 664. Resolution providing for the consideration of S. 2194, a bill authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes; to the Committee on Rules.

By Mr. DIMOND:

H. Res. 665. Resolution requesting the Smaller War Plants Corporation to investigate the possibilities for establishing small, independent enterprises in Alaska by veterans, and for other purposes; to the Committee on Banking and Currency.

By Mr. VOORHIS of California:

H. Res. 666. Resolution to provide for an investigation by the Committee on the Judiciary of the circumstances surrounding the dismissal of Assistant Attorney General Norman M. Littell; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. McGEHEE introduced a bill (H. R. 5568) for the relief of the S. G. Lecffler Operating Co., of Washington, D. C., and for other purposes, which was referred to the Committee on Claims.

SENATE

FRIDAY, DECEMBER 1, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, this sacred altar at which our spirits bow in the midst of another day's demands is the witness of our weakness and the confession that in Thee alone is the answer to our need. The life of our spirits faints in the dust of our foolish pride. The cries of the crowd about us but bring us to confusion without and perplexity within. Weary of fruitless quests and futile arguments, we turn to Thee in the humility of prayer.

If Thy purposes have run counter to our own, if Thy will has bent ours, enable us to trust the wisdom of Thy perfect love and find Thy will to be our peace. Touch every privilege we enjoy with the halo of sharing, we beseech Thee. Melt it into unselfishness. Translate it into service. Let it not be clouded by pride. Make every blessing a transparent window in the temple of service, so that Thy spirit can shine through it in glory for human good. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, November 30, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 86. A bill to grant pensions to certain unremarried dependent widows of Civil War veterans who were married to the veteran subsequent to June 26, 1905; and

H. R. 5286. A bill to amend the Selective Training and Service Act of 1940, as amended, to extend the time within which application may be made for reemployment, and for other purposes.

The message also announced that the House had passed a bill (H. R. 4993) to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Green	Radcliffe
Ball	Gurney	Reed
Bankhead	Hall	Revercomb
Bilbo	Hatch	Reynolds
Brooks	Hawkes	Robertson
Buck	Hayden	Russell
Burton	Hill	Shipstead
Bushfield	Holman	Stewart
Butler	Jenner	Taft
Byrd	Johnson, Colo.	Thomas, Okla.
Capper	La Follette	Tunnell
Caraway	Langer	Vandenberg
Chandler	Lucas	Wagner
Clark, Mo.	McClellan	Wallgren
Connally	McFarland	Walsh, Mass.
Cordon	McKellar	Walsh, N. J.
Danaher	Maloney	Wheeler
Davis	Maybank	Wherry
Downey	Mead	White
Eastland	Millikin	Wiley
Ellender	Murray	Willis
Ferguson	Nye	
George	O'Daniel	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Kentucky [Mr. BARKLEY], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from West Virginia [Mr. KILGORE] are unavoidably detained.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Utah

[Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Massachusetts [Mr. WEEKS], and the Senator from Iowa [Mr. WILSON].

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present.

CREDENTIALS

The VICE PRESIDENT laid before the Senate the credentials of BRIEN MCMAHON, chosen a Senator from the State of Connecticut for the term beginning January 3, 1945, which were read and ordered to be placed on file, as follows:

STATE OF CONNECTICUT,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 BRIEN MCMAHON was duly chosen by the qualified electors of the State of Connecticut a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, Raymond E. Baldwin, and our seal hereto affixed at Hartford, this 29th day of November, in the year of our Lord, 1944.

RAYMOND E. BALDWIN,
Governor.

[SEAL] FRANCES BURKE REDICK,
Secretary.

The VICE PRESIDENT also laid before the Senate the credentials of CLAUDE PEPPER, chosen a Senator from the State of Florida for the term beginning January 3, 1945, which were read and ordered to be placed on file, as follows:

STATE OF FLORIDA,
OFFICE OF THE SECRETARY OF STATE.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 CLAUDE PEPPER was duly chosen by the qualified electors of the State of Florida, a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January, 1945.

Witness: His Excellency our Governor, Spessard L. Holland, and our seal hereto affixed at Tallahassee, this 21st day of November, in the year of our Lord, 1944.

By the Governor:

SPESSARD L. HOLLAND,
Governor.

[SEAL] R. A. GRAY,
Secretary of State.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF CERTAIN AGREEMENTS ENTERED INTO BY THE NAVY DEPARTMENT

A letter from the Special Assistant to the Secretary of the Navy, transmitting, in accordance with the requirement contained in the act of June 30, 1938, 52 Stat. 1253, as amended by the act approved June 17, 1944, Public Law No. 343, Seventy-eighth Congress, second session, a report of all agreements entered into under the authority of that act since the last report to Congress on November 18, 1943 (with accompanying papers); to the Committee on Naval Affairs.

JOURNAL OF THE HOUSE OF REPRESENTATIVES OF HAWAII

A letter from the Acting Governor and the Secretary of Hawaii (through the Interior Department), transmitting, pursuant to law, copy of the journal of the House of Representatives of the Legislature of the Territory of Hawaii, regular session of 1943 (with an accompanying document); to the Committee on Territories and Insular Affairs.

ST. LAWRENCE SEAWAY AND MISSOURI VALLEY AUTHORITY—TELEGRAM FROM NATIONAL FARMERS UNION

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a telegram I have received from James G. Patton, president of the National Farmers Union, endorsing both the St. Lawrence seaway and the Missouri Valley Authority principles embodied in Senator Murray's bill.

There being no objection, the telegram was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

DENVER, COLO., *November 23, 1944.*

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

Re our letter National Farmers Union unqualifiedly endorses both St. Lawrence seaway and Missouri Valley Authority principles embodied in Senator MURRAY's bill. In convention assembled here this week we are giving wholehearted support to extension of the T. V. A. principle of autonomous river authorities reporting to President and Congress and we trust you will lend your support. The National Union position corresponds to that of President Dean and the Kansas Farmers Union as expressed in convention 3 weeks ago.

JAMES G. PATTON,
President, National Farmers Union.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. GEORGE, from the Committee on Finance:

S. 2185. A bill to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the city of Los Angeles, Calif., for fire-station purposes, the title to certain land located at Veterans' Administration facility, Los Angeles, Calif.; without amendment (Rept. No. 1296).

ACCEPTANCE OF BUST OF HON. CORDELL HULL

Mr. McKELLAR. Mr. President, from the Committee on the Library, I report favorably Senate Concurrent Resolution 56, authorizing and directing the Joint Committee on the Library to accept the bust of Hon. Cordell Hull, Secretary of State. I ask that the concurrent resolution be presently considered.

The VICE PRESIDENT. Is there objection?

The being on objection, the concurrent resolution (S. Con. Res. 56) was considered and agreed to as follows:

Resolved, etc. That the Joint Committee on the Library is hereby authorized and directed to accept, on behalf of the Congress of the United States, a bust of Hon. Cordell Hull, Secretary of State, formerly a Member of the House of Representatives and of the United States Senate from the State of Tennessee, presented by the Cumberland (Md.) Evening and Sunday Times, and to cause such bust, executed by George Conlon, sculptor, to be placed in a suitable location in the United States Capitol.

PROTECTION OF WIDOWS AND CHILDREN OF DECEASED WORLD WAR NO. 1 VETERANS—REPORT OF FINANCE COMMITTEE

Mr. GEORGE. Mr. President, I report back favorably from the Committee on Finance with amendments the bill (H. R. 1744) to provide Government protection to widows and children of deceased World War veterans, and I submit a report (No. 1297) thereon.

The committee today approved this bill with an amendment striking out all after the enacting clause and inserting a substitute. The bill is known as the widows and orphans veterans' bill of World War No. 1. I should like to bring it up at the earliest possible time next week in order that it may go to the House for final action.

Mr. LA FOLLETTE. Mr. President, I suggest to the Senator from Georgia that in view of the interest in the proposed legislation it might be well to ask that the text of House bill 1744 as it passed the House and the amendment unanimously reported by the Finance Committee be printed in the RECORD for the information of those who may be interested.

Mr. GEORGE. Mr. President, I make that request. I think both texts are printed in the report, but I ask also that House bill 1744 as it passed the House and the substitute unanimously ordered reported by the Finance Committee this morning be printed in the body of the RECORD for the information of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered; and the bill will be placed on the calendar.

The text of House bill 1744 as passed by the House of Representatives is as follows:

H. R. 1744

An act to provide Government protection to widows and children of deceased World War veterans

Be it enacted, etc., That the surviving widow, child, or children of any honorably discharged person who entered the service prior to November 12, 1918, or if the persons were serving with the United States military forces in Russia before April 2, 1920, and served 90 days or more during World War No. 1, or who, having served less than 90 days, was discharged for disability in the service in line of duty, dies, or has died from a disease or disability not service connected, shall, upon filing application and such proofs in the Veterans' Administration as the Administrator of Veterans' Affairs may prescribe, be entitled to receive compensation: *Provided*, That payment of compensation under the provisions of this act shall not be made to any widow without child, or a child, whose annual income exceeds $1,000, or to a widow with a child or children whose annual income exceeds $2,500. In determining annual income, payments of war-risk term insurance, United States Government life (converted) insurance, and payments under the World War Adjusted Compensation Act, as amended (U. S. C., title 38, ch. 11), and the Adjusted Compensation Payment Act, 1936, as amended, shall not be considered.

SEC. 2. (a) The monthly rates of compensation shall be as follows: Widow but no child, $30; widow with one child, $38 (with $4 for each additional child); no widow but one child, $15; no widow but two children, $22 (equally divided); no widow but three children, $30 (equally divided) (with $3 for each additional child; total amount to be equally divided).

(b) The total compensation payable under this section shall not exceed $64. Where such benefits would otherwise exceed $64, the amount of $64 may be apportioned as the Administrator of Veterans' Affairs may prescribe.

SEC. 3. That as used in this act—

(a) The term "person who entered the service" shall mean a person, whether male or female, and whether commissioned, enlisted, or drafted, who was finally accepted for active service in the military or naval forces of the United States, members of training camps authorized by law, and such other persons heretofore recognized by statute or veterans' regulations as being eligible for World War service connection for disability;

(b) The term "widow" shall mean a person who was married prior to the date of enactment of this act to the person who served: *Provided*, That all marriages shall be proved as valid marriages according to the law of the place where the parties resided at the time of the marriage or the law of the place where the parties resided when the right to compensation accrued; and

(c) The term "child" shall mean a person unmarried and under the age of 18 years, unless prior to reaching the age of 18 the child becomes or has become permanently incapable of self-support by reason of mental or physical defect, who is a legitimate child, a child legally adopted, a stepchild if a member of the man's household, an illegitimate child, but as to the father only, if acknowledged in writing signed by him or if he has been judicially ordered or decreed to contribute to such child's support or has been judicially decreed to be the putative father of such a child: *Provided*, That the payment of compensation shall be continued after the age of 18 years and until completion of education or training to any child who is or may hereafter be pursuing a course of instruction, entered into before said child reached his or her twenty-first birthday, at a school, college, academy, seminary, technical institute, or university, particularly designated by him and approved by the Administrator, which shall have agreed to report to the Administrator the termination of attendance of such child, and if any such institution of learning fails to make such report promptly the approval shall be withdrawn.

SEC. 4. That payment shall be effective from the date of enactment of this act in all cases where application under Public Law No. 484, Seventy-third Congress, as amended, is on file in the Veterans' Administration prior to the date of enactment of this act, and in all other cases payment shall be made from the date the application of the widow, child, or children, in the form prescribed by the Administrator of Veterans' Affairs, is filed in the Veterans' Administration.

SEC. 5. This act may be cited as the "World War Widows' and Dependent Children's Act, 1943."

The text of the amendment reported by the Committee on Finance today to House bill 1744 is as follows:

Strike out all after the enacting clause and in lieu thereof insert the following:

"That section 1 of Public Law No. 484, Seventy-third Congress, June 28, 1934, as amended, is hereby amended by repealing subsections (a) and (b) thereof and substituting the following:

"'SECTION 1. (a) The surviving widow, child, or children of any deceased person who served in World War No. 1 before November 12, 1918, or if the person was serving with the United States military forces in Russia before April 2, 1920, and who was discharged or released from active service under conditions other than dishonorable after having served 90 days or more or for disability incurred in the service in line of duty, or who at time of death was receiving or entitled to receive compensation, pension, or retirement pay for service-connected disability, shall, upon filing application and such proofs in the Veterans' Administration as the Administrator of Veterans' Affairs may prescribe, be entitled to receive pension as provided by this act.

"'SEC. 2. That section 2 of Public Law No. 484, Seventy-third Congress, as amended, is hereby amended to read as follows:

"SEC. 2. (a) That the monthly rates of pension shall be as follows: Widow but no child, $35; widow and one child, $45 (with $5 for each additional child); no widow but one child, $18; no widow but two children, $27 (equally divided); no widow but three children, $36 (equally divided) with $4 for each additional child (the total amount to be equally divided).

"'(b) The total pension payable under this section shall not exceed $74. Where such benefits would otherwise exceed $74, the amount of $74 may be apportioned as the Administrator of Veterans' Affairs may prescribe.'

"'SEC. 3. That section 3 of Public Law No. 514, Seventy-fifth Congress, May 13, 1938, is hereby amended to read as follows:

"'SEC. 3. On and after the date of enactment of this act for the purpose of payment of compensation or pension under the laws administered by the Veterans' Administration, the term 'widow of a World War No. 1 veteran' shall mean a woman who was married prior to the effective date of enactment of this amendment, or 10 or more years, to the person who served: *Provided*, That all marriages shall be proven as valid marriages according to the law of the place where the parties resided at the time of marriage or the law of the place where the parties resided when the right to compensation or pension accrued: *And provided further*, That where the original date of marriage meets the statutory requirement and the parties were legally married at date of death of the veteran, the requirement of the statute as to date of marriage will be regarded as having been met. Compensation or pension shall not be allowed a widow who has remarried either once or more than once, and where compensation or pension is properly discontinued by reason of remarriage it shall not thereafter be recommenced. No compensation or pension shall be paid to a widow unless there was continuous cohabitation with the person who served from the date of marriage to date of death, except where there was a separation which was due to the misconduct of or procured by the person who served, without the fault of the widow.'

"SEC. 4. This act shall be effective from the date of its approval: *Provided*, That notwithstanding the repeal of subsections (a) and (b) of section 1 of Public Law No. 484, Seventy-third Congress, as amended, contained in section 1 of this act, claims otherwise payable for a period prior to the effective date of this act may be adjudicated and placed on the roll and the benefits of this act shall be applicable to such claims and those claims now on the rolls.

"SEC. 5. Except to the extent they may conflict with the provisions of this act, the provisions of Public Law No. 2, Seventy-third Congress, March 20, 1933, the Veterans Regulations promulgated thereunder, and of Public Law No. 144, Seventy-eighth Congress, July 13, 1943, as now or hereafter amended, shall be applicable to this act: *Provided*, That no compensation or pension shall be reduced or discontinued by the enactment of this act.

'SEC. 6. The widow, child, or children of a veteran who served in World War No. 2 whose death is not due to service therein, but who at the time of death was receiving or entitled to receive pension, compensation, or retirement pay for disability incurred in such service, or who, having served at least 90 days during such war period or having been discharged for disability incurred in line of duty during such service, dies or has died from a disease or disability not service connected and at the time of death had a disability due to such service for which pension would be payable if 10 percent or more in degree, shall be entitled to pension in the amounts and otherwise subject to the conditions of Public Law No. 484, as amended: *Provided*, That for the purposes of this section the definition of the terms 'veteran,' 'widow,' 'child or children' shall be those applicable to World War No. 2 as provided in Public Law No. 2, Seventy-third Congress, as now or hereafter amended: *And provided further*, That section 4, Public Law No. 312, Seventy-eighth Congress, is hereby amended accordingly."

ENROLLED BILL PRESENTED

Mrs CARAWAY, from the Committee on Enrolled Bills, reported that on November 30, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 1373. An act to authorize the Secretary of War to convey to the people of Puerto Rico for school purposes a certain building and lot known as the Mayaguez Barracks Military Reservation now under the jurisdiction of the War Department;

S. 1714. An act to reimburse certain Coast and Geodetic Survey and Marine Corps personnel for personal property lost or damaged as the result of a fire at the marine barracks, Quantico, Va., on December 16, 1943;

S. 1731. An act for the relief of Helen Halverson;

S. 1741. An act to provide for the reimbursement of certain Navy and civilian personnel for personal property lost as the result of a fire in hangar V–3 at the naval air station, Norfolk, Va., on November 12, 1942;

S. 1838. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires in quarters occupied by naval construction battalions;

S. 1839. An act to provide for reimbursement of certain Navy personnel for personal property lost or damaged as the result of a fire in quarters at naval advance base depot, Port Hueneme, Calif., on February 6, 1944;

S. 1840. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in the bachelor officers' quarters, naval operating base, Argentia, Newfoundland, on January 12, 1943;

S. 1841. An act to provide for the reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire which occurred on the naval station, Tutuila, American Samoa, on October 20, 1943;

S. 1842. An act to reimburse certain Marine Corps personnel for personal property lost or damaged as the result of a fire at the marine barracks, naval supply depot, Bayonne, N. J., on April 25, 1943;

S. 1881. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fire at the naval advance base depot, Port Hueneme, Calif., on January 12, 1944; and

S. 1964. An act to reimburse certain aviation cadets and former aviation cadets for

property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944.

AUTHORIZATION TO FILE REPORT ON CROP INSURANCE BILL DURING RECESS

Mr. THOMAS of Oklahoma. Mr. President, the Committee on Agriculture and Forestry has completed the hearings on the so-called crop insurance bill (H. R. 4911) and has marked up the bill. But I am afraid the report will not be ready to be submitted during today's session of the Senate. Therefore, I ask unanimous consent that the chairman of the committee may file the report during the recess of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

BILL INTRODUCED

Mr. MEAD introduced a bill (S. 2207) for the relief of Marlin-Rockwell Corporation with respect to the jurisdiction of the Tax Court of the United States to redetermine its excessive profits for its fiscal year ending December 31, 1942, subject to renegotiation under the Renegotiation Act, which was read twice by its title and referred to the Committee on Finance.

HOUSE BILL REFERRED

The bill (H. R. 4993) to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942, was read twice by its title and referred to the Committee on the Judiciary.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENTS

Mr. BYRD and Mr. ROBERTSON each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were ordered to lie on the table and to be printed.

REPORT OF BOARD OF VISITORS TO UNITED STATES MERCHANT MARINE ACADEMY

Mr. BAILEY. Mr. President, I send forward the report of the Board of Visitors to the United States Merchant Marine Academy, which I ask may be printed in the RECORD. If the same report is to be printed in the House proceedings, I will not ask for its publication in the proceedings of the Senate, as I do not wish to duplicate it.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

REPORT OF THE BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY

KINGS POINT, N. Y., *September 30, 1944.*

The PRESIDENT OF THE SENATE.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to Public Law 301, chapter 194, Seventy-eighth Congress, second session approved May 11, 1944, the following Senators and Members of the House of Representatives were designated to constitute the 1944 Board of Visitors to the United States Merchant Marine Academy:

SENATORS

By the Committee on Commerce:

JOSIAH W. BAILEY, of North Carolina (ex officio).

GEORGE L. RADCLIFFE, of Maryland.

HAROLD HITZ BURTON, of Ohio.

By the Vice President:

JAMES M. TUNNELL, of Delaware.

MEMBERS OF THE HOUSE OF REPRESENTATIVES

By the Merchant Marine and Fisheries Committee:

SCHUYLER O. BLAND, First Congressional District of Virginia (ex officio).

EDWARD J. HART, Fourteenth Congressional District of New Jersey.

ROBERT RAMSPECK, Fifth Congressional District of Georgia.

RICHARD J. WELCH, Fifth Congressional District of California.

By the Speaker of the House:

EUGENE J. KEOGH, Ninth Congressional District of New York.

GORDON CANFIELD, Eighth Congressional District of New Jersey.

Representative DANIEL ELLISON, Fourth Congressional District of Maryland, was later appointed in place of Mr. RICHARD J. WELCH of California who was unable to attend.

The Board of Visitors to the United States Merchant Marine Academy assembled at Wiley Hall at 10:00 a. m. Friday, September 29, 1944, where the members were received by the Superintendent of the Merchant Marine Academy, Capt. Giles C. Stedman, United States Naval Reserve, and his staff.

The following members of the Board were present at the first and later meetings: Senator GEORGE L. RADCLIFFE, Senator HAROLD H. BURTON, Representative SCHUYLER O. BLAND, Representative ROBERT RAMSPECK, Representative EUGENE J. KEOGH, Representative GORDON CANFIELD, Representative DANIEL ELLISON.

First meeting of the Board of Visitors

After being conducted to the conference room, Representative SCHUYLER O. BLAND took the chair as temporary chairman for the purpose of organization.

The Board elected Representative SCHUYLER O. BLAND as chairman, and designated Lt. Comdr. William L. Bull, United States Maritime Service, as assistant secretary.

When, at the request of the chairman, the superintendent and his staff joined the Board in conference, the Superintendent was invited to make such reports on the state of the academy as he deemed pertinent and proper to bring to the Board's attention. In response to this invitation, the Superintendent, Capt. Giles C. Stedman, United States Naval Reserve, presented the following report:

"Gentlemen, it is a pleasure to welcome the first Congressional Board of Visitors to the United States Merchant Marine Academy.

The entire academy personnel is sincerely gratified by this visit, and appreciates the important function of your board in better enabling us to accomplish the mission of this national institution.

"We are well aware that the performance of this additional duty during these arduous days calls for considerable sacrifice for each of you. But we firmly believe that this generous donation of your time and effort will be compensated for by the realization that you will have rendered a valuable service to the academy and to the Nation's growing maritime strength.

Part I. Introduction to Background and Establishment of Cadet Corps

"The passage by the Congress of the Merchant Marine Act of 1936, as amended, gave distinct impetus to the Federal training of officers for the United States merchant marine by providing for the establishment of the United States Merchant Marine Cadet Corps.

"The United States Merchant Marine Cadet Corps was officially organized by the United States Maritime Commission, in the spring of 1938. In order to prepare a comprehensive training program an exhaustive study was first made of all foreign systems of merchant marine officer training. For many years England, Italy, Germany, Japan, Holland, Norway, Sweden, France, and Denmark had well-established training programs. Accordingly, a comprehensive analysis was made of the best points of each system of training. With this background, and with the assistance of the keenest minds among American shipping officials and merchant marine officers, the Maritime Commission inaugurated and developed the United States Merchant Marine Cadet Corps, the Nation's first Federal system for training officers for the merchant marine.

"The cadet corps had its inception when the 99 cadets who were aboard Government-owned or subsidized vessels were placed under the direct supervision of the Maritime Commission on March 15, 1938. Early in 1939, national competitive examinations for the appointment to cadetships were inaugurated, and for the first time in the history of this Nation an opportunity was presented to qualified young Americans of every State in the Union to receive training for a career in the United States merchant marine.

"Lacking its own facilities ashore, the newly established cadet corps necessarily had to share the quarters of certain other training institutions, such as the Admiral Billard Academy at New London, the New York State Maritime Academy at Fort Schuyler, N. Y., the United States navy yard at Algiers, La., and a United States Navy base in San Francisco. Although at that early date the total complement of the cadet corps was low, the course of study was comprehensive, based on a 4-year curriculum.

"The growing international tension and subsequent declaration of war suspended the 4-year course, and compelled the adoption of a shortened period of training. Concurrent with the increasing strength of the cadet corps, two basic schools were established, one at San Mateo, Calif., the other at Pass Christian, Miss. By the end of 1941, the rapidly increasing strength of the cadet corps made clear the urgent need for the establishment of an adequate academy on the Atlantic coast to furnish both basic and advanced training. Accordingly, thorough investigation was made to locate a suitable site for the new academy. Final selection indicated that the Walter P. Chrysler estate of 11 acres, at Kings Point, N. Y., was the most appropriate location, and in December 1941, its purchase for $100,000 was consummated by the United States Maritime Commission. Plans were at once developed to adopt this estate for use in building the first Federal Merchant Marine Academy which would furnsih officer training to the young men of all States.

Part II. Planning, Establishment, and Construction of United States Merchant Marine Academy

"The newly acquired Chrysler property and residence were occupied early in 1942, and instructional activity was commenced. At the same time, broad plans were developed at the United States Merchant Marine Cadet Corps headquarters in Washington for the final design of the academy. Architects, cadet corps officials, prominent merchant marine officers, and educators jointly contributed to the preparation of the over-all plans. The design was based on a peacetime complement of 1,200 cadet-midshipmen, although it was then fully realized that during the war it would be necessary to operate with at least double that figure. Final design having

been established, a unique problem presented itself owing to the need of continuing all training activity at the same time that the builders proceeded with construction of the new buildings. Further, the enrollment was constantly increasing, and to accommodate the cadet-midshipmen it was necessary not only to occupy fully all existing buildings on the grounds, but temporary C. C. C. barracks as well, erected for the purpose. Owing to the critical shortage of steel, reinforced concrete was used for the basic construction of the new buildings. Record progress was made in the entire constructional program.

"At the termination of the construction period of approximately 15 months, the academy was substantially complete and accordingly was officially dedicated on September 30, 1943. At this date the academy had entered upon its full-scale instructional program. The cadet corps at that time had a total strength of 7,514 cadet-midshipmen, of whom 1,094 were undergoing basic training at the academy and the two basic schools on the Pacific and Gulf coasts; 2,200 were undergoing advanced training at the academy, and the remainder, some 4,220, were in an intermediate period of training at sea aboard numerous merchant vessels voyaging to all parts of the world.

Part III. Broad Review of Cadet Corps Academic Curriculum

"The course of training prescribed for the past 2½ years has been one of 18 months' duration, consisting of 3 months at basic school, followed by at least 6 months aboard ships, and 9 months advanced courses at the academy. Effective October 1, 1944, the course will be extended to 2 years.

"The method of instructing cadet-midshipmen is unusual, because of the provision whereby each cadet-midshipman must serve at sea aboard merchant vessels as a part of his training. Consequently, during existing war conditions, all cadet-midshipmen assigned to the academy for advanced courses are veterans with service in combat zones.

"At the very beginning of the cadet corps system of training it was found necessary, because of the movements of merchant vessels, to have new sections of 25 cadet-midshipmen commence their basic and advanced academic schedules at weekly intervals. Graduations take place at semi-monthly intervals, thus keeping a constant supply of graduates available for sea duty.

"It is, of course, recognized that before newly appointed cadet-midshipmen are ready for assignment to training at sea, a basic course ashore is essential. Hence, the present basic training, of 4 months' duration, has a twofold purpose. First, to prepare cadet-midshipmen to be useful when they join a vessel for sea training, and take care of themselves and others in event of enemy action or accident, and second, to present a rudimentary outline of the chief subjects upon which to build future training. With cadet-midshipmen undergoing sea training aboard so many varied merchant vessels, centralized control is difficult. Accordingly, a novel method of supervising their study is in force. District cadet-midshipmen supervisors and instructors are stationed in New York, Baltimore, New Orleans, the Canal Zone, Los Angeles, San Francisco, and Seattle. These officers visit vessels which are in port, and not only check progress made by cadet-midshipmen, but also assist them with studies. In addition, the cadet corps has developed a guided plan of self-study for the cadet-midshipman at sea, called a sea project. This sea project outlines for the cadet-midshipman the essential points of importance on board his ship, to which attention must be directed during his study. This comprehensive manual has been so designed that for all cadet-midshipmen undergoing deck training, only two individual types of projects are necessary; one for cargo ships, and one for tankers. For cadet-midshipmen in engineering training, two projects suffice—one for steam, and one for Diesel vessels. Cadet-midshipmen are at sea for an over-all period of 6 to 9 months, depending on duration of voyages. During this time they make sketches, prepare drawings, and write answers to hundreds of questions. These questions pertain to the construction, equipment, operation of their vessels, and other professional subjects. Upon termination of their sea training, cadet-midshipmen must have their projects completed. They then report to district supervisors for assignment to the academy.

"To summarize academic training at Kings Point, the course now consists of 36 weeks' advanced work, and will be expanded to 52 weeks on October 1, 1944. Deck and engine cadet-midshipmen take separate courses of study, although both study naval science and shipping economics. The chief subjects studied by deck cadet-midshipmen include navigation, seamanship and cargo, ship construction, mechanical drawing, and meteorology. Engineer cadet-midshipmen have as major courses the study of steam engineering, Diesel engineering, refrigeration, electrical engineering, ship construction, and engineering drawing.

"Teaching is chiefly done by the lecture-demonstration method. Lectures are supplemented by pertinent laboratory and practical work. Extensive use is made of educational motion pictures, slide films, charts, models, specimens of equipment, and other visual aids.

"Instructors are guided uniformly throughout their respective courses by lesson plans developed by officers of the cadet corps. These lesson plans show detailed content of each lesson, and when used in conjunction with an instructor's guidebook, insure that all courses are taught in accordance with a standard plan.

"Academic control is exercised chiefly by an academic board, which maintains high scholastic standards, and an effective method of detecting cadet-midshipmen who are unable to measure up to the high standard required by the Merchant Marine Cadet Corps.

"While cadet-midshipmen pursue a rigorous course of study, there are extensive provisions made for extracurricular and recreational activities. An extensive athletic program is under way, using all available facilities for the physical conditioning and recreation of cadet-midshipmen. The academy also possesses an auditorium, recreation rooms, and a library which contains a collection of books on appropriate technical and general subjects.

"At the completion of courses, graduates are examined for their original merchant-marine licenses as third mates, or third assistant engineers, for service in any ship in the United States merchant marine. Graduates also receive diplomas and commissions as ensigns in the United States Naval Reserve and United States maritime service. About 5,000 have graduated from the cadet corps and its academy since 1938. Of this number, 30 percent, or about 1,500, are on active duty as officers in the Navy; the remaining 3,500 are serving as officers in merchant vessels.

"Part IV. Grounds, Buildings, and Equipment

"The academy, now totaling 60 acres, is situated at Kings Point, Long Island, N. Y. New construction completed since acquisition of the Chrysler estate includes buildings suitable for their respective purposes which are all named in honor of persons who were prominent in the history of the merchant marine. Major buildings include seven dormitories for cadet-midshipmen, a large mess hall, a drill hall, a hospital, and academic buildings for deck and engine training. These are supplemented by necessary service buildings.

"The success of a training program depends to a certain degree, on available instructional equipment. The academy is fortunate in having secured a great deal of marine equipment from the Navy and from the United States Maritime Commission. For deck training, navigational instruments and aids are available, including a most up-to-date Sperry gyrocompass laboratory. A full-sized set of ship's cargo masts, winches, and booms is installed near the waterfront for practical instruction in cargo handling. Instruction in seamanship is supplemented by numerous small boats and latest designs of lifeboat davits and life rafts. There are also based at the academy, sail-, steam-, and Diesel-propelled training vessels, in which cadet midshipmen make short cruises as part of their practical training. Engineering laboratory equipment includes a marine steam power plant which generates steam from two marine boilers. This steam is used for heating the entire academy, as well as for operating instructional equipment. A varied selection of steam engines, pumps, and auxiliaries, as well as Diesel engines, electrical equipment, and shop tools is available for actual operation and practical training. The department of naval science has not only a wide variety of representative guns, loading machines, specimen mines, and paravanes, but also has numerous instructional models and aids for classroom use.

"Part V. Operation of Academy

"The United States Merchant Marine Cadet Corps is a division of the training organization of the War Shipping Administration. This organization has jurisdiction over the training of officers and seamen for the duration of the war. The cadet corps operates under the direction of a supervisor whose office and staff are located in Washington, D. C. The academy, the largest unit of the United States Merchant Marine Cadet Corps, is headed by a superintendent. Next in the chain of command is the commandant of cadet midshipmen, assisted by the executive and administrative officers, and the secretary of the academic board, who supervise all academic and service departments necessary to the operation of the academy.

"The academy at Kings Point and the cadet basic schools at San Mateo and Pass Christian are operated on a military basis, with discipline on the same plane as that at other service academies. Cadet-midshipmen of the cadet corps are appointed midshipmen in the United States Naval Reserve, in an inactive status. Officers and instructors are assigned to cadet corps units jointly by the United States maritime service and the United States Navy. The Navy has been most cooperative in every respect in assisting in the operation of the academy and other cadet corps units.

"More than 90 percent of our instructors are merchant marine officers, approximately one-half of whom are on active duty as members of the United States Naval Reserve. They have been assigned to the academy by the Navy Department. The remainder are commissioned officers of the United States Maritime Service. Our subordinate administrative complement consists of enlisted personnel of the United States Maritime Service and civil-service employees.

"Part VI. Accomplishments and Aims

"Thus the establishment and growth of the United States Merchant Marine Academy has been outlined. Built at a cost of $7,300,000, less than the cost of a single modern destroyer, there now exists the first Federal academy for training merchant marine officers, operating on a parallel with the Naval

Academy, Military Academy, and Coast Guard Academy for the equally important American merchant marine.

"The cadet corps as of this date has already graduated 5,000 officers, many of whom have since risen to positions of master and chief engineer aboard vessels of the United States merchant marine. Of growing importance, however, is the post-war function of the cadet corps and its academy. It is expected that graduates, having been trained under the highest possible standards, will take the initiative in safeguarding the interests and well-being of the United States merchant marine in years to come, and thus play a key role in the national welfare.

"Highly desirable is the prompt return to a 4-year course, consisting of 9 months' basic training, 12 to 15 months aboard ships, and 2 years advanced study at the academy. Also highly desirable is the return to national competitive examinations for appointment as cadet-midshipmen in the United States Merchant Marine Cadet Corps.

"It may be of interest to note here that the 5½-year merchant marine officer training course of Russia was reduced to only 4½ years during the existing war. In the opinion of not a few interested in the future of the American merchant marine, the reduction of the cadet corps' 4-year course to 1½ years was indeed drastic, and action to return to 4 years should be taken at the earliest practicable date.

"Conclusion

"In conclusion, may I again assure you that you are most welcome. I thank you for your kind interest and attention. The entire staff of the United States Merchant Marine Academy offers you its full cooperation, and stands ready to assist you in every way possible during your visit."

Upon the conclusion of this report the chairman threw the meeting open to questions by members of the Board, some of whom were not familiar with the organization of the United States Merchant Marine Cadet Corps and Academy. Their questions were answered by the Superintendent and his staff.

At this time Capt. James Harvey Tomb, United States Navy, retired, the first Superintendent of the United States Merchant Marine Academy, was presented to the Board.

In order to thoroughly acquaint the members of the Board with the academic program of the academy, each member was given a folio containing the following enclosures, the purpose of each being briefly outlined by Commander Harold V. Nerney, United States Naval Reserve, executive officer of the academy:

1. Information booklet of the United States Merchant Marine Cadet Corps.

2. Information booklet for ship's officers and shore officials of steamship companies.

3. Regulations and instructions of the United States Merchant Marine Cadet Corps.

4. (a) Registration as of September 1, 1944, showing distribution and quota by States.

(b) Home States of cadet-midshipmen in training as of September 1, 1944.

(c) Typical daily strength report of the United States Merchant Marine Academy.

5. (a) United States Merchant Marine Cadet Corps roster of officers, September 1, 1944.

(b) Organization chart of the United States Merchant Marine Academy.

(c) Directory of officers of the United States Merchant Marine Academy, September 1, 1944.

6. (a) Academic curriculum of the United States Merchant Marine Academy.

(b) Outline of courses for preliminary cadet-midshipmen (deck) and a typical class schedule.

(c) Outline of courses for preliminary cadet-midshipmen (engine) and a typical class schedule.

(d) Outline of courses for advanced cadet-midshipmen (deck) and a typical class schedule.

(e) Outline of courses for advanced cadet-midshipmen (engine) and a typical class schedule.

7. Typical academic schedule for the week.

8. Typical plan of the week.

9. Album of pictures of the United States Merchant Marine Academy and cadet-midshipmen activities.

10. Guide book for instructors of the United States Merchant Marine Academy.

11. Typical instructors' manuals:

(a) Instructor's Manual in Navigation for Preliminary Cadet-Midshipmen (deck).

(b) Instructor's Manual in Steam Engineering for Preliminary Cadet-Midshipmen (Engine).

12. Tanker supplement to the sea project for cadet-midshipmen (deck).

The superintendent invited the chairman to designate a member of the Board to deliver a brief address to the regiment of cadet-midshipmen immediately before the review at 4:05 p. m. Senator GEORGE L. RADCLIFFE was selected to make this address.

The regimental commander, Cadet-Midshipman William C. Gibson, United States Merchant Marine Cadet Corps, was then presented to the chairman and members of the Board. After being presented, he invited the members of the Board to luncheon with the regiment at Delano Hall.

Just before the meeting adjourned at 11:30 a. m., the chairman informed the Board of the regrets expressed by the following members of the Board for their inability to be present due to unforeseen circumstances: Senator JOSIAH W. BAILEY, Senator JAMES M. TUNNELL, Representative EDWARD J. HART.

Meeting with the regiment of cadet-midshipmen

At 12:30 p. m. the Board was conducted to Delano Hall by the cadet-midshipmen regimental commander and his staff for luncheon with the regiment. There were no commissioned officers present. After luncheon each member of the Board was introduced to eight cadet-midshipmen from his home State and held a 20-minute conference with them.

Tour of the academy

Their officer escorts having been presented to them, the members of the Board proceeded on a conducted tour of the academy. Among the various buildings and activities inspected were—

Barry Hall: Typical cadet-midshipmen's quarters.

O'Hara Hall: Naval science classrooms, drill hall, pistol range, gun room, and ordnance equipment.

Bowditch Hall: Academy library, classrooms, radio code room, chart room, mechanical drawing room, radio laboratory, gyro laboratory, meteorology equipment, bridges, and the auditorium.

Fulton Hall: Classrooms, electrical laboratory, machine shop, Diesel laboratory, welding school, forge shop, and steam laboratory.

Samuels Hall: Sail loft, practical seamanship room, lifeboat and fire fighting classrooms, and signaling rooms (where a brief class in Mersigs was held).

Proceeding then along the water front the Board viewed the Cargo Mast Unit, Lyle Gun and Breeches Buoy Unit, and observed the harbor facilities and training vessels.

Upon completion of this tour, the Board proceeded to Kendrick Field and witnessed the review of the regiment of cadet-midshipmen.

The Board reassembled at the senior officers' mess at 4:45 p. m. for an informal discussion which terminated at 5:30 p. m.

Superintendent's reception and dinner

At 6:30 p. m. the superintendent held a reception and dinner for all members of the Board. In addition to the members of the Board there were present Capt. J. H. Tomb, United States Navy (retired), 5 officers from the headquarters of the United States Merchant Marine Cadet Corps, and 20 officers of the academy staff.

After the dinner a film depicting the activities of the entire United States Merchant Marine Cadet Corps was shown, accompanied by a running commentary given by Commander H. V. Nerney, United States Naval Reserve.

The Board adjourned for the day at 10:40 p. m.

Saturday, September 30, 1944

The members of the Board reassembled at 8:30 a. m. and were conducted by their officer escorts on a tour of Patton Hospital, visiting the dispensary, dental rooms and laboratories, wards, operating rooms, and diet kitchen.

Second meeting of the Board of Visitors

The members of the Board were taken aboard the training vessel *William Webb* for an inspection of the water front.

At 9:30 a. m. the Board assembled in the wardroom of the training vessel *William Webb* for its final meeting, adjourning at 10:30 a. m.

Upon adjournment, the members of the Board proceeded to Kendrick Field to witness a formal review of the regiment of cadet-midshipmen.

Following the review, the members of the Board attended a buffet luncheon in O'Hara Hall with the superintendent and senior officers of the academy and prominent invited guests from the maritime industry in celebration of the first anniversary of the dedication of the United States Merchant Marine Academy.

The members of the Board departed from the academy at their pleasure upon the conclusion of the luncheon.

Comments and recommendations

As a result of the inspections made and the interviews held with members of the Merchant Marine Academy staff and cadet-midshipmen of the regiment, the Board of Visitors respectfully submits the following comments and recommendations:

1. The Board recognizes the necessity of maintaining a permanent United States Merchant Marine Academy. This academy will be an important factor in the development of a sound merchant-marine policy for the country. The maintenance of an adequate merchant marine of high standards depends upon the availability of qualified officers as well as upon the existence of the best ships and favorable economic conditions. It is imperative that the indispensable service to the Nation which the United States Merchant Marine Academy has been rendering in maintaining a steady supply of well-trained officers for the merchant marine and the Navy shall be continued in the immediate post-war days and for all years to come.

2. Although the present plant and facilities of the academy are of a permanent nature and have been developed in accordance with well-conceived plans, the Board feels that early and careful consideration should be given to the expansion of both grounds and buildings to the end that a complete and fully integrated educational institution may be established at the earliest moment. Study should be made of the evident need for officers' quarters in a permanent academy. Enlargements of both grounds and facilities should be based on the requirements of the future permanent cadet-midshipmen complement of 1,200.

3. The Board is of the unanimous opinion that a full 4-year course is needed for this profession and recommends the return to the 4-year course as soon as practicable. Op-

portunity should be given to the graduates of the present shortened course to pursue post-graduate work upon resumption of the full course in order that they may have competence and knowledge in their profession equal to the graduates of the 4-year course.

4. The Board recognizes the need, during the national emergency, of keeping the cadet corps at a maximum strength without regard to national competitive examinations, provided the applicants meet the educational qualifications required. However, as a permanent national institution, it is necessary that equal opportunities for entrance be offered to the population of all parts of the country. Such equality may be attained by the assignment of quotas to each State and the requirement of passing a competitive examination by all applicants, subject to the additional qualifications of high moral character, perfect physical condition, and aptitude for the profession.

5. The Board recommends that means be provided for the academy to keep fully abreast of all modern marine inventions and equipment. As an example, one member of the Board learned, while overseas this summer, that the British were planning to place radar equipment on the vessels of their merchant fleet. It is hoped that it will be possible for the United States Navy to cooperate with our merchant marine in a free exchange of contemporary developments in maritime, naval, and scientific fields.

6. The Board believes that there is a lack of proper publicity for the academy. The members have been surprised and pleased, even as members of a congressional committee having to do with merchant marine legislation, at the outstanding establishment found at Kings Point. Ways and means should be found by which the true story of the United States Merchant Marine Cadet Corps and Academy can be brought to public attention. The Board will aid in every way to accomplish this.

7. It is the recommendation of this Board that the next Board of Visitors to the academy visit and study conditions at the academy at an early date in the year, so that they can have ample opportunity to give due consideration to questions of permanent policy and thus make a more substantial contribution to the welfare of the Merchant Marine Academy.

8. The Board recognizes that a great majority of the cadet-midshipmen who are now in training have seen service with the merchant marine in combat zones; they feel that this is a strenuous education for these men in itself, and produces the best kind of officer material for the future. The Board recommends that consideration be given to the general status of merchant marine officers as veterans of this war. A distinction must be made between their status and the status of members of the military and naval services during the war, yet certainly these men deserve regard as veterans of war service and should be given a fair opportunity to establish themselves in their profession. Any study of the situation must consider their special qualifications and their special needs.

Conclusion

In conclusion the members of the Board wish to congratulate the superintendent, the officers, and the cadet-midshipmen of the United States Merchant Marine Cadet Corps and Academy for the splendid work being done. The Board was deeply impressed by the spirit and morale of officers and cadet-midshipmen, as well as by the institution, the latter so splendidly arranged and most effectively operated with an administrative and educational personnel of the highest character and efficiency.

The Board wishes to thank the superintendent, their escorts, and every officer for the courtesy and hospitality extended to the members during their visit.

To Lieutenant Commander William W. MacKenzie, United States Naval Reserve, Secretary to the Board of Visitors, the Board expresses its sincere appreciation for his ceaseless efforts in its behalf, and for his invaluable assistance and cooperation.

Respectfully submitted.

JAMES M. TUNNELL.
J. W. BAILEY.
HAROLD H. BURTON.
GEORGE L. RADCLIFFE.
SCHUYLER OTIS BLAND.
GORDON CANFIELD.
EUGENE J. KEOGH.
EDWARD J. HART.
ROBERT RAMSPECK.
DANIEL ELLISON.

CONVENTION AND PROTOCOL BETWEEN THE UNITED STATES AND FRANCE RELATIVE TO INCOME AND OTHER TAXES—REMOVAL OF BAN OF SECRECY

As in executive session,

Mr. GEORGE. Mr. President, the President of the United States has transmitted to the Senate for ratification the convention and protocol between the United States and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes. The same convention was submitted to the Senate under date of February 1, 1940. At that time the convention and protocol were referred to a subcommittee consisting of the late Senator Harrison, of Mississippi, the senior Senator from Wisconsin [Mr. LA FOLLETTE], and the senior Senator from Georgia. A favorable report was made to the full committee, and the full committee reported favorably upon the convention under date of May 8, 1940.

However, due to the political and military developments in Europe, and particularly in France, the convention went back to the State Department and into the hands of the Executive without formal action.

This is the same convention and protocol, now resubmitted to the Senate. I ask that the ban of secrecy be removed in order that the matter may be properly handled by the officers of the Senate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. AIKEN. Is the form of the convention and protocol which is now resubmitted identical to that in which it was previously submitted?

Mr. GEORGE. It is identical; there has been no subsequent change.

Mr. AIKEN. It is in regular treaty form, is it?

Mr. GEORGE. It is in the regular treaty form.

Mr. AIKEN. Am I correct in understanding that it is in the same treaty form in which it was when previously submitted?

Mr. GEORGE. Yes, the same as when it was previously submitted.

The improved political situation in France, and particularly the relationship between the United States and France, now makes it appropriate for the matter to be considered. I am now merely asking for the removal of the ban of secrecy on this convention and protocol.

The VICE PRESIDENT. Without objection, as in executive session, the request of the Senator from Georgia is granted and the treaty and protocol are made public and will be published in the RECORD.

The treaty and protocol, Executive I, Seventy-eighth Congress, second session, are as follows:

[Executive I, Seventy-eighth Congress, second session]

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention and protocol between the United States of America and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes, which convention and protocol were reported favorably to the Senate without amendment by the Senate Committee on Foreign Relations on May 8, 1940, as explained more fully in the report on the convention and protocol made to me by the Acting Secretary of State.

I also transmit for the information of the Senate the report by the Acting Secretary of State. The attention of the Senate is invited particularly to the statements in the report which have relation to the possibility of bringing the convention and protocol into force on January 1, 1945, in accordance with a provision in article 27 of the convention.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *November 30, 1944.*

[Enclosures: 1. Report of the Acting Secretary of State; 2. Convention and protocol of July 25, 1939, between the United States and France for the avoidance of double taxation.]

DEPARTMENT OF STATE,
Washington, November 24, 1944.

The PRESIDENT,
The White House.

THE PRESIDENT: The undersigned, the Acting Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, the convention and protocol between the United States of America and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes.

This is the same convention, with accompanying protocol, which was transmitted to the Senate with the President's message dated February 1, 1940, and which the Senate Committee on Foreign Relations, on May 8, 1940, reported favorably to the Senate without amendment and recommended that the Senate advise and consent to the ratification thereof, after a subcommittee of the Committee on Foreign Relations, in a report of May 8, 1940, had expressed the view "that the terms of the convention are advantageous to the United States, and that the convention should be ratified." The texts of the convention and protocol of July 25, 1939, together with the texts of the President's message of February 1, 1940, and the report of the Secretary of State to the President, dated January 30, 1940, were printed in Senate Executive A, Seventy-sixth Congress, third session. The text of the report of the Senate Committee on Foreign Relations is printed in Senate

Executive Report No. 7, Seventy-sixth Congress, third session, together with the texts of the report of the subcommittee of that committee, a report of May 3, 1940, by the Joint Committee on Internal Revenue Taxation of the Congress of the United States, and a technical memorandum of the Treasury Department relating to the convention and protocol.

Pursuant to an order of the Senate, in executive session, dated September 26 (legislative day of September 18), 1940, the Secretary of the Senate returned the aforementioned convention and protocol to the President without the advice and consent of the Senate to their ratification. This action was explained in the CONGRESSIONAL RECORD of September 26, 1940 (vol. 86, pt. 11, p. 12670), as being proposed "in view of the political changes effected through military operations in Europe" since the convention and protocol were signed.

In view of the improvement of the political situation in Europe as affecting the relations between the United States of America and France, consideration has been given to the possibility of further improving trade relations between the two countries by removing certain of the barriers to trade which result from the double taxation of income. After consultation between interested authorities of this Government, it has been concluded by the Department of State that it would be worth while to propose that the convention and protocol signed on July 25, 1939, as the best available means of eliminating double taxation on income and of facilitating reciprocal administrative assistance between the taxing authorities of the two countries, be resubmitted to the President with a view to its transmission to the Senate.

Considering that article 27 of the convention provides that it "shall become effective on the 1st day of January following the exchange of the instruments of ratification," and that it appears to be desirable, for the purpose of placing the fiscal relations of the two countries upon a mutually advantageous basis, to have the convention and protocol brought into force, if circumstances should make it possible, on January 1, 1945, it is hoped that action will be taken at an early date with a view to determining whether the convention and protocol may be ratified on the part of the United States of America.

It will be recalled that the concluding sentence in the President's message of February 1, 1940, read as follows:

"As the President of France signed the decree of ratification on July 29, 1939, the convention may be brought into force on January 1, 1941, if the Senate give its advice and consent to ratification at the present session."

By a decree of July 29, 1939, published in Journal Oficiel de la République Française of August 10, 1939 (p. 10103), the President of France ratified the convention and protocol of July 25, 1939. The decree of July 29, 1939, was placed before the French Chamber of Deputies on December 22, 1939, in conformity to the provisions of the French law of March 19, 1939.

According to a report received by the Department of State from the American Ambassador in Paris, in a communication dated November 9, 1944, in response to a request by the Department of State that the Ambassador ascertain what the present situation in France may be with respect to the action necessary to bring the convention and protocol into force under the French constitutional procedure, it appears that the deposit of the French President's decree with the Chamber of Deputies fulfilled the substantial requirements of French law in order to give the convention and protocol validity in France.

The Department of State is of the view that the convention and protocol, under which important concessions in respect of taxation would be accorded to American institutions and firms, represent the best available guaranty of favorable treatment for American interests in relation to matters of taxation.

Respectfully submitted.

EDWARD R. STETTINIUS, Jr.,
Acting Secretary of State.

[Enclosure: Convention and protocol of July 25, 1939, between the United States and France for the avoidance of double taxation.]

CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE ESTABLISHMENT OF RULES OF RECIPROCAL ADMINISTRATIVE ASSISTANCE IN THE CASE OF INCOME AND OTHER TAXES

The President of the United States of America and the President of the French Republic, being desirous of avoiding double taxation and of establishing rules of reciprocal administrative assistance in the case of income and other taxes, have decided to conclude a Convention and for that purpose have appointed as their respective Plenipotentiaries:

The President of the United States of America:

Mr. William Christian Bullitt, Ambassador Extraordinary and Plenipotentiary of the United States of America to France;

The President of the French Republic:

M. Georges Bonnet, Member of the Chamber of Deputies, Minister for Foreign Affairs,

who, having communicated to one another their full powers found in good and due form, have agreed upon the following Articles:

TITLE I. DOUBLE TAXATION

Article 1

The taxes referred to in this Convention are:

(a) In the case of the United States of America: The federal income taxes, including surtaxes and excess-profits taxes;

(b) In the case of France:

(1) The real estate tax;

(2) The industrial and commercial profits tax;

(3) The annual tax on undistributed profits;

(4) The agricultural profits tax;

(5) The tax on salaries, allowances and emoluments, wages, pensions and annuities;

(6) The professional profits tax;

(7) The tax on income from securities and movable capital;

(8) The general income tax.

Article 2

Income from real property, including income from agricultural undertakings, shall be taxable only in the State in which such real property is situated.

Article 3

An enterprise of one of the contracting States is not subject to taxation by the other contracting State in respect of its industrial and commercial profits except in respect of such profits allocable to its permanent establishment in the latter State.

No account shall be taken, in determining the tax in one of the contracting States, of the purchase of merchandise effected therein by an enterprise of the other State for the purpose of supplying establishments maintained by such enterprise in the latter State.

The competent authorities of the two contracting States may lay down rules by agreement for the apportionment of industrial and commercial profits.

The terms "industrial and commercial profits" shall not include the following:

(a) Income from real property;

(b) Income from mortgages, from public funds, securities (including mortgage bonds), loans, deposits and current accounts;

(c) Dividends and other income from shares in a corporation;

(d) Rentals or royalties arising from leasing personal property or from any interest in such property, including rentals or royalties for the use of, or for the privilege of using, patents, copyrights, secret processes and formulae, goodwill, trade marks, trade brands, franchises and other like property;

(e) Profit or loss from the sale or exchange of capital assets.

Subject to the provisions of this Convention the income referred to in paragraphs (a), (b), (c), (d) and (e) shall be taxed separately or together with industrial and commercial profits in accordance with the laws of the contracting States.

Article 4

American enterprises having permanent establishments in France are required to submit to the French fiscal administration the same declarations and the same justifications, with respect to such establishments, as French enterprises.

The French fiscal administration has the right, within the provisions of its national legislation and subject to the measures of appeal provided in such legislation, to make such corrections in the declaration of profits realized in France as may be necessary to show the exact amount of such profits.

The same principle applies mutatis mutandis to French enterprises having permanent establishments in the United States.

Article 5

When an American enterprise, by reason of its participation in the management or capital of a French enterprise, makes or imposes on the latter, in their commercial or financial relations, conditions different from those which would be made with a third enterprise, any profits which should normally have appeared in the balance sheet of the French enterprise, but which have been in this manner diverted to the American enterprise, are, subject to the measures of appeal applicable in the case of the tax on industrial and commercial profits, incorporated in the taxable profits of the French enterprise.

The same principle applies mutatis mutandis, in the event that profits are diverted from an American enterprise to a French enterprise.

Article 6

Income derived by navigation enterprises of one of the contracting States from the operation of ships documented under the laws of that State shall continue to benefit in the other State by the reciprocal tax exemptions accorded by the exchange of notes of June 11 and July 8, 1927, between the United States of America and France.

Income which an enterprise of one of the contracting States derives from the operation of aircraft registered in that State shall be exempt from taxation in the other State.

Article 7

Royalties from real property or in respect of the operation of mines, quarries or other natural resources shall be taxable only in the contracting State in which such property, mines, quarries or other natural resources are situated.

Royalties derived from within one of the contracting States by a resident or by a corporation or other entity of the other contracting State as consideration for the right to use copyrights, patents, secret processes and formulae, trademarks and other analogous rights shall be exempt from taxation in the former State, provided such resident, corporation or other entity does not have a permanent establishment there.

Article 8

Wages, salaries and similar compensation and pensions paid by one of the contracting States or by a political subdivision thereof to individuals residing in the other State shall be exempt from taxation in the latter State.

Private pensions and life annuities derived from within one of the contracting States and paid to individuals residing in the other

contracting State shall be exempt from taxation in the former State.

Article 9

Income from labor or personal services shall be taxable only in the State in which the taxpayer carries on his personal activity.

This provision does not apply to the income referred to in Article 8.

Article 10

Income from the exercise of a liberal profession shall be taxable only in the State in which the professional activity is exercised.

There is the exercise of a liberal profession in one of the two contracting Sta es only when the professional activity has a fixed center in that country.

Article 11

Gains derived in one of the contracting States from the sale or exchange of stocks, securities or commodities by a resident or a corporation or other entity of the other contracting State shall be exempt from taxation in the former State, provided such resident or corporation or other entity has no permanent establishment in the former State.

Article 12

Students from one of the contracting States residing in the other contracting State exclusively for the purpose of study shall not be taxable by the latter State in respect of remittances received from within the former State for the purpose of their maintenance or studies.

Article 13

In the calculation of taxes established in one of the contracting States on the use of property or increment of property of an enterprise of the other State, account shall be taken only of that portion of the capital situated or employed and allocable to a permanent establishment within the former State.

The foregoing provision shall apply to the French "patente" tax and the United States capital stock tax even though these two taxes have not been referred to in Article 1 of the present Convention.

In the application of the present Article navigation enterprises of one of the contracting States, enjoying in the other State the benefits of Article 6 of the present Convention, shall not be considered as having a permanent establishment in the latter State insofar as shipping activities are concerned.

Article 14

It is agreed that double taxation shall be avoided in the following manner:

A. As regards the United States of America:

Notwithstanding any other provision of this convention, the United States of America in determining the income and excess-profits taxes, including all surtaxes, of its citizens, or residents, or corporations, may include in the basis upon which such taxes are imposed, all items of income taxable under the revenue laws of the United States of America, as though this convention had not come into effect. The United States of America shall, however, deduct from the taxes thus computed the amount of French income tax paid. This deduction shall be made in accordance with the benefits and limitations of section 131 of the United States Internal Revenue Code relating to credit for foreign taxes.

B. As regards France:

(a) Schedular taxes: Income from securities, debts and trusts having its source in the United States of America shall be subject in France to the tax on income from securities; but this tax shall be reduced by the amount of the tax already paid in the United States of America on the same income. In consideration of the fiscal regime to which the legislation of the United States of America subjects the income of nonresident aliens and foreign corporations or other entities, the deduction of the tax paid in the United States of America shall be effected in a lump sum through a reduction of 12 in the rate of the tax established by the French law.

The income other than that indicated in the preceding paragraph shall not be subject to any schedular tax in France when, according to this convention, it is taxable in the United States of America.

(b) General tax on revenue: Notwithstanding any other provision of the present convention, the general income tax can be determined according to all the elements of taxable income as imposed by French fiscal legislation.

However, the provisions of the first paragraph of article 114 of the French Code on direct taxation relative to the taxation of aliens domiciled or resident in France shall continue to be applied.

Article 15

In derogation of Article 3 of the Decree of December 6, 1872, American corporations which maintain in France permanent establishments shall be liable to the tax on income from securities on three-fourths of the profits actually derived from such establishments, the industrial and commercial profits being determined in accordance with Articles 3 and 4 of this Convention.

The remaining one-fourth shall, in all cases, be taken as the basis of the annual tax on undistributed profits applicable to the same corporations.

Article 16

An American corporation shall not be subject to the obligations prescribed by Article 3 of the Decree of December 6, 1872, by reason of any participation in the management or in the capital of, or any other relations with, a French corporation. In such case, the tax on income from securities continues to be levied, in conformity with French legislation, on the dividends, interest and all other distributions made by the French enterprise; but it is moreover collectible, if the occasion arises, and subject to the measures of appeal applicable in the case of the tax on income from securities, with respect to the profits which the American corporation derives from the French corporation under the conditions prescribed in Article 5.

Article 17

The American corporations subject to the provisions of Article 3 of the Decree of December 6, 1872 who were not placed under the special regime established by Articles 5 and 6 of the Convention for the avoidance of double income taxation between the United States of America and France, signed April 27, 1932, may, during a new period of six months from the date of the entry into force of the present Convention, exercise with reference to past years, the option provided in those two articles under the conditions which they prescribe.

Moreover, the American corporations contemplated in the third paragraph of Article 10 of the Convention of April 27, 1932, may be admitted to benefit from the provisions of that paragraph, when the tax has not yet been paid, if the latter was not found to be payable, prior to May 1, 1930, by a definitive judicial decision or if such decision has been the subject of an appeal in cassation.

Article 18

Any United States income tax liability remaining unpaid as at the effective date of this Convention for years beginning prior to January 1, 1936 of any individual resident of France (other than a citizen of the United States of America) or of a French corporation may be adjusted by the Commissioner of Internal Revenue of the United States of America, on the basis of the provisions of the United States Revenue Act of 1936. However, no adjustment will be made more than two years subsequent to the effective date of this Convention unless the taxpayer files a request with the Commissioner of Internal Revenue prior to such date.

Article 19

Notwithstanding any other provision of this Convention, in order to avoid double taxation on public servants, employees of one of the contracting States being citizens of that State and remunerated by it, who have been received by the other State to perform services in such State shall be exempt in their principal place of residence from direct and personal taxes whether national, state or local.

Such employees who own real property in the State in which they perform services shall not benefit from the above exemptions with respect to the taxes levied on such real property. Employees who engage in any private gainful occupation in such State shall not be entitled to any exemption under this Article.

TITLE II. FISCAL ASSISTANCE

Article 20

With a view to the more effective imposition of the taxes to which the present Convention relates, the contracting States undertake, on condition of reciprocity, to furnish information of a fiscal nature which the authorities of each State concerned have at their disposal, or are in a position to obtain under their own laws, that may be of use to the authorities of the other State in the assessment of the said taxes.

Such information shall be exchanged between the competent authorities of the contracting States in the ordinary course or on request.

Article 21

In accordance with the preceding Article, the competent authorities of the United States of America will transmit to the competent authorities of France, as regards any person, corporation or other entity (other than a citizen, corporation or other entity of the United States of America) having an address in France and deriving from sources within the United States of America rents, dividends, interest, royalties, income from trusts, wages, salaries, pensions, annuities, or other fixed or determinable periodical income, the name and address of such person, corporation or other entity as well as the amount of such income.

The competent authorities of France will transmit to the competent authorities of the United States of America, as regards any person, corporation or other entity (other than a citizen, corporation or other entity of France) having an address in the United States of America and deriving from sources within France rents, dividends, interest, royalties, income from trusts, wages, salaries, pensions, annuities, or other fixed or determinable periodical income, the name and address of such person, corporation or other entity as well as the amount of such income.

The information relating to each year will be transmitted as soon as possible after December 31.

Article 22

The competent authorities of each of the contracting States shall be entitled to obtain, through diplomatic channels, from the competent authorities of the other contracting State, except with respect to citizens, corporations or other entities of the State to which application is made, particulars in concrete cases necessary for the establishment of the taxes to which the present Convention relates.

However, the competent authorities of each State shall not be prevented from transmitting to the competent authorities of the other State information relating to their own nationals (citizens, corporations or other entities) if they deem it opportune for the prevention of fiscal evasion.

Article 23

Each contracting State undertakes to lend assistance and support in the collection of the taxes to which the present Convention relates, together with interest, costs, and additions to the taxes and fines not being of a penal character according to the laws of the State requested, in the cases where the taxes are definitively due according to the laws of the State making the application.

In the case of an application for enforcement of taxes, revenue claims of each of the contracting States which have been finally determined shall be accepted for enforcement by the State to which application is made and collected in that State in accordance with the laws applicable to the enforcement and collection of its own taxes.

The application shall be accompanied by such documents as are required by the laws of the State making the application, to establish that the taxes have been finally determined.

If the revenue claim has not been finally determined, the State to which application is made may, at the request of the State making the application, take such measures of conservancy as are authorized by the laws of the former State for the enforcement of its own taxes.

The assistance provided for in this Article shall not be accorded with respect to the citizens, corporations or other entities of the State to which application is made.

Article 24

In no case shall the provisions of Article 22 relating to particulars in concrete cases, or of Article 23 relating to mutual assistance in the collection of taxes, be construed so as to impose upon either of the contracting States the obligation to carry out administrative measures at variance with the regulations and practice of either contracting State, or to supply particulars which are not procurable under the law of the State to which application is made, or that of the State making application.

The State to which application is made for information or assistance shall comply as soon as possible with the request addressed to it. Nevertheless, such State may refuse to comply with the request for reasons of public policy or if compliance would involve violation of a business, industrial or trade secret. In such case it shall inform, as soon as possible, the State making the application.

Article 25

Any taxpayer who shows proof that the action of the revenue authorities of the contracting States has resulted in double taxation in his case in respect of any of the taxes to which the present Convention relates, shall be entitled to lodge a claim with the State of which he is a citizen or, if the taxpayer is a corporation or other entity, with the State in which it is created or organized. Should the claim be upheld, the competent authority of such State may come to an agreement with the competent authority of the other State with a view to equitable avoidance of the double taxation in question.

Article 26

The competent authorities of the two contracting States may prescribe regulations necessary to interpret and carry out the provisions of this Convention. With respect to the provisions of this Convention relating to exchange of information and mutual assistance in the collection of taxes, such authorities may, by common agreement, prescribe rules concerning matters of procedure, forms of application and replies thereto, rates of conversion of currencies, transfer of sums collected, minimum amounts subject to collection, payment of costs of collection, and related matters.

TITLE III. GENERAL PROVISIONS

Article 27

The present Convention shall be ratified in the case of the United States of America by the President, by and with the advice and consent of the Senate, and in the case of France, by the President of the French Republic with the consent of the Parliament.

This Convention shall become effective on the first day of January following the exchange of the instruments of ratification.

The Convention shall remain in force for a period of five years and indefinitely thereafter but may be terminated by either contracting State at the end of the five-year period or at any time thereafter, provided six months' prior notice of termination has been given, the termination to become effective on the first day of January following the expiration of the six-month period.

Upon the coming into effect of this Convention, the Convention for the avoidance of double income taxation between the United States of America and France, signed April 27, 1932 shall terminate.

Done at Paris, in duplicate, in the English and French languages, this 25th day of July, 1939.

[SEAL] WILLIAM C. BULLITT
[SEAL] GEORGES BONNET

PROTOCOL

At the moment of signing the present Convention for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes, the undersigned Plenipotentiaries have agreed that the following provisions shall form an integral part of the Convention:

I

The present Convention is concluded with reference to American and French law in force on the day of its signature.

Accordingly, if these laws are appreciably modified the competent authorities of the two States will consult together.

II

The income from real property referred to in Article 2 of the present Convention shall include profits from the sale or exchange of the said property, but shall not include interest on mortgages or obligations secured by the said property.

III

As used in this Convention:

(a) The term "permanent establishment" includes branches, mines and oil wells, plantations, factories, workshops, stores, purchasing and selling and other offices, agencies, warehouses, and other fixed places of business but does not include a subsidiary corporation.

When an enterprise of one of the contracting States carries on business in the other State through an employee or agent, established there, who has general authority to negotiate and conclude contracts or has a stock of merchandise from which he regularly fills orders which he receives, this enterprise shall be deemed to have a permanent establishment in the latter State. But the fact that an enterprise of one of the contracting States has business dealings in the other States through a bona fide commission agent or broker shall not be held to mean that such enterprise has a permanent establishment in the latter State.

Insurance enterprises shall be considered as having a permanent establishment in one of the States as soon as they receive premiums from or insure risks in the territory of that State.

(b) The term "enterprise" includes every form of undertaking whether carried on by an individual, partnership, corporation, or any other entity.

(c) The term "enterprise of one of the contracting States" means, as the case may be, "United States enterprise" or "French enterprise".

(d) The term "United States enterprise" means an enterprise carried on in the United States of America by a resident of the United States of America or by a United States corporation or other entity.

The term "United States corporation or other entity" means a partnership, corporation or other entity created or organized in the United States of America or under the law of the United States of America or of any State or Territory of the United States of America.

(e) The term "French enterprise" is defined in the same manner, mutatis mutandis, as the term "United States enterprise".

IV

The term "life annuities" referred to in Article 8 of this Convention means a stated sum payable periodically at stated times during life, or during a specified number of years to the person who has paid the premiums or a gross sum for such an obligation.

V

Citizens and corporations or other entities of one of the contracting States within the other contracting State shall not be subjected as regards the taxes referred to in the present Convention, to the payment of higher taxes than are imposed upon the citizens or corporations or other entities of such latter State.

VI

The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit, allowance, or other advantage accorded by the laws of one of the contracting States in the determination of the tax imposed by such State.

VII

Documents and information contained therein, transmitted under the provisions of this Convention by one of the contracting States to the other contracting State shall not be published, revealed or disclosed to any person except to the extent permitted under the laws of the latter State with respect to similar documents or information.

VIII

As used in this Convention the term "competent authority" or "competent authorities" means, in the case of the United States of America, the Secretary of the Treasury and in the case of France, the Minister of Finance.

IX

The term "United States of America" as used in this Convention in a geographic sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

X

The term "France", when used in a geographic sense, indicates continental France, exclusive of Algeria and the Colonies.

XI

Should any difficulty or doubt arise as to the interpretation or application of the present Convention, or its relationship to Conventions between one of the contracting States and any other State, the competent authorities of the contracting States may settle the question by mutual agreement.

Done in duplicate at Paris, this 25th day of July, 1939.

WILLIAM C. BULLITT
GEORGES BONNET

THE DUMBARTON OAKS PROPOSALS—ADDRESS BY JOHN FOSTER DULLES

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in

the RECORD a portion of an address on the Dumbarton Oaks proposals, delivered by Hon. John Foster Dulles at the biennial meeting of the Federal Council of the Churches of Christ in America, at Pittsburgh, Pa., on November 28, 1944.

There being no objection, the portion of the address was ordered to be printed in the RECORD, as follows:

I now turn to consider the Dumbarton Oaks proposals and particularly their most featured organ, the Security Council. That is designed to prevent the outbreak of war through the use of force if necessary. That arrangement disturbs many. To them it seems to camouflage a military alliance whereby a few powerful nations will dominate the many smaller nations without regard to justice. On the other hand, many feel that only material force is dependable and consider that our commission's approach reflects the so-called impractical idealism of Christianity.

These opposing viewpoints could seriously divide American public opinion, even to the point of paralyzing our national action. That would be a catastrophe and, I think, a quite unnecessary catastrophe, for the force proposals of Dumbarton Oaks have been played up out of all relation to what the facts justify. In reality they are little more than scenery. But some such scenery may be necessary, if only to secure the indispensable support of the many who, particularly in wartime, think that peace can be assured only in the same way that victory is won, that is military might.

Let us look more closely into the significance of what threatens to divide us.

Almost all of us can accept the premise of Dumbarton Oaks that, in a world of imperfect individuals, some force-in-being of the nature of a police force is important for security. However, it is also clear that if such a police force is to be effective, it must be under a commanding executive who can surely and quickly bring it into action. If the use of force becomes highly problematic and contingent on the outcome of debate and negotiation, actuated by conflicting considerations of expediency, then it ceases to be an effective instrument—either for good or evil.

That, I think, is what we have under the Dumbarton Oaks proposals. The national force quotas can be brought into action only by the vote of a council of representatives of 11 nations and, while the matter is not yet explicit, we can assume that the majority of six must always include the representatives of China, France, Great Britain, the Soviet Union, and the United States of America. Further, these representatives are not bound to any principle of action or rule of conduct. Their vote is wholly discretionary and will be dictated primarily by national considerations. I do not know what authority may be given the United States member. But it can be taken as sure that he will not vote to use force unless he thinks that the President and Congress will approve. Certainly, the Soviet member will not act without the approval of Mr. Stalin. Indeed, experience to date indicates that Soviet representatives at international conferences are extremely reluctant to take independent responsibility. We can be sure that the British member will not act without the approval of the British Cabinet who, under their parliamentary system, will have to be sure of Parliament's support and who will also probably want to consult the other members of the British Commonwealth.

Such an arrangement falls very short of providing that unified executive command of force needed to make it an effective instrument. Proof of that is found in the fact that it is not relied upon to deal with either Germany or Japan. That weakness is not a deficiency of draftsmanship. It is a deficiency inherent in the present state of the world. There are only two ways to assure that force can be used effectively. One is the way of despotism. That puts force under an executive head who is free to use the force at his own discretion. That way provides uneasy security to those who are willing to buy it at the price of freedom. The other way is the way of free men. Through custom—common law—or through a legislative body they create a system of law adequate to regulate human behavior. Then they delegate to an executive the power and duty to enforce those laws. The executive has no discretion, but is bound to use force he controls without fear or favor, and against great and small. Those subject to law know in advance what conduct will attract a penalty and what conduct will assure protection.

That way was not, however, available to the authors of the Dumbarton Oaks proposals. There is yet no world acceptance, and therefore no effective definition, of proper and improper national conduct. It would not be enough to define and prohibit national misconduct of the flagrant type. For that would, by inference, legitimatize evasions. To illustrate, the modern technique is to extend one's national domain by internal penetrations. We used that method to get control of the Panama Canal Zone, and since then others have perfected it. The difficulty of adequate definition is so great that the Chinese failed when they sought to incorporate in the Dumbarton Oaks proposals a definition of "aggression." It seemed that any definition which would give to some the freedom to which they felt entitled might also permit a license which might be abused by others. Therefore it was decided that each future international controversy, unless perhaps of the small "justiciable" class, would have to be dealt with as a mater of discretion.

It is difficult to quarrel with that conclusion, but it involves attaching to force so many strings that it cannot be an effective instrument of order. Thus, each of the nations so far participating in the plans for world organization has accepted the right of the Security Council to invoke force, but on the assumption that, through its representative, it will have a string on its use. In the case of the great powers, that veto power will be reinforced by national military establishments which will far surpass any peace quotas which will be made available to the world organization. Other prospective member states will also seek immunity from possible arbitrary action by the council and they may get it. If they do not get it directly, in the form of a veto power in the council, they may get it by side understandings with some major power acting as their protector. Also, even as now planned there must be at least one concurring vote in the council by a small state and five others will cast a vote which, while not controlling, with be morally very potent.

The cumulative result of all of this will largely immobilize the force quotas. Possibly their potentiality, on paper, will deter some minor disturbances. However, their use presupposes a political unanimity of the great powers which has rarely occurred and which, if it prevails, will itself assure peace.

Our commission was aware of the difficulty of arranging for the responsible and effective use of force in the absence of adequate and world-accepted definitions of right and wrong conduct. We remembered that behind the policeman stands the executive, behind the executive stands a law-making body—and behind the law-making body there exists the moral consensus of the community. That is what is basic. Laws are ineffective unless they reflect that, and without laws there cannot be an executive—other than a despot—and without an executive there cannot be an effective administration of police power.

The great obstacle to world order is the lack of any universal moral judgments about national conduct. We cannot expect that until national groups have worked together in peace. Men harmonize and clarify their views about good and bad conduct when they are associated in common tasks. Victory in war is such a task, but there is so far no counterpart in peace. It is that which we would supply and it is that which our six pillars make primary. We want world organization to bring the nations together to work for stable economic and monetary conditions; to keep the treaty structure of the world abreast of changing underlying conditions; to make autonomy the genuine goal of colonial administration and to assure to individuals everywhere spiritual and intellectual liberty. Out of working together on such great tasks there can come a common judgment of what is decent national conduct, and a general agreement that, in matters of common concern, the general welfare should take precedence. That will, on the one hand, greatly reduce the occasions for the use of force, on the other hand it will make it possible to arrange so that force can be quickly and decisively used, when it needs to be used at all.

We can feel encouraged. The Dumbarton Oaks proposals contain great possibilities. The Economic and Social Council and related agencies can do much to develop fellowship among the nations. There still exists a possibility of broadening such functions so that they even more fully conform to our six pillars of peace program. The Security Council can be a forum where controversial matters are discussed, where public opinion may focus its pressures and where conflicting theories about national conduct may become reconciled. The World Court can be used to extend the reign of law. All of this can gradually engender the moral basis needed for a complete constitutional order.

The important thing is that we be realistic about the proposals and see their practical potentialities and work to develop them. In the present state of the world, the force proposals, as I say, are little more than scenery. We need not concentrate upon them all our concern. They alone cannot breathe life—either good life or bad life—into the world organization. Once we realize that, we can disengage ourselves from much of the current controversy about force and devote ourselves to developing those phases of the Dumbarton Oaks proposals which can really give vitality to world organization.

To achieve world-wide fellowship, to promote judgments which reflect the moral law, are tasks for which the Christian churches are peculiarly qualified. Only the discharge of those tasks can bring to world organization the elements of solid reality. We can carry on with confidence, knowing that in this matter also the Christian approach is the realistic approach.

ADDRESS BY THE MOST REVEREND J. SHEIL, D. D., AT C. I. O. CONVENTION

[Mr. MALONEY asked and obtained leave to have printed in the RECORD the address delivered by the Most Reverend J. Sheil, D. D., at the C. I. O. convention, Stephens Hotel, Chicago, November 20, 1944, which appears in the Appendix.]

THE TREATY-MAKING POWER

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an article by Ralph W. Page, entitled "Senate Two-thirds Rule Faces Show-down," published in the Philadelphia Bulletin of November 25, 1944, and an editorial entitled "Majority Rule," published in the Nashville Tennesseean of

November 25, 1944, which appear in the Appendix.]

FLOOD-CONTROL PROJECTS

The Senate resumed the consideration of the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. MURRAY. Mr. President, the debate which has been proceeding during the past week has brought forcibly to our attention and to the attention of the American people the need for some carefully planned, scientific method for the unified development of our great river basins.

For many years the complex problems of floods, droughts, soil erosion, seepage, silting, reforestation, and resource development have been under the jurisdiction of several conflicting Federal agencies—each one catering to some particular interest and seeking to solve some particular problem. Oftentimes these interests have been in conflict with each other. This situation has frequently brought into play arguments and disputes between these conflicting agencies blocking any unified program for the permanent solution of these problems.

On the lower stretches of the Missouri and Mississippi Rivers, for example, the problem has been exclusively one of floods. The endeavors of the people in those regions have been devoted entirely to protecting their homes and factories and schools and hospitals from being submerged annually by raging floods often reaching catastrophic proportions. The people in those sections may be said to have developed a sort of flood complex. All they can think of is the problem of escaping from destruction each year by building levees and embankments and taking similar protective measures. At the same time, the people in the upper reaches of the river have had to battle not only with periodic flood visitations but have had other problems, such as drought and soil erosion, to struggle with. Then there are others within the same watershed whose main interest is navigation.

The disastrous flood of June 1942 inundated tens of thousands of acres of fertile bottom lands, and rendered homeless thousands of people. The people of the valley had hardly had time to recuperate from that disaster, the like of which had not been known since 1903, when the valley suffered three intensive floods in 1943, when more than 7,000,000 acres of land were submerged, and damage to the communities estimated at more than $153,000,000 was caused.

While these problems have been mounting, while the lives of millions of our people in the Missouri watershed have been in constant jeopardy, the struggle of the conflicting interests has been going on unabated.

This situation was very clearly illustrated by the remarks of the distinguished senior Senator from Missouri [Mr. CLARK] on the floor of the Senate a few days ago. The Senator spoke only of protecting the States on the lower stretches of the river from the recurrent floods. The Senator said:

> This is a flood-control bill and is necessary because frequently in my section, we are under the water. The Senator from Montana may not be so much interested in it, but down at my end of the Missouri Valley, we are under the water every year. We have had as many as two or three floods a year, and the whole theory of setting up a Missouri Valley commission is simply that while we pursue the present system of keeping the water off us so far as we can, we adopt the methods which have been used in the lower Mississippi Valley.

Continuing his address, the distinguished Senator from Missouri said:

> The Senator from Montana, who lives on the upper reaches of the Missouri River, is in a position to regard the whole problem from an extremely theoretical view. I never in my life lived more than 15 miles from the Mississippi River and 20 miles from the Missouri River. I happen to live where the flood problems actually exist, and I therefore regard the subject from an extremely practical standpoint, not from a theoretical standpoint, not from reading newspaper editorials, not from reading Dave Lilienthal's book, not from reading anything of that sort. I regard it from the standpoint of a man who lives under the floods which come down.

Mr. President, of course, we all are in complete sympathy with the problem described by the distinguished Senator from Missouri, afflicting the people along the lower reaches of the Missouri and Mississippi Rivers. It is because we fully appreciate the disastrous effects of these recurring floods and are desirous of working out a program which will meet these problems successfully, and rescue the people of the suffering States from these annual devastations, that a Missouri Valley Authority is imperative. The M. V. A. is not based upon theory alone. That charge might have been leveled at the original T. V. A. bill when it was under debate in the Congress of the United States. From the experiences gained and the lessons taught as shown by the record of the Tennessee Valley Authority during the past 11 years, and from the manner in which it continues to operate, we know that the M. V. A. is no longer a mere theory, but is a sound and proven program.

It has demonstrated that it is more economical than any other method of regional development. It is the only way to bring about a unified development of the entire region in the best interests of all. Above all, we know that it is the most democratic way of doing the job that must be done in the Missouri Basin.

The theory of working out a solution from the standpoint of flood control alone has failed. It has failed continually for many years. Constant dredging and the building of levees and embankments have failed to solve the problem of navigation and flood control. Handling this problem by the piecemeal method will never bring relief to the people in the Missouri Valley or any other valley. This is the considered opinion of outstanding engineers and students of the problem and is not the product of mere theorizers.

Today, we are riding the crest of wartime prosperity. Our factories are producing at full blast. Everybody who wants a job can find one. Yet when the fighting is over, we will no longer be able to depend upon wartime production and wartime spending to keep our economy in high gear. War contracts will be canceled. Many war factories will be shut down. Ten million returning servicemen, and millions of men and women who are now working in our factories, fields, and mines will be looking for employment.

During the past few months, it has been my privilege to take an active part in the writing of many bills that have been described as post-war legislation. I am referring to the Contract Settlement Act, the Surplus War Property Act, and the Mobilization and Reconversion Act.

Yet these measures were almost entirely limited to the liquidation of war production. They were not intended to come to grips with the fundamental problems of providing full employment in the post-war period.

During the months which lie ahead of us, the people of our country will be looking to the Congress for affirmative post-war legislation to assure an expanding post-war economy that will guarantee opportunity and security for industry, labor, and agriculture.

I visualize a great post-war expansion in aeronautics, in railroad transportation, in plastics, in light alloys, in electronics, in housing and in many other fields of private enterprise.

I visualize constructive legislation by Congress in the fields of social security assistance for small business, taxation, and international trade—as a means of promoting the expansion of private business enterprise.

Yet, by themselves, these measures will not be enough. Let us not forget that total national production is now running at a level of $200,000,000,000 a year—and that almost half of this is for war production. It has been estimated that if after the war we allow the total national production to go back to the level of 1940, we shall have in this country 19,000,000 unemployed men and women.

Clearly, we need new and additional programs to provide the expansion that will be necessary to avert another economic crisis.

During the last depression, the creation of the Tennessee Valley Authority was an important factor in helping to carry us forward on the road to recovery. In this period, I submit, the creation of the Missouri Valley Authority and of similar agencies in the other great river basins of the country will be a decisive factor in avoiding a post-war depression and in providing an increasingly higher standard of living for the people of our country.

There is much talk these days about helping small business. Well, let us do something concrete to help the thousands of small businessmen in the Missouri Valley and of the other great river basins of our country—by providing comprehensive river-valley programs that will bring cheap power and cheap trans-

portation within the reach of every small businessman.

We talk much these days about preparing plans for returning soldiers and sailors. The program I have described will open new opportunities for our fighting men—opportunities to develop land that has been reclaimed, opportunities to embark upon fruitful small-business enterprises of their own.

We talk about the post-war welfare of our farmers. Let us not confine ourselves merely to developing new methods of subsidizing farm distress after it has occurred. Let us provide an integrated program for our major river basins that will protect the soil of our country and help to build an expanding and self-sustaining agricultural economy.

We talk about post-war planning. Well, the proposal to establish seven T. V. A.'s throughout our land is post-war planning in the most concrete, most practical, and most effective form that has yet been presented to the Senate of the United States.

If we are to reach the economic goal which President Roosevelt has set—an annual national income of $150,000,000,000—it is necessary that the vast Missouri River be developed by a Missouri Valley Authority and that similar developments should take place in other river basins of the Nation. Everybody is in agreement that the country must have new developments—industrial and agricultural—if there is not to be a slump in the post-war period. This wide development and expansion of industry cannot take place wholly in the eastern sections of the country. The Eastern States are already overpopulated, in the opinion of individuals who have made a careful study of the subject. The Missouri Valley is one of America's great frontiers. We have the raw materials and the soil and the forests and the water. All that is needed is the application of a tried and tested system of development and exploitation. That work can be done successfully and economically only through a Missouri Valley Authority.

Mr. President, who is there who would deny that the world peace for which we are striving will depend on economic prosperity? Who is there who would deny that the prosperity of the world depends on the prosperity of the United States of America?

Mr. President, no one would accuse me of exaggerating when I say that the prosperity of America—and hence the welfare of the world—depends to a large extent upon the vision and the courage of those who represent our people in this Congress of the United States. In the days that lie ahead, there will be many great issues to test our vision and our courage—and I have a deep and stubborn faith that we shall not fail.

And by that token, it is my conviction that the next session of the Congress will see the creation of a Missouri Valley Authority, and similar authorities in other areas, as an integral and indispensable part of our national program for full employment and prosperity.

On November 27, 1944, the President of the United States addressed a communication to the Senate reiterating his recommendations that a Missouri Valley Authority be created. The President stated that the technical differences in the reports submitted to the Congress by the Bureau of Reclamation and the Corps of Engineers relating to the development of the Missouri River have been reconciled.

This so-called joint plan of the two Federal agencies, the President points out, represents merely a beginning in the solution of the problems of the Missouri Valley. It is only a beginning, as the President points out, because there are other important matters not within the scope of the joint report which bear very materially upon the entire region of the Missouri Valley. The President therefore concludes that only a single authority, such as the Tennessee Valley Authority, could and would provide the necessary mechanism for the adjustment of the interests of the States in the Missouri watershed.

In order that there may be no question as to what he believes would be best for the divergent interests of the nine States of the Missouri watershed, the President says:

> A single authority, such as the Tennessee Valley Authority, over the entire region would provide an adequate mechanism for the adjustment of the interests of the States and for the planning and development of the entire valley.

Mr. President, I ask that the President's message be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. HALL in the chair). Without objection, it is so ordered.

The President's message is as follows:

NOVEMBER 27, 1944.

The PRESIDENT OF THE SENATE.

SIR: On September 21, 1944, I sent a message to the Congress recommending the creation of a Missouri Valley Authority that would be charged with the duty of preparing and carrying out a single coordinated plan for the development of the Missouri River Basin for the greatest benefit of its citizens, both present and future, and for the greatest benefit to the United States. At that time there was under consideration by the Congress two reports, the one presented by the Corps of Engineers, the other by the Bureau of Reclamation, which, while presenting comprehensive plans for the development of the Missouri River, were in conflict in many details. The two Bureaus have reconciled the technical differences in these two reports and have prepared a joint recommendation which, in conjunction with the two reports, constitutes a basic plan for the development and control of the waters of the Missouri River.

This joint plan represents a beginning in the solution of the problems of the Missouri Valley. But it is only a beginning, for other important matters not within the scope of this joint report bear very materially upon the entire region. As a practical matter, most of these cannot be dealt with by conference and agreement among the States directly involved working with separate Federal agencies, for the delay in getting action would be too great to bring about the objectives important to the economy of the entire region. A single authority, such as the Tennessee Valley Authority, over the entire region would provide an adequate mechanism for the adjustment of the interests of the States and for the planning and development of the entire valley.

I am transmitting herewith a copy of that report of reconciliation, together with accompanying papers. I now recommend that the plans of the two Bureaus, published in House Document No. 475, Seventy-eighth Congress, and Senate Document No. 191, Seventy-eighth Congress, as modified in accordance with recommendations of this joint report, be authorized as a basic engineering plan to be developed and administered by a Missouri Valley Authority, such as I have already recommended in my message of September 21.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. MURRAY. Mr. President, in recommending the authorization by the Congress of the plans of the two bureaus, President Roosevelt makes it clear that they are to constitute "a basic engineering plan to be developed and administered by a Missouri Valley Authority."

When the T. V. A. was created 11 years ago, it was in a true sense a return to the spirit and vision of the pioneer. It was not intended to benefit the Tennessee Valley region alone. One of the compelling reasons for setting up the T. V. A. was that the country and the Congress of the United States were fed up with pork-barrel projects, such as dishing out millions of the taxpayers' money to dredge Podunk Creek, which solved no problem and was merely designed to benefit some company that got the contract and which, more often than not, proved to be unproductive of any public benefit. Enlightened citizens and legislators were disappointed by this unbusinesslike approach to a serious problem.

Businessmen and scientists are familiar with the term "pilot plant." Well, T. V. A. was designed to throw the light of actual experience—not just talk or theorizing, but actual experience—on the development of resources by a new method and a new principle. Eleven years ago, in setting up the T. V. A., Congress created a pilot plant designed to show the way river valleys could be most successfully developed for the benefit of all the people and not merely to satisfy the greedy appetites of the few.

The T. V. A., in other words, while developing the Tennessee Valley was designed to be a fact-finding undertaking which might guide us in developing similar valleys throughout the Nation.

Of course, I concede that valleys differ. In the Tennessee Valley there is ample rainfall, while parts of the Missouri Valley suffer from drought and need irrigation. But once a principle of regional development is demonstrated to be sound, it can and should be adapted to any region's particular physical conditions.

Mr. President, I shall later review the accomplishments of the T. V. A., but first, I should like to dwell for a moment on the contribution which this so-called pilot plant has made not alone to the progress and prosperity of the people of the Tennessee Valley, but to the successful prosecution of the present world struggle in which we are engaged, and to the saving of our Nation and all peace-loving peoples from the two barbarian enemies with which we are now locked in mortal combat.

The blunt fact is that without the electric power which the T. V. A. has been able to squeeze out of the waters of the Tennessee River at an early and critical phase of the war, the fortunes of the United Nations might have been much less promising than they are today. Permit me to read a brief quotation from a war correspondent who recently returned from the battle fronts of the world, dealing with the T. V. A.'s role in helping to shorten the war. In his recent book entitled "They Shall Not Sleep," Leland Stowe said that had it not been for the T. V. A. "American war production would have been reduced and delayed so greatly that the duration of this war would have been prolonged by very many months."

Mr. President, it is not difficult to visualize what this would have meant to the millions of men in the war zones and their relatives at home. I shall not speak of the additional billions of dollars it would have cost the taxpayers. It would have meant thousands upon thousands more of casualties in the ranks of the American and Allied armed forces.

During the critical days of the summer of 1940, the country turned to the T. V. A. for electric power in vast quantities—for the magic power which is the very lifeblood of modern war. By authority of the Congress, the T. V. A. began building 12 major dams at one time—the largest job of construction ever confronting any single organization in the history of this country. And by the time the Japs struck their treacherous blow at Pearl Harbor on December 7, 1941, T. V. A.'s first wartime dam was completed. Other emergency dams followed in rapid succession, under schedules of speed that broke one world record after another.

The construction of airplanes means aluminum and more aluminum. Aluminum is chiefly the product of electric power. The average single heavy bomber represents as much electric power as would be consumed by the average American family over a period of 400 years; and there are thousands of such bombers over the Nazi nests in Germany every night. In that fateful June of 1940, while we faced the certain prospects of war, the United States did not have enough electric power to make aluminum for war planes in the vast quantities needed to outstrip the Axis air superiority. Every American should feel proud of this achievement I have described. We should all thank God for the vision and courage of those who fought the enemies of the T. V. A. legislation. The achievements of the T. V. A. in this alone—the production of electric power for the output of aluminum for the aircraft industry—more than justifies all the outlays of the Nation on the creation of the Tennessee Valley Authority.

In these days of global warfare it is important that our lines of communication be kept in constant operation, that our normal life go on without interruption, and that undue strain be kept away from the construction industry. This means the controlling of floods which periodically ravage our communities. This past spring the Tennessee Valley, too, experienced record-breaking rainfall, but no floods resulted there. There was no interruption of work in the war industries, no lives were lost, no communication lines disrupted, no agricultural production stopped. The same dams of the T. V. A. that protected the people from the swollen rivers simultaneously produced electric power for the munitions plants and the aircraft factories.

But a short distance away the people were not so fortunate. The people in the Missouri Valley experienced a second great flood in 2 years. It spread into the Mississippi River from just above St. Louis down to Cairo, and far beyond. The whole region was dislocated, affecting industry, railroads, farms, schools, and food supplies.

Mr. President, that is why the people of the Missouri Valley and the people of our whole country are so interested in the creation of the M. V. A. at the earliest possible time. It is inconceivable to me that anyone familiar with the achievements of the T. V. A. could possibly oppose our desire to apply to the Missouri Valley the basic principles we have found so successful in solving identical problems in the Tennessee Valley.

Mr. President, it is our duty to ponder carefully the reasons why a single authority should be entrusted with the vital problems of the Missouri River Valley. I am confident that my colleagues in the Senate will wholeheartedly rally to the support of the M. V. A. legislation and help speed the adoption of such a law when they study the record of the T. V. A. I realize that there are many Senators here who know far more than I about the T. V. A.—because of the active part they have taken in supporting and strengthening the Tennessee Valley program. I am confident that at the proper time they will lend their powerful support to the extension of this program to the other great river basins of the country.

Like the work of the T. V. A., the task to be carried out in the Missouri Valley is not new. Since the beginning of our national history the people have from time to time placed upon the Federal Government responsibility for the development of our natural resources. For more than a century it was the Federal Government that shouldered the responsibility of making and keeping rivers navigable.

The same has been true of the controlling of floods. For many years the Federal Government developed and marketed electric power. The farmer has been looking to the Federal Government for soil conservation; mineral research has been a Federal function and has been of immeasurable value to the mining industry. Year in and year out, this Congress has been appropriating millions of dollars—nay, tens of millions of dollars—to maintain a whole department dedicated to the task of advising and helping businessmen, whose enterprises are based on the development or handling of the natural resources of the Nation.

Thus most of the specific undertakings assigned to the T. V. A. by the Congress of the United States were long familiar activities of the Federal Government. Nevertheless, the same baseless outcries which we hear today against the M. V. A. were heard in the days when the now successful T. V. A. undertaking was still in the realm of a mere proposal awaiting action by Congress.

What was new about the plan of the T. V. A., and which is also new about the proposed M. V. A., is that for the first time in our history a public body was given a unified responsibility to see that in one particular area the total job was done, that the opportunities of water and soil and forests and men were to be viewed as one problem, accepting the truism that they were indivisible, unified, and interrelated. That is their position in nature; that is the only way they are in the life of men.

That land and forest and water and minerals were interrelated and indivisible was no secret as early as 1933. It was then clear, as it is even clearer today, that what happened to one was bound to affect the fate of the other. It was quite elementary then, as it is now, that the well-being of men and women on the farms depended upon the purchasing power of the men and women who live in the cities.

Is there anyone who would deny the fact that navigation and industry and minerals and farm crops are not separate problems in the life of men? Since the enactment of the T. V. A. legislation the unity of those problems has become more and more apparent. Unfortunately certain people, whether because of ignorance or for some other reason, seem to desire to obstruct the march of progress. They arbitrarily seek to divide those problems according to the pigeonholes of historical accident and tradition. So we find one bureau taking charge of one problem and handling it without regard for the effects it may have upon a related problem handled by another bureau. One group of officials in Washington busied themselves with making a certain river navigable; another department was concerned with fish in that river, or the wildlife along its shores, or the soil of the valley, or the minerals of the same region, despite the fact that the fate of those very resources was affected by every change occurring in the river and by every use it was put to by men.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. HILL. I have been very much interested in what the Senator has had to say about the Tennessee Valley Authority. As a Member of the House of Representatives at the time when the Tennessee Valley Authority Act was written, as a member of the House Committee on Military Affairs, which had jurisdiction over that act, and as one who played a small part in the writing and passage of that act, I think it can well be said that the Tennessee Valley Authority has surpassed even the highest and fondest hopes and expectations of its authors. I think one reason why it has had such magnificent success and has rendered such great and far-reaching services to the people of the Tennessee Valley, as well as to the people of the entire country,

has been that the problems to which the Senator has so well adverted are being handled by the Tennessee Valley Authority as a unit. They are being handled together as one great problem, which they are.

The mistake of the past has been in large measure in endeavoring to separate these problems and to have one agency handle one problem and another agency handle another problem. To obtain the best results, to secure the maximum benefits and services for the people and for the regions affected, the various problems must be handled as the Tennessee Valley Authority has handled them; namely, as a unit.

I wish to take this opportunity again to commend the Senator from Montana for his devotion and for his continued and unfailing efforts to bring before the Congress and before the people of the Nation the need and necessity for the Missouri Valley Authority.

Mr. MURRAY. Mr. President, I thank the Senator for his very illuminating remarks and for the encouragement he gives me.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. AIKEN. I must confess that I have not yet read the Senator's bill through, but I wish he would tell us a little at this time about what the relationship between the Missouri Valley Authority and the State and local governments would be under the provisions of his bill. Is authority to be granted for levying taxes of any kind under the Missouri Valley Authority bill? What are the provisions for the building of new highways and the relocating of other highways? How far could the authority go in establishing parks or even camps or schools or in performing other functions which naturally come under State and local governments? Can the Senator tell us something about that? I assure him that I am very much interested in his proposal.

Mr. MURRAY. The bill, as finally formulated, will contain provisions covering all the matters to which the Senator from Vermont has adverted. All these matters will be handled under this measure in the same manner in which they are handled under the T. V. A. It will contain provisions for a method of compensating the localities wherein it operates for failure to receive taxes on its property. The exact provisions of the bill in that respect I will not undertake to detail at this time, but I may say that when the bill is finally brought up for hearing it will be given thorough study, and all the matters to which the Senator has adverted will be found to have been given recognition in the legislation.

Mr. AIKEN. I am to understand then that the provisions will be roughly similar to those contained in the Tennessee Valley Authority Act?

Mr. MURRAY. Yes.

Mr. AIKEN. In other words, the Tennessee Valley Authority pays no taxes on its own property, but it does compensate the States by the payment of a percentage of its income or some such method.

Mr. MURRAY. That is correct.

Mr. AIKEN. What has been the experience of the T. V. A., according to the Senator's knowledge, with local and State governments?

Mr. MURRAY. I understand it has the very highest approval and commendation of the local people; and the contribution it is making to the communities is a substantial one, and is increasing. I am sure that the contribution the Missouri Valley Authority will make to the region in which it will operate will also be very great and that it will meet with the entire approval of the people in the area involved.

Mr. AIKEN. Is the Senator satisfied that the recompense to the local and State governments would far exceed any losses which might be incurred?

Mr. MURRAY. Yes. I am inclined to think that it will be much greater than the taxes which might have been collected.

Mr. AIKEN. That will not include the new developments which are bound to follow the development of power and other resources, of course.

Mr. MURRAY. That is correct. In addition, of course, as a result of its activities, it will create a vast amount of new taxable property which will vastly increase the total taxes paid in the area involved. That is a matter which should be remembered, because as a result of this development there will be a tremendous increase in taxable values.

Mr. AIKEN. Will it have the result of lowering production costs and transportation costs and thereby benefiting consumers who may be, perhaps, 2,000 miles away from the actual site of the development?

Mr. MURRAY. That is absolutely true. It will also reduce electric-power charges, and that will result in great savings to the people in the area of the development.

(At this point Mr. MURRAY yielded to Mr. MCFARLAND, who asked for the consideration of House bill 3592, and debate ensued, which appears in today's RECORD at the conclusion of Mr. MURRAY'S remarks.)

Mr. MURRAY. Mr. President, in resuming my discussion I wish to express my appreciation of the contribution made by the distinguished Senator from Alabama [Mr. HILL] a few moments ago. I realize, as I have said during the course of my remarks, that many Senators are more familiar with the subject and with problems which were solved by T. V. A. than I am. I know that the distinguished Senator from Alabama made a very considerable contribution to the enactment of the T. V. A. legislation, as did the distinguished Senator from Tennessee [Mr. MCKELLAR], and the late George W. Norris, of Nebraska, and many other Senators whom I am unable to name because I was not a Member of the Senate during that period. I desire to thank the Senator from Alabama especially for his very illuminating remarks a few moments ago.

The creation of the Missouri Valley Authority, Mr. President, is one of the major links in translating into reality the supreme plan before our people, which is to make this country the best place on the face of the earth. This is particularly imperative at this stage of our history when such frontiers as were available, for example, after the American Civil War, are no longer present. Then the problem of the returned northern soldier was solved by giving him a homestead on the western frontier. With the possible exception of Alaska, there is no section of the United States where the young man with little or no capital and limited experience can set his roots. Farming today cannot and should not be started without substantial capital, proper equipment, and careful training and experience. Even then, as has been proved during recent depressions, the best and most skillful farmers go bankrupt. There are large areas of the country where the small farmer finds it almost impossible to compete with a giant agricultural enterprise operated on a factory basis, with huge machines and regiments of poorly paid farm hands living in barracks.

Some of the vast power projects, such as those in the Pacific Northwest, will bring irrigation to arid or semiarid regions and thus make possible the creation of a large number of new small farms suitable for rather individualistic types of farming like fruit and dairy enterprises. But even here, the rule that the farmer must have money, experience, and aptitude holds good; and in any case these irrigated areas must be greatly expanded if they are to take care of more than a very small proportion of the returning solders. I realize that if the irrigation projects which are contemplated by the measure now before the Senate are completed they will provide for a very substantial program of settlement by returned soldiers when this war is over; but agriculture is not the only answer to the veterans' employment problem. At the same time the pledges made by the President to our people must be redeemed. The benefits which could come to the people of the Missouri Valley as a result of the application to that region of the principles we have found so effective in the Tennessee Valley constitute a part of our pledge to the people. It would help open up new opportunities, new frontiers to the people of the valley and to many thousands more outside the valley.

The M. V. A. idea has been branded by its enemies as idealistic, as authoritarian, as a number of other unpleasant things. Fortunately, we now know too much about how a valley authority works to accept such charges when they have practical answers. From the experiences of and the lessons taught by the history of the Tennessee Valley Authority, and from the way it operates, we know the M. V. A. idea is a sound business proposition, that it is more economical than other methods of regional development, that it is the only way to bring unity for the good of all to a region that is now divided over special interests. Above all, we know that it is the most democratic way and the most efficient way of doing a job that has got to be done in the Missouri Basin.

T. V. A. moves highly trained crews, highly specialized equipment such as

concrete pourers, hammerhead cranes, and the like, and highly specialized housing for construction workers from job to job. Other agencies, Army engineers, and Reclamation Bureau do most of their work through contract or by force account. Obviously, the T. V. A. method is the soundest business method from the standpoint of construction. It is believed that the Sloan estimate of $1,350,000,000 for the combined plan of Bureau and engineers could be cut to not more than $1,100,000,000 by eliminating unnecessary dams and by the T. V. A. method of construction.

SOUND BUSINESS PROPOSITION

The idea, in T. V. A., as in an M. V. A., is to apply the corporation principle, as developed by private enterprise, to fields of development which are traditionally those of the Federal Government. The administrative problems resulting from trying to develop the Missouri Basin by half a dozen different Government agencies would create an appalling situation. To do a job similar to that done in the Tennessee Valley it would take the best work of these agencies, to name a few: Reclamation Bureau, Army Engineers, Bureau of Mines, Department of Agriculture, and United States Geological Survey, Office of Indian Affairs, Rural Electrification Administration, Federal Power Commission. How can they be coordinated? Is it good business to continue that kind of scrambled, wasteful, piecemeal approach to a big job when there is on hand a businesslike administrative method of doing it—a method that has been tried and found wondrously successful in the Tennessee Valley? Which is likely to cost the taxpayers of the whole country more? The answer is simple. The answer is practical. M. V. A. is good business.

UNITY

The Missouri Valley is now divided by subregional conflicts. They have flared here in the Senate several times in the past few days. Irrigationists and the organizations they work with and through are fighting navigationists and the organizations they work with and through. Each thinks its side is right. Under the combined plan of the Bureau and the engineers, as the President in his message has indicated, those fights will go on. Under what circumstances will either side yield? Is it not the clear duty of Congress to spend the money of all the taxpayers for the maximum benefit of all interests—flood control, irrigation, power, and navigation, with emphasis on the first two because they are the most essential and most pressing?

Is it not the clear duty of Congress to set up an agency that will arbitrate all the petty disputes now disuniting the Missouri Basin, without fighting for favoritism for any one interest?

DEMOCRATIC

Those who oppose M. V. A. say, without basis, that it would have too much power. We know from the charter of T. V. A., and from the way it operates, that this is not true. T. V. A. has no power to coerce or compel any of the people in the Tennessee Valley to do anything—except for its power to condemn land, which private utilities also have. M. V. A. would get the same mandate from Congress that T. V. A. got—to work with and for and through existing county, municipal, and State agencies in the valley to accomplish its work. We know from the Tennessee region how popular and how democratic that method is.

Development of the Missouri region through an M. V. A. can work miracles in bettering the lives of the people who live there, raising their standard of living. It can do so because the very aim and object of a valley authority is to make new opportunities for private enterprise. With less expensive power it invites industry. With less expensive transportation it invites industry. It can bring about new security for owners of drought-stricken lands, for stockmen who are dependent on those lands for auxiliary feed as well as pasturage. It can bring about new security for owners of gullied and eroded land; of land invaded each year by flood; of land that must be used curatively, with the right fertilizers and terracing and contour plowing and the planting of root crops. It can create cheaper power for the development of mines in Colorado, Wyoming, Montana. It can open up a great new market, not just for the necessities of life, but for electrical appliances, automobiles, luxury items of all kinds.

These things are the essence of democracy, because they contribute to the stability of living standards, to the stability of private enterprise. No group of agencies with their interests divided by law as well as by tradition can hope to bring about similar development of all the region's resources for the greatest good of the greatest number of people.

What the people of the Missouri Valley do in the coming years in using the tools of modern up-to-date organization in developing the natural resources of their valley will largely determine the future growth of business, industry, and agriculture in that entire area.

The people of the valley want modern methods and modern systems for the development of their resources and not those of the ox-cart era. A Missouri Valley Authority is the only answer to their prayer, and it is up to us here in the Congress of the United States to give it to them.

I cannot conclude my remarks today without expressing my appreciation of the splendid work of the Nation's press in bringing this issue before the American people. The press has been uniformly fair in presenting the issues involved, and is performing a valuable service to the entire Nation.

In particular, I call attention to the high quality of the editorials and special articles which have appeared in the St. Louis Post-Dispatch and the St. Louis Star-Times dealing with the subject. These two papers have pioneered in bringing to the attention of the people in the Missouri Valley the need of a comprehensive plan for the development of the Missouri River Basin under a Missouri Valley authority similar to the Tennessee Valley Authority.

Mr. President, I ask unanimous consent that an article appearing in the last issue of Collier's entitled "One More River To Boss" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE MORE RIVER TO BOSS

(By Kyle Crichton)

The Missouri is the mad elephant of rivers. Once a year and sometimes oftener it comes charging out of the mountains of Montana through the fertile Middle West in a roaring, insane torrent that overwhelms farms, railroads, town, and humans. Homeless families sleep in schoolhouses and churches until the water subsides and they can return to look at the ruin of their lives. Some manage to start over again; others surrender in the face of a disaster that seems to delight in repeating itself. The two floods of 1943 did damage estimated at $63,000,000.

Army engineers perform prodigies in a technical battle they can never win. They widen channels, build jetties, construct dikes. But when the inevitable floods come, the massive jetties are crushed, the fertile lands along the riverbanks are denuded to fill the channels with silt and little towns bury their dead with the silent fatalism of habit.

In the upper reaches of the river, United States reclamation engineers struggle with the problem of getting water for irrigation on arid acres to be used for settlement of returning servicemen and demobilized industrial war workers. In Montana and the Dakotas, water means the life of the country. But from Sioux City to the mouth of the Missouri, Army engineers and interested citizens think of flood control and navigation. Because of this conflict of interests between those who want the water and those who dread it, the Missouri makes mock of the best intentions. It just keeps rolling along—often as a murderous force of nature.

The Missouri is a valley of a half billion acres, comprising one-sixth of the area of the United States and taking in a territory the size of Germany, France, and Italy combined. It is populated by 11,500,000 people along a river course of 2,469 miles. It starts at Three Forks, Mont., northwest of Yellowstone National Park, where three mountain streams, the Jefferson, the Madison, and the Gallatin, unite. From there it flows north through the mountains, then east across the Great Plains into North Dakota, then south and southeast until it joins the Mississippi 17 miles north of St. Louis. Its watershed embraces Wyoming, Montana, North Dakota, South Dakota, Nebraska, Colorado, Iowa, Minnesota, Kansas, and Missouri—one of the largest river valleys in the world.

It directly serves great cities like St. Louis, Kansas City, and Omaha. Along its banks lie three State capitals—Bismarck, Pierre, and Jefferson City. It taps the copper deposits of Montana and the great Corn Belt of the Middle West. It floods the lower valley and starves the upper valley, the Dust Bowls of the Dakotas. Its tributaries include the Milk, Yellowstone, Little Missouri, Platte, Kansas (Kaw), James (in the Dakotas), Big Sioux, Grand (north Missouri), Osage, Republican, Big Horn, and Gasconade.

SPECTACULAR FAILURES IN FLOOD CONTROL

Its swift tributaries in the mountains of the north are capable of producing power; the fertile valleys of the middle and lower river need only protection from floods to be among the great producing areas of the world. It is a great river and a wild river. Elaborate man-made attempts to tame the monster have all ended in spectacular fail-

ure. The efforts of the engineers have been no more successful than the incantations of the weathermen. But it required the two serious floods of 1943 to bring matters to a head. Plainly, enough was enough, and something had to be done.

The first savior who came galloping forth with a plan was Col. Lewis A. Pick, Army engineer in charge of the Missouri River division at Omaha. In 3 months' time Pick produced a report based on 50 years of surveys in the Missouri Basin. It called for a system of 12 dams on the Missouri and its tributaries and levees from Sioux City to its mouth, at a total cost of $490,000,000.

The United States Reclamation Bureau now perked up. For 5 years it had been working on a survey of the Missouri, and now it had the survey ready. Perhaps the hullabaloo of the Army engineers stimulated the reclamation people; anyhow, they submitted a plan to spend $1,257,654,700 for dams, reservoirs, power plants, and irrigation works.

Although the Pick plan was criticized as being far from adequate even for flood control, the real storm of objection came over an obscure passage in it, discovered by Governors Moses of North Dakota, Ford of Montana, and Hunt of Wyoming. This passage related to a proposal to deepen the navigation channel of the Missouri from Sioux City to its mouth, from the present 6-foot channel to a standard depth of 9 feet. It observed, rather innocently, that the engineers thought they would need a specified amount of the flow of the river for navigation purposes.

The embattled governors found, to their consternation, that the amount mentioned was practically all the average flow for each of the past 10 years. They raised the roof and promptly presented, in self-defense and retaliation, an amendment sponsored by Senator JOSEPH C. O'MAHONEY, of Wyoming, which would reserve to the upper valley States control of all waters originating within their boundaries.

The Bureau of Reclamation maintained that the amendment merely gave all States a chance to be heard before a project was authorized. The Army engineers stated flatly that under the amendment any project would be ineffective if objected to by any affected State. They insisted that the amendment would give the States power of veto over legislation enacted by Congress and approved by the President. The amendment was defeated in committee but will undoubtedly be brought up again.

This really threw the fat in the fire, and the resulting uproar was deafening. The Army engineers hastily averred that there was plenty of water in the Missouri for both irrigation and navigation. The reclamationists objected that if this were true, why had the Army been in such a rush to get priority on water for navigation?

The Army engineers declared that if there were ever a conflict between irrigation and navigation, they wouldn't dream of standing in the way of irrigation. The reclamationists said that was fine and would the Army engineers put it in writing? The Army huffed up at this and asked if their word couldn't be trusted. The reclamationists thereupon decided to mistrust them more than ever.

It was at this juncture that the St. Louis Post-Dispatch stepped in and said, "Hold! Enough!" The way this was going it could only end in civil war and, in the meantime, the Missouri would be playfully washing away half the Middle West. What the Post-Dispatch asked was if anybody had ever heard of the T. V. A. They said forthrightly and with no quibbling that the Tennessee Valley Authority was one of the greatest things that had ever happened in America, and all anybody had to do to prove it was to go down and talk with the people in Tennessee.

Now, therefore, let it be resolved, said the Post-Dispatch, to stop all this nonsense about upper river and lower river and talk in terms of the Missouri Valley. What we need, it added, is an M. V. A., and the sooner the better.

AN INVITATION TO SOUND OFF

It addressed a letter to the editors of the Missouri Valley asking for their opinions, criticisms, and cooperation. It put one of its crack reporters, Sam J. Shelton, on the story and told him to stay there until the M. V. A. became a reality.

If the Post-Dispatch wanted criticism, it now received it in showers. The Kansas City Star said very promptly that it wanted no part of a project that would irrigate 4,000,000 additional acres to afford competition for Kansas and Missouri farmers.

The Montana Standard, of Butte, E. G. Leipheimer, editor, wrote: "We are praying for an end to bureaucratic dictatorship and regimentation. We want to have a hand in our own development. We can hardly imagine a board sitting in perpetuity to control our economic destiny. We fear that such a board may be responsive entirely to demands of the lower States because of their large populations, powerful in politics, while we wither and die, neglected. We point out that there are substitutes for water navigation in the valley but no substitute for water in the soil."

The Omaha World-Herald looked with horror on the suggestion, referring to it as a "colossus which would be operated completely by the bureaucracy." Governors Hickenlooper, of Iowa, Sharpe, of South Dakota, and Vivian, of Colorado also harped on the dictatorship theme, with Governor Vivian adding that anything done in the valley should be handled by private interests.

The Post-Dispatch answered the Kansas City Star by saying that it was the shortsightedness of sectional interests that had brought the valley to its present plight. It said further that the States' rights people were talking through their hats. How could they object to M. V. A. when both the Reclamation Bureau and the Army engineers were Federal agencies operated out of Washington?

In truth, it continued, the greatest triumph of T. V. A. has been that it operates entirely in the Tennessee Valley and with no interference from Washington. There is the closest cooperation between T. V. A. and the people it serves. When Senator MCKELLAR sought to have the hiring of T. V. A. employees brought under the control of Congress, the outcry from the Tennessee Valley was so great that the measure was defeated.

Before the Post-Dispatch had proposed the M. V. A. plan, its Mr. Sam Shelton had pointed out that there were only four points of serious physical conflict between the Pick plan, sponsored by the Army engineers, and the Bureau of Reclamation plan, to wit:

1. At Fort Peck Dam and Reservoir in North Dakota, completed by the Army engineers in 1939 and now operated for navigation, flood control, and power, the Bureau of Reclamation plan proposed to draw heavily on the storage capacity of 19,400,000 acre-feet of water to irrigate additional arid farming land. (An acre-foot of water is a unit of volume which covers a level acre to a depth of 1 foot.) The Army engineers object to use of this stored water for irrigation before equivalent storage capacity in aid of navigation and flood control is made available farther down the main stem of the Missouri.

2. The Bureau of Reclamation's proposal to eliminate the Pick plan's recommended Garrison Dam in North Dakota (17,000,000 acre-feet capacity) is objected to by the Army engineers because this would cause a reduction of 10,000,000 acre-feet in flood control in the main river. The Army engineers assert the resulting flood protection would be inadequate.

3. A proposal of the Bureau of Reclamation to irrigate 1,000,000 acres in the Souris Basin in North Dakota, near the Canadian border, with water diverted from the Missouri below Fort Peck, is objected to by Army engineers.

4. The proposed 9-foot channel is a major point of disagreement with all who seek a comprehensive plan for over-all development of the Missouri River Basin.

Both the Army engineers and the Reclamation people have agreed that reconciliation of the plans could be worked out in a practical way, but the prospects of collaboration seem less promising when Congress is reached.

In the House the various phases of river-basin development are handled by three committees: Flood Control, Rivers and Harbors, and Irrigation and Reclamation. In the Senate the Commerce Committee handles both flood control and navigation matters, but there is a separate committee on irrigation and reclamation. The Bureau of Reclamation is under the Secretary of the Interior, and the Army engineers are under the Secretary of War.

This was confusing enough without the complication of the O'Mahoney amendment which enjoyed the sponsorship of 21 other Senators and flew in the face of the United States Supreme Court decision in the New River case in 1940, which gave Congress widely extended rights over the navigable streams of the country.

FOLLOWING THE T. V. A. PATTERN

On August 18 of this year the problem was placed on a new level by Senator JAMES E. MURRAY, of Montana, who introduced a bill in the Senate to create a Missouri Valley Authority. It followed closely the original T. V. A. bill, but offered additions that had been worked out during the 11-year life of the Tennessee project. What gave special tone to Senator MURRAY'S words, however, was the viewpoint from which he surveyed the problem.

"Mr. President," he said, "it is clear that the job to be done is tremendous. It challenges the imagination. It throws down the gantlet to our engineering skill, our scientific knowledge, and our know how as to methods and management. * * * It is a job for modern pioneering on a grand scale in the national interest."

The introduction of the Murray bill has been followed by a similar measure offered by Senator GUY M. GILLETTE, of Iowa. On September 21, of this year, President Roosevelt sent a message to Congress advocating M. V. A. and asking for consideration of other projects on the Arkansas and Columbia Rivers. This has taken the Missouri Valley problem out of the discussion stage into the realm of action.

As a post-war plan for providing jobs and stimulating industry, nothing else comes even close. What has been done in the Tennessee Valley will pale before the achievements in the Missouri if the project is started and carried through. The Tennessee is 652 miles long, the Missouri is 2,469 miles. The area of the Tennessee basin is 41,000 square miles, the Missouri basin has an area of 529,000 square miles, nearly 13 times as large.

M. V. A. has not, of course, been authorized and no engineering construction has been ventured, but one may get an idea of the magnitude of the possible plan by studying the suggestion made in the Pick plan and the larger plan of the Bureau of Reclamation. The Pick plan proposes 12 new Missouri Valley flood-control reservoirs, 5 on the main stem of the river, 5 on tributaries of the Republican River in Nebraska and Kansas, and 2 in the Yellowstone basin. These

are in addition to 10 already authorized by Congress but not constructed because of the war emergency. Six of those authorized are in Missouri.

MORE FLOOD-CONTROL STORAGE

The 5 new reservoirs proposed for the main stem of the river in North and South Dakota would have aggregate storage capacity of 35,200,000 acre-feet of water. The 2 in the Yellowstone Basin would store 5,750,000 acre-feet. These projects, together with the existing Fort Peck (Mont.) Reservoir's 19,400,000 acre-feet, would provide flood-control storage above Sioux City, Iowa, of more than 60,000,000 acre-feet.

The very regimentation that the objectors fear may, say the proponents of the plan, be a means of saving one of our most fruitful regions. The Tennessee Valley authorities have worked hand in glove with the farmers.

The Bureau of Reclamation's plan would store 35,446,000 acre-feet in the upper main stream and the upper tributaries. This plan, however, includes many other irrigation reservoirs, with aggregate capacity of 45,700,000 acre-feet. Even the most prosaic individual must be stirred by the magnitude of such an undertaking. The national importance of M. V. A. is obvious. In a section where soil erosion, silted river beds and lowered water levels have threatened the very life of the land, the harnessing of the Missouri (known as the Big Muddy) will be an achievement of incalculable value.

A picture of what may be the future for the Missouri Valley may be suggested by what Benton J. Stong, editor of the National Union Farmer, has to report on the T. V. A. "I saw the enormous success of T. V. A. in an alfalfa patch," he writes. "When I knew it 9 years ago, it had been a 'shotgun cornfield'—so steep that, according to local legend, the farmer planted it by shooting seed into the field from the opposite hillside. Then it had been one of those deeply gullied wastelands, thick with underbrush and tiny streams that carried away the little remaining soil. But when I saw the field this month, it was covered with a green blanket of alfalfa and blue grass, its deep scars wiped away and replaced with terraces. It was part of the 55-acre hillside farm of Henry Clark, which has been restored by T. V. A. phosphate and lime.

"Ten years ago Henry Clark scratched his hillside with a little black mare and a sled and got little more than $200 cash income. Last year he cultivated it with a tractor, a mowing machine, grain drill and other modern equipment and took in $4,600 from hay, dairy products, tomatoes, tobacco, and poultry. Ten years ago, Henry Clark's home was a cabin. Today it is a fine farmhouse with electricity, electric range, electric washing machine, refrigerator, and lights.

"T. V. A. is not a power project. It is not an agricultural project. It is an integrated development of all the resources of an area, integrated so that water is harnessed, the lands are restored, the minerals are developed, and men live a better life. It is a pattern that may be developed all over America."

The floods in the Missouri have obscured the even greater losses from lack of water in the upper valley States. The great jalopy exodus from the Great Plains during the drought decade saw 350,000 persons leave their homes in the distressed region. The amounts unpaid on December 31, 1942, on grants and work relief from the federal government reached a total of $1,246,557,087. This approximates the estimated cost of the Bureau of Reclamation plan. It is estimated that 150,000 men could be employed, in the immediate post-war period, on construction sites under the Bureau of Reclamation project and an even greater number employed in factories to furnish materials for the dams, canals, and jetties.

The Tennessee Valley is now a show window for what electrification can do. Every farm is electrically lighted and possesses the electric devices that make life more pleasant and efficient. Here is the contrasting situation in the Missouri Valley States:

Rural farm dwellings

	With electric light	With mechanical refrigeration	With running water	With installed bathtub or shower
	Percent	*Percent*	*Percent*	*Percent*
United States	31.3	14.9	17.8	11.8
Montana	27.8	12.7	14.7	9.0
Wyoming	31.0	13.2	16.1	10.3
Colorado	34.6	14.9	21.3	12.4
North Dakota	15.5	2.3	6.0	4.7
South Dakota	17.9	4.8	11.8	3.2
Nebraska	28.5	12.2	22.3	14.0
Kansas	27.3	17.1	15.7	11.5
Iowa	39.5	16.3	21.5	15.4
Missouri	15.9	8.5	6.3	4.7

This suggests eloquently the opportunity for an improved future in the Missouri Valley if that future is worked out with determination.

Dr. John L. Coulter, former member of the Federal Tariff Commission, of Washington, D. C., stated in June of this year before a Senate committee, that America, with its population increasing at the rate of a million people a year, will have to increase its acreage if we are to maintain present standards of living.

"We are at a point now where we are importing more products of agriculture than we are exporting," he said.

This being so, the M. V. A. or some alternative plan for bringing more land into cultivation in the Missouri Valley becomes a national imperative. A survey made this spring in North Dakota determined that of some 6,300 young men from that State in the armed services, more than 5,500 desire to be farmers after the war. The survey showed that only 675 now have farms, and therefore, for that group alone, about 4,850 farms are needed.

Therefore, we need farms, we need flood control, we have the men at hand for farming. Everybody acknowledges that the problem of the Missouri must be tackled, but it is over M. V. A. that the big slugfest will come.

There arises the question of who will pay for M. V. A. Under current proposals, the financing will come from the Federal Government, but there would be profits on power and assessments on benefits to lands and city properties. The Edison Electric Institute, representing private power interests, maintains that the ultimate cost of T. V. A. will be $1,000,000,000, or five times as much as estimated for the original program, and is expected to pay for itself in 60 years but without interest. David E. Lilienthal, director of the Tennessee Valley Authority, estimates that T. V. A. will cost $700,000,000 and will be paid off in 30 years.

In the case of the much larger Missouri Valley plan, power will be a minor consideration and could not possibly pay the total cost of the project. But supporters of the M. V. A. argue that, in the public interest, the Missouri has to be tamed; that the Nation will receive great benefits from anything that brings greater productivity to the Missouri Valley, prevents flood damage and saves land under cultivation.

Although electric power is only one phase of M. V. A. (with an estimated 1,000,000 to 3,000,000 kilowatts possible), it is quite possible that some defenders of private enterprise will swing their shillelaghs. M. V. A. is a great challenge, the sort of battle that stirs the pioneer instincts still in the breasts of most Americans. Its supporters do not deny that it will also be a giant stepping on many toes and that outcries must be expected. A great deal will depend on the legislators guiding the bill through Congress. There will be no George W. Norris to lead the fight, as there was in the case of the T. V. A. Great interests will be lined up on each side, and mighty blows will be struck.

DISPARITY BETWEEN COMMITTEES

The people who feel that it might be wiser to work out a plan between the Army engineers and the Bureau of Reclamation have found that in Congress it has been impossible to get the separate committees to sit down together to discuss an over-all solution. The interests of the two Government agencies are entirely disparate. Reclamation people have been taught to think in terms of land; Army engineers are concerned with watercourses. M. V. A. advocates believe it is impossible that the two could ever work in harmony.

One big plan is needed, and time will tell whether it will come through M. V. A. or another agency of like character.

It's going to be a tough fight, but the Missouri has been kicking its region around for hundreds of years, and it either has to be stopped soon or it will run out of competition. Americans always like a challenge of that kind.

The M. V. A. is going to be something to watch and wonder over when it gets going.

PREVENTION OF DOUBLE TAXATION ON INCOMES

During the course of Mr. MURRAY'S speech the following occurred:

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. McFARLAND. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 3592, Calendar No. 1056.

Mr. WHERRY. Mr. President, reserving the right to object, I ask that the Senator from Arizona make a statement with regard to the nature of the bill.

Mr. McFARLAND. The bill would prevent double taxation. Under the present law some Federal employees who are working in the District of Columbia, as well as many who are employed in some of the States, are being taxed in two different jurisdictions. The bill would permit them to be taxed only in the State of their domicile.

Mr. MAYBANK. Would the bill in any way change the present system of collection of income taxes from South Carolinians who might be residents of the District of Columbia?

Mr. McFARLAND. No; it would permit the collection of taxes from residents of the State of South Carolina, but would prohibit them from being taxed by some other State or the District of Columbia.

Mr. MAYBANK. In other words, the bill would not in any way make it possible for those who are now domiciled in the District of Columbia and paying income taxes to change their domicile to some jurisdiction under which they could pay a lower income tax.

Mr. McFARLAND. No; they would have to maintain a genuine domicile in the State in which they paid the taxes.

Mr. MAYBANK. Would they have to own any real estate or property within such State?

Mr. McFARLAND. I do not think in any State the ownership of real estate or other property is necessary in order to make a citizen subject to income taxation.

Mr. MAYBANK. I agree with the statement of the Senator. Would there be any limit on the time in which taxpayers could change their domicile?

Mr. McFARLAND. The Senator from Virginia [Mr. BYRD] has some amendments which he would like to offer. I believe the amendments might clarify the matter. If there is no objection to proceeding to the consideration of the bill I believe the Senator from Virginia will offer his amendments.

Mr. MAYBANK. Mr. President, I will withhold any further questions which I may have until the distinguished Senator from Virginia [Mr. BYRD] has offered his amendments. I understand that some of our State tax officials have discussed with Virginia State tax officials the possibility of a number of high-salaried Government officials, as well as others, being relieved from the payment of taxes for this year by the enactment of some law.

Mr. WHERRY. Mr. President, I still reserve the right to object to proceeding to the consideration of the bill, but if it is the pleasure of the Senator from Arizona to have the Senator from Virginia explain his amendments, I have no objection. However, I reserve the right to object to consideration of the bill after the Senator from Virginia shall have concluded.

Mr. BYRD. Mr. President, the bill for which the Senator from Arizona has requested consideration provides that a Federal employee may choose his State of domicile. If the bill should be passed in its present form it would afford an opportunity to Federal employees to choose a State of domicile which did not require the payment of an income tax, and therefore would permit an evasion of the payment of a tax which such an employee otherwise would be compelled to pay. For example, the bill provides that a Federal employee who has lived in Virginia for 30 years, and has obtained all the benefits of schools and other privileges which the State provides, could choose a domicile in some other State and thereby evade the payment of Virginia income taxes.

If the bill is taken up I propose to offer an amendment providing that the date when the provisions of the bill shall become effective shall be December 31, 1944. At the present time the bill has no effective date. Therefore, should the bill become law there would be created a condition of chaos with regard to what part of the calendar year would be subject to tax in one State or another.

I propose to offer another amendment which would provide that in order that a Federal employee may be relieved of the payment of a tax in a State which may impose such tax, such employee shall be required to furnish a tax receipt proving that he is domiciled in another State which assesses an income tax. If this bill should be taken up, and the amendments to which I have referred should not be adopted, considerable discussion would be provoked in the Senate before the bill could reach final enactment. I think the bill in its present form leaves wide open the door for wholesale tax evasion.

Mr. McFARLAND. Mr. President, I told the Senator from Virginia that I would offer no objection to his amendments.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 3592) to amend the Judicial Code in respect to the original jurisdiction of the district courts of the United States in certain cases, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, reserving the right to object, let me say that I have no personal objection to the proposed legislation; but there are Senators on this side of the Chamber who have an interest in the bill. I refer particularly to the Senator from Connecticut [Mr. DANAHER]. I do not wish to consent to the bill being taken up until he has reached the floor. He is not now present. If necessary, I shall make the point of no quorum. I do not want to do that because it may result in an unnecessary waste of time.

Mr. McFARLAND. Mr. President, I had understood that the Senator from Connecticut had no objection to the bill. The bill has been on the calendar for some time. I do not wish unduly to delay the Senator from Montana. I may as well withdraw my request.

Mr. WHITE. Mr. President, if the Senator will wait for 2 or 3 minutes I believe the Senator from Connecticut will be present and then he can speak for himself. I do not know whether he is hostile to the bill or whether, with the amendments suggested by the Senator from Virginia, he would support the bill. However, there will be a possible opportunity of disposing of the bill as soon as the Senator from Connecticut reaches the floor.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McFARLAND. If I have the floor I will yield, but I do not wish unduly to delay the Senator from Montana.

Mr. MAYBANK. Mr. President, I hope that before any action is taken on the bill we will have a quorum call and then have the amendments agreed to. I can very well see that many Federal employees could take advantage of the provisions contained in the bill unless the amendments of the Senator from Virginia were agreed to.

Mr. McFARLAND. Does the Senator object to taking up the bill at this time?

Mr. HILL. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. HILL. I wonder if I might suggest to the distinguished Senator that very likely he will expedite the passage of his bill if he will withdraw it at this time and then when the Senator from Connecticut comes in renew his request.

Mr. McFARLAND. I would rather have the RECORD show that there is objection, because I have received volumes of mail in regard to this bill, which I thought was noncontroversial with the amendments of the Senator from Virginia adopted. I repeat, I would rather an objection be shown. I have no personal interest in the proposed legislation at all, but, if any Senator objects to the bill, I would rather have the RECORD show the objection.

Mr. WHITE. Mr. President, I still think if the Senator would possess himself in patience for a moment or two, until the Senator from Connecticut can be here, the bill might be disposed of; but I am not going to consent to having the bill taken up unless and until the Senator from Connecticut is present.

Mr. MAYBANK. Mr. President, I should like to say to the Senator from Arizona that I deeply appreciate the position in which he finds himself in view of the many requests that the bill be considered, because some employees are paying income taxes in two States, first where they work and then where they live. I have no objection to the bill, provided first the amendments of the Senator from Virginia [Mr. BYRD] are adopted to the effect that one paying income tax today in South Carolina or any other State must continue to pay that State unless he is a citizen of another State and pays the other State. It is not fair for individuals of States to pay and Government employees be allowed to change their residence to States that have no tax and avoid payment. Of course they should not pay in two States.

The PRESIDING OFFICER. The Chair understands objection has been made. The Senator from Montana [Mr. MURRAY] has the floor.

FLOOD-CONTROL PROJECTS

After the conclusion of the debate on House bill 3592, the Senate resumed the consideration of the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

(Mr. MURRAY resumed and concluded his remarks.)

Mr. LUCAS. Mr. President, I send to the desk a short amendment to the bill now pending before the Senate, and ask that it be read at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, following line 19, it is proposed to insert a new paragraph as follows:

The project for flood control on Farm Creek, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report of November 16, 1944, at an estimated cost of $3,017,900.

Mr. OVERTON. Mr. President, I may say to the Senator from Illinois that I should be very glad to take the amendment to conference.

Mr. LUCAS. I am happy at the Senator's graciousness, and I thank him for his generosity.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

The amendment was agreed to.

Mr. LANGER. Mr. President, it is my understanding that immediately after the convening of the new Congress we will take up the matter of the Missouri Valley Authority. It is my understanding further that such an agreement has been made by all the different agencies involved, and by the responsible leadership of both the majority and minority groups.

I merely wish to say at this time that the people of my State feel under a keen sense of obligation not only to the Senator from Montana [Mr. MURRAY] for having introduced the measure, but also to the distinguished senior Senator from Missouri [Mr. CLARK], who has been most cooperative in the passing of the flood-control bill, as a result of which approximately a million two hundred thousand acres in North Dakota will be irrigated.

At the present time in North Dakota the total amount of irrigation is, roughly, 21,615 acres, compared with Montana, which has 1,711,409 acres. We feel that for the first time the State of North Dakota will, through the passage of the pending measure, get that to which it is entitled. However, we feel that we prefer the enactment of the M. V. A. bill. I have received many hundred telegrams from the State of North Dakota, from both men and women, and from different organizations, in favor of the M. V. A. I have placed none of them in the RECORD up to this time. It is not my intention to do so until after we begin the real consideration of the M. V. A. bill in the coming Congress.

Mr. President, I want this body to know that I believe no one could have better expressed the real purpose of the M. V. A. than did the junior Senator from Montana [Mr. MURRAY] on August 18, and also in his address on the floor of the Senate this morning. I endorse every word he uttered upon each of those occasions.

In order that this body may know exactly what the situation of the Northwest is relative to having light and power upon the farms, I ask unanimous consent to have printed in the RECORD at this point in my remarks pages 6 and 7 of the hearings before the Committee on Agriculture of the House of Representatives on rural electrification. I may add that this shows that today North Dakota is lower than any other State of the Union in the number of farms having electricity for light and power. Roughly, they number 6.9 percent of all the farms of the State.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of rank, percentage, and number of farms electrified with central-station service, 1935, 1940, and 1943, by States and for the United States

Area	Farms, Jan. 1, 1935,[1] number	Farms receiving central-station electric service Dec. 31, 1934			Farms, Apr. 1, 1940,[1] number	Farms receiving central-station electric service Apr. 1, 1940			Farms receiving central-station electric service June 30, 1943 [2]			Increase in electrified farm from Dec. 31, 1934, to June 30, 1943		
		Number [2]	Percent	Rank		Number [1]	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank
United States	6,812,350	743,954	10.9	------	6,096,799	1,853,249	30.4	------	2,454,100	40.3	------	1,710,146	229.9	------
Alabama	273,455	11,053	4.0	33	231,746	33,907	14.6	41	56,200	24.2	39	45,147	408.5	15
Arizona	18,824	5,577	29.6	12	18,468	5,607	30.4	24	7,600	41.2	25	2,023	36.3	46
Arkansas	253,013	2,943	1.2	47	216,674	21,303	9.8	45	35,900	16.6	44	32,957	1,119.8	3
California	150,360	81,093	53.9	1	132,658	107,904	81.3	4	115,000	86.7	3	33,907	41.8	45
Colorado	63,644	7,145	11.2	25	51,436	14,823	28.8	25	22,900	44.5	24	15,755	220.5	27
Connecticut	32,157	10,138	31.5	10	21,163	16,995	80.3	5	18,300	86.5	4	8,162	80.5	39
Delaware	10,381	1,791	17.3	20	8,994	3,545	39.4	21	4,900	54.5	20	3,109	173.6	29
Florida	72,857	5,700	7.8	26	62,248	15,476	24.9	28	19,600	31.5	32	13,900	243.8	23
Georgia	250,544	6,956	2.8	41	216,033	42,409	19.6	33	67,700	31.3	33	60,744	873.3	5
Idaho	45,113	13,433	29.8	11	43,663	25,439	58.3	13	32,400	74.2	13	18,967	141.2	35
Illinois	231,312	28,379	12.3	23	213,439	80,027	37.5	22	113,000	52.9	21	84,621	298.2	17
Indiana	200,835	23,476	11.7	24	184,549	91,127	49.4	17	125,600	68.0	14	102,124	435.0	14
Iowa	221,986	32,047	14.4	22	213,318	73,308	34.4	23	108,100	50.7	22	76,053	237.3	24
Kansas	174,589	13,224	7.6	28	156,327	27,960	17.9	37	39,100	25.0	36	25,876	195.7	28
Kentucky	278,298	8,480	3.0	39	252,894	38,607	15.3	40	57,900	22.9	41	49,420	582.8	10
Louisiana	170,216	2,826	1.7	46	150,007	16,058	10.7	44	24,200	16.1	45	21,374	756.3	9
Maine	41,907	13,959	33.3	8	38,980	20,221	51.9	15	24,200	62.1	17	10,241	73.4	41
Maryland	44,501	6,791	15.3	21	42,175	17,170	40.7	20	24,500	58.1	18	17,709	260.8	21
Massachusetts	35,094	14,494	41.3	7	31,897	26,220	82.2	2	26,900	84.3	5	12,406	85.6	37
Michigan	196,517	42,152	21.4	17	187,589	131,126	69.9	7	151,000	80.5	7	108,848	258.2	22
Minnesota	203,302	13,783	6.8	30	197,351	50,075	25.4	26	76,800	38.9	26	63,017	457.2	12
Mississippi	311,683	2,802	.9	48	291,092	26,078	9.0	46	44,300	15.2	46	41,498	1,481.0	1
Missouri	278,454	17,893	6.4	31	256,100	39,204	15.3	39	59,800	23.4	40	41,907	234.2	25
Montana	50,564	2,768	5.5	32	41,823	7,947	19.0	34	10,300	24.6	37	7,532	272.1	19
Nebraska	133,616	9,544	7.1	29	121,062	22,832	18.9	35	31,300	25.8	35	21,756	228.0	26
Nevada	3,696	946	25.6	15	3,573	1,555	43.5	19	1,700	47.6	23	754	79.7	40
New Hampshire	17,695	9,495	53.7	2	16,554	10,845	65.5	10	13,600	82.2	6	4,105	43.2	44
New Jersey	29,375	15,162	51.6	4	25,835	21,298	82.4	1	22,500	87.1	2	7,338	48.4	43
New Mexico	41,369	1,350	3.3	37	34,105	4,479	13.1	42	6,400	18.8	42	5,050	374.1	16
New York	177,025	57,825	32.7	9	153,238	102,283	66.7	9	114,900	75.0	11	57,075	98.7	36
North Carolina	300,967	9,672	3.2	38	278,276	67,627	24.3	29	94,100	33.8	29	84,428	872.9	6
North Dakota	84,606	1,968	2.3	43	73,962	3,218	4.4	48	5,100	6.9	48	3,132	159.1	32
Ohio	255,146	48,048	18.8	19	233,783	137,680	58.9	11	174,000	74.4	12	125,952	262.1	20
Oklahoma	213,325	5,648	2.6	42	179,687	20,149	11.2	43	31,000	17.2	43	25,352	448.9	13
Oregon	64,826	17,839	27.5	14	61,829	36,369	58.8	12	46,500	75.2	10	28,661	160.7	31
Pennsylvania	191,284	45,182	23.6	16	169,027	94,081	55.7	14	109,800	65.0	15	64,618	143.0	33
Rhode Island	4,327	1,975	45.6	6	3,014	2,457	81.5	3	2,800	92.9	1	825	41.8	45
South Carolina	165,504	3,796	2.3	44	137,558	27,568	20.0	32	49,100	35.7	27	45,304	1,193.5	2
South Dakota	83,303	2,939	3.5	36	72,454	3,981	5.5	47	7,100	9.8	47	4,161	141.6	34
Tennessee	273,783	9,727	3.6	34	247,617	38,884	15.7	38	60,600	24.5	38	50,873	523.0	11
Texas	501,017	11,466	2.3	45	418,002	79,127	18.9	36	117,900	28.2	34	106,434	928.2	4
Utah	30,695	16,130	52.5	3	25,411	17,411	68.5	8	19,300	76.0	9	3,170	19.6	47
Vermont	27,061	7,945	29.4	13	23,582	12,213	51.8	16	14,700	62.3	16	6,755	85.0	38
Virginia	197,632	14,954	7.6	27	174,885	42,144	24.1	30	56,100	32.1	31	41,146	275.2	18
Washington	84,381	40,060	47.5	5	81,686	58,283	71.4	6	65,400	80.1	8	25,340	63.2	42
West Virginia	104,747	3,647	3.5	35	99,282	25,199	25.4	27	32,200	32.4	30	28,553	782.9	8
Wisconsin	199,877	39,206	19.6	18	186,735	87,556	46.9	18	106,700	57.1	19	67,494	172.2	30
Wyoming	17,487	527	3.0	40	15,018	3,474	23.1	31	5,100	34.0	28	4,573	867.7	7

[1] U. S. Census Bureau.
[2] Rural Electrification Administration survey, 1943.
[3] Edison Electric Institute.

The PRESIDING OFFICER. The bill is still open to amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. OVERTON. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. OVERTON, Mr. BAILEY, Mrs. CARAWAY, Mr. CLARK of Missouri, Mr. BILBO, Mr. JOHNSON of California, Mr. BREWSTER, and Mr. BURTON conferees on the part of the Senate.

Mr. OVERTON. I ask unanimous consent that the clerks be authorized to renumber the sections of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RIVER AND HARBOR IMPROVEMENTS

Mr. OVERTON. Mr. President, I move that the Senate proceed to the consideration of House bill 3961, the river and harbor bill.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, reported with amendments.

Mr. AIKEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The CHIEF CLERK called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Green	Radcliffe
Ball	Gurney	Reed
Bankhead	Hall	Revercomb
Bilbo	Hatch	Reynolds
Brooks	Hawkes	Robertson
Buck	Hayden	Russell
Burton	Hill	Shipstead
Bushfield	Holman	Stewart
Butler	Jenner	Taft
Byrd	Johnson, Colo.	Thomas, Okla.
Capper	La Follette	Tunnell
Caraway	Langer	Vandenberg
Chandler	Lucas	Wagner
Clark, Mo.	McClellan	Wallgren
Connally	McFarland	Walsh, Mass.
Cordon	McKellar	Walsh, N. J.
Danaher	Maloney	Wheeler
Davis	Maybank	Wherry
Downey	Mead	White
Eastland	Millikin	Wiley
Ellender	Murray	Willis
Ferguson	Nye	
George	O'Daniel	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the motion of the Senator from Louisiana [Mr. OVERTON] that the Senate proceed to the consideration of House bill 3961.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. OVERTON. Mr. President, I feel very much encouraged in proceeding to the consideration of the river and harbor bill after the final passage through the Senate of the flood-control bill. That bill presented a number of controversial provisions. Every opportunity was given in the hearings, and also on the floor of the Senate, to discuss the problems which were germane to the bill, and I am very happy that those problems have been satisfactorily resolved and that the bill has now passed the Senate.

Mr. President, there is something more to be done besides passing this and the flood-control bill through the Senate. Not only must they go to conference between the two Houses and be agreed upon by both Houses, but they must be approved by the President before they become law. After they become law, final and detailed plans and specifications must be prepared by the Corps of Engineers with reference to those projects. That all takes time.

Following that, appropriations must be made by the Congress with reference to the projects which have been authorized. Of course, as the Senate knows, this is merely an authorization bill, and carries with it no appropriation of money whatsoever. When the bill has been finally passed and approved, detailed plans must be prepared, and then Budget recommendations must be prepared, and appropriations made. Therefore we are a long way from proceeding with the construction of any of these projects.

We all look forward to a reasonably early termination of the conflict in Europe. When that conflict is at an end many of our veterans will be discharged from the service and will be back seeking employment in this country. Besides, there will probably be far less manufacture of munitions, implements, and matériel of war. Therefore there will be a crying need for additional employment. I do not believe that any legislation admits of better opportunity for employment or more employment than do the flood-control and river and harbor bills. It has been generally estimated that 80 percent of all sums expended on river and harbor and flood-control projects goes directly or indirectly into the pockets of labor. Certainly not less than 75 percent of the money so expended is spent on labor.

The pending bill carries with it in all 290 projects. The total estimated cost of the projects, as the bill is reported by the Senate Committee on Commerce, is $498,784,931.

The importance of improving our inland waterways has been shown by abundant testimony taken in the course of the hearings on this particular bill. Those hearings disclose that navigation upon our inland waterways has tremendously increased, not only as a result of the war effort, but prior to the war effort, during the past 10 or 12 or 14 years.

The record shows that beginning in the year 1932 the total inland waterway traffic was 4,915,000,000 ton-miles. That was in the midst of the depression. At the end of 1935, 3 years later, we had still not come out of the depression, but the ton-mileage had increased from 4,915,000,000 to 6,300,000,000 ton-miles. By the end of 1937 the ton-miles had leaped to 9,300,000,000, or a doubling of the waterborne commerce upon the inland waterways of the United States. At the end of 1939, when World War No. 2 began, the inland waterways traffic had increased to 11,300,000,000 ton-miles. By the end of 1941, at the time the United States entered the present war, the traffic had grown to more than 18,000,000,000 ton-miles. That was 3 years ago; and I think it is fairly reasonable to assume that now the inland waterway traffic equals or is in excess of 20,000,000,000 ton-miles a year. That represents an expansion of approximately 400 percent, in the last 12 years.

Mr. President, I have prepared a breakdown, by States, of the projects contained in this bill, just as I prepared a similar break-down in the case of the flood control bill.

I ask unanimous consent that this break-down may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. OVERTON. Mr. President, it is to be noted that this tabulation includes the total cost of projects in more than one State where projects affect more than one State. Such projects are marked by an asterisk. Projects for maintenance only are marked "M. O."

Mr. President, I should like to speak longer in making a preliminary statement regarding the bill, but I know time is of the essence in connection with the passage of the bill. I have stated its general policy and its general outline.

EXHIBIT A

Projects in H. R. 3961 as reported out by the Committee on Commerce

(NOTE.—The tabulation below includes the total cost of projects in more than one State. Such projects are noted with an asterisk. Projects for maintenance only are marked M. O.)

	First cost to United States
Alabama:	
*Alabama and Coosa Rivers	$60,000,000
Mobile Harbor	475,000
Warrior and Tombigbee Rivers	6,750,000
Warrior and Tombigbee Rivers	115,000
*Waterway connecting the Tombigbee and Tennessee Rivers	66,000,000
Dauphin Island Bay	83,000
Bayou Coden	6,880
Bayou La Batre	27,500
Alaska:	
Metlakahtla Harbor	120,000
Craig Harbor	80,000
Meyers Chuck Harbor	25,000
Wrangell Harbor	189,000
Wrangell Narrows	2,731,000
Sitka Harbor	285,000
Skagway Harbor	16,000
Petersburg Harbor	80,000
Port Alexander	31,000
Gastineau Channel	155,000
Elfin Cove	38,000
Seldovia Harbor	50,000
Arkansas: Ouachita and Black Rivers, near Felsenthal	No cost
California:	
San Diego Harbor	165,000
Newport Bay Harbor	259,000
Santa Barbara Harbor	No cost
Morro Bay	800,000
Monterey Harbor	74,000
Monterey Bay, Moss Landing	350,000
Redwood Creek	483,000
Oakland Harbor	No cost
Oakland Harbor	M. O.
Richmond Harbor	25,000
Pinole Shoal and Mare Island	7,600
Noyo River	600,000
Crescent City Harbor	1,610,000
Crescent City Harbor	200,000
Connecticut:	
Mystic River	20,000
Thames River	M. O.
Connecticut River below Hartford, at Old Saybrook	72,900
Clinton Harbor	21,900
Guilford Harbor	21,500
New Haven Harbor	1,673,000
Bridgeport Harbor	529,000
Norwalk Harbor	29,500
Mianus River	26,500
Greenwich Harbor	31,000

	First cost to United States
Delaware:	
Inland waterway between Rehoboth Bay and Delaware Bay	$224,000
Indian River	151,000
*Nanticoke River	54,000
*Delaware River, Philadelphia to the sea	1,036,000
*Delaware River, Philadelphia to the sea	3,380,000
*Delaware River, Philadelphia to the sea	M. O.
Florida:	
Fernandina Harbor	No cost
St. Johns River, Jacksonville to the ocean	725,000
St. Johns River, Jacksonville to the ocean	3,200,000
St. Johns River, Jacksonville to Lake Harney	290,000
St. Johns River, Jacksonville to Lake Harney	25,500
Intracoastal waterway from Jacksonville to Miami	11,789,000
Intracoastal waterway to Vero Beach	7,300
Sebastian to intracoastal waterway	19,000
Canaveral Harbor	811,000
St. Lucie River	46,000
Lake Worth Inlet	711,000
New River	60,000
Miami Harbor	5,781,000
Miami River	78,000
Intracoastal waterway, Miami to Key West	1,830,000
Caloosahatchee River and Lake Okeechobee drainage areas	208,000
Caloosahatchee River and Lake Okeechobee drainage areas	5,100
Intracoastal waterway from Caloosahatchee River to Withlacoochee River	3,200,000
Little Manatee River	77,000
Tampa Harbor	189,000
Tampa Harbor	60,000
Tampa and Hillsboro Bays	607,400
Anclote River	10,000
Pithlachascotee River	51,000
St. Marks River	71,000
Intracoastal Waterway from Apalachicola Bay to St. Marks River	32,500
*Apalachicola, Chattahoochee and Flint Rivers	6,500,000
St. Josephs Bay	No cost
St. Josephs Bay	225,000
Watson Bayou	M. O.
Pensacola Harbor	162,000
Georgia:	
*Savannah River and Clarks Hill Reservoir	28,000,000
Savannah Harbor	281,000
Altamaha, Oconee, Ocmulgee Rivers	No cost
Intracoastal Waterway via Fredrica River	No cost
*Apalachicola, Chattahoochee and Flint Rivers	6,500,000
*Alabama and Coosa Rivers	60,000,000
Hawaii:	
Keehi Lagoon, Oahu	M. O.
Port Allen Harbor, Kauai	75,000
Idaho: *Snake River	58,625,000
Illinois:	
*Mississippi River at Chain of Rocks	10,290,000
Mississippi River at Alton	No cost
*Illinois Waterway and Indiana Harbor and Canal	25,900,000
Waukegan Harbor	34,000
*Calumet Harbor and River	910,000
Indiana:	
*Illinois Waterway and Indiana Harbor and Canal	25,900,000
*Calumet Harbor and River	910,000
Iowa: *Missouri River between Sioux City, Iowa, and the mouth	6,000,000
Kansas: *Missouri River between Sioux City, Iowa, and the mouth	$6,000,000
Louisiana:	
Bayous L'Loutre, St. Malo and Yscloskey	35,000
Mississippi River, Baton Rouge to the Gulf	4,200,000
Intracoastal Waterway vicinity of Algiers at New Orleans	8,000,000
Bayous Petit Anse, Tigre and Carlin	160,000
Calcasieu River	55,000
Maine:	
Northeast Harbor	94,500
Isle au Haut thoroughfare	28,000
Hendricks Harbor	6,000
Portland Harbor	780,000
Portland Harbor, Casco Bay	M. O.
Josias River, Ogunquit-Perkins Cove	32,000
Maryland:	
*Nanticoke River	54,000
Havre de Grace	18,000
Baltimore Harbor	2,388,000
Curtis Creek	150,000
Mill Creek	4,200
Broadwater Creek	30,000
Cadle Creek	5,500
Channel to Island Creek, St. George Island	10,000
St. Catherines Sound	10,900
Black Walnut Harbor	21,000
Town Creek	25,000
Duck Point Cove	19,500
Lower Thoroughfare, Deals Island	22,000
Crisfield Harbor	No cost
Pocomoke River	4,250
Massachusetts:	
Newburyport Harbor	68,000
Gloucester Harbor and Annisquam River	46,667
Manchester Harbor	207,300
Salem Harbor	43,000
Marblehead Harbor	60,000
Boston Harbor	660,000
Dorchester Bay and Neponset River	322,400
Weymouth Fore River	225,000
Cohasset Harbor	62,000
Duxbury Harbor	71,000
Chatham (Stage) Harbor	43,500
Wellfleet Harbor	64,000
Hyannis Harbor	62,500
Cape Cod Canal (Onset Bay)	48,000
Nantucket Harbor	31,500
Menemsha Creek, Marthas Vineyard	37,500
Michigan:	
Great Lakes Harbors of Refuge—Chippewa Harbor, Isle Royale	41,000
Great Lakes Harbors of Refuge—Black River	70,300
Great Lakes Harbors of Refuge—Eagle Harbor	27,800
Great Lakes Harbors of Refuge—Lac La Belle	38,190
Great Lakes Harbors of Refuge—Grand Traverse Bay	75,560
Great Lakes Harbors of Refuge—Big Bay	37,765
Great Lakes Harbors of Refuge—Little Lake	57,670
Great Lakes Harbors of Refuge—Whitefish Point	156,950
Great Lakes Harbors of Refuge—St. James Harbor, Beaver Island	7,500
Great Lakes Harbors of Refuge—Hammond Bay	91,400
Great Lakes Harbors of Refuge—Harrisville	131,600
Great Lakes Harbors of Refuge—Oscoda	20,400
Great Lakes Harbors of Refuge—Port Austin	172,100
Michigan—Continued.	
Great Lakes Harbors of Refuge—Port Sanilac	$134,000
Great Lakes Harbors of Refuge—Point Lookout	104,500
*Menominee Harbor and River	No cost
St. Joseph Harbor	74,000
Grand Haven Harbor and Grand River	150,000
Manistee Harbor	147,000
Sault Ste. Marie power plant	3,500,000
St. Clair River at Southeast Bend	135,000
Detroit River	85,300
Minnesota:	
Mississippi River near Hastings	No cost
Mississippi River at Red Wing	11,500
Mississippi River at St. Paul	88,800
Mississippi River at Winona	17,000
Mississippi River at Minneapolis	No cost
Great Lakes harbors of refuge; Lutsen	66,800
Great Lakes harbors of refuge; Beaver Bay	39,000
Baudette Harbor	15,000
Knife River Harbor	14,000
Mississippi:	
Biloxi Harbor	4,000
Biloxi Harbor	6,000
Pass Christian Harbor	17,000
Bayou Galere	6,000
*Waterway connecting the Tombigbee and Tennessee Rivers	66,000,000
Missouri:	
*Mississippi River at Chain of Rocks	10,290,000
*Missouri River between Sioux City, Iowa, and the mouth	6,000,000
Nebraska: *Missouri River between Sioux City, Iowa, and the mouth	6,000,000
New Jersey:	
Passaic River	M. O.
Newark Bay	3,390,000
Way Cake Creek	30,000
Compton Creek	16,000
Shark River	118,000
New Jersey Intracoastal Waterway	1,500,000
Manasquan River	143,000
Toms River	141,000
Cold Spring Inlet	71,000
*Delaware River, Philadelphia to the sea	1,036,000
*Delaware River, Philadelphia to the sea	3,380,000
*Delaware River, Philadelphia to the sea	M. O.
Delaware River—Camden	373,000
New York:	
Great Lakes to Hudson River Waterway	1,010,000
Jamaica Bay	270,000
Jones Inlet	900,000
Northport Harbor, N. Y.	15,000
Peconic River	20,000
Lake Montauk	65,000
Orowoc Creek	15,200
Great Lakes Harbors of Refuge—Barcelona	295,500
Great Lakes Harbors of Refuge—Grand View Bay	79,400
Great Lakes Harbors of Refuge—Oak Orchard	170,700
Great Lakes Harbors of Refuge—Port Ontario	211,300
Buffalo Harbor	3,171,000
Black Rock Channel and Tonawanda Harbor	108,000
Wilson Harbor	131,000
Rochester Harbor	10,000
Sackets Harbor	121,000
Cape Vincent Harbor	59,000

	First cost to United States
North Carolina:	
*Inland Waterway from Norfolk, Va., to Beaufort Inlet, N. C	$39,000
*Chowan River, N. C., and Blackwater Creek, Va	135,000
Pembroke Creek	9,500
Pamlico Sound to Rodanthe	5,000
Pamlico Sound to Avon	16,500
Rollinson Channel	27,000
Swan Quarter Bay to Deep Bay	22,500
Neuse and Trent Rivers	11,000
Thoroughfare Bay — Cedar Bay Channel	20,000
Pamlico Sound to Beaufort Harbor	35,000
Pamlico Sound (through Core Sound) to Beaufort Harbor	7,000
Back Sound to Lookout Bight	50,000
Beaufort Harbor	54,000
Beaufort to the Cape Fear River, including Waterway to Jacksonville, N. C	24,000
Beaufort to the Cape Fear River, including Waterway to Jacksonville, N. C	9,000
Cape Fear River, at and below Wilmington	675,000
Cape Fear River, at and below Wilmington	790,000
Northeast (Cape Fear) River	73,000
*Santee and Congaree Rivers	25,000,000
Ohio:	
*Beaver-Mahoning Rivers	1,500,000
Sandusky Harbor	M. O.
Lorain Harbor	30,000
Lorain Harbor	M. O.
Cleveland Harbor	191,000
Cleveland Harbor	30,000
Ashtabula Harbor	38,000
Oregon:	
Chetco River	190,000
Coquille River	M. O.
Umpqua River and Harbor	55,000
Umpqua River and Harbor	34,000
Yaquina Bay and Harbor	162,000
Depoe Bay	214,000
Salmon River	5,000
Bayocean Peninsula	120,000
Willamette River	3,600,000
*Snake River	58,625,000
Columbia River at Bonneville	50,000
Columbia River at Arlington	39,000
*Columbia River at Umatilla Dam	49,470,000
Pennsylvania:	
*Beaver-Mahoning Rivers	1,500,000
*Delaware River, Philadelphia to the sea	1,036,000
*Delaware River, Philadelphia to the sea	3,380,000
*Delaware River, Philadelphia to the sea	M. O.
Erie Harbor	M. O.
Erie Harbor	467,000
Puerto Rico:	
San Juan Harbor	M. O.
Ponce Harbor	400,000
Fajardo Harbor	211,000
Rhode Island:	
Wickford Harbor	22,000
Great Salt Pond (Inner Harbor Block Island)	8,000
Little Narragansett Bay and Watch Hill Cove	30,000
South Carolina:	
Anchorage Basin near Myrtle Beach	11,000
Winyah Bay	1,260,000
Beresford Creek	21,000
*Santee and Congaree Rivers	25,000,000
Charleston Harbor	1,820,000
Shipyard River	246,500
Abbapoola Creek	10,800
Russell Creek	$15,500
*Savannah River, Clarks Hill Reservoir	28,000,000
Tennessee: *Waterway connecting the Tombigbee and Tennessee Rivers	66,000,000
Texas:	
Intracoastal Waterway at Barroom Bay	6,300
Intracoastal Waterway, Channel from Aransas Pass	48,000
Intracoastal Waterway to Harlingen	600,000
Sabine-Neches Waterway, Beaumont turning basin	10,000
Sabine-Neches Waterway, Port Arthur west turning basin	18,000
Sabine-Neches Waterway, Beaumont-Kirby Canal	27,000
Neches and Angelina Rivers	23,000,000
Trinity River	15,000,000
Lavon Reservoir on East Fork of Trinity River	3,733,000
Houston Ship Channel, Brady Island	21,300
Houston Ship Channel	3,675,000
Houston Ship Channel	484,000
Clear Creek and Clear Lake	30,000
Aransas Pass-Corpus Christi	830,000
Chocolate Bayou, Bastrop Bayou, and Oyster Creek	108,000
Pass Cavallo to Port Lavaca	120,000
Lavaca and Navidad Rivers	85,000
Lavaca and Navidad Rivers	348,000
Guadalupe River	8,500,000
Brazos Island Harbor	127,500
Brazos Island Harbor	635,000
Virginia:	
Waterway on the coast of Virginia	263,000
Occohannock Creek	37,000
Oyster Channel	29,000
Onancock River	No cost
Tangier Channel	10,100
Cranes Creek	7,500
Totuskey Creek	44,000
Hoskins Creek	16,000
Urbanna Creek	9,600
Whitings Creek	11,500
Broad Creek	20,500
Pamunkey Creek	10,000
Appomattox River	110,000
Hampton Creek	15,000
Cape Charles City Harbor	153,000
Norfolk Harbor	35,000
Little Creek	M. O.
James River	27,000
*Inland Waterway from Norfolk, Va. to Beaufort Inlet, N. C	39,000
*Chowan River, N. C., and Blackwater Creek, Va	135,000
Washington:	
Columbia River at Kennewick	30,000
*Snake River	58,625,000
Columbia River at Camas	45,000
Columbia River, Cowlitz River	12,000
Columbia River at Longview	81,000
Columbia River, Baker Bay	170,000
*Columbia River at Umatilla Dam	49,470,000
Bay Center Channel, Willapa Harbor	30,000
Quillayute River	M. O.
Port Angeles Harbor	10,000
Olympia Harbor	83,000
Tacoma Harbor	160,000
Stillaguamish	35,000
Lake Crockett	225,000
Wisconsin:	
Ashland Harbor	24,000
Mississippi River at Cochrane	33,000
*Menominee Harbor and River	No cost
Green Bay Harbor	$56,000
Sturgeon Bay and Lake Michigan Ship Canal	11,000
Milwaukee Harbor	110,000
Racine Harbor	—2,100
Racine Harbor	47,000

Mr. OVERTON. Mr. President, I now move that the formal reading of the bill be dispensed with, that it be read for amendment, and that committee amendments be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will proceed to state the committee amendments.

The first amendment of the Committee on Commerce was, on page 3, line 4, after the name "Congress", to insert "except that the useful work done on the project by local interests shall be accepted toward the fulfillment of the requirements of local cooperation."

Mr. OVERTON. Mr. President, before that amendment is acted upon and before other committee amendments are acted upon, let me state that there are amendments which have been prepared by the senior Senator from Wyoming [Mr. O'MAHONEY]. Those amendments are the same as certain ones which were introduced to the flood-control bill and were agreed to by the Senate. They have the same application to the river-and-harbor bill that they had to the flood-control bill. Inasmuch as the amendments affect committee amendments to the bill, and also contain certain declarations of general policy, I suggest that the Senator from Wyoming be recognized in order to propose the amendments. They are identically the same as those which were agreed to in reference to the flood-control bill.

Mr. CONNALLY. Mr. President, let me inquire whether consideration of those amendments will be had prior to consideration of the committee amendments.

Mr. OVERTON. The amendments referred to really are part of the committee amendments, because they relate to certain committee amendments; and they would obviate the necessity of acting on certain committee amendments, for the reason that they supersede them.

Mr. WHITE. Mr. President, is it contemplated that the amendments to which the Senator from Louisiana has referred may be acted upon before the committee amendments are acted upon?

Mr. OVERTON. Mr. President, they are part and parcel of the consideration of the committee amendments. They affect the committee amendments. Inasmuch as there is no controversy about them, inasmuch as they have been agreed upon after long, careful, prayerful, and thorough consideration and study, and inasmuch as they were presented before this body upon the consideration of the flood-control bill, I think it would be well to adopt them now, and then proceed to consideration of the noncontroversial items of the amendments recommended by the Committee on Commerce.

Mr. WHITE. Let me inquire about the amendments which are not noncontroversial. Is consideration of them to

await disposition of the committee amendments?

Mr. OVERTON. I think that is the better course. I have given that point considerable thought. If the Senator has any objection, I shall be willing to proceed differently. But the ones to which I have referred are committee amendments covered by the O'Mahoney amendments.

Mr. WHITE. That is what I thought.

Mr. O'MAHONEY. Mr. President, the Senator from Louisiana has been kind enough to refer to the amendments as the O'Mahoney amendments. I think the RECORD should show that I am acting only as the spokesman of a group of Senators who have participated for several months in conferences leading to the drafting of the amendments and in conferences with the very able, and, I may say, most patient Senator from Louisiana leading to the adjustment of apparent controversies.

The Senators on behalf of whom I am offering this amendment are the following:

The Senator from Vermont [Mr. AUSTIN], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from New Mexico [Mr. HATCH], the Senator from Arizona [Mr. HAYDEN], the Senator from Colorado [Mr. JOHNSON], the Senator from North Dakota [Mr. LANGER], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arizona [Mr. MCFARLAND], the Senator from Colorado [Mr. MILLIKIN], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from North Dakota [Mr. NYE], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Idaho [Mr. THOMAS] the Senator from Montana [Mr. WHEELER], and the Senator from Iowa [Mr. WILSON].

Mr. President, I wish to take this opportunity to express my appreciation to all these Senators for the effort and advice they have contributed to the accomplishment of this work, and particularly I should like to express my personal appreciation to the junior Senator from Colorado [Mr. MILLIKIN], who has labored indefatigably on this work.

Mr. DOWNEY. Mr. President, will the Senator yield to me so that I may propound a unanimous-consent request?

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Wyoming yield to the Senator from California?

Mr. O'MAHONEY. I yield.

Mr. DOWNEY. I am reluctantly compelled, on imperative duties, to attend a meeting of the Committee on Military Affairs this afternoon. In that committee we have up for consideration the confirmation of certain nominations for members of the Surplus Property Board.

The pending bill carries an amendment by the Committee on Commerce in which I am very much interested. It has to do with deleting from the bill an amendment which came over from the other House, eliminating the 160-acre limitation from the Central Valley project. I know how heavily burdened the Senator from Louisiana has been, and I dislike very much to add to his burdens. But I wonder if he can consent to a unanimous agreement that consideration of the matter may go over until Monday, so that this afternoon I may attend the meeting of the Committee on Military Affairs. I promise him that if he does give such consent, my remarks on Monday will be much more brief than my remarks today would be, because over the week end I shall make considerable progress in their preparation. In any event I shall not speak for more than 30 minutes, I assure him.

Mr. OVERTON. Mr. President, I rather regret that the request is made in the form of a unanimous-consent agreement, because other Senators wish to have certain other matters go over, and if we agree to one unanimous-consent request we will soon be met by others of a similar nature. I assure the Senator that the matter to which he has referred will not be handled this afternoon, and if he will withdraw his request that will facilitate our progress.

Mr. DOWNEY. I have every appreciation of the unfailing courtesy and cooperation of the Senator, and therefore I am glad to withdraw my request.

Mr. OVERTON. I thank the Senator.

Mr. O'MAHONEY. Mr. President, I now offer the amendment on behalf of myself and the Senators whose names I have enumerated, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

In connection with the exercise of jurisdiction over the rivers of the Nation through the construction of works of improvement, for navigation or flood control as herein authorized, it is hereby declared to be the policy of the Congress to recognize the interests and rights of the States in determining the development of the watersheds within their borders and likewise their interests and rights in water utilization and control, as heren authorized to preserve and protect to the fullest possible extent established and potential uses, for all purposes, of the waters of the Nation's rivers; to facilitate the consideration of projects on a basis of comprehensive and coordinated development; and to limit the authorization and construction of navigation works to those in which a substantial benefit to navigation will be realized therefrom and which can be operated consistently with appropriate and economic use of the waters of such rivers by other users.

In conformity with this policy:

(a) Plans, proposals, or reports of the Chief of Engineers, War Department, for any works of improvement for navigation or flood control not heretofore or herein authorized, shall be submitted to the Congress only upon compliance with the provisions of this paragraph (a). Investigations which form the basis of any such plans, proposals, or reports shall be conducted in such a manner as to give to the affected State or States, during the course of the investigations, information developed by the investigations and also opportunity for consultation regarding plans and proposals, and, to the extent deemed practicable by the Chief of Engineers, opportunity to cooperate in the investigations. If such investigations in whole or part are concerned with the use or control of waters arising west of the ninety-seventh meridian, the Chief of Engineers shall give to the Secretary of the Interior, during the course of the investigations, information developed by the investigations and also opportunity for consultation regarding plans and proposals, and to the extent deemed practicable by the Chief of Engineers, opportunity to cooperate in the investigations. The relations of the Chief of Engineers with any State under this paragraph (a) shall be with the Governor of the State or such official or agency of the State as the Governor may designate. The term "affected State or States" shall include those in which the works or any part thereof are proposed to be located; those which in whole or part are both within the drainage basin involved and situated in a State lying wholly or in part west of the ninety-eighth meridian; and such of those which are east of the ninety-eighth meridian as, in the judgment of the Chief of Engineers, will be substantially affected. Such plans, proposals, or reports and related investigations shall be made to the end, among other things, of facilitating the coordination of plans for the construction and operation of the proposed works with other plans involving the waters which would be used or controlled by such proposed works. Each report submitting any such plans or proposals to the Congress shall set out therein, among other things, the relationship between the plans for construction and operation of the proposed works and the plans, if any, submitted by the affected States and by the Secretary of the Interior. The Chief of Engineers shall transmit a copy of his proposed report to each affected State, and, in case the plans or proposals covered by the report are concerned with the use or control of waters which rise in whole or in part west of the ninety-seventh meridian, to the Secretary of the Interior. Within 90 days from the date of receipt of said proposed report, the written views and recommendations of each affected State and of the Secretary of the Interior may be submitted to the Chief of Engineers. The Secretary of War shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of affected States and of the Secretary of the Interior. The Secretary of War may prepare and make said transmittal any time following said 90-day period. The letter of transmittal and its attachments shall be printed as a House or Senate document.

(b) The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes.

(c) The Secretary of the Interior, in making investigations of and reports on works for irrigation and purposes incidental thereto shall, in relation to an affected State or States (as defined in paragraph (a) of this section), and to the Secretary of War, be subject to the same provisions regarding investigations, plans, proposals, and reports as prescribed in paragraph (a) of this section for the Chief of Engineers and the Secretary of War. In the event a submission of views and recommendations, made by an affected State or by the Secretary of War pursuant to said provisions, sets forth objections to the plans or proposals covered by the report of the Secretary of the Interior, the proposed works shall not be deemed authorized except upon approval by an act of Congress; and subsection 9 (a) of the Reclamation Project

Act of 1939 (53 Stat. 1187) and subsection 3 (a) of the act of August 11, 1939 (53 Stat. 1418), as amended, are hereby amended accordingly.

On page 21, line 25, add the following:

The general comprehensive plans set forth in House Document 475 and Senate Document 191, Seventy-eighth Congress, second session, as revised and coordinated by Senate Document 247, Seventy-eighth Congress, second session, are hereby approved and the initial stages recommended are hereby authorized and shall be prosecuted by the War Department and the Department of the Interior as speedily as may be consistent with budgetary requirements.

(b) The general comprehensive plan for flood control and other purposes in the Missouri River Basin approved by the act of June 28, 1938, as modified by subsequent acts, is hereby expanded to include the works referred to in paragraph (a) to be undertaken by the War Department; and said expanded plan shall be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers.

(c) Subject to the basin-wide findings and recommendations regarding the benefits, the allocations of costs and the repayments by water users, made in said House and Senate documents, the reclamation and power developments to be undertaken by the Secretary of the Interior under said plans, shall be governed by the Federal Reclamation Laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), except that irrigation of Indian trust and tribal lands, and repayment therefor, shall be in accordance with the laws relating to Indian lands.

(d) In addition to previous authorizations there is hereby authorized to be appropriated the sum of $200,000,000 for the partial accomplishment of the works to be undertaken under said expanded plans by the Corps of Engineers.

(e) The sum of $200,000,000 is hereby authorized to be appropriated for the partial accomplishment of the works to be undertaken under said plans by the Secretary of the Interior.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LA FOLLETTE. May I ask the Senator from Wyoming if any of these amendments, which were read rather hastily at the desk, would affect in any way, so far as developments are concerned, the present reclamation policies under this bill?

Mr. O'MAHONEY. Mr. President, the amendments were agreed to by all those who had any part at all in the consideration of the bill, including the Bureau of Reclamation and the Secretary of the Interior. The amendments originally proposed to the flood-control bill which, by action of the Senate upon the motion of the chairman of the Committee on Irrigation and Reclamation, were referred to the Committee on Irrigation and Reclamation, have not been presented. They are not included in this bill.

Mr. LA FOLLETTE. I thank the Senator.

Mr. O'MAHONEY. Mr. President, I believe it is unnecessary for me further to explain the amendments, and I ask that they be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Wyoming.

The amendments were agreed to.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ROBERTSON. I filed a statement of minority views in connection with the river and harbor bill. A large part of that statement was in connection with the amendments which have just been agreed to, and which were previously included in the flood-control bill. I ask unanimous consent to delete from my statement everything in it beginning with the words "In case of navigation projects" in the fourth paragraph on page 4, and concluding on page 13.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. O'MAHONEY. Mr. President, I desire to address an inquiry to the Senator from Louisiana [Mr. OVERTON].

Mr. OVERTON. Before the Senator does so, I should like to understand what was the unanimous-consent request of the Senator from Wyoming. I could not distinctly hear him.

Mr. ROBERTSON. My request was to delete all language in the minority views dealing with the amendments which have just been agreed to.

Mr. OVERTON. Very well.

Mr. O'MAHONEY. Mr. President, among the subjects which were under discussion and studied by the group of Senators on behalf of whom I just presented the amendments, was the problem of the Snake River in Oregon, Washington, and Idaho. The junior Senator from Idaho [Mr. THOMAS] who is unfortunately detained from the Chamber, had an amendment to that portion of the bill on page 28 which deals with the Snake River. He requested me to propose the amendment on his behalf. I desire to ask the Senator from Louisiana whether it is desirable to present the amendment now or later.

Mr. OVERTON. I think it would be more appropriate to present it later when we reach the subject of the Snake River.

Mr. O'MAHONEY. Do I correctly understand that an agreement was reached between the Senator from Idaho and the Senator from Louisiana with respect to a modification of the provision concerning the Snake River?

Mr. OVERTON. No objection will be made to the amendment. I believe the provision in the bill can be appropriately rephrased without changing its meaning.

Mr. O'MAHONEY. Mr. President, I shall defer offering the amendment until later.

The PRESIDING OFFICER. Without objection, the amendment on page 3, beginning in line 4, is agreed to.

The next amendment will be stated.

The next amendment was, on page 3, after line 19, to insert:

Boston Harbor, Mass., House Document No. 472, Seventy-eighth Congress; except that the construction of a seaplane channel at an alternate location is not authorized.

The amendment was agreed to.

The next amendment was, on page 5, line 12, after the name "Congress", to insert "except the further improvement of Quinnipiac River."

The amendment was agreed to.

The next amendment was, on page 5, after line 17, to insert:

Mianus River, Conn.; House Document No. 549; Seventy-eighth Congress.

The amendment was agreed to.

The next amendment was, on page 5, after line 21, to strike out:

Larchmont Harbor, N. Y.; House Document No. 697, Seventy-sixth Congress.

The amendment was agreed to.

The next amendment was, on page 12, after line 12, to insert:

Santee and Congaree Rivers, North Carolina and South Carolina; Senate Document No. 189, Seventy-eighth Congress; and the sum of $25,000,000 is hereby authorized to be appropriated for the initial and partial accomplishment of said project.

Mr. MAYBANK. Mr. President, I have a short amendment to the committee amendment which I send to the desk and ask the distinguished Senator in charge of the bill if he will not accept it.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 12, line 17, it is proposed to insert the following: *"Provided,* That this authorization is not to be construed as final approval for the construction of a dam at Buckingham Landing."

Mr. MAYBANK. Mr. President, I might say in this connection that the people of the section affected feel that they have not had sufficient public hearings. Of course, it is my desire to see that they have such hearings, and that the provision in the Army engineers' report should not be construed as final until hearings are held and it is found that the dam is necessary.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended, was agreed to.

The next amendment was, on page 12, after line 19, to insert:

Shipyard River, S. C.; report of the Chief of Engineers dated April 11, 1942.

The amendment was agreed to.

The next amendment was, on page 13, line 22, after the name "Congress", to insert a comma and "and in accordance with the report of the Chief of Engineers dated May 23, 1944."

The amendment was agreed to.

The next amendment was, on page 14, after line 13, to insert:

Lake Worth, Inlet, Fla.; House Document No. 530, Seventy-eighth Congress.

The amendment was agreed to.

The next amendment was, on page 15, line 11, after the name "Congress", to insert "and Senate Document Numbered 183, Seventy-eighth Congress."

The amendment was agreed to.

The next amendment was, on page 17, after line 5, to insert:

Waterway connecting the Tombigbee and Tennessee Rivers; in accordance with the recommendation of the Board of Engineers for Rivers and Harbors in the report submitted in House Document No. 269, Seventy-sixth Congress.

Mr. OVERTON. Mr. President, that is a controversial amendment. It relates to the project known as the Tombigbee project. I will ask that it be passed over temporarily.

The PRESIDING OFFICER. Without objection, the amendment will be passed over temporarily.

The clerk will state the next amendment of the committee.

The next amendment was, on page 18, after line 3, to insert:

Intracoastal Waterway in the vicinity of Algiers at New Orleans, La.; Senate Document No. 188, Seventy-eighth Congress.

The amendment was agreed to.

The next amendment was, on page 18, after line 6, to insert:

Bayous Petit Anse, Tigre and Carlin, La.; House Document No. 594, Seventy-eighth Congress.

The amendment was agreed to.

The next amendment was, on page 19, line 5, after the name "Texas", to strike out "in accordance with the report of the Chief of Engineers, dated February 10, 1944" and insert "House Document Numbered 533, Seventy-eighth Congress."

The amendment was agreed to.

The next amendment was, on page 20, after line 5, to insert:

Aransas Pass-Corpus Christi Channel, Texas; House Document No. 544, Seventy-eighth Congress.

The amendment was agreed to.

The next amendment was, at the top of page 22, to insert:

Beaver and Mahoning Rivers, Pennsylvania and Ohio; from the Ohio River to Struthers in accordance with the recommendations of the Chief of Engineers for this section of waterway, in the report submitted in House Document No. 178, Seventy-sixth Congress: *Provided*, That compliance with the conditions of local cooperation shall be limited to those features that are usable in this section of the waterway.

Mr. OVERTON. Mr. President, that is a controversial amendment, and I ask that it be passed over temporarily.

The PRESIDING OFFICER. Without objection, the amendment will be passed over temporarily.

The next amendment of the committee will be stated.

The next amendment was, on page 23, after line 15, to insert:

Saint Marys River, Michigan; the construction of a new hydroelectric power plant in accordance with the plan recommended in House Document No. 339, Seventy-seventh Congress: *Provided*, That only the first step of the recommended development, involving an installation of approximately fourteen thousand kilowatts at an estimated cost of $3,500,000, shall be constructed at this time, and no further development in addition to said first step shall be undertaken until hereafter authorized by law: *Provided further*, That the existing United States hydroelectric power plant at Sault Sainte Marie shall be abandoned upon completion of the new plant: *And provided further*, That the electric energy generated in the operation of said new plant shall be sold by the Secretary of War, and any surplus water available to the United States which is not required for the operation of facilities owned by the United States may be leased by the Secretary of War upon such terms and conditions as he shall determine: And *provided further*, That pending construction of the new United States plant he may also enter into such arrangements for continued operation of the existing Government plant and the use of water as he may deem advisable in the public interest.

The amendment was agreed to.

The next amendment was, on page 28, line 11, after the word "numbered", to strike out "1, 4, 7, and 10" and insert "1 to 10, inclusive"; and in line 17, after the word "concerned", to insert a colon and the following provisos: "*Provided*, That surplus electric energy generated at the dams authorized in this item shall be delivered to the Secretary of the Interior for disposition in accordance with existing laws relating to the disposition of power at Bonneville Dam: *Provided further*, That nothing in this paragraph shall be construed as conferring the power of condemnation of transmission lines."

Mr. OVERTON. Mr. President, in reference to this amendment, which has to do with the Snake River, I suggest to the Senator from Wyoming that it is the one to which I think he desires to offer amendment for the Senator from Idaho [Mr. THOMAS]. I think the amendment of the Senator from Idaho takes in the first part of the committee amendment.

Mr. O'MAHONEY. I think it does. Mr. President, on behalf of the Senators from Idaho [Mr. THOMAS and Mr. CLARK], I send forward amendments to this provision and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 28, line 11, after the word "of", it is proposed to insert the word "such."

On page 28, line 11, to delete the words "numbered 1 to 10, inclusive", and insert in lieu thereof "as are necessary."

On page 28, line 12, after the word "of", to insert the words "providing slack water."

On page 28, line 15, after the word "modifications", to insert "as do not change the requirement to provide slack-water navigation."

Mr. OVERTON. Mr. President, there is no objection to the amendments offered by the Senator from Wyoming on behalf of the Senators from Idaho.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The clerk will state the next committee amendment.

The next amendment was, on page 29, line 2, after the word "the", to strike out "State" and insert "States"; and in the same line, after the name "Oregon", to insert "and Washington."

The amendment was agreed to.

The next amendment was, on page 29, line 21, after the name "Congress", to insert a colon and the following provisos: "*Provided*, That surplus electric energy generated at said dam shall be delivered to the Secretary of the Interior for disposition in accordance with existing laws relating to the disposition of power at Bonneville Dam: *Provided further*, That nothing in this paragraph shall be construed as conferring the power of condemnation of transmission lines."

The amendment was agreed to.

The next amendment was, on page 30, after line 16, to insert: "The aforesaid dam heretofore referred to as the Umatilla Dam shall when completed be named the McNary Dam in honor of the late Senator Charles L. McNary, and shall be dedicated to his memory as a monument to his distinguished public service."

The amendment was agreed to.

The next amendment was, on page 32, after line 4, to insert:

Sitka Harbor, Alaska; in accordance with the report of the Chief of Engineers dated March 14, 1944.

The amendment was agreed to.

The next amendment was, on page 32, after line 22, to insert:

San Juan Harbor, P. R.; maintenance of existing entrance channel and turning basin to Army terminal.

The amendment was agreed to.

The next amendment was, on page 35, after line 23, to strike out:

Sec. 4. The excess-land provisions of the Federal reclamation laws shall not be applicable to lands which will receive a water supply from the Central Valley project, California, reauthorized by section 2 of the River and Harbor Act approved August 26, 1937.

Mr. OVERTON. Mr. President, I offer a substitute for section 4 as reported by the Senate committee.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be stated.

The CHIEF CLERK. On page 36, in lieu of section 4 as recommended by the committee, it is proposed to insert the following:

SEC. 4. Hereafter, whenever the Secretary of War determines, upon recommendation by the Secretary of the Interior that any dam and reservoir project operated under the direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and after subsequent specific authorization of the Congress by an authorization act; and, within the limits of the water users' repayment ability such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing. This section shall not apply to any dam or reservoir heretofore constructed in whole or in part by the Army engineers, which provides conservation storage of water for irrigation.

Mr. HATCH. Mr. President, may we have an explanation of the substitute amendment; what change it makes and otherwise what is proposed by the amendment.

Mr. OVERTON. Mr. President, this is very similar to the amendment which was agreed upon in consideration of the flood-control bill and which is now in the flood-control bill as it passed the Senate. There is one, I think, very important exception provided for in this amendment, and that is that hereafter projects for reclamation and irrigation must be authorized by Congress with respect to the dams which have been constructed by the Army engineers.

Mr. HATCH. Mr. President, if the Senator will yield, does that make any material change in existing law?

Mr. OVERTON. The change is this: Whenever the War Department desires to construct any public works in connection with rivers and harbors and flood control, it must obtain authority from the Congress to do so after making a recommendation and after consideration by the committees of Congress. But, under existing law, with respect to projects which the Department of the Interior desires to have constructed in connection with the disposition of surplus water from projects which have been constructed by the Army engineers, the Secretary may, without going to Congress, authorize such a project upon his finding that such a project is economically justified and is feasible. It was the opinion of the committee that the Secretary of the Interior should not undertake such a work without getting the authorization of the Congress.

Mr. HATCH. Mr. President, right at the moment I do not know just what the effect of the proposed change would be. I do know that this does make a material change in existing law as it relates to irrigation and reclamation projects, and to general law. I wondered why in a rivers and harbors bill there should be an attempt to change general legislation.

Mr. OVERTON. The amendment relates, not to irrigation projects generally, but only to reservoirs and dams which have been constructed by the War Department under the supervision of the Secretary of War and the Chief of Engineers. Surplus waters from those dams are to be utilized by the Secretary of the Interior under projects which will be authorized by the Congress.

Mr. HATCH. But the Senator says it does change existing law.

Mr. OVERTON. No; it does not change general irrigation and reclamation law.

Mr. HATCH. Then why is it put in this bill?

Mr. OVERTON. It does not change any existing law except as the same may possibly relate to projects which are river and harbor projects, or are flood-control projects, such as were authorized in the flood-control bill. It is my understanding that this meets with the approval of the Secretary of the Interior. In fact, he recommended it. The irrigation amendment submitted by the Secretary of the Interior was finally modified in the particular I have just mentioned and agreed to by the Senate Commerce Committee, and likewise the power amendment that was recommended by the Senate Committee on Commerce met with the approval of the Department of the Interior.

Mr. HATCH. I do not desire particularly to object to this amendment, except as to the manner of legislation. We do have here a bill which has been before us for some time, containing a specific committee amendment, to which I think everyone was agreeable. Now a substitute is offered, and we have not had a chance to study it; but if the Senator assures me that this matter has been considered and has been studied by the Reclamation Service and they are agreeable to it, of course, I shall not interpose an objection.

Mr. OVERTON. That is my understanding, Mr. President.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER (Mr. WHERRY in the chair). Does the Senator from Louisiana yield to the Senator from Wyoming?

Mr. OVERTON. I am glad to yield.

Mr. O'MAHONEY. I have not seen the text of the amendment until this morning, but as I read it, it seems to me to be susceptible of this explanation: An effort has been made, in the consideration of the pending bill, to harmonize the operations of the Bureau of Reclamation and the Army engineers. It has been found that in the construction of flood-control works, heretofore and now exclusively under the control of the Army engineers, it is feasible to effect storage of water which may be used for irrigation and reclamation. With respect to all such projects in the future, under this language, if it means what it seems to me to mean, water determined by the Secretary of the Interior in a flood-control project to be susceptible of use for irrigation and reclamation must be distributed by the Secretary of the Interior under the reclamation law.

Mr. LA FOLLETTE. Will the Senator from Wyoming yield?

Mr. O'MAHONEY. Certainly.

Mr. LA FOLLETTE. In what respect does the substitute for section 4 now offered differ from the amendment offered by the committee?

Mr. O'MAHONEY. I shall have to look at the bill.

Mr. HATCH. I think it differs in this respect—and I wish the senior Senator from Louisiana would correct me if I am incorrect—that under the committee amendment as it now stands, and under existing law as it now is, if there are surplus waters which may be used for irrigation purposes, the Secretary of the Interior may make a finding that it is feasible to use those waters for irrigation purposes, and upon the Secretary making such finding, the construction of a supplemental project, such as a distribution system, may be carried on by the Secretary of the Interior through the Reclamation Service without authorization by Congress. But as I have gathered the import of the substitute which is offered, before that can be done under the substitute, Congress itself must specifically authorize the construction of the distribution system to use the waters for irrigation purposes. Am I correct in that, or not?

Mr. OVERTON. That is correct. There is another difference between the original and the substitute committee amendment, and that is in the provision with reference to the allocation of costs. It is provided that—

> Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and after subsequent specific authorization by Congress by an authorization act.

That is one matter which the Senator just discussed. The other is contained in the provision:

> And within the limits of the water users' repayment ability such report may be predicated on the allocation to irrigation of an appropriate portion of cost of structures and facilities used for irrigation and other purposes.

But these modifications meet, I think, the approval of the Secretary of the Interior and, with the exception of specific authorization by Congress of a project, were by him recommended.

Mr. LA FOLLETTE. Mr. President, I should like to ask the Senator from Louisiana, in view of the fact that this amendment is not printed, if he would not be willing to let the matter go over until Monday.

Mr. OVERTON. I shall be very happy to do so.

Mr. LA FOLLETTE. The junior Senator from California, as I understand, intends to raise a question about the committee's action in striking out the House text of section 4, and this matter is somewhat involved in the same issue, as I see it, and I should like to have it go over.

Mr. OVERTON. The main reason for substituting the amendment which I sent forward as a substitute for the first committee amendment is to make it conform to the amendment adopted by the Senate in the flood-control bill. The substitute amendment which we now have under consideration is verbatim what was adopted by the Senate in the flood-control bill.

Mr. LA FOLLETTE. If the Senator is willing, I should like to have it go over, and have an opportunity to study it over the week end.

Mr. OVERTON. I should be very happy to have it go over.

Mr. LA FOLLETTE. Has the amendment been read, so that it will appear in the RECORD?

Mr. OVERTON. A parliamentary inquiry. Has the amendment been read in full?

The PRESIDING OFFICER. The amendment has been read.

Mr. LA FOLLETTE. I thank the Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Louisiana [Mr. OVERTON].

Mr. O'MAHONEY obtained the floor.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. OVERTON. As I understand, under the unanimous consent request preferred by the Senator from Wisconsin, the substitute amendment and the committee amendment go over until next Monday.

The PRESIDING OFFICER. Without objection, the committee amendment and the substitute offered will go over.

Mr. O'MAHONEY. Mr. President, in order that the RECORD may be perfectly clear, I ask unanimous consent that the committee amendment to section 4, as reported by the committee, and the substitute which is now offered by the committee for the committee amendment, be both printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Without objection, it is so ordered. Let the Chair state that there seems to be some misunderstanding at the desk. It is the understanding of the present occupant of the chair that the committee amendment to section 4, beginning on page 35, line 24, and the committee amendment on page 36, after line 3, and the committee substitute therefor, are to be passed over.

Mr. OVERTON. Insofar as they relate to section 4 only, but not as to section 5.

The PRESIDING OFFICER. It is the understanding of the present occupant of the Chair that the committee's proposal to strike out section 4 of the House text beginning on page 35, line 24, and going over to line 3, on page 36, is also to be passed over.

Mr. O'MAHONEY. Yes; that is the understanding, Mr. President. What happened was that the Committee on Commerce struck out certain language which appeared in the House bill as section 4, and inserted a new section 4. Now for the section 4 as originally reported by the committee, the Senator from Louisiana has presented other and different language. So it is the original section 4 reported by the committee, and a substitute which is now offered from the floor by the Senator from Louisiana, which ought to appear in the RECORD.

The PRESIDING OFFICER. Without objection, in conformity with the statement made by the Senator from Wyoming, the committee amendment beginning on page 35, line 24, and ending in line 3, on page 36, the committee amendment, section 4, beginning in line 4, page 36, and ending in line 23 of the same page, and the substitute amendment offered by the Senator from Louisiana [Mr. OVERTON] in lieu of that language will be passed over, and they will be printed in the RECORD.

Mr. OVERTON. As I understand, what is being passed over is on page 35, beginning with line 24, and continuing down to line 23, on page 36.

The PRESIDING OFFICER. Yes, as well as the substitute for the original committee amendment. Without objection, it is so ordered. The matter ordered to be printed in the RECORD is as follows:

From line 24, page 35, to line 3, page 36, proposed by the committee, to be stricken out:

"SEC. 4. The excess-land provisions of the Federal reclamation laws shall not be applicable to lands which will receive a water supply from the Central Valley project, California, reauthorized by section 2 of the River and Harbor Act approved August 26, 1937."

From line 4 to line 23, page 36—original committee amendment:

"SEC. 4. In connection with dams or works authorized by this act which the Secretary of War determines, upon the recommendation of the Secretary of the Interior, may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and upon the authorization by the Congress; and, within the limits of the water users' repayment ability, such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and works authorized by this act may be utilized for irrigation purposes only in conformity with the provisions of said Federal reclamation laws and this paragraph."

On page 36, in lieu of section 4 as recommended in the committee report, insert:

"SEC. 4. Hereafter, whenever the Secretary of War determines, upon recommendation by the Secretary of the Interior that any dam and reservoir project operated under the direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and after subsequent specific authorization of the Congress by an authorization act; and, within the limits of the water users' repayment ability such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing. This section shall not apply to any dam or reservoir heretofore constructed in whole or in part by the Army engineers, which provides conservation storage of water for irrigation."

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 36, after line 23, to insert:

SEC. 5. The Chief of Engineers may authorize the employment of physicians under agreement, to make such physical examinations of employees or prospective employees as he may consider essential, on a fee or regular employment basis without regard to civil-service requirements, and all agreements heretofore entered into for such purposes are hereby validated and the Comptroller General is authorized and directed to allow credit in the accounts of disbursing officers for reasonable payments heretofore made for such services.

The amendment was agreed to.

The next amendment was, on page 37, after line 8, to insert:

SEC. 6. Electric power and energy generated at projects authorized by this act and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Preference in the sale of such power and energy shall be given to public bodies and cooperatives: *Provided*, That the Secretary of the Interior is not authorized to construct or acquire transmission lines in competition, direct or indirect, with any existing company operating transmission lines for the sale of electric power; except as otherwise authorized by other sections of this act relating to Umatilla Dam and the Snake River project.

Mr. OVERTON. Mr. President, I offer a substitute for the amendatory language contained in section 6 on page 37.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 37, in lieu of section 6 as proposed in the committee report, it is proposed to insert:

SEC. 6. Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Mr. OVERTON. Mr. President, in explanation of the substitute amendment, I wish to state that this substitute amendment is in exact conformity with the power amendment originally recommended by the Senate Committee on Commerce. Subsequently the Senate committee recommended a modification of that amendment, which was presented by the senior Senator from North Carolina [Mr. BAILEY] to the flood-control bill. After considerable discussion the Bailey amendment was defeated. Thereupon I offered the original recommendation of the Senate Committee on Commerce dealing with the distribution of power. When the committee recommended this provision, which has just now been read as a substitute amendment to the flood-control bill, the committee authorized me to offer it as a substitute amendment to the river and harbor bill. This section was thoroughly discussed, thoroughly aired, and thor-

oughly understood, I think, by all Senators when we considered the flood-control bill, and it was unanimously adopted.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. OVERTON. I yield.

Mr. O'MAHONEY. Does the amendment which the Senator has now offered accord in all respects with the action of the Senate on the flood-control bill with respect to the distribution of power?

Mr. OVERTON. It does. And it is word for word in line with the Senate amendment to the flood-control bill.

Mr. O'MAHONEY. So that the rejection of the Bailey amendment by the Senate when the flood-control bill was under consideration eventuated in the adoption of this language on the flood-control bill which the Senator is now offering to the river and harbor bill?

Mr. OVERTON. That is correct.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. AIKEN. It seems to me that this matter is important enough so it ought to be printed with the other amendments before we act upon it. It sounds satisfactory, as it was read, but at the same time I think a matter of this importance ought to be printed and placed before the Members of the Senate before we act upon it. I wonder if the Senator would be willing to let it go over with the other amendment?

Mr. OVERTON. I shall be very happy to do so if the Senator insists upon it, but I wish to call attention to the fact that that amendment was debated on the floor of the Senate when considering the flood-control bill longer possibly than any other amendment, and it was adopted. The Senate has acted on this amendment word for word in the flood-control bill. The sole purpose of the amendment is to make the provision in both bills the same, so that the provision in the river and harbor bill will conform to the provision in the flood-control bill. Of course, if there is anything wrong about it, I shall be very glad to have the vote by which it was agreed to reconsidered on the Senator's motion.

Mr. AIKEN. I do not expect there is anything wrong about the substitute which the Senator is offering. However, the original provision incorporated in the bill seems to me to be at least partially the Bailey amendment, in that it might be interpreted so as to prevent the building of transmission lines to deliver the power. I understand the Senator's amendment is intended to correct that possibility of its being wrongfully interpreted. But at the same time I wonder if the Senator would not be willing to let it go over until Monday.

Mr. OVERTON. This is the amendment, word for word, which was recommended to the committee by the Director of the Irrigation Division under the Secretary of the Interior. Presumably he would not have made the recommendation if it had not had the approval of the Secretary of the Interior. It is not objected to by any agency of the Government, and, as I have stated, was thoroughly considered here and debated on the floor of the Senate and agreed to. This is only a reproduction of the same amendment.

Mr. AIKEN. I wonder if we may have the amendment read again?

Mr. OVERTON. I will give the Senator a copy of it.

Mr. AIKEN. I should like to read it.

Mr. HILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HILL. As I understand, the language of this amendment is identical with that which the Senate wrote into the flood-control bill with reference to the matter of preference to States, counties, municipalities, and so forth, and with reference to the construction of transmission lines.

Mr. OVERTON. It is identical, word for word. The amendment undertakes to encourage the widest distribution of power. It gives preference to cooperatives and other public bodies in the disposition of power generated at any dams authorized in the bill. Furthermore, it limits the authority of the Secretary of the Interior to construct and acquire transmission lines and related facilities to those which may be necessary in order to make the power and energy developed at such projects available in wholesale quantities only—not at retail—for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Mr. AIKEN. In case there were private utility lines at or near the dam, would not this amendment be construed as making it unnecessary for the Secretary of the Interior to construct or acquire transmission lines in order to distribute the power?

Mr. OVERTON. He would sell to private power companies at wholesale; and the limitation on the construction of transmission lines is that they may be constructed only for disposition at wholesale. So if there are 20 private power company lines within 20 feet of a dam, he can build the necessary transmission lines to connect with all the private power company lines.

I am perfectly willing to let the amendment go over.

Mr. AIKEN. I wish the Senator would do so. I still think I shall have no objection to it.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. O'MAHONEY. I find that in presenting the amendment agreed upon at the outset today, I neglected, in the amendment which I sent to the desk, to ask that on page 21, the proviso beginning in line 22 be eliminated. The Senator will recall that this proviso deals with the subject matter of the entire conference with respect to prior rights, so that language is not necessary, and I ask unanimous consent that the proviso on page 1, beginning in line 22, and extending through line 25, be eliminated.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming that the proviso beginning in line 22 on page 21, and ending in line 25, be stricken out? The Chair hears none, and it is so ordered.

The clerk will state the next committee amendment.

The next amendment was, on page 39, after line 7, to insert:

Boothbay Harbor, Maine, particularly the Mill Cove Area.

The amendment was agreed to.

The next amendment was, on page 39, after line 18, to insert:

Mystic River, Mass.

The amendment was agreed to.

The next amendment was, on page 40, after line 18, to insert:

Hudson River, N. Y., from Albany to New York City.

The amendment was agreed to.

The next amendment was, on page 42, after line 10, to insert:

Deep Creek, Md.

The amendment was agreed to.

The next amendment was, on page 43, after line 11, to insert:

Nanticoke River, Bivalve, Wicomico County, Md., with a view to providing a harbor for small boats.

The amendment was agreed to.

The next amendment was, on page 45, after line 5, to insert:

Lynnhaven Inlet and Bay and connecting waters, Virginia, with a view to preparing a plan of improvement and estimate of cost, particularly to prevent shoaling, in the interest of shellfish production and navigation.

The amendment was agreed to.

The next amendment was, on page 45, after line 18, to insert:

Cooper River, S. C., from Charleston Harbor to the Pinopolis Power Plant.

The amendment was agreed to.

The next amendment was, on page 50, after line 12, to insert:

Barge channel in vicinity of Baton Rouge, La., extending from the Mississippi River through Devils Swamp or along its eastern edge.

The amendment was agreed to.

The next amendment was, on page 51, after line 12, to insert:

Galveston Bay and contiguous waters, Texas, with a view to providing a seaplane channel.

The amendment was agreed to.

The next amendment was, on page 51, line 19, after the name "Sabine River", to strike out "Texas" and insert "and tributaries, Texas, in the interest of navigation, flood control, and other water uses."

Mr. OVERTON. Mr. President, the remaining amendments are preliminary survey amendments. I ask unanimous consent that they be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana that the remaining committee amendments in the bill be agreed to en bloc?

Mr. OVERTON. They are preliminary examination and survey items, and they have all been sponsored by Senators from the States in which they are located.

Mr. WHITE. Mr. President, it is somewhat unusual, I take it, to ask that

amendments in a bill be agreed to en bloc. I do not know that it is wholly without precedent; but if there is a precedent, it is not a good one.

Mr. OVERTON. I withdraw the request.

The PRESIDING OFFICER. The request is withdrawn. The clerk will state the next committee amendment.

The next amendment was, on page 51, line 21, after the name "Neches River", to strike out "Texas" and insert "and tributaries, Texas, in the interest of navigation, flood control, and other water uses."

The amendment was agreed to.

The next amendment was, on page 53, line 9, after the word "to", to strike out "Warren, Pennsylvania" and insert "Olean, New York."

The amendment was agreed to.

The next amendment was, on page 55, after line 10, to insert:

Humboldt Bay, Calif.

The amendment was agreed to.

The next amendment was, on page 55, after line 11, to insert:

Bays, inlets, and rivers along the coast of Oregon with a view to providing an adequate number of deep-draft harbors.

The amendment was agreed to.

The next amendment was, on page 55, after line 18, to insert:

Coos Bay, Oreg.

The amendment was agreed to.

The next amendment was, on page 55, after line 20, to insert:

Tillamook Bay and Bar, Oreg.

The amendment was agreed to.

The next amendment was, on page 56, after line 4, to insert:

Grays Harbor, Wash., with a view to providing a deep-sea fishing base at Hoquiam.

The amendment was agreed to.

The next amendment was, on page 57, after line 1, to insert:

Arecibo Harbor, P. R., with a view to determining whether modifications in the authorized project would be desirable.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments with the exception of those passed over.

Mr. OVERTON. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is a survey item.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. On page 51, line 10, after the word "drainage", it is proposed to strike out the period, add a comma, and insert "and for the prevention of stream pollution and salt-water intrusion."

The amendment was agreed to.

Mr. OVERTON. Mr. President, I offer another amendment which I send to the desk and ask to have stated. This is also a preliminary survey item.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. On page 50, between lines 23 and 24, it is proposed to insert the following:

For flood control, irrigation, navigation, and drainage, and for the prevention of stream pollution and salt water intrusion, on all streams and bayous in southwest Louisiana, west of the Atchafalaya Basin protection levee, and south of the latitude of Boyce; on all streams and bayous in Louisiana lying between the east Atchafalaya Basin protection levee and the Mississippi River; and on Amite and Tangipahoa Rivers and tributaries, Louisiana.

The amendment was agreed to.

Mr. OVERTON. Mr. President, I offer another amendment which I send to the desk and ask to have stated. This is also a preliminary examination and survey item.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. On page 51, it is proposed to strike out lines 4, 5, and 6, and insert the following in lieu thereof:

Bayou LaFourche, La., from Donaldsonville to the intracoastal waterway, via Bayou Bouef, Assumption Parish, or other streams, in the interest of navigation, flood control, beneficial uses of water, malarial control, prevention of stream pollution, and of the location of locks at the head of said bayou at or near Donaldsonville, La.

The amendment was agreed to.

Mr. OVERTON. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. On page 56, it is proposed to strike out line 25, reading, "Aguadillo Harbor, Puerto Rico."

The amendment was agreed to.

Mr. OVERTON. Mr. President, I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. On page 57, after line 4, it is proposed to insert the following:

Christiansted Harbor, St. Croix V. I., with a view to improvement for navigation.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I offer an amendment which I send to the desk and ask to have stated. It is noncontroversial.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas will be stated.

The CHIEF CLERK. On page 48, between lines 13 and 14, it is proposed to insert the following:

Louisiana and Texas Intracoastal Waterway; Senate Document Numbered 248, Seventy-eighth Congress.

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas will be stated.

The CHIEF CLERK. On page 52, after line 7, it is proposed to insert "Double Bayou, Tex."

The amendment was agreed to.

Mr. BURTON. Mr. President, I offer and send to the desk a noncontroversial amendment relating to the Scioto River, at Portsmouth, Ohio.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the bottom of page 21, it is proposed to insert the following:

Scioto River, at Portsmouth, Ohio; such works as the Chief of Engineers may find advisable to provide a harbor channel equivalent to that existing prior to initiation of the Portsmouth flood-control project; the cost of such works in no event to exceed $75,000.

The amendment was agreed to.

Mr. WILEY. Mr. President, I offer a noncontroversial amendment relating to Kenosha Harbor, Wis. I send it to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 53, between lines 20 and 21, it is proposed to insert "Kenosha Harbor, Wis."

The amendment was agreed to.

Mr. BAILEY. Mr. President, on behalf of the senior Senator from Florida [Mr. ANDREWS], I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 48, between lines 10 and 11, it is proposed to insert the following:

Channel leading from Tampa Bay channel directly north to the vicinity of Mullet Key and with a view to providing a protected harbor and turning basin.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further noncontroversial amendments.

Mr. BILBO. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 50, between lines 5 and 6, it is proposed to insert the following:

Channel 40 feet deep, to serve as a deep-water outlet to the Gulf of Mexico from the harbors of Mobile, Ala., and Pascagoula, Biloxi, and Gulfport, Miss.

Mr. OVERTON. Mr. President, let me inquire whether that is for a survey.

Mr. BILBO. Yes.

Mr. OVERTON. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. OVERTON. Mr. President, I think that completes all the noncontroversial amendments.

The first controversial amendment is that relating to the Tennessee-Tombigbee project.

The PRESIDING OFFICER. The first amendment previously passed over will be stated.

The CHIEF CLERK. On page 17, after line 5, it is proposed to insert:

Waterway connecting the Tombigbee and Tennessee Rivers; in accordance with the recommendation of the Board of Engineers for Rivers and Harbors in the report submitted in House Document No. 269, Seventy-sixth Congress.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. OVERTON. I yield.

Mr. ROBERTSON. I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The CHIEF CLERK. On page 2, in line 16, it is proposed to strike out the period and to insert the following: *"And provided further,* That no inland-waterway project, the necessity or justification for which depends in whole or in part upon the purposes of navigation and transportation, shall be authorized until the Interstate Commerce Commission, after public hearing, shall have submitted a report to the Congress concerning the public convenience and necessity for the navigation and transportation features of the project."

Mr. OVERTON. Mr. President, such an amendment, if offered, would be a very controversial amendment. We are now considering committee amendments. I think the amendment now before the Senate is the committee amendment which was read a moment ago.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be printed and will lie on the table.

Mr. VANDENBERG. Mr. President, am I to understand that the amendment beginning in line 6, on page 17, is now pending?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. VANDENBERG. Mr. President, the amendment with which we now deal is no minor matter. We are now discussing $75,000,000. That is still a sizable amount of money, in spite of the magnified mathematics with which we are entirely surrounded in government these days. I submit that there is no warrant for any such present commitment on the basis of the record or on the basis of the physical facts involved. I wish to present the basis for this statement to the Senate, so that it may, from my viewpoint, intelligently assess its responsibilities in this connection.

The first thing I wish to point out, Mr. President, is that this project is precisely the same one, based on precisely the same Government reports, which last appeared before the Senate on April 24, 1940. It is to be remembered that it is precisely the same project, based on precisely the same engineering reports and recommendations.

When it was last submitted to the Senate, on April 24, 1940, it was defeated on a yea-and-nay vote by a vote of 56 to 17. I know of nothing which would perhaps be more helpful in reminding Senators of what is involved in this situation than for me to indicate the names of the Senators whose judgment at that time recommended against the so-called Tombigbee project. The following were the Senators who, the last time the project was submitted, said it was not justified, and reached that conclusion on the basis of precisely the same engineering reports which are presented today as the basis for the improvement: The late Senator Adams of Colorado, for whose judgment we all have as great respect as we have affection for his memory; Senator Austin; Senator Bailey, the chairman of the Commerce Committee; Senator Barbour; Senator Bridges; Senator Brown; Senator Bulow; Senator Burke; Senator Byrd; Senator Byrnes, the present Assistant President of the United States; Senator Capper; Senator Chandler; Senator Chavez; Senator Clark of Idaho; Senators Clark of Missouri, Danaher, Donahey, Ellender, Frazier, George, Gerry, Glass, Green, Gurney, Hale, Hatch, Johnson of California, Johnson of Colorado, King, La Follette, Lodge, Lucas, Lundeen, McKellar, Maloney, Mead, Minton, Neely, Nye, O'Mahoney, Reed, Russell, Schwellenbach, Shipstead, Slattery, Smathers, Smith, Stewart, Taft, Thomas of Idaho, Townsend, Vice President-elect Truman, Vandenberg, Van Nuys, White, and Wiley.

Mr. President, I repeat that the vote was 56 nays to 17 yeas, upon precisely the same project as the one which now presents itself, so far as the underlying justification on the basis of engineering reports is concerned. It was a bipartisan vote, with 20 Republicans and 36 Democrats voting in the negative.

Mr. President, I do not intend to labor this subject, but I wish to present to the Senate again, in very compact fashion, the reason why the Senate was opposed before, the reason why the House refused to put this particular project in this particular bill, by a yea-and-nay vote of 195 to 157, and why I am constrained, in my sense of responsibility to the taxpayers of the United States, to oppose its adoption by the Senate now.

The Tombigbee project is a waterway substantially paralleling the Mississippi River. It involves 41 miles of canal, 18 locks, 8 dams, and 200 miles of river drainage and channel from Pickwick Landing, Tenn., to Demopolis, Ala. Over-all it is a 260-mile project which, with interest during construction added, will cost approximately $75,000,000, with a perpetual annual carrying charge of $500,000.

It is officially before us on the basis of an old report—House Document No. 269, Seventy-sixth Congress, 1939—which has never been brought down to date. Subsequent factors, both pro and con, clearly and indisputably make this old report unreliable and wholly inadequate as a basis for congressional action.

I repeat that I concede that the old report is inadequate. I concede that conditions have changed. They have changed pro, and they have changed con in respect to the project. But since it is the habit and practice of Congress to base these authorizations upon conclusive reports from the Chief of Engineers in the War Department, since there is available to us no up-to-date report covering those changed physical conditions, and since this project is not to be undertaken except in the post-war years, I submit that the logical thing to do is to ask for a new report, if the proponents of this project are confident of its justification, instead of seeking a Senate commitment on the basis of an old report which, I shall again clearly indicate, makes an affirmative vote ridiculous.

Mr. President, how did this project get here? First, there were historically four adverse reports on it by the Board of Rivers and Harbors Engineers—1913, 1923, 1932, and 1935. In other words, it is a hardy perennial. A favorable report of the Board was obtained in 1939. But, Mr. President, the favorable report was with such obviously reluctant comment on the part of the engineers that in effect it damned the project with faint praise, as I believe I can demonstrate.

In any event, on the basis of this tentatively favorable report, the project came to the floor of the Senate, I repeat, on April 24, 1940, and was rejected by a vote of 56 to 17, which is a rather conclusive verdict from this same jury on this same subject.

The project arises again this year in the form of an amendment inserted in the bill by the Senate Commerce Committee as a result of a closely divided vote, after the House of Representatives had rejected it, I repeat, by a roll call vote of 195 to 157. I believe that any of us who have had any experience with House-Senate conferences upon bills of this nature will subscribe to the validity of my statement that when we insert in a House bill an amendment which the House has disapproved on a roll-call vote, there is no chance on earth of the House conferees surrendering to the Senate position. So, among other things we are engaging in a futility which, in my judgment based on the facts involved, is not to our credit.

Mr. President, this is not an ordinary river and harbor decision which the Senate must now make. It is totally different from anything we have ever confronted in connection with the approval of a river and harbor project.

Usually, Senators can turn to a report of the Chief of Engineers and comfortably rely upon his affirmative findings. What is the situation in connection with the Tombigbee project? General Schley, Chief of Engineers at the time this report was made, obviously had many misgivings in reporting the equivocal attitude of his Board, as Senators will see if they will read the House document upon which the project tenuously rests. After frankly questioning some of the calculations made by his own engineers as they strained for proofs of economic justification which they could not find in fact, General Schley said:

> All these intangibles or indirect benefits must be considered in addition to the direct savings in transportation costs in order that this project will show a substantial excess of benefits over costs. They—

Referring to the intangible or indirect benefits which had to be trumped up in order to create an affirmative basis for even a pretense of engineering approval—

> are difficult to evaluate, and appear to me to be questions falling within the realm of statesmanship, to which the Congress can best assign the proper values.

In this lonesome instance, which I believe to be the only instance of its kind

during the entire history of river and harbor legislation, the Senate cannot rely upon the Chief of Engineers. In the language of the street, he "passes the buck" to Congress. Instead of asserting, as is otherwise the uniform rule, that the project is justifiable on the basis of provable economic benefits, he frankly notifies us and warns us that in order to create an economic justification his engineers had to consult factors which are none of the engineers' business, but which lie within the jurisdiction of legislative judgment in the Congress.

Therefore, Mr. President, in this one instance, and in this one instance alone, so far as I have any knowledge, we are on notice that the decision to be made is to be made by us, and that we are not entitled to rely upon the recommendation of the Chief of Engineers.

In one of his typical efforts to be fair the distinguished chairman of the Commerce Committee [Mr. BAILEY] asked the present Chief of Engineers whether he could send to Congress a more definitive down-to-date report in respect to the Tombigbee project. Senators will find Major General Reybold's reply to Senator BAILEY at page 506 of the hearings. The present Chief of Engineers does not feel justified in making a statement, as I indicate by quoting his language. General Reybold said:

> You are informed that, in the absence of a full review and reconsideration of this proposed project, I do not feel justified in making a statement supplementing the report in House Document No. 269, Seventy-sixth Congress.

In other words, the Chief of Engineers, upon whom it is the habit of the Congress to rely for its authority in justifying these enormous river and harbor expenditures, says to us that there is not available at the present time, and that there cannot be without another survey, adequate information upon which to base an intelligent and authentic verdict. Yet, the Senate is asked by the Commerce Committee through the adoption of this amendment to express a judgment in respect to it. The Senate is asked to commit $75,000,000 of the taxpayers' money to this enterprise even though the most highly responsible officer of the Government in connection with these affairs says that it is impossible to make an intelligent or justified judgment at the present time. That, Mr. President, is why I submit that, since this project is not intended to be pursued except in connection with a post-war prospectus, there is ample time in this bill to order a new survey and new report instead of attempting to commit the Senate in advance of the official information which the Chief of Engineers says he is unprepared to give us at the present time.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. AIKEN. The Senator has several times mentioned the sum of $75,000,000. I suppose that that is the amount set forth in House Document 269, which I do not happen to have before me.

Mr. VANDENBERG. That is correct.

Mr. AIKEN. Will the Senator tell us whether $75,000,000 is the total amount which is to be required to complete the entire project, or whether it is the amount necessary to inaugurate and partly complete the project?

Mr. VANDENBERG. It is my understanding that it is the amount sufficient to complete the entire project as based upon prices in 1939.

Mr. AIKEN. I thank the Senator.

Mr. VANDENBERG. Now to resume the thread of the rather brief argument which I wish to make.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. OVERTON. I think the cost of the actual construction of the project is $66,000,000.

Mr. VANDENBERG. That is without including interest on the investment during construction, which always has been included as a legitimate item. So there are no hairs to be split at that point.

I was saying that the Chief of Engineers, even though he submitted a tenuously favorable report upon this project in 1939, is notifying us in plain language in his letter to the able Senator from North Carolina [Mr. BAILEY], the chairman of the Commerce Committee, that there is nothing available upon which he would be willing to make a new estimate of justification for this project. Yet we are asked to do it without any such new and official justification.

Now let me very briefly review the salient points in the synthetic build-up of an alleged justification for this $75,000,000 enterprise. Of course, Senators are familiar with the system upon which the rivers and harbors engineers proceed when they are reporting upon a rivers and harbors project. The engineers figure economic justification in terms of transportation savings, and so forth; then the cost figure is set down against the benefit figure and, unless the benefit figure reasonably exceeds the cost figure, a favorable report is not submitted.

The Tombigbee annual cost figure was set down as $3,561,000. They had to show compensatory annual benefits, and they had to pile up the benefits across the line of $3,561,000 before they could even have a pretense of justification for asking the Senate and the House of Representatives to authorize the appropriation. In this instance the engineers finally wobbled over this parity line and built up an annual benefit figure of $4,143,000 and finally reached the thin benefit ratio of 1.16 to 1. But how did they reach this precarious justification? They did it by inserting in the benefit inventory items which appear in the justification of no other river and harbor project than has ever come before the Congress.

First, they found $2,168,000 in savings to the public in transportation charges. That is a legitimate item by way of justification, if the figure is correct; but, of course, this figure has long since gone out the window as the result of reduced railroad rates in this area. If there is any doubt in anybody's mind on that subject I read from Colonel Feringa's testimony at page 398 of the hearings:

> Senator VANDENBERG. Well, according to the report upon which you are relying, is it not a fact that you compute a saving of $2.14 a ton on petroleum products?
>
> Colonel FERINGA. I think you are absolutely right, Senator.
>
> Senator VANDENBERG. And is it not also a fact that at some time in 1940 the Interstate Commerce Commission authorized the reduction of freight rates on petroleum in that area amounting to $1.06 a ton?
>
> Colonel FERINGA. I think you are absolutely correct, sir.

So, by the testimony down to date of the officials of this survey and the Board of Rivers and Harbors Engineers, the first item in the benefit inventory is all out of line with modern realities.

Furthermore, 52 percent of the traffic which is contemplated to be allocated to this new improvement, and which has to be allocated to it in order to build up this beneficial justification, consists of petroleum products; and two new pipe lines already serve this area since the report was made. Who in his right mind is going to say that an engineering report is worth the paper on which it is written when it has to rely upon 52 percent of traffic in petroleum producers borne by water carriers, when the area has already been invaded by two pipe lines and when pipe-line transportation is the obvious new and effective method of transportation for petroleum products? That, however, is the first item in justification and it amounts to $2,168,000.

Mr. OVERTON. What the Senator has to say is very true, that there is testimony to show that after the report made by General Schley, then Chief of Engineers, a reduction in the railroad rates was authorized by the Interstate Commerce Commission.

Mr. VANDENBERG. If I may interrupt the Senator, if he is about to indicate the changes which are favorable to this project, I prefer to do it myself when I come to them, because I want to be absolutely fair in the presentation of this subject.

Mr. OVERTON. I merely wish to say that the testimony does show that the water-borne traffic, essentially water-borne traffic, has at least doubled.

Mr. VANDENBERG. I am coming to that, and I am going to show it. I should like to be permitted to present the balance sheet as I see it, even though it might make the impact of the balance sheet less effective if I were detoured here and there.

Mr. OVERTON. I shall not interrupt the Senator further.

Mr. VANDENBERG. I have given the first item of justification. The second item of justification—and remember, they had to build these items up in order to reach this justification level before they would even have the face to come to Congress and ask for this $75,000,000—the second item in the build-up is a million dollars a year "savings to upbound traffic on the Mississippi River." Perhaps that is a good item, I do not know, but I know what General Schley, the Chief of Engineers, said in the same

report regarding this item. This is what he said:

I doubt the wisdom of dependence upon diversion of any considerable part of Mississippi River traffic to justify this new project, even though the credit is confined to the additional saving in transportation costs.

So, when we reach the second item in the prospectus, one of the more favorable items, if Senators wish to be charitable about it, even at this point, the Chief of Engineers speaks up, puts a red flag on the report at that point, and says, "Don't take this too seriously."

After they had gotten through building up these two transportation credits, which, I repeat, is a legitimate method of building up such a report, they did not have enough. They had only $3,168,000, against an annual cost of $3,561,000. So they had to look around for something else. They could not find anything in the ordinary routine of river and harbor estimates to justify the cost, so they had to find something else.

The first thing they found when they started drumming these additional synthetic assets, the first thing they found when they raked together these rather unique intangible values, was $600,000 "value as a facility for national defense." They said there was $600,000 of national defense advantage in the Tombigbee Canal, down in the heart of the country. Of course, it is sheer speculation. It could have been $300,000. I suppose if they had needed $3,000,000, they would have made it $3,000,000. It is a wholly unsound and ineligible economic factor, and it never before or since has entered into the benefit estimates by the engineers to justify a river and harbor project.

After they had gotten that $600,000 in, they still were shy, and they had to find something else. Then they put in $275,000 for "enhancement of land values in the tributary area," whatever that means. I shall pass that; there is no explanation from anyone as to what that can mean.

Still they did not have enough. They had to drum up something else. They finally got $100,000 for recreational values. I suppose that could have been $500,000 or $1,000,000 or $2,000,000. At any rate, we never heard of such a thing before in one of these benefit estimates. It is only found in this instance; and I submit it is no wonder that General Schley, the Chief of Engineers, when he transmitted this report to the Congress, felt as though he should rather apologize for what he was doing, and warn us that we had better look for the bug under the chip. That is just about what he did, because it was only by mobilizing these extraordinary estimates, utterly unrelated to navigation, utterly unrelated to the economics which should be taken into account with respect to river-and-harbor projects—it was only by mobilizing these extraordinary values that they finally staggered into mathematical port with a thin ratio benefit of 1.16 to 1. It is no wonder, I submit, that the Senate turned them down by a vote of 56 to 17.

Now we come to 1944. It is the same project, based on exactly the same reports, and all these funny values. On the record it is exactly the same proposal which the Senate so overwhelmingly rejected before. But the Tombigbee proponents say that conditions have changed—I agree that they are right about it—and I am not being sarcastic—I agree that conditions have changed, and I give full credit, by way of due justification, where the conditions have changed.

Unquestionably the war has produced tremendously enhanced water traffic on the Mississippi River, on the Tombigbee, and in this general area; unquestionably the traffic is two or three times larger than it was. There is no doubt about that. I suppose that if we want to use temporary war figures as a basis for our mathematics, we can substantially increase the reality of economic benefits which may now be assessed to this undertaking. I agree to that.

Another change favorable to the project is that the last time it was before us, T. V. A. opposed it, and opposed it because they thought it represented an annual loss of about $100,000 of power. T. V. A. has withdrawn its opposition, and now approves the undertaking. I agree that both those factors change the circumstances and the situation, and change them favorably to the project.

On the other hand, Mr. President, there are changes which are adverse to the project. The first change is the reduced freight rates, which on the face of the record wipe out at least half the originally claimed justification. The second change in the situation is the existence of pipe lines for the transportation of petroleum products, which obviously is the method of petroleum products transportation which is going to be the great reliance of the future.

But the basic point upon which Senators have a right fundamentally to rest their judgment is this: It does not make any difference what I say about the change in conditions in the Tombigbee area, and, with all respect, I submit that it makes no difference what the able Senators from that area will say when they try to tell us that conditions have changed to the advantage of the project. I say it makes no difference, because there is no official report available from the Chief of Engineers in respect to either side of this contemporary argument; there is no official document upon which we are entitled to base our judgment, because we most certainly are not entitled to make our own engineering estimates.

Since we are called upon to vote on the basis of the documents as they were submitted in 1939, and since the Chief of Engineers says he cannot undertake an amended estimate except as he has a new survey and a new investigation, I submit again that the logical course, the fair course, in respect to the taxpayers of this country is to take this item out of the authorization, and put it over into the surveys, so that we may obtain another report, an official report, from the Board of Engineers for Rivers and Harbors to show what the modern conditions in connection with this project really are.

On the question of freight rates, I do not want anybody to misunderstand me or to think that I speak without justification. Colonel Feringa, speaking in our latest hearing before the Commerce Committee, said, at pages 398 and 399:

Senator VANDENBERG. If the railroads' tariffs have changed, that figure ought to be reduced accordingly, should it not?—

Referring to the estimate in the benefits—

Colonel FERINGA. I think it should be, and if we made a report now, Senator, it would be changed.

When I asked Colonel Feringa about the savings which were allocated by way of benefits to petroleum transportation, Colonel Feringa said:

Certainly the saving is not as great as we set up in that report, but I think there is a saving, Senator; how large, Senator, we would have to make a new report to find it out, sir.

It does not make any difference where we turn in connection with this testimony, no matter how enthusiastic the proponents of this enterprise may be—and I interrupt myself to say that I have never known of more enthusiastic and earnest support of an enterprise than this area has given to this undertaking—I submit that wherever we turn we find the necessity for a new report if we want to base our $75,000,000 judgment on justified official facts. There are no official facts in the ordinary habit of our dealings with this subject available to change the situation from the time when the Senate rejected this project in 1940 by a vote of 56 to 17.

Speaking of changed times and conditions, Mr. President, there is one thing in which there is no change, and that is in the attitude toward the Tombigbee project—

Mr. HILL. Mr. President, is the Senator willing to be interrupted for a moment?

Mr. VANDENBERG. Just a moment. There is no change in the attitude of public authorities charged with general responsibility for our natural recources toward the Tombigbee project, and I will justify that statement just as soon as I have yielded to the Senator from Alabama.

Mr. HILL. The Senator is speaking about change. As the Senator knows, General Robins, who is today the Deputy Chief of Engineers, and who was a member of the Board of Engineers for Rivers and Harbors which investigated this project, and which made the favorable report on the project, was the officer who with Colonel Feringa testified on behalf of the engineers on the project and in favor of the project.

Mr. VANDENBERG. That is correct.

Mr. HILL. General Robins had first-hand knowledge. He sat on the Board and studied the subject and went into it, and made the investigation. He is the Deputy Chief of Engineers, and was speaking, of course, for the engineers before the committee. The Senator spoke about sending the item back for further report. I quote what General Robins said in his testimony before the Senate Committee on Commerce:

We can go back to the field and make another report and do all the work over again

and hold hearings, and when the new report comes up before the committee you will have the same old arguments in opposition to the project that you have today. If the committee, if the Congress wants us to make another report we will be glad to make it. That is the situation as I see it.

Senator OVERTON. You are satisfied that the report that would be submitted would be along the lines you just stated?

General ROBINS. Absolutely, and if this report can be attacked on account of some of the changed conditions since the report was written I do not see why it cannot be defended on account of other changed conditions.

Before making that statement General Robins said this——

Mr. VANDENBERG. What is the Senator asking me?

Mr. HILL. The Senator stated that he wanted the Senate to understand this matter. I do not wish to take up too much of the Senator's time, but I think I ought to read this language, if the Senator will yield further. General Robins stated before the Senate Committee on Commerce:

If we—

Meaning the engineers—

came up here and submitted a report recommending a project for slack water on the Mississippi between Cairo and New Orleans, by building locks and dams on the river itself at an estimated cost of $66,000,000, I think you would all take off your hats and cheer. This alternate route on the Tombigbee we are recommending amounts to the same thing, only the locks and dams are to be built on the Tombigbee instead of the Mississippi.

Mr. VANDENBERG. I thank the Senator for his observation.

Mr. HILL. And I thank the Senator from Michigan for yielding.

Mr. VANDENBERG. The Senator from Alabama always lures me with his mellifluous eloquence. I shall never forget the night I turned on the radio and heard the voice of the Senator from Alabama asserting the unassailable necessity of another term, a third term for the Presidency of the United States, and from the persuasive success of that moment down to date I always yield with fear and trepidation to the Senator from Alabama, but in this instance I am prepared to answer what he said.

Mr. HILL. Will the Senator yield?

The PRESIDING OFFICER (Mr. DANAHER in the chair). Does the Senator from Michigan yield to the Senator from Alabama?

Mr. VANDENBERG. I yield.

Mr. HILL. I will say that I always stand in awe of the Senator's stentorian sentences and his magnificent eloquence. I will say this about that appeal for a third term: We not only got the third term, but we are even now getting ready to enter upon the fourth.

Mr. VANDENBERG. Yes; I understand that, and are already talking about the fifth [laughter], which leaves me no more composure than I had before the Senator spoke.

Mr. HILL. I will relieve the Senator's pain by saying that as yet I have heard no serious talk about a fifth term. I am sure that will be a source of relief to the Senator.

Mr. VANDENBERG. Mr. President, let me go back to the substance of the suggestions submitted by the able Senator from Alabama. The Senator says that General Robins and Colonel Feringa came before the committee and spoke as he has indicated. I agree to that. I have great respect for General Robins and Colonel Feringa, although I thought in this instance that they were almost too emphatic and not quite sufficiently judicial in their attachment to this particular enterprise. But, again with great respect, I submit that it makes no difference to the Senate what General Robins thinks or what Colonel Feringa thinks.

We are committed by law to follow the reports of the Chief of Engineers. The Chief of Engineers says to the chairman of this committee:

You are informed that in the absence of a full review and reconsideration of this proposed project, I do not feel justified in making a statement supplementing the report in House Document No. 269, Seventy-sixth Congress.

This is the top man speaking. Mr. President, until the Chief of Engineers feels justified in accepting the new optimism of General Robins and Colonel Feringa, I do not propose to accept it; and I submit that under the law the Senate and the House have no business going back of the basic proposition that they are bound by the reports of the Chief of Engineers.

Mr. President, before we dropped off on an Alabama detour I was saying that the attitude of those public authorities who are primarily responsible for this sort of business in the Government has not changed. They have not changed their minds about it. The report of the National Resources Committee on April 7, 1939, read in part as follows:

In the opinion of the Water Resources Committee, the benefits—

On the Tombigbee prospectus—

ascribed to national defense, land value, and recreation—

Those were the "funny" items to which I referred a little earlier, which had to be dragged in in order to justify any sort of favorable report—

the benefits ascribed to national defense, land value, and recreation are speculative and should be given careful scrutiny as to the effect that their acceptance may have on the formation of national policy.

Further:

A further basic issue of policy is raised by the relation of the proposed water-transportation facilities in this project to the most effective coordinated system of water, railway, highway, and pipe-line facilities to serve the transportation needs of the region.

I interrupt myself to say that that is the point with respect to which the very interesting amendment offered this afternoon by the able Senator from Wyoming very appropriately challenges the attention of the Congress in respect to all river and harbor projects.

Continuing with the National Resources Committee report:

This—

Referring to the Tombigbee project—

and similar problems should be considered more fully if a sound conclusion is to be reached concerning a justification for the project in relation to transportation needs and facilities of all types in the region.

It may be said that that was back in 1940. That is correct. But May 8, 1944, is reasonably down to date. I asked for a down-to-date opinion from these same authorities; and under the indicated date I have a letter from the Acting Director of the Budget, in the Executive Office of the President of the United States. He states:

The project file record for the waterway connecting the Tombigbee and Tennessee Rivers includes as the most recent action of the National Resources Planning Board a memorandum, dated July 11, 1941, stating that at its meeting on May 20, 1941, the evaluation subcommittee considered this project and rated it "SC." This rating means that in the opinion of the subcommittee the possible project described should not be authorized at the present time or in the immediate future, and is of such a character that before authorization at any future date it should be reconsidered in the light of conditions at that time.

Mr. President, that is about all I have to say with respect to this matter. I submit that the taxpaying public of the United States, in spite of the Gargantuan mathematics with which we are fiscally surrounded, have a right to expect the Senate of the United States to justify the authorization of an expenditure of $75,000,000. I submit that since on the record the Senate overwhelmingly defeated this project the last time it was submitted, and since on the record the House of Representatives defeated it on a yea-and-nay vote this year, there must be overwhelming proof of new justification before the project is entitled to an affirmative vote. I submit that we cannot find any new justification upon which we are entitled to rely, no matter how earnestly the proponents of this project may urge their enthusiastic dreams.

I submit that, upon our responsibility as Senators to the taxpayers of this country, we are not entitled to find any new justification outside a new and official report from the Chief of Engineers. If this item is transferred to the list of survey projects, and if subsequently the Chief of Engineers presents a justified assessment of benefits and an affirmative recommendation, without reservation, for this project, I will withdraw all opposition to it. But until that sort of official report is submitted to the Senate, I submit that we are not entitled to rely upon outside testimony or upon external argument.

Mr. President, I believe that completes my statement. I leave the matter to the conscience of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 17, lines 6 to 9.

Mr. BILBO. Mr. President, it is now about 20 minutes to 4. I should like to know from the acting majority leader if it would not be agreeable to him to take a recess until Monday, because it will take me some time to reply to the observations of my distinguished friend from Michigan [Mr. VANDENBERG], and I should not like to keep the Senate in session so late. I do not like to have my remarks broken into by a recess. I wonder if the acting majority leader would enter-

tain a suggestion to take a recess at this time. I trust the suggestion will be acceptable to the Senator in charge of the bill.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. OVERTON. I inquire if any other Senator wishes to speak to this amendment? Let me say to the Senator from Mississippi and to the acting majority leader that time is of the very essence in acting upon this proposed legislation. I should like very much to accommodate any Senator who wishes to postpone consideration of any part of the bill; but when we do so, and take a recess at the hour of 3:40, we are not making the progress which we ought to make. I was in hopes that we might get through with this amendment today.

Mr. BILBO. Mr. President, I think I can say to the Senator from Louisiana that so far as this particular amendment is concerned we will not consume more than 2 or 3 hours on Monday before we will be ready to take a vote on it. I know of only three or four Senators who will wish to speak on the amendment.

Mr. OVERTON. Then I wonder if we could have a unanimous-consent agreement that we will vote at a certain hour on Monday on the amendment.

Mr. BILBO. I would not agree to that, because at this juncture I cannot tell what will be said.

Mr. OVERTON. Mr. President, I am put in this embarrassing position; I have the duty of undertaking to get this legislation through the Senate. Not only have I been working on the floor of the Senate for 2 weeks to pass the flood-control bill, but, long prior to that, I have been working in committee day after day and day after day. I wrote to the Senator from Mississippi and to other Senators whom I thought would be interested in this amendment, some 2 or 3 weeks ago—I think it was 3 weeks ago—and I called their attention to the fact that the bill was coming up and that they were interested in this project, and I asked them to be prepared to speak on the subject. I so wrote to the senior Senator from Alabama [Mr. BANKHEAD], the senior Senator from Mississippi [Mr. BILBO], the junior Senator from Alabama [Mr. HILL], and to perhaps one or two other Senators, in order that they might be prepared to proceed with consideration of the amendment dealing with this project.

I should like very much to accommodate the Senator, but——

Mr. BILBO. Mr. President——

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. BILBO. I am afraid the Senator from Louisiana misunderstood me in regard to my objective in asking that consideration of the matter be suspended at this time until Monday's session. It is not a question of being ready. I am reminded of a conversation which took place between President Woodrow Wilson, who was perhaps one of the best speakers this country has ever produced in clarity of thought and in forceful expression, and one of his admirers. He was asked how long it would take him to prepare to make a 10-minute speech. He replied, "It would take me about 3 months."

Then he was asked how long it would take him to prepare for an hour's speech.

He replied, "It would take at least 2 months."

The next question was, "Well, how long would it take you to prepare for a 2-hour speech?"

He said, "One month."

"Well," his questioner then asked, "how long would it take you to prepare to speak longer than that?"

Mr. Wilson replied, "I am now ready to speak."

So, Mr. President, I am ready.

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Alabama.

Mr. BILBO. I am right glad to yield.

Mr. BANKHEAD. In view of the fact that the Senator from Mississippi is going to make the principal speech on this project, I think a quorum should be present. Therefore, Mr. President, I suggest the absence of a quorum.

Mr. BILBO. I appreciate that, because it will take me approximately 4 hours to conclude.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Danaher	McKellar
Bailey	Davis	Millikin
Ball	Eastland	Murray
Bankhead	Ferguson	O'Mahoney
Bilbo	George	Overton
Brooks	Hill	Revercomb
Buck	Jenner	Robertson
Burton	La Follette	Vandenberg
Connally	McFarland	White

The PRESIDING OFFICER. Twenty-seven Senators have answered to their names, not a quorum. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mrs. CARAWAY, Mr. CLARK of Missouri, Mr. DOWNEY, Mr. GERRY, Mr. GREEN, Mr. HALL, Mr. HATCH, Mr. HAWKES, Mr. HAYDEN, Mr. MALONEY, Mr. MAYBANK, Mr. REED, Mr. RUSSELL, Mr. TAFT, Mr. TYDINGS, Mr. WALSH of Massachusetts, Mr. WALSH of New Jersey, and Mr. WHERRY answered to their names when called.

The PRESIDING OFFICER. Forty-five Senators have answered to their names. A quorum is not present.

The Chair will entertain a motion that the Sergeant at Arms request the attendance of the absent Senators.

Mr. HILL. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AUSTIN, Mr. BYRD, Mr. WILLIS, Mr. STEWART, and Mr. ELLENDER entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators having answered to their names, a quorum is present.

Mr. HILL. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 12 o'clock noon Monday.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BILBO. Mr. President, in the very beginning I wish to state that it will be impossible for me to conclude my address this evening, but I wish to begin by telling the Senate my opinion of the senior Senator from Michigan [Mr. VANDENBERG]. I think he is one of the most delightful, pleasant, congenial, cultured, intellectual men in the Senate, and I would give half a fortune to possess his vocabulary. He is a delightfully entertaining speaker, and personally I am very fond of him. But he is also interesting and amusing at times.

The Senator attempts to bolster up a flimsy cause by reading into the RECORD the roll call the last time the pending proposal was before the Senate, and he gloats much over the fact that the vote on that occasion 4 years ago stood 17 for to 56 against the proposal.

Mr. President, I admit we were lacking in numbers, but what we lacked in numbers we made up in quality favoring the proposition. I wish to call attention to the names of a few of those who supported the measure 4 years ago.

First there was Senator Pat Harrison, of Mississippi. All Senators know how beloved he was in this body, and what a strong leader he was. Senator Harrison supported the bill.

Senator McNary, the leader of the Republican Party on the floor of the Senate 4 years ago, supported the Tennessee-Tombigbee project, and I trust the cause of the Republican Party on the other side of the Chamber has not fallen into unfortunate hands.

Senator Norris, an independent, who had been a Republican all his life until he could not stand the party any longer and he became an independent, supported this measure 4 years ago.

Senator Pittman, of Nevada, the then President pro tempore of the Senate, elected as such repeatedly by this body, honored by this body, who lived in the far West, saw the righteousness of a proposal which would benefit the people of 34 States when it should finally become law and should be put into effect.

Senator Sheppard, of Texas, the most beloved man who ever occupied a seat on the floor of the Senate, favored the proposal.

They were some of the men who supported this matter 4 years ago, and I am not ashamed to be found in their company. I note that of the 56 who voted against the proposition 4 years ago, 25 have either answered the last call and are now dead, or they resigned, or were defeated. They are gone. There are only 31 left. I was impressed by the fact that the Senator from Michigan tried to leave the impression that these 31 remaining out of the 56 were so hidebound and phlegmatic in their thinking that they could not even have a vision, and be informed and have their eyes opened and vote intelligently for a proposition when it is presented as it is now by the Board of Engineers.

My friend the Senator from Michigan insists that we should not place this burden on the taxpayers of the country until the Chief of Engineers reports on this project wholeheartedly. When the St. Lawrence waterway project comes before the Senate, which will cost the poor taxpayers the Senator is crying about about eight times as much as the Tennessee-Tombigbee project will cost, and which will benefit a smaller number of States and a lesser number of the population of this country, I wonder what the Senator will have to say about the welfare of the poor taxpayer? The St. Lawrence project will cost four or five hundred million dollars—seven or eight times more than the Tennessee project will cost.

Mr. President, it is very evident that we will not be able to conclude the discussion of this bill today, and that it will be passed upon finally probably Monday or Tuesday. I think we can finish with the bill by that time, not later than Tuesday, which will give the Members of this body plenty of time to read this famous House Document No. 269, of the Seventy-sixth Congress, first session. I wish to urge the membership of the Senate to read this report in its entirety between now and the time the roll is called on the adoption of this amendment. It will be very interesting, especially in the light of the speech made by the distinguished Senator from Michigan.

Mr. President, I do not know whether my friend the Senator from Michigan is a lawyer; I understand he belongs to the fourth estate, that he is a newspaperman; but he missed his calling if he is not a lawyer, because when it comes to getting something out of nothing, and coloring things to prejudice the public mind, he could sweep any jury off their feet in any court of the land. He has taken a report which is indicative of the importance, the necessity, the feasibility, the advisability, and the success of this project, and yet he would push aside every one of those elements and leave the impression that we are taking an awful risk by adopting this proposal before we shall have a further survey made.

On page 2 of the report Senators will find what Major General Schley, the Chief of Engineers, had to say on the 27th day of February 1939. He said:

> I have no doubt that benefits of value to national defense, from enhancement of land values, and from increased use of recreational areas will be produced. Furthermore, provision of a direct water route to the Gulf of Mexico from the Tennessee Valley may hasten the development in that valley resulting from the navigation project and electric-power system now being constructed there by the Federal Government. The large amount of construction involved in this connecting waterway to the Gulf would provide substantial direct employment over a period of 8 years and large orders to cement and steel mills and to the lumber industry. All these intangible or indirect benefits must be considered in addition to the direct savings in transportation costs in order that this project will show a substantial excess of benefits over costs. They are difficult to evaluate and appear to me to be questions falling within the realm of statesmanship to which the Congress can best assign the proper values.

In other words, the only point that General Schley makes is that the undeniable benefits enumerated in his letter to the Congress are to be evaluated by the Congress itself, something which he did not undertake to do.

Mr. President, if my friend, the Senator from Michigan, had given that keen scrutiny of which he is capable to the study of the report and the testimony adduced before the Commerce Committee, he would have discovered that General Robins and all the witnesses who appeared on behalf of the Corps of Army Engineers insist that now under present conditions the benefits to be obtained by the completion of this project are four times as great as they were when this report was made. I am not talking about recreational facilities; I am not talking about intangible things; I am talking about the tangible things, the savings of dollars and cents in the transportation of the commerce not only of the Tennessee Valley, not only in Mississippi, not only in Alabama, but commerce from Pittsburgh to New Orleans, from Chicago to New Orleans, from Sioux City, Iowa, to New Orleans, all up and down the great Mississippi Valley, involving 34 States and many million people, not only for this year but for all time to come. It is strange to me that the Senator from Michigan should read out of the record and discredit the testimony of General Schley, the Chief of Engineers, given in 1939, when, as the evidence shows, the benefits now resulting from completion of the project would be four times as great. It shows that the Senator knows he does not have a case. He is trying to mislead Senators and he tries to predicate his argument upon a condition which he says does not obtain today as it obtained 5 years ago when General Schley wrote this letter about which the Senator makes so much.

The Senator from Michigan says that if we can have another survey made by the Board of Engineers, which, of course, would include the Chief of Engineers, and if the Chief of Engineers would come back to the Congress and O. K. this project, the Senator would withdraw his objection. That proposition was made to General Robins, who is Deputy Chief, United States Engineers. General Robins says:

> The Congress can send me back and send the Board of Engineers back to make another survey, but I tell you now you need not do it, because when we come back we will bring you the same facts and figures as we brought before, except to recite the changes which have taken place since 1939.

If my friend the Senator from Michigan wanted to be totally fair about the matter he would tell his colleagues who have learned, possibly, to depend upon his statements, that General Robins, the Deputy Chief, United States Engineers, says:

> Another investigation will do no good because we will bring back the same identical report, except we will show that the need for this project is four times as great as it was in 1939, and the saving will be four or five times as great.

On page 3 of House Document No. 269 will be found the heading:

> Report of the Board of Engineers for Rivers and Harbors.

The Senator from Michigan says he wants the people's board to tell the Congress what to do about the matter before we vote this authorization. Here is the report of the Board of Engineers for Rivers and Harbors on the 24th of January, 1939:

> Subject: Tennessee-Tombigbee waterway.

Let us see what they say about it. General Schley has already said that the project shows that it will be self-liquidating, it will pay for itself, it is feasible, it is possible, it is practical, and he says, "There are other things that I, myself, would not pass on, but will let you Members of Congress pass on." But General Schley approves the project.

But the Board said:

> 9. The Board concurs generally with the Special Board as to the feasibility of the project. The Yellow Creek-Mackeys Creek route is a practicable route for the crossing of the divide; the lateral canal appears to be the best means for providing a navigation channel of satisfactory alinement in the upper part of the Tombigbee Valley; and the proposed cut-offs will materially improve the natural channel in the river above Demopolis.
>
> * * * * *
>
> 12. The Board recommends that the United States undertake the construction of a waterway to connect the Tennessee and Tombigbee Rivers, by way of the East Fork of the Tombigbee River, Mackeys Creek, and Yellow Creek, so as to provide a channel of not less than 9 feet in depth and a minimum bottom width of 170 feet in river and canal sections and 115 feet in the divide cut, with locks approximately 75 by 450 feet clear inside dimensions, substantially in accordance with the general plan presented in the report of the Special Board, at an estimated first cost to the United States of about $66,000,000 and an estimated annual cost of $500,000 for maintenance and operation.

The Board of Engineers, in conference, took the special report, to which I shall refer directly, and after making a thorough investigation, came to the Congress and said to the Congress that the Tennessee-Tombigbee project should be built, not only because it was feasible, but because it was self-liquidating.

Let us turn to page 11 of this report. I wish Senators would read it. This is the abbreviated survey report by the special board. By the way, that report of the Board was signed by Gen. M. C. Tyler, brigadier general, Corps of Engineers, senior member of the Board. He signed for the entire Board.

The abbreviated survey report by the special board which did the survey work represents a report by those who waded in the mud and went up and down Yellow Creek, Mackeys Creek, and the Tombigbee and Warrior Rivers, got the facts, and obtained measurements with chains and instruments.

The report is signed by F. B. Wilby, colonel, Corps of Engineers; Roger G. Powell, colonel, Corps of Engineers; R. Park, colonel, Corps of Engineers; and Bernard Smith, major, Corps of Engineers, members of the Board. That was the special board appointed by the gen-

eral board to make the survey, and upon the report of these four members of the Board which made the special survey, the general board put the stamp of its approval upon this project.

On page 24 of that report it will be found that the date of this special survey was December 23, 1938. Let us see what the special board said to the Congress. This is found on page 110:

CONCLUSIONS

221. The Board is of the opinion that construction of a waterway to connect the Tennessee and Tombigbee Rivers substantially as outlined in this report is feasible from an engineering viewpoint, and that the benefits which would accrue to the general public by reason of its construction are of sufficient magnitude to warrant the undertaking of the project by the United States.

RECOMMENDATIONS

222. The Board recommends:

(a) That the United States undertake the construction of a waterway to connect the Tennessee and Tombigbee Rivers, by way of the East Fork of the Tombigbee River, Mackeys Creek, and Yellow Creek, so as to provide a channel of not less than 9 feet in depth and a minimum bottom width of 170 feet in river and canal sections and 115 feet in the divide cut, with locks 75 by 450 feet clear inside dimensions, substantially in accordance with the general plan presented in this report, at an estimated first cost to the United States of about $65,500,000 and an estimated annual cost of $477,000 for maintenance and operation.

(b) That the prosecution of this project shall be subject to the conditions that local interests shall give assurances satisfactory to the Secretary of War that they will—

Certain conditions were set forth, which have been taken care of.

The general board of the Board of Army Engineers says that this work should be done. The special board, which made the investigation, composed of members of the general board, especially emphasized the fact that the project was feasible and self-liquidating, and should be constructed. General Schley, who was Chief of Engineers at the time, said that the project was self-liquidating, and he recommended its inauguration and completion. But he happened to mention some of the intangible benefits which we know will accrue to the people of this great section of the South. He said, "I will leave it to you, Members of the Congress, to evaluate what it is worth in dollars and cents." That is all the objection that General Schley had, and that is all he said that was detrimental to the proposal. Now we find, under changed conditions, after a period of 5 years, that the saving to the American people from the building of this project, instead of being $1,000,000 a year, will be $4,000,000 a year.

The suggestion which my friend the Senator from Michigan advances that another survey should be made, to my mind, is ridiculous. Of course, if the Senate should see fit to vote down this amendment, we will ask for the survey; but what is the sense of spending the extra money and asking for another survey when General Robins, who is Assistant Chief of Engineers, comes to the Congress and says, "You can send me back to make another survey if you wish to do so. We will do what the Congress says; but I will tell you now that if you do, we will bring back the same report as to the facts about the construction, its feasibility, and the possibilities and potentialities of this great project."

So why delay it any longer? This project has been on the program for the development of the inland waterways of the United States for a long time. The first survey was made in 1875. The next survey was made in 1913. The third survey was made in 1923. The fourth survey was made in 1932. The fifth survey was made in 1935. And the last, or sixth, survey was made in 1939. We have already had six surveys of the Tennessee-Tombigbee project. Now, my friends, the Senator from Michigan pleads with the Congress to have another survey. I see nothing to be gained from his position on this question except further delay. His slogan is, "Put it off, and let us delay the evil day."

It is true that the House defeated this proposal on an amendment by a few votes. But I am assured by the friends of the project that there have been a sufficient number of conversions in the House so that if the Senate should see fit to attach this amendment to the bill the House would accept the amendment when it reached the House again. I should like to make a proposal to my friend, the Senator from Michigan. He believes that the House is hopelessly against it. He believes that the House will vote it down again. Then why should he have any fear of the Senate placing this amendment in the bill? I should like to make the proposal to him that we be good sports about it and put this amendment in the river and harbor bill, and let it go back to the House and see what the House will do with it. I believe that the House would adopt it. He says it would not. He had better put it up to the House as it is now constituted rather than wait until after the 3d of January, because I understand that there will be quite a number of new faces in the House after the 3d of January, and that the political complexion of the House will be changed. So far as his position on the bill is concerned, his cause would fare better with the present House than with the House after the 3d of January, when there will be a plurality of about 53 Democrats in the House.

Mr. President, is it the pleasure of the acting majority leader that I continue speaking, or is it about time to take a recess until Monday?

Mr. HILL. I wonder if we may have the attention of the distinguished Senator from Louisiana [Mr. OVERTON] who is in charge of the bill.

Mr. BILBO. Would it please the Senator from Louisiana to allow me to discontinue my speech now, and finish on Monday? I have concluded one phase of the subject.

Mr. HILL. Is that suggestion agreeable to the Senator from Louisiana?

Mr. OVERTON. I will offer no objection.

Mr. BILBO. I should like to have it understood that I will have the floor to continue my remarks on Monday.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Perry, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4366) for the relief of Alex Wylie, and the estate of James Evans.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCGEHEE, Mr. MURPHY, and Mr. PITTENGER were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendment to the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ROBINSON of Utah, Mr. WHITTINGTON, Mr. RANDOLPH, Mr. PETERSON of Georgia, Mr. WOLCOTT, Mr. MOTT, and Mr. CUNNINGHAM were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5453. A bill authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway Co., a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park; and

H. R. 5518. A bill to amend section 119 of the Judicial Code.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1795. An act to amend that portion of the act approved June 30, 1906 (34 Stat. 697, 750), authorizing the settlement of accounts of deceased officers and enlisted men of the Army;

H. R. 86. An act to grant pensions to certain unremarried dependent widows of Civil War veterans who were married to the veterans subsequent to June 26, 1905; and

H. R. 5386. An act to amend the Selective Training and Service Act of 1940, as amended, to extend the time within which application may be made for reemployment, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H. R. 5453. A bill authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway Co., a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties,

Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park; to the Committee on Public Lands and Surveys.

H. R. 5518. A bill to amend section 119 of the Judicial Code; to the Committee on the Judiciary.

ADDITIONAL REPORT OF A COMMITTEE

The following additional report of a committee was submitted:

By Mr. HATCH, from the Committee on Public Lands and Surveys:

H. R. 5453. A bill authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway Co., a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park; without amendment.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. HALL in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations of postmasters, which was referred to the Committee on Post Offices and Post Roads.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Sundry officers for appointment and promotion in the Regular Corps of the United States Public Health Service.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters; and

Rachel Elgiva McCracken, to be postmaster at Galt, Mo., in place of D. S. Vencill, transferred (adversely reported).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE ARMY—NOMINATIONS PASSED OVER

The legislative clerk proceeded to read sundry nominations in the Army, which nominations had previously been passed over.

Mr. HILL. I ask that the nominations in the Army be passed over.

The PRESIDING OFFICER. Without objection, the nominations will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

That completes the calendar.

Mr. HILL. I ask that the President be notified forthwith of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO MONDAY

Mr. HILL. In conformity with the previous order of the Senate, I move that the Senate now stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.), under the order previously entered, the Senate took a recess until Monday, December 4, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 1 (legislative day of November 21), 1944:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Homer J. Ward, Titus, Ala. Office became Presidential July 1, 1944.

ARKANSAS

Elmer Freas Crutchfield, Batesville, Ark., in place of V. J. Butler, transferred.

Sara M. Higginbottom Wickes, Ark. Office became Presidential July 1, 1944.

Simon O. Norris, Williford, Ark., in place of S. O. Norris. Incumbent's commission expired June 23, 1942.

CALIFORNIA

Catherine V. Andrews, Los Nietos, Calif., in place of A. J. Frutchey, resigned.

Charles K. James, Robbins, Calif., in place of J. E. James, resigned.

Perry M. Hawkins, Tionesta, Calif. Office became Presidential July 1, 1942.

COLORADO

Floyd L. Templeton, Derby, Colo. Office became Presidential July 1, 1943.

CONNECTICUT

James M. Abbott, Gales Ferry, Conn. Office became Presidential July 1, 1944.

Marion B. Foster, South Glastonbury, Conn., in place of Willis Hodge, retired.

ILLINOIS

Emma L. Marinko, Alhambra, Ill. Office became Presidential July 1, 1943.

Clarence J. Hendron, Clifton, Ill., in place of W. M. Donovan, deceased.

William Herman Truebe, Pocahontas, Ill., in place of G. G. Gillespie, resigned.

Carroll E. Taylor, Shipman, Ill. Office became Presidential July 1, 1944.

INDIANA

Wanda R. Barnett, Michigantown, Ind. Office became Presidential July 1, 1943.

Vern Hahn, Wakarusa, Ind., in place of H. W. Doering, transferred.

IOWA

James R. Horton, Conesville, Iowa. Office became Presidential July 1, 1944.

KANSAS

Albert L. Ruggels, Beverly, Kans., in place of A. F. Cassell, resigned.

Edwin H. Huerter, Goff, Kans., in place of R. T. Ingalls, resigned.

Marie A. Donart, Princeton, Kans., in place of Esther Wetterau, retired.

MAINE

Wendall M. Lewis, Boothbay, Maine. Office became Presidential July 1, 1944.

Ethel Pinkham, East Holden, Maine. Office became Presidential July 1, 1944.

Harold M. Smith, Hollis Center, Maine. Office became Presidential July 1, 1943.

Laurence H. Hern, North Windham, Maine. Office became Presidential July 1, 1944.

Paul J. Cody, Poland Spring, Maine, in place of P. J. Cody. Incumbent's commission expired December 18, 1941.

Ralph L. Harrington, Steep Falls, Maine. Office became Presidential July 1, 1944.

MISSISSIPPI

Norma B. Johnston, Enid, Miss., in place of A. B. Johnston, deceased.

MISSOURI

Paul Harrison Burns, Gobler, Mo. Office became Presidential July 1, 1944.

Paul M. Blanchard, Warsaw, Mo., in place of M. N. White, resigned.

NEBRASKA

Frances L. Mooberry, Dorchester, Nebr., in place of Russell Mooberry, retired.

John A. Graf, Talmage, Nebr., in place of J. D. Juilfs, deceased.

NEW HAMPSHIRE

Miriam C. Emerson, Contoocook, N. H., in place of J. W. Hazeltine, retired.

NORTH CAROLINA

Roland A. Brooks, Midland, N. C. Office became Presidential July 1, 1942.

OHIO

Edna Waid Kindle, Houston, Ohio. Office became Presidential July 1, 1944.

Frank J. Papa, Hubbard, Ohio, in place of J. J. Boyle, resigned.

OKLAHOMA

Charles D. Trippett, Haskell, Okla., in place of F. R. Clement, transferred.

PENNSYLVANIA

Laurence A. Gossman, North Girard, Pa., in place of J. W. Hatch, retired.

TENNESSEE

Paul E. Sams, Erwin, Tenn., in place of W. W. Ryburn, transferred.

VERMONT

Frank A. Curran, Newport, Vt., in place of R. P. Skinner, deceased.

Oney B. Lafont, Wolcott, Vt. Office became Presidential July 1, 1944.

WISCONSIN

Jules G. Pierre, Brussels, Wis. Office became Presidential July 1, 1944.

George V. Carolan, Glenbeulah, Wis. Office became Presidential July 1, 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 1 (legislative day of November 21), 1944:

POSTMASTERS

KENTUCKY

Jesse B. Pope, Brooksville.
Bertha D. Vincent, Brownsville.
Louisiana G. Palmer, Ekron.
John T. Powell, Grahn.
William G. Kelly, Maceo.
Donovan Rogers, Mackville.
Myrtle B. Withers, Muldraugh.
Cornelia L. Snyder, Pewee Valley.
Oleva C. Bailey, Rineyville.
Maude H. Brown, Stanley.
Arley O. Perkins, Woodbine.

MAINE

Florence E. Nunan, Cape Porpoise.
Pearl S. Robinson, Chebeague Island.
Joseph M. Tanguay, Greene.
Margaret F. Hanson, Lee.

MONTANA

Oscar L. Henry, Belfry.

NEBRASKA

Ora E. Swartz, Byron.
Violet P. Adams, Daykin.
Lissa L. Fanders, Diller.
Leo R. Conroy, Eddyville.
Marie Nielsen, Elba.

Stanley R. Wheeler, Giltner.
Faye Morrissey, Grafton.
Edwin F. Winter, Hoskins.
James M. McMahan, Inman.
Jens W. Jensen, Litchfield.
Harold L. Shepherd, Madrid.
Ruth L. Reinhart, McCool Junction.
Leroy Buell Gorthey, Murdock.
Mamie R. Hale, Naponee.

PENNSYLVANIA

Roy H. Tyson, Alderson.
William A. Raffensperger, Arendtsville.
Joseph D. McNelis, Beaver Brook.
Howard C. Philson, Berlin.
Mildred G. Cooper, Brownstown.
Clarence T. Johnston, Buck Run.
Samuel J. Bondi, Canonsburg.
George A. Crawford, Centre Hall.
Mary R. Guldner, Delano.
Lewis S. Helmick, Ernest.
Gladys M. Glass, Fallentimber.
Edward K. Lennon, Feasterville.
Frederick E. Riegner, Garrett Hill.
Lawrence C. Nees, Geistown.
Anna T. Connor, Glen Olden.
J. Ralph Mingle, Mifflintown.

TENNESSEE

Alleen W. Stansberry, Boyds Creek.
Leona F. McKinley, Buffalo Valley.
William H. Fox, Graysville.
Bessie H. Parrish, Hermitage.
Doris P. Lyell, Lyles.
Bernice Cress, Martel.
Finis E. Sims, Medina.
Glenn L. Garrison, Niota.
Roger Q. Williams, Norris.
Carney B. Thweatt, Orlinda.
William H. Higginbotham, Riceville.
James Arthur Medlin, Sardis.
Alfred H. Gill, Silver Point.
Thomas R. Grayson, Trade.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 1, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who didst come to earth to be our example, lead us to walk each day in contemplation of a better world. Amid the shocks and distractions of the crowds, open our eyes to the invisible that the Divine Spirit may have a greater part in our lives. In the mystic ministry of the Upper Chamber exalt us in Thy converting power, and, with pitying hearts, we beseech Thee to help us to cause the dreary and the waste places of earth to blossom as the rose.

Thou who art Alpha and Omega, the first and the last, we pray for Thy blessed peace to rest on our minds and spirits that the heat of labor may be the ardor of intense devotion to duty. If injury or regret come, Thou wilt suppress and adapt them to our need—"Our help cometh from the Lord," and Thy humanity is more than any name we can put upon it. Do Thou subdue unruly passions where they exist, build up fidelity in those who are unfaithful, and give grace to those who know the way. Almighty God, the night is far spent, the day is at hand; let us therefore cast off the works of darkness and put on the whole armor of light. Let us walk honestly as in the day, not in strife nor in envying; O guide us with Thy counsel and afterward receive us into glory. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1795. An act to amend that portion of the act approved June 30, 1906 (34 Stat. 697, 750), authorizing the settlement of accounts of deceased officers and enlisted men of the Army.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1827) entitled "An act for the relief of Oliver N. Knight"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. STEWART, and Mr. ROBERTSON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2105) entitled "An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. HAYDEN, Mr. BAILEY, Mr. REED, and Mr. LANGER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4485. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. OVERTON, Mr. BAILEY, Mrs. CARAWAY, Mr. CLARK of Missouri, Mr. BILBO, Mr. JOHNSON of California, Mr. VANDENBERG, Mr. BREWSTER, and Mr. BURTON to be the conferees on the part of the Senate.

SOCIAL SECURITY TAX

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill H. R. 5564 and that those who desire to file a minority report may have the same privilege.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an excellent address which I heard Hon. James Farley deliver to the Alabama State Chamber of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therewith a clipping from the Lexington Gazette, concerning Rockbridge County, Va.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SHENANDOAH NATIONAL PARK

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5453) authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway Co., a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. ROBERTSON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is approved by the Department of the Interior, as well as having a unanimous report from the gentleman's committee.

Mr. ROBERTSON. That is correct. I mentioned the matter to the distinguished majority leader, to the distinguished minority leader, and I asked the chairman of the committee to clear it with his committee. He telephoned me this morning that it was all right to ask for consideration of the bill.

Mr. MARTIN of Massachusetts. Will the gentleman briefly explain the bill?

Mr. ROBERTSON. In order to move war freight from the Midwest to the Hampton Roads, it was necessary for the Chesapeake & Ohio Railway to build a new tunnel under the Blue Ridge Mountains. The Department of the Interior granted temporary permission to build that tunnel. It has been built and freight is moving, but the Department of the Interior did not have the right to grant a permanent easement, because it was the Shenandoah National Park that was involved.

The tunnel goes so far under the mountain that nobody in the park knows the trains are going under there. The tunnel has already been built as a war measure, and the freight is going through. This simply confirms the action of the Department of the Interior in permitting the tunnel to be built as a war measure.

Mr. FISH. Mr. Speaker, reserving the right to object, the Chesapeake & Ohio Railway is a very efficient railroad and is well operated, is it not, and has been doing great service during the war?

Mr. ROBERTSON. I would say next to the Norfolk & Western, the best in the United States.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to grant and convey to the Chesapeake & Ohio Railway Co., a corporation organized and existing under and by virtue of the laws of the State of Virginia, its successors or assigns, perpetual easements across and under two parcels of land located near Afton, in Augusta and Nelson Counties, Va., more particularly described as follows:

Parcel No. 1, now owned in fee simple by the United States of America in Nelson County, Va.:

Beginning at a point twenty-five feet southwesterly and radially from the located center line of a proposed main track and tunnel on the mountain subdivision of the Chesapeake & Ohio Railway Co., also being in property line dividing the lands of the United States of America used for Blue Ridge Parkway and the Swannanoa Development Corporation which bears north eighty-seven degrees sixteen minutes east through proposed center line of main track at station 1197+09.72 which is on a three degree fifteen minute curve (the tangent of this curve produced intersects said property line at a point ninety-six and six-tenths feet south thirty-four degrees forty-four minutes east from the point of tangent of curve and at a point one hundred and seventy-seven and three one-hundredths feet south eighty-seven degrees sixteen minutes west measured along property line from corner numbered 5 and one hundred and twenty-four and eighty one-hundredths feet north eighty-seven degrees sixteen minutes east measured along property line from monument numbered 4); thence north eighty-seven degrees sixteen minutes east on property line and across proposed center line of main track fifty-nine and eight-tenths feet, more or less, to a point twenty-five feet northeasterly and radially from proposed center line of main track; thence southeasterly parallel with and twenty-five feet from proposed center line of main track which is on a three degree fifteen minute curve to the left sixty-eight and five-tenths feet, more or less, to a point in property line dividing the lands of the United States of America used for Blue Ridge Parkway and the Commonwealth of Virginia used for United States Route Numbered 250 which bears south sixty-seven degrees forty-eight minutes west through proposed center line at station 1196+30.97 which is thirty and thirteen one-hundredths feet south sixty-seven degrees forty-eight minutes west from northeast end of course and one hundred and twenty-two and twenty-one one-hundredths feet north sixty-seven degrees forty-eight minutes east from southwest end of course; thence south sixty-seven degrees forty-eight minutes west on property line and across proposed center line fifty-two and five-tenths feet, more or less, to a point twenty-five feet southwesterly and radially from proposed center line of main track; thence northwesterly parallel with and twenty-five feet from proposed center line of main track which is on a three degree fifteen minute curve to the right eighty-nine and no tenths feet, more or less, to point of beginning; and containing nine one-hundredths acre, more or less.

Parcel No. 2, now owned in fee simple by the United States of America in Augusta County, Va.:

Beginning at a point twenty-five feet northeasterly at right angles from the located center line of a proposed main track and tunnel on the Mountain Subdivision of the Chesapeake & Ohio Railway Co., also being in property line dividing the lands of the United States of America used for Blue Ridge Parkway and the Commonwealth of Virginia used for United States Route No. 250, which bears north three degrees sixteen minutes west through proposed center line of main track at station 1211+23.87; thence south thirty-four degrees forty-four minutes east parallel with and twenty-five feet from proposed center line of main track and tunnel across Skyline Drive six hundred and eighty-five and seventy-six one-hundredths feet to a point in property line dividing the lands of the United States of America used for Blue Ridge Parkway and the Swannanoa Development Corporation, which bears south one degree forty-two minutes thirty seconds east through proposed center line of main track at station 1204+40.5 which is one hundred and eighty-seven and twenty one-hundredths feet south one degree forty-two minutes thirty seconds east measured along property line from iron pin corner No. 20 and seventy-one and forty one-hundredths feet north one degree forty-two minutes thirty seconds west measured along property line from corner No. 1; thence south one degree forty-two minutes thirty seconds east on property line and across center line ninety-one and seventy-four one-hundredths feet to a point twenty-five feet southwesterly at right angles from proposed center line of main track; thence north thirty-four degrees forty-four minutes west parallel with and twenty-five feet from proposed center line of main track and tunnel six hundred and eighty and ninety-eight one-hundredths feet to a point in first above-described property line; thence north three degrees sixteen minutes west on property line ninety-five and seventy-eight one-hundredths feet to point of beginning; and containing seventy-eight one-hundredths acre, more or less.

The said easements are to be used for location of a railroad tunnel under the said Blue Ridge Parkway property near Afton, Va., and shall be conveyed subject to such terms and conditions as the Secretary of the Interior may deem advisable.

No part of the said easements shall be used for any other than railroad purposes, and in the event of any breach of this restriction, or in the event any part of said easement ceases to be used for railroad purposes, the entire interest herein authorized to be granted shall forthwith revert to the United States of America.

The United States of America shall have the right to use the said property in any way or manner not inconsistent with or conflicting with the use of the easements for railroad purposes as authorized herein to be granted to said the Chesapeake & Ohio Railway Co.

The Secretary of the Interior shall cause an appraisal to be made of the value of the said easements, including the resulting damage, if any, to the residue of the land, which said appraisal, after approval by the Secretary of the Interior, shall be paid in cash by the Chesapeake & Ohio Railway Co. as the consideration for the conveyance of said easements to it by the United States of America.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the American Weekly.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

INDIAN CLAIMS COMMISSION

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, today I have introduced for the purpose of the record a bill providing for an Indian Claims Commission. I introduced a bill sometime ago and I have spent several weeks going over the legal opinions, consulting the cases already decided by the Supreme Court, and I think now we have a bill which, if passed, will eliminate all the trouble we have had with Indian claims during the last 100 years.

Under the provisions of this bill, no more authorization bills will be necessary in this Congress. The Committee on Indian Affairs has been busy, since I have been here for 10 years, considering authorization bills permitting the Indians to present their cases to the Court of Claims. This bill provides a short cut. This was promised by the Democratic Party and the Republican Party, but it has not been enacted into law. If you will refer to this bill I think you will discover that it covers the whole subject. It is a short cut for all the trouble and difficulty we have had during the past years.

The SPEAKER. The time of the gentleman from North Dakota has expired.

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD, and include therein an editorial from the Daily Tribune of Royal Oak, Mich., on the freezing of social-security taxes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(Mr. BENNETT of Missouri asked and was granted permission to extend his own remarks in the RECORD.)

Mr. HOLMES of Washington. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address by Mr. Goodrich W. Lineweaver, Assistant to the Commissioner, Bureau of Reclamation, before the Washington State Reclamation Association at Yakima, Wash., on December 9, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

SIXTH WAR BOND SALES, MURRAY CITY, OHIO

Mr. BREHM. I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Speaker, according to a Treasury report, Ripon, Wis., completed their Sixth War bond sales in 2 hours and exceeded their quota by 30 percent.

Delano, Calif., completed theirs by 3 p. m. on the opening day of November 20.

These achievements are not to be denied. However, Murray City, Ohio, a small coal-mining village in my home county of Hocking, outstripped both these early birds and exceeded its quota by 60 percent 3 days before the opening drive started, thus becoming the first town in the Nation to go over the top.

I am proud to represent these patriotic Americans.

COTTON AND OTHER PROBLEMS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to extend my remarks by including a letter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. CRAWFORD addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter I received from Stamford, Conn.

Also, on behalf of my colleague the gentleman from New York [Mr. DICKSTEIN] and at his request I ask that there be inserted in the RECORD for him a statement relative to Mr. Noel Coward and a letter from Miss Catherine T. Cook, of Brooklyn, N. Y.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the El Paso Herald-Post.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ALEX WYLIE AND ESTATE OF JAMES EVANS

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4366) for the relief of Alex Wylie, and the estate of James Evans, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill and the Senate amendment as follows:

Page 1, line 6, strike out "$600" and insert "$1,000."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

SIGFRIED OLSEN

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co., with a Senate amendment, disagree to the Senate amendment and request a conference with the Senate.

The Clerk read the title of the bill and the Senate amendment as follows:

Strike out all after the enacting clause and insert:

"That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claims against the United States of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co., his heirs or assigns, for just compensation for actual cash losses necessarily incurred by him in the operation of two vessels to South America and return in the fall of 1941 in compliance with specific directions of the United States Maritime Commission, carrying in the interest of national defense cargoes specified and at rates designated by the Commission, outbound and return.

"SEC. 2. Suits upon such claims may be instituted at any time within 1 year after the date of the enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of such claims, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which the Court of Claims has jurisdiction under section 145 of the Judicial Code, as amended."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. McGEHEE, MURPHY, and PITTENGER.

RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communication, which was read by the Clerk:

WASHINGTON, D. C., *November 28, 1944.*

Hon. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I beg leave to inform you that I have this day transmitted to the Governor of Virginia my resignation as a Representative in the Congress of the United States from the Third District of Virginia, to become effective as soon as my successor can be elected.

Yours sincerely,

DAVE E. SATTERFIELD, JR.

INCREASE IN CAPITAL STOCK OF SMALLER WAR PLANTS CORPORATION

Mr. SABATH. Mr. Speaker, I call up House Resolution 661 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2004) to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942; that after general debate, which shall be confined to the bill and shall be continued not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendments, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 119]

Anderson, Calif.	Grant, Ind.	Myers
Baldwin, Md.	Griffiths	Norton
Baldwin, N. Y.	Hall,	O'Brien, Ill.
Barry	Leonard W.	O'Connor
Bland	Halleck	Patman
Bonner	Hancock	Patton
Boykin	Harness, Ind.	Peterson, Ga.
Bradley, Mich.	Hartley	Pfeifer
Brooks	Hays	Philbin
Brown, Ohio	Hébert	Pracht,
Brumbaugh	Heffernan	C. Frederick
Buckley	Heidinger	Price
Bulwinkle	Hendricks	Reece, Tenn.
Burch, Va.	Herter	Rizley
Burchill, N. Y.	Hinshaw	Rogers, Mass.
Burgin	Holifield	Rolph
Busbey	Holmes, Mass.	Rooney
Byrne	Jackson	Rowe
Cannon, Fla.	Judd	Satterfield
Cannon, Mo.	Kee	Scanlon
Capozzoli	Kennedy	Scott
Carson, Ohio	Kilburn	Shafer
Celler	Kilday	Sheridan
Chenoweth	King	Short
Clevenger	Kinzer	Simpson, Pa.
Coffee	Kirwan	Smith, W. Va.
Costello	Kleberg	Snyder
Curley	Klein	Sparkman
D'Alesandro	Lemke	Stefan
Davis	Lewis	Thomas, N. J.
Delaney	Luce	Tolan
Dewey	Lynch	Treadway
Dickstein	McCord	Troutman
Dies	McGregor	Ward
Douglas	McLean	Wasielewski
Ellison, Md.	Maas	Weaver
Elston, Ohio	Magnuson	Welchel, Ohio
Fay	Maloney	Weiss
Fellows	Mansfield,	Wene
Fenton	Mont.	Whelchel, Ga.
Fitzpatrick	Marcantonio	White
Forand	Merritt	Willey
Ford	Miller, Pa.	Wilson
Fulmer	Morrison, La.	Winstead
Furlong	Morrison, N. C.	Wolverton, N. J.
Gallagher	Mruk	
Granger	Murphy	

The SPEAKER. Two hundred and ninety-three Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. CASE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects, in one to include an article from the Washington Post and in the other an address on Wendell Willkie.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

INCREASE IN CAPITAL STOCK OF SMALLER WAR PLANTS CORPORATION

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized.

Mr. SABATH. Mr. Speaker, I have asked for the immediate consideration of the resolution which will make in order the bill S. 2004, to provide for an increase in the capital stock of the Smaller War Plants Corporation. I assure the membership I was not responsible for this quorum call that brought them here, but I shall now proceed with an explanation of this rule and why it should be adopted.

Mr. Speaker, the bill, S. 2004, proposes to amend the Smaller War Plants Act. The rule is an open one and provides for 1 hour general debate, after which the

bill will be considered under the 5-minute rule for amendment.

I presume most of the Members are familiar with the legislation which preceded the enactment of the Smaller War Plants Act. In 1932 Congress enacted the basic Reconstruction Finance Act to provide aid and emergency financing for business, agriculture, commerce, and for other purposes, generally, after a previous bill on the subject passed by Congress had unfortunately been vetoed by President Hoover on the grounds that the powers contained in the bill with respect to aid to municipalities were too great and his insistence that it be amended so that loans to municipalities should be only for self-liquidating projects. Shortly after the passage of the basic act and the functioning of the Reconstruction Finance Corporation was well under way, it was found that the administration of the provisions of the act were principally in the interest of the banks, insurance companies, and railroads—not that I objected to extending assistance to them—but the small businessmen for whom we intended this helpful legislation, when I introduced bills in 1930 and 1931 for their relief, were not the beneficiaries of the help as proposed and intended by Congress.

Subsequently we passed an act giving the Reconstruction Finance Corporation broader powers in the hope that the small businessmen would be aided and extended the benefit of loans as provided under the provisions of the act. We also amended the Federal Reserve Act to authorize the Federal Reserve Board to make certain loans, but unfortunately again the little fellows who were not in position to employ able lawyers or engage the services of Washington representatives were unable to derive the aid that we intended they should have. In the face of this situation certain conditions developed a few years ago, and it became necessary, and the Congress felt, that we should have a separate organization to help the small businessmen.

Mr. REED of New York. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. REED of New York. All of us have many small corporations in our districts that we would like to see get contracts. I have read this report, but I fail to find where it has been set forth just what has been done for them, and I am wondering if that has been covered fully in the printed hearings.

Mr. SABATH. I am not a member of that committee, but evidence was presented before the Rules Committee as to the aid and assistance that have been given to small business, the number of loans that have been made, and the good that has been accomplished in the interest of small business.

Mr. SPENCE. Will the gentleman yield?

Mr. SABATH. I yield to the chairman of the Banking and Currency Committee [Mr. SPENCE].

Mr. SPENCE. The hearings have been printed and are available.

Mr. REED of New York. And cover this point?

Mr. SABATH. Yes; they cover that point.

Mr. REED of New York. I thank the gentleman.

Mr. SABATH. Mr. Speaker, I am very glad the gentleman interposed that question. Originally we allocated, I think, $150,000,000 for this purpose and of that $150,000,000 there are now available only about $19,000,000. The demands on the corporation are tremendous and the officials of the Smaller War Plants Corporation feel if they are to do what the Congress intended they must have an additional allocation.

Therefore the original act has been amended by Senate bill 2004 by increasing the amount from $150,000,000 to $350,000,000, which means an increase of $200,000,000, which the gentlemen in charge believe will be sufficient. The Committee on Rules had appear before it the chairman and some of the other members of the Committee on Banking and Currency, and were informed that the committee made a unanimous report on the bill. Consequently the Committee on Rules, desiring to aid and expedite legislation of this character, unanimously reported this rule.

SMALL BUSINESS NEEDS ASSISTANCE

I am naturally in favor of this legislation which will aid small business, which needs some aid and help. I do not want to charge the Reconstruction Finance Corporation with negligence, or that they have not cooperated, but unfortunately they have given more consideration to the applications for larger loans, and perhaps did not really have the time to give consideration to the applications of the small businessmen, because I am told that invariably when an application for a small loan for five, ten, or twenty-five thousand dollars was made, it would take a great deal of time before action was had and in many instances delays in consideration and so much time was consumed in complying with technical requirements that some small businessmen were obliged to suspend operations or go out of business. Mr. Speaker, of course, I am interested not only in small business, but also in big business. Big business does not need our aid, because only yesterday I read a report showing the tremendous profits, the tremendous surpluses, and the tremendous reserves and cash on hand the large companies, institutions, and corporations have.

So in view of the fact that the small businessmen do not have the reserves which they need so badly, we should aid them financially to continue to serve the Government in war production. I therefore feel that this legislation should pass.

AID FOR THE WHITE-COLLAR WORKERS

Mr. Speaker, in this connection may I ask the indulgence of the House in calling attention to a matter which is of great importance and, perhaps, of greater importance, and that is that aid should be extended to the underpaid white-collar group. Not only are the small businessmen in need of assistance, notwithstanding the great prosperity that this country presently enjoys, but we still have at this time approximately 22,000,000 working people who are earning less than $1,300 a year, or $25 a week, with one-half of that number earning less than $1,200, ranging from $17.50 to $20 a week. I feel that something should be done for them; it is absolutely necessary. I have frequently called attention to the appropriations made for agriculture. I merely have done so in order to call the farmers' attention to what this Congress and administration have been doing in their interest and to their benefit, not with any intention, of course, of opposing legislation that may be beneficial to them, for I feel if the farmer is prosperous the entire country is benefited and is also prosperous.

Unfortunately, Mr. Speaker, due to various conditions, the cost of living, especially the cost of food, has so tremendously increased that these white-collared working people cannot exist on the amount that they are earning. In the past 2 years I have taken the floor many times and have called attention to their plight. I have been most concerned as to their welfare and, with my continuing interest in them, I addressed a letter recently to the Chairman of the War Labor Board as to the need of granting aid to these underpaid workers who, unfortunately, are not organized and who have very few people to speak for them. Under the permission granted me, I insert the letter to which I have referred, as follows:

CHICAGO, ILL., *November 24, 1944.*

The Honorable WILLIAM H. DAVIS,
War Labor Board, Washington, D. C.

Dear Mr. DAVIS: I cannot stress too strongly the immediate necessity of coming to the aid of the 22,000,000 white collar workers who, today, are barely able to subsist because of the disparagement between their salary level and the greatly increased cost of living. More than half of these chain store employees, mail order clerks, bank clerks, office workers, typists, bookkeepers, and stenographers are being paid less than $1,200 per year and, because of the War Labor Board's policy of freezing wages on the basis of Bureau of Labor statistical studies made in the early months of 1943, are held rigidly within a salary bracket frozen to prewar standards.

With the cost of living increased between 30 and 40 percent over 1940 levels, it is obvious that the wages of white collar workers, which have increased at the very most only 15 percent, cannot provide those workers with living standards comparable to those of industrial workers. Organized labor, through its unions, has been able to obtain a fair adjustment of wage scales and the industrial worker's income is consonant with the present cost of living. But the unorganized white collar worker, on his restricted wage level, cannot cope with the telescopic rise in the price of foodstuffs and other essentials. All vegetables and fruits, milk, butter, eggs, meats, and flour have increased 60 percent. Cotton and cloth goods have also increased considerably. The white collar worker, therefore, is hard put to provide himself and his family with even the barest necessities.

Although I am against inflation, I cannot countenance starvation wages. If the War Labor Board refuses or neglects to give fair consideration to the desperate problem of the white collar worker Congress will be obliged to take action, either by providing that white collar workers be exempted from the Wage Stabilization Act or by the passage of special legislation setting up reason-

able maximum and minimum rates. But it appears to me that the War Labor Board, under its present powers, can make immediate adjustment of this unfair situation and give quick and effective relief. If the wages of industrial workers can be adjusted to the increased cost of living, there is no reason why the same cannot be done for the white collar worker whose classification during the past campaign as the "Forgotten Man" comes terribly close to being the unvarnished truth.

Very truly yours,

A. J. SABATH.

Mr. Speaker, I hope that in the near future something will be done for these underpaid workers; that the outstanding and influential Members of this body on both sides will take it upon themselves to help devise a method for relief that justice demands for them so that they will not be in want or suffer because of the high cost of living.

I had intended to make other observations today, but feeling that the Chairman of the Committee on Banking and Currency is anxious to proceed and fully explain the provisions of the pending bill and, as I understand there is no opposition to the rule or the bill, I shall take no further time now and yield the usual 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, there was no opposition in the Committee on Rules to the consideration of this bill. It is brought before you with a rule that permits amendments and 1 hour of general debate. The bill merely provides for the increase in the capital stock of the Smaller War Plants Corporation from $150,000,000 to $350,000,000, an increase of $200,000,000.

I believe everybody in the House, Republicans and Democrats alike, are aware of the plight of the small businessman in America. It is appalling and tragic. There are some 500,000 small businessmen who are fighting for their very existence under war conditions and against regimentation, red tape, questionnaires, and the burden of taxation. Small business has been the backbone of free enterprise in America for 150 years. The small businessmen today are staggering under the heavy load of taxes, and are groggy from the restrictions placed upon them by the Government. It is a question whether they can survive. If they do not survive, free enterprise will go out of the window in our own country. Consequently, this is an important piece of legislation as it is aimed to help the small businessman obtain loans which the banks are afraid to risk. I do not anticipate that $200,000,000 will solve or actually remedy the situation or save hundreds of thousands of small businessmen who are still struggling to survive until the war is over. Nevertheless, the effort is right, fair, and just and it should have the unanimous support, as I believe it will have, of the Congress.

The distinguished chairman of the Committee on Rules raised another or companion issue to this bill, that is, What can Congress do and what will Congress do to help the white-collar workers and underpaid wage earners in this country? In the factories and in the stores probably 20,000,000 of them today are not receiving decent wages to provide for American standards of living. Those, I may say to the Congress, are the forgotten men and women of America. They have no spokesmen or lobbyists in Washington; they have no highly paid staff such as the big corporations have to look after their interests and provide them with a square deal and with social and industrial justice. I am making an appeal today to the Members of the House, Republicans and Democrats, because I will not be a Member of this House very much longer; and if there is one legacy that I would like to leave to the Congress, it is this: That we have a duty in Congress to speak for these forgotten men and women, for these millions of American wage earners who cannot protect themselves, who are underpaid, in our stores, offices, and factories, mostly in peacetime work, but some in war work, who are receiving under 75 cents an hour. The law is that those employees receiving under 50 cents an hour, to get an increase in wage, do not have to go to the National Labor Relations Board for a raise up to 50 cents.

Mr. AUGUST H. ANDRESEN. If the gentleman will permit me to say so, the law is that those receiving under 40 cents an hour do not have to go to the National Labor Relations Board.

Mr. FISH. I believe it is now 50 cents an hour. Mr. Speaker, I have today put in a bill—just a few moments ago, to be exact—which increases that amount to 75 cents an hour, or by 50 percent, which would mean a wage scale of $36 a week.

It would mean, if this bill was enacted into law, that an employer of labor who wanted to reward the efficient and faithful labor of his employees who are underpaid, could raise their salaries to 75 cents an hour without going to the National Labor Relations Board. The gentleman from Minnesota [Mr. ANDRESEN] and I had a somewhat similar bill before the Congress in the last session. It was defeated by a very small vote. I have since then continued to study the problem and have become more convinced than ever that this is only an act of simple justice to some 20,000,000 Americans who are being underpaid, due to the high cost of living, which is increasing all the time, to the burden of taxation, and to the withdrawal of 20 percent of their pay for taxes, with the result that these American wage-earners are actually receiving less today, in view of these conditions, than they were receiving before the war began. Congress itself is somewhat to blame unless it should enact this law so that an employer of labor could, without all the red tape and delay, reward a faithful employee and increase his pay up to 75 cents an hour. It would not upset the Little Steel formula. It would not upset the precedents that have been established to keep down the higher wage scales, but would raise the lower wage scales to a decent standard of pay and to a decent standard of living.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SABATH. In that connection I am very pleased and gratified that the gentleman has taken the position which he has. I wish to say that only last week I wrote a very strong letter to the Chairman of the War Manpower Commission, inquiring why he has not granted some of the applications for increases in wages for these poorly paid employees and pointed out to him that if he does not do so, I feel the Congress will act within a short space of time.

Mr. FISH. Of course, as I understand it, their hands are tied. They cannot increase the pay more than 15 percent.

Mr. SABATH. Even that would help.

Mr. FISH. As I understand it, those receiving under 50 cents an hour do not have to go to the National Labor Relations Board to get an increase in wage. My colleague the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] says it is 40 cents an hour but I thought it was 50 cents an hour.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. AUGUST H. ANDRESEN. The wage-hour law provides a minimum wage of 40 cents an hour. If they go above that they have to go before the War Labor Board. However, just within the past week the War Labor Board announced that they could raise it to 50 cents without consulting the War Labor Board.

Mr. FISH. That is their regulation then?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. FISH. It is their regulation, whether it is called law or not? That is what I understood it to be.

Mr. AUGUST H. ANDRESEN. Yes.

Mr. FISH. Then the regulation is that their pay can be raised up to 50 cents an hour, and that is what I think I said.

The bill which I introduced makes it possible to raise salaries up to 75 cents an hour, or $36 a week. Some Member in the other body, the Senator from Florida, I believe, has introduced a bill empowering employers of labor to raise the pay to 65 cents an hour. That is, it makes it possible. It is not mandatory. It is purely voluntary, according to my bill, to raise the pay to 75 cents an hour, or $36 a week, to take care of these underpaid employees who have the withholding tax to deal with and the higher costs of living. It seems to me there ought to be a general agreement on legislation of this kind. I realize we are in the closing days of the session and we probably could not get legislation of that type passed before adjournment. If I could offer it as an amendment to this bill, I certainly would do so and I believe it would be passed almost unanimously.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. AUGUST H. ANDRESEN. As I understand it, there is nothing in this bill to give any assistance to millions of small retail businessmen in this country. This bill, as I understand, takes care of the small manufacturers. They are relatively a few thousand, when you compare them to the large number of retail

businesses of the country. Does the gentleman have something in mind that might be done for the two or three million small retail businessmen in the United States who are in need of relief and are being rapidly liquidated?

The SPEAKER. The time of the gentleman from New York [Mr. FISH] has again expired.

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

I believe this is one of the greatest issues before the Nation today. It amounts to the survival of the small American businessmen, the very backbone of free enterprise. They are in dire circumstances. This is part of the post-war planning. I do not think this bill is going to begin to touch the real situation, as the gentleman mentioned. It is large-scale gesture of loaning a certain amount of money for temporary relief to small manufacturers.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. COX. I wonder if the gentleman is prepared to agree with me that the conduct of the affairs of the Smaller War Plants Corporation, under our former colleague, Mr. Maverick, has well earned public confidence, and that Mr. Maverick, in administering the corporation, has demonstrated that he is one of the most efficient administrative officers in the Government?

Mr. FISH. Yes; I do. I can only speak for myself in my dealings with it. I think he is an industrious public servant. He is on the job all the time and is an able and sincere administrator. He has been handicapped by lack of funds. Of course, I hope that this appropriation will increase the efficiency of the Smaller War Plants Corporation, and be much more helpful to those small businessmen. But I do not want to give the impression to the gentleman from Georgia, or to any other Member, that this is a solution of the problem. This is temporary relief, but it does not solve the greater issue of preserving the small businessmen from extinction. They are being regimented to death and they are virtually being taxed to death. Those are the bigger factors that affect them, and until something is done far more potent than is this bill, we are going to have a great many more casualties among the small businessmen before this war is over.

I did not have the figures, but someone gave me the startling figures just before I spoke, that there had been 500,000 casualties among small businessmen. I do not vouch for these figures. But I do state without fear of contradiction that the casualties have not ended, and will continue as long as the war does. I am afraid we will find ourselves at the end of the war with small businessmen on the rocks and free enterprise out of the window. That is why the issue is so much greater than many of us at a casual glance at the bill would consider it to be.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield further?

Mr. FISH. I yield.

Mr. AUGUST H. ANDRESEN. Let me point out to the gentleman that the figures in the Department of Commerce show that for the years 1940, 1941, 1942, and 1943, there were 2,000,000 people, or concerns, who went out of business, out of a total of 3,737,000. There were some, of course, that went into business, but the gentleman will find that nearly two million business concerns have closed up during the war prosperity.

Mr. FISH. I thank the gentleman for his contribution.

Mr. BENNETT of Missouri. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. BENNETT of Missouri. The Department of Commerce issues a publication dealing with current business conditions. In this publication it reported that during the past two years, 1,073,000 American small businesses employing four people or under have gone out of business.

Mr. FISH. One million?

Mr. BENNETT of Missouri. One million seventy-three thousand.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. FISH. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, the resolution I have just introduced provides merely for a simple act of justice to the white-collar class, the poorly or underpaid factory workers who have been discriminated against and have not had an economic square deal.

If Congress wants to help these white-collar employees and those who work in grocery stores, chain stores, textile and garment factories, clerks, stenographers, school teachers, and so on, and permit faithful, industrious, and hard-working emloyees to secure a reasonable increase with the approval of their employers, then this resolution affords them the opportunity.

There are 20,000,000 American wage earners receiving less than 75 cents an hour, and most of them are in nonwar industries. These wage earners have not received any increase in pay to speak of, but have had their wages reduced through increased taxation and withholding taxes, and the increased cost of living. Employers engaged in private business and not in war work are losing their employees, because they are unable to pay them the wages they want to and to which the employees are entitled. The only relief provided for under existing law is in cases where the pay is under 50 cents an hour, which compensation can be increased up to that amount without the approval of the N. W. L. B., and this resolution would permit such increases, where conditions warranted and the employers themselves agreed, up to an hourly rate of 75 cents for straight time. This would amount to $36 a week on the basis of a 48-hour week.

Whereas, pursuant to the act of October 2, 1942, which was designed to aid in stabilizing the cost of living, the President, in Executive Orders 9250 and 9328, conferred authority upon the National War Labor Board to correct substandards of living; and

Whereas substandard wages not only undermine the health and strength of the Nation but curtail production; and

Whereas Congress deems it desirable to determine a rate below which wage rates shall be considered substandard: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that a straight-time hourly rate of 75 cents per hour is the minimum below which the National War Labor Board shall consider any wage rate substandard.

I hope Members on both sides of the aisle will introduce similar legislation and adopt it to provide a square deal for these millions of underpaid wage earners who have no spokesman and no lobby in Washington, whose needs are often overlooked because we are not aware of the conditions. This kind of resolution could not affect anybody because action under it is voluntary; it could do no one an injustice. It merely empowers the employers to raise the salaries to 75 cents an hour.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. FISH. Mr. Speaker, I yield 7 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, the Smaller War Plants Corporation came into operation as a result of statutory law at a time when it appeared at least that the small corporations of the country were not adequately participating in the allocation of war orders. The argument was made to the effect that if the War Production Board certified to the Smaller War Plants Corporation, which was to be created, that certain small firms could obtain orders provided they were properly financed, it would bring about a situation where the Smaller War Plants Corporation could proceed to finance the small companies and get them into the war-production program on a larger scale than they were participating at the time. Accordingly, by statute, Congress created the Smaller War Plants Corporation to remain in succession until July 1, 1945; and provided for $150,000,000 capital stock to be subscribed by the Secretary of the Treasury, to be paid in from time to time as the corporation might need the funds. I shall do my best to make this a more acceptable bill before final action on it today.

Here is a proposal asking that that $150,000,000 of capital structure be increased to $350,000,000, and if we act favorably on this bill today I assume that some time between now and July 1 next the proposition will be put up here to continue the existence of this Corporation.

Mr. Speaker, I am not going to oppose the adoption of the rule, although I voted against the bill in committee. I do wish we could get a better bill and channel all this business through our private enterprise and outside the Federal Treasury. This operation, in my opinion, is unnecessary because I believe that the commercial banks of this country are in position to finance every sound loan for every small business in the United States, and if they are, they should do it. The Federal Treasury is now too heavily burdened.

Mr. MICHENER. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. MICHENER. In the Rules Committee we were advised by the members of the gentleman's committee asking for the rule that these loans would only be made where private credit could not be obtained.

Mr. CRAWFORD. The hearings will show quite a bit to the effect that the Smaller War Plants Corporation requests applicants who make application for loan to apply to their local bank. I have not personally been convinced that a company cannot get a loan from the Smaller War Plants Corporation until it first shows that it cannot obtain loans from other lending agencies. If the situation is such that the Smaller War Plants Corporation will not make a loan to an industry except where that industry cannot obtain credit from some other lending agency, that is a situation which I personally feel the banking industry of this country could and should correct unless the banking industry is now ready for the Government to take over the lending functions and the credit-creating functions in the United States.

Mr. MICHENER. In the hearings, on page 9, the chairman of the Committee on Banking and Currency asked Mr. Maverick, the Administrator of this agency, the following question:

> Do you make it a condition that if the applicant can obtain a loan under as favorable circumstances from a bank, you will not make it?
>
> Mr. MAVERICK. We always do that. We give the bank the first shot at it.

That made it very clear to the Rules Committee that loans were only made when they could not be secured from local sources. I asked an additional question. The rate of interest under this agency is 4 percent. I asked, assuming that a local corporation can get a loan at a local bank for 5 percent, which is the bank rate, and he can get the same loan at 4 percent from this agency, would he be given the loan by the agency because of the difference in the rate? Because the rate was more favorable? The answer was "No." In other words, if this loan could be obtained from the local bank, even at a higher rate of interest, then the agency would not furnish the money.

Mr. CRAWFORD. Let us take the testimony appearing on page 9. The chairman asked:

> Do you make it a condition that if the applicant can obtain a loan under as favorable circumstances from a bank, you will not make it?
>
> Mr. MAVERICK. We always do that.

Suppose applicant A goes to the Smaller War Plants Corporation and says, "I want a loan at 4 percent," and the Smaller War Plants Corporation says, "We will not make you a loan if you can get it from your local bank." He goes to his local bank and the local bank says, "We will make a loan at 5 percent." Now, that is not under as favorable conditions. That is a case where Government funds will be put into a community to directly compete with the local institution.

The point I wish to emphasize is this: If the banking industry of this country has reached the point where it prefers to have Government agencies do the lending and put the banking industry out of business, then let the bankers of the country come before our committee and say so. If they have not reached that point, I ask why do the bankers not appear before our committee on issues of this kind? You will find where I raised that question in the hearings. We know what we receive from the bankers in protest against Government lending agencies. We know that banks primarily stand behind the Treasury in its selling of Government issues so that the Treasury can take the money and do these things.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Illinois [Mr. DIRKSEN] the balance of the time.

Mr. DIRKSEN. Mr. Speaker, let me point out one or two interesting things about the matter that is pending before us now. In the first place, this is in effect authorizing an appropriation of $200,000,000. If you go back and examine the act whereby we created the Smaller War Plants Corporation, you find this rather interesting fact. We create the Corporation, authorize $150,000,000 of capital stock, authorize the Secretary of the Treasury to subscribe for the stock, and then we authorize an appropriation to pay off the Secretary of the Treasury. So by increasing the amount from $150,000,000 to $350,000,000, what we are doing is authorizing an appropriation of $200,000,000, for when all the stock has been issued, the Treasury must be reimbursed for the money which it makes available to this Corporation.

This whole corporate business is growing up as a kind of wilderness in the country. The best estimate I can get is that we now have 61 corporations. They employ about 105,000 people. Their assets are $23,000,000,000 and their lending power is now $33,000,000,000. There is no man or men, no agency or committee in or out of Government that knows the limitations upon those corporations today. I think this whole field needs some careful exploration if we are going to get an adequate concept of how far we are going to go. Consider the Smaller War Plants Corporation. It has tremendous power. First, it is empowered to loan money; secondly, it also has authority to buy land, build structures, and to turn them over to the smaller war contractors. Here is an agency, then, that becomes a tremendous loaning agency of money directly on the part of the Government, and in the post-war period when the demand is heavy, it may go far beyond $350,000,000.

The objection I have to that approach to the matter is this: I recognize that small contractors and small-business enterprises need help, but why can we not make it possible for them to get help at the "grass root" level, as the gentleman from Michigan [Mr. CRAWFORD] so well explained. If there is any difficulty, why not insure those loans like the Federal Housing Administrator insures loans for the building or purchase of homes. Let a small businessman go to the First National Bank in the city of Pekin, where I live, or any other city, and make an application for a $10,000 small-business loan or for some other amount. If Uncle Sam insures it, takes the larger element of the risk, and the bank takes the smaller element, several things happen. In the first place, the great quantity of money in the country is going to be syphoned off in enterprises that will provide jobs, which is one of those imperative things in the post-war period. Secondly, it seems to me that we should reduce to some extent the labyrinthian structure of government that is building up constantly, and so we kill two birds with one stone when we do that. This approach keeps it at the "grass root" level, where it ought to be.

This whole structure of government corporations—some of which has been created by Executive order, some by statute, some chartered under the laws of States like Delaware, like the Commodity Credit Corporation—is going to require a lot of exploration, because I am frank to confess to the Congress and to the country publicly that I for one have no adequate information on the power and the responsibility and the limitations on this great wealth of corporations that has grown up as an appendage of government.

Certainly a far happier approach would be to let the small businessman in the little town or in the big town deal with the finance institution whom he knows and with whom he has been dealing for a long time, on an insured basis. Then you will take the Government out of the field of direct lending.

I do not in the circumstances oppose enactment of the pending bill, but this is going to set a great precedent. It will go further and further in other fields, and so this great monster of government competition is going to be aggravated by action on our part unless we revamp the present approach and develop a system for aid to small-business enterprises by means of loans at the local level, insured by the Federal Government.

I have found our former colleague, Mr. Maverick, Chairman of the Smaller War Plants Corporation, genuinely cooperative and helpful. He has the requisite energy and sympathy to make this program work if anyone can.

Nor do I find fault with the purposes and objectives of the Smaller War Plants Corporation. It is what the name implies—a corporation to aid smaller business establishments in finding their proper place in the war effort. The larger problem before us is the question of how aid to small business enterprises shall be handled and administered in the days that lie ahead. Here then, we come back to a basic problem, and I am of the opinion that a program for small business aid, where they can deal with the credit institutions in their own localities and get credit which is insured by Government in the same manner that the

Federal Housing Administration now insures housing loans, is the better and sounder approach.

It would make it unnecessary for the operators of small business enterprises to come to Washington and experience delay in having their needs fulfilled. It would substantially diminish the operating cost of the program. It keeps business at the grass-roots level. It is more in conformity with the basic American theory of free private enterprise.

Now it may be said that insuring a mortgage on a home is not like insuring a business loan. To that I would reply that we have authorized the F. H. A. to insure mortgage loans on large-scale rental projects which are very essentially business enterprises, so why would it not be practicable to insure loans to small business enterprises, thereby diminishing the growing competition of Government with private enterprise? To this matter, the Banking Committee should address its efforts in the days ahead in the hope that an acceptable program might be enacted.

Let me add one further thought. This year, the Congress enacted the so-called G. I. bill of rights which among other things provides guaranteed loans to veterans of the present war for the purpose of purchasing businesses and business property. We need but continue this general theory of insured loans to other business enterprises of the Nation and we shall be upon reasonably sound ground.

Mr. SABATH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, answering my colleague from Illinois [Mr. DIRKSEN], a very able and hard-working Member of this House, I know he appreciates and recognizes and is informed as to why the Government was obliged to create the lending agencies. He knows that nearly all the banks were not solvent in 1932, and that applied to insurance companies, railroads, municipalities, and most businesses. Therefore, it became necessary for Congress, and Congress in its wisdom authorized the original lending agency; in order to save the country, and later, naturally, due to the demand for other agencies and the need having been created, it was continued.

I also am of the opinion that we should not interfere with the business and profits of the banks. The big businessman can get money at 2 to 3 percent, but the little man has to pay 5 and 6 percent to the bankers. Nevertheless, I feel that the security that is given by the little fellow is as good as the security given by the big corporation that is obtaining loans running up to millions of dollars.

We should not be so much interested in the banks. All of them have plenty of money and they are making money, and I am glad of it. But personally I feel that we should not force the little fellow to go to the bank in his own city and be forced to pay it 6 percent, if we have an agency that can let him have the money at 4 percent. That has been a mistake on the part of the Congress at times in enacting legislation authorizing loans to be made and then insured. That means again adding an additional cost to the borrower on his loan. Let us eliminate it as much as possible, for the small fellow. My aim is to help him obtain his loan at as reasonable a rate of interest as the big man obtains his loans from the big banks or from the Reconstruction Finance Corporation.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to my colleague.

Mr. DIRKSEN. Of course, I recognize the need for aid, but it looks to me as if it would be much easier for the small borrower to deal at arm's length with someone in his home town than to have to come here to Washington and go through all the process of government.

Mr. SABATH. I agree with the gentleman, but unfortunately, due to the fact that from 1929, and the gentleman knows this to be the fact, when the little banks were depleted by the loans which they made to the Wall Street speculators and the New York bankers, not because of their own mismanagement but because they were misled by those gentlemen in also being made a party to these great loans, in that way Wall Street and the New York bankers forced upon the small bankers a lot of worthless loans and securities which brought about bankruptcy and ruin to many of these little banks. Therefore, they are careful and I am very glad that they are, but instead of making loans as they did heretofore on the fair reputation of an individual, on a man's standing and experience, and on his ability to repay, they want his right arm and an eye and everything else, and then charge him not only 6 percent interest but also additional commission and service charges. He is obliged to give them a mortgage on everything he has, and in many cases even his insurance. I am surprised that they do not demand also a transfer of the rights and interests that he may have in his wife and children, and I imagine in some cases, they would be willing to do that.

Mr. Speaker, as has been stated, it has been the policy of the Smaller War Plants Corporation before making a loan to require the borrower to make application for a loan to a banker and from his locality, and not until the Corporation is satisfied that the loan cannot be obtained by the small manufacturer from his banker will they make a loan. Further, the Corporation gives the bank an opportunity to participate in the loan. Surely there cannot be any just complaint on the part of the local banker in whom the gentleman from Michigan [Mr. CRAWFORD] who preceded the gentleman from Illinois [Mr. DIRKSEN] seemed to be so very much concerned that the loan should be made by the local bank.

The SPEAKER. The gentleman from Illinois has consumed 5 minutes.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

FEDERAL-AID ROAD ACT

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented to authorize appropriation for the postwar construction of highways and bridges to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans and acquisitions of rights-of-way and for other purposes, insist upon the amendment of the House, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Utah? [After a pause.] The Chair hears none and appoints the following conferees: Mr. ROBINSON of Utah, Mr. WHITTINGTON, Mr. RANDOLPH, Mr. PETERSON of Georgia, Mr. WOLCOTT, Mr. MOTT, and Mr. CUNNINGHAM.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD in three instances; in one instance to include a speech delivered by the Honorable James F. Byrnes in October, and in the other, an address delivered by Hon. Henry Morgenthau, Jr., Secretary of the Treasury. The former speech is in excess of the amount allowed under the rule, and the amount is $130.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

TO INCREASE CAPITAL STOCK OF SMALLER WAR PLANTS CORPORATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union, for the consideration of the bill (S. 2004) to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2004, with Mr. JARMAN in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill is not a matter of first impression with the House. The policy stated in the bill has been adopted by the Congress and has been acted upon since 1942. From June 11, 1942, 6 months after war was declared, the predicament of small business in the United States was apparent. Small business was unable, without assistance, to meet the strains and stresses of the economic conditions that prevailed. Small business was unable to compete with big business. Big business was obtaining all of the war contracts because small business did not have the capacity and the resources to carry out those contracts.

The Smaller War Plants Corporation was organized primarily to take over some of the prime contracts and to sublet them to the smaller industries in order

that they might survive the conditions that were existing. However, the Smaller War Plants Corporation adopted a device that made it possible for it not to take over the contracts themselves. They found they had sufficient power to exercise an influence over the big companies, to make it a condition of obtaining the contracts that the contracts would be sublet to the smaller businesses. In that manner they have rendered great service to the people of the United States. If many of the small businesses had not received this help they would probably have disappeared. Notwithstanding the astronomical figures of the assets of the big corporations, small business has always furnished more employment than those gigantic institutions. Seventy percent of the employment in America was in the small businesses. If we are striving for full production and full employment, we must preserve those institutions.

This is a Corporation over which the Congress has control. It does not issue its own securities. It must come to the Congress for every dollar it expends, and it cannot receive this money which we authorize if we pass this bill unless there is an appropriation by the Congress.

This Corporation has made an enviable record. It has rendered great service to the industries and to the people of America. It has been conservatively managed. It has made 2,070 loans and it has executed 807 leases to the industries that needed this character of help. Now it has been said that the proper way for small business to proceed to obtain its funds is to go to the ordinary financial institutions. These are emergent times. A little corporation engaged in war activities is engaged in an emergent, and not a normal, undertaking. There is the difficulty of war mobilization and reconversion of the resettlement of contracts, of surplus-property disposal, and the proper administration of the G. I. bill of rights, and in all of these matters the Smaller War Plants Corporation has important duties to perform. The operation of the smaller war plants is not the normal function of these concerns; and because of these abnormal times and because of these unusual conditions under which they are operating, the banks will not lend them money on favorable conditions.

The CHAIRMAN. The gentleman from Kentucky has consumed 5 minutes.

Mr. SPENCE. Mr. Chairman, I yield myself 2 additional minutes.

Mr. BELL. Mr. Chairman, will the gentleman yield for a question?

Mr. SPENCE. I yield.

Mr. BELL. Will the gentleman enlighten us a little on the scope of the bill? Does it authorize the lending of money to a corporation for any purpose other than purely war work?

Mr. SPENCE. It is limited to war contracts and essential civilian work. Now, under the War Mobilization and Reconversion Act, and the Surplus Property Disposal Act, this Corporation will have important duties to perform. It will make interim loans, it will buy some of the surplus property in order to lend it to some of these small corporations. Those duties are provided in these acts. It seems to me they are duties of the greatest importance not only to the smaller war plants but to the entire economy of America.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. KEEFE. In the consideration of this bill to increase the capital structure $200,000,000 did the Committee have before it the present financial statement of the Smaller War Plants Corporation which shows its operation?

Mr. SPENCE. Yes. The Smaller War Plants Corporation has practically exhausted its $150,000,000 capital. It has about $19,000,000 available, but they have applications for loans far in excess of the $19,000,000 they have on hand.

Mr. KEEFE. Does the profit and loss statement show the actual operation of the Smaller War Plants Corporation as to just what its cost has been?

Mr. SPENCE. The gentleman can procure those figures.

The act provides that every 60 days the Smaller War Plants Corporation shall make reports to the President of the United States, to the President of the Senate and to the Speaker of the House. Those reports are available and I think they reflect great credit on the administration of the Smaller War Plants Corporation.

Mr. Chairman, I certainly hope this bill will pass.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent to insert at this point in the RECORD the report of the committee on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

(The report referred to follows:)

The Committee on Banking and Currency, to whom was referred the bill (S. 2004) to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942, having considered the same report favorably thereon without amendment and recommend that the bill do pass.

The bill proposes to increase the capital stock of the Smaller War Plants Corporation from $150,000,000 to $350,000,000.

The primary purpose of this increase in capitalization is to enable the Corporation to continue to discharge one of its most important responsibilities under the act of June 11, 1942 (Public Law 603, 77th Cong.), the carrying on of the loan-and-lease program undertaken by the Corporation principally for the purpose of insuring equitable participation of small businesses in war production.

In recent months additional responsibilities have been imposed upon the Corporation by the Contract Settlement Act of 1944, the Surplus Property Act of 1944, and the War Mobilization and Reconversion Act of 1944. In addition to the primary purpose stated above, the proposed additional capitalization is designed to enable the Corporation to discharge its responsibilities under these statutes.

The Corporation presented to the committee financial statements showing that the capital originally provided for is near the point of exhaustion and that unless an increase is authorized the loan-and-lease program which has been so helpful to small business will shortly come to an end.

The amount of capital originally authorized under Public Law 603 was $150,000,000. This amount was subscribed by the United States through the Secretary of the Treasury and an equivalent sum was appropriated for the purpose of enabling the Secretary of the Treasury to make payment for such capital stock as called for by the board of directors. All the capital stock in the original authorization has been issued and payment therefor has been received.

At the time the Chairman of the Corporation testified before this committee, the Corporation had only about $19,000,000 of unencumbered cash available for lending or leasing. This amount was less than the amount of applications for financial assistance received from small businesses during the month of November 1944. It is important to note that this condition exists before the full impact of additional financial requirements arising in relation to the Contract Settlement Act of 1944 and the Surplus Property Act of 1944 has been felt.

The additional stock authorization provided for by the bill is $200,000,000. The Corporation estimates that of this amount $144,000,000 will be loaned or used for lease transactions in direct relation to war production. The remainder will be available for the initiation of financing programs in connection with contract settlement and surplus property disposition. The amount available for these latter purposes will be supplemented by such loan repayments as occur. All of the outstanding loans and leases, of course, are not subject to redemption during the current fiscal period.

The problems of small business have been an increasingly intense subject of argument and action for the last decade. Some of the factors which contribute to small business credit difficulties are as follows:

1. The relatively high risks and heavy costs of administering loans to small business in comparison to the interest rates obtainable.

2. The increased reluctance of banks to take more than the bare minimum of risk, ever since the banking collapse of 1931–33—in part, perhaps, because of low capital ratios and pressure from bank examiners.

3. The reduced willingness of local capitalists to back small enterprises.

4. The increased costs of and sales resistance to security issues of small business.

5. The tendency of savings to funnel into institutions or agencies limited by law to investment in debts, rather than equities fundamentally needed by small business.

These and other financial handicaps of small business are not peculiar to the United States. In fact, Canada has already announced establishment of an industrial development bank to help finance small business, and similar plans have been seriously discussed in England for over a decade.

Research discloses that the trend in industrial loans shows a total decline and a definite tendency toward large loans out of the scope of what might properly be called small business loans. Even the so-called V loans (provided by Federal Reserve Regulation V), while not reflecting a sharp decline in total, have nevertheless shown a distinct graduation in average amount. In October 1942 one large corporation arranged a billion dollar credit under the V-loan system and since then large businesses have increasingly followed the same example in order to provide themselves relatively cheap insurance for future credit needs.

All of these factors have combined to cause a shift to the lending resources of the Smaller

War Plants Corporation which, it must be emphasized, is an agency specializing in small business problems.

The committee feels that the Smaller War Plants Corporation has been rendering the country a valuable service in affording a specialized and competent type of assistance, financial and otherwise, to the small businesses of America. Through the program of the Smaller War Plants Corporation small plants have been assured of equitable participation in war production; they have been enabled to reengage in essential civilian production when conditions were appropriate; they have been afforded the services of a staff of technicians skilled in the problems of small business; and, finally, they have been enabled to become an integral and most important part of the total war effort of the Nation.

The point was made in the committee hearings that the Corporation's financing program has great beneficial potentialities as an avenue of assistance to returning veterans.

The committee is convinced that it acts in the interests of the total economy of the Nation in providing increased capital by means of which the Smaller War Plants Corporation may continue this effective and necessary work. Without this program the Government would be permitting the small businesses to be placed in a position of unfair competition in their relation to larger business and at the same time would be indirectly fostering the closing of the plants of energetic and efficient small enterprises. That such a condition would have an adverse effect both in the war period and in the reconversion period to follow is beyond contradiction.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in section 4 (b) of the act of June 11, 1942 (Public Law 603, 77th Cong.), made by the bill, as referred to the committee, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

"SEC. 4. * * *

"(b) The Corporation shall have capital stock of [$150,000,000] *$350,000,000*, subscribed for by the United States through the Secretary of the Treasury, and payment for which shall be subject to call in whole or in part by the board of directors of the Corporation. There is hereby authorized to be appropriated the sum of [$150,000,000] *$350,000,000* for the purpose of enabling the Secretary of the Treasury to make payment for such capital stock when payment is called by the board of directors. Receipts for payments by the United States for or on account of such capital stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership by the United States."

Mr. WOLCOTT. Mr. Chairman, I yield 7 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I would rather have listened to more debate on this subject before taking the floor so that I might challenge certain arguments which will probably be advanced for or against the bill.

I find myself in a peculiar position. I sympathize with and I agree with the remarks of the gentleman from Illinois [Mr. DIRKSEN]. This money-lending business is still a great and undiscovered realm of Government activity. I am sure he would not care to say that the R. F. C. was not necessary or that he regrets its creation. But when he tells you that $33,000,000,000 is perhaps the potential liability of our people through these agencies, it is very frightening. This morning I sat in a hearing where the head of the Export-Import Bank was testifying. He will soon come to Congress for additional capital stock to increase the looming powers of his agency. I had thought we had set up the Export-Import Bank to stabilize foreign currencies and to furnish the banks of those countries with facilities with which to pay our exporters in dollars; then we would wait until exchange conditions in those countries were such that the loans could be paid. However, it seems that they are lending direct to the exporters and importers of our own country as these many other agencies are doing. I sympathize with the viewpoint of the gentleman from Illinois and I want to get the Government out of the lending business. Because of present conditions I shall support this legislation. Whether it has rendered only mediocre service as has been stated, I do not know. Maury Maverick appeals to me as most enthusiastic and capable and trying to do a real job. I hope he does not demand of borrowers too much useless information and the filing of too many provoking questionnaires.

Mr. Chairman, the point I want to make is that this whole banking structure should be overhauled. Why will not the local banks lend to these small businessmen? They are afraid of the bank examiner, of course. We know that perfectly well. It is so stated in this report of the committee. Almost unobtrusively Government agencies have secured practically complete control of banking. Our local banker cannot lend money as formerly. The businessman in my community cannot extend credit to customers, no matter how good their credit is, for over 2 months, although the local banker would be glad to grant the necessary credit to the businessman.

We can no longer buy much on the installment plan. The banker demands that we present a financial statement for the perusal of the bank examiner. In years past we could do business on notes without giving mortgages and going to the trouble and expense of title examination. Our banks carried us for years and years on notes, but today they cannot do that. They are forced to call loans that have run more than short periods, although bank officials consider the credit of the makers to be entirely satisfactory.

The purpose seems to be to keep the banks liquid with plenty of ready money available to us to buy bonds. Interest rates have been kept low, so as to prevent venture risks. We know that a small businessman today doing business on wartime activities may have his orders canceled without much warning. He might then have an inventory of doubtful value. Would you as a private banker lend money under such conditions? You would hesitate, at least. You would be forced to meet the criticism of the bank examiner in such cases. I have very reluctantly come to the conclusion that the smaller war plants cannot depend on the private banks to render sufficient service.

It will be even worse after the war business is taken away from them and when reconversion is necessary. They must also have expert advice.

Mr. DONDERO. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. DONDERO. If the bank cannot take these loans because they are not guaranteed, why should the Government take them if they are not guaranteed?

Mr. GIFFORD. There seems to be no law of economics that justifies this loaning to ourselves. It has been said, "What of a Government debt? Don't we owe it to ourselves?"

The President rather recently stated, as I recall it, that the economics we are using today was not learned in textbooks. Do you not remember that? I have come to the conclusion that this legislation is necessary, because the local banks can hardly be expected to make such loans. Why? Read the report of the committee. Banks are fearful of the bank examiner. It is not greatly a question of rate of interest. It is not a question of 4 percent or 5 percent. However, certain agencies have said to the banks, "If you will not make these loans at 4 percent, we will take them."

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Under the G. I. bill of rights we guaranteed a loan that may be made to a veteran for the purpose of going into business. It seems to me that that same principle can be extended if we will take a different approach on small business loans and put them on an assured basis.

Mr. GIFFORD. We have guaranteed mortgages under the housing bills. Think of the billions already obligated in that manner.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Nebraska.

Mr. CURTIS. When does the life of the Smaller War Plants Corporation expire?

Mr. GIFFORD. The lives of all these agencies expire, but we constantly renew them. Their loans expire, but they are renewed so that they are not reported as losses. As to those loans carried for long periods, we wonder sometimes how they are audited and how values are determined.

Mr. CURTIS. Is there anything in this bill that anticipates that this Smaller War Plants Corporation will be continued after the war?

Mr. GIFFORD. We have now a dynasty in the White House. Everything will probably be renewed and continued at the pleasure of this dynasty. It seems that we must recognize this after the recent verdict of the people. And when I

say dynasty I do not necessarily mean a family dynasty, but a continuance of rulers selected by their predecessor.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I recall reading the hearings, and when Mr. Maverick, the chairman, was asked whether he intended to perpetuate the Corporation, he said, "Sufficient unto the day would be the evil thereof." He did not consider the question at this time; in other words, he did not waive the right to perpetuate.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from New York.

Mr. TABER. It seems to me that there is considerable interest in the question as to what the balance sheet of the Corporation is, how it operates, and when the loans that it has made mature and probably will be paid, so that we might have a picture of what the situation actually is. I was wondering if the gentleman might not find it in line to discuss that.

Mr. FOLGER. Mr. Chairman, in reply to the question asked by the gentleman from New York, the only information I have about the matter at this time is what is shown in the hearings themselves.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. In answer to that question, I recall that he said his loss was 1.28 percent on his loans.

Mr. FOLGER. I think I recall that. I thank the gentlewoman from Illinois.

I am for the banks. We have to have the banks and we have to have them in good condition. But we are also mindful of the fact that there are other considerations that move us in the continuance of the life of this Corporation, at least for the time fixed for its expiration, in order that it may carry out the work that the Congress authorized it to do. It is probably going a little afield to ask now what the purposes and objects of this Corporation are, because the Congress set that out fully in the act creating it. I want in the little time I have to call to your remembrance the act itself which gives the power and sets forth the reasons Congress had for establishing this Corporation:

To make loans or advances, on such terms and conditions and with such maturities as it may determine, to enable small business concerns—

I stop there a minute to say that I understand that there have gone out of business in the United States in the last 3 years hundreds of thousands of what we call small business concerns. The figures that have been furnished me are so astonishing that I shall not undertake to repeat them lest I may have them overstated. One intention and the great consideration of this Congress was that these people should not be driven out of business because the ordinary pursuits of life had to stop in order that materials might be made available for the prosecution of this war which is still going on.

Mr. J. LEROY JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from California.

Mr. J. LEROY JOHNSON. Will the gentleman inform us whether or not the parent act provides for the termination of the Smaller War Plants Corporation when the need for war plants terminates? In other words, when the war is over, is the Corporation automatically terminated?

Mr. FOLGER. I think the date fixed is June 30, 1945, just like the others. If the war is not concluded by that time, I apprehend that there will be a request to extend that time.

Continuing—

to enable small business concerns to finance plant construction, conversion, or expansion, or to finance the acquisition of equipment, facilities, machinery, supplies, or materials, or to supply such concerns with capital, to be used in the manufacture of articles, equipment, supplies, or materials for war or essential civilian purposes; and such loans or advances may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise; (2) to purchase or lease such land, to purchase, lease, build, or expand such plants, and to purchase or produce such equipment, facilities, machinery, materials, or supplies, as may be needed to enable the Corporation to provide small business concerns with such land, plants, equipment, facilities, machinery, materials, or supplies as such concerns may require to engage in the production of such articles, equipment, supplies, or materials.

There are two more objectives in this act that are quite worthy and important. The securing of contracts for small business and enabling them to do the work by providing loans by banks with participation of the Smaller War Plants Corporation; to enter into contracts with the Army, Navy, and other procurement agencies for the manufacture or furnishing of materials, supplies, and so forth, to the Government and subcontractor with the small businesses; and also to agree with banks for the repurchase of loans that such banks may be willing to make in aid of small business. The functions of Smaller War Plants Corporation help small business and do not hurt banks.

Miss SUMNER of Illinois. Mr. Chairman, I yield 7 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, Mr. Maverick, the Director of the Smaller War Plants Corporation, was the only witness who appeared before our committee in support of this measure. No other witness appeared. It is my understanding that no notice was given to the banking interests that hearings were to be held on this measure, therefore they had no opportunity to attend. The smaller war plants were in no way represented. The only interested persons present were those who operate this particular agency.

I think a mistaken idea prevails that this agency is engaged only in making loans to smaller war plants. This is not true. This agency is another New Deal omnium-gatherum bureau. Here are some of the things in which it is engaged, as shown by the hearings:

MAJOR PROGRAMS OF SMALLER WAR PLANTS CORPORATION

1. Contracting and subcontracting; participation in war procurement.
2. Equitable treatment of small business (appeals for materials; special case handling, etc.).
3. Technical advisory service.
4. Information and public relations.

There we have it again, another political propaganda agency to justify its own existence.

5. Surveys and statistics.
6. Financial assistance.
7. Contract settlement and reconversion.
8. Surplus property.

What the minor programs are that this agency performs Mr. Maverick did not state.

I think an unbiased reading of the hearings ought to show that Mr. Maverick did not give any sound reason why the smaller war plants cannot get the loans they need from local banking institutions. This agency lends Government funds at 4 percent. Mr. Maverick testified that the banks charge a higher rate of interest, up to 6 percent. He claimed, however, that no loans were made by the agency to any corporation unless it could not obtain the funds from local sources. Yet we are assured by Mr. Maverick that the loans made by his agency are practically 100 percent sound. He told us that the losses on loans have been less than 1 percent. On what basis do banks refuse loans to these smaller corporations? Certainly not because they are unsound. Mr. Maverick was very anxious to have the Committee on Banking and Currency believe those loans which he makes are very sound.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. BUFFETT. Mr. Chairman, I notice by this statement that on October 31, they had twenty-seven and a half million dollars in loans actually outstanding, and up to that time they had a deficit of $16,000,000, which is about 11 percent of their capital and about two-thirds of the amount that apparently is loaned. Is there any explanation for that?

Mr. SMITH of Ohio. I cannot give the gentleman the explanation. Now, the only reason Mr. Maverick advanced as to why his agency makes these loans and why the banks do not make them was that the interest rate charged by his agency is 4 percent, while that of the banks is higher. Nor was Mr. Maverick's testimony that his agency makes no loans unless and until the local banks have refused to make them very convincing.

The operations of the Smaller War Plants Corporation have the effect of decentralizing industries and redistributing them over the country. Mr. Maverick stated to the committee that he was in favor of decentralizing industry. These are his words:

I said I believed in decentralization of industry, and when you have industry decentralized you have a more prosperous country.

I should like to show the Committee how this agency has worked in decentralizing industry. My figures are based on the percentage of internal revenue paid into the Federal Treasury by each State. Here are some examples of what is happening.

Alabama has had approved loans and leases to the amount of $2,485,000, but her liability is only $742,000; or a gain of $1,743,000.

Florida has had approved loans and leases amounting to $7,802,000; her liability is only $1,653,000, or a gain of $6,149,000.

Georgia received $2,791,000.

I want you to note where these loans are going.

Georgia received $2,791,000, and her liability is $1,505,000, or a gain of $1,286,000.

Kentucky received loans and leases to the amount of $9,078,000. Her liability is $5,363,000; she has a gain of $3,713,000.

Louisiana received $3,000,000 and has a gain of $1,202,000.

Mississippi received $3,153,000 and has a gain of $2,878,000.

Oklahoma has a gain of $379,000.

This ought to satisfy some of the fears that have been expressed as to the treatment Oklahoma has received in the operation of the program.

Tennessee received $8,630,000. Her gain is $7,274,000.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Miss SUMNER of Illinois. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

Mr. SMITH of Ohio. Texas, the home of Mr. Maverick, has had approved about $14,000,000 and assumed a liability of about $5,000,000; or a gain of $9,000,000.

Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas, all States south of the Mason-Dixon Line, have received and had approved loans and leases amounting to about $54,000,000 in this decentralization program. These Southern States have obtained through these loans and leases in excess of 100 percent of their tax liability.

I think this is very important and ought to be taken into consideration by this Committee. This decentralizing program operates in accordance with the wishes of Mr. Maverick, as he expressed them before our committee.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Chairman, I dislike to see a bill as important as the present bill become involved in either a political fight or a sectional fight. It is too vital. I have just listened to the gentleman from Ohio [Mr. SMITH] reading the amounts of loans and leases to certain States. What the gentleman neglected to read was that the State in the Union which received the fifth largest amount, $11,394,000, was his own State of Ohio.

This is not a matter to be decided upon the basis of how much money goes to one State and how much to another. It is a matter of how we can, during this war period, help small business throughout the entire United States—all 48 of them.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I do not have time to yield now. I dislike to see any political or sectional arguments brought into the picture. We are all interested in seeing that the Smaller War Plants Corporation carries out the mandate of Congress as far as specific aid to small business is concerned.

And small business does need help.

In the 2 years after Pearl Harbor, 1,073,000 business enterprises, practically 30 percent of those in the Nation, went out of existence. The reasons for that were many, of course, many of them due, largely, I suppose, to the artificial conditions of war itself. What we are interested in now is seeing that such businesses are saved.

We are also interested in seeing that there does not continue to be an increase in concentration of business enterprise in America. The small businessman, the small farmer, the small professional man, are inherently those that are the foundation of American economic life.

Let me take this opportunity to give one or two figures in regard to the increasing concentration of American enterprise. First of all the percentage of total corporate net income reported by small and large corporations: In 1919, the smallest 75 percent of our corporations had 7.01 percent of the net income. In 1941, they had 3.20. This decrease is significant.

In 1919, the largest 5 percent had 76.73 percent. In 1941, they had 84.52 percent. This, too, is significant.

The figures illustrate very graphically, I think, the tendency toward concentration of our economic life. Let me give one more, the percentage of total employment reported by large and small firms: The first quarter of 1938, the smallest 75 percent of American firms employed 12.50 percent of our workers. In the third quarter of 1942 they employed only 9.04 percent; while the figures for the largest 5 percent increased from 69 percent to 76 percent.

The situation in the metal products industries is especially interesting. Testifying before the Senate Subcommittee on Complaints of the Special Committee To Study Problems of American Small Business on May 9, 1944, Maury Maverick, Chairman of the Smaller War Plants Corporation, pointed out that the value in shipments in metalworking industries made by plants employing fewer than 500 employees had dropped from 46.4 percent of the total in 1939 to 23.1 percent in the first quarter in 1943. As he stated then this indicates that since the war started the proportionate share of little business in metal products industries had been cut approximately in half. The large plants, those employing more than 2,500 wage earners, made 22.3 percent of the value of shipments in 1939, but made 55.5 percent in the first quarter of 1943. On the other hand, the small plants, those employing fewer than 100 wage earners saw a drop in the value of their shipments from 18.6 in 1939 to 11 percent by 1943.

If we started to break down the figures in other industries we would probably see similar results. It astonishes me, although a great deal of this, of course, is inevitable during a war period. We have to use all our resources for the war effort, and that includes all our business, large and small. But what we are interested in now is seeing that in as far as possible small business is protected during this period; that their Government does not encourage discrimination against them.

I wish I had the time—I do not, however—to cite at length some of the achievements of the Smaller War Plants Corporation, their dealing with procurement for small plants, their contract placements, the financial assistance they have given to small plants.

For example, in the 6 months ending August 31, 1944, the S. W. P. C. processed some 6,400 procurements with a budgeted valuation of $3,357,400,000. Of these contracts, 83 percent had originated with the Army, 14 percent with the Navy, and the remaining 3 percent with other Federal procurement agencies.

Another illustration: From November 1942 through September 1944, a total of 30,167 primate contracts, valued at $2,811,000,000, were awarded to small plants with the assistance of the Smaller War Plants Corporation. During the same period, 30,375 subcontracts totaling $640,000,000 were awarded with the aid of this same Government agency.

The lending aspects of the S. W. P. C. have been emphasized, and properly so. Up to September 30, 1944, approximately 9,400 representatives of small business throughout the United States had made inquiries about the possibility of obtaining financial assistance, involving some $482,300,000. These inquiries resulted in the filing of a total of 4,692 applications for leases and loans with a value of $342,400,000, of which 2,664 with a value of $188,900,000 were approved. And I should point out that these were from all over America, not from a few choice States or an especially favored section, as might be inferred from the remarks of a previous speaker.

The war is not over yet, however much we may wish it were, and now we in this Congress are giving additional work for them to do; we are asking the Smaller War Plants Corporation to help small business in reconversion; we are asking

the Smaller War Plants Corporation to help in the disposal of surplus property; we are asking them to take on additional duties in connection with the termination of war contracts. So it seems to me, Mr. Chairman, that the funds asked for, the increase in funds, is a very modest amount in view of the duties we are asking this particular Government agency to assume. May I, in closing, pay tribute to the really excellent work it has done and to its dynamic chairman, Maury Maverick.

The CHAIRMAN. The time of the gentleman from California has expired.

Miss SUMNER of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, my experience with the Smaller War Plants Corporation has been somewhat unsatisfactory. I have had occasions where they have sent experts in to people who asked for loans, who were doing all right and had been doing all right in operating a small business of their own; where they made set-ups for these small businesses to go into other things on an entirely false basis; where it was absolutely impossible to succeed, and, after stringing them along for a long time, they finally started in on the basis the Smaller War Plants Corporation set up for them. Then they would get to the point where they needed more money and a different type of machinery because they needed that to start with. The Smaller War Plants Corporation strung them out again for a long time and finally cracked down on them and put them out of business. I cannot warm up too much to that character of set-up.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. PATMAN. Would the gentleman kindly give us the names of the concerns that he has in mind?

Mr. TABER. The Young concern in Canandaigua is one.

Mr. PATMAN. Are there any others?

Mr. TABER. Yes, but that is the only one I care to mention by name now.

Mr. Maverick knows about it very decidedly.

That kind of operation does not appeal to me. There are some other things about this picture that do not appeal to me. I have here what purports to be a statement of the assets and liabilities of the Smaller War Plants Corporation as of October 31, and the loans receivable. The capital assets on that date were $28,528,243.04. The capital deficit was $16,001,109.86. There is nowhere in the hearings or anywhere else in the operating statement to show what there is to it. There is nowhere anything to show when these loans they have outstanding probably may be paid; there is nothing really to show if anyone felt they were the kind of outfit that should be continued; there is nothing whatever to show why they should be continued.

Twenty-eight million dollars is less than one-fifth of $150,000,000, the capitalization now authorized. It is true that they show very considerable commitments and very considerable reserves for administrative expenses, and it is true that they show a certain amount of machinery and equipment—$12,000,000 worth. What that is and why it is in there as an asset is not shown. Have they set someone up in business and lent the property to them or what is it? There does not seem to be anything in the hearings to disclose the situation. It may be all of those things can be brought out satisfactorily, but it does seem rather preposterous for us to go ahead and increase the capital of any organization without having a better picture of it before the Congress.

Mr. KEEFE. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. There has been considerable discussion this afternoon initiated by the gentleman from Illinois indicating that perhaps a new set-up by this Government to guarantee loans to small war plants rather than to make direct loans as here indicated is the policy of this Corporation would be better. I notice in reading the hearings that Mr. Maverick claims the Corporation has the power under its present set-up to make guaranties of 100 percent of loans to banks and that they have actually guaranteed a large number of loans that the banks themselves have made. They also guarantee a partial participation by a bank where they will make 90 percent of the loan and the bank will make 10 percent, or they may make a loan and a partial participation without guaranty. That is all in the hearings testified to by Mr. Maverick.

I am wondering if the gentleman knows of any set of rules or regulations that makes the operations of this organization general throughout the country or can Mr. Maverick pick this particular loan and say: "You go to the bank and we will guarantee this one 100 percent" and then say to the next fellow: "We will not guarantee it at all." What is the basis of handling this business? I have read the hearings and I swear I cannot find out what the situation is and how the Corporation operates, and I am not saying this critically because my own experience with the Smaller War Plants Corporation in my area has been eminently satisfactory. However, I feel that the Congress ought to have the facts on these matters and if anybody has them I would like to get them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the balance of the time on this side to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, we have to take all of these bills and consider them with the idea that it is not impossible for the war to go on for another 5 or 6 years full tilt; therefore, we should not do anything which might have a permanent adverse effect on our economy.

The speeches during the campaign seemed to be lacking in some bit of comprehension that ought to be emphasized, and that is the direct correlation between increases in wages and increases in farm prices with the increases in new business. Due, as I say, to lack of notice, I do not have the figures with me, but some of you may have read the very interesting study by the Brookings Institution made some time ago in which, as I recall, they pointed to the fact that the average volume of new business during the twenties was something like $8,000,000,000 per year; that during the thirties, or an average for the 10 years, it had sunk to an average of two and one-half billion per year, and therefore we did not have new business competing for labor and therefore pushing up wage prices. We did not have new business competing so that the farmers were drawn off marginal farms and into business, thereby creating a smaller supply and raising farm prices. If we Republicans want to have a better and more vigorous policy to press against the New Deal and force it to go right up, we ought to keep in mind that that is the secret of jobs.

Mr. CRAWFORD. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I might point out here at this particular moment that whether you take agriculture or industry, you will find it takes about $6,000 of new capital investment to make a job for one person during the 12 months' period; therefore, to accommodate the 6,000,000 new workers the President promised we would have in his Soldier's Field speech in Chicago, somebody has to put up $42,000,000,000 of new money to expand free enterprises of America, if we are to have those jobs. That is the point the gentlewoman was outlining.

Miss SUMNER of Illinois. I know the gentleman feels as I do. If we wait for the President to do that, it will be just a case of "paid by government out of the Treasury proposition." We have to adopt a policy here to make jobs and have a thriving America.

Mr. CRAWFORD. And the incentive the President gave us at the time, when, for some unknown reason, he felt it necessary to say he was in favor of the free enterprise system and the profit motive, he said, "Now, to get you people to put up the $42,000,000,000, we will accelerate the rate of depreciation on your fixed equipment."

Miss SUMNER of Illinois. I noticed that.

Mr. CRAWFORD. Where are we to get the $42,000,000,000 to make the 6,000,000 new jobs?

Miss SUMNER of Illinois. A memorandum which I have not checked, but comes from a good source, purporting to come from a study by the Department of Commerce issued in September 1944, says this:

> On this basis the total business population at the time of Pearl Harbor is estimated at about 3,400,000 firms. From then until the end of 1943 approximately 1,100,000 concerns ceased operations, while only 600,000 new ventures were launched. Consequently, there was a net decline of 500,000 firms and

the total business population dropped to 2,900,000.

This bill provides, as shown in the report, for $54,000,000 of loans which will not be war business, but will be in effect reconversion, since they are to be used under the surplus property bill, and for another similar purpose already mentioned. Immediately we are struck by the fact that, in the hearings, Mr. Maverick testified that there have been only 26 percent of the loans made by this Corporation in which banks have participated. He thought at first that it was 34 percent, but later he testified that it was 26 percent.

There is one thing one should not have to tell Congressmen, though Washington might forget it, and that is that the person who is the authority on what kind of loans to make in your local community and how they should be made and how much should be loaned is who? Your little banker. You all know that. Yet what happens? A child can see what is wrong with the bond program. Instead of letting the little banker make the loans of the R. F. C. and also of the Smaller War Plants Corporation, Washington through its agents makes the loans; and what happens to your little banker who by experience and by success has demonstrated that he knows how to make these loans? His money is busy buying bonds, and anybody who has cash can buy bonds. His tried and proven judgment about business is not being used. There is, to that extent, an economic loss.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, this is a bill to increase the capital stock of the Smaller War Plants Corporation from $150,000,000 to $350,000,000. Only $19,000,000 is available now for the Smaller War Plants Corporation. When the Smaller War Plants Corporation Act passed the Senate it provided for $100,000,000. When it came to the House we raised it to $200,000,000, and in conference an agreement was reached on $150,000,000. The House has always been as generous, if not more generous, with small business than the Senate, and I hope that we will not sacrifice our reputation by trying to reduce the amount from $200,000,000 here. Either all of it is justified or none of it is justified. It is a question of principle. If you want it you want it all; if you do not want it you do not want any of it. There is no reason why it should be changed at all. Small business has no more stanch a supporter in the House today than my distinguished colleague from Illinois [Mr. SABATH], and I am proud to join him in endorsing this measure.

The question has been raised about whether or not the banks were given an opportunity to testify against this legislation. The truth is that the banks are not opposed to it. I believe you will find that the banks generally are favorable to it.

This bill passed the Senate unanimously months ago. It has been pending in the House ever since that time. The banking fraternity has a very alert representative here on Capitol Hill at all times, and if the banks had wanted to testify against this bill they would have made a request to the chairman and that request would have been granted.

Let us not forget that banks represent small business, too. Most of them are small businessmen. The Smaller War Plants Corporation helps the small banks. They are not willing to take the risk, oftentimes, of a 100 percent loan. There the Smaller War Plants Corporation comes in and participates. First they give the local bank an opportunity to take it all. If the local bank will not do it, they take 90 percent or 80 percent or half of it. They encourage the local bank to take every penny if it will. The statement was made here a while ago that the loans were being guaranteed by the Smaller War Plants Corporation. I am positive that is not the fact. I am positive of that.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I have only a limited time, but if the gentleman can correct that, I shall be glad to yield to him.

Mr. KEEFE. Will the gentleman turn to page 41 of the record, where Mr. Maverick and Mr. Prince are testifying, and Mr. Prince testified, and I quote from page 41——

Mr. PATMAN. The gentleman has given me the reference. Let each Member look it up for himself.

Mr. KEEFE. Pin that thing down right now. The gentleman is questioning about it.

Mr. PATMAN. I happen to know about it.

Mr. KEEFE. I happened to read the record on this bill, if the record means anything and it is true.

Mr. PATMAN. Turn to page 7.

Mr. KEEFE. No; I want the gentleman to turn to page 41, where Mr. Prince says——

Mr. PATMAN. I am not yielding further.

Mr. KEEFE. The gentleman does not want the truth in the RECORD?

Mr. PATMAN. I want the truth, but I cannot take up all my time on one point. I have other points I want to make.

Mr. KEEFE. We want the truth in this RECORD instead of a lot of "bunk."

Mr. PATMAN. The banks are not guaranteed, they participate. The Smaller War Plants Corporation does not guarantee these loans to the banks, but they participate. Some people call it a guaranty because the Smaller War Plants Corporation takes 90 percent of the loan and the local bank 10 percent. They say that is guaranteeing the loan. It is not a guaranty in the true sense of the word; it is a participation, and they are getting interest on it all the time. I do not care what the RECORD shows inadvertently or otherwise; it does not represent the true facts because they do not guarantee these loans.

Everyone should be interested in the Smaller War Plants Corporation. It helps the banks and it helps the small local businesses. It is just one vehicle to help small business. I know a lot of people claim to be for small business, but every time you bring up something about the small businessman they will pick out some technical objection, and say they cannot support that particular legislation. I am not criticizing any Member of Congress. Every Member of Congress has his own vote, and he has to go according to his own conscience. I am in favor of this bill because I think it will help small business and help carry out the policy of Congress, as announced here, and it will help also the ex-serviceman.

Do not overlook the fact that a vote against this bill is a vote against helping the veterans of World War No. 1, and, under the G. I. bill, a vote against this bill is a vote against the returned veterans of World War No. 2. The reason for that is that we have given the Smaller War Plants Corporation certain duties and responsibilities in connection with the G. I. bill of rights and the Reconversion Act. If we fail to give them the money to carry out the mandate that Congress gave to them, then I believe that Congress is not doing all it should do to cooperate with the Smaller War Plants Corporation. The gentleman from New York [Mr. TABER] criticized one loan out of about 3,500 loans and contracts that this Corporation has made. He offered to give me the names, and I shall look into it, and I do not doubt he was speaking what he thinks to be the truth, but even if one loan should be sour out of 3,500 or 4,000 loans, I think that is a pretty good record. If 1 loan is not wisely made out of all that number, I think that is a pretty good record. We have exceptional cases in all financial institutions, and I am not going to condemn the Smaller War Plants Corporation because of 1 loan that is bad that is made out of all that number. The truth is, the Smaller War Plants Corporation is operating for the first time in a satisfactory way, to my mind. It was not satisfactorily operated for the first 6 months of the first year. Its operations improved tremendously under the able chairmanship of Gen. Robert Johnson, and since Mr. Maverick has had charge, at least has been chairman of the board, the Smaller War Plants Corporation has been operating magnificently in the interest of the Government, in the interest of the people and in the interest of small business. Such able directors as Hon. J. A. R. Moseley, of Dallas, Tex., have been helping Mr. Maverick to this end. Do not forget that it is not in competition with the local banks, or the local lending institutions. The local lending institutions have the benefit of the investigations that have been made by the Smaller War Plants Corporation, and they are actually getting that information. They are encouraged, where it is possible to persuade them, to take the loan themselves. Where the local financial institutions, for some reason, do not want to take the loan, if they have loaned the limit to that particular concern in that particular town, or for some other reason they do not want to take the loan, then the Smaller War Plants Corporation will carry that loan.

As an evidence of the fact that they are wisely making loans, the loans have

been practically paid up. The losses amount to only about 1.75 percent, I believe.

The Corporation has made a wonderful record. I think this Congress passed a good piece of legislation when it passed the Smaller War Plants Corporation Act. The big man has a representative here in Washington all the time looking after his interest. The big man is represented, but the little man does not have his representatives here at all. The big corporation can send the boss down here, and he can serve with the W. P. B. or the O. P. A., because somebody else can take his place when he comes here. The little man is not here because he is not so well situated. If he leaves his business, the business closes up. Therefore, the little man is not represented before these particular commissions and bureaus here in Washington, because the little man is not in a position where he can conveniently give up his business and come down here.

Not only that, big businesses have their lobbyists, their hired representatives. I do not speak of "lobbyists" as an offensive term. I think it is perfectly all right. They have a right to have their lobbyists here. Oftentimes they help us. They give us information that we would not have otherwise. Any Member of Congress should be glad to have information, regardless of the source from which it comes. So they have their representatives on Capitol Hill. They are with the Members of Congress every day at the lunch hour and all the rest of the time; but the little businessman did not have somebody here in Washington to look after his interest, until this Smaller War Plants Corporation was formed. Now the representatives of that Corporation have entree to all the different boards, bureaus, and commissions, where they can properly represent the small businessmen.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FOLGER. I wanted to try to set the gentleman from Texas and the gentleman from Wisconsin [Mr. KEEFE] right about the guaranty. What they do is to give a repurchasing agreement, limiting that to $25,000. If the bank wants the Smaller War Plants Corporation to repurchase those notes, they will do it on 5 days' notice.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. SPENCE. It is my impression that this corporation does not make an absolute guaranty. What is the impression of the gentleman? Notwithstanding the fact that they said they guaranteed certain loans, I understand they really do not. They talked about participation, but not a guaranty.

Mr. PATMAN. It is not my impression at all that they guarantee the loans. My impression is that participation only is the extent to which they go. If I am wrong, I will stand corrected. I was joint author of the Smaller War Plants Corporation Act. I have followed their proceedings all the time. I have kept up with their business. I think they are doing a good job. If they are doing that, I do not know it and I never did know it. But they have participated in these loans at the request of the local banks.

Mr. SPENCE. That was my understanding, notwithstanding the testimony wherein they said they did guarantee. I think that the guaranty they spoke of was in effect participation, and nothing else.

Mr. PATMAN. That is my understanding. But, regardless of that, they have done a good job. No one can question the good job they have done. So here you have a Corporation with information to convince you that they have actually helped small business; that they know how to do it; that they are representing small business in Washington in a commendable way. Suppose they do that; I still would not vote against the bill. It is justified or it would not be done. This Corporation is under good, safe, conservative management. The only criticism we had before the committee was that they were too conservative; they were too tight. They were tighter than the banks in some cases. Evidence was brought to the effect that they had turned down loans and the banks had made the loans and they were later paid 100 percent. The criticism has been that they are too conservative. That is the only criticism we have had before the Committee in connection with the Smaller War Plants Corporation.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Miss SUMNER of Illinois. Would the gentleman object to our having a sound guaranty plan by which they could be of more help to small business?

Mr. PATMAN. No; I want all the small-business help we can get. For the first time in the history of this Government, small business has a representative in Washington to look after its interests, representatives who can go to the same places that big business can go.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That subsection (b) of section 4 of the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942 (56 Stat. 351-357), is hereby amended by substituting the figures "$350,000,000" for the figures "$150,000,000" wherever occurring in said subsection.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is very difficult for those of us who would like to have a guaranty plan, so that money could be stretched much further and go all over the United States, to understand why that plan should be opposed by those who I know want to help small business. The guaranty plan is a plan that will stretch the money further and see that more businesses are guaranteed, more wisely. What is wrong with that?

Mr. CRAWFORD. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. CRAWFORD. I think the best answer to that is the statement made by Chairman Marriner Eccles of the Government Federal Reserve System who appeared before our committee a couple of weeks ago.

Miss SUMNER of Illinois. I was just going to refer to that.

Mr. CRAWFORD. And requested our committee to repeal section 13 (b) of the Federal Reserve Act and insert in lieu of that a permit for the Federal Reserve bank to guarantee these loans. He at that time declared that in that event the Smaller War Plants Corporation's lending powers here discussed would be absolutely unnecessary. When you talk about helping little business by this type of operation and refuse to go along with a guaranty program it is futile. There is no sense to it.

Miss SUMNER of Illinois. That is just it.

Mr. SMITH of Ohio. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. In just a minute. Let me finish this; then I will yield.

Mr. SPENCE. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. In just a minute, when I have finished this thought.

Mr. Eccles had a plan. There may be some criticism of it, but if the committee had a chance to study it we might be able to iron out those criticisms. I myself have worked out a plan. I know of a banker at home who is working on a plan. The first day of last week we were called together and had 1 day of hearings. Then there was a second day of hearings, and the hearings were immediately closed. Now, what is going to happen? I remember when I first came to Congress I started talking on the proposition that all the R. F. C. loans should be guaranteed. There is no reason why any direct loan by the Government to business should not be guaranteed so that today you would not have all this trouble about selling bonds. Just think about that. Some $30,000,000,000 of direct credit lifted out; and you could replace that by private loans. Think how it would help this country. Instead of having our banks all loaded with bonds, they would be able to be of further assistance. It is a serious question. But what chance have we? I have been talking for guaranteed loans ever since I have been in Congress, but the R. F. C. still uses direct loans.

I tell you if you vote for this small-business bill today and do not let us stop long enough to study it as we want, you will have this Smaller War Plants Corporation again growing and growing, occupying the bond market, and it will be just as hard then to try to make the change to a guaranteed plan as it has been with the R. F. C. Today the situation is serious. People are buying bonds

and then going into the banks and selling them.

For these reasons I today intend to offer a motion to recommit this bill and I know that various Members on our side of the Committee are going to vote to recommit the bill. I hope all Members on our side will do so to show that they at least appreciate the desperate situation in the bond market, the desperate need of guaranteed loans to replace direct lending. That we want to relieve our Government of these direct loans so that we can help the war effort as well as little business.

Mr. CRAWFORD. Mr. Chairman, will the gentlewoman yield further?

Miss SUMNER of Illinois. I yield.

Mr. CRAWFORD. I think the impression has been left here that the Smaller War Plants Corporation does guarantee 100-percent loans made by banks to small business. It can and I am informed does such in a very limited manner.

Miss SUMNER of Illinois. Yes.

Mr. CRAWFORD. I am positive that contention cannot be sustained except in a limited way to date. If customer A goes to banker B and arranges a loan wherein banker B makes 5 percent or 10 percent of the loan and the Smaller War Plants Corporation takes 90 or 95 percent of the loan, the portion of the loan taken by the local bank is not guaranteed directly or indirectly by the Smaller War Plants Corporation.

Miss SUMNER of Illinois. Yes; I may have helped give that false impression because I was quoting from the hearings. In the hearings I find on page 41 the statement that in the matter of loans 100 percent guaranteed there are only 162 and that the total of these guaranteed loans amounts to only $2,522,694. That makes the situation a great deal worse than previously represented today. The assumption was made that 26 percent of the loans were fully guaranteed, but that is not so; they are just participation loans.

Mr. CRAWFORD. Under the F. H. A. the local bank does make the loan and the F. H. A. loan is guaranteed 100 percent and there are no losses. An F. H. A. loan is one of the best pieces of paper in a bank's portfolio. Why do we not proceed on that basis with the Smaller War Plants Corporation program?

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Miss SUMNER of Illinois. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Miss SUMNER of Illinois. We know Government has made a success of the F. H. A. loans; we know now they will work; but to permit Smaller War Plants Corporation to make the old-fashioned direct loans is like advising a man with appendicitis not to have his appendix removed, but to try the remedy of bloodletting, as they did in a former age. That is about the kind of thing you are doing when you make direct loans instead of guaranteed loans.

Mr. AUGUST H. ANDRESEN. Does the gentlewoman or any member of the committee have any amendment to propose for the guaranteeing of those loans?

Miss SUMNER of Illinois. This would be a fairly complicated program. It should be worked out by the committee and it would take at least a week to work it out. I will offer a motion to recommit, and understand this motion to recommit is limited. It does not necessarily mean that those who vote for it oppose the Smaller War Plants Corporation. In this debate you heard no word of criticism except from the gentleman from New York. It just simply means we want to bring in here a sound guaranteed-loan program to replace direct loans. By recommitting the bill it affords opportunity for the committee to hold adequate hearings and devise a proper guaranteed-loan plan to small business.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

The gentleman from Wisconsin is recognized for 5 minutes.

Mr. KEEFE. Mr. Chairman, I am not a member of the distinguished Committee on Banking and Currency. When a piece of legislation comes from that great committee I therefore must resort to the committee report and to the hearings in order to understand the legislation submitted. We have a proposal before the House today which is comparatively simple, namely, that you are going to authorize an increase in the capital structure of the Smaller War Plants Corporation from $150,000,000 to $350,000,000.

In connection with the debates upon that proposal the distinguished gentleman from Illinois very properly raised a question as to whether or not we were proceeding in the right direction in continuing this program which permits the Smaller War Plants Corporation to make direct loans and raised a question as to whether or not we should engage in a program that would permit the guaranty of loans to small business corporations to be made by individual banks.

It was contended by the gentleman from Texas and the distinguished chairman of the Committee on Banking and Currency that the Smaller War Plants Corporation does not now guarantee any bank loans. So the gentleman who is now addressing the House turned to the hearings that were had in an effort to see if he could understand whether or not this Smaller War Plants Corporation as presently set up has the power to guarantee 100 percent a loan made by a local banking institution. I turn to page 41 of the hearings and I find this testimony:

Mr. SMITH. Let me ask you this question: Do you guarantee any loans where your agency does not furnish any of the money, does not participate at all?

That is clear.

The answer is:

Mr. MAVERICK. Yes.

Mr. Prince interjected:

We have another special type of loan which is limited to $25,000, in which we guarantee the bank 100 percent, enabling the local bank to make all the loan.

Mr. SMITH. The bank takes the entire loan?

Mr. PRINCE. Yes, sir.

Mr. SMITH. What amount of your funds is devoted to that purpose?

Mr. PRINCE. There are 162 such loans for $2,522,694 as of October 31, 1944.

That testimony appears on page 41 of the hearings. They had just been talking about bank-participation loans. Now, if that is not clear, and I think it is, Mr. Smith asked this question:

Mr. SMITH. Now, I have another case. I go to my bank—I want $25,000, and my bank says to me: "You can have this $25,000 provided you can get the Smaller War Plants Corporation to guarantee this loan."

Mr. PRINCE. We can do that. We have done it.

Mr. SMITH. You have done it?

Mr. PRINCE. Yes; we do it.

Mr. MAVERICK. We can do it, and have done it.

Mr. SMITH. And you have done it?

Mr. MAVERICK. Yes.

If I understand English, and I think I do, the Smaller War Plants Corporation has the right to and has guaranteed loans to banks 100 percent up to $25,000. We have the picture here of the distinguished gentleman from Texas, who knows all the operations of this company, and the chairman of the committee, telling this Congress that Mr. Maverick and Mr. Prince did not know what they are talking about; that that is not true; that they do not guarantee loans and that they have not guaranteed loans. I ask the Congress, Who in the name of conscience are we to believe in considering this legislation that is now before the House? Have we a right to depend upon the plain simple word of Mr. Maverick and the people representing the Smaller War Plants Corporation, or are we to put some strained, unusual New Deal construction upon the language and try to make it appear that "yes" means "no" and "black" means "white."

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. In view of the language that I have just read to the distinguished Chairman, which I hope he heard, is the gentleman still of the opinion that Mr. Maverick does not know what he is talking about?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kentucky.

Mr. SPENCE. I heard the language the gentleman read, and there is no doubt that they said they had the power to guarantee the loans.

Mr. KEEFE. He also said that they had guaranteed loans.

Mr. SPENCE. Let me answer the gentleman in this way: This is not a final decision. I do not know what was in their minds, but from what I could gather from the testimony what was in their minds was that they had a right to repurchase; to make an agreement to repurchase the loans which they considered as a guaranty. I may be mistaken in that, but that is my honest opinion.

Mr. KEEFE. The gentleman does not have to be mistaken, because that appears on the same page.

Mr. SPENCE. It is the gentleman's opinion that I am mistaken.

Mr. KEEFE. May I quote further?

Mr. SPENCE. I have been mistaken many times, but that is my honest opinion.

Mr. KEEFE. I think the gentleman is perfectly honest, but may I quote further? The gentleman from Ohio [Mr. SMITH], at the conclusion of his testimony, which I have just related, said:

Mr. SMITH. Now I am still more confused. You say you are engaged in the activity of guaranteeing loans. Just what loans do you guarantee?

Mr. MAVERICK. We guarantee loans for essential war production and essential civilian production.

Mr. SMITH. No; that is not answering the question. What is the nature of the guaranty? You guarantee the bank against loss, don't you?

Mr. MAVERICK. Yes.

Mr. SMITH. Give me an illustration.

Whoever Mr. Prince is, he seems to be Mr. Maverick's associate.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Prince then said, "We give the bank a repurchase agreement."

Mr. SPENCE. That is it.

Mr. KEEFE. Just a moment, please.

Mr. PRINCE. We give the bank a repurchase agreement for the $25,000, agreeing to take it up on 5 days' notice from the bank, and the bank makes the loan, services it, and collects on it, and remits to us all of the payments on principal and interest, less 3 percent for their services.

As a matter of fact, I do not care what you call it. You may call it a guaranty, a repurchase agreement, or whatever it may be. The net result of the thing is that under that program, if I go into a bank and want to borrow $?5,000, and the bank says, "You get the guaranty of the Smaller War Plants Corporation," under that testimony the Smaller War Plants Corporation will guarantee the bank by agreeing to repurchase the loan that the bank makes.

Mr. SPENCE. Now our minds have met upon that.

Mr. KEEFE. Then that can be done; can it not?

Mr. SPENCE. That can be done.

Mr. KEEFE. And that is being done; is it not?

Mr. SPENCE. If he wants it guaranteed, it is guaranteed. That is what I contended all along.

Mr. KEEFE. Of course.

Mr. SPENCE. He has a contract to repurchase the loan.

Mr. KEEFE. I cannot think of anything that would be a better guaranty than to have an agreement with the Smaller War Plants Corporation to repurchase, with principal and interest, a loan that a bank makes, on 5 days' notice. If that is not a guaranty, I never heard of one.

Mr. SPENCE. That is not a wild, New Deal construction. That is a construction of fact.

Mr. KEEFE. Let us see what happens.

Mr. SPENCE. Whether that is a guaranty or not, I leave it up to you but that is the thing I said would be done, and that is what has been done, and that is the way they proceed. It is a contract to repurchase a loan.

Mr. KEEFE. Yet the gentleman calls it a repurchase of a loan. Call it what you want, the net result is that you assure the bank that makes the loan to a small business up to $25,000 that it will sustain no loss by making that loan, and if it is dissatisfied with the loan, the Smaller War Plants Corporation will pay it back and purchase the loan on 5 days' notice.

Mr. SPENCE. That is the fact.

Mr. KEEFE. That is what they do.

Mr. SPENCE. That is the fact; yes.

Mr. KEEFE. I said, and I repeat it, that I am not saying this by way of criticism of the Smaller War Plants Corporation. They have done a very good job up in my area. I hope they can extend their activities because they have cooperated with and worked with the banks. The reason I am taking the position I am is that I want it known that a small business can go to a bank, that it does go to a bank, and that the Smaller War Plants Corporation can assure that bank 100 percent against loss on loans up to $25,000.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. The issue seems to be now whether the repurchase of a loan is a guaranty. We can debate that, but I do not think it is in its essence a guaranty. It may have the effect of a guaranty, but it is not a guaranty.

Mr. KEEFE. As I once heard a very distinguished gentleman in this country say, the gentleman can be content with his argument tweedledee or tweedledum. The result is what I am thinking of.

Mr. SPENCE. That is the argument the gentleman made.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I may say to the gentleman in substantiation of what he has been arguing that the act creating the Smaller War Plants Corporation authorizes them to guarantee loans. In respect to their powers it says, "and such loans or advances may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise."

Mr. KEEFE. Of course, that is right.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Wisconsin highly commended the Smaller War Plants Corporation, and I do not believe there is much difference now on this testimony. I invite the gentleman's attention to Mr. Maverick's testimony on page 42, where Dr. Smith, in asking a question, concluded with these words:

Now, no guaranty on your part whatsoever enters into the loan?

Mr. Maverick further down states:

Naturally, Doctor, when the bank takes 10 percent of the loan, they take it for better or worse and we take the 90 percent. We naturally don't guarantee the 10 percent that they take. There wouldn't be any use of them taking it if we guaranteed it.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. In just a minute.

Mr. KEEFE. Now, let us be fair.

Mr. PATMAN. Will the gentleman let me finish? Do not question my fairness. I am fair.

Mr. KEEFE. Then so that there will not be any mistake——

Mr. PATMAN. I will yield when I get to it, in just a moment.

The question was then asked, "What is the nature of the guaranty? Give me an illustration."

Mr. Prince, who is the loan agent, incidentally, I may say for the gentleman's information, then said: "We give the bank a repurchase agreement for the $25,000."

That is the language the gentleman read a while ago. Where the bank goes ahead and makes the collections and sends to the Smaller War Plants Corporation the principal and interest, the Smaller War Plants Corporation permits the bank to keep 3 percent for servicing the loan.

Now, it is just a question of interpretation as to whether or not that is a guaranty or a repurchase agreement. We all admit that it is a repurchase agreement. If you want to call it a guaranty, it is all right with me. Personally, I think it is a loose word to use in this particular sense, but I am glad they can guarantee it. I am glad they can enter into these repurchase agreements. I think it strengthens the law and does not weaken the law. It makes it better, not worse. I am glad the gentleman is for the bill.

Mr. KEEFE. The gentleman, I know, wants to be perfectly fair.

Mr. PATMAN. The gentleman does not doubt it, I hope.

Mr. KEEFE. If the gentleman will read the testimony on page 42, he will see that the testimony to which he refers at the top of the page in response to the questions of Dr. Smith very specifically referred to participating loans. Then when they finished the discussion of participating loans, Dr. Smith said, "Now, I have another case."

He then referred to the case where they guarantee 100-percent loans, and the testimony following that refers to the guarantee of loans and not the participating loans.

Mr. PATMAN. I ask each Member to read the testimony for himself.

Mr. KEEFE. Of course, if you do, you cannot come to any other conclusion.

Mr. PATMAN. If the gentleman is satisfied with it and I am satisfied with it, who is dissatisfied with it? So there is no use talking about it, there is no point in discussing it. The gentleman is strong for it because it is in there. I am glad he is satisfied it is there. If it helps him any, I will agree it is a good thing. I know it is.

In connection with small business, may I invite your attention to this fact. This is just one additional vehicle to help small business. One main reason for it is to have somebody here all the time on the alert, to look after the interests of small business, representatives who can go before any board or commission and consult with any official of our Government with the biggest lobbyists in America, representing the biggest organizations in America, and talk to or confer with them. It gives them equality of opportunity to the extent that they get consideration the same as large business. So I certainly hope that this bill is passed by an overwhelming majority to let the small business people of this country know, and especially the returning servicemen and veterans, that the House of Representatives is strong for them and will support the legislation.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Speaker, there is little argument on the part of informed men and women that small business is a vitally important section of our economy. It is a fact that more people depend on small business for the earning of their living than on big business. A small business may remain small or it may become big. Every big business, we all know, started small. Therefore, small business, from every point of view, should have the opportunity not only to live but, if it can serve a useful purpose, to grow.

For a number of reasons which need not be reviewed here small business does not have access to permanent and long-term capital on equal terms with big business. That this is true is nobody's fault. It is not the fault of the commercial bankers, of the investment banker, nor of the investing public. Broadly speaking, the main reason is that we have failed to organize appropriate machinery to make available to small business both the permanent and long-term capital which is often necessary to its existence and its growth.

This problem has long given me serious concern. As a Member of the House, and particularly as a Member from New England, where small business is our principal business, I have studied this problem diligently and have come to certain definite conclusions which I wish to report to you. Our Committee on Banking and Currency is now studying a legislative proposal, introduced by the gentleman from Kentucky, Representative SPENCE, and by Senator WAGNER in the Senate, to which the financial world and the world of American small business should give the most careful consideration.

Before describing this bill, let me set forth certain principles upon which I hope we can all agree:

First. I believe that private capital, not Government funds collected through taxes, should be made available for the capital needs of small business.

Second. In the emergency of war or of severe depression, Congress has had—and I believe wisely—by special legislation, such as the Smaller War Plants Corporation, made Government funds available to small business. But this practice, in all probability, is not one that should be carried over into peacetime.

Third. Such a Federal Government agency as the Reconstruction Finance Corporation can be justified as a kind of supplementary agency of the Government for special financing purposes. But, in my opinion, it should not be regarded as an institution charged with performing the permanent function of bringing private capital into investment relations with small business.

Fourth. Unless the private-capital markets can be organized now without Government aid and assistance so that they can fulfill the legitimate requirements of small business, some governmental or semigovernmental agency must be created by Congress to do this job. The post-war problem is pressing for solution.

My colleague the gentleman from Kentucky, Representative SPENCE, proposes a method of organizing the private-capital markets which I believe to be, in principle, sound. It appears to me that it meets the test of the four principles which I have just set forth, and that it therefore warrants the serious and sympathetic consideration of all small businessmen throughout the Nation, as well as of all bankers and investment bankers, and of the Congress itself.

The proposal, H. R. 4804 and S. 1918, is summarized in a statement by Marriner S. Eccles, Chairman, Federal Reserve Board:

Under section 13b of the Federal Reserve Act, the Federal Reserve banks are authorized to make credit available to business enterprises, either directly when such credit is not otherwise available or through participation with commercial banking institutions. Such loans, however, may be made only for the purpose of providing working capital, must have maturities not exceeding 5 years, and may be provided only for established businesses. Because of such restrictive provisions of the statute, the Federal Reserve banks have not been able to make credit available to many deserving business enterprises, nor would they be able to assist to an important degree in financing such enterprises henceforth.

In order to remedy these defects in the present law and to meet the need described above, it is proposed that, in lieu of the existing authority of the Federal Reserve banks to make loans to business and industry under the restrictions noted, these banks be authorized to guarantee financing institutions against loss on loans made to business enterprises or to make commitments to purchase loans so made. Such guaranties and commitments by the Federal Reserve banks would be available in proper cases to any financing institution, whether or not a member bank of the Federal Reserve System. The procedure followed in making such loans and guaranties would be generally similar to that which has been used in financing war production under the V-loan program. However, a Federal Reserve bank would execute the guaranties as principal and not as fiscal agent of the Government. A borrower would be expected to apply for such a loan through his usual banking connection. The bank would in turn make regulations governing the policy and procedure relating to the program would be issued by the Board of Governors of the Federal Reserve System.

The 12 Federal Reserve banks and their 24 branches are in a position to extend this service economically and efficiently. The officers and employees of the Federal Reserve banks have gained wide experience in administering the V-loan program, in addition to that gained since 1934 in making loans to business enterprises under the existing provisions of the law. Financing institutions and borrowers alike are familiar with the services of the Federal Reserve banks in this field. The authority to guarantee loans to business enterprises, therefore, could be put into effect without delay and the credits consummated expeditiously. Moreover, the Federal Reserve System has important responsibilities in the credit field and in the supervision of banks and, since the loans in all cases would be made by private banking institutions, the guaranteeing of such loans by the Reserve banks would not be competitive with the banking system.

Such guaranties would be available for any types of loans made by financing institutions to business and industry, to meet situations of the various kinds referred to in the first part of this statement. Such loans could be made on a short-term or long-term basis and to provide either working capital or facilities. They would assist both in the financing of the resumption of peacetime operations and thereafter in meeting the needs of deserving business enterprises which cannot be adequately supplied by private credit agencies without some degree of assistance.

It is contemplated that the guaranties by the Reserve banks under this authority would not exceed 90 percent of the amount of the credits, since any enterprise which has reasonable prospects of successful operation should be able to obtain financing in which its bank assumes at least 10 percent of the risk under the loan.

The effect of this arrangement would be that a financing institution in any city or town could advance money for a period up to 10 years to a small business with a guaranty that the Federal Reserve System would take it off the hands of the financing institution when that institution so requested. The principle back of this guaranty is that private capital, protected by such a guaranty, would then readily permit itself to be made available to small business.

An organization so authorized and constituted would not be a governmental lending agency. This is most important. The Federal Reserve System is owned by the banks of the country, not by the United States Government. It is a self-supporting System requiring not one dollar of money from the Treasury. In fact, for many years the System contributed substantially to the Treasury through the payment of an excise tax.

The proposed plan would not require a congressional appropriation for capital, or for operating expenses. The moneys

for these purposes would come out of the earnings of the Federal Reserve System and later from the income of the new corporation.

In effect, as one bank president has described it, this proposal is for a congressionally authorized partnership between the banks and the financing institutions of the country, on the one hand, and the Federal Reserve System on the other, for the mutual advantage of small business and the owners of private capital.

I am conscious of the fact that this is a vitally important piece of legislation. It is vitally important that as we approach the end of the war we shall have prepared and ready to operate, well in advance, a plan for assisting small business with its long-term capital requirements. It is vitally important that such a system should be both sound and practical. It is vitally important that it should be set up on the basis of the best information and advice that we can secure from small businessmen themselves, from bankers, from professional advisers, from representatives of such agencies as the Federal Reserve System, and from Members of Congress who have studied this problem. And it is of the utmost importance that the plan should not be just another governmental lending agency, based on Federal funds.

My belief is that the present draft of the bill is basically sound and that it meets the situation both in general and in principle.

Other proposals by bankers and businessmen are to the effect that private corporations, to fill the need for which this bill was drawn, be set up. I hope that such a plan will be perfected and that private capital will mobilize itself to do the needed job of making long-term credit available on a permanent basis to small business. But, because I believe in competition, I see no reason why this proposal, now only in the discussion stage, should prevent the enactment of the Spence-Wagner bill.

Let us attempt both methods of meeting this pressing problem. The one that works best will best serve small businessmen of the country.

There is, I believe sincerely, a real need, not for haste, but for avoiding delay. Already there are definite signs that certain production requirements of the armed forces are diminishing and that certain civilian production may be resumed. The small businesses which have been producing war goods are under a greater handicap in securing capital for reconversion to civilian production than are the big businesses.

Congress has every obligation to small businesses which have served the country in the war effort to provide practicable means whereby they shall have ready access—if they deserve it—to the private capital market under soundly conceived legislation.

Mr. Chairman, it is also vitally important that small businesses throughout the country give consideration to this important problem confronting them, and that they unite in a sound objective being arrived at—a sound plan being devised—that will serve them in the trying days of the post-war era.

Unity in decision and actions should exist among them. Division among them over details will injure the chances of legislation being passed that carries with it a sound and desirable objective.

We of the Congress have been studying to perfect legislation in this field for many months. We want to hear from small businessmen of the country about this problem. As a result of public hearings and correspondence and personal conversations with hundreds of businessmen, we know that there is need, particularly in the post-war period, for long-term capital for small business. The views of small businessmen of America will be welcomed by me and my colleagues.

Mr. BUFFETT. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I would not take the time of this House on this proposal, except for the fact I think the House should recognize that the proposal attacks the symptoms and not the disease and that we should not think in passing this measure we are solving the problems of small business, because we are not. Solving those problems is almost the most important economic problem that this country has before it. This method of assistance might be compared to this sort of situation; a man is trying to keep afloat in a great body of water. This bill proposes to help him by lending the man a pair of water wings when the man's hands are handcuffed. If the handcuffs were removed, the man would have a chance to get ashore under his own power. That is exactly the situation that small business is in today. We see in the committee's report a list of a number of the difficulties that small business has. I want to read and discuss several of those difficulties. One refers to the "reduced willingness of local capital to back small enterprises." For 16 years before I came to the House of Representatives I spent much of my time selling the securities of small enterprises. I say to you in my judgment and in my experience, small capitalists, and small investors were never more anxious to invest their money at home than they are today. But the tax laws have discouraged the formation of new enterprises and these investors see no opportunities to make a profit in new enterprises, commensurate with the risks attendant upon new businesses.

The next reason given is "increased cost of and sales resistance to security issues of small business."

The "increased cost and increased sales resistance" are both a result of governmental policies. The Securities and Exchange Commission has made it very expensive for small enterprise to start in business because of legal expenses, accountants' fees and that sort of thing. Therefore, small enterprises cannot get under way because of the obstacles that Government has set up. We have placed the handcuffs on these new enterprises and now we propose this sort of cure-all to offset the handcuffs.

The next reason given is "The tendency of savings to funnel into institutions or agencies limited by law to investment in debts, rather than equities fundamentally needed by small business."

The reason the savings of the people are going into debts and to investment types of insurance is that the tax laws have operated deliberately or otherwise, so that capital is forced into a low rate of institution-type of investment. That actual situation has been ignored by Congress for years, yet it is that situation which makes it impossible to start new businesses and to keep new enterprises going. If this House wants to do something that will really help small business, it will pass a measure to make it possible for small business to be created and to get under way successfully.

A youngster learns to walk by trying to walk. If you put a ball and chain on his feet, he would not walk very far, no matter how many sets of crutches you bought for him. What this Congress needs to do is to take the ball and chain off the feet of these new small businesses so that they can get started and progress by their own efforts.

I have introduced a bill aimed toward that purpose, H. R. 5411. I know it will not be considered at this session, but I am hopeful that the new Congress will go to work on that kind of a bill. The bill proposes to have government leave new small business alone until they get under way. That is the greatest help that this Congress, or any Congress, can give to small business. It is not by making more loans, furnishing more crutches, more governmental interference, more wet-nursing programs to keep small business alive in the face of great difficulties.

I hope that this House approaches the real problem and stops thinking that it has solved the problems of small business by loaning them more money to pile up more debts to make their future more hazardous.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SMITH of Ohio. Mr. Chairman, first I should like to remark about a statement made by the gentleman from California [Mr. OUTLAND] who refused to yield to me when I wished to make a statement regarding the amount of loans and leases that has been made to Ohio. It is true that Ohio has received $11,394,000, but Ohio's obligation is $1,000,000 more, based on the percent of her internal revenue payments. Ohio is still a goat State.

I think it should be explained to the House why this extraordinary effort is being made to make it appear that this agency is not guaranteeing loans. Here is the situation: As I recollect the Board of Governors of the Federal Reserve introduced a bill which would provide for the guaranteeing of loans to these small corporations by the Federal Reserve Banks. It so happens that the Federal

Reserve Bank has $200,000,000 or more in the form of so-called profits that accrued to those banks from the devaluation of the dollar, which the Federal Reserve Banks would use for guaranteeing these loans. The fact is this determined effort to make out that the Smaller War Plants Corporation does not engage in guaranteeing loans involves a quarrel between this Bureau and the Federal Reserve. Each agency seeks control over the smaller plants.

Mr. PATMAN. Will the gentleman yield?

Mr. SMITH of Ohio. I cannot yield just now.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Miss SUMNER of Illinois. We are fighting so that these millions of direct loans shall be guaranteed so that the money will stretch further and more people can be helped. I hope that is understood.

Mr. SMITH of Ohio. Yes; I hope that is made clear to the committee. I think the ultimate result upon our economy will be the same whether the Government guarantees the loans or whether it makes them outright. Our descent will perhaps be less precipitate if we adopt the procedure of guaranteeing loans. And since we have an opportunity to choose between the two methods, certainly I would prefer the procedure of guaranteeing loans.

Mr. PATMAN. Will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. PATMAN. Will the gentleman not admit that the Federal Reserve only asked to use a certain part of the surplus, amounting to less than $200,000,000?

Mr. SMITH of Ohio. I thought it was a little more than $200,000,000.

Mr. PATMAN. Well, in any event, it is a part of their surplus that was set aside at one time. They want to use that for this purpose, and that amount only. They are not asking to use the unlimited resources of the Federal Reserve Bank to guarantee loans, but only to the extent of that comparatively small amount.

Mr. SMITH of Ohio. I am glad the gentleman from Texas has given us his view of this matter. Apparently he believes there is to be no limit to the amount of loans, leases, and so forth, the Smaller War Plants Corporation intends to make.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. WOLCOTT. Did I understand the gentleman to say he thought the Federal Reserve should guarantee loans up to the amount of their reserve?

Mr. SMITH of Ohio. Is the gentleman asking that question of the gentleman from Texas?

Mr. WOLCOTT. Maybe I misunderstood him. I understood him to say the Federal Reserve could guarantee loans up to the extent of their reserve. They asked for that provision. We have up to the present time refused to give it to them.

Mr. SMITH of Ohio. I did not understand him to say exactly that.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SPENCE. Mr. Chairman, I arise in opposition to the pro forma amendment.

Mr. Chairman, it seems that the great technical question now has been disposed of. Whether or not a contract of repurchase is a guaranty can be decided by the individual Member to the best of his judgment. The lawbooks are full of decisions on guaranty and guarantor, and I do not believe a contract to repurchase is a guaranty. But whether it is a guaranty or not, I do not know that there is anything so essentially bad in a guaranty if it is used discreetly and for a good purpose. After the Baruch report and the recommendations made that the Federal Reserve insure the loans of banks in order to provide adequate funds for smaller business throughout the United States, I called up Mr. Eccles and told him I thought that was a most excellent plan, and if he desired to have a bill introduced to carry out that purpose, I would be glad to introduce it. He prepared such a bill, and I have introduced it. I can see that there is no conflict between this act and the bill I have introduced, that small business ought to have all the help it can obtain in these emergent times. After the pending bill is passed, and I presume it will be by an overwhelming majority, I am going to see that the Banking and Currency Committee holds a hearing on the bill Mr. Eccles proposed, and I hope that bill will pass. I hope we can give to the smaller plants which are now in a condition in which they need help because of the existing emergency some effective help. I am sure it can be done by way of a guaranty, and I see no reason why that bill should not pass or why it should be in conflict with the present bill. Certainly the more accommodation we can give to these small plants the better it will be for them.

If we want to maintain the American way of life, if we want our boys to come back to the conditions which they left, it is necessary to maintain the small business plant, which has meant so much to the character, progressiveness, and initiative of the American people. I hope the small business concerns will get all the help that is possible from every source available in order that when reconversion comes they will not be frozen out but will still exert the fine influence and useful purpose they have always exerted.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time for the purpose of asking the chairman of the Committee on Banking and Currency this question: Mr. Chairman, is it your understanding that the Smaller War Plants Corporation can make loans only to plants engaged in the production of war materials and needs?

Mr. SPENCE. Or essential civilian supplies.

Mr. CRAWFORD. I raised that question to bring out the limitation, that is my understanding, as to their scope and jurisdiction. It must be essential civilian supplies or for the purpose of war production. Now you see what a closed approach that is. Why was that? It was by reason of the original concept in the creation of the Smaller War Plants Corporation.

This brings us down to the fundamental proposition: Are we going to pursue a course in the sunrise, we will say, of demobilization—whether it comes in 6 months or 6 years, I cannot answer—and allow loans to be made on a guaranteed basis where the S. W. P. C. makes a loan to two groups only? What are you going to do about the little fellow when the time comes for reconversion out of essential or war material into competitive enterprise, I will call it? What are you going to do about competitive enterprise, not declared and certified as essential even while the war is on?

Mr. SPENCE. Of course, that venture was an emergency measure and it was done for a specific purpose, namely, to keep these plants alive during the war because the pressure was so great.

Mr. CRAWFORD. I agree with the gentleman.

Mr. SPENCE. And also to help the plants that are engaged in producing essential civilian supplies which are just as necessary as war work.

Mr. CRAWFORD. Yes. I agree with that.

Mr. SPENCE. After reconversion comes, of course, there will have to be additional legislation. I do not think we can meet those problems now.

Mr. CRAWFORD. The only place I disagree with the Chairman is when he says "after reconversion comes." I am talking about the time before reconversion because we are continually cutting off these war contracts. Everyday someone in my area of the country finds himself out of war production, out of essential civilian production, and going back into competitive enterprise again.

Mr. SPENCE. This is the pulmotor that is keeping them alive so that we can reconvert them. If they die now, they will not be reconverted.

Mr. CRAWFORD. I cannot go along with the gentleman on that because I do not consider this is a pulmotor that is keeping them alive unless they actually get the benefits, and I cannot see yet where they are getting any benefits.

Mr. SPENCE. This Corporation has the power also to make interim loans during the reconversion period, which will also be beneficial to the smaller plants.

Mr. CRAWFORD. That carries us to the point I wanted to make when I had the floor before, but my time had expired. I was observing then that the banks primarily stand behind the Treasury in such issues as the Treasury puts out. We purchase these Treasury issues. We put the Treasury in the position to set up these Government corporations. Whatever those deficits may be incident to loss on the part of those corporations the citizens will have to meet through contributions in the form of taxes and the buying of bonds with which to carry on. We might just as well do this in the first

place and channel these operations directly through private enterprise rather than through Government corporations. That is something we will have to meet eventually. It may be after the day of liquidation and after a reign of chaos and perhaps after we have gone through the experience of a ruthless dictatorship that forces us to the economic guillotine in order to bring some type of order out of the chaos.

The present Federal Reserve Act authorizes the Federal Reserve banks to make loans direct to industry, but the Federal Reserve banks have declined to do so because they do not want to be put in the ridiculous position of going out and competing with commercial banks, members and nonmembers of the Federal Reserve System. Therefore, the chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE], has pending before the committee a bill which he has introduced, urged by the Federal Reserve Board, providing that the authority they have to make direct loans be repealed and that they be given authority to guarantee loans made by the commercial banks of this country to all types of small enterprise, if you please, at all times, so that that business will go directly through the banks instead of through a Government corporation such as the Smaller War Plants Corporation. The Chairman of the Board has declared that if we will do that, then this type of S. W. P. C. operation we are discussing will be unnecessary. That is the point I have been trying to get across here this afternoon.

Mr. Chairman, just one other point. If the Smaller War Plants Corporation is in position to guarantee these small loans 100 percent, whether or not the local bank participates, then tell me why the Smaller War Plants Corporation needs $200,000,000 between now and next July 1, 1945? I propose to offer an amendment to reduce the amount.

The CHAIRMAN. The time of the gentleman has expired.

Without objection, all pro forma amendments are withdrawn.

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 2, line 1, strike out "$350,000,000" and insert "$200,000,000."

Mr. CRAWFORD. Mr. Chairman, I simply wish to say that that would allow the Smaller War Plants Corporation an additional $50,000,000 with which to operate from now until such time as the Congress decides what is to occur on the life of the Corporation which expires next July 1.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

I hope that this amendment is defeated. I can see the viewpoint of the members who are opposing this legislation, but I cannot understand why one would say a reduced amount would make the principal better. If it is a question of principal, we should have $200,000,000 or nothing.

Under laws passed by this Congress, the House concurring, of course, such duties and responsibilities have been placed on the Smaller War Plants Corporation which causes them to need now $200,000,000 to assist in reconversion and to aid the returning veterans of World War No. 2. I do not understand how we can consistently vote to cut the amount down $150,000,000. I can understand why you want to vote against the entire principal but I cannot understand why they would just say, "Cut out three-fourths of it, and that removes the objectionable feature."

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. TABER. I wonder if the gentleman can tell us why with $150,000,000 capital, and only $16,000,000 of deficit, and $28,000,000 of loans, they are so bad off for funds to loan with.

Mr. PATMAN. Because we are going into the reconversion period when many times the amount of money will be necessary and required.

Mr. TABER. But there is nothing in the hearings to show how much they will need. There is nothing to show that that $100,000,000 that seems to be there in funds to loan would not be enough.

Mr. PATMAN. The gentleman is mistaken. There is only $19,000,000 of loanable funds.

Mr. TABER. Sixteen and twenty-eight makes forty-four, and 44 from 150 leaves 106. Maybe that is bad arithmetic, but I submit it.

Mr. PATMAN. They only have $19,000,000 loanable funds at this time.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. VOORHIS of California. The item that the gentleman mentioned represents definite commitments which the Smaller War Plants Corporation has already made.

Mr. PATMAN. Yes; and must carry out.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kentucky.

Mr. SPENCE. They cannot get this money until they go before the Committee on Appropriations and obtain a report from that committee and secure an appropriation bill that will give them the money; is that not true?

Mr. PATMAN. The gentleman from New York is a member of the Committee on Appropriations and that is merely a procedure, as the chairman states. It will still have to go through the Committee on Appropriations and be authorized by that committee before any part of it can be expended, so we have that protection.

Mr. SPENCE. Under the Surplus Property Act, the Reconversion Act, under the Contract Settlement Act, and the G. I. bill of rights, this Corporation has an important function to perform; is that not true?

Mr. PATMAN. Two hundred million dollars is just as small an amount as they can possibly get along with; in fact, it would be better to vote to cut out the entire amount than provide just $50,000,000.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. In the face of the war situation and Prime Minister Churchill's statement, they have no business reconverting before the first of the year. I do not doubt that the amendment offered by the gentleman from Michigan [Mr. CRAWFORD] is offered with the idea that we shall be sure to have them back before our committee shortly so that we can get a guaranteed-loan program.

Mr. PATMAN. I believe all industry should not be reconverted, but some industries can be reconverted even during the war.

Miss SUMNER of Illinois. Has not the gentleman's committee just completed a study of small business that we ought to consider right away before we start with this program?

Mr. PATMAN. No; this should be done now. It is an emergency measure. If we want to help these returning boys and carry out our contract with them, we should furnish the money to do it. We should not pass a law and pretend that we are going to help them go into business, and then deny them the best opportunity they will have and the best supervision they will have to go into business. That would be unfair to them.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. When one of these repurchase agreements is made, is a reserve set up against that equal to the amount of the loan that is to be repurchased?

Mr. PATMAN. I am sorry, I cannot answer the gentleman's question.

Mr. VORYS of Ohio. Can we obtain an answer to that question?

Mr. PATMAN. Really, it is only a small amount. The repurchase agreements involve only about $2,000,000, about 1½ percent of the capital stock of the Corporation, so it is so small I do not believe it would be a determining factor either way. If it were, I would insist on the information.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JARMAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (S. 2004) to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942, pursuant to House Resolution 661, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

Miss SUMNER of Illinois. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Miss SUMNER of Illinois. I am, Mr. Speaker.

The SPEAKER. The gentlewoman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Miss SUMNER of Illinois moves to recommit the bill S. 2004 to the Committee on Banking and Currency.

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Miss SUMNER of Illinois) there were—ayes 32, noes 75.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

AMENDING SECTION 119 OF THE JUDICIAL CODE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5518) to amend section 119 of the Judicial Code.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Alabama explain what the bill does?

Mr. HOBBS. I will be glad to explain, sir. This bill was unanimously reported by the Committee on the Judiciary at the request of some of the chief men in the judiciary of the Nation to clear up the meaning of the words in section 119 of the Judicial Code, "among these circuits." The point is made inasmuch as the United States Court of Appeals for the District of Columbia is not a circuit—that is, it does not "circulate"—it may not be within that nomenclature. And, therefore, this bill directs itself wholly to the meaning of section 119, and says that with regard to this particular section of the Judicial Code it shall be construed to be a circuit.

Mr. MARTIN of Massachusetts. What is the reason for construing it in that way?

Mr. HOBBS. The reason for it is that section 119 deals with the delegation or allotment of the Chief Justice and Associate Justices of the Supreme Court of the United States to sit among the circuits.

Mr. MARTIN of Massachusetts. This merely permits them to sit on that circuit?

Mr. HOBBS. It simply says that, for the purposes of that section, the District of Columbia is a circuit.

Mr. MARTIN of Massachusetts. This bill was unanimously reported by the Committee on the Judiciary?

Mr. HOBBS. Yes, sir. I have seen every one of the objectors on both sides of the House, except the gentleman from Tennessee [Mr. PRIEST], whom I have not been able to find, and they are all in accord.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 119 of the Judicial Code (U. S. C., title 28, sec. 215) is hereby amended by adding at the end thereof the following:

"For the purposes of this section, the District of Columbia shall be deemed to be a judicial circuit."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee of the Whole this afternoon, and include therein a number of examples where the Smaller War Plants Corporation has assisted small industries. This information has been prepared by the Smaller War Plants Corporation.

PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to find out the program for next week.

Mr. McCORMACK. Mr. Speaker, next week is going to be a rather busy week. On Monday the unanimous-consent calendar will be called. Then H. R. 4993, the bill introduced by the gentleman from Alabama [Mr. HOBBS], known as the antisabotage bill, will be called up. There is 1 hour's debate on that bill. If that bill is disposed of in time, then I will call up the rule on, and, if we can, the bill itself, H. R. 4216, which is the bill known as the dental bill, to provide more efficient dental care for the personnel of the United States Navy. If that bill cannot be reached or if it is displaced, it will be brought up later. I cannot tell when I will bring it up, but I shall bring it up later. If debate starts and it is not finished on Monday, then the bill will be taken up some day later in the week, because on Tuesday we meet at 11 o'clock and there will be a call of the private calendar. Then the bill out of the Committee on Ways and Means, in relation to the freezing of social-security taxes, will be brought up that day, and it is hoped to dispose of that bill on that day. I understand that the committee will take 5 hours of general debate. If that bill is not disposed of on Tuesday, of course it will continue until Wednesday. But, assuming that it is, as we hope, disposed of on Tuesday, the deficiency-appropriations bill will come up on Wednesday and be the next order of business after the bill out of the Committee on Ways and Means. If that comes up Wednesday, we may meet at 11 o'clock, and I hope that bill will be disposed of on that day. If not, of course it will continue until it is disposed of. It will be disposed of on the next day, I assume.

The other day I made a commitment in connection with the Jackson Hole bill, that I would bring it up next week, and in accordance with my commitment, that bill will be brought up and it will be the next order of business after the disposition of the deficiency-appropriations bill. That order of business is definite. Of course, if after the Jackson Hole bill the dental bill is not disposed of, then the dental bill will be the next order of business.

Then there is a bill establishing the grade of fleet admiral. I understand a rule may be reported out on that today. I cannot state definitely as to when that will be taken up, but it is desired to dispose of that. Then there is the bill (S. 919) placing discretion in United States district courts to permit jury trials in condemnation cases. That bill will be on the program. I hope we will be able to bring it up next week.

Then there is another bill, H. R. 3690, relating to delayed confessions or confessions under certain circumstances, which bill is entitled "To safeguard the admission of evidence in certain cases." That bill will also be on the program.

Then there is the Palestine resolution, if a rule is reported out. That will be on the program.

I doubt if we can get rid of all of this program next week, but I am putting it on in case we are able to do so.

The gentleman from Mississippi [Mr. WHITTINGTON] kindly makes a very valuable suggestion to me about conference reports. Of course, those will be called up as soon as possible after they are reported, when the legislative situation permits, having regard particularly to the so-called freeze bill and the deficiency appropriation bill.

So definitely Monday will be the Unanimous Consent Calendar, the antisabotage bill, and the dental bill, if possible.

Tuesday, at 11 o'clock, the Private Calendar and the so-called freeze bill.

After the disposition of that, the deficiency appropriation bill. That will be continued until disposed of, as I said, I hope, on Wednesday.

After that, the Jackson Hole bill. After that, if the dental bill has not been disposed of, the dental bill will then be taken up.

Then, as far as other matters to which I have referred are concerned, I cannot state definitely the order in which they will be taken up in case we have time next week to consider those bills.

Mr. MARTIN of Massachusetts. Can the gentleman tell us whether there is a place given on the program to the bill regarding postal salaries?

Mr. McCORMACK. I am glad the gentleman called attention to that. I had overlooked it for the moment. If a rule is reported, I feel that bill should be brought up, and, as far as I am concerned, it will be brought up. Of course, we will be here the week after next week, as I see it.

Mr. MARTIN of Massachusetts. At least that.

Mr. McCORMACK of Massachusetts. So, I think if all these matters are not taken up next week, they will be taken up before the session is concluded.

DISTRICT JUDGE FOR THE DISTRICT OF NEW JERSEY

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill H. R. 3732, to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey, with a Senate amendment, disagree to the Senate amendment and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none and appoints the following conferees: Mr. SUMNERS of Texas, Mr. WALTER, and Mr. HANCOCK.

RIVERS AND HARBORS AND FLOOD CONTROL

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors, for flood control, and for other purposes, with Senate amendments, disagree to Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. WHITTINGTON]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. WHITTINGTON, Mr. ALLEN of Louisiana, Mr. ELLIOTT, Mr. CLASON, and Mr. CURTIS.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING ON TUESDAY

Mr. McCORMACK. Mr. Speaker, in view of the fact that definite agreement has been made, I now ask unanimous consent that when the House adjourns on Monday it adjourn to meet at 11 o'clock a. m. on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

(Mr. CURTIS asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a newspaper article which includes the Thanksgiving Proclamation of President Lincoln made during wartime.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROWAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein an article from the New York Post.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Nebraska [Mr. MILLER] is recognized for 20 minutes.

REPORT ON A TRIP TO ENGLAND INCLUDING LEND-LEASE

Mr. MILLER of Nebraska. Mr. Speaker, 2 days ago I gave the Congress a report on the splendid hospital and medical care treatment that the soldiers are receiving in the more than 100 American hospitals in England.

Today I give you the other side of the picture, not so bright or encouraging. To some, the report may seem a bit critical. I may even be accused of stirring up disunity in my report. I do not give it with that thought in mind. I trust it will arouse some constructive thinking in the minds of Congress and the people. There are always individuals who feel that any report which points out mistakes that we or other countries are making in wartime should not be given. I do not share that view.

I feel that more Members of Congress should go, not only to war zones, but to other sections of the country to investigate conditions when they are legislating upon the vital problems affecting the American people. It is a mistake that this Congress should always rely upon the representatives of bureaus and individuals who have a selfish interest in the reports that they render to Congress. It is my sincere hope that the Congress will soon streamline its procedures which will make it possible for Congress to be better informed upon the business of the country.

Before launching into the darker side of my report, I want to say that from my observations, I feel that the American Red Cross is doing a marvelous job in England. I visited several centers. The one on Picadilly Circus was most interesting. The doorman told me that the day before D-day and on a pay day, he had clocked 84,100 American boys through the door. The Red Cross renders much service, comfort, and advice to our military personnel.

I visited the so-called complaint room where the soldiers come in asking for advice and help. Many of them want a 10-shilling loan, which is about $2, to tide them over. This is a character loan. The record of the soldier does not show that this loan is made. I was told by the personnel officer that more than 8,000 such loans had been made since the center opened and that about 95 percent were paid back. This is a pretty good record considering the conditions under which the loan is made. One soldier came in with a 350-word telegram that he wanted to send home. He and his wife had been married in haste and on short acquaintance. The wife wanted to get a divorce. The telegram was boiled down to some 200 words and sent for him. Another soldier's wife had accidentally been killed in an accident. They had two small children at home. Machinery was set into action to get the soldier out of the service and sent home. There were thousands of similar reports, the Red Cross handling them all very satisfactorily.

It is interesting to note the number of Americans on Picadilly Lane. At the hotel where I stayed the manager told me that 75 percent were Americans. They will miss us when we leave.

The buzz-bomb damage in London has been terrific. More than 2,000,000 buildings have been damaged. More than 800,000 buildings have been made uninhabitable, some of them completely wrecked. It is freely stated in London that, had the buzz bombs started 6 months earlier, we might be witnessing a different condition today.

I saw one buzz bomb come over in the evening. You see them almost before you hear them, they travel so fast. They sound like a freight train or a noisy bus going overhead. The bus driver across from my hotel when the bomb went over, lost his nerve and drove across the sidewalk and curb down into a park with a busload of people. I ran over to see what service I might render. No one was hurt but the driver of the bus was so jittery and upset he was shaking like an aspen leaf and unable to talk.

During the early morning hours when the bombs came over, we were supposed to go down to an air shelter but I believe I did what many others do—crawl under the bed taking the feather mattress with you. The great danger is from flying glass following the explosion. It is perhaps fortunate that there is little glass left in London.

During my visit in London, I had the opportunity of not only driving several hundred miles into the midlands of England to visit hospitals, but I also visited bomber bases and saw some of the lend-lease material which we have been sending so generously to England.

I saw about 60 miles north of London at least a square mile of American-made farm machinery, new tractors, plows, harrows, and discs packed close together. The colonel who took me on this trip had been in England nearly 3 years. He was close to the problem of lend-lease and supplies. He told me this pile of machinery was growing larger every day. In fact, while we were there 15 or 20 truckloads of new machinery came up to unload. The colonel stated emphatically and without reservation that this type of lend-lease should have stopped long ago. I do not want the House to misunderstand me. I believe that lend-lease was necessary to our allies. I voted for lend-lease, but mistakes are being made. I presume that this foreign machinery

lend-lease was on order and someone felt it necessary to complete the order.

It is interesting to note that before the war, England was producing about 35 percent of her food products. Through lend-lease, this has been increased so that England is now about 75 percent sufficient in food. This has been accomplished through lend-lease of farm machinery. It is very evident now, however, that this type of lend-lease should be stopped. No one in Government seems to know when to stop.

It is frequently said by members of a certain school of thought that it is impossible to get too much material in wartime. Of course, there can be too much because in getting too much of any one thing, one is nearly always receiving too little of something else. It is hard to keep in balance, particularly through Government planning, which is rarely of the best. I realize that the problem of handling the expense account of war is difficult because it is mixed up with emotionalism, national interest, and plain human selfishness. I do feel keenly, though, that it is time that the American Congress takes its first place in the vigil for American rights, public, private, and otherwise.

The President spoke recently that lend-lease would stop after the war with Germany was terminated. I am wondering if this statement is true, because it does not seem to jibe with the statement yesterday made by the Foreign Economic Administrator, Mr. Crowley, and the Secretary of the Treasury, Mr. Morgenthau, when they stated, and I quote:

> Lend-lease aid to the United Kingdom will be liberalized following the defeat of Germany to include materials for improving British living conditions.

It is quite apparent that there is no clear understanding of just how far and for what our lend-lease is to go.

Following my return from England, I made the statement that we should have some understanding now relative to lend-lease. I even thought that the United States might well be owing Great Britain after this war is over. I believe that not only War No. 1 debts will be canceled, but all the debts of this war, including lend-lease. I said that because, in my contact with the general public in England, the statement was frequently made that the United States should help pay for some of the bomb damage in England. In fact, several British correspondents from New York and Washington called me following my statement and one of them said, "Mr. Congressman, we were in this war 2 years before your country came in. What do you think you owe us for that?" He further said, "You are repairing bomb damage in other countries; why not England?"

If it is the intention of this administration to follow that course of action, then we should call lend-lease "give-and-forget" and the American people ought to be so informed.

It is my opinion that all lend-lease aid to other countries should now be confined to bullets, bombs, guns, the implements of warfare, and the necessary food supply.

The American people will be in for a tremendous shock when they find out just what is in the mind of this administration and the British Empire when it comes to the settlement, if any, of lend-lease. I suggested to the New York British representative that we ought to have permanent title to some of the air bases we have built in many English possessions. We built them with hard-earned money from the American people. They were shocked at such a suggestion. Apparently we are going to turn these bases back to England with no strings attached.

The President, in his recent report on lend-lease, stated that more than 800,000 American troops had been transported to England by the British. He did not tell the American people that many of the ships used were given to the English at the nominal sum of $1. He did not state how much money the War Department or some agency was paying in addition for the transportation of these troops. I should like to ask someone representing the administration the following question: What, if anything, is it costing this country when troops are transported to England on English ships? Is this a part of lend-lease; if not, why not? I shall await with a great deal of interest the reply to these questions. I want the American people to have the truth.

It is my opinion that when our American soldiers come home they will have a close-up, down-to-the-earth opinion as to what is really going on in other countries. They will really know what other countries think about us. They will know about the abuses of lend-lease. I believe that these men, when they return, will be pretty much nationalistic in their thinking. I have had quite a number of letters upon my remarks about lend-lease from men overseas. They all give me the same reaction. At a later date, I may insert some of these letters, minus their names, in the RECORD. Most of the letters are couched in rather caustic words concerning our aid to England and the abuses under lend-lease.

This country needs better representation abroad. We need it at home. We need men of the Churchill philosophy when he said that he did not become the Prime Minister of England to assist in the liquidation of the Empire. We need men of the hardfisted, direct diplomacy of Stalin who, apparently, when he was at the Teheran Conference, did not ask Mr. Churchill and Roosevelt what he could have, but he told them. The sentence was rather short and there was a period. That sentence was repeated, apparently, several times with the same period. Certainly no thinking American now doubts but what Mr. Stalin will dominate the countries he is absorbing. Communism or state socialism will overrun Europe. It is knocking at the door of America. The very thing our boys are fighting on many battle fronts to destroy has presented its ugly head with rather firm roots in our America. Our soldiers will not be pleased with the turn of events in this country.

Our foreign affairs are directed too frequently by individuals or a select few who try to mold public opinion. They lack the real contact and understanding of the great mass of people which make up this and other countries. I do not believe that the reports of diplomats, newspaper writers, and radio commentators reflect the thinking of the masses.

If Congress is to legislate wisely, it must know something about the thinking of the State Department and should be taken into the confidence of men directing the foreign affairs of this country. Congress should be kept informed of the great problems confronting our Nation. Our diplomats in foreign countries are circumscribed as to their activities and associations with the common people. Their reports are restricted, biased, and represent the thinking of the upper section of society. I believe such reports which mislead Congress will be reflected in colossal war bills and an additional loss of American lives.

It is my opinion that unless Congress can get honest, down-to-earth reports then they must travel, investigate, and see conditions before proper conclusions can be reached.

Of course, war is vast. It is difficult to understand. We do understand the casualty lists because they strike home. It is hard to understand certain secret diplomatic processes behind the scenes. These actions are the ones which produce a war.

Someone has said that the Nation wins a war which can spend the most money, waste the most, and in the quickest time. Well, America is winning the war. The money spent, the mistakes made, may soon be forgotten if this war can be over soon and our boys brought back home to live here in a world of lasting peace. Our soldiers, when they return, may well hold this Congress responsible for the mistakes being made by departments of government who are acting far beyond the intent of Congress. Our soldiers are seeing things from a realistic standpoint in the wishful thinking of some diplomats. They will appraise conditions at their face value. They will see things the censor blacks out. They will not be fooled. They will have a keen understanding of what has transpired and the direction in which we have been going.

I only hope that this Congress and the people of the country will properly evaluate the happenings that are now transpiring.

GENERAL LEAVE TO PRINT

Mr. McCORMACK. Mr. Speaker, at the request of the gentleman from Kentucky [Mr. SPENCE], I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill that was passed this afternoon, S. 2004.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Massachusetts [Mr. WIGGLESWORTH] is recognized for 30 minutes.

SELECT COMMITTEE TO INVESTIGATE THE FEDERAL COMMUNICATIONS COMMISSION

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a recent editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

F. C. C. HEARINGS CLOSED TO CONGRESS AND PUBLIC

Mr. WIGGLESWORTH. Mr. Speaker, history repeats itself.

Once again, by a vote of three to two, the select committee appointed to investigate the Federal Communications Commission and its activities has voted to terminate public hearings in the matter of radio station WMCA, New York, and to withhold further facts from the Congress and the public.

Once again the counsel for the committee has resigned from his position in order not to be considered as a party to a "whitewash."

I opposed the action of the committee, as did its chairman, who, in my judgment, showed both wisdom and courage in this connection.

The action of the committee raises once again the question as to what forces have been operating from the very outset to suppress the facts in this and other transactions.

As I stated in the committee, "The national welfare cries out for an honest thoroughgoing public investigation, letting the chips fall where they may."

What are these all-powerful forces, Mr. Speaker?

"SACRED COWS—POLITICAL PARASITES"

Is the administration seeking to protect and to keep under cover the conduct and the doings of its "sacred cows" and political "parasites in private practice" who are amassing fortunes at the expense of the taxpayers?

Is the administration trying to prevent the public disclosure of the part played by Thomas G. Corcoran "Tommy the Cork," William J. Dempsey, and William C. Koplowitz and other New Deal officials, past and present, in connection with this case?

Did these persons conspire in the alleged enforced sale of radio station WMCA by Donald Flamm to Edward J. Noble, another former officeholder under the New Deal?

Did the influence of Mr. Corcoran play a part in the determination of the Democratic majority of the committee to terminate the hearings on the WMCA matter when they were first opened 8½ months ago, on the flimsy pretext that the hearings would interfere with private litigation between Mr. Flamm and Mr. Noble?

Was that majority action the result of a breakfast conference at a well-known hotel with Mr. Corcoran at the end of an airplane trip from the west coast by a majority member of the committee?

Did the majority of the committee vote to terminate public hearings recently resumed on the WMCA case in the light of charges in the hearings that Mr. Corcoran and his associates, Mr. Dempsey and Mr. Koplowitz, had negotiated the sale under investigation?

WAS F. C. C. PARTY TO CONSPIRACY?

Did the Federal Communications Commission and its staff authorize the transfer of radio station WMCA from Flamm to Noble without any hearing and in the short space of 15 days, notwithstanding certain members of the Commission were on notice that the sale of the station was perhaps tainted with irregularity?

Did the Commission, with knowledge of alleged irregularities and again without any hearing, also deny an application for reconsideration of the Commission's action?

Was the Federal Communications Commission or its personnel party to the alleged conspiracy?

Is it a fact, as indicated in respect to other matters in testimony by Mr. Corcoran before the Truman committee, that Mr. Dempsey and Mr. Koplowitz were the "front" in the WMCA transaction, while Mr. Corcoran remained in the background and pulled the strings?

Is it a fact that the arrangements between Mr. Corcoran, Mr. Dempsey, and Mr. Koplowitz in the WMCA case were the same as those in the adjustment of the Savannah, Ga., shipyard claim, as described by Mr. Norman Littell, of the Department of Justice, where, again, Mr. Dempsey and Mr. Koplowitz are charged with being the "front" while Mr. Corcoran remained behind the scenes and pulled the strings?

Have we arrived at a time in this country when the Executive branch of the Government can, by threats, intimidation, or otherwise, prevent the Congress from obtaining such information as it deems proper from the standpoint of appropriations and remedial legislation?

IF NOTHING WRONG, WHY SECRECY?

If Mr. Corcoran, Mr. Dempsey, Mr. Koplowitz, Mr. Noble, and the members and the staff of the Federal Communications Commission are guilty of no wrongdoing, what is the explanation of the tremendous pressure exerted from the very outset from administration and other sources to suppress the facts in the WMCA case?

The Congress and the public, Mr. Speaker, are entitled to answers to these and other questions, and to all available evidence bearing upon them.

HISTORY OF COMMITTEE ACTION

The House is familiar with the developments last February in respect of the WMCA case. They were presented on the floor on February 29. The situation to date may be summarized as follows:

After 2 days of startling testimony last February, alleging conspiracy to deprive the station owner of his frequency by past and present officials of the New Deal, hearings were abruptly terminated and postponed in the absence of the minority members of the committee, by action of the three majority members of the committee, one of whom arrived by airplane from the Aleutian Islands the day before the meeting.

Following upon this action, Mr. Eugene I. Garey, counsel for the committee, and three associates resigned, characterizing the action as "a patent fraud on the Congress and the public," and charging that the investigation was being converted to "a sheer whitewashing affair, wholly responsive to political pressures and dominated by political expediency."

The House will also recall the methods used prior to this time to bring about the resignation of the former chairman of the committee, and the statements in the public press indicating that Mr. Garey's resignation had been demanded under threat of criminal action, not against himself but against a friend and associate. These statements have never been investigated.

Following Mr. Garey's resignation, in the course of my remarks on the floor of the House, I condemned the action of the majority members of the committee and demanded resumption of the hearings on Station WMCA at the earliest possible moment.

At the same time, a commitment was made by the chairman of the committee to the effect that the case would be heard before the termination of the hearings.

In this connection the gentleman from New Jersey [Mr. HART] stated, and I quote:

> The chairman suggested a modification of the language so that instead of postponing the matter until the court should have actually disposed of the case, the motion should read that it should be postponed until the court has had a reasonable opportunity to dispose of the issue. I accepted the modifying language and the motion was adopted.

In response to an inquiry from the floor as to what was meant by a "reasonable opportunity" the chairman of the committee stated, and I quote:

> A period of 6 weeks was mentioned. The committee did not bind itself to 6 weeks. We thought the court might need that much time.

Instead of 6 weeks, Mr. Speaker, action has been deferred for approximately 8½ months.

CONFESSION BY CONSPIRATOR

Hearings were resumed on November 22. They resulted in 3 more days of amazing testimony tending strongly to confirm the testimony of last February. Charged with having important parts in the alleged conspiracy were Edward J. Noble, William J. Dempsey, William C. Koplowitz, Thomas J. Corcoran, all former officials of the New Deal, as well as members of the Federal Communications Commission. One witness went so far as to furnish in full details of the alleged conspiracy, stating under oath that he had played a principal part in it from start to finish.

On the following day, at a special meeting of the committee, over the protest of the chairman and myself, the committee voted 3 to 2 to discontinue public hearings and to proceed behind closed doors in executive session.

DEMAND OF NOBLE'S ATTORNEY COMPLIED WITH

In so doing, the committee once again complied with the demand of Mr. Noble's attorney who, as late as November 19, renewed a protest of last February urging that the WMCA case warranted no further investigation or hearings, but that if the committee felt otherwise, such hearings should be conducted in executive session.

On receiving word of the action of the committee, Mr. John J. Sirica, counsel for the committee, tendered his resignation effective immediately, stating that he did not want anyone to be able to say that he was party to a whitewash and that in his opinion there was no other word that could be used for it than that.

The committee subsequently retired behind closed doors.

LET CHIPS FALL WHERE THEY MAY

My own views, Mr. Speaker, are summarized in a statement made just before the committee went into executive session. That statement, which I repeat for this RECORD at this time, is as follows:

I desire to record my emphatic opposition to the action of the majority of this committee in voting to terminate further public hearings and to proceed with this investigation behind closed doors and in executive session. No justification whatsoever, in my judgment, has been shown for withholding the facts from the Congress and the people. I agree with the recent statement of the chairman to the effect that a vote to terminate public hearings at this time may well create a national scandal.

How anyone who has listened to the testimony during the last 3 days, including the statements made in respect to Mr. Noble, Mr. Dempsey, Mr. Koplowitz, Mr. Corcoran, and members of the Federal Communications Commission, can vote to close these hearings to the public at this time is beyond my comprehension. Fairness itself dictates that these gentlemen be given the opportunity to be heard publicly in these proceedings here and now.

Ever since the start of this investigation this committee and its staff have met with constant obstruction, intimidation, and underhand tactics from those in high places in the attempt to hamstring its work and to suppress the truth.

There has been and is a wide public interest in this particular case. No one in my judgment can read the testimony already a matter of public record without reaching the conclusion that that interest is abundantly justified.

SOMETHING LOTTEN IN DENMARK?

Every time the attempt has been made to take this case up, tremendous pressure has been brought to bear from administration and other sources in the attempt to suppress the case entirely or to postpone indefinitely the presentation of the facts to the Congress and the people.

Every time that pressure has proved successful in withholding from the Congress and the people unsavory facts said to involve high administration officials and advisers, both past and present.

The strength and character of this pressure is in itself the strongest possible prima facie evidence, in my judgment, that there is "something rotten in Denmark," which cannot stand the light of honest investigation.

PUBLIC INTEREST IS PARAMOUNT

The public interest is paramount. It transcends any private interest claimed to be involved. Almost any congressional investigation can result in or affect private interests or litigation. If these hearings should have such an effect, that effect would be purely incidental to the all-important national objectives of this investigation. If these public hearings are to be called off on this account, almost any public investigation by the Congress can be deliberately thwarted by the same tactics.

With the present Congress expiring, a vote for executive hearings is a vote to withhold indefinitely, if not permanently, the further facts in this case.

I will not cast my vote for action which must be interpreted as one more attempt to whitewash and to withhold from the Congress and the people facts to which they are rightfully entitled.

The national welfare cries out for an honest and thoroughgoing public investigation, letting the chips fall where they may—an investigation in the interest of impartial and efficient regulation—an investigation in the interest of equality of opportunity and freedom of speech over the radio, one of the greatest single factors in the Nation in terms of the preservation or destruction of our American way of life.

This House, Mr. Speaker, should unite in demanding, "Let there be light."

Under leave to extend my remarks I include the following editorial appearing on November 30 in the Louisville Courier-Journal, an ardent champion of the New Deal. The editorial is entitled "Mortifying News From Washington." It speaks for itself.

MORTIFYING NEWS FROM WASHINGTON

Two news items in the Courier-Journal yesterday must have delighted and fortified every political enemy of the Roosevelt administration and saddened and mortified every true friend.

The first concerned a demand by Attorney General Biddle for the resignation of Assistant Attorney General Norman M. Littell and Mr. Littell's refusal to comply. Mr. Littell is one of the ablest lawyers in the Department of Justice. As head of the Lands Division he has made a remarkable record in the acquirement of sites needed for war purposes, bucking powerful interests and saving the taxpayers millions of dollars. It was he who blocked an Elk Hills oil contract between the Navy and the Standard Oil Co. of California by showing how much more advantageous its terms were to the company than to the Navy. He fought the Army's plan to turn the Breakers Hotel at Palm Beach back to the Florida East Coast Railway, after spending a huge sum converting it into a hospital for soldiers. His testimony before a congressional committee helped to upset a surplus property disposal plan that was heavily loaded in favor of speculation and big enterprise.

All of these things Mr. Biddle, as a liberal, would be compelled to applaud. We do not know whether Mr. Littell is easy to get along with in an official capacity. Perhaps he is not. Frequently men of his persistence and temerity are not. As far as we can make out, Mr. Biddle's principal grievance is that Mr. Littell did not clear everything—particularly his testimony before Senate investigators—with his superior. This complaint from an administrator, held responsible for what goes on throughout his department, is not unreasonable. Nevertheless, Mr. Biddle had a duty to find a way to work harmoniously with so exceptionally valuable and fearless a public servant, and his attempt to oust Mr. Littell makes a peculiarly sorry mess in that it gives color to the congressional charge that the Attorney General seeks to suppress the flow of information from his department to legitimately inquiring committees on the Hill.

The second shocking item concerns an attempt to suppress information by Members of Congress themselves. The decision of the House committee investigating the Federal Communications Commission to conduct future hearings behind closed doors is simply shameful. The committee has been going into the curious radio station WMAC deal of late 1940, when Donald Flamm sold the property for $850,000 to a former Under Secretary of Commerce, Edward J. Noble. Mr. Flamm has testified that he made the sale unwillingly and under pressure from the F. C. C. and from even higher in the administration.

Such charges obviously deserve the most thorough and, above all, open investigation. Yet the committee closed its doors on motion of Representatives identified as administration supporters. Every detail affecting the transfer of ownership of a facility under public license is properly public property. The committee's action by 3-to-2 vote has justified the indignant resignation in protest of its chief counsel, John J. Sirica, the observation of its chairman, Representative LEA, a Democrat, that the hush-up "might well create a national scandal" and the taunt of Representative WIGGLESWORTH, a Republican, that something here "could not stand the light of honest investigation."

The two news items have a connection which may be somewhat tenuous but which we think worth mentioning in passing. In both figures the name of Thomas Gardiner Corcoran. One of Mr. Littell's counts against Mr. Biddle is that the Attorney General, after conferences with Mr. Corcoran, tried to get Mr. Littell to settle a Savannah Shipyards Co. condemnation case on terms more favorable to the company than had been proposed. One of the accusations of Mr. Flamm is that he was told by William J. Dempsey, a former chief counsel for the Federal Communications Commission, who represented Mr. Noble in the WMAC transaction, that it was Mr. Corcoran who had brought Mr. Dempsey and Mr. Noble together.

"Tommy the Cork," of course, is known of old. He was close to the White House during the first two terms of the New Deal. He is a former counsel of the Reconstruction Finance Corporation, a former assistant to the Secretary of the Treasury, a former special assistant to the Attorney General. With Benjamin V. Cohen, he wrote some of the basic New Deal laws. He is, as his account in Who's Who puts it, "now in private practice in Washington." Drew Pearson has enlarged upon this succinct phrasing as follows: "Advice to American businessmen having trouble with Uncle Sam: Hire as your Washington attorney the famous ex-brain truster, Tom Corcoran." In short, Mr. Corcoran's brilliant mind, his immense knowledge of the Government, his friendship with the key figures of the administrative agencies are available to private interests for a fee. His "private practice" would be called by some blunt people lobbying. It is not uncommon for men having such attributes, or a semblance of them, to put them on sale after leaving public service. It cannot be denounced as sinful but it cannot be praised in terms of the idealism the New Deal has represented in many of our minds.

We do not know what Mr. Corcoran said, if anything, to Mr. Biddle in behalf of the Savannah Shipyards Co. We do not know what, if anything, Mr. Corcoran said to Mr. Dempsey and Mr. Noble about radio WMAC. We are certainly not presupposing any impropriety by Mr. Corcoran in either instance. We are only trying to say how tired we are of seeing his name bob up in such connections and how we wish the Roosevelt administration could somehow rid itself of what seems to us a parasite in private practice.

RESTORING BILLS TO THE PRIVATE CALENDAR

Mr. MOTT. Mr. Speaker, I ask unanimous consent that the bills, H. R. 3614 and H. R. 3639, which were on the last Private Calendar, and to which I objected, may be restored to the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

SENATE BILLS REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1954. An act to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States", approved July 12, 1943; to the Committee on Ways and Means.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 86. An act to grant pensions to certain unremarried dependent widows of Civil War veterans who were married to the veterans subsequent to June 26, 1905; and

H. R. 5386. An act to amend the Selective Training and Service Act of 1940, as amended, to extend the time within which application may be made for reemployment, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1795. An act to amend that portion of the act approved June 30, 1906 (34 Stat. 697, 750), authorizing the settlement of accounts of deceased officers and enlisted men of the Army.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 262. An act for the relief of Mrs. J. C. Romberg;

H. R. 1318. An act for the relief of Jack V. Dyer;

H. R. 1654. An act to authorize the acquisition, rehabilitation, and operation of the facilities for the public in the Olympic National Park, in the State of Washington, and for other purposes;

H. R. 1665. An act for the relief of Joseph Paste, Anna Paste, Rose Paste, and to the legal guardian of Doris Paste, and to the legal guardian of Evelyn Paste;

H. R. 1919. An act for the relief of Vannie Butler;

H. R. 2097. An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of W. J. Cox against the United States;

H. R. 2512. An act for the relief of Betty Robins;

H. R. 2576. An act to confer jurisdiction upon the Court of Claims to determine and render judgment for any losses by Duffy Brothers, Inc.;

H. R. 2601. An act for the relief of Mrs. Flossie Leeser;

H. R. 2896. An act for the relief of Mr. and Mrs. R L. Rhodes;

H. R. 3000. An act for the relief of Clara E. Clark;

H. R. 3373. An act for the relief of Dewey H. Davis;

H. R. 3495. An act for the relief of Constantino Arguelles;

H. R. 3548. An act for the relief of Mr. and Mrs. Robert W. Nelson and W. E. Nelson;

H. R. 3608. An act relating to certain overtime compensation of civilian employees of the United States;

H. R. 3750. An act to provide for the appointment of an additional circuit judge for the third circuit, and to permit the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania;

H. R. 3753. An act for the relief of the legal guardian of Virginia McMillan, a minor, and Howard McMillan;

H. R. 4024. An act for the relief of Victoria Cormier;

H. R. 4065. An act further defining the number and duties of criers and bailiffs in United States courts and regulating their compensation;

H. R. 4099. An act to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilites in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 21, 1913;

H. R. 4226. An act for the relief of the legal guardian of William L. Owen, a minor;

H. R. 4929. An act for the relief of Lt. James H. Clark and Eleanor Clark;

H. R. 4439. An act for the relief of Dennis C. O'Connell;

H. R. 4999. An act to increase the service-connected disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War No. 1;

H. R. 5041. An act to amend the Veterans Regulations;

H. R. 5232. An act to transfer jurisdiction over the Chattanooga National Cemetery, Chattanooga, Tenn., from the Department of the Interior to the War Department, and for other purposes;

H. R. 5289. An act to provide for the acceptance and protection by the United States of property within the authorized boundaries of the Everglades National Park project, Florida, pending the establishment of the park, and for other purposes; and

H. R. 5493. An act to provide for the continuation on the active list of the Regular Army for the duration of any of the wars in which the United States is now engaged, and for 6 months thereafter, of any officer on the active list of the Regular Army who has served as Chief of Staff during the wars in which the United States is now engaged.

ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly the House (at 4 o'clock and 8 minutes p. m.) according to its order heretofore entered, adjourned until Monday, December 4, 1944, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

Beginning at 10 a. m., December 1, and December 2, 1944, the Committee on the Judiciary will continue public hearings on the various proposals to amend the Constitution to permit ratification of treaties by a majority vote of the House and the Senate. The resolutions are House Joint Resolution 6, House Joint Resolution 31, House Joint Resolution 64, House Joint Resolution 238, House Joint Resolution 246, House Joint Resolution 264. Hearings will be held in the Committee Judiciary Room, 346 House Office Building.

COMMITTEE ON REVISION OF THE LAWS

The committee will hold a hearing on Wednesday, December 6, 1944, at 10 a. m., in the committee room of the Committee on Agriculture, to consider H. R. 5450, to revise and codify the criminal laws of the United States and to hold public hearings thereon.

EXECUTIVE COMMUNICATIONS, ETC.

2058. Under clause 2 of rule XXIV a letter from the special assistant to the Secretary of the Navy, transmitting one copy each of various agreements entered into by the Navy Department since the last report of this nature to the Congress on November 18, 1943, was taken from the Speaker's table and referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROBINSON of Utah: Committee on the Territories. H. R. 4502. A bill to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended; without amendment (Rept. No. 2005). Referred to the House Calendar.

Mr. FLANNAGAN: Committee on Agriculture. S. 1658. An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes; without amendment (Rept. No. 2006). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 5563. A bill to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.; without amendment (Rept. No. 2007). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL: Committee on Agriculture. H. R. 5409. A bill for the exchange of lands adjacent to the Pike National Forest in Colorado; without amendment (Rept. No. 2008). Referred to the Committee of the Whole House on the state of the Union.

Mr. McCORD: Committee on Agriculture. H R. 5566. A bill to amend section 502 (a) of the Department of Agriculture Organic Act of 1944; without amendment (Rept. No. 2009). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON of North Carolina. Committee on Ways and Means. H. R. 5564. A bill to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945; with amendment (Rept. No. 2010). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CHENOWETH: Committee on Claims. S. 616. An act for the relief of Mrs. Mary Vullo; without amendment (Rept. No. 2004).

Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 3614. A bill for the relief of the Queen City Brewing Co.; without amendment (Rept. No. 2011). Referred to the Committee of the Whole House.

Mr. PATTON: Committee on Claims. H. R. 3639. A bill for the relief of Herman Weinert, Jr., M. D.; with an amendment (Rept. No. 2012). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK:

H. R. 5569. A bill to create an Indian Claims Commission, to provide for the powers, duties, and function thereof, and for other purposes; to the Committee on Indian Affairs.

By Mr. COLE of New York:

H. R. 5570. A bill to provide that the term of office of the Governor of Puerto Rico shall expire 60 days from the enactment of this act and at the end of each 4-year period thereafter; to the Committee on Insular Affairs.

By Mr. RAMSPECK:

H. R. 5571. A bill to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter; to the Committee on the Civil Service.

By Mr. FISH:

H. Con. Res. 103. Concurrent resolution expressing the sense of the Congress concerning hourly minimum wage standards; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ROBINSON of Utah:

H. R. 5572. A bill for the relief of Thomas Sumner; to the Committee on Claims.

H. R. 5573. A bill for the relief of Ern Wright; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6226. By Mr. LUTHER A. JOHNSON: Petition of Rex B. Cruse, teacher of vocational agriculture, Ennis Independent School District, Ennis, Tex., favoring House bill 5079; to the Committee on Education.

6227. By Mr. JOSEPH M. PRATT: Resolution of the Chamber of Commerce and Board of Trade of Philadelphia on continuing the old-age and survivors insurance tax at 1 percent; to the Committee on Ways and Means.

6228. By the SPEAKER: Petition of James R. Allen, protesting on constitutional grounds his incarceration and denial of appeal; to the Committee on the Judiciary.

SENATE

MONDAY, DECEMBER 4, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Rev. Frederick E. Reissig, D. D., executive secretary, Washington Federation of Churches, Washington, D. C., offered the following prayer:

Eternal God, we come again to Thee today out of necessity; where else can we go, for Thou alone hast words of life for us, Thy bewildered and seeking children.

We come penitently, for our sins are ever before us, and our failures ever remind us that we have forgotten that without Thee we can do nothing.

We come soberly, for we walk in the valley of tragedy and tribulation. The sorrow of our homes is more than we can bear alone; the dangers are greater than we can encounter without Thy companionship; the temptations are beyond our own strength to resist; the burdens and cares and responsibilities are heavier than we can carry alone.

But, our Father, we come to Thee this hour, not only in penitence and soberness but also hopefully. Thou art the God of ages past and our hope for years to come. Thou dost go before us with light to dispel the darkness, with wisdom to overcome our ignorance, with power to overcome all that would hinder and stay us from doing Thy will.

We commit ourselves and our Nation and all Thy children to Thy keeping and leading. We have no fear in Thy presence.

In the name of Him who walked even to the Cross with fortitude and hope. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Secretary, Edwin A. Halsey, read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., December 4, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. KENNETH MCKELLAR, a Senator from the State of Tennessee, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. MCKELLAR thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, December 1, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on November 29, 1944, the President had approved and signed the following acts:

S. 887. An act conferring jurisdiction upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Reila Moyer;

S. 1226. An act for the relief of Charles T. Allen;

S. 1365. An act for the relief of J. C. Drewry;

S. 1451. An act to amend the act entitled "An act for the confirmation of the title to the Saline lands in Jackson County, State of Illinois, to D. H. Brush, and others," approved March 2, 1861;

S. 1465. An act for the relief of Dr. A. R. Adams;

S. 1477. An act for the relief of Carl M. Frasure;

S. 1501. An act for the relief of the Rau Motor Sales Co.;

S. 1572. An act for the relief of Frank Robertson;

S. 1605. An act for the relief of Mr. and Mrs. John Borrego; Mr. and Mrs. Joe Silva; the legal guardian of Frank Borrego; the legal guardian of Rueben Silva; and the legal guardian of Rudolph Silva;

S. 1665. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer;

S. 1709. An act for the relief of Mrs. Clark Gourley, administratrix of the estate of Clark Gourley;

S. 1717. An act for the relief of Luella F. Stewart;

S. 1763. An act for the relief of the Square D Co.;

S. 1766. An act for the relief of C. C. Thornton;

S. 1776. An act for the relief of L. C. Gregory;

S. 1905. An act for the relief of the estate of Walney A. Colvin, deceased;

S. 1983. An act for the relief of Mrs. Anna Runnebaum;

S. 1995. An act for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife;

S. 2007. An act for the relief of Lum Jacobs;

S. 2031. An act for the relief of Lt. (T) P. J. Voorhies; and

S. 2069. An act for the relief of Irma S. Sheridan, postmaster at Rockville, Oreg.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the bill (S. 2004) to amend the act entitled "An act to mobilize the production facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3732) to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. WALTER, and Mr. HANCOCK were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITTINGTON, Mr. ALLEN of Louisiana, Mr. ELLIOTT, Mr. CLASON, and Mr. CURTIS were appointed managers on the part of the House at the conference.

CREDENTIALS

The ACTING PRESIDENT pro tempore laid before the Senate the creden-

tials of CHARLES W. TOBEY, chosen a Senator from the State of New Hampshire for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF NEW HAMPSHIRE,
Executive Department.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, CHARLES W. TOBEY was duly chosen by the qualified electors of the State of New Hampshire a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor Robert O. Blood, and our seal hereto affixed this 22d day of November 1944.

By the Governor:

ROBERT O. BLOOD,
Governor.

[SEAL] ENOCH D. FULLER,
Secretary of State.

Mr. LA FOLLETTE. Mr. President, I present the credentials of my colleague, the junior Senator from Wisconsin, for appropriate disposition.

The credentials of ALEXANDER WILEY, chosen a Senator from the State of Wisconsin for the term commencing January 3, 1945, were read and ordered to be filed, as follows:

UNITED STATES OF AMERICA,
THE STATE OF WISCONSIN,
Executive Department.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, ALEXANDER WILEY was duly chosen by the qualified electors of the State of Wisconsin a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, commencing on the 3d day of January 1945.

In testimony whereof, I have hereunto set my hand and caused the great seal of the State of Wisconsin to be affixed. Done at the capitol, in the city of Madison, this 29th day of November, in the year of our Lord 1944.

By the Governor:

WALTER S. GOODLAND,
Governor.

[SEAL] FRED R. ZIMMERMAN,
Secretary of State.

Mr. BROOKS. Mr. President, I have the pleasure of sending to the desk the credentials of my colleague the senior Senator from Illinois [Mr. LUCAS], who has been honored by the people of Illinois by reelection to the Senate of the United States for a second term, commencing January 3, 1945.

The credentials were read and ordered to be filed, as follows:

STATE OF ILLINOIS

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1944, SCOTT W. LUCAS was duly chosen by the qualified electors of the State of Illinois, a Senator from said State, to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, Dwight H. Green, and our seal hereto affixed at Springfield this 29th day of November, in the year of our Lord 1944.

By the Governor:

DWIGHT H. GREEN,
Governor.

[SEAL] RICHARD YATES ROWE,
Secretary of State.

FLOOD-CONTROL PROJECTS—PRINTING OF BILL

Mr. OVERTON. Mr. President, I ask unanimous consent that the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, be printed with the Senate amendments numbered.

THE ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WATER SUPPLY OF SAN DIEGO COUNTY, CALIF. (S. DOC. NO. 249)

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a communication from the President of the United States, dated November 29, 1944, transmitting a report relative to the emergency in the water supply of San Diego County, Calif., which will be referred, with the accompanying report, to the Committee on Irrigation and Reclamation and printed.

EXECUTIVE COMMUNICATION

The ACTING PRESIDENT pro tempore laid before the Senate the following letter, which was referred as indicated:

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 313 individuals whose deportation has been suspended for more than 6 months under authority of law, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The ACTING PRESIDENT pro tempore laid before the Senate monthly reports from the chairmen of certain Senate committees, made in response to Senate Resolution 319, agreed to August 23, 1944, relative to persons employed who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

WAR CONTRACTS SUBCOMMITTEE, SENATE MILITARY AFFAIRS COMMITTEE

DECEMBER 1, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November 1944, in compliance with the terms of Senate Resolution No. 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Borchardt, Kurt	1385 Nicholson St. NW., Washington, D. C	Smaller War Plants Corporation, Washington, D. C	$5,600
Gross, Bertram M	613 South Quincy St., Arlington, Va	Navy Department, Washington, D. C	6,500
Phippen, Doris	Frankfort Hall, 40 Plattsburg Court NW., Washington, D. C.	do	2,100
Regnier, Omer	209 Franklin Ave., Silver Spring, Md	Farm Security Administration, Washington, D. C	3,800
Ruben, Edna	1243 Holbrook Terrace NE., Washington, D. C	Reconstruction Finance Corporation, Washington, D. C	2,300

JAMES E. MURRAY, *Chairman.*

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES

DECEMBER 1, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November 1944, in compliance with the terms of Senate Resolution No. 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Cheney, Brainard	3418 Highwood Dr. SE., Washington, D. C	Foreign Economic Administration, Washington, D. C	$6,500
Crivella, Agnes E	1408 Buchanan St. NW., Washington, D. C	War Production Board, Washington, D. C	2,700
Devitt, Emerald G	2425 27th St. South, Arlington, Va	do	2,000
Digges, Elsie A	120 C St. NE., Washington, D. C	do	1,800
Evans, Harry J	3010 Gainsville St. SE., Washington, D. C	Reconstruction Finance Corporation, Washington, D. C	6,500
Forbes, F. Preston	510 Four Mile Rd., Alexandria, Va	Department of Commerce, Washington, D. C	4,600
Fuller, Carol M	2101 S St. NW., Washington, D. C	Office of Price Administration, Washington, D. C	2,100
Gray, Scott K., Jr	119 Joliet St. SW., Washington, D. C	Reconstruction Finance Corporation, Washington, D. C	4,600
Groeper, Stella J	1127 Branch Ave. SE., Washington, D. C	War Production Board, Washington, D. C	2,600
Heckard, Dorothy M	Shreve Rd., Falls Church, Va	do	2,000

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES—continued

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Kimball, Kathleen	1701 Park Rd NW., Washington, D. C.	War Production Board, Washington, D. C.	$2,000
Lucas, Elizabeth P.	1730 North Quincy St., Arlington, Va.	do	1,800
Miller, Lois M.	3120 Massachusetts Ave. SE., Washington, D. C.	do	2,600
Nelson, John W.	1445 Ogden St. NW., Washington, D. C.	do	5,600
Purdy, Grace F.	230 Rhode Island Ave. NE., Washington, D. C.	Office of Price Administration, Washington, D. C.	3,200
Silverman, Arthur G.	719 D St. NE., Washington, D. C.	do	5,600
Soule, George H., Lt. (Jr. Gr.)	4020 Beecher St. NW., Washington, D. C.	Navy Department, Washington, D. C.	2,000
Spicer, Lillian Evelyn	1433 Decatur St. NW., Washington, D. C.	War Production Board, Washington, D. C.	2,600
Steckman, Frederick W.	4000 Cathedral Ave., Washington, D. C.	Maritime Commission, Washington, D. C.	4,600
Strubel, Margie L.	4632 12th St. NE., Washington, D. C.	War Production Board, Washington, D. C.	1,800
Thurman, Allen G.	201 East Shepherd St., Chevy Chase, Md.	Maritime Commission, Washington, D. C.	6,500
Van Tassel, Alfred J.	1622 Mount Eagle Pl., Alexandria, Va.	War Production Board, Washington, D. C.	6,500
Yelencsics, Olga	2400 13th St. NW., Washington, D. C.	do	2,000

JAMES E. MURRAY, *Chairman.*

COMMITTEE ON NAVAL AFFAIRS

DECEMBER 1, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November 1944, in compliance with the terms of Senate Resolution No. 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Capt. Jame A. Saunders U. S. Navy (retired.)	4105 Oliver St., Chevy Chase, Md.	Office of the Chief of Naval Operations, Navy Department, Washington, D. C.	$6,000
Chief Yeoman Herbert S. Atkinson (A. A.), U. S. Naval Reserve.	2405 Pennington Rd., Trenton, N. J.	Bureau of Naval Personnel, Navy Department, Washington, D. C.	1,512

DAVID I. WALSH, *Chairman.*

SENATE NAVY LIAISON OFFICE, ROOM 461, SENATE OFFICE BUILDING

DECEMBER 1, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November 1944, in compliance with the terms of Senate Resolution No. 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Lt. Frederick A. McLaughlin, U. S. Naval Reserve.	5305 41st St. NW., Washington, D. C.	Bureau of Naval Personnel, Navy Department, Washington, D. C.	$2,400
Lt. Joseph G. Feeney, U. S. Naval Reserve.	2745 29th St. NW., Washington, D. C.	do	2,400
Yeoman Second Class Eleanor W. St. Clair, U. S. Naval Reserve.	2134 R St. NW., Washington, D. C.	do	1,152
Yeoman Second Class Loretto F. Jochman, U. S. Naval Reserve.	do	do	1,152

The above employees are representatives of the Bureau of Naval Personnel, Navy Department, to assist Senators on naval personnel matters.

DAVID I. WALSH, *Chairman.*

COMMITTEE ON PENSIONS

NOVEMBER 29, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of person employed by the committee who is not a full-time employee of the Senate or of the committee for the month of November 1944, in compliance with the terms of Senate Resolution No. 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Louis J. Meyerle	612 Bennington Drive, Silver Spring, Md.	Veterans' Administration	$5,000

JAMES M. TUNNELL, *Chairman.*

COMMITTEE ON PUBLIC LANDS AND SURVEYS,
December 1, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November 1944, in compliance with the terms of Senate Resolution No. 319, agreed to August 23, 1944:

CARL A. HATCH, *Chairman.*
By W. H. MCMAINS, *Clerk.*

DECEMBER 1, 1944.

Memorandum to Senator CARL A. HATCH, chairman, Senate Committee on Public Lands and Surveys.

From Senator PAT MCCARRAN, chairman of the Subcommittee to Investigate Certain Public Lands.

The following persons are detailed from the Forest Service Department of Agriculture, to assist with the work of the above subcommittee:

E. S. Haskell, senior administrative officer, Forest Service, CAF–12; basic salary, $5,000 per year.

Elizabeth Heckman, clerk, CAF–5; basic salary, $2,000 per year.

SUBCOMMITTEE ON WARTIME HEALTH AND EDUCATION

DECEMBER 1, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of December, in compliance with the terms of Senate Resolution No. 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Lauretta April	2714 Quarry Rd. NW., Washington, D. C.	War Production Board, 3d and Independence Ave. SW.	$3,200
Philip C. Curtis	4303 Russell Ave., Mt. Rainier, Md.	Navy Department, 18th and Constitution Ave. NW.	3,800
Rose Gerber	2513 14th St. NE., Washington, D. C.	do	2,000
Doris B. Hazur	5018 25th St. North, Arlington, Va.	Office of Price Administration, 2d and D Sts. SW.	2,600
Harald Lund	476 N St. SW., Washington, D. C.	Navy Department, 18th and Constitution Ave. NW.	6,200
Carl Malmberg	1813 F St. NW., Washington, D. C.	Federal Security Agency, 1825 H St. NW.	5,600
Love Morgan	1607 18th St. SE., Washington, D. C.	Veterans' Administration, Vermont Ave. and I St. NW.	2,000
Ruth Morgenstein	3022 Rodman St. NW., Washington, D. C.	do	2,600
Dolores Raschella	3028 Wisconsin Ave. NW., Washington, D. C.	Federal Public Housing Administration, 1001 Vermont Ave. NW.	2,000
Renee Roth	1614 North Queen St., Arlington, Va.	Federal Works Agency, 18th and C Sts. NW.	2,600
Lt. Leslie Falk, A. U. S., M. C.	2804 Terrace Rd. SE., Washington, D. C.	Pentagon Building, U. S. Army	2,000
Lt. Comdr. John B. Truslow, M. C., U. S. Naval Reserve.	2007 Peabody St., West Hyattsville, Md.	U. S. Navy, 18th and Constitution Ave. NW.	3,000

CLAUDE PEPPER, *Chairman.*

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Acting President pro tempore and referred as indicated:

A resolution by the council of the city of Toledo, Ohio, endorsing the St. Lawrence seaway project; to the Committee on Commerce.

A petition of sundry citizens (veterans of World War No. 1), of Puerto Rico, relating to the independence of Puerto Rico, and praying for consideration of the problem of Puerto Rican veterans; to the Committee on Territories and Insular Affairs.

THE INSURANCE BUSINESS—PETITION FROM KANSAS

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a petition I have received from Dodge City, Kans. This petition, numerously signed by citizens of Dodge City, expresses their interest in the passage of the Walter-Hancock bill (H. R. 3270) or the Bailey-Van Nuys bill (S. 1362). They feel that the insurance business can be handled more readily through local supervision than through Washington. I approve the stand they have taken on this proposed legislation.

There being no objection, the petition was ordered to lie on the table and the body thereof was ordered to be printed in the RECORD, as follows:

We, the undersigned legal voters of the State of Kansas, respectfully petition our Hon. Senators ARTHUR CAPPER and CLYDE M. REED to vote and work for the passage of the Walter-Hancock bill (H. R. 3270) or the Bailey-Van Nuys bill on the Senate Calendar, without amendments other than those which would exclude insurance from operation of Federal Trade Commission Act and Robinson-Patman Act.

We believe that through the supervision by the Kansas State Insurance Department and through the cooperation of that department with the Kansas Inspection Bureau, Kansas State Fire Prevention Association, and the insurance companies licensed to operate in the State of Kansas, the interests of the insuring public can best be served.

We further believe that the insurance business is of such a nature that it can be handled to the best advantage through local supervision than through a board or commission located in Washington, D. C.

ST. LAWRENCE SEAWAY—ENDORSEMENT BY THE NATIONAL GRANGE

Mr CAPPER. Mr. President, at its seventy-eighth annual session at Winston-Salem, N. C., from November 15 to 23, 1944, the National Grange reaffirmed its action at the 1943 session, endorsing the St. Lawrence seaway and power project.

The resolution adopted at the seventy-eighth annual session is as follows:

We approve of the action of the 1943 session regarding the St. Lawrence waterway.

The action of the 1943 session referred to and reaffirmed in this resolution was as follows:

Whereas the National Grange has for years advocated the completion of the St. Lawrence seaway, nearly 90 percent of which is already completed, and opening this wonderful artery of commerce to carry the products of the interior of our country to the markets of the world at reduced costs; and

Whereas the completion of this project would permit the development of vast electrical energy, now going to waste in the onrushing waters of this mighty river, resulting in cheaper electric power to all our people; and

Whereas there is legislation now pending in Congress to bring this project to completion as soon as material and labor are available: Therefore be it

Resolved, That the National Grange reaffirms its position favoring completion of this project for navigation and power purposes.

I ask that the resolution of the National Grange may be appropriately referred.

The ACTING PRESIDENT pro tempore. Without objection, the resolution referred to by the Senator from Kansas will be referred to the Committee on Commerce.

REPORT OF AGRICULTURE AND FORESTRY COMMITTEE DURING RECESS

Under authority of the order of the 1st instant,

Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 4911) to amend the Federal Crop Insurance Act, reported it on December 2, 1944, with amendments, and submitted a report (No. 1298) thereon.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOWNEY, from the Commitee on Civil Service:

S. 2201. A bill to provide for health programs for Government employees; without amendment (Rept. No. 1299); and

H. R. 4918. A bill to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service; with amendments (Rept. No. 1300).

By Mr. HATCH, from the Committee on the Judiciary:

H. R. 5518. A bill to amend section 119 of the Judicial Code; without amendment (Rept. No. 1302); and

H. R. 4993. A bill to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942; without amendment (Rept. No. 1301).

By Mr. TYDINGS, from the Committee on Territories and Insular Affairs:

H. R. 5029. A bill to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes; with amendments (Rept. No. 1304).

REGISTRATION AND PROTECTION OF TRADE-MARKS—REPORT OF PATENTS COMMITTEE

Mr. HILL. Mr. President, on behalf of the junior Senator from Florida [Mr. PEPPER], chairman of the Committee on Patents, I ask consent to report back from that committee, with amendments, the bill (H. R. 82) to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, and I submit a report (No. 1303) thereon.

Mr. WHITE. Mr. President, may I ask the distinguished leader whether the report was agreed to at a meeting of the committee? I am a member of the Committee on Patents, and I have had no notice of any meeting.

Mr. HILL. I cannot advise the Senator. All I know is that the report was presented as a report of the Committee on Patents, and in the absence of the chairman, the junior Senator from Florida [Mr. PEPPER], I was asked to file the report in his name. If the Senator from Maine wishes to inquire into the matter, I shall be glad to withhold the report temporarily.

Mr. WHITE. If the request is merely that the report may be filed, I shall not object to it at the moment.

Mr. HILL. That is the request.

Mr. WHITE. But I want it definitely understood that I am not agreeing that there was any meeting of the committee,

any notice of a meeting, or any committee action with respect to the proposed legislation.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHITE (for Mr. BREWSTER):

S. 2208. A bill providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national park purposes; to the Committee on Public Buildings and Grounds.

By Mr. MEAD:

S. 2209. A bill establishing wage differential for leadingmen and quartermen at all naval establishments; to the Committee on Naval Affairs.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENTS

Mr. VANDENBERG submitted an amendment intended to be proposed by him to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MEAD submitted two amendments intended to be proposed by him to House bill 3961, supra, which were ordered to lie on the table and to be printed.

THE GLOBAL ALPHABET

Mr. THOMAS of Oklahoma. Mr. President, I ask permission to present a statement prepared by former Senator Robert L. Owen, of my State. The statement is in further explanation of the global phonetic alphabet designed by former Senator Owen. I ask that the statement be printed as a Senate document, with illustrations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REMARKS OF EDWIN CAMP ON ONE HUNDRED AND SIXTY-NINTH ANNIVERSARY OF CREATION OF UNITED STATES MARINE CORPS

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD the radio address made by Hon. Edwin Camp on the one hundred and sixty-ninth anniversary of the creation of the U. S. Marine Corps by the Continental Congress, on the Atlanta Journal program, November 9, 1944, which appears in the Appendix.]

POST-WAR PEACE AND AN ASSOCIATION OF NATIONS

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an extract containing recommendations of the American Legion executive committee relating to post-war peace, together with an editorial from the Hartford Courant of November 24, 1944, relating to the same subject, which appear in the Appendix.]

TRIBUTE TO ALFRED EMMANUEL SMITH

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial entitled "Alfred Emmanuel Smith," from the Catholic Sun, of Syracuse, N. Y., of October 5, 1944, and an editorial entitled "A Challenge to Bigotry," from the Post-Standard, of Syracuse, N. Y., of October 6, 1944, which appear in the Appendix.]

REPORT ON POST-WAR TRANSPORTATION OF MAIL

[Mr. MEAD asked and obtained leave to have printed in the RECORD a report on post-war transportation of mail by the executive committee of the Railway Mail Association, which appears in the Appendix.]

ST. LAWRENCE RIVER DEVELOPMENT—EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Who Opposes St. Lawrence Plan Now?" from the Christian Science Monitor of December 2, 1944, which appears in the Appendix.]

MRS. EUGENE W. RANDALL

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1471) for the relief of Mrs. Eugene W. Randall, which was, on page 1, line 6, to strike out "$1,000" and insert "$2,500."

Mr. SHIPSTEAD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

SIGFRIED OLSEN—SIGFRIED OLSEN SHIPPING CO.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co., and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. O'DANIEL, Mr. STEWART, and Mr. WHERRY conferees on the part of the Senate.

OFFICE OF DISTRICT JUDGE IN NEW JERSEY

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 3732) to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HATCH. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HATCH, Mr. CHANDLER, and Mr. DANAHER conferees on the part of the Senate.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Austin	Green	Radcliffe
Bailey	Guffey	Reed
Ball	Gurney	Revercomb
Bankhead	Hall	Reynolds
Bilbo	Hatch	Robertson
Brooks	Hayden	Russell
Buck	Hill	Shipstead
Burton	Holman	Stewart
Bushfield	Jenner	Taft
Butler	Johnson, Calif.	Thomas, Okla.
Byrd	Johnson, Colo.	Tunnell
Capper	Kilgore	Tydings
Caraway	La Follette	Vandenberg
Chandler	Langer	Wagner
Clark, Mo.	Lucas	Wallgren
Connally	McFarland	Walsh, Mass.
Cordon	McKellar	Walsh, N. J.
Danaher	Maloney	Weeks
Davis	Maybank	Wheeler
Downey	Mead	Wherry
Eastland	Millikin	White
Ellender	Murray	Wiley
Ferguson	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Arkansas [Mr. MCCLELLAN] are absent from the Senate because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON].

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Seventy-six Senators having answered to their names, a quorum is present.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the Committee amendment, on page 17, after line 5, which will be stated.

The CHIEF CLERK. On page 17, after line 5, it is proposed to insert:

Waterway connecting the Tombigbee and Tennessee Rivers; in accordance with the recommendation of the Board of Engineers for Rivers and Harbors in the report submitted in House Document No. 269, Seventy-sixth Congress.

Mr. BILBO. Mr. President, there having been six surveys of this project already, I think it is time we passed the item, and did not spend any more of the taxpayers' money in surveying.

Mr. President, the waterway connecting the Tombigbee and Tennessee Rivers, to be constructed in accordance with the recommendation of the Board of Engineers for Rivers and Harbors in the report submitted in House Document Numbered 269, Seventy-sixth Congress, is one of the greatest developments of its kind ever proposed. There has been only one other project of similar character in the history of the world that I know anything about, and that is the famous connecting link between the Don and Volga Rivers in Russia, by which two of the great river systems of that great country were united, or brought together. This vital project is included in the Rivers and Harbors bill (H. R. 3961) and I feel confident that when the importance of the measure providing for this waterway is understood by the Congress it will be enacted into law.

Not only will the proposed Tennessee-Tombigbee Inland Waterway be of benefit to northeast Mississippi and that immediate section of the country, but it will be of immeasurable value to the entire Mississippi Valley, from New Orleans and Mobile to Memphis, Cairo, St. Louis, Chicago, St. Paul, Minneapolis, on the Mississippi; Omaha and Sioux City on the Missouri; Paducah, Cincinnati, Wheeling, and Pittsburgh, on the Ohio; and all points on the Tennessee River from Paducah to Knoxville, as well as all points up to Nashville on the Cumberland.

In the survey report by the special Board of Engineers—House Document 269, page 12—it is pointed out that the ridge which divides the Tennessee Valley from the headwaters of the Tombigbee River in northeastern Mississippi is located from 15 to 18 miles south of the Tennessee River. Opposite a point in the divide where the waters of Yellow Creek flow northward and empty into the Tennessee River, the waters of Mackeys Creek flow southward and empty into the East Fork of the Tombigbee River. Although the elevation of the divide at this point is 60 feet above the lowest known saddle, the absence of rock in the ridge provides the most favorable location for the proposed waterway between the Tennessee and Tombigbee Rivers. The connection with the Tennessee River would be made by a cut about 27 miles long following Yellow Creek Valley to the divide, thence across the divide to Mackeys Creek. South of the divide the waterway would follow Mackeys Creek, the East Fork of the Tombigbee River, and the Tombigbee River to Demopolis, Ala., from which point the existing improved waterways to Mobile would be utilized.

This proposed waterway will afford an additional means of interchange of commerce between the Gulf Intracoastal Waterway and the Tombigbee-Warrior system, on the one hand, and the Tennessee, Ohio, and Mississippi River systems on the other. There is no other known project that will yield greater returns in shortening transportation distances and in reducing transportation costs than the Tennessee-Tombigbee Inland Waterway.

A round trip for a barge tow or a boat from Cairo, Ill., to New Orleans down the Mississippi, thence across to Mobile along the existing intracoastal waterway, thence up the Tombigbee Inland Waterway to the Tennessee River into Pickwick Lake, thence down the Tennessee to Paducah and thence down the Ohio to the starting point at Cairo, would be 1,768 miles, of which 1,121 miles would be downstream. Traffic would go down the Mississippi in order to take advantage of the swift current, but on the return trip it would go up the Tombigbee to avoid that current.

The Army engineers provide us with the facts and figures showing the tremendous savings as well as the feasibility of this great project which can be constructed at a cost of approximately $66,000,000.

My friend the Senator from Michigan [Mr. VANDENBERG] placed great emphasis upon the figure $75,000,000, but the Army Engineers' estimate is $66,000,000. The Senator tried to include in the cost the interest or carrying charges during the period of construction. That is done in connection with the larger projects, but not in connection with the smaller projects, and by comparison with the St. Lawrence waterway, which would cost four or five hundred million dollars, I rather think this is a small project.

In his testimony before the subcommittee of the Committee on Commerce of the Senate, on April 27, 1944, Maj. Gen. Thomas M. Robins, Assistant Chief of Army Engineers, had this to say—and I want to impress this upon the minds of my colleagues:

> If we came up here and submitted a report recommending a project for slack water on the Mississippi between Cairo and New Orleans, by building locks and dams on the Mississippi River itself at an estimated cost of $66,000,000, I think you would all take off your hats and cheer. This alternate route on the Tombigbee we are recommending amounts to the same thing, only the locks and dams are to be built on the Tombigbee instead of the Mississippi. There is no greater tangible saving than that which will accrue from use of the Tennessee-Tombigbee route instead of the Mississippi for the upstream traffic. This saving, as estimated in House Document No. 269, is $1,000,000. It is very conservative, and should be doubled on account of the increase that has taken place in upstream traffic on the Mississippi River.

My friend the Senator from Michigan in his remarks the other day placed great emphasis upon the fact that we were called upon to vote upon a proposition which was based precisely—and how many times he repeated the word "precisely"—upon the facts and conditions upon which we voted 5 years ago. He was totally unobservant of what the Assistant Chief of Engineers had said, as found in the hearings before the Senate committee of which I am a member, and the Senator was oblivious to all the facts that are evident today, which more than justify and make this one of the most economically sound propositions that has been before the Senate.

General Robins, in his testimony before the committee, continued:

> Taking into account all the changed conditions since the report before the committee was prepared, there is a total tangible saving today of $4,000,000 a year for this project, and the carrying charges on this project are $3,500,000.

That is the interest charge.

> From the information that is officially available to this committee, there is no question in my mind but that the Tennessee-Tombigbee project is economically sound without considering recreation or national defense or enhanced land values or any other intangible benefits.

Mr. President, I do not see how Members of the Senate who are in the habit of voting upon the recommendation of the Board of Army Engineers can hesitate in voting for this project, when the Assistant Chief of Engineers at this time—mark you, this time—says that this project will show an income to the American people of $4,000,000 a year, whereas in House Document No. 269, which contains the report of the Board of Engineers for Rivers and Harbors, made 5 years ago, the facts and conditions then justified the Board in saying that the figure would be $1,000,000. It has now jumped to $4,000,000. The project is economically sound from every standpoint known to the Board of Army Engineers, eliminating all the intangibles, such as recreational facilities, improvement of land, improvement of the condition of the country, and so on.

The Army engineers point out that a 1,200-horsepower Diesel towboat pulling the usual 8 barges with a mixed cargo of 3,500 revenue tons going from New Orleans to Cairo up the Mississippi 860 miles, would use $6,273 worth of fuel; while the same outfit with the same load going from New Orleans to Cairo via the Tombigbee route would use $3,504 worth of fuel and spend $364 for passing through the various locks, making a total of $3,868, or a saving of $2,406 for each up-bound trip, Cairo to New Orleans.

A similar load going from New Orleans to the mouth of Yellow Creek on the Tennessee River via the Mississippi, Ohio, and Tennessee Rivers, 1,121 miles, would spend $7,280 on fuel and $44 lockage, or a total of $7,324; while going from New Orleans to the mouth of Yellow Creek via the Tombigbee route, a distance of only 647 miles, the fuel cost would be $2,487, with $320 lockage charges, making a total of $2,817, or a saving of $4,507 in favor of the Tombigbee route.

If the barges were going from Mobile, then the fuel and lockage costs to Cairo would be cut from $6,875 via the Mississippi River route to $3,585 via the Tombigbee, or a saving on such trip of $3,290. On the trip to the mouth of Yellow Creek, or Pickwick Lake, the cost would be cut from $7,926 via the Mississippi River route to $2,534 via the Tombigbee route, or a saving of $5,392, on every such load going to any point on the Tennessee River from Pickwick to Knoxville.

Such a load going from Birmingham to Cairo would have such costs cut from $8,737 via the Mississippi River route, to $3,289 via the Tombigbee route, or a

saving of $5,448 on every such load going along this route.

Going from Birmingham to Paducah, or to any point on the Ohio above Paducah up to Pittsburgh or to Nashville on the Cumberland, such costs on each trip for such a load up to Paducah would be cut from $8,936 via the Mississippi River route to $3,386 via the Tombigbee route—a saving of $5,847.

The cost from Columbus, Miss., to Cairo for such a load would be cut from $8,353 via the Mississippi River route to $1,789 via the Tombigbee route—or a saving of $6,564.

The Army engineers have said that this is one of the greatest projects of its kind in the world. It will be of untold value to the people of many different States and it will injure no one at all. This project, in addition to the savings which have already been pointed out, will also be of great value to our program of national defense. This and many other benefits which cannot be estimated in dollars and cents will accrue to our people as a result of the Tennessee-Tombigbee Inland Waterway.

This project is also designed to take up the slack in unemployment which will come following the close of the war. It is estimated that the construction of this waterway will employ between five and six thousand men for a period of 6 or 7 years. This will be useful and beneficial work that will help to make greater and more powerful this Nation that our men and women are now fighting the world over to preserve and protect.

During his testimony before the Committee on Rivers and Harbors in the House of Representatives on Wednesday, October 20, 1943, Col. P. A. Feringa, United States Army, resident member, Board of Engineers for Rivers and Harbors, submitted certain tables. I shall not take the time of the Senate to explain these tables, the purpose of which is to show the distances which will be saved by all the boats and barges which traverse the rivers of our Nation in carrying on the commerce of the Nation, but I ask unanimous consent that they be included as a part of my remarks at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Distances to Gulf ports via Tennessee-Tombigbee waterway

From—	To Gulf at New Orleans via Mississippi River	To Gulf at Mobile via Tennessee-Tombigbee	Savings	
			Miles	Percent
Minneapolis-St. Paul	1,718	1,610	108	6
Chicago	1,398	1,290	108	7½
St. Louis	1,043	935	108	10
Cairo	860	752	108	12½
Hickman	824	788	36	4
Pittsburgh	1,841	1,641	200	11
Cincinnati	1,379	1,179	200	14½
Louisville	1,236	1,036	200	16
Paducah	906	706	200	22
Chattanooga	1,370	740	630	46
Wilson Dam	1,165	535	630	54
Junction of Tennessee River and Tombigbee Canal	1,121	491	630	56.2

Distances via Tennessee-Tombigbee waterway versus existing water routes

From—	To—	Distance via present waterways	Distance via Tennessee-Tombigbee	Savings in miles via Tennessee-Tombigbee	
		Miles	*Miles*	*Miles*	*Percent*
Junction of Tennessee River and Tombigbee Canal	Fulton, Miss.	1,711	57	1,654	96.7
Do	Aberdeen, Miss.	1,673	95	1,578	94.3
Do	Columbus, Miss.	1,635	133	1,502	91.9
Do	Demopolis, Ala.	1,507	261	1,246	82.7
Do	Birmingham, Ala.	1,687	441	1,246	73.9

Mr. BILBO. Mr. President, I wish to call attention to the comparative average costs of water transportation via existing routes and via the proposed Tombigbee-Tennessee waterway. The following computations are based on the average performance of a representative tow of one 1,200-horsepower Diesel towboat and eight barges of various standard types and dimensions loaded with a typical mixed cargo, at 55 percent load factor, of 3,500 revenue tons, to and from locations previously mentioned. I ask unanimous consent to have these tables printed in the RECORD at this point as a part of my remarks. They illustrate the savings to be effected.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Over-all cost per hour	$21.25
Average speed of tow in slack water (miles)	5½
Cost per mile in slack water	$3.86
Average current in Mississippi River below Cairo (miles per hour)	2½
Cost per mile against 2½ miles per hour current	$7.08
Cost per mile with 2½ miles per hour current	2.06
Average lockage time:	
Tennessee-Ohio River section, 30 minutes	11.00
Tombigbee section, 45 minutes	16.00
Warrior section, 1 hour	21.00
New Orleans to Cairo via Mississippi River, 860 miles in slack water (no lockages)	6,273.00
New Orleans to Cairo via Tombigbee-Tennessee, 908 miles in slack water, $3,504; 24 lockages, $364	3,868.00
Saving in cost per trip in favor of Tombigbee route	2,405.00
New Orleans to Paducah via Mississippi River:	
886 miles against current	6,273.00
46 miles in slack water	177.00
2 lockages	22.00
	6,472.00
New Orleans to Paducah via Tombigbee-Tennessee:	
862 miles in slack water	3,327.00
22 lockages	342.00
	3,669.00
Saving in cost per trip in favor of Tombigbee route	2,803.00
New Orleans to junction of Tombigbee Canal with Tennessee River via Mississippi River:	
886 miles against current	6,273.00
261 miles in slack water	1,077.00
4 lockages	44.00
	7,324.00
New Orleans to junction of Tombigbee Canal with Tennessee River via Tombigbee River:	
647 miles in slack water	$2,497.00
20 lockages	320.00
	2,817.00
Saving per trip in favor of Tombigbee route	4,507.00

Mr. BILBO. Mr. President, the facts and figures are before us to show the value of this great project. Army engineers who have spent years studying this project have shown us the feasibility as well as the desirability of the Tennessee-Tombigbee Inland Waterway. When the survey report of the Army engineers was placed before the President of the United States, he said, in part: "I approve this survey report for a waterway connecting the Tombigbee and Tennessee Rivers." This approval of President Roosevelt, dated April 24, 1939, may be found on page 8 of House Document 269.

Let it not be said that we failed to develop our natural resources. When we provide for the construction of this great inland waterway, we are benefiting a great section of our country, we are benefiting many millions of our people for all time to come, we are reducing transportation distances, we are reducing transportation costs, we are providing employment, we are building America.

Mr. President, in answer to the distinguished Senator from Michigan, who insisted that we were operating under the precise conditions and facts of 5 years ago, I wish to place in the RECORD at this point the testimony of General Robins before the Senate committee and the colloquy between him and the chairman of the committee, the Senator from North Carolina [Mr. BAILEY], who, by the way, voted against the proposal 5 years ago. This record sets at naught practically all the arguments adduced by the Senator from Michigan last Friday. It will be remembered that the Senator had much to say about the reduction of freight rates on oil shipped from the southern territory to other parts of the United States. Water transportation has always been the favored means of transporting oil. He emphasized pipe lines and reduced railroad rates.

General Robins took up that part of the Senator's speech—unwittingly, of course, because the testimony was given before the speech was made—and answered those questions to the satisfaction of the Senator from North Carolina, who wanted to know if this was an economically sound project. General Robins conclusively proved to the Senator from North Carolina and to the committee in this colloquy that it was an eco-

nomically sound project, when he showed, by the facts and conditions, that today this project would show an income of $4,000,000 annually, whereas in the report 5 years ago only $1,000,000 could be accounted for. It is clear to all those who want to know the facts that the project is economically sound.

Mr. President, this is not a southern project. It is not a Mississippi-Alabama project. It affects the welfare, prosperity, and economic life of millions of people in 34 States of the Union. The people of Illinois are just as much interested in the passage of this bill as are the people of Mississippi. The people of Ohio and Michigan, when they know the facts, will be just as much interested in the adoption of the Tennessee-Tombigbee project as are the people of Alabama.

Mr. President, at this time I wish to ask unanimous consent to have printed in the RECORD as a part of my remarks the colloquy between the Assistant Chief of Engineers and the Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

TENNESSEE-TOMBIGBEE INLAND WATERWAY—EXCERPTS FROM TESTIMONY OF MAJ. GEN. THOMAS M. ROBINS, ASSISTANT CHIEF OF ARMY ENGINEERS, BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON COMMERCE, UNITED STATES SENATE, THURSDAY, APRIL 27, 1944

GENERAL ROBINS. I happened to be a member of the Board of Engineers for Rivers and Harbors when this project was under consideration and this same discussion about the locks took place at the Board meeting for several hours and the question as to whether these locks would have to be made wide enough to correspond with the locks on the lower Tennessee to take care of the traffic that came down the Mississippi River was gone into at length. The Board agreed that the question of the width of the locks should be left open and in its report recommend locks approximately 75 feet by 450 feet clear, and put the word "approximately" in so that the adjustment could be made if the locks had to be widened out.

I would like to explain that after a project like this is authorized by the Congress, the first step that the Department takes is to have made what is called a definite project report. In preparing this report the district engineer goes into all engineering questions over again such as dimensions of the locks and all details and dimensions are perfected and the definite project report sent into the Chief's office for approval before the contract drawings and specifications go out. I think the committee may have no concern about whether, if this waterway is authorized and built, the Corps of Engineers will build the locks of the proper size to take care of the potential commerce.

Senator BAILEY. This Tombigbee proposition has grown, in my estimation, but at the same time I am in just this state of mind: We do not have a report from the Chief of Engineers. The savings reported by General Schley, who was Chief of Engineers, has been under very severe attack.

General ROBINS. I was going to touch upon that.

Senator BAILEY. Now, we raise the question of locks and everything is predicated on the reports, but we have got to be careful.

I have this impression, that it would be much better for the Tombigbee because, if its advocates should simply contend that we should put this project in that section of the bill which calls for a review, in order that we may get an up-to-date view in the light of all the discussions and all the discussions had, and also with relation to the post-war situation. We can get all that before the war is over.

So it is economically sound, not on recreational purposes—I do not believe in the purposes of recreation as a necessary consideration—but show me where it is economically sound and I will ask this committee to act upon it independently of all other considerations. I am just making that to get this to a conclusion, which I hope will be constructive.

General ROBINS. Yes, sir; I see your position, Senator, but I think that there is considerable information that has been brought out at this hearing, and additional information will be brought out as to the question of the savings in transportation costs that may be expected to accrue if the project is authorized. After hearing all the testimony in regard to the report before it, if the committee thinks it does not have sufficient information, there is only one thing to do, and that is to call for a new report.

Senator BAILEY. We have a great deal of information. It is the rule in this committee to depend upon the report of the Chief of Engineers. I am sure you are familiar with that, an old rule here, and written in the statute that we depend on the report of the Chief of Engineers, that is considered final.

Now the report of General Schley is subject to attack and I think this morning that we took away $300,000 at one time, that is recreation, and $600,000 another time. What was that?

Senator OVERTON. $100,000 for recreation, $275,000 on land-value enhancement, and $600,000 on national defense.

Senator BAILEY. That makes nearly $1,000,000 of benefits.

General ROBINS. You took all that away; you did not put back anything for the known increase in potential commerce. The whole case of the opposition has been put up here on the basis of taking into account all changed conditions adverse to the project, such as construction of pipe lines, and leaving out of consideration the increase in potential commerce, which has taken place.

Senator BAILEY. You may bring in fresh evidence, but just speaking of the railroad people here, as you did, and they have only one thing to attack and that is the report of the Chief of Engineers, and they did attack that on these three items and I thought they attacked it rather successfully.

Representative RANKIN. General Robins is Assistant Chief of Engineers, and he was on the board that made this report. It seems to me that you would take this report of the Army engineers as virtually a report of the Chief.

Senator BAILEY. No. Rather I thought of the instance of Senator BANKHEAD who went to the Chief of Engineers and asked him if he could possibly review this matter in time for our present hearing. I received his letter, in which he said that he could not. This is not in the nature of a review; I should think this would be in the nature of sustaining reports up to date.

Representative RANKIN. If it is taken out of this bill, it will probably indefinitely postpone the project or kill it entirely. I brought the Army engineers before the committee, and the men who were on the board at the time, such men as General Robins here, and they have gone through this thing time and time again, and there would be no change in physical developments on the Tennessee River, except an increase of traffic and an increased necessity for this project.

Senator BAILEY. I do not think you could improve your case on review.

Representative RANKIN. I do not see how you could. Of course, there is some development going on in the Tennessee River, ship building, and so forth. I don't know whether they want that discussed publicly or not. There may be some other defense work going on there that I doubt we ought to discuss publicly, but so far as the feasibility of this project is concerned, I do not see any necessity for any additional survey.

Senator BAILEY. We undertake to find propositions economically sound by finding the annual benefits exceed the economic costs, that is your economic aspect. We discuss $175,000 for land value, $100,000 for recreation, and $600,000 for national defense, all of them intangible and I think, with all due respect, that they must necessarily be speculative.

General ROBINS. I agree with you, Senator, you cannot fix any exact monetary value on those. The Board of Engineers for Rivers and Harbors does not attempt to do so.

Senator BAILEY. I think in a review you can come in here and show an enterprise would be a profitable institution excluding those items. If it is shown to be a profitable institution I am going to be, very likely, for it.

General ROBINS. Senator, I can show you that in 5 minutes.

Senator BAILEY. I want a report from the Chief of Engineers on that. We have never approved a project that I know of here in the Senate, since I have been here. It was not that we did not approve it on the report of the Chief of Engineers. I think you are familiar with that.

General ROBINS. Yes, sir.

Senator BAILEY. I mean Mr. RANKIN is familiar with it too. It came to me in the Senate and I asked, "Has the Chief of Engineers approved it?" They said "No." I say, "You have not got a chance on earth then."

Representative RANKIN. We would depend on the Army Board of Engineers that makes the investigation and, when they make their report nobody has ever been able to successfully challenge it. When this great amount of traffic began to increase on the Tennessee River, it just simply emphasized the necessity for the project. The Chief of Engineers is gone and he is not here now. These men put in 3 or 4 years on it. They went from one end of this project to the other. It is the most thoroughly surveyed and investigated project I have ever known since I have been connected with the Congress of the United States.

For instance we thought, and I think they thought when they started in, that the feasible route would be up Bear Creek. They investigated that carefully. They investigated carefully this project Mr. Fort mentioned this morning, going up the Warrior River and they found that going up the Warrior River and connecting with the Tennessee River would be practically impossible. They would have to pump the water to run the locks through their locations. They found the same thing on the Bear Creek route. The Pickwick Dam had been constructed, which made this Yellow Creek route feasible. All those physical conditions still remain. There would be no change in them whatsoever. The only question is the amount of traffic this project would carry and that is a matter of practical knowledge, not only to the engineers, to the Members of the Congress, but to others who are interested in that proposition.

Senator BAILEY. You agree with the general here that you can strike out that $1,000,000 advantage and go ahead?

Representative RANKIN. I certainly do.

Senator BAILEY. But we would be in a position of being without a report of the chief of engineers.

Senator OVERTON. The chief of engineers in his report—to start with, the chief submits a report to the Congress on it. He does not disapprove the project. He makes these statements. The estimate of $2,168,000 is arrived at by the use of full data by thorough analysis thereof and by sound conclusions. I concur in the view that it is

conservative rather than liberal as to the saving in transportation costs. Then he discusses the intangible values with which we all agreed, those present at the subcommittee hearing. Then he reviews here the project which may be authorized by the Congress. It does not affirmatively approve it; it does not disapprove the project.

Representative RANKIN. The only thing he considers is the amount of traffic.

Senator OVERTON. He does say in his opinion the estimate is a conservative one. I am going to ask General Robins what he has to say in reference to the items of savings in transportation costs, $2,158,000, according to my recollection that is the figure.

Representative RANKIN. Mr. Chairman, before you leave that—

Senator OVERTON. But let us get this, Mr. Representative.

Representative RANKIN. Mr. Chairman, before you leave that, I want to emphasize the fact that when General Schley made that report, the other dams had not been built and therefore there was no outlet into the Ohio River.

Senator OVERTON. I imagine General Robins will refer to that. I want to see what his view is as assistant cheif of engineers with reference to savings in transportation charges; why they make a difference in the savings in up-bound travel on the Mississippi, I do not know. The two amount to $168,000. What have you to say?

General ROBINS. Mr. Chairman, the total benefits that were tabulated in this report contained in House Document 269 before any allowance was made for future growth was $1,850,000 of which $785,000 in round numbers represents the savings on petroleum products which the railroads now throw out because of the pipe lines.

Senator OVERTON. What do you say about that?

General ROBINS. I do not for a minute admit that the construction of those pipe lines will stop the movement of oil on waterways.

Senator BAILEY. How much will it affect it?

General ROBINS. I couldn't tell you exactly, sir, but certainly half of that estimated oil tonnage will continue to move. The pipe lines have been in existence for years. There have been more of them built in the last 2 or 3 years and the oil is still moving on the waterways.

The pipe lines now extend to the Birmingham area and the oil is still moving on the Warrior River.

But for the sake of argument let us suppose that oil is off the waterway and I will deduct the saving for that, leaving $1,065,000. Since the tonnage which produces this saving of $1,065,000 was estimated, traffic on inland waterways has more than doubled so the saving of $1,065,000 should be doubled to meet the conditions as they are today, so without considering petroleum products you get back to about the same tangible saving given in the report for shippers over the Tombigbee Waterway itself.

Mr. Chairman, if we came up here and submitted a report recommending a project for slack water on the Mississippi between Cairo and New Orleans, by building locks and dams on the (Mississippi) River itself at an estimated cost of $66,000,000, I think you would all take off your hats and cheer. This alternate route on the Tombigbee we are recommending amounts to the same thing, only the locks and dams are to be built on the Tombigbee instead of the Mississippi. There is no greater tangible saving than that which will accrue from use of the Tennessee-Tombigbee route instead of the Mississippi for the upstream traffic. This saving as estimated in House Document 269, is $1,000,000. It is very conservative, and should be doubled on account of the increase that has taken place in up-stream traffic on the Mississippi River.

Taking into account all the changed conditions since the report before the committee was prepared, there is a total tangible saving in sight today of $4,000,000 a year for this project, and the carrying charges on this project are $3,500,000. From the information that is officially available to this committee there is no question in my mind but that the Tennessee-Tombigbee project is economically sound without considering recreation or national defense or enhanced land values or any other intangible benefits.

We can go back to the field, make another report, and do all the work over again, and hold hearings, and when the new report comes up before the committee you will have the same old arguments in opposition to the project that you have today. If the committee—if the Congress—wants us to make another report, we will be glad to make it. That is the situation as I see it.

Senator OVERTON. You are satisfied that the report that would be submitted would be along the lines you just stated?

General ROBINS. Absolutely; and if this report can be attacked on account of some of the changed conditions since the report was written, I do not see why it cannot be defended on account of other changed conditions.

Representative RANKIN. May I ask him a question, Mr. Chairman?

Senator OVERTON. Very well.

Representative RANKIN. On this question of national defense they have eliminated any benefit for national defense. As a matter of fact, a great deal of our defense work is being done in the Tennessee Valley area, is it not, on the Tennessee River?

General ROBINS. That is right; quite true. Unquestionably, if that waterway were in operation today, it would be of tremendous value for national defense, but you cannot put a money value on it any more than you can put a value on winning the war.

Representative RANKIN. If we should get into a war in the future, in addition to furnishing a slack waterway for up-bound traffic, should the Mississippi River be closed, this would furnish us an outlet to the sea, would it not?

General ROBINS. Yes, sir.

Representative RANKIN. And, moreover, one that is protected so much that it could scarcely be attacked from the sea?

General ROBINS. Yes, sir.

There have been a great many extracts read from House Document 269, particularly having to do with the letters of the Tennessee Valley Authority and of the National Resources Committee. I would like to call attention to the fact that after the President got those letters he said—and it is printed in House Document 269—that he is in favor of this project.

Senator BAILEY. The President?

General ROBINS. Yes, sir.

Mr. BILBO. Mr. President, I have a suspicion that when people understand what is involved in this project, some of our friends in other parts of the country who think it is a Mississippi, Alabama, or Tennessee project, will have a sad awakening.

In this connection I wish to read a letter from the Governor or Illinois. It was written in the spring of this year, and reads as follows:

OFFICE OF THE GOVERNOR,
Springfield, April 10, 1944.

Hon. FRANK W. BOYKIN,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE BOYKIN: I wish to acknowledge receipt of your letter of March 16, 1944, concerning the Tennessee-Tombigbee inland waterway project which has been considered in the House of Representatives as part of waterway bill H. R. 3961.

The State of Illinois is intensely interested in waterways, especially in their use as arteries of transportation. The Tennessee-Tombigbee canal project, which will provide a slack-water upstream waterway in conjunction with the Mississippi River, I believe, would not only enlarge the Middle West area now served by waterway transportation but would provide an all-weather route from Cairo to the Gulf of Mexico.

It would be of benefit, either directly or indirectly, to the entire Middle West. However, I am informed that the project was omitted from H. R. 3961 in the House of Representatives and that it may be reconsidered when the bill reaches the Senate.

If the project is again replaced in the Senate, I will be pleased to present it to the Senators of this State with my recommendations.

Very truly yours,
DWIGHT H. GREEN, *Governor.*

He is the Republican Governor of Illinois. By the way, Mr. President, I understand he has been reelected.

If there is any Senator from the Midwest or the North or from parts of the East—because Pennsylvania is very much intereseted in this proposition—who is not entirely familiar with the project, I will state that business people of Pittsburgh are already making their plans looking to the day when this great change will be made, for it will have a great effect on the cost of transporting manufactured articles from that great industrial center to the South, and they are very much interested in it. No other piece of legislation which has come before the Congress will give such a great impetus to the development of the South. At the same time, it will give an impetus to development in all the other 34 States.

Now I wish to read into the RECORD a letter addressed to the senior Senator from Louisiana [Mr. OVERTON] by the president of the Mississippi Valley Association, Mr. Lachlin Macleay. His letter is dated at St. Louis, Mo., on April 27, 1944, and reads as follows:

MISSISSIPPI VALLEY ASSOCIATION,
St. Louis, April 27, 1944.

Hon. JOHN H. OVERTON,
United States Senate,
Washington, D. C.

DEAR SENATOR OVERTON: At the hearing on the rivers and harbors bill before your committee on Wednesday morning, April 26, there was some discussion regarding the amount of tonnage moving on the Mississippi River system. It has occurred to us that the following figures may be of interest to you and to the members of the committee.

Exclusive of oceangoing cargo on the lower Mississippi River and exclusive of the movement of certain strategic materials and lend-lease commodities which, for military reasons, cannot be made public, the gross traffic on the Mississippi River and its tributaries in 1942 was 125,208,371 short tons which is an increase of more than 29 percent over 1940. These figures do not include the Gulf Intracoastal Waterway skirting the Gulf of Mexico between Texas and Florida, via New Orleans. This waterway handled an additional 21,268,183 tons, an increase of 82 percent over 1940.

Mr. President, I am reading this letter into the RECORD because some persons will try to dodge the fact of the great change which has been brought about in the development of the South, and

will attempt to say that all the increase in tonnage is due to lend-lease, war, and strategic materials which are passing over the rivers and railroads in that area. But Mr. Macleay states in his letter that the figures he gives are exclusive of lend-lease and certain strategic materials.

The remainder of the letter reads as follows:

The combined traffic of the Mississippi River system and the Intracoastal Waterway in 1942, exclusive of lend-lease and certain strategic materials, was 146,476,554 tons, an increase of 35 percent over 1940. The ton-mileage of commodities handled by these combined waterways in 1942 was 18,816,644,000, an increase of 41 percent over 1940. These waterways include about 6,700 miles of commercially navigable channels.

For comparison, it may be interesting to note that the 26 railroad lines serving the southern region of the United States, including those which comprise the great systems of the Illinois Central, the Southern, and the Atlantic Coast Line, have 37,500 miles of main-line track. The waterways referred to, with only 18 percent as much mileage, in 1942 handled the equivalent of approximately 22 percent of the ton-miles of revenue freight handled by the railroads of the southern region that same year.

The above figures do not include the tonnage of seagoing craft newly or partly built at shipyards on the inland waterways and destined for ocean service. Approximately 1,000 military and naval vessels of substantial sizes and of various types have been built at inland yards during the years 1942 and 1943, and moved without accident to the tidewater ports of the Gulf via the improved channels of the Mississippi River system. Included among these are a large number of war vessels built on the Great Lakes, many of them more than 300 feet in length.

This record was made despite the fact that during 1942, 116 dry-cargo steel barges were voluntarily relinquished by the river operators for conversion to oil carriers. These barges have a capacity of 1,339,644 barrels and are now in constant use. During the period of converting the dry-cargo barges to oil carriers, they were out of use for a considerable period of time which, of course, seriously affected the tonnage movement on the system.

Figures for 1943 have not been fully compiled. Those available for the first 6 months of that year show a substantial increase over 1942.

Sincerely,

LACHLAN MACLEAY, *President.*

Mr. President, at the beginning of this fight, 5 years ago, there was some hesitancy on the part of the Tennessee Valley Authority regarding its approval of this project. The Senator from Michigan thought he would find some helpful opposition to the project, so in the spring of 1944 he wrote to the Tennessee Valley Authority. On April 29, 1944, the Tennessee Valley Authority replied to the Senator from Michigan. Its letter to the Senator reads as follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., April 29, 1944.

Hon. A. H. VANDENBERG,
United States Senate, Washington, D. C.

MY DEAR ARTHUR: This will acknowledge receipt of your letter of April 22 inquiring as to the Authority's position with reference to the feasibility of the proposed Tennessee-Tombigbee Canal.

Since we last wrote to you on this subject in 1940 we have had occasion to restudy this question from the point of view of both the power losses to the Authority's power system and the prospective savings to the people of the Tennessee Valley on traffic moving over the waterway. The maximum diversion of water from Pickwick Reservoir is stated in the report of the Board of Engineers for Rivers and Harbors, published in House Document No. 269, Seventy-sixth Congress, first session, as 409 cubic feet per second. We have examined the records of the core drilling carried on by the Army engineers in investigations of this project, and we believe that this estimate is both reasonable and conservative. This amount of water utilized through the Tennessee Valley Authority power plants at Pickwick and Kentucky Dams would generate approximately 3,000 kilowatts of power. The monetary loss to the Authority resulting from the diversion of 409 cubic feet per second is estimated as ranging from $60,000 to $100,000 per year, depending upon conditions current at the time. The exact amount of the loss would depend upon whether the year were wet or dry, the cost of coal for steam generation, and the size and nature of the Authority's load.

Now, Mr. President, listen to what the Tennessee Valley Authority has to say in conclusion:

A preliminary study of the transportation benefits to Tennessee Valley commerce which would result from the construction of the canal indicates that the savings affecting commerce of interest to the valley would substantially exceed the above direct loss in power revenues. We believe, therefore, that the construction of the Tombigbee waterway would provide an over-all net benefit to the Tennessee Valley area.

With kindest personal regards.

Sincerely yours,

JAMES P. POPE, *Director.*

So, Mr. President, we have the Assistant Chief of Engineers, the Tennessee Valley Authority, the Governor of Illinois—a State far away from the location of the project—the President of the United States, the entire Board of Engineers for Rivers and Harbors, including General Reybold and General Schley, the present and former Chiefs of Engineers, recommending the project and stating that it is sound; that the Board has agreed to it; and that they do pass favorably on this project. Consequently, how any Senator could hesitate to pass favorably on the project is beyond me.

Mr. President, I am familiar with the territory through which the canal would pass. It is very gratifying to know that in making their borings and surveys, the engineers found the territory to be an ideal one in which to construct this great artery of transportation. Within the territory there is a strip of land approximately 75 miles wide, called the cretaceous belt. It is composed of sand, gravel, lime, rock, and shale, as well as earth containing no rock with which the diggers would have to contend. It is a very favorable territory through which to dig a canal for the purpose of bringing together the great water systems of the Tennessee and the Tombigbee.

I have said nothing about what the project would do for the State of Mississippi. The northern section of the State of Mississippi is blessed with various kinds of clays and shale, as well as other varieties of clay, such as ceramic clay. The territory offers a great future. It must be remembered that in the Tennessee Valley of Alabama we are now making aluminum, which is being used in the war effort. Aluminum will be manufactured there in the years to come for use in the manufacture of articles for civilian uses. Bauxite from the Haiti and South American deposits is brought into this territory and used in the manufacture of articles in the area to which I have referred. I trust that Senators are able to catch a vision of what the Tennessee Valley will be in the years to come if this great supply of cheap electric power is made possible with cheap transportation in what is destined to be the industrial center of the entire South. The project would afford a waterway affording transportation to great industries which would spring up as a result of the power generated by the dams on the Tennessee River.

The only influences, the only secret powers, and the only lobbies which I have been able to find in opposition to the Tombigbee project have been the railroad interests of the United States. Mr. President, I assert that the railroads of this country have always shown a short-sighted policy in the things which they have tried to accomplish, and the things which they have tried to stop. Of course, the railroads are inherently opposed to any character or form of water transportation. They have an idea that it would decrease their revenues. For that reason they have been opposed to practically all inland waterway developments, and because of their attitude they have been fighting the proposal which is now before the Senate for consideration. I believe it would be to the interest of the railroads to help develop this waterway project. It would result in such an era of prosperity, industrially and otherwise, to this great undeveloped section of Alabama, Tennessee, and other sections of the South, that a great increase in the use of the railroads for quick and short hauls would take place. Their volume of business would increase, employment would increase, and greater revenue would be afforded to the railroads of this great section of the South.

I am not fighting the railroads. I am not opposed to them. They have been a great blessing in the development of our country. Sometimes they have tried to do things which I did not like. For example, there is on the calendar a bill, reported from the Interstate Commerce Committee, which would make a Christmas present to the railroads of the country of all the land which was granted to them by the Government, and for which they in turn were to compensate the people of the country by giving them a rebate on all freight hauled in the name of and for the Government. I shall have more to say about that proposal when it comes before the Senate for consideration.

The other day there came to my attention an amendment which had been submitted in the Senate. To my mind it is one of the smoothest pieces of proposed legislation that has ever been suggested to the Congress. A Senator had submitted an amendment to the river and harbor bill providing that hereafter there could be no development of water transportation in the country until the bill providing for such

had been first submitted to the Interstate Commerce Commission, public hearings had been held, and the necessity for the project had been recommended to the Congress. Mr. President, we might as well offer an amendment saying there will be no more legislation, because we all know what the Interstate Commerce Commission has done along this line and what it will do in the future.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. TUNNELL. I ask the Senator from Mississippi what he believes the effect of the amendment would be.

Mr. BILBO. The effect of the amendment would be that never in the future could there be any legislation providing for inland-waterway transportation.

Mr. TUNNELL. Would this Congress or any future Congress be bound by it?

Mr. BILBO. No; we would not be bound by it, but we would have a devil of a time in repealing that provision of the law if it were ever placed on the statute books.

Mr. President, the people of Illinois are as much interested in the Tombigbee project as are the people of Alabama, because it means very much to them. Without the project, every cargo of freight from Illinois going down to New Orleans costs $2,500 more, because the current has to be fought when returning with a cargo. A savings of that nature to the business people of Illinois would mean something to them. That is why the Governor of the State of Illinois has been strong in his endorsement of the proposal.

In conclusion, Mr. President, I want to urge my colleagues to make a study and a thorough investigation of all the facts contained in the Board of Engineers' survey of 1939, together with the admitted and incontrovertible facts concerning changed conditions since the survey of 5 years ago, and catch a vision of the great savings, blessings, and potentialities to be realized by the construction of this canal or inland waterway. The projects would result in marrying and commingling the waters of the Tennessee River system with the Tombigbee River system. To vote down this amendment today would only delay the construction and completion of this important link in an inland-waterway system which covers three-fourths of the United States.

The blessings, advantages, and possibilities which the construction of this project would bring to millions of people are destined to become accomplished facts.

I assure my colleagues that if they fail to investigate and understand the facts, and catch the vision which this project presents, their seats will soon be occupied by others who will see visions and dream dreams for the progress of our country. A vote for this project would be one of the most gratifying of their entire political career.

The project alone is so far-reaching in its effects and is so broad in the blessings, both material and social, which it would afford to the millions of people who dwell in that large expanse of territory from Chicago to the Gulf, from Sioux City to Mobile, and from Pittsburgh to New Orleans, that the people would rise up and call them blessed.

When this project shall have been finished, there will be millions of barges and boats plying upon the bosom of the meandering Monongahela, the Ohio, the Wabash, the Illinois, the Mississippi, the Arkansas, the Missouri, the Red, the Tennessee, and the Cumberland Rivers. The splashing and churning of their waters, upon which float the cargoes of commerce, both foreign and domestic, will merge into a tune which will make glad and happy, joyous, and prosperous millions of American citizens then living in a new era of cheaper transportation of the products of their toil which will be supplying the needs and wants of the hungering and consuming millions at home and abroad.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 17, beginning in line 6.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Austin	Green	Radcliffe
Bailey	Guffey	Reed
Ball	Gurney	Revercomb
Bankhead	Hall	Reynolds
Bilbo	Hatch	Robertson
Brooks	Hayden	Russell
Buck	Hill	Shipstead
Burton	Holman	Stewart
Bushfield	Jenner	Taft
Butler	Johnson, Calif.	Thomas, Okla.
Byrd	Johnson, Colo.	Tunnell
Capper	Kilgore	Tydings
Caraway	La Follette	Vandenberg
Chandler	Langer	Wagner
Clark, Mo.	Lucas	Wallgren
Connally	McFarland	Walsh, Mass.
Cordon	McKellar	Walsh, N. J.
Danaher	Maloney	Weeks
Davis	Maybank	Wheeler
Downey	Mead	Wherry
Eastland	Millikin	White
Ellender	Murray	Wiley
Ferguson	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The ACTING PRESIDENT pro tempore. Seventy-six Senators have answered to their names. A quorum is present.

Mr. BANKHEAD. Mr. President, before entering upon a discussion of the subject which is before the Senate, which I hope will be brief, since the Senator from Mississippi [Mr. BILBO] has fully explained it, I think it would be well to point out the location of the project, and the wide expanse of territory it will benefit if it shall be completed.

I regard this as the most important navigation project for an improvement within the boundaries of the United States that has been submitted to the Senate since I have been a Member of it. The program attempts to make a connection between several waterways, including the Tennessee River, the Tombigbee, the Warrior, the Alabama, on the south side of the Tennessee, reaching all the way over into Georgia.

As all northern, western, and southern Senators, at least, know, the Mississippi River as a navigable stream starts in the vicinity of Minneapolis and St. Paul. It it navigable up to that point now, not with very deep water, but it is expected that someday it will be deeper. I think the evidence shows there is a 4-foot channel to that point at this time.

Then there is the Missouri River, going almost all the way to Canada, flowing out of Montana through North Dakota, South Dakota, Nebraska, Iowa, Kansas, and Missouri. It comes into the Mississippi River near St. Louis.

The Illinois River comes from the Great Lakes, from Chicago, and brings its water into the Mississippi River near St. Louis. The Mississippi River below St. Louis flows on down to Cairo, Ill., past Memphis, and south to New Orleans.

The Ohio River, fed by the Wabash River, flows to the southwest, from Pittsburgh, past Wheeling, Cincinnati, and Louisville, draining all that area on the west of the Allegheny Mountains.

The Cumberland River comes around by Nashville, and enters the Mississippi River near Paducah.

Mr. President, the remarkable thing about the Tennessee River is its real direction. It rises in the mountains east of Knoxville, Tenn. It flows southwest to Chattanooga, Tenn., then crosses over into Alabama, flowing through the northern portion of Alabama, first in a southwesterly direction, then generally west, and as it nears the western boundary of Alabama, instead of turning to the south, as most large waterways in that region do, it turns north. From the point at which it turns north in Alabama it runs through Tennessee up to Paducah, Ky., where it empties into the Ohio River, and a short distance below that point the Ohio empties into the Mississippi at Cairo, thus eventually bringing the waters of the Tennessee River into the Mississippi River.

There is, as will be observed from the map, and as most Senators of course already know, a full network of rivers draining the waters of all that great territory covering about 32 States, I believe, into the great old Mississippi River, which then proceeds to the Gulf, into which it empties the waters which have drained into it from the great territory above.

Mr. President, for nearly all its length the Tennessee River is at present navigable. It is carrying boats, barges, and tows to various cities in the North, the East, and the West. The proposed connection which is now under discussion is between the Tennessee River and the Tombigbee River, which rises close to the Tennessee River. There is no connection at present between the Tombigbee and the Tennessee which is navigable. The project in question is to construct a canal which will be approximately 40 miles long, to make connection between the Tennessee River and the Tombigbee River, which latter river connects with the Warrior River, which flows past Birmingham, and which also connects with the Alabama River and the Coosa

River, on which are located Gadsden, Ala., and Rome, Ga.

Let us now for a few minutes consider the reason for the proposed project. The canal will be about 41 miles long. It will run from the Tennessee River down to and connect with the Tombigbee River, so that navigation will be completed from the Tennessee River directly through the canal into the Tombigbee River and on out to the Gulf of Mexico.

Mr. President, let me point out a significant fact. The Tennessee River runs north from the junction point with the proposed canal. That puts slack water into the canal. There will be dams in the Tennessee River along through the region involved, which will make slack water from the junction point of the canal with the Tennessee River until it empties into the Ohio and then into the Mississippi. Below the junction point, and coming down the Tombigbee River, there will be a series of locks and dams, 12 locks in the canal and 8 locks below it, making a waterway from the Tennessee River, through the canal, and through the Tombigbee River and the Gulf of at least 9 feet in depth.

One peculiar physical fact about that situation is that by nature the watershed in the Tennessee River Basin is about 100 feet higher than is the watershed of the Tombigbee River. It is proposed, by means of the canal, to bring together the water from the two major water basins. There is no other such situation, I am told, in the United States. Such a situation is not possible anywhere else. The canal will connect the two water basins. Since the last dam on the Tennessee River was constructed the water in the Tennessee River is 150 feet higher than the water in the lower watershed, that is, the Tombigbee. Of course, connection is made by a series of locks and dams.

It is very evident, Mr. President, that if the canal is constructed it will bring about a great shortening of the distance necessary to be traveled in up-river transportation from points on the Tennessee River to points in Alabama and Georgia. At present, in going from Knoxville, or Chattanooga, a boat may go down the Tennessee and then turn north on the Tennessee River in order to get into the Mississippi, and then go down the Mississippi River to New Orleans, moving then over to Mobile, and up the Tombigbee and Alabama Rivers if it is going to any point in Alabama, or up the Coosa River into the eastern part of Alabama or into the northern part of Georgia. The joining of the two water courses which will be brought about by the completion of the canal makes the distance 600 miles less than is the case now between cities on the Tennessee River and cities on the Warrior River and the Alabama-Coosa Rivers.

On the trip down the Mississippi River, there is of course a swift current, which brings boats down the stream swiftly, and for the same reason probably at a cheaper cost, but when boats return and go the other way, they must buck the swift stream of the Mississippi River. Traffic going through the proposed canal will go through slack water all the way up to Paducah, Ky., and to Cairo on the Mississippi River. So the engineers figure—and the figure is contained in the report—that in making a round trip by towboat with eight barges from Paducah, Ky., down the Mississippi River, and through the inland waterway from New Orleans to Mobile, and then up through the canal and on out into the Tennessee River, then proceeding back to Pittsburgh or to Minneapolis or to St. Louis, the cost as far back as Cairo is reduced by 50 percent by using the canal instead of bucking the swift current of the Mississippi River, as must be done now on the return trip. The engineers figure that by going through the canal on the return trip the cost of a tow boat such as I have mentioned with eight barges for the round trip will be reduced $2,400. That means going down the swift current of the Mississippi and back up through slack water.

As conditions now are, if the boat continues up toward Pittsburgh the cost increases. If the trip involves going to Birmingham it will cost $5,000 more, because in going to Birmingham the boat must go down the Warrior River and on down below into the Tombigbee, and on down through that river to Mobile, and go out to New Orleans, and then buck the swift current of the Mississippi all the way.

So no one disputes the very great saving to be accomplished to all the users of water transportation in the entire area from the Rocky Mountains to the Alleghanies by the utilization of the slack water of the proposed waterway, which would avoid the swift current on the Mississippi.

Mr. AIKEN. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Vermont?

Mr. BANKHEAD. I yield.

Mr. AIKEN. Can the Senator from Alabama give us an estimate of the amount of tonnage which would be carried over this waterway?

Mr. BANKHEAD. Of course, it is impossible to estimate the future tonnage with any accuracy. I can say to the Senator that the record shows that between 1932 and 1942, a 10-year period, the traffic on the Mississippi River and its tributaries down to the Gulf has increased from 5,000,000,000 ton-miles to 19,000,000,000 ton-miles.

Mr. AIKEN. To what does the Senator ascribe that increase?

Mr. BANKHEAD. One reason, I assume, is that the people are becoming familiar with water transportation from the standpoint of cost, as compared with other transportation. Let me point out to the Senator the difference in cost. As the Senator knows, new ideas and new facilities evolve by degrees. Here are the figures showing relative costs as between a rail tank car, a deep-draft tanker, a pipe line, and a barge. This information was compiled with reference to oil transported in pipe lines. Transportation by rail tank car costs 8.3 mills per ton-mile; by deep-draft tanker, such as those which go to sea, the cost is 1.25 mills; and by pipe line, 3 mills.

Mr. AIKEN. Does not that depend on the size of the pipe line, and whether it is used continuously?

Mr. BANKHEAD. These figures are based on such pipe lines as we now have in use.

Mr. AIKEN. The Big Inch, if used continuously, would transport oil as cheaply as it could be transported by oceangoing tankers.

Mr. BANKHEAD. It could not continue to do so. In the first place, the depreciation is very great.

Mr. AIKEN. I realize that.

Mr. BANKHEAD. The lines last only a few years, and then they must be renewed.

Mr. AIKEN. The cost by barge line is from 2 to 2½ mills, is it not? That is about a third the cost of rail transportation.

Mr. BANKHEAD. The cost of transportation by rail is 8.3 mills, and the cost of transportation by barge line is from 2 to 2½ mills per ton-mile.

Mr. AIKEN. What about the nature of the cargoes carried up and down the river?

Mr. BANKHEAD. As I have stated, this calculation is based on oil.

Mr. AIKEN. What other kinds of cargo would be carried?

Mr. BANKHEAD. I shall be glad to give the Senator that information. I had intended to reach it in the course of this discussion.

Mr. AIKEN. I thought the Senator had concluded.

Mr. BANKHEAD. I shall be glad to give the Senator the information now. This information was furnished me by the Board of Engineers, based upon recent traffic upon these streams. Upbound there are petroleum products, sand and gravel, logs, sugar, lumber, scrap iron, coffee, canned goods, sulfur, and paper. Down-bound there are some of the same items—logs, sand and gravel, cotton, iron and steel products, lumber, grain and flour, canned goods, fertilizer, beverages, and soap. This information is taken from the records.

Mr. AIKEN. I now come to the all-important question in my mind: How much new business will be done if the waterway is established, over and above what is being done now? How much new wealth will be added to the localities, to the States, and to the country? Will more business be done, and will new products be handled which would not be handled without the waterway?

Mr. BANKHEAD. I think that is perfectly evident from the increase in traffic which I cited during the past 10 years, from 5,000,000,000 ton-miles to 19,000,000,000 ton-miles.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. Let me say to the Senator from Vermont that 70 percent of the entire petroleum traffic on the Mississippi River is destined for Ohio River points; and the United States engineers believe that when this canal is put into operation it will attract most of the up-river traffic by way of the Tombigbee, because the distance by that route is shorter, and because there will

be slack water, which will result in a substantial saving to industries and businesses in the Ohio River Valley.

A great argument has been made about pipe lines and petroleum products, to the effect that the railroads have reduced their rates, and that there are now pipe lines which serve this area. However, those pipe lines carry gasoline, while a tremendous volume of fuel oil now moves up the Mississippi River to points on the Ohio River. That traffic would use the proposed canal, because, roughly, it could be delivered $2,800 a tow cheaper.

Mr. AIKEN. Has either the Senator from Alabama or the Senator from Mississippi a break-down showing the percentage of upstream and downstream freight traffic at present?

Mr. BANKHEAD. I have no breakdown, but it is evident that the two are about equal, because the barges which go down the river must come back up the river, and the barges which go up the river must come back down. I do not believe that many of them travel any great distance empty.

Mr. AIKEN. Would not the balance probably be in favor of the upstream traffic?

Mr. EASTLAND. Today there is oil traffic on the Tombigbee River, and that area is rapidly becoming a great oil-producing section. This canal will enable that area to market those products. For example, today the Standard Oil Co. of Ohio ships all its crude oil up river to its refineries in the State of Ohio. That oil traffic will use the proposed canal, and the savings will be reflected in cheaper prices to consumers in the Ohio River Valley.

Mr. AIKEN. The reason I raise that question is that a month ago I visited the Illinois River canal locality, and was very much surprised to find that approximately 85 or 90 percent of the traffic was north-bound, taking products from the South to the North, and that only 10 or 15 percent of the tonnage was south-bound from Chicago. I wonder if a similar situation would apply in connection with the Tombigbee Canal.

Mr. BANKHEAD. The Tombigbee Canal area has not been in a position to furnish any traffic, because there has been no connection with the Tennessee River. Of course, the lower part of the Tombigbee is navigable, but not for a very great distance.

Mr. AIKEN. Would the Tombigbee Canal take any water from any other waterway?

Mr. BANKHEAD. No.

Mr. AIKEN. It would not affect other waterways in any way?

Mr. BANKHEAD. The T. V. A. is advocating this project.

Mr. AIKEN. There is no objection on the part of the T. V. A.?

Mr. BANKHEAD. We have a letter in the RECORD from the T. V. A. favoring this project.

Mr. AIKEN. That is a very good recommendation.

Mr. BANKHEAD. In connection with increased traffic, I am reminded of a statement by Representative JOHN SPARKMAN, of the Eighth Alabama District, the district through which the Tennessee River runs in Alabama. It runs all the way across the State in his district, from Georgia to Tennessee. Let me read to the Senate the statement on the subject of traffic by Mr. SPARKMAN, who, as I have just stated, represents that entire stretch of the Tennessee River across Alabama.

I know of no project that could serve a more worth-while purpose than the junction of the Tennessee and Tombigbee Rivers with this short canal that would have to be built. I have been very much interested in watching the increase in navigation on the Tennessee River. The Tennessee River runs the full length of my district. That navigable channel is not finished yet and will not be until along toward the end of this year or even next year when the Kentucky Dam near Paducah is finished.

Then there will be a 9-foot channel all the way from Knoxville to the Ohio River, a distance of 650 miles. For the time being, as long as the Gilbertsville Dam—it used to be the Gilbertsville Dam, it is now the Kentucky Dam—is unfinished, there is a bottleneck in that river, so that, instead of a 9-foot minimum channel, we have about a 6- or at the most about a 7-foot channel for that distance of one-hundred-and-eighty-some-odd miles—

That is at the lower end of the Tennessee—

and yet, in spite of that, navigation on the Tennessee River has increased by leaps and bounds in the past several years during the time that the river has been developed.

Senator OVERTON. Is that mostly by boat or by barge?

Representative SPARKMAN. Barge.

Senator OVERTON. Yes.

Representative SPARKMAN. And contrary to the belief of many people, that great increase has not been in the line of sand and gravel and building materials that are used on the river. A great many people will tell you that there has been a tremendous increase in that, but the increase in other merchandise has far exceeded that. In the last 5 years, if I remember correctly, the increase has been 330 percent. Automobiles put on the river up at Evansville, Ind., are brought down and up the Tennessee River and unloaded at Guntersville, Ala., which is the southernmost tip of the Tennessee River, and from there are distributed through Atlanta and all of the southeastern part of our country.

As the Senator on my right has stated, here is evidence from the Representative in Congress from that district that automobiles produced in his State are brought down by transportation on the streams and are distributed into Alabama, Georgia, and the other States in that general area.

Mr. AIKEN. Mr. President, will the Senator state what, in his opinion, would be the effect on the railroads in that locality if the waterway is built, and what has been the experience in the case of the Tennessee River? Perhaps that is the nearest development from which an analogy can be drawn, based upon its experience.

Mr. BANKHEAD. It is the general opinion, and I am sure the Senator will verify it, that water transportation increases railroad transportation at the point of navigation, at the ports where the water transportation commences, because it builds up the cities and towns, because of the cheap rates provided, and because of other reasons. There is not a large city in this country, larger than Indianapolis, which is not located on navigable water, either on an inland stream or on the coast. That is clear evidence, I submit to the Senator, that water transportation is not injurious to the railroads; because no large city is built without the activity and the success of the railroads serving it.

Mr. AIKEN. If that be the case, to what would the Senator ascribe the hostility of the railroads to the development of waterways?

Mr. BANKHEAD. It is difficult for me to understand it. The railroads have had an idea, which they have not entirely changed, that water transportation is a form of competition for them, that airplane transportation is unfair competition, that public roads, which they claim are subsidized by the Government, are unfair and unjust competition and are injurious to them. But we all know that cannot be true. Wherever there are good roads the country is built up, more passengers are carried by the railroads, more freight and express are hauled by the railroads, more homes are built, and the railroads bring in the materials and the workers, and so forth.

So, I say that when a situation of competition between waterways and railways exists over a period of years, during which both have built up the cities and the country, they have served a good purpose. We all know that water transportation is cheaper than rail transportation. So, when we have that kind of a situation, it is not unfair competition, because the railroads have proved over the years, by their prosperity and success and their building into the ports where water transportation occurs, that they thrive with it.

Of course, no one wishes to have competition. That is the only reason of which I know to account for the attitude of the railroads. But that is the situation.

Mr. AIKEN. Mr. President, I think the Senator's explanation is the correct one. I believe that the development of waterways inevitably increases rail traffic. I think that has been proved time and again. Yet it is very hard to understand the hostility of the railroads to the development of the facilities which increase their business.

Mr. BANKHEAD. Evidently they think it would divert traffic. To some extent it does, but it brings in additional traffic of a different kind.

Mr. AIKEN. It would require the railroads to lower their rates in some cases.

Mr. BANKHEAD. Yes.

Mr. AIKEN. But then they would do more business at lower rates.

Mr. BANKHEAD. We all know that there is not only actual competition by virtue of water navigation but there is also potential competition which the railroads do not like to have. So they try to avoid it insofar as they can.

I am a friend of the railroads. I have no desire in the world to hurt them. I want to see them prosper. I was a railroad lawyer for 25 or 30 years. I mention that to show that I could not have any feeling against them, and I have never expressed any at any time. But I am

firm in my judgment that water transportation is helpful, rather than hurtful, to the railroads and their interests.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. EASTLAND. I agree wholeheartedly with the statements made by the Senator from Alabama. The record shows that today the most prosperous railroads in the United States are those which are contiguous to waterways and which have had waterway competition. It is the function of the railroad to transport freight from the ports to the hinterlands. The railroad systems of Pennsylvania—the B. & O., the Pennsylvania—and the Illinois Central, the Louisville & Nashville, and the other great railroad systems which are contiguous to our waterways today are the most prosperous railroads in the country.

Mr. AIKEN. Mr. President, let me ask the Senator another question in connection with the Tombigbee project. Is any power development possible there?

Mr. BANKHEAD. No. It is not a power project. The water is slack water.

Mr. AIKEN. Could there be any power development in connection with the project?

Mr. BANKHEAD. No—or at the most there could be very little. Of course, a little water is used in connection with the locks. But that is all.

Mr. AIKEN. Where will the water come from?

Mr. BANKHEAD. It will come from the Tennessee River. But all that has been considered by the Tennessee Valley Authority and by the Army engineers.

Mr. AIKEN. What would be the cost of such water, in terms of the electricity which it could otherwise be used to develop?

Mr. BANKHEAD. Approximately $100,000 worth of electricity a year. So that is not objectionable, in view of the tremendous amount of electricity generated by the Tennessee Valley Authority. That point has been fully considered by the engineers and by the Tennessee Valley Authority and, I will say, by the President of the United States, whose interest in power projects is well known.

Mr. President, I now desire to finish reading the statement by Representative SPARKMAN.

Mr. HILL. Mr. President, I should like the Senator to do that. I notice that the distinguished Senator from Nebraska now honors us with his presence. I hope the Senator from Alabama will finish reading the statement by Representative SPARKMAN, because in it he states that a large flour or feed mill has been built in Alabama by a company whose home is in Nebraska, and the building of the mill and its operation have been made possible by the opening of the Tennessee River.

Mr. BANKHEAD. Mr. President, I shall read further from the statement of Representative SPARKMAN:

During the war, of course, those automobiles have not been moving, but instead they have been moving Army trucks, jeeps, ambulances by the thousands through this same channel and through this same port at Guntersville.

Senator OVERTON. What about steel?

Representative SPARKMAN. There has been a great deal of iron and steel movements. There have recently been built on the Tennessee River four terminals, one at Knoxville, one at Chattanooga, one at Decatur in my district, and one at Guntersville. The one in Decatur was opened first a few months ago. A couple of months ago I saw in the paper that the first shipment had been made through that, consisting of 500 tons of pig iron moving east. I was going down home a couple of weeks ago and happened to be going down in the same car with Mr. Hugh Morrow, president of Sloss-Sheffield Co., in Birmingham.

That is one of the big steel companies there.

It was his company that made that shipment, and he told me that he shipped a great deal of his stuff by water, because with that heavy, slow type of freight water is a natural carrying agency for it.

Senator OVERTON. What is the point of origin of that shipment?

Representative SPARKMAN. Birmingham.

Senator OVERTON. Birmingham. And its destination was?

Representative SPARKMAN. He told that that particular shipment was going up to the Ohio River into the Pittsburgh area or somewhere near, in the general vicinity of the Pittsburgh area. But there is a great deal of iron being shipped that way through the Tennessee River. You would be surprised at the amount of grain.

That may be of interest to Senators.

Senator OVERTON mentioned a few minutes ago incoming shipments of grain, particularly corn. Since the improvement of the Tennessee River there has been built at Decatur, Ala.——

Senator OVERTON. Let me interrupt you there.

Representative SPARKMAN. Yes.

Senator OVERTON. In reference to that shipment of iron originating at Birmingham and going up to near Pittsburgh, what water course did it follow?

Representative SPARKMAN. It went to Decatur, there put on barge on the Tennessee River, down the Tennessee to the Ohio, and up the Ohio.

Senator OVERTON. Thanks.

Representative SPARKMAN. If the Tennessee-Tombigbee were finished, they could put it in right at Birmingham.

Senator OVERTON. I see.

Representative SPARKMAN. Down to Demopolis, up the Tombigbee and through the canal into the Tennessee, about 75 miles farther down the Tennessee, and on up the Ohio.

Senator OVERTON. Yes.

Representative SPARKMAN. And probably it would take that course. A great deal of shipments out of Birmingham most likely would take that course.

I was telling you about grain because I noticed your question to Mr. BOYKIN about incoming grain. I want to tell you about the experience in our section with grain. There has been a very large flour and feed mill built at Decatur, Ala., by a company whose home is in Nebraska, the Nebraska Milling Co., and they ship grain down the Mississippi, up the Ohio, and up the Tennessee River to that point, and they grind their grain and feed and distribute it throughout that area.

Down at Guntersville there has been a grain elevator put in, and they ship bargeload after bargeload of grain. The same thing is done up at Chattanooga, and the first shipment that went into the Knoxville Public Use Terminal about a month ago was a bargeload of grain originating from the Midwest. It gives a tie-in with that great grain section that we never had before, and the river is making a great deal of use of it.

Senator OVERTON. That grain from the Midwest has traveled both by rail and by barge?

Representative SPARKMAN. Well, of course, some of it may originate with rail, but most of it is loaded, I believe, right on the Mississippi there, in Iowa and Minnesota and those States.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BUTLER. We of the Central West are certainly interested in finding markets for our products. We are just as much interested as is the Senator from Alabama in finding markets for the products of his section of the country.

Mr. BANKHEAD. We are all interested in such matters.

Mr. BUTLER. Unfortunately, however, in the Central West the winter season is such that during that time most of our water transportation, whether by river or artificial canal, is frozen. We cannot, of course, get along without the railroads. We need transportation facilities as much as does any other part of the country. I doubt whether very much of the grain moved from our area could possibly be moved by water for the reason that our grain is grown and harvested during those seasons of the year when the rivers are not open to navigation.

Generally speaking, we ship it during the season of the year when the streams are out of commission. So while I am strongly in favor of the use of as much water transportation as is practical, I doubt very much whether it would prove practical in the distribution of grain from our area.

Mr. BANKHEAD. I assume the Senator does not intend to go on record as opposing water transportation. If a total 12 months of water transportation out of each year were not available to him I believe he would agree that it still would be well to have 8 months of water transportation. His constituents would save a great deal of money by using water transportation for only 8 months of the year.

Mr. BUTLER. I should like to have the Senator understand that, while I am in favor of water transportation where it can be economically developed, I do not believe that so far as my section of the country is concerned we can expect to transport a great many of our products by water.

Mr. BANKHEAD. When rivers and other forms of waterway transportation are not available because of being frozen, the same situation would exist with regard to other commodities as with regard to wheat.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MAYBANK. Is it not true that, even though water transportation is at times impractical for certain sections in the North, there are sections in the South where water transportation is practical, and the result is a combination of rail and water transportation which

can be furnished at great saving in cost to the users of such transportation?

Mr. BANKHEAD. Yes. Commodities from the North could be brought to the South by rail to the water transportation areas and then floated on the water. They would then travel by water two-thirds or three-quarters of the distance from the point of origin to the Gulf.

Mr. BUTLER. Mr. President, I may say to the Senator from Alabama that that is exactly the plan that is normally followed. A great many stump loaders have been located along the Missouri River in our area during the past 2 or 3 years. But as yet, no elevators of any capacity have been constructed on the Missouri River. It may be that when the facilities on the river are better developed and they can be relied upon more definitely than at the present time, such equipment as is needed will be constructed, which will result in an increased movement by water. I may say to the Senator from Alabama that we appreciate the opportunity of using combined rail and water facilities when necessary and when it results in lower cost of transportation.

Mr. BANKHEAD. I will say to the Senator, for his encouragement—I know that he is seeking light—that the use of water transportation is accepted rather slowly. I have observed that fact in my own experience. Upon the opening of the Warrior River and the Tombigbee River up to Birmingham, the fact to which I refer was particularly noticeable. For a long time the people of that area retained their old habits with respect to transportation. Gradually the use of water transportation increased, and no one has complained that it has been injurious to the railroads.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MAYBANK. Speaking of the Warrior River, is it not true that after the development to which the Senator has referred took place the rates on cotton were very greatly reduced by the railroads, and that the railroads still continued to do as much business as they formerly did?

Mr. BANKHEAD. There was a substantial reduction in the rates. I do not remember what the reduction was.

Mr. MAYBANK. The rates were reduced from $4 to $1.50 a bale.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LANGER. As I understand, the construction of the proposed canal would materially develop the adjacent areas.

Mr. BANKHEAD. I do not believe there can be any doubt about it.

Mr. LANGER. It is the Senator's belief, borne out by his experience, that agricultural districts all over the United States should be developed.

Mr. BANKHEAD. I certainly take that attitude.

Mr. LANGER. If this canal were to be located in the western or northern part of the United States the Senator would be just as strongly in favor of it as he is now.

Mr. BANKHEAD. Mr. President, I am sure that I have demonstrated what the Senator from North Dakota has said. For a long time I have been a member of the Committee on Irrigation and Reclamation. Senators know that that committee is primarily interested in western farmers only. It has always been immaterial to me that the areas in which the committee was primarily interested were possibly 2,000 miles from where I lived. I am sure that I can truthfully say that I have always been fair to the interests of all farmers. I have taken just as active an interest in all legislation of that type which has come before the committee as I have in the projects for the State of Alabama, and for the farmers—and I am for them, God bless them, wherever they may live in this country.

Mr. LANGER. Mr. President, if the Senator will pardon me I am a member of that committee and I have been impressed by that very fact. The Senator from Montana [Mr. WHEELER] and his colleague from Montana [Mr. MURRAY], neither of whom is a member of the committee, came before it and wanted an appropriation and a recommendation for the approval of Hungry Horse Dam in Montana. They found no better advocate for it than the distinguished Senator from Alabama.

Mr. BANKHEAD. I thank the Senator. If we are going to be sectional about these matters, if we are going to lose this highly important project not only for Alabama, Mississippi, Georgia, and Tennessee and the South generally because it is far remote from the States of other Senators and is not in their backyards or close to them, then we are changing our program and are reversing our agricultural economy and the policy of the past which has been devoid of sectionalism. There has never been any sectionalism in the Committee on Irrigation and Reclamation and there has never been any in the Committee on Agriculture and Forestry. We all work for one common objective. We do not say that because flax is produced in the North we will not be interested in it, nor do we say that because cotton is grown in the South we will not be interested in it.

I want to pay the Senator from Michigan a compliment. I had sort of given up hope of the Senator being for any of our agricultural programs in the South, but he sat here one day for more than 2 hours, perhaps 3, listening to a desultory argument by me in the interest of the payment of parity to the cotton farmers, and when it came to a test, to my surprise, the Senator from Michigan voted for that relief. I honored him for it, and I have thought more of him ever since. I did not know how he was going to vote, but I think he voted his real convictions.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I thank the Senator for his observation. I do not intend to interrupt any of the advocates of the Tombigbee project, but I would not want to allow an implication to be made that there was anything sectional in the argument I made against the project. My argument certainly was not based upon any such point of view.

Mr. BANKHEAD. I had no thought of suggesting the Senator was making a sectional argument.

Mr. VANDENBERG. I am sure that is so.

Mr. BANKHEAD. I merely said the project in question was so far from him that he could not see it in its proper perspective.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I have not finished my statement and the extract I was reading.

Mr. WILLIS. Would the Senator like to finish.

Mr. BANKHEAD. I think it would be better, if the Senator will allow me.

The Member of the House from whose statement I was quoting said further:

> Oh, I was going to tell you one more thing about the Tennessee River. There have been established at Decatur two shipbuilding plants.

I hope I will have the attention of Senators on that point. This is not merely a little interior program to satisfy local politicians. The truth is there has not been any political effort made with the people down there about this project. Mr. SPARKMAN continued:

> One of them is owned by the Ingalls Co. It was a peacetime plant. It was not built under the strain of war but was built back in peacetime.

It was built when the river became navigable. There are many kinds of material in that section of the country, not only iron ore and steel but aluminum, and so forth. There is located on the Tennessee River a plant making necessary parts for airplanes which are used in the war. In that region are the important minerals which are needed for that purpose. Some plants have been built along the banks of the Tennessee River, such as the aluminum plant at Sheffield, the Lister Hill plant near Sheffield, and others of the kind. In that way that section is being developed and the raw materials and critical resources of the country are being utilized. All that development has been started since power was made available there and navigation provided, but it is in its infancy.

Representative SPARKMAN says:

> It was not built under the strain of war but was built back in peacetime. Back then they were building largely barges and pleasure craft. Since the war has come on they have been building for the Army and for the Navy. They are building oceangoing vessels—cargo-carrying vessels—right now. They recently sent out two. One of them went to Poland. The other one was cleared just a week ago; I don't remember where it was going, but it was going to some foreign country. I have been told—I don't know whether this is true or not—that those are the largest boats that have ever been built at a river shipbuilding plant inland, floated down the Tennessee and the Ohio and the Mississippi and over across the Atlantic.

Listen to that, Senators.

Mr. AIKEN. How large were the vessels?

Mr. BANKHEAD. All I can say is what the record shows. I do not know.

Mr. AIKEN. Mr. SPARKMAN does not say how large the vessels were.

Mr. BANKHEAD. He does not, but says that one of them, a Government ship, went to Poland.

> The other one has been building these invasion barges, which is a great stimulation of boatbuilding which I feel confident after the war will convert itself into pleasure craft and barge, and craft to be used on the river.
>
> By the way, just the other day the head of the commerce department of the Tennessee Valley Authority told me that they could not now get the barges that were in demand for the hauling of the freight on that river; that the only thing stopping a tremendous increase is the fact that they cannot possibly get the barges.

So, in reference to the increased use of that river, the head of the Commerce Department of the T. V. A. says they cannot get barges to fill the increased demand. The only thing stopping a tremendous increase is the fact that they cannot possibly get the barges.

I shall not quote further from this able Representative who appeared before the committee, went on record, and recited the actual facts to show the tremendous development there and the increase in water transportation.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WILLIS. I trust the Senator will indulge me for a moment. The matter probably has been explained, but will he be kind enough to explain again what the effect would be on navigation on the Tennessee River from the point where the canal enters the downstream river to the Ohio River?

Mr. BANKHEAD. I think, of course, there is going to be more navigation on the whole Tennessee River up-bound and down-bound.

Mr. WILLIS. There will be some water taken out of the river; will there not?

Mr. BANKHEAD. No. Such a contention has been made, but the water which would be taken would be absolutely negligible. The water from the Tennessee River is not used except for lockage purposes, making the lifts from the lower level of the Tombigbee. No flow goes out from the Tennessee River except through the locks and dams.

Mr. WILLIS. It is protected by the locks?

Mr. BANKHEAD. Yes; and the T. V. A., that is charged with the duty of protecting the Tennessee River locally, favors this project; because they say the amount of water taken will not seriously impair the use which is being made now of the water for navigation and for power purposes. So they are for the project, and their letter to that effect is in the RECORD.

Mr. WILLIS. But there are times, are there not, when the water supply is not sufficient?

Mr. BANKHEAD. No; the water level does not change much on the Tennessee River. The locks and dams under the flood-control program hold it; it is almost stationary all the year round.

Mr. HILL. Mr. President, will the Senator yield there?

Mr. BANKHEAD. I yield.

Mr. HILL. Where the canal will come from the Tombigbee into the Tennessee will be at the reservoir or lake made by the Pickwick Landing Dam on the Tennessee River, and there is plenty of water in that lake or reservoir. There is no question about there being plenty of water for the Tennessee 365 days of the year, and for the Tombigbee 365 days of the year. The canal which will go through Yellow Creek on the Tombigbee River into the Tennessee comes in at the Pickwick Landing Dam reservoir, this great lake. There is plenty of water there.

Mr. WILLIS. There is plenty of water in the reservoir there now?

Mr. HILL. There is plenty of water since the construction of the Pickwick Landing Dam.

Mr. WILLIS. I thank the Senator.

Mr. BANKHEAD. Mr. President, I shall not take further time except to refer to one point.

Mr. President, the Senator from Michigan, in speaking in opposition to the pending amendment last Friday, stressed the fact that the law requires the Chief of Engineers to make a recommendation before Congress has the right to proceed on a project. I read from the Senator's otherwise clear argument, as it appears on page 8682 of the RECORD of December 1:

> But, again with great respect, I submit that it makes no difference to the Senate what General Robins thinks or what Colonel Feringa thinks.

He had just been reciting, before that, that they gave testimony with reference to facts which justified the project. The Senator from Michigan, as his language here clearly indicates, was under the impression, certainly he left the impression on me that he was taking the position that these two engineers should have nothing to do with the matter, and that Congress should not follow them, because the law requires Congress to follow the recommendations of the Chief of Engineers.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I can see that the statement is open to a construction which was not intended. What I was attempting to say was that the law requires the Board of Engineers to report to the Chief, that the Chief is the one who submits the final authentic document to the Congress. It was on that basis that I intended to indicate that the report of the Chief is the thing of primary importance.

Mr. BANKHEAD. As an evidential fact reported to Congress?

Mr. VANDENBERG. That is correct.

Mr. BANKHEAD. But not as a legal prerequisite.

Mr. VANDENBERG. I did not undertake to indicate that it was a legal prerequisite.

Mr. BANKHEAD. Very well; the language clearly gave the other impression.

Mr. VANDENBERG. I think it is subject to the construction the Senator mentions.

Mr. BANKHEAD. With that cleared up, there is no difference between us on that point.

The Board made its investigation in accordance with the resolution adopted by the House of Representatives. It submitted its report and recommendations to the Chief of Engineers. So the Chief made his report. He did not differ with the Board, except that he had doubt about whether certain matters which were included should be included in figuring whether it was an economic proposition, a justified proposition. He said that matter should be left to the discretion and judgment of Congress. So he made his report in full. He did not approve all the recommendations made by the Board, but he complied with the law. He made his report to Congress and submitted his conclusions; and what else was there to wait on? Why go back and get another report, inasmuch as he complied with the law, and complied with it to the satisfaction of the committee which gave him instructions to have this investigation made?

The adoption of the project was recommended. What are we to wait on? I know the Senator from Michigan heard the report, because he intimated that it was the result of enthusiasm on the part of General Robins.

Who is General Robins? He is the Deputy Chief of Engineers, the next man in line, the one who is in charge in the absence of the Chief. He has been on the Board for years. Let me quote what he told the committee.

Mr. VANDENBERG. I think the Senator will find what he is looking for in the RECORD itself, if I may be allowed to make the suggestion.

Mr. BANKHEAD. I wish to read an extract from it. I would as soon read it from the RECORD, if the Senator knows what I want. This is what he said, and this was in answer to a suggestion that another report be submitted, that they had not submitted enough reports, or that the Chief of Engineers had not been as direct as to everything as he might have been. I read:

> If we came up here and submitted a report recommending a project for slack water on the Mississippi between Cairo and New Orleans by building locks and dams on the river itself at an estimated cost of $69,000,000, I think you would all take off your hats and cheer. This alternate route on the Tombigbee we are recommending amounts to the same thing, only the locks and dams are to be built on the Tombigbee instead of the Mississippi.

Then he proceeded:

> We can go back to the field and make another report.

I hope doubtful Senators who have any question in their minds about the advisability of another report will listen to this. It is nothing but evidential, because the whole matter is under the control of the Senate. No one disputes that. General Robins said:

> We can go back to the field and make another report and do all the work over again and hold hearings, and when the new report

comes up before the committee you will have the same old arguments in opposition to the project that you have today. If the committee, if the Congress wants us to make another report, we will be glad to make it. That is the situation as I see it.

At another point he said:

The report will be just like the other one.

The ACTING PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. The Senator referred a moment ago to my reference to the fact that I thought perhaps General Robins might have been a little overenthusiastic and not entirely judicial in his appearance as a witness. The quotation which the senior Senator from Alabama has just read from General Robins is the sort of thing to which I referred. I do not think it is the business of General Robins or any of the other engineers to labor the Commerce Committee with suggestions that "the same old arguments in opposition to the project that you have today" would be heard if a new survey were made and a new report submitted. I think that is outside the jurisdiction of the General, and it was but one of many instances in which, I will say for the Senator's consolation, that he showed his complete loyalty to the Tombigbee project, and I thought he went far beyond the judicial scope within which an engineer should have confined himself in presenting his testimony.

Mr. BANKHEAD. Mr. President, that, I think, presents very powerful evidence of the strength of this proposition.

Mr. VANDENBERG. It could well be, as I stated, from the standpoint of the Senator and from the standpoint of General Robins, and from the standpoint of Colonel Feringa. I agree with all that.

Mr. BANKHEAD. Here we have an official of the United States with years of actual practice and experience in this particular line of work, who is not involved politically in the question. I do not know anything about his politics; that is something which is totally immaterial, and he has never indicated what it is. He is disinterested, I assume, in his consideration of the subject, and simply follows his judgment and the conviction which has seized him as the result of the study of this remarkable program and project shown by the map exhibited to the Senate.

Mr. VANDENBERG. Mr. President, will the Senator again yield?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I simply want the Senator fully to understand my position. It is not to be overlooked that General Robins' superior officer is General Reybold, and General Reybold is the Chief of Engineers, and when in a fair effort to develop the official facts behind this undertaking the able Senator from North Carolina [Mr. BAILEY] asked General Reybold for a report, he declined to do the thing that General Robins and Colonel Feringa did, and said that he could not give a supplemental opinion without a new inquiry.

Mr. BANKHEAD. Because, as the Senator knows, General Reybold has not been connected in any way with this investigation.

Mr. VANDENBERG. I do not know the reason which impelled General Reybold, but I know he is Chief of Engineers.

Mr. BANKHEAD. There is no evidence indicating in any way that he had experience with the project and contact with it in such a way as to justify action on his part without another survey being made.

Mr. VANDENBERG. I cannot quite consent to that. I think General Reybold has made many reports on the Tombigbee project and has a substantial familiarity with it, and I simply submit to the Senator that General Reybold was proceeding within a sense of responsibility under the law which puts the final responsibility for the report upon the Chief of Engineers.

Mr. BANKHEAD. I do not agree to that statement at all. The law provides that a board shall make the investigation.

Mr. VANDENBERG. And that the Board shall report to the Chief of Engineers.

Mr. BANKHEAD. Yes, shall report through the Chief of Engineers. The Chief of Engineers is not required by law to do anything more than pass on what the board submits to him, and not to give his opinion, which is not binding on anyone.

Mr. VANDENBERG. It is binding on me when it comes through the engineers.

Mr. BANKHEAD. Of course if the Senator wants to find an excuse, very well.

Mr. HILL. Mr. President, will my colleague yield to me?

Mr. BANKHEAD. Yes.

Mr. HILL. General Reybold in his letter to the chairman of the committee stated:

You are informed that in the absence of a full review and reconsideration of this proposed project, I do not feel justified in making a statement supplementing the report in House Document No. 269, Seventy-sixth Congress.

In other words, the Chief of Engineers and all the other engineers had made their official report on this project, which is contained in House Document No. 269. It does not behoove General Reybold, simply because he has come to be Chief of Engineers since this report was made, to open up this report and make some kind of supplementary report or some kind of comment of his own, unless the Congress or the Commerce Committee, following the lines of regular procedure, should refer the matter to him and ask him to make a restudy or a resurvey. If such a practice should be followed, then every time there was a change in the Chief of Engineers all those who were not quite satisfied with the report they had gotten from the Chief of Engineers who made the report and sent it to Congress would try to get the new Chief to stick his nose into some report which had already been made and filed on behalf of the engineers of the Army. There is nothing unusual in General Reybold's conduct. I do not blame him one bit. If I had been Chief of Engineers I am sure I would have taken the same position he did. It was not up to him to make a change in the report made by the Chief of Engineers and the Board of Engineers for Rivers and Harbors.

Mr. VANDENBERG. Mr. President, will the Senator again yield?

Mr. BANKHEAD. I yield.

Mr. VANDENBERG. I will make a final observation, because I do not want to prolong this debate, and I am sure the Senators from Alabama and the Senator from Michigan could never agree on this particular proposition at this particular time, so I think it is rather a waste of effort for either of us to try to convince the other.

Mr. BANKHEAD. I think what we are doing is try to convince someone else.

Mr. VANDENBERG. I simply want to say that I can paraphrase my position in the exact language of the Chief of Engineers. I will say to my distinguished friend from Alabama: You are informed that in the absence of a full review and reconsideration of this proposed project, I do not feel justified in authorizing the appropriation of $75,000,000.

Mr. BANKHEAD. Mr. President, I am not going to protract this debate. I am sorry there is no chance in the world to convince the Senator from Michigan, as he proudly boasts. I never had much hope of doing that in the beginning. But the Senator in his remarks on Friday read the list of Senators who voted against a similar proposal which was before the Senate on a previous occasion, and sought in fact to create the impression that there had not been anything in connection with the whole case which would justify a change in position, because there was no official report of the Chief of Engineers reciting subsequent facts.

Mr. President, the record shows that the Deputy Chief of Engineers, and another officer, Colonel Feringa, who is a member of the Board, testified that there has been an increase in traffic three or four times over what it was when the report was made. They justify the project, and testify that the project is justified regardless of the elements that were rejected or doubted by the previous Chief of Engineers.

The Senator from Michigan seems to have an idea that the justification must be made by some official report. We can take the testimony of witnesses. If not, then there is no use in holding hearings. I think we can rely on Government officials who in the line of their work testify to their knowledge of conditions and of changed conditions, and of the meaning of the changed conditions, and what the conditions are now, for now is the time with which we are dealing in connection with this subject. They can testify concerning the changed conditions, not the cons but the pros represented by the changed conditions, and in testifying they say we are fully justified in proceeding with this project, and they further say "If you want us back we will come back with the same report." That is common sense.

Mr. President, the project is justified by all the evidence submitted at this time. The project is a valuable one not

only to Alabama but to Georgia. The project will open up improved navigation routes through the Alabama River and the Coosa River to Rome, Ga. It will give all that territory and all of east Alabama access to the Gulf. It will give quick access to markets to growers of peaches, and watermelons if the transportation means are so improved as to permit of refrigeration of peaches and other fruits. It will open up that whole section of the country in Alabama and Georgia which is now cut off from quick water transportation.

As I have said, the Senator from Michigan read the list of Senators who voted against the project on a previous occasion. I would not condemn any man for voting against it under the circumstances which prevailed at that time, because the water was not present in the Tennessee River to make the proposed project clear-cut, until the dam below the junction point was built, raising by 50 feet the level of the water in the mouth of Yellow Creek, which is one of the creeks which make up the Tombigbee.

There is now 50 feet more water at the junction point than there was when this project came before the Senate on a previous occasion. That makes all the difference in the world. At that time it would have been necessary to have locks to bring water from the Tennessee River to carry traffic down to the Tombigbee, 100 feet below. Now there is all the water that is needed. The only question is how much it is necessary to take. As the record discloses, and as is the known fact, heretofore there was not enough water. There were not enough dams to develop navigation on the Tennessee River below Wilson Dam. Now there is navigation. There is commerce from the Pittsburgh area and from the western grain area. Everyone knows that such commerce will increase. It is increasing by leaps and bounds all the time.

I submit that the factor of cost should not prevent this operation. Appropriations will be made to proceed in an orderly way. One of the engineers testified that 8 years would be required to finish this work, so the appropriations would not be more than $8,000,000 a year. Calvin Coolidge once said, in connection with junking the Wilson Dam, "It did not cost any more than a battleship." The expense of this project would not be as much as the cost of one of our large battleships. The project would provide transportation and communication throughout that great valley, and bring our people closer together.

It would bring about a better understanding between the people who live in various sections of the country. The interchange of business between the southern area and the Pittsburgh district on one side and the St. Paul-Minneapolis territory on the other would bring the people closer together and bring about a better understanding.

I do not wish to base my argument on personal grounds; but I submit that the Birmingham area has some right, in building its destiny and in the development of the natural resources which a great Providence deposited there, to an outlet to other sections of the country. It has some right to an exchange with people in other sections of the country of its minerals, metals, and other products for the grains and the great variety of products of other sections of the country. The Birmingham area is now deprived of that right by the swift current coming down the Mississippi River, and by the great distances which it is necessary to travel, all the way down through Mobile, over to New Orleans, and up the swift current of the Mississippi, to reach other sections of the country. I say that it is not just to that section, and it is not just to the sections upstream, to be deprived of the right to interchange their products.

This is a wonderful project. It is a dream. It is intriguing. It has been attacked because of its cost. I have heard of much larger projects than this, supported by men who are opposing this project on the ground of its cost. I have heard them support other projects which cost a great deal more money than this one would cost.

Let me say to the Senator from Michigan, if it is helpful to him, as showing my spirit of fairness of cooperation with various other sections of the country in their development programs, that when the St. Lawrence treaty was before the Senate involving a project farther from my State than the Tombigbee Canal is from the States of other Senators, I voted for the ratification of that treaty. I hope Senators will vote for this project on its merits, to prove that it is a good thing for the whole country, as well as for one particular section of the country. On that basis I shall be satisfied.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BUTLER. I was not present at the beginning of the Senator's dissertation on this general subject, and it may be that I shall ask him questions which have already been answered. I was necessarily absent at a committee meeting.

Are not most of the people in the area which would be served by the construction of this canal now served by traffic down the Tennessee River, or down the Warrior River or Alabama River?

Mr. BANKHEAD. The distance from Birmingham and other places is about 1,500 or 1,600 miles greater. The distance is prohibitive. Furthermore, there is the factor of cost in going against the swift current of the Mississippi.

Mr. BUTLER. The construction of the canal would not serve the State of Nebraska any better than it is served at present by going up the Tennessee River from Cairo or Paducah. An outlet might be furnished down the Tombigbee and Warrior Rivers to a coastal port. The point I am getting at is this: By the construction of the Tombigbee project it is proposed to construct a double-track water-transportation system for the Mississippi Valley area, rather than having a single-track system as at present. In other words, it is proposed to duplicate what is now available on the Mississippi River, eliminating, of course, a great deal of distance in many cases.

Mr. BANKHEAD. I should not call it a duplication.

Mr. BUTLER. Let us approach it in another way: The construction of the Tombigbee Canal and the system proposed by the Senator would make it possible for the steel interests and others at Birmingham to transport their products down the Warrior River and then up the Tombigbee to the northern markets a little more easily than can now be done by going down the Warrior River to Mobile, over to New Orleans, and up the Mississippi to the same markets.

Mr. BANKHEAD. Traffic from that area could not move any more easily than traffic from the Pittsburgh area; in fact, not so well, because traffic from the Birmingham area would move upstream, while traffic from the Pittsburgh area would move downstream.

Mr. BUTLER. The main point on which I should like to ask the Senator's opinion is this: He referred to this plan as a dream. It is a dream of the future, and I believe it has a great deal of merit. I believe the time may come when we should give serious consideration to such projects.

This case involves the diversion of water from one drainage area to another, which in my section of the country is almost a violation of the law of God. In fact, we have a State law in Nebraska at present which prevents the diversion of water from one drainage area to another. If we adopt the policy proposed in this plan, I should like to ask the Senator why it would not be reasonable for some of us in the great grain-producing area, the bread basket of the United States, in Iowa, Nebraska, Minnesota, and the Dakotas, to propose the construction of a slack-water canal coming out of the Missouri River in the vicinity of Sioux City, crossing the State of Iowa, joining with the Mississippi River, then taking the escalator, or elevator, up the Mississippi River far enough to get above the water level of Lake Michigan, and then having a slack-water canal from that point, which would be near Dubuque, over to Chicago.

In that way the great grain-producing area of the Central West would have what is called a slack-water canal, a very cheap means of transportation from the largest grain-producing area in the world directly to the market at Chicago, on Lake Michigan.

I can see that the two would be similar in many respects. I think they are both somewhat a dream of the future, but I think perhaps the Senator will agree with me that it would be advisable at some time in the future to consider the shortening by a thousand miles of the route from the grain-producing areas to the Chicago market. We now have a water route from Sioux City to Omaha to St. Joseph to Kansas City and down to St. Louis, then up the Mississippi River, then through some canals, and ultimately to Chicago. But by the construction of the system I propose which would be similar to the Tombigbee, but would be a little longer, the distance would be reduced by half.

Mr. BANKHEAD. Mr. President, I cannot try the Senator's case here on

the floor of the Senate. I do not know about it. We submitted our case in the open. When the Senator gets ready to submit his case, I do not know whether I will be here; I doubt whether some of us older Members of the Senate will be here when another river and harbor bill is passed. Prior to the pending bill, only one river and harbor bill has been considered by Congress for a number of years, and it was vetoed.

Mr. BUTLER. Mr. President, I do not think the Senator and I are attempting to make a trade for support on the proposition.

Mr. BANKHEAD. The Senator is looking at me with a question on his face. If he has a good project, I will vote for it, as I did for the others. I voted for all the irrigation projects, although I did not know very much about them. Of course, they do not do my section of the country any good.

Mr. President, in further answer to the statement of the senior Senator from Michigan as to the Senators who voted against this project when it was previously considered, let me say that, in view of the different situation which now exists, in view of the fact that progress has been made in the development of the rivers, and with the water supply now so available on the Tennessee River, and with water transportation becoming very popular, not only because the people like it, but because it is cheaper, and people always prefer to use what is cheaper for them, I desire to call the attention of the Senator to a few other able Senators who now support this project. Let us consider the membership of the Committee on Rivers and Harbors of the House of Representatives. The chairman is Judge MANSFIELD of Texas, one of the greatest men who has ever served in Congress. He devotes all his time and responsibility to his duties as chairman of the committee, and he has the respect of all the Members of the House, as well as the Members of the Senate. He is an advocate of this project.

Let us consider the action of the Committee on Rivers and Harbors after all the testimony was before them. They did not rebuff the project, and say, "Oh, the Chief of Engineers did not make any statement recommending the project in particular." No, Mr. President; they dealt with the project on its merits. They are accustomed to studying water projects and to dealing with them. A majority of that committee favorably recommended this project, and included it in the committee report.

Of course, as has been stated, a majority of the Members of the House of Representatives did not vote for it. I doubt whether many of them gave much consideration to it. I will not pursue that point, but we all know how difficult it is for the Members of the House of Representatives, who predominantly come from the cities of the country, to understand in detail the value of a water project so comprehensive as is this one. We wish to give them another chance to consider the project, just as we do in respect to so many subjects which are before Congress in the course of legislation.

On the Senate side of the Capitol there is the strong and able Committee on Commerce, of which the senior Senator from Michigan is a worthy member. I have obtained the record of the vote on this amendment in the committee. To my surprise, I find that the Senator from Michigan had only one vote supporting him in opposition to endorsement of the project by the Committee on Commerce and its inclusion in the bill. I know that the Senator from Michigan does not desire to reflect on the other members of the committee simply because at one time, 5 years ago, the project was defeated.

Then, Mr. President, there is the wonderful chairman of the subcommittee, the Senator from Louisiana [Mr. OVERTON], handling this bill. We all have the greatest respect for his experience, wisdom, and fairness. My hat is off to him because he might have been subjected to local criticism for the position he took. Nevertheless, he took a broad, statesmanlike position in dealing with a great national question, not a local one, and he voted to make a favorable report on this amendment.

Then there is the chairman of the Committee on Commerce, the distinguished senior Senator from North Carolina [Mr. BAILEY], who is one of the outstanding Members of the Senate—one of the ablest men in any parliamentary body in this or any other country. The project under consideration is remote from his State of North Carolina, but, nevertheless, he has taken his usual courageous stand regarding it. We all honor and respect him. Notwithstanding the fact that 5 years ago he voted against this project, in the light of the new facts which have developed he voted to include it in the bill.

Mr. President, as I have said, a large and overwhelming majority of the Committee on Commerce voted to include the project in the bill. Notwithstanding the intelligent, active, and vigorous arguments of the senior Senator from Michigan, they voted almost unanimously to include it. I would not have mentioned these matters except for the opposition of the Senator from Michigan, who said that a number of good men voted against it 5 years ago. Mr. President, we must remember that conditions have changed so greatly that any Senator who desires to act upon the real merits of the case, not merely to maintain a technical position of consistency, is justified in voting for the project at this time. The Senator from Michigan seemed to take the position that because strong men voted against the project on a previous occasion, therefore strong men will vote that way again. Of course, Mr. President, all such men do not act upon technicalities of that sort or upon abstract theories of that nature.

Mr. President, I am now through. I am willing to submit this matter to the Senate, after my colleague from Alabama makes his statement about it and after other interested Senators discuss it. I understand that the chairman of the subcommittee will express himself regarding it, and I hope he will do so. I wish to thank him and all other Senators who, with fairness and broadmindedness, have considered this proposition on its merits.

Mr. HILL. Mr. President, my distinguished colleague the senior Senator from Alabama [Mr. BANKHEAD] has well and ably presented the case of the Tennessee-Tombigbee project. I wish to join with him in his very excellent statement, and emphasize what he said, namely, that this would not be a local or sectional project. It is true, Mr. President, that the project would be beneficial to Alabama. It is also true that it would be beneficial to Mississippi. But I doubt if any waterway project, more national in scope, could be presented to Congress. I doubt if any other project would benefit so many States, and so many millions of people, as would the Tennessee-Tombigbee project.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. EASTLAND. Is it not a fact that the Ohio Valley would primarily benefit from the construction of the proposed canal?

Mr. HILL. The Ohio Valley would primarily benefit. That is exactly what I was about to state, if I may say so to my good friend from Mississippi.

Mr. President, if we look at the map, we will see that the proposed project would really start at Demopolis, Ala., because a part of the project from Mobile up the Tombigbee River to Demopolis has already been developed. The channel is 9 feet deep.

Starting at Demopolis, going up the Tombigbee River into Yellow Creek, where the canal would be dug, leaving the river and going into the Tennessee at the Pickwick Dam Reservoir, there is a distance of approximately 260 miles. Of course, the people of the section of the country through which the Tombigbee flows would be greatly benefited by this project. It is also true that the people along the Warrior River up to Birmingham would be benefited. We know that today the Government is operating barges on the Warrior River. The project would tie the Warrior River into the Tombigbee, then into the Tennessee, and south into the great Mississippi Inland Waterway, without going through Mobile and through the Intracoastal Canal by way of New Orleans. There would be great benefit to the people of Alabama and of Mississippi. There would also be great benefit to the people of Tennessee, to the people of Chattanooga, and to the people of Knoxville. Great benefit would be realized by the people throughout approximately 260 miles of waterway which now exists on the Tennessee River. There would be benefits to the people along the Cumberland River up to Nashville, Tenn. There would also be great benefit inuring from this project to those who live and are served by the Ohio River, starting at Paducah, Ky., and going up the Ohio to Cincinnati, Wheeling, and Pittsburgh. The benefits would be further extended to those residing along the Illinois River, the Illinois Canal to Chicago, and into the Great Lakes area. Added to those benefits would be the benefits realized along the Missouri River

to St. Louis, Kansas City, and Sioux City, Iowa. All of that vast inland area, including approximately 34 States, would be greatly benefited by the construction of the Tennessee-Tombigbee project.

Mr. President, I have said that the project is neither local nor sectional. It is one which would benefit approximately 34 States, the entire inland waterway system of our country, and the whole Nation.

As we all know, today a large volume of traffic passes south down the great Mississippi River and into the Gulf. But the current of the Mississippi River is approximately 2½ miles an hour. It is that current, Mr. President, which adds much to the cost of the navigation on the great Mississippi River inland waterway. The fact is that boats going down the river have a very distinct benefit from the strong current, but when they return up the river they must go against the current, which results in a great increase in the cost of operation.

Mr. President, while I am speaking of cost, allow me to invite the attention of Senators to some of the savings which would result from the construction of the Tombigbee-Tennessee project.

I shall quote some figures furnished by the United States Army engineers. They are not figures taken from any outside source, but have been submitted by the United States Army engineers to the Rivers and Harbors Committee of the House of Representatives, as well as to the Senate Committee on Commerce.

The figures deal, for example, with the cost of a tow of eight barges moving from New Orleans to Cairo by the way of the Mississippi River. The cost would be $6,273. The same tow, moving from New Orleans to Cairo by the way of the Tombigbee, over the slack water route where a strong current did not exist, would cost only $3,868. By using the slack water route a saving would be effected of $2,405. In other words, as someone has said, the tow would be going down hill all the way down the river and all the way back. By building the Tennessee-Tombigbee project the necessity of boats encountering the strong current to which I have referred would be obviated. A tow would not have to buck the current as it must today.

A saving of $2,405 on the route from New Orleans to Cairo by the way of this project would affect not only shippers of freight to Cairo, but all shippers who might be located north of Cairo. It would mean a saving of $2,405 for St. Louis, Kansas City, Sioux City, St. Paul, or Minneapolis, Chicago, and the Great Lakes.

Such a tow moving from New Orleans to Paducah, Ky., by way of the Mississippi, costs $6,472, whereas moving from New Orleans to Paducah by way of the Tombigbee and the Tennessee the cost would be only $3,669, representing a saving of $2,803, which would accrue not only to the shippers at Paducah, Ky., but to all the people up the great Ohio River whether at Cincinnati, Ohio, Wheeling, W. Va., or Pittsburgh, Pa. As we know, the Government of the United States has spent millions of dollars putting in locks and canals on the Ohio River, making that great waterway available to the great cities of Ohio and West Virginia, and Pennsylvania even on the Monongahela River. The Tennessee-Tombigbee project is a part of the Ohio River project. It would make that project much more economical and much more feasible.

A tow moving from New Orleans to the junction of the Tombigbee by way of the Mississippi River into the Ohio and the Tennessee Rivers costs $7,324; a tow from New Orleans to the junction of the Tombigbee with the Tennessee River by way of the Tombigbee River would cost only $2,817, representing a saving of $4,507. That saving would accrue to all the shippers on the Tennessee River to the north or to the east of the junction of the Tennessee and the Tombigbee. In other words it would mean a saving to the people of Chattanooga, Tenn., to the people of Knoxville, Tenn., and to all of the people living north and east of the point of junction of the Tennessee and the Tombigbee Rivers.

Mr. President, of course with the Tennessee-Tombigbee project in operation some of the traffic at least which now moves from the Tennessee into the Ohio and down the Mississippi by way of New Orleans into the Gulf or into the intercoastal canal would go right down the Tombigbee River. On freight moving from Cairo to Mobile there would be a saving of $3,200—that is to Mobile, not to New Orleans—moving from Paducah to Mobile, taking that route rather than the Mississippi River route, there would be a saving of $3,688; moving from Mobile to the Tombigbee-Tennessee junction there would be a saving of $5,392. These figures show what this waterway means in savings. It makes no difference whether the shipper is in Wisconsin, or in Alabama or Mississippi, if this waterway is built he has the opportunity to have this saving and derive the benefits from this waterway.

The truth is, Mr. President, that the Tennessee-Tombigbee is today the missing link in our great Mississippi inland waterway system. If we provide this development and thus supply the missing link, we eliminate the bottleneck caused by the swift current, and the increased costs due to the additional quantity of fuel which it is necessary to use, and we reduce the time consumed in bucking the current and also the cost of insurance and the other items which enter into the equation. So, many items of cost will be greatly reduced, and the whole inland waterway system of the United States will be made more economical, more efficient, and more feasible.

This is a project the like of which is not to be found anywhere, unless it be in Russia, where, as Senators know, the Government of Russia has tied the Don and the Volga Rivers together. Nothing outside the great feat of the Russian Government in tying these two mighty streams together is comparable to this waterway in what it would mean to millions of people in the United States.

Mr. HOLMAN. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield to my friend from Oregon.

Mr. HOLMAN. Is it not a fact that the Rhine and the Danube are connected by canals? Is it not also a fact that one can enter the Rhine in Holland and come out at the mouth of the Danube in the Black Sea?

Mr. HILL. It is my understanding that they are connected; and so when I spoke about nothing being comparable to the Tennessee-Tombigbee project in its tremendous possibilities, I should have said the Germans and the Dutch have done what the Senator from Oregon suggests, and we all know what that development has meant to those countries, insofar as transportation and economic benefits are concerned. The Senator has cited a fine example of tying in watersheds, as we are asking to have done in the case of the Tennessee and the Tombigbee Rivers.

It had been my thought to discuss it a little later on in connection with the subject of national defense, but we know what the tying in of rivers and canals has meant not only to Germany but to Russia from a national defense standpoint. In Russia, when the Germans had bombed out highways and railroads and bridges, these great rivers, the Don and the Volga, constituted the main arteries of supply for the Russian armies as they met the German hordes on their western front.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. EASTLAND. Is it not a fact that Hitler on several occasions has boasted that if the German rail system were damaged by air attack he would supply transportation by the many miles of waterways and canals he has constructed in Germany?

Mr. HILL. It is my understanding that he not only made that boast on one occasion but on a number of occasions, and it is also my understanding that he has carried out that boast and is today using the German waterways to great advantage. The fact of the matter is, if he did not now have those waterways with which to move his supplies and materials and men and to keep the economy of Germany going, it is very doubtful if Germany could continue in this war.

Mr. EASTLAND. I thoroughly agree with the Senator. I think that Germany would be out of the war today if it were not for the German canal system that transports products to German war industries.

Mr. HILL. I agree thoroughly with the Senator from Mississippi, and thank him for his observation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. AIKEN. I should like to ask the Senator from Mississippi if it is not a fact that it was the complete system of inland waterways that enabled Russia to keep in the war when she faced absolute collapse?

Mr. HILL. That is the statement I made about tying in the Don and the Volga Rivers. If the Russian Government had not had the wisdom and the

vision and the good sense to tie in those rivers, Russia would never have been able to stop the German hordes on her western front, and not only stop those hordes but perhaps save the world.

Mr. AIKEN. May I ask the Senator from Alabama, is it not also a fact that those very inland waterways, which permitted those European countries to continue in the war when otherwise they would have been beaten, are going to enable them to put their goods in the world market after the war at prices with which we cannot compete unless we also make the most use of our inland waterways?

Mr. HILL. I agree thoroughly with what the Senator has said. We are going to be at a great disadvantage in the post-war era in competing with the other nations if we do not develop our waterways for the cheap transportation they give us.

Mr. AIKEN. Is it not a fact, too, that almost every manufacturing center in Russia is on an inland waterway, and it is their goods we are going to compete with some day? Here in the United States it costs more to get our goods from the inland cities to the coast than it costs Russia to transport her goods to Melbourne or Sydney or almost any other place in the world.

Mr. HILL. The Senator is exactly correct, and I wish to thank him for his very pertinent statement.

With further reference to the observation of the Senator from Oregon about the Danube, the historians tell us that when DeSoto and his men arrived at the Mississippi River, they exclaimed, "Another Danube! Another Danube!" The trouble has been that we have not been wise, as the Germans were, and have not developed our Danube, our great Mississippi, with its great inland waterways, as we should have done.

Mr. HOLMAN. Will the Senator permit another observation?

Mr. HILL. Certainly.

Mr. HOLMAN. The difficulty in connection with the rail lines demonstrates, it seems to me, the necessity of providing auxiliary or supporting means of transportation. If this country continues to grow I believe it is reasonable to expect that the rail lines will not be able to carry the commerce presented to them.

Mr. HILL. The Senator is absolutely correct, and I am glad he made the observation, because it has been suggested that the increased tonnage we have on our waterways and our railroads and our other means of transportation, is all due to the war. Of course, we must frankly admit that a great deal of it is due to the war, but our goal in this country is not to go back to pre-war days. We are talking about having jobs for 60,000,000 people. If we are to have that kind of an economy, then we will have to have accelerated transportation; we will have to have the waterways, railroads, and highways, and air transportation, and all the means we can command moving the commerce and the traffic and the freight of the Nation.

Mr. President, it is because the Army engineers studied this project carefully, because they went into it in detail, as they do into all such projects, that we have this report here today, and have this committee amendment with favorable recommendation from the Committee on Commerce. This great project was studied not only by the Board of Engineers considering rivers and harbors but there was a special board which spent many weeks and months studying it. That board was composed of Col. F. B. Wilby, at that time a colonel in the Corps of Engineers, now General Wilby, of the Corps of Engineers; Col. Roger G. Powell, Corps of Engineers; Col. R. Park; and Maj. Bernard Smith. They studied the project, they went into every detail of it in a most searching and careful way, and submitted their report recommending that the project be constructed. After they had made their report, the report then was reviewed and studied further by the Board of Review on Rivers and Harbors of the Corps of Engineers.

The chairman of the Board of Review was Gen. M. C. Tyler. No doubt many Members of the Senate have known General Tyler, as I have known him. We may not always agree with General Tyler in all his actions and opinions, but if I had any complaint with General Tyler it was that he was too conservative and too cautious. At times I thought that perhaps General Tyler was thinking too much in terms of the mathematics of some past situation, as to what the figures were yesterday, rather than having the vision and imagination to know what the situation would be tomorrow. Certainly no one has ever thought of General Tyler except as a very sound, very conservative, very painstaking, and a very careful engineer. He was chairman of the Board which submitted this favorable report. There was no dissent on the part of the members of the Board, there was no dissent on the part of the special Board headed by Colonel Wilby, now General Wilby, of the Corps of Engineers. The decision was unanimous on the part of both boards.

I wish to say to the Senate frankly that General Schley, the Chief of Engineers, did not make the kind of a forthright endorsement of this project I thought he should have made, and that I would have liked to see him make. He did say there were certain considerations which went into the determination of the project which he thought Congress—he used the term "statesmanship"—could determine better than the engineers could. I have no fault to find with General Schley. He was acting in his official capacity. But I know General Schley; I knew him when I was a Member of the House of Representatives, and I know that if there has ever been any man in the Corps of Engineers in the last 25 years who was slow about making a definite statement or giving a definite or precise opinion on any matter, it was General Schley. We all know that he is that type of man. He was so careful and so conservative and so cautious that it was almost impossible, in many matters, to have him come right out and say "Yes" or "No," or "I approve" or "I disapprove." He was the kind of man—he is the kind of man—with that cautious, conservative nature, who would make a report just like that he made on this project. But he did not have the knowledge of the project that either the special board or the Board of Review had, because he did not have the opportunity, as Chief of Engineers, to study it. He had a thousand and one different problems engrossing his time. He had all kinds of administrative matters, and all the other many things which enter into the duties of a Chief of Engineers. He did not for days or weeks or months study the testimony, and surely did not go out into the field and make the personal study and survey which the special board made.

As my colleague, the senior Senator from Alabama, has said, one member of that board today is General Robins, the Deputy Chief of Engineers. He ranks next to the Chief of Engineers. If for any reason the Chief of Engineers is not able to be on the job, General Robins acts as Chief of Engineers. General Robins was a member of the Board of Review, and he stood beside General Tyler, he studied this matter, he investigated it, he heard the evidence and carefully perused the testimony. I wish to read his statement. There is no way "to laugh it off." Senators know General Robins, and I submit to them that he is a careful, cautious man, an able engineer, who deals in facts and not in fancy, who does not permit his imagination to run away with him, but is more inclined to think in terms of figures and facts, certainly, than anything else. I do not believe that in the whole Corps of Engineers today there could be found a sounder man than General Robins, or a man upon whose figures or judgment we could better rely. When one knows General Robins and has contact with him, he seems to feel that he is a man who in his personality, in his ability, in his character, and in his courage, typifies all that we like to think of as the very best in the tradition of the Corps of Engineers.

This is what General Robins had to say when testifying before the Senate Committee on Commerce:

> Mr. Chairman, if we came up here and submitted a report recommending a project for slack water on the Mississippi between Cairo and New Orleans, by building locks and dams on the river itself at an estimated cost of $66,000,000, I think you would all take off your hats and cheer.

"Take off your hats and cheer." My good friend the distinguished Senator from Michigan felt that General Robins was too enthusiastic in what he had to say; that in making so strong a statement perhaps he went beyond the bounds of what he as an engineer should have said to the committee. General Robins had sat before the committee for at least 2 days, and had heard all the railroad interests and the other interests which were opposed to this project come forward and "lambaste" the project, and seek to torpedo and sabotage it. Knowing the project and knowing the facts, knowing how justifiable and needed the project is, and having deep feelings in connection with the matter, sound and

conservative as he is, he gave expression to the words I have quoted. I think General Robins is correct. If the Corps of Engineers came to the Congress and said, "Gentlemen of the Congress, give us $66,000,000 and we will provide a slack-water route back from the Mississippi River route which will obviate all the extra cost due to the 2½-mile current down the Mississippi River," I think Senators from the great Mississippi inland empire by and large would throw up their hats and cheer. Mr. President, in my mind, there is no question about that.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHERRY. The distinguished Senator from Alabama made a rather lengthy statement relative to the military advantages of an inland waterway system, and quoted, I think, what Hitler said relative to the German system, and what Stalin said respecting the Russian system. I should like to ask whether in any of the hearings testimony has been adduced by General Schley or any other military men advocating the building of this project for military reasons, for reasons of national defense?

Mr. HILL. I will say to the distinguished Senator from Nebraska that one of the items on which the report was based was an item of national defense. I will say in that connection that General Robins made this statement to the Committee on Commerce:

General ROBINS. Unquestionably, if that waterway were in operation today—

That is the Tennessee-Tombigbee waterway—

it would be of tremendous value for national defense.

Then he continued to say:

But you cannot put a money value on it any more than you can put a money value on winning the war.

Mr. WHERRY. In other words, it is not a justification for the appropriation? That is not given as a justification by any military men?

Mr. HILL. Yes; the Board of Review, and the special board, which investigated the matter, included national defense as one of the justifications for their report; but I will say that General Robins and Colonel Feringa, who represented the Corps of Engineers before the Commerce Committee, said any consideration of national defense could be disregarded, and yet in their opinion the project would still be justified.

Mr. WHERRY. Did General Schley make that recommendation?

Mr. HILL. No; General Schley did not make that recommendation. So far as I know, General Schley never appeared before the Commerce Committee.

Mr. BANKHEAD. He said in his letter addressed to the House Committee on Rivers and Harbors that that was a matter of statesmanship.

Mr. HILL. He said that the matter of national defense was a matter for Congress to determine, and, as he used the term, it was a matter for statesmanship. I will say to the Senator—and I do not want to go too far away from the subject under consideration——

Mr. WHERRY. I am not desirous of getting away from the testimony which was offered.

Mr. HILL. I am delighted to have the Senator ask any question he wants to ask.

Mr. WHERRY. I am vitally interested in what General Schley said, and I want to know whether he said in his justification for the appropriation that it could be maintained from a general defense standpoint. I am very much interested in that.

Mr. HILL. General Schley said that he thought the defense factor should be determined by statesmanship, which meant it was a factor for us to determine rather than for General Schley to determine.

Speaking of national defense, Mr. President, I realize that there are times when we deal with these matters of national defense when some may think that we are dealing in terms of fanciful things or things which perhaps may never occur. Certainly during this war, starting with the treacherous attack at Pearl Harbor, many things have happened which most of us could not foresee, and which many of us would not have thought possible. The Senator, of course, well remembers that the doom of the southern Confederacy was sealed in the War between the States when General Grant won the Battle of Vicksburg and cut off the transportation of the Mississippi River and divided the southern Confederacy. That was the beginning of the end. Although the South carried on for over 2 years, yet from that day on the end of the war, as the historians now look back over it, was never in doubt. If anything should ever happen to the Mississippi River in time of war and the Tennessee-Tombigbee project were completed, we would have an alternate route. I think I can say to the Senator from Nebraska that if he will consult American history he will find that the last time this country was invaded it was within a few miles of the Mississippi River.

Mr. OVERTON. It was the only time.

Mr. HILL. It was the only time we were ever invaded, as the Senator from Louisiana suggests, and then on the plains of Chalmette General Jackson defeated the British. The Americans were fighting not only for the Louisiana Territory, but were fighting for the great Mississippi River. Remember, that was back in the days before we had railroads, fine highways, and airplanes. The Mississippi was the mighty artery for commerce, trade, and traffic in that area. One of the reasons why the British landed at that point was so they might seize New Orleans and take control of the Mississippi River.

Mr. WHERRY. Mr. President, will the Senator again yield?

Mr. HILL. I yield.

Mr. WHERRY. I want to thank the Senator for his statement. I do not want to enter into a discussion of how we fought the Civil War or the War of 1812, but I am intensely interested in the statement the Senator made with respect to justification for the project, and while the legislation is a matter for statesmanship, yet in exercising our statesmanship we should be guided by recommendations of men like General Schley, if, in his justification for the appropriation he mentioned or attempted to justify the appropriation on the basis of military grounds or on the grounds of national defense. I know that the distinguished Senator from Alabama has followed the hearings and is well acquainted with the situation, and I simply asked the question with respect to national defense. I think the question of national defense is of vital interest. I should deeply appreciate obtaining General Schley's point of view concerning national defense. While it is true that the proposed legislation is a matter which concerns statesmanship, yet I should be guided to a considerable extent by what General Schley has recommended in the way of national defense.

Mr. HILL. Mr. President, I appreciate very much the fact that the Senator from Nebraska raised that question. As he knows, the Tennessee-Tombigbee project will tie in with the great project which is in existence on the Tennessee River today, and the cornerstone of that great project was national defense. There is every reason why the Congress in passing on these great waterway questions should give consideration to the question of national defense.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend from Michigan.

Mr. VANDENBERG. I do not think we should be led astray by this inquiry concerning the national defense. Is it not a fact that this is the only report ever made upon a river and harbor project by the Board of Engineers for Rivers and Harbors in which they undertook to bring in an item of national defense and allocate a money value to it by way of justification for the navigation benefits?

Mr. HILL. The Senator may be correct about that. I do not know. I do not know of any other project where they used a national defense item as a base or part of a base for their favorable report. But the fact that they have not done so in connection with other projects does not mean that Congress should not consider national defense in connection with this project.

Mr. VANDENBERG. No, Mr. President; but if there is $600,000 worth of national defense involved in this project, how much national defense is involved in the Mississippi River; and who ever heard of a figure being allocated to that factor by way of defending a navigation appropriation? Let me say to the Senator, with great candor, that I think his case for the Tombigbee project rests far more persuasively upon the increased traffic in the area than it does in any remote attempt to justify the original report of the engineers, which I believe the engineers themselves today think was ridiculous.

Mr. HILL. Let me say to the Senator that General Robins and Colonel Feringa, both representing the Corps of Engineers, testified that we could throw out the window the factor of national defense or any consideration of national defense.

Mr. VANDENBERG. That is correct.

Mr. HILL. As the Senator from Michigan has suggested, the traffic alone, without any consideration of national defense, will justify this project.

Mr. VANDENBERG. That is the point. For the sake of the integrity of this argument, I should like to see the case rest upon the latter factor, which I concede can be strongly urged. I agree that General Robins and Colonel Feringa were very glad to throw these other synthetic items out the window, because they did not want remotely to have to defend them. They were too ridiculous.

Mr. HILL. It was not a question of General Robins and Colonel Feringa not wanting to defend them. The case was so strong, based upon traffic and navigation alone, that there was no need of defending or attempting to defend the other items. That was the gist of the testimony of General Robins and Colonel Feringa. The case was so strong that they did not have to consider national defense.

The point I wish to make in reply to the very timely and intelligent question of the Senator from Nebraska [Mr. WHERRY] is that there is no reason why we should not consider national defense. We might have been in far better condition so far as the present war is concerned if we had given greater consideration to the national defense with reference to all great waterway projects, as well as to many other projects and actions of the Congress. The Senator's question is certainly most timely and appropriate.

I was reading to the Senate the statement of General Robins. As I have said, there is no way to laugh off, or blink off, or ridicule a statement coming from a man like Gen. T. M. Robins, Deputy Chief of Engineers, who sat on the Board of Review, heard the evidence, and studied the question. He went into all the many phases of this project before joining in the report. General Robins had spoken of the fact that if the engineers were to come to Congress with a project to spend $66,000,000 to provide a slack-water highway back up the Mississippi River, in his opinion Members of Congress would take off their hats and cheer such a wonderful project. Then he went on to say:

> This alternate route on the Tombigbee we are recommending amounts to the same thing—

Anyone who will look at the map can see the correctness of the statement—

> only the locks and dams are to be built on the Tombigbee instead of the Mississippi. There is no greater tangible saving than that which will accrue from use of the Tennessee-Tombigbee route instead of the Mississippi for the upstream traffic. This saving, as estimated in House Document 269, is $1,000,000. It is very conservative and should be doubled on account of the increase that has taken place in upstream traffic on the Mississippi River.

That shows that this project is part and parcel of the great Mississippi inland waterway.

> Taking into account all the changed conditions since the report before the committee was prepared, there is a total tangible saving in sight today of $4,000,000 for this project and the carrying charges on this project are $3,500,000. From the information that is officially available to this committee, there is no question in my mind but that the Tennessee-Tombigbee project is economically sound without considering recreation or national defense or enhanced land values or any other intangible benefits.

He further stated that it had been suggested—I believe by the distinguished Senator from Michigan and others—that perhaps the engineers might make another report. General Robins said:

> We can go back to the field and make another report and do all the work over again and hold hearings, and when the new report comes up before the committee you will have the same old arguments in opposition to the project that you have today. If the committee, if the Congress wants us to make another report we will be glad to make it. That is the situation as I see it.
>
> Senator OVERTON. You are satisfied that the report that would be submitted would be along the lines you just stated?
>
> General ROBINS. Absolutely, and if this report can be attacked on account of some of the changed conditions since the report was written I do not see why it cannot be defended on account of other changed conditions.

Mr. President, there is the testimony of the Deputy Chief of Engineers. I believe that he is now chairman of the Board of Review of Rivers and Harbors. He has moved up. General Tyler was the chairman. At the present time General Robins is chairman of that Board. At least he was chairman of the Board 12 months ago when I had the honor to appear before the Board. He tells us to eliminate all the other items, and that on the basis of traffic alone, without any additional feature, this project is justified, and that if we were to call for another report, the story would be the same, and we would get the same favorable report.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Alabama yield to the Senator from Michigan?

Mr. HILL. I am glad to yield to my friend.

Mr. VANDENBERG. I should like to hear what the Senator's answer would be to the testimony of Colonel Feringa, who, as the able Senator knows, was appearing with General Robins.

Mr. HILL. That is correct.

Mr. VANDENBERG. In the course of the hearing I pointed out to Colonel Feringa that there had been a substantial change in the method of transporting petroleum products into this area, that two pipe lines had been built since the original report was made, and that pipeline transportation of petroleum was obviously the favored method for the future. Then I asked Colonel Feringa whether the savings which would be allocated by way of benefits to petroleum transportation ought not to be changed. This was his reply:

> Certainly the saving is not as great as we set up in that report—

I interrupt the quotation long enough to say that it could not be, because 52 percent of the traffic which is relied upon for justification is petroleum. Continuing with the quotation:

> Certainly the saving is not as great as we set up in that report, but I think there is a saving, Senator; how large, Senator, we would have to make a new report to find it out, sir.

What has the Senator to say about that?

Mr. HILL. Everyone knows that conditions today are not what they were when the facts upon which this report is based were gathered. Those facts were gathered back in 1936 and 1937—perhaps even as far back as 1935. No doubt there has been a change. The change is that much more petroleum, fuel oil, and gasoline are being transported today than were transported at the time those facts were gathered; but the Senator fails, I think, to note what is the real gist of the question in connection with the movement of petroleum. There is no doubt that two pipe lines have been built into that area, but those pipe lines are carrying gasoline, rather than fuel oil. At any rate, however, the petroleum products are being bought. In 1940 there was a reduction in freight rates. This report was made in January or February 1939. But the determining factor in respect to the matter of transportation of petroleum products is that today the movement of such products is still cheaper by water, by barge, or by inland waterway than its transportation by either pipe line, railroad, or any other method, except by deep-water tanker. Of course, the deep-water tankers do not enter the inland waterways because they have only a 9-foot channel, and deep-water tankers cannot navigate in 9 feet of water.

All the testimony—that of General Robins and that of Colonel Feringa—and the figures in the record which the Chief of Engineers, General Reybold, used at Corpus Christi, Tex., I believe, about a year ago, show that water transportation is still the cheapest form of transportation for the movement of petroleum products. Of course, in the present time of war we are using every means of transportation at our command to move petroleum products. As the Senate well knows, we have the whole O. P. A. program, including the rationing of gasoline, by which people are denied the full use of their automobiles, and we have the rationing of fuel oil, by which many persons have been forced to go to the additional trouble and expense of taking oil heaters out of their homes, and substituting for them coal-burning or other types of heaters. The situation has been so acute in connection with the shortage of petroleum products and the relatively small supply of such products as compared with the need for them, that pipe lines have been used for the movement of petroleum products. In fact, today in China petro-

leum products are moved by air. All the gasoline and oil going to China for American and Chinese airplanes goes over the India hump by airplane, because it cannot be moved into China by railroad or waterway or road. Petroleum products can only be moved to China by means of air transportation, so today we are paying the tremendous cost of transportation of those products to China by air.

In the same way, because of the compulsion of the hour, due to the war and the shortage of petroleum products, we are using railroads, pipe lines, and all other means of transportation for the movement of petroleum products. But the determining factor is that petroleum products still can be moved more cheaply by waterway than they can by pipe line or by any other means of transportation which provides any sort of competition with transportation by means of the inland waterways. Of course, when the war is over the economics of the situation will cause us to continue to move just as much petroleum as possible on the waterways, because inland waterway transportation is the cheapest system of transportation for the movement of petroleum products.

If the reduction in the freight rates or the construction of pipe lines had resulted in providing a cheaper means of transportation for petroleum products than transportation by waterway, there might be some validity to the argument made about the pipe lines and the reduced freight rates; but all the evidence shows that the waterways move petroleum products cheaper than they can be moved by any other means of transportation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. VANDENBERG. The Senator entirely misses the point I have been making. The point is that in the report it is stated that this project will result in a saving in transportation costs of $2,158,000. That is the figure for the difference between the cost of water transportation and the cost of railroad transportation. I am pointing out to the Senator that since the report was made, first the railroad rates have been reduced, and therefore that differential is lessened, and, second, the pipe lines have been built. Certainly transportation by pipe line is cheaper than transportation by railroad, and therefore that differential has been reduced.

As a result, the figure of $2,158,000 is obviously out of line with the up-to-date facts. Colonel Feringa frankly admitted that, and said that the only way by which we can ascertain the correct figure as of today is to have a new report. That is the only point I am making.

Mr. HILL. I sharply disagree with my friend, Mr. President. Colonel Feringa did not say we should have a new report. He said that if it is desired to get the picture as of today, we must have a new report.

Mr. VANDENBERG. That is what I said.

Mr. HILL. No, Mr. President; the Senator said Colonel Feringa said we had to have a new report.

Mr. VANDENBERG. Colonel Feringa said it will be necessary to have a new report if we are to obtain the correct figure.

Mr. HILL. Mr. President, let me say to the Senator that last week the Senate passed a great flood-control bill providing for many different projects. There are many different projects in the pending river and harbor bill. If we wish to get the figures on all the different projects entirely down to date, as of today, we must send every one of them back to the committee for further study. In that way we would obtain new figures on the projects. Of course, many of the reports—just like the report on the Tennessee-Tombigbee project—were made a year, 2 years, or 3 years ago. Certainly the figures and the facts were gathered many months ago.

Mr. VANDENBERG. Yes, Mr. President; but the distinguished junior Senator from Alabama well knows that the difference is that on the basis of the report as it stands, and as identified in the pending bill, the project was one to which the Senate disagreed by a large majority.

Mr. HILL. Of course. But when the Senator injects the point that the Senate disagreed by a large majority——

Mr. VANDENBERG. It must have had a reason for doing so.

Mr. HILL. It did, and in a few minutes I will state what I think that reason was. But I do not wish to turn to that point just now.

Mr. VANDENBERG. Very well.

Mr. HILL. Mr. President, I now read what General Robins said about the transportation of petroleum:

> The pipe lines have been in existence for years. There have been more of them built in the last 2 or 3 years and the oil is still moving on the waterways. The pipe lines now extend to the Birmingham area and the oil is still moving on the Warrior River.

I was there this summer. I saw the oil barges going up and down the Warrior River, of course because that is the cheapest means of transportation.

The question today is not what is the cheapest means of transportation. The question today is what means can be used, what means are available. If barges are available, we use them. If we are unable to obtain barges, we use pipe lines, and, if need be, we use railroad tank cars, even though their use costs nearly three times as much as does the use of the waterways.

I read further from the testimony of General Robins:

> But for the sake of argument let us suppose that oil is off the waterway and I will deduct the saving for that, leaving $1,065,000.

The tonnage of petroleum carried was the biggest factor in that connection.

I read further from the testimony:

> Since the tonnage which produces that saving of $1,065,000 was estimated, traffic on inland waterways has more than doubled.

In fact, Mr. President, according to figures given in other parts of the report, traffic on the inland waterways has not only doubled but it has increased by three and one-half or four times.

Mr. VANDENBERG. So has traffic by every other form of transportation.

Mr. HILL. But General Robins is the kind of man I have pictured him to be. He is conservative. He did not say, as he might well have said, that the traffic had increased three and one-half or four times, even though the facts would sustain him in making that statement. He was very conservative, cautious, and careful. He said it had more than doubled. It certainly has, because the increase amounts to almost four times as much, rather than two times as much.

Then General Robins said:

> So the saving of $1,065,000 should be doubled to meet the conditions as they are today, so without considering petroleum products—

In other words, let us throw them out the window—

> you get back to about the same tangible saving given in the report for shippers over the Tombigbee waterway itself.

In other words, Mr. President, we could disregard all the savings made in the transportation of petroleum products by waterway. Everyone with any common sense knows there is no basis or justification for disregarding those savings, because as long as it costs 8.3 mills a ton-mile to move petroleum products by railroad, between 3 mills and 3.3 mills a ton-mile to move them by pipe line, and from 1.5 to 2.5 mills to move them by means of the waterways, in normal times the waterways, of course, will be used for such traffic. If the pipe lines could move petroleum products cheaper than could the waterways, the Senator might have some basis for his argument. But so long as the evidence shows that the cheapest and most economical method of moving petroleum products is by use of the waterways, there can be no basis for his argument.

Mr. President, this project has been proposed in the form of a committee amendment. It is not offered by the Senator from Mississippi, my colleague the senior Senator from Alabama [Mr. BANKHEAD], or by myself. It was reported by the Senate Committee on Commerce by a vote of 11 to 2. It is now before us with the support of Members of the Senate representing all the different sections and interests of the United States. It is before us not because of any local or any sectional pressure, but because 11 members of the committee, representing all the different sections and areas of the country, have weighed the project in the balance in the terms of its benefits to the entire Nation and to the economy of the entire country. They recommended to the Senate that the amendment be agreed to, and that the project be approved. They have also recommended that the missing link in that great inland waterway system be completed so that shippers will be afforded a means by which they may avoid the heavy upstream movement which results in additional costs of transportation.

Mr. President, the more we study the project the better we realize the specific benefits which will inure to approximately 34 States. The more the project

is considered, the more one becomes fascinated by it. In my opinion there could be but one reason for not approving the project. Some Senators may be thinking of it in terms of the economy and the transportation of our country as they existed in the early 1930's; but if we have any faith in America, and in the maintenance of a stable, sound, and healthy economy, we must conclude that the project is not only justified but that it is necessary for the movement of the commerce, trade, and traffic of the country. It has been approved by the special Board of Engineers, by the Board of Review, by the Deputy Chief of Army Engineers, by the Committee on Rivers and Harbors of the House of Representatives, and has been presented to the Senate with a favorable recommendation of the Senate Committee on Commerce.

Mr. President, I do not desire to delay the Senate longer except to say that the vote on the project was taken nearly 5 years ago. It was taken in March or April of 1940. Conditions then, of course, were entirely different from what they are now. At that time there was no navigation on the Tennessee River because the present great dams had not yet been built on the river, and we did not have the present 9-foot channel. The construction of the proposed waterway at that time would have led into a dead-end street. Not having carefully studied the project, the Tennessee Valley Authority had doubts about the wisdom of constructing it, and opposed it. Today the Tennessee Valley Authority has considered the project, and knowing what its benefits would be not only to the Tennessee River but to the entire inland waterway system, it approves the project, and asks that the Congress approve it.

Back in 1940 a part of the Intracoastal Waterway between New Orleans and Mobile had not been constructed as it exists today. It was an important link in the entire chain of waterways, and greatly affected the feasibility and economy of the Tombigbee-Tennessee project.

Today the Tennessee Valley Authority strongly favors the project and, as I have already said, the Senate Commerce Committee, after a thorough and painstaking consideration of the subject, has reported it to the Senate with a favorable recommendation.

Mr. EASTLAND. Mr. President, it is not my purpose to take the time of the Senate to rehash the arguments which have been made in favor of the amendment. The arguments have been ably presented by other Senators, and there are only a few features of the controversy which I shall discuss very briefly. I know the Senate is about ready to vote on the question.

I desire to add a memorandum to the list of agencies and distinguished Americans who have approved the amendment. The list was ordered to be printed in the RECORD as requested by the distinguished Senator from Alabama. The memorandum is from the White House. It reads as follows:

THE WHITE HOUSE,
Washington, April 24, 1939.

MEMORANDUM FOR THE SECRETARY OF WAR:

I approve this survey report for a waterway connecting the Tombigbee and Tennessee Rivers.

The report of the Army engineers and the reports of the Tennessee Valley Authority and the National Resources Committee should also be forwarded to the congressional committee.

I take it that no water power is involved. If any is involved, please get also a report from the Federal Power Commission and send it to the Congress.

F. D. R.

Mr. President, what I have just read shows that if the proposed amendment were agreed to by the Senate and accepted by the House of Representatives, the President would not veto the bill because of the incorporation of the amendment therein.

It has been argued that this project would be of special benefit to the States of Mississippi and Alabama. Of course, it would add to the development of those States, but the Ohio Valley, the industrial cities of Cincinnati, Pittsburgh, and the industrial areas in those sections, would benefit far more from the construction of the canal than would the States through which it would flow.

The United States engineers figure that 70 percent of the entire upstream traffic on the Mississippi is destined for ports on the Ohio River, that every single pound of that tonnage could use this canal and be delivered to ports on the Ohio River at a substantial saving, which is estimated, under an old engineering report, at $2,405 for a tow of eight barges, but which I submit, and shall show in a moment, is based on an upstream charge in the Mississippi River which does not exist in the lower Mississippi today.

In 1938 there were 8,528,000 tons of products which went upstream in the Ohio River. Today there are roughly 15,800,000 tons of upstream products delivered by boat on that river. Most of those products, in fact, practically all, have come up the Mississippi River, and that traffic which would be diverted to the proposed canal, and delivered at a tremendous saving to industries in the Ohio Valley were the canal constructed.

In 1938 the city of Pittsburgh received 3,092,000 tons of upstream traffic on the Ohio River. In 1942 that had increased to 6,500,000 tons. The city of Cincinnati, Ohio, in 1942 received 3,671,000 tons of upriver traffic. The city of Evansville, Ind., received 167,000 tons of upriver traffic on the Ohio River in 1942, practically all of which had come upstream in the Mississippi River, the traffic consisting chiefly of steel products and fuel oil for war industries in that area. The United States engineers state that that traffic would be diverted up the Tombigbee Canal, and would be delivered to those cities at a substantial saving, a part of which would be reflected to the consumers in the area.

Mr. President, I know that one great oil company, the Standard Oil Co. of Ohio, delivered by barge up the Mississippi and up the Ohio Rivers practically all the crude oil for its refineries in the State of Ohio, and that commodity would move up the canal by way of the Tombigbee much cheaper, and at a saving to the people of the State of Ohio.

The argument has been made, based upon a survey by the United States engineers filed in February 1939 that the current in the Mississippi River is 2½ miles an hour and the estimates of the cost of upstream traffic are based upon that old engineering survey, with that old current figure of 2½ miles an hour. Strange things have been happening in the Father of Waters in the past few years. The United States engineers have cut out of the Mississippi River below the mouth of the Arkansas River, roughly, 10 great curves. Above the Arkansas River, and to Memphis, they have cut 3 bends out of the river, reducing the length of the Mississippi River by 170 miles, and at the same time, while reducing its length, the velocity of the current has increased from 10 to 12 feet a second, or, roughly, 5 to 6 miles an hour.

Conditions have become such that at the period of normal high water, which at one time was considered good steamboat water, the powerful towboats could not push the average tow through the cut-offs. Our Government has had to station boats at the cut-offs to assist in pushing the tow through the cut-offs.

Furthermore, Mr. President, it has not been possible to propel through the cut-offs and against the current for several miles below the cut-offs a normal tow of eight barges, but the shippers have been forced to tie up half or one-third of the load, push one-third of it miles up the river through the cut-off, get above it and tie up, go back down the river and get another part of the tow, push it miles up the river, and then go back and get another part of the tow and push it miles up the river, before they could proceed with the full tow, and then push the full tow up to the next cut-off; all of which in the past few years, roughly, since this engineering report was filed, has greatly increased the cost of operation of those barges on the Mississippi River.

What else has been approved? At New Madrid, Mo., opposite the Kentucky-Tennessee State line, there is a great bend over 20 miles in length, and it is the purpose to cut a canal across that bend, as the engineers have done in numerous other instances. United States engineers figure that when that canal is put through, when that cut-off becomes operative, and for miles below it, the current in the river will be increased to 10 or 12 miles an hour. It will be so swift that it will be difficult, at an average time, when the water of the river is up, for boats to navigate through that stretch of water.

So, Mr. President, I say that it is absolutely essential to upstream traffic, in getting products from the lower valley to the upper valley and into the Ohio and into the Missouri River Basins, that this slack-water route be constructed, and I say it as one who lives very close to the Mississippi River south of the city of Memphis.

When this canal is constructed it will result in a tremendous saving. Much has been said to the effect that a sum was allocated by the Corps of Engineers for projects which would aid in the defense of the country. If the Mississippi River were blocked, as the junior Senator from Alabama [Mr. HILL] stated, if an enemy should control it and block it, it would be disastrous to our war industries located in the Ohio River Basin, and it would be just as disastrous if that river

were blocked by high water. One who lives on the river knows that the high water lasts, not for a period of days, but for a period of weeks or a period of months, and it would be disastrous to our war industries if the fuel oils for industrial plants, and if steel products, did not reach the war industries along the great reaches of the Ohio River on time. That is a condition which is absolutely certain to come about, it is occurring today, and it will be much more dangerous as more bends are cut in the river, as the New Madrid bend is constructed, and as the river is shortened according to the present plan.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 17, lines 6 to 9.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	O'Mahoney
Austin	Gerry	Overton
Ball	Green	Radcliffe
Bankhead	Guffey	Revercomb
Bilbo	Gurney	Reynolds
Brooks	Hall	Russell
Buck	Hatch	Shipstead
Burton	Hayden	Stewart
Bushfield	Hill	Taft
Butler	Holman	Thomas, Okla.
Byrd	Jenner	Tunnell
Capper	Johnson, Colo.	Tydings
Caraway	Kilgore	Vandenberg
Chandler	La Follette	Wagner
Clark, Mo.	Langer	Wallgren
Connally	Lucas	Walsh, Mass.
Cordon	McFarland	Weeks
Danaher	McKellar	Wheeler
Davis	Maloney	Wherry
Downey	Maybank	White
Eastland	Mead	Wiley
Ellender	Millikin	Willis
Ferguson	Murray	

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. OVERTON. Mr. President, I believe we are about to approach a vote on this amendment. I desire to make a very few brief comments in respect to it. The correctness of the recommendation of the Tennessee-Tombigbee project by the Committee on Commerce has been challenged in debate, and I wish briefly to give to the Senate the reasons why the Senate Committee on Commerce voted a recommendation. I believe that everything of importance that can be said either for or against the project has already been said in the debate.

The main argument against the favorable report by the Committee on Commerce is the statement made by General Schley in submitting the project to Congress in the report which he made in 1939. It is said that General Schley did not follow the recommendations of the Board of Engineers for Rivers and Harbors in respect to certain benefits which the Board of Engineers had considered and evaluated. That is true in part. However, General Schley did not strike those items from the report. He submitted the report with the items. Had he been unquestionably opposed to the inclusion of the items in the report, he could have in his own report entirely omitted them. He did not do so. He refers to them as being what he describes as intangible benefits. These criticized items are $100,000 for recreation; $275,000 for land value enhancement; and $600,000 for national defense; aggregating $975,000.

The debate has assumed that that is all that General Schley referred to; but when General Schley referred to intangible and indirect benefits he had in mind a number, at least, other benefits. I think it would clarify the subject if I were to read just what General Schley did say on that subject. General Schley stated:

> I have no doubt that benefits of value to national defense, from enhancement of land values, and from increased use of recreational areas will be produced. Furthermore, provision of a direct water route to the Gulf of Mexico from the Tennessee Valley may hasten the development in that valley resulting from the navigation project and the electric power system now being constructed there by the Federal Government. The large amount of construction involved in this connecting waterway to the Gulf would provide substantial direct employment over a period of 8 years and large orders to cement and steel mills and to the lumber industry.

The statement immediately preceding the intangible item makes no reference to national defense, to enhancement of land value, or to recreation. When he speaks about large orders to cement and steel mills and to the lumber industry, and when he speaks about the large amount of construction involved, and about the general benefits which would flow from the distribution of electric power from the system in the valley, these may be regarded as intangible or indirect benefits.

After making these comments, he says:

> All these intangible or indirect benefits must be considered in addition to the direct savings in transportation costs in order that this project will show a substantial excess of benefits over costs.

I take it that he was referring, in all probability, to all of the special benefits to which I have just referred; but I believe that the intangible benefits which he mentioned in the latter part of his comments were uppermost in his mind.

Not only does General Schley not strike these items from the report, but he submits them to the superior judgment of the Congress of the United States.

I am one of those who believe that there should be an approving report from the Chief of Engineers before a committee acts upon a project. I do not consider the recommendations of the Chief of Engineers in this case to be a disapproving report. He mentions the various benefits which may result—navigation, land-value enhancement, recreation, and national defense—and also the distribution of large orders to cement and steel mills, and to the lumber industry; but he winds up by submitting the whole question to the Congress of the United States. That is not, I submit, an unfavorable report.

Mr. President, I do not believe it would be very seriously contended today that we can never consider land-value enhancement as a factor in determining whether or not a project is economically sound. That may have been true back in 1939. There may have been some reason then why the engineers would not consider enhancement of land values; but, as a matter of fact, in quite a number of reports today, enhancement of land values is set down as a factor in determining the economic soundness of a project. I know that that has been done in connection with quite a number of flood-control projects, and also in connection with one navigation project which has been recommended in my own State of Louisiana. I do not know that it is entirely proper to throw out consideration of the value of an inland navigation project or a harbor project as a contribution to our national defense. I believe that national defense ought to be considered in determining whether or not Congress will approve such a project. I believe that the improvement of such great harbors as those at New York, Boston, and other points adds materially to our national defense. I believe that there are instances where such a factor should be considered.

I believe that in many instances the improvement of the Mississippi River can be regarded as a valuable contribution to national defense. What was in the mind of the Chief of Engineers was that it was difficult to appraise with mathematical accuracy what those benefits are. Therefore, he submitted the matter to the judgment of Congress.

Furthermore, I entertain the view that the committee recommended this project because the testimony overwhelmingly showed that it is today economically sound, judged on the sole basis of navigation benefits.

The testimony of Colonel Feringa and the testimony of General Robins, representing the Army Corps of Engineers, as well as the testimony of a number of witnesses familiar with the situation in the valleys, all shows that the potential transportation since this report was submitted in 1939 has materially increased. It was specifically stated by General Robins—and I invite the attention of the Senator from Michigan to his statement—that after taking into consideration all deductions which might possibly be made on account of the construction of pipe lines and on account of the reduced freight rates, nevertheless today the net sum total of benefits is $4,000,000 a year, as against a carrying charge of $3,600,000, and that the project is wholly justified. That was the statement of the Deputy Chief of Engineers. It is not contradicted by the Chief of Engineers; it is not contradicted by any engineer. I contend that the sum total of the testimony shows that on the ground of the benefits resulting to navigation alone, this project has been justified as of today. It stands justified on the basis of the testimony before the committee. I think it should stand justified in the appraisement and opinion of the Senate of the United States.

It has been said that General Reybold, the present Chief of Engineers, has not submitted another report which would either explain General Schley's original report or would endorse General Schley's original report or would depart from it. That is quite true. I think the present Chief of Engineers is correct in taking that position. I do not think the Chief

of Engineers should submit a report contradicting what the former Chief of Engineers has done or contradicting what he himself has done, until he is directed by the Congress to make a further review or a further examination and survey and to report to the Congress the facts which are disclosed by his subordinates with respect to the project. It should go through the usual official sources before it reaches the Chief of Engineers and before he makes a report thereon.

But he does not appear in contradiction of the testimony of General Robins and Colonel Feringa and others that the project is economically justified today on account of the benefits which will result from the use of it purely as a navigation project.

As I said awhile ago, we have gone beyond the mere thought of flood control in flood-control projects, and the benefits which will result solely to navigation in navigation projects. We have gone into the matter of power projects, and the benefits which will result from power production are figured and reported on by the engineers in respect to the projects which are capable of generating power. Projects which are capable of being used in part for irrigation are considered from the standpoint of the benefits which will result from irrigation, and a value is placed upon them. Such values are not placed with any mathematical accuracy, just as it is impossible to place with mathematical accuracy a value upon land enhancement. But they are considered today in reports made by the Chief of Engineers, and I see no reason why these other factors cannot within the judgment of the Congress be considered with reference to this particular project.

Mr. President, I think I have said all I wished to say on the subject. The committee was very patient in listening to the testimony of all those who were either for or against the project. I think the committee weighed and appraised that testimony. The committee came to the conclusion, by an overwhelming majority, that the project was economically sound and justified from the standpoint of navigation alone, without taking into consideration the other factors to which I have referred.

Therefore, Mr. President, I hope the vote of the Senate will sustain the action of the committee.

Mr. VANDENBERG. Mr. President, I shall detain the Senate only a moment.

The proponents of this project have spoken for the better part of a day on this subject. I wish only to sum up the presentation of my position, and I think I can do so in 5 minutes.

Mr. President, this project is identified in the bill, on page 17, as resting on the report submitted in House Document 269 of the Seventy-sixth Congress. That is the official project before the Senate.

The report of the engineers, as identified in this document, is one which everyone connected with this project has tried to forget, and which everyone endorsing it would like to subordinate in the consideration of this matter because, as I think I clearly indicated on the previous day of debate, so far as this document is concerned, this basis upon which the Senate officially acts, there is absolutely no justification whatever for this $75,000,000 appropriation.

Mr. President, it is a $75,000,000 appropriation on the basis of 1939 estimates, because the report itself is that ancient. I suppose it represents a project of $100,000,000 as of today.

Be that as it may, I say, first, that the thing which officially the Senate is asked to approve is the project as outlined in House Document 269, which has once previously been rejected by the Senate by an overwhelming vote, and which even in this debate has been a matter of little more than abject apology.

But, the proponents say, many things have happened since the report was made, and our judgment should be based upon the things which have happened since then. That is the point at which the difference arises. I agree that many things have happened since then. I agree that there is substantially increased war traffic on these waterways, and that on the basis of war traffic unquestionably a report today would show substantially increased economic benefits.

I agree, secondly, although the proponents have forgotten to say very much about it, that they have another credit on their side, namely, that the Tennessee Valley Authority has withdrawn the opposition which it heretofore expressed to the project. Those are the changes in favor of the project.

Against the report as originally presented, however, there are other changes to be urged in the other direction. For instance, railroad freight rates in this area have been cut in two since the original report was made; and Colonel Feringa, speaking for the Board of Engineers for Rivers and Harbors, specifically said, at page 398 of the hearings, that if a new report were made, that factor would be taken into consideration. Furthermore, since the report was made, two pipe lines have been built into the area for the delivery of petroleum products. This project rests 52 percent upon the petroleum traffic. No estimate is available regarding what will be the impact of the pipe line upon that traffic. At the hearing, Colonel Feringa, speaking for the Board of Engineers for Rivers and Harbors, before I asked my question upon that score, said that if a new report were made this factor would be taken into consideration.

Mr. President, the point I submit to the Senate is that, on the basis of the project as officially reported, there can be no possibility of its justification, and I believe very little effort has been made to justify it on the basis of the original report. Everything that has been pleaded in behalf of the project has taken place since the report was made. Conditions have changed pro and con since the report was made.

Under the terms of the bill the project would not be undertaken until 6 months after the termination of the present wars in which the United States is engaged. Senators can estimate for themselves when all the wars in which we are now engaged will be terminated. They can then add 6 months to their estimate in establishing a time when the authority in the pending proposal would become effective. I submit that well within that period, before the project could ever become effective, it would be entirely possible to order a new report, and obtain one. If the new report justified the project in the name of the Chief of Engineers of the War Department, I would withdraw my opposition. But until that takes place, Mr. President, I shall have to say to the country, and to my colleagues, precisely what the Chief of Engineers said to the chairman of the Senate Commerce Committee, the Senator from North Carolina [Mr. BAILEY], when he asked the Chief of Engineers for a new report upon this matter. The Chief of Engineers replied:

> You are informed that, in the absence of a full review and reconsideration of this proposed project, I do not feel justified in making a statement supplementing the report of House Document No. 269.

I paraphrase the language of the Chief of Engineers, Mr. President, and say to my colleagues that they are now informed that in the absence of a full review and reconsideration of the proposed project I do not feel justified in voting an authorization of $75,000,000 or $100,000,000 in respect to this undertaking.

I invite the attention of Senators to the statement made by the Senator from North Carolina, chairman of the Committee on Commerce, appearing at page 508 of the hearings. The Senator from North Carolina said:

> Suppose we should at this time from the report of the Chief of Engineers and by testimony taken in a hearing, make up our minds independently of that report, or make up our minds that we can pass upon all transactions of this sort. Then we shall be confronted with a precedent because every Member of the Congress on each side of the Chamber will come in here and demand that we conduct a hearing and act as a board of engineers and I doubt that we are capable of doing it.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BANKHEAD. Inasmuch as the Senator from Michigan is quoting the able Senator from North Carolina, I should like to ask the Senator from Michigan if it is not true that the Senator from North Carolina voted for the project, and is in favor of it.

Mr. VANDENBERG. The able Senator from North Carolina voted for the project in the committee. Whether or not he is satisfied with his attitude, I leave to him to testify.

Mr. President, that is all I have to say. I am perfectly willing to submit the matter to the Senate, and I ask for the yeas and nays.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. STEWART. Did I correctly understand the Senator to say that one of the reasons which might be argued against the project now was that someone testified that during the past 5 years there had been a reduction in freight rates in the area affected?

Mr. VANDENBERG. The Senator is correct. That was the testimony of the Board of Engineers.

Mr. STEWART. Is it from the testimony of the Board of Engineers that that information was taken?

Mr. VANDENBERG. I will read the specific quotation to the Senator:

Senator VANDENBERG. And is it not also a fact that at some time in 1940 the Interstate Commerce Commission authorized the reduction of freight rates on petroleum in that area amounting to $1.06 a ton?

Colonel FERINGA. I think you are absolutely correct, sir.

Mr. STEWART. But the reduction was on petroleum alone?

Mr. VANDENBERG. That is correct.

Mr. STEWART. I misunderstood the Senator.

Mr. VANDENBERG. I had referred to the fact that 52 percent of the traffic depended on the transportation of petroleum products.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, which will be stated.

The CHIEF CLERK. On page 17, after line 5, it is proposed to insert the following:

Waterway connecting the Tombigbee and Tennessee Rivers; in accordance with the recommendation of the Board of Engineers for Rivers and Harbors in the report submitted in House Document No. 269, Seventy-sixth Congress.

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. WAGNER (when his name was called). I have a general pair with the junior Senator from Kansas [Mr. REED], who I understand if present would vote as I am about to vote, so I am at liberty to vote. I vote "nay." I am advised that the Senator from Kansas has a special pair on this vote.

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Arkansas [Mr. MCCLELLAN] are absent from the Senate because of illness. I am advised that if present and voting, the Senator from Arkansas would vote "yea."

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. PEPPER] is absent on important public business. I am advised that if present and voting, he would vote "yea."

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], and the Senator from New Jersey [Mr. WALSH] are necessarily absent.

The Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

On this question, the Senior Senator from Florida [Mr. ANDREWS] is paired with the Senator from Kansas [Mr. REED]. I am advised that if present and voting, the Senator from Florida would vote "yea," and the Senator from Kansas would vote "nay."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. He has a general pair with the Senator from Utah [Mr. THOMAS].

The following Senators are necessarily absent:

The Senator from Maine [Mr. BREWSTER], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON].

The Senator from Kansas [Mr. REED] is necessarily absent. If present he would vote "nay."

The result was announced—yeas 31, nays 37, as follows:

YEAS—31

Aiken	Hall	Overton
Bankhead	Hatch	Radcliffe
Bilbo	Hayden	Reynolds
Caraway	Hill	Russell
Clark, Mo.	Holman	Shipstead
Connally	La Follette	Thomas, Okla.
Cordon	Langer	Tunnell
Downey	McFarland	Wallgren
Eastland	Maybank	Wheeler
Ellender	Murray	
Guffey	O'Mahoney	

NAYS—37

Austin	George	Stewart
Ball	Gerry	Taft
Brooks	Green	Tydings
Buck	Gurney	Vandenberg
Burton	Jenner	Wagner
Bushfield	Johnson, Colo.	Walsh, Mass.
Butler	Kilgore	Weeks
Byrd	Lucas	Wherry
Capper	McKellar	White
Chandler	Maloney	Wiley
Danaher	Mead	Willis
Davis	Millikin	
Ferguson	Revercomb	

NOT VOTING—27

Andrews	Hawkes	Reed
Bailey	Johnson, Calif.	Robertson
Barkley	McCarran	Scrugham
Brewster	McClellan	Thomas, Idaho
Bridges	Moore	Thomas, Utah
Chavez	Murdock	Tobey
Clark, Idaho	Nye	Truman
Gillette	O'Daniel	Walsh, N. J.
Glass	Pepper	Wilson

So the amendment of the committee was rejected.

DISPOSAL OF GOVERMENT-OWNED FLASHLIGHT BATTERIES

Mr. MEAD. Mr. President, on November 22 the Special Committee to Investigate the National Defense Program held a hearing on the disposal of 23,000,000 new flashlight batteries. These batteries, declared surplus by the Army Signal Corps, were suitable for civilian use. There is a very serious shortage of such batteries for commercial sale.

The Army Signal Corps had sought to keep secret the fact that such a large quantity of batteries was being released because other types of batteries were in serious shortage and they feared publicity concerning the sale of batteries would lead battery workers to believe that their efforts were no longer needed. The Army Signal Corps, therefore, requested Treasury Procurement to dispose of the batteries at a private sale. Treasury Procurement agreed to this request. On Saturday, November 4, a circular was issued by Treasury Procurement offering these batteries to the trade at 4 cents each. They had cost the Government an average of 7⅒ cents each. The Treasury Procurement's price of 4 cents to the wholesalers contemplated that the retailers would pay 6 cents per battery and resell them to the public at 10 cents.

Within a very few days, Treasury Procurement's offer of sale was oversubscribed. One tabulation showed offers to purchose from 40,000,000 to 60,000,000 batteries.

The Office of Price Administration objected to the sales price of 10 cents on the basis of an order which, as interpreted by the Office of Price Administration, would permit a retail price ceiling of 8 cents per battery. The sale was stopped.

Following the committee's hearing, an agreement between the Office of Price Administration and Treasury Procurement resulted in the establishment of a wholesale price of 5½ cents per battery and a more equitable distribution among those needing such batteries.

In addition the War Department and Treasury Procurement ruled that henceforth all disposal sales are to have complete publicity. All agencies agreed to achieve closer cooperation and coordination as to future disposal sales in order to eliminate controversies over price or the groups to whom surplus properties would be offered through circularization or advertisement.

This case was of importance because it resulted in the establishment of certain fundamental policies and the elimination of certain deficiencies in coordination. The dollar savings of such improvements are impossible to assess. However, it is possible to state with certainty that the corrected condition, which in large measure resulted from the committee's investigation on the disposal of these 23,000,000 batteries, alone represents a saving to the taxpayers of $368,000. In addition, the investigation has demonstrated that the fears on the part of the Signal Corps were unfounded regarding the effect of the sale upon the morale of workers. Full public disclosure of the facts aids morale. Concealment destroys it.

In conclusion, I want to compliment Mr. Ernest L. Olrich, former Director of the Office of Surplus Property of the Treasury Department. Mr. Olrich moved properly and efficiently to correct the conditions I have described. He was completely forthright in his testimony before the committee in freely stating that a mistake had been made by his office in his absence, and that he was most anxious that the mistake be corrected.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its

reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2004) to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942, and it was signed by the Acting President pro tempore.

CONDITIONS IN THE NEW YORK CITY POST OFFICE

Mr. MEAD. Mr. President, I am about to ask to have published in the RECORD as part of my remarks a letter I have received from the Postmaster of the city of New York. It brings to the mind of the reader the progress that is being made in the Post Office Service, the refinement and the efficiency of the Service. In the letter the postmaster of New York makes this statement:

The task of handling the Christmas parcels for members of the armed forces overseas addressed "Care of Postmaster, New York, N. Y.," was completed on November 15, and in view of the fact that it was one of the greatest that has confronted the Postal Service, I believe you would want me to bring the particulars to your attention.

During the period September 15 to November 15, 1944, inclusive, this office turned over to the New York Port of Embarkation Army Post Office 2,770,927 sacks containing 44,334,832 ordinary parcels; also 4,262,000 parcels on which first-class postage was paid, and 88,570 registered parcels, a total of 48,685,402 parcels.

The fact that 3,555 carloads of sacks of parcels were unloaded in the Postal Concentration Center Building during the period may also be of interest.

Mr. President, there is also in this communication a memorandum stating the duties and the responsibilities of the postmaster of the city of New York. He, like the postmaster of any other big city in the United States, is a very responsible officer. The memorandum tells of his jurisdiction. He is not only the postmaster of the city but he is the head of the central accounting office for that area. He has jurisdiction over the post office units, and for 655 third and 883 fourth-class offices in New York State.

He is the head of the central repair unit of the motor vehicle service, which serves 129 post offices.

He is the custodian of 24 Government-owned buildings.

He is the disbursing officer for all the employees of the New York post office, Railway Mail Service, and the rural carriers of the State.

He is chairman of the regional deferment committee of Government employees.

He is chairman of the Committee on Suggestions and Experiments for the Postal Service covering the State of New York.

He is a member of the advisory committee, Federal Personnel Council, of the metropolitan area.

Mr. President, I should like to have the letter and memorandum made a part of my remarks and printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER,
New York, N. Y., November 28, 1944.

Hon. JAMES M. MEAD,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MEAD: The task of handling the Christmas parcels for members of the armed forces overseas addressed "Care of Postmaster, New York, N. Y.", was completed on November 15, and in view of the fact that it was one of the greatest that has confronted the Postal Service, I believe you would want me to bring the particulars to your attention.

During the period September 15 to November 15, 1944, inclusive, this office turned over to the New York Port of Embarkation Army Post Office 2,770,927 sacks containing 44,334,832 ordinary parcels; also 4,262,000 parcels on which first-class postage was paid, and 88,570 registered articles, a total of 48,685,402 parcels.

The fact that 3,555 carloads of sacks of parcels were unloaded in the Postal Concentration Center Building during the period may also be of interest.

During the corresponding period in 1943, the number of parcels dispatched was 11,553,420, so it will be noted that this year the volume was more than 4 times as great.

The successful completion of this stupendous mail-handling job was due in great measure to fine cooperation and assistance received from the Army, Fleet Post Office, department officials, post-office inspectors, Railway Mail Service, the railroad, postmasters, and postal employees.

In addition to the Christmas parcels, this office received and distributed a daily average, based on statistics covering the month of October 1944, of 941,000 ordinary letters; 1,784,000 air-mail letters; 341,000 V-mail letters. Ordinarily, 1,000,000 newspapers and other prints for the members of the armed forces are also distributed daily.

A memorandum describing the scope of duties of the postmaster at New York, N. Y., as well as a memorandum of business transacted at the New York post office, are also enclosed.

With kindest regards and best wishes, I am,

Sincerely yours,

ALBERT GOLDMAN,
Postmaster.

MEMORANDUM

1. Postmaster, New York, N. Y.: Jurisdiction over all postal activities in New York and Bronx Counties. This includes the main post office, four large annexes, viz: Morgan Annex, through which is cleared the bulk of foreign mails originating in the United States; Grand Central Annex, Church Street Annex, and Bronx Central Annex; 43 other classified stations; 25 finance stations; and 90 contract stations; also the Pelham, N. Y., branch in Westchester County, and the postal concentration center in Queens County where parcels and prints for members of the armed forces overseas are distributed.

The motor-vehicle service, operating two large garages, with overhauling and repair units, required to house and maintain a local fleet with more than 500 motor trucks, plus the periodical overhauling of 500 trucks assigned to 129 other post offices in the States of New York and Connecticut.

2. Jurisdiction over 573 Army post offices (A. P. O.'s) outside the United States and 817 money-order units connected with these Army post offices. Also, 3,914 naval post offices on United States naval vessels at points all over the world.

3. Postmaster of central accounting for a total of 1,818 second-, third-, and fourth-class post offices in New York State. Depository for certain first-class offices and all second-, third-, and fourth-class offices in New York State, a total of 1,946 post offices.

4. Postmaster: Jurisdiction over postal supplies for all New York, N. Y., post-office units, and for 655 third- and 883 fourth-class offices in New York State.

5. Postmaster: For the district central supply unit filling requisitions from the Fourth Assistant Postmaster General, Division of Federal Building Operations, for post offices located in Federal buildings in the following States: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virginia, West Virginia.

6. Postmaster of central repair unit of the Motor Vehicle Service which serves 129 post offices—30 of which are in the State of Connecticut and 99 in the State of New York.

7. Custodian of 24 Government-owned Post Office Department buildings, the grounds and their appurtenances, including the direction and supervision of the custodial force assigned for operation and maintenance. The Church Street annex building is a 15-story office building containing 1,005,355 square feet of space; the Morgan Annex contains 1,164,000 square feet; the Main Office Building 1,561,000 square feet. This data provides a graphic picture of the large buildings operated and maintained.

8. Disbursing officer for all employees of the New York post office; the post office inspectors and headquarters force of the New York division; the railway mail service, second division, and rural carriers throughout New York State.

9. Chairman: Regional Deferment Committee, Government employees, region No. 2, which comprises New York, New Jersey, Delaware, the eastern shore of Maryland, Accomac and Northampton Counties, Va.

10. Chairman (for 6 months' period) Committee on Suggestions and Experiments for the Postal Service covering the State of New York. Member of this committee.

11. Member of Advisory Committee: Federal Personnel Council of Metropolitan New York, Committee on Training, 299 Broadway, New York 7, New York.

FISCAL YEAR 1944

Business concerns should deposit mail early and frequently during the day to avoid the night rush.

The New York Post Office—

Has 73 classified stations and 90 contract stations.

Employs 28,618 people.

Receives, delivers, and dispatches 18,500,000 pieces of ordinary mail daily.

Receives, delivers, and dispatches 120,000 pieces of registered mail daily.

Receives and dispatches 100,000 insured and C. O. D. parcel-post packages daily.

Weighs and dispatches 295,000 pounds of newspapers and periodicals daily at pound rates.

Finds $71.79 in money daily enclosed in dead letters.

Receives $31,503.44 annually from sale by auction of undeliverable parcels.

Receives 4,000 removal notices daily.

Handles 100,000 pieces of misdirected mail daily.

Finds owners of 220 unaddressed parcels daily.

Receives 82,000 pieces of mail daily without street address.

Supplies 32,000 pieces of mail daily with correct address from city directory.

Collects $337,367.36 in postage daily.

Issues money orders for $351,935,895.90 annually.

Pays money orders for $300,978,440.39 annually.

Has on deposit in postal savings $92,450,167.

Has 220,929 postal-saving depositors.

Sold United States War Savings bonds, maturity value $66,876,100.00.

Number of purchasers, 928,607.

Postal receipts for year ended June 30, 1944	$103,571,779.99
Postal receipts for year ended June 30, 1943	83,896,230.12
Increase (23.4 percent)	19,675,549.87

Mail deliveries

Manhattan Borough	2 to 3
Bronx Borough	2
Suburban	2

Mail collections

Manhattan Borough	10 to 26
Bronx Borough	6 to 11
Suburban	4

Patrons will ensure prompt handling and delivery of their mail if they include the street and number, as well as the postal-unit number, in the address and their return card.

ALBERT GOLDMAN,
Postmaster.

ST. LAWRENCE RIVER DEVELOPMENT—MEMORANDUM RESPECTING AGREEMENT OF 1941 BETWEEN UNITED STATES AND THE DOMINION OF CANADA

Mr. WAGNER. Mr. President, I ask leave to insert in the RECORD a memorandum brief respecting the approval, by concurrent legislation of the Senate and House of Representatives, of an agreement between the United States and the Dominion of Canada, dated March 19, 1941, with particular reference to the St. Lawrence project bill, S. 1385.

This brief, dated November 11, 1944, was prepared by the Honorable George S. Reed, a leading member of the New York State bar, who has served for 10 years as a trustee and counsel for the Power Authority of the State of New York, a public agency of the State. Over a period of many years, Mr. Reed has been officially concerned with the legal questions involved in the improvement of the Great Lakes-St. Lawrence system. He has studied every phase of the question of procedure by concurrent legislation from the standpoint of a trustee acting on behalf of the State in the conservation and use of power resources of great magnitude in the public interest. I ask that the main discussion of the brief, together with Mr. Reed's conclusions, about 20 typewritten pages in all, and appendices II and III be inserted in the body of the RECORD.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

MEMORANDUM RESPECTING THE APPROVAL, BY CONCURRENT LEGISLATION OF THE SENATE AND HOUSE OF REPRESENTATIVES, OF AN AGREEMENT BETWEEN THE UNITED STATES AND THE DOMINION OF CANADA, DATED MARCH 19, 1941, WITH PARTICULAR REFERENCE TO THE AIKEN BILL (S. 1385)

THE BILL S. 1385

The bill now under consideration provides for the improvement of the Great Lakes-St. Lawrence Basin, and for generating electric energy in the International Rapids section of the St. Lawrence River in accordance with an agreement between the United States and the Dominion of Canada, dated March 19, 1941.

The first paragraph of such bill reads as follows:

"Be it enacted, etc., That for the purpose of promoting interstate and foreign commerce and the national defense, and providing an improved waterway through the Great Lakes, the St. Lawrence River, and connecting waters reaching to the Atlantic Ocean, and for the generating of electric energy as a means of financing, aiding, and assisting such undertaking, the agreement made by and between the Governments of the United States and Canada, published in House Document No. 153, Seventy-seventh Congress, first session, providing for the construction of dams and power works in the International Rapids section of the St. Lawrence River, and the completion of the St. Lawrence deep waterway, is hereby approved; and the President is authorized and empowered to fulfill the undertakings made in said agreement on behalf of the United States, and to delegate any of the powers and duties vested in him by this act to such officers, departments, agents, or agencies of the United States as he may designate or appoint."

THE PROCEDURE

A similar bill was introduced in the House of Representatives in 1941, and hearings were had before the Committee on Rivers and Harbors, during the Seventy-seventh Congress, first session.

A large amount of testimony was offered, and a favorable report made.

During such hearings, the question was raised as to the regularity of the agreement of 1941 and its approval by the Senate and House of Representatives, instead of by a formal treaty between the two Governments.

At the hearing before the Committee on Rivers and Harbors, such objection was overruled. Testimony was given by many witnesses in respect to the regularity of the procedure, and the Department of State, represented by Hon. Adolf A. Berle, Jr., Assistant Secretary of State, attested to the regularity of proceeding by congressional action in the manner proposed. Later, in this memorandum, the testimony of Mr. Berle will be referred to.

Ever since the adoption of the Constitution, executive agreements similar to the agreement of 1941 have been made for the purpose of effectuating understandings between the United States and other nations. It is well understood that in all matters of international concern, the President has undoubted authority under the Constitution to negotiate and that it is not always necessary for the President to enter into a treaty upon "the advice and consent of the Senate," as provided in article II, section 2 of the Federal Constitution, which provides, in part, that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur."

The purpose of the agreement of 1941 is to provide for the construction of further and additional works in the Great Lakes and St. Lawrence River in order to improve navigation and commerce, each government to provide for the installation of generators for hydroelectric power on its side of the boundary line.

The United States and Canada have already expended more than $140,000,000 to improve navigation and commerce on this great waterway. The agreement sought to be ratified is a construction undertaking allocating costs and giving credit to each government for the amounts already expended.

It is necessary to provide means through appropriation on both sides of the border to carry into effect improvements and betterments necessary for the full use and enjoyment of this, the greatest fresh-water system in the world. This appropriation on the United States side must be made by Congress.

Already navigation is possible from the Atlantic through the St. Lawrence and the Great Lakes to the head of Lake Superior. The works have been built and maintained by money appropriated by both governments, and, for the most part, without any direct treaty or agreement. The Welland Canal, between Lake Erie and Lake Ontario, and canals admitting ships having a draft of not over 14 feet in the International Rapids section of the St. Lawrence, have been built by Canada. Great and important works permit navigation through the Detroit River and at Sault Ste. Marie, and the waterway is usable all the way to the Atlantic. But bottlenecks exist which require additional works and deeper canals.

By formal treaty between the two governments, both countries have the full right to navigate all of the Great Lakes, including Lake Michigan and the St. Lawrence River to the Atlantic Ocean. The Treaty of Washington, 1871, declared the St. Lawrence River to the Gulf to be free and open to the commerce of both countries. Both countries also have the right to navigate the Welland and other canals.

On January 11, 1909, there was signed at Washington, what is known as the Boundary Water Treaty, which treaty was ratified by the advice and consent of the Senate on March 3, 1909. Great Britain ratified this treaty on March 31, 1910, and the ratifications were exchanged in Washington on May 5, the same year. The treaty was proclaimed May 13, 1910.

I am of the opinion that the executive agreement of 1941 has the unquestioned sanction of the Boundary Waters Treaty of 1909, which, so long as such treaty is in existence, provides a well-recognized working plan for the settlement of all controversies between the two governments respecting boundary waters, and clearly recognizes the principle of special arrangements and agreements between the two governments relating to the use of such waters, and the ratification thereof by the Congress of the United States and by Parliament.

TREATY OF 1909

Before considering cases in which executive agreements have been effectuated by concurrent congressional legislation, let us consider the treaty of 1909 which so clearly indicates that the high contracting parties intended that, so long as such treaty should remain in effect, the two countries might, by mutual understandings, arrange for the further use and improvement of boundary waters by special agreements.

The fact that this treaty was signed by Elihu Root, Secretary of State, in behalf of the President, gives great weight to the conclusion that the provisions of the treaty were sufficiently definite and broad to achieve its purpose. Secretary of State Root undoubtedly prepared a large portion of the treaty as well as the proclamation.

The whole treaty appears as appendix I, but I wish to call particular attention to certain portions thereof:

"Whereas a treaty between the United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the seas, Emperor of India, to prevent disputes regarding the use of boundary waters and to settle all questions which are now pending between the United States and the Dominion of Canada involving the rights, obligations, or interests of either in relation to the other or to the inhabitants of the other along their common frontier, and to make provision for the adjustment and settlement of all such questions as may hereafter arise, was concluded and signed by their respective

plenipotentiaries at Washington on the 11th day of January 1909, the original of which treaty is word for word as follows:

" 'The United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the seas, Emperor of India, being equally desirous to prevent disputes regarding the use of boundary waters and to settle all questions which are now pending between the United States and the Dominion of Canada involving the rights, obligations, or interests of either in relation to the other or to the inhabitants of the other, along their common frontier and to make provision for the adjustment and settlement of all such questions as may hereafter arise, have resolved to conclude a treaty in furtherance of these ends, and for that purpose have appointed as their respective plenipotentiaries:

" 'The President of the United States of America, Elihu Root, Secretary of State of the United States; and

" 'His Britannic Majesty, the Right Honorable James Bryce, O. M., his Ambassador Extraordinary and Plenipotentiary at Washington;

" 'Who, after having communicated to one another their full powers, found in good and due form, have agreed upon the following articles:

" 'ARTICLE I

" 'The high contracting parties agree that the navigation of all navigable boundary waters shall forever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally, subject, however, to any laws and regulations of either country, within its own territory, not inconsistent with such privilege of free navigation and applying equally and without discrimination to the inhabitants, ships, vessels, and boats of both countries.

" 'It is further agreed that so long as this treaty shall remain in force this same right of navigation shall extend to the waters of Lake Michigan and to all canals connecting boundary waters, and now existing or which may hereafter be constructed on either side of the line. Either of the high contracting parties may adopt rules and regulations governing the use of such canals within its own territory and may charge tolls for the use thereof, but all such rules and regulations, and all tolls charged shall apply alike to the subjects or citizens of the high contracting parties and the ships, vessels, and boats of both of the high contracting parties, and they shall be placed on terms of equality in the use thereof.

" 'ARTICLE III

" 'It is agreed that, in addition to the uses, obstructions, and diversions heretofore permitted or hereafter provided for by special agreement between the parties hereto, no further or other uses or obstructions or diversions, whether temporary or permanent, of boundary waters on either side of the line, affecting the natural level or flow of boundary waters on the other side of the line, shall be made except by authority of the United States or the Dominion of Canada within their respective jurisdictions and with the approval, as hereinafter provided, of a joint commission, to be known as the International Joint Commission.

" 'The foregoing provisions are not intended to limit or interfere with the existing rights of the Government of the United States on the one side and the Government of the Dominion of Canada on the other, to undertake and carry on governmental works in boundary waters for the deepening of channels, the construction of breakwaters, the improvement of harbors, and other governmental works for the benefit of commerce and navigation, provided that such works are wholly on its own side of the line and do not materially affect the level or flow of the boundary waters on the other, nor are such provisions intended to interfere with the ordinary use of such waters for domestic and sanitary purposes.

" 'ARTICLE XIII

" 'In all cases where special agreements between the high contracting parties hereto are referred to in the foregoing articles such agreements are understood and intended to include not only direct agreements between the high contracting parties, but also any mutual arrangement between the United States and the Dominion of Canada expressed by the concurrent or reciprocal legislation on the part of Congress and the Parliament of the Dominion.' "

One cannot read this treaty as an entirety, or the articles above quoted, alone, without reaching the conclusion that it was the intention of the two countries to arrive at a permanent and complete understanding in respect to the adjustment of all problems, present or future, growing out of the use, diversion, development, and navigation of boundary waters without the enactment of any further or other formal treaty.

In order to carry into effect the main purpose of the treaty and guard against any dispute in that regard, the treaty refers to "special agreements between the high contracting parties" and states that "such agreements are understood and intended to include not only direct agreements between the high contracting parties, but also any mutual arrangement between the United States and the Dominion of Canada expressed by concurrent or reciprocal legislation on the part of Congress and the Parliament of the Dominion."

The agreement of March 19, 1941, between Canada and the United States, which is now proposed to be approved by reciprocal legislation of Congress and Parliament, is a simple understanding respecting the construction of works to improve navigation and commerce, and permitting each country, on its side of the boundary, to use the flow of the St. Lawrence at the navigation dam to develop hydroelectric power.

To hold that it is now necessary to enter into a new formal treaty with Canada to provide for the contemplated works is tantamount to weakening present treaty ties with Canada and delaying the consummation of the acts now mutually and in good faith agreed upon.

The instrument of 1941 was negotiated by the United States and Canada as an agreement, pursuant to the treaty of 1909, and is presented for approval as such.

The treaty of 1909 clearly set at rest all questions at issue between the two countries in relation to the use of boundary waters. It prescribes the procedure whereby the United States and Canada, or any Province or State, may make use of boundary waters. If, however, such improvements, uses, or diversions of boundary waters affect the water level or otherwise infringe upon vested rights, an application must be made to the International Joint Commission created under the treaty of 1909, for permission to use water and construct works. The two governments may, however, agree. If the governments cannot agree then any and all controversies are to be submitted to and settled and adjusted by the International Joint Commission as provided in the treaty, and their decision is binding upon both governments.

The agreement of 1941 provides for the improvement of navigation and commerce and for the construction of facilities in these boundary waters, each country to build its own works as stipulated in the agreement. No new policy or principle is involved, which would in any event require a formal treaty, for Congress clearly has the power to regulate commerce and navigation and to appropriate funds for improvements and works on navigable streams.

RATIFICATION BY CONGRESS OF THE AGREEMENT OF MARCH 19, 1941, BY CONCURRENT LEGISLATION IS THE SIMPLEST AND BEST PROCEDURE AND CONSTITUTIONALLY LEGAL

As has already been noted, the greater part of the agreement is devoted to the construction of works for the use and benefit of each nation. It has to do mainly with the internal affairs of each nation. When ratified by Congress, the agreement will become law. Congress for the United States and Parliament for Canada might, quite properly, provide by legislative enactment for the construction of the same works specified in the agreement and each build the works on its side of the boundary line. But a mutual understanding is necessary in respect to the location of the works, their common design, the height of the navigation dam, and other common matters, including the equitable allocation of costs, having in mind the sums already spent by the two countries in the process of developing the waterway from the Atlantic to Lake Superior.

Chairman MANSFIELD, of the Rivers and Harbors Committee of the House, in commenting upon the agreement, quite properly said:

"Congress has power with or without an advance agreement. We frequently cross the boundary. Why not with the St. Lawrence?" In his statement he mentioned the Livingston Channel around Bais Blanc Island in Canadian waters, which was improved by an act of Congress. The bill then being considered by the Rivers and Harbors Committee of the House, identical in terms with the Aiken bill, was favorably reported by the committee.

At these hearings every phase of the question was examined. Assistant Secretary of State Adolf A. Berle, Jr., appeared for the State Department and testified at length upholding the procedure. He presented a letter from Secretary of State Cordell Hull and a brief prepared by Mr. Green H. Hackworth, the legal adviser of the State Department, both declaring that the agreement is in due form and legally negotiated and recommending that it be approved by both Houses of Congress.

We thus have under consideration an executive agreement negotiated by the Executive of the United States, with another sovereign government in the form and substance deemed most fitting and appropriate to effectuate the understandings reached after solemn consideration. The compact is designated on its face as an agreement and is submitted as hundreds of executive agreements have, in past years, been submitted for consideration of both Houses of Congress. There is nothing strange or novel in this procedure, derived from precedents established as far back as the administration of George Washington.

Returning again to the hearings before the Rivers and Harbors Committee, we find that Mr. Berle also submitted a letter from Hon. Robert H. Jackson, Attorney General of the United States. These communications all agree that "the arrangement may be effectuated by an agreement signed under the authority of the executives of the two counries, and approved by legislative enactments by the Congress and the Canadian Parliament."

Mr. Berle in his testimony stated that in his opinion the agreement "differs from many treaties in that the effect of it is quite as great in terms of domestic matters as in terms of foreign affairs. It differs, for instance, from the kind of treaty one might make, as for instance, a treaty of alliance or a treaty regarding arms limitations, or things of that kind, * * * I should like to add that that form of submission of agreement is in no way unusual in our history." Mr. Berle stated that, in his opinion, even in the absence of the treaty of 1909, it has become the policy between the United States and

Canada to negotiate for mutual domestic benefits without resorting to formal treaties. Mr. Berle's reasoning was stated in part as follows:

"The reasoning was that the additional works, improvements, or structural changes, which might be needed along that waterway, really came under the head of ordinary river, harbor, and similar improvements and that, therefore, they might be dealt with in the ordinary course of legislation rather than as a matter of international treaty, since the policy has been established."

Representative Culkin interrogated Mr. Berle, as follows:

"Mr. CULKIN (referring to sec. 13 of the treaty of 1909 and the policy of Canada and the United States). And that was the reason that section 13 was written into the treaty, I assume.

"Mr. BERLE. I believe so.

"Mr. CULKIN. And there was not anything sinister about it?

"Mr. BERLE. I cannot see what it would be.

"Mr. CULKIN. The treaty was adopted in the Senate and now confers jurisdiction on this whole question by joint resolution; is that true?

"Mr. BERLE. By a majority action of the two legislatures.

"Mr. CULKIN. Of both Houses?

"Mr. BERLE. Yes.

"Mr. CULKIN. That was the action of the Congress of the United States?

"Mr. BERLE. That was the action of the Congress of the United States.

"Mr. CULKIN. So if there is anything impure or sinister about it, it comes within the category of congressional action?

"Mr. BERLE. Yes. Well, this is one of the historical ways by which we have traditionally arranged matters with Canada. Even President Taft, when he proposed his reciprocity agreement, which failed of passage, proposed it in the form of an agreement.

"We did not relate this agreement directly to article XIII, but we considered that this was an expression of policy employed in a formal treaty between the two countries on which we could appropriately rely in suggesting or choosing this method as against the treaty method.

"Mr. CULKIN. And that treaty was solemnly ratified by the United States Senate?

"Mr. BERLE. It was signed by Elihu Root.

"Mr. CULKIN. And that would, of course, remove any sinister influence or sinister suggestion in connection with the propriety of the present procedure; would it not?

"Mr. BERLE. I think it is generally recognized that Elihu Root, who was then Secretary of State, was one of the great constitutional lawyers of his time, * * * and I cannot imagine that he would have laid down a policy like that in article XIII if he had thought there was anything sinister in it.

"Mr. CULKIN. I wanted to calm the fears of my distinguished friend from California [Mr. CARTER, ranking minority member of the committee].

"Mr. CARTER. I have not had any fears, and so expressed myself to Mr. Berle."

It is clear that our President, our State Department, and the Department of Justice all agree with Mr. Root that valid compacts can be made by the United States and Canada relating to their boundary waters, through the medium of executive agreements ratified by the majority in both Houses of Congress and by Parliament.

Various reasons have been advanced why the framers of the Constitution placed therein the proviso that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." It is probable that this provision was not originally intended to hamper the Chief Executive in making treaties, but rather to guide and restrain him whenever important and binding international compacts were made which might affect the life, liberty, and property of citizens, or deprive the Union of territory or seek to bind the United States and its people by some permanent change of policy. Moreover, it was thought that when the President needed advice respecting foreign relations more secrecy would attend a conference with a few Senators than with the larger membership of both Houses. This was before the creation of a foreign relations committee and the present custom of unlimited debate in the Senate upon foreign compacts submitted to it. The plan adopted thus envisaged a few Senators and the President sitting about a council table and without public clamor or debate, discussing the form of proposed international compacts. Washington, in 1789, found the theory unworkable, when he for the first time went in person to the Senate and instead of getting advice, had his questions referred to a committee, and left in a rage. (See Corwin, the Constitution and World Organizations, p. 33.)

Hundreds of executive agreements have been expressed by acts of Congress and thus enacted into the law of the land. When the United States rejected the Covenant of the League of Nations in 1919 and 1920, peace was declared with enemy nations, by an act of Congress. Texas was annexed by an act of Congress after the Senate had failed to ratify a treaty to accomplish the same purpose. Without the consent of either Congress or of the Senate, an exchange of notes in 1817, between the British Minister Bagot and Acting Secretary of State Rush, resulted in a limitation of naval forces on the Great Lakes before the arrangement was submitted to the Senate. Afterward the Senate approved the provisions of such agreement. Theodore Roosevelt concluded a treaty with Santo Domingo, which was then bankrupt, which resulted in placing cutomhouses of that nation under American control, and prevented their seizure by European creditors. The Senate failed to ratify such arrangement, but, nevertheless, the President put it into effect by an Executive order. Afterward under apparent compulsion, the Senate ratified the agreement, but after it had become effective.

President McKinley arranged to furnish 5,000 men and a large naval force to undertake the rescue, release, and protection of legations in China, at the time of the Boxer Rebellion. Congress was not consulted. Later, President McKinley negotiated in behalf of the United States and accepted the Boxer Indemnity Protocol. This protocol also contained provisions respecting other intervening powers.

The construction of the Alaskan Highway, the acquisition of naval bases and the delivery of destroyers to Great Britain through the Hull-Lothian agreement, and the well-known trade agreements with many nations are other instances of executive agreements made without ratification by two-thirds vote in the Senate. One might also mention the Lend-Lease Act of March 11, 1941, which is the basis of the mutual aid agreements undertaken by our Government, and which has resulted in most extensive and necessary relief and aid to our allies.

Certainly when such special agreements are ratified by both Houses of Congress they become the law of the land. The agreement of March 19, 1941, clearly falls within the well-recognized class of compacts which can be constitutionally effectuated by concurrent legislation adopted by both Houses of Congress.

In *B. Altman & Co.* v. *U. S.* (224 U. S. 583), Mr. Justice Day, referring to the Commercial Reciprocal Agreement with France, which was negotiated under the authority of the Tariff Act of 1897, said in relation thereto:

"Generally, a treaty is defined as a compact made between two or more independent nations, with the view to the public welfare * * * while it may be true that this commercial agreement, made under the authority of the Tariff Act of 1897 (par. 3), was not a treaty possessing the dignity of one requiring ratification by the Senate of the United States, it was an international compact negotiated between the representatives of two sovereign nations, and made in the name and on behalf of the contracting countries, and dealing with important commercial relations between the two countries, and was proclaimed by the President. If not technically a treaty, requiring ratification, nevertheless, it was a compact authorized by the Congress of the United States, negotiated and proclaimed under the authority of its President."

The language of Judge Day clearly recognizes that agreements such as the 1941 agreement between the United States and Canada, having to do almost purely with domestic matters, and the construction of works necessary for navigation and commerce, can be effectuated in the manner proposed.

Again, in the case of the *United States* v. *Curtis-Wright Export Co.* (299 U. S. 304), Mr. Justice Sutherland, in his opinion, comments upon the fact that "the investment of the Federal Government with the power of external sovereignty, did not depend upon the affirmative grants of the Constitution." He said:

"The powers to declare and wage war, to conclude peace, to make treaties, to maintain diplomatic relations with other sovereignties, if they had never been mentioned in the Constitution, would have vested in the Federal Government as necessary concomitants of nationality. Neither the Constitution nor the laws passed in pursuance of it have any force in foreign territory unless in respect of our own citizens and operations of the Nation in such territory must be governed by treaties, international understandings and compacts, and the principles of international law. As a member of the family of nations, the right and power of the United States in that field are equal to the right and power of the other members of the international family. Otherwise, the United States is not completely sovereign. (Citing cases.) * * * The power to make such international agreements as do not constitute treaties in the constitutional sense, none of which is expressly affirmed by the Constitution, nevertheless exists as inherently inseparable from the conception of nationality. This the court recognized, and in each of the cases cited found the warrant for its conclusions not in the provisions of the Constitution, but in the law of nations. Citing *B. Altman & Co.* v. *United States* (224 U. S. 583); Crandall, Treaties, Their Making and Enforcement (2d ed., p. 102); *Burnett* v. *Brooks* (288 U. S. 378); *Carter* v. *Carter Coal Co.* (298 U. S. 295).

Beyond question the President has full and complete power under the Constitution to negotiate treaties, compacts and agreements with foreign powers and sovereignties. This power is derived not only under article II, section 1 of the Constitution, but also by reason of the fact that he is the Chief Executive of this sovereign Nation. Such power is not limited by any provision of the Constitution. Having been negotiated, such international compacts become the law of the land after ratification in whatever manner the Constitution, the law of nations, or established custom recognizes as legal.

Since the President has such powers it has been usual for the President and the State Department to determine in what manner ratification shall be sought and whether or not such compacts have the dignity of treaties and should on that account be submitted to the Senate for its advice and consent pursuant to article II, section 2 of the Constitution. This has been the practice since George Washington was President and has been followed in almost countless cases.

While there are no exact and complete lists showing all treaties, compacts, and executive agreements which have been negotiated and authorized, careful study indicates that during the first 50 years of Government under the Constitution the President entered into some 27 international compacts which were not submitted to the Senate for its consent and that more than 50 became laws as treaties with the consent and approval of the Senate. During the second half century more than 225 executive agreements and some 200 treaties were entered into with foreign nations and during the last 50 years at least 900 executive agreements and 500 treaties were enacted.

It must be admitted that it is difficult in many cases to determine from the context of the instruments themselves whether it would be more appropriate to submit them for ratification of the Senate or to proceed along the line of joint legislation of Congress or to put them into effect by the order of the Chief Executive. It is plain that in such outstanding cases as the annexation of Texas the President and the State Department, without being in any wise embarrassed, frankly stated that the exigency demanded that the ratification of the annexation agreement made by the President should be by joint resolution of Congress.

This has been true also of most of the postal agreements and compacts in respect to reciprocal trade relations. Executive agreements have also played a leading part in effectuating essential economic policies evidenced by understandings between the United States and the governments of many foreign powers.

Never, so far as I have been able to discover, has a contest arisen on so narrow an interpretation of the Constitution as is now indicated by those who oppose the legislation now before Congress which seeks to ratify and effectuate the agreement of 1941 between the United States and Canada.

As we have shown, there is nothing in the agreement which is not contemplated by the Boundary Waters Treaty of 1909. Those representing the two countries reached the conclusion that an agreement, and not a formal treaty, is all that is necessary to carry into effect their common purpose.

The agreement is not labeled a treaty, and it would be highly inconsistent and contrary to established precedent to rename the compact after it has been negotiated. This would only serve to prevent the House of Representatives from passing upon the terms of the agreement which has already been presented to it by a pending bill.

Not infrequently Congress has authorized the President to make international agreements and compacts on specific subjects. By so doing, Congress itself has recognized the unquestioned right of this sovereign Nation to negotiate with other nations and make compacts without the advice and consent of two-thirds of the Senate. As a matter of fact, Congress has no constitutional power to negotiate treaties. Nevertheless, such legislation is exceedingly useful, because it advises the President in advance in respect to the matter in hand. But in reality such legislation simply prejudges a proposed compact as to its necessity and propriety and legislates in respect thereto in advance.

The procedure, however, is in reverse of that indicated in respect to the Aiken bill. Commenting on the prize essay of Quincy Wright on the subject, The Control of the Foreign Relations of the United States (April 1921), John Bassett Moore said:

"In regard to what the author of the essay, following the phraseology so often employed, discusses under the head of congressional delegation of power to make international agreements I have long, indeed I may say always, been inclined to think that no delegation of power whatever is involved in the matter. As Congress possesses no power whatever to make international agreements, it has no such power to delegate. All that Congress has done in the cases referred to is to exercise beforehand that part of the function belonging to it in the carrying out of a particular class of international agreements. Instead of waiting to legislate until an agreement has been concluded and then acting on the agreement specifically, Congress has merely adopted in advance general legislation under which agreements, falling within its terms, become effective immediately on their conclusion or their proclamation." (See Wallace McClure, International Executive Agreements, p. 331.)

It, therefore, follows that Congress itself has frequently set in motion the machinery which has ground the grist of many Executive agreements with other nations.

Respectfully submitted.

GEORGE STEPHENS REED,
New York State Bar; Trustee of the Power Authority of the State of New York.

DATED NOVEMBER 11, 1944.

APPENDIX II

DIVERSIONS AT NIAGARA

Article IX of the agreement of 1941 contains certain provisions in respect to the diversion of water above the Falls from the Niagara River, which have been questioned as being in conflict with the treaty of 1909, which would seem to limit all diversions of water from the Niagara River above the Falls, except as permitted in such treaty.

Article V of the treaty of 1909 provides that the United States "may authorize and permit the diversion within the State of New York of the waters of said river above the Falls of Niagara for power purposes, not exceeding in the aggregate a daily diversion at the rate of 20,000 cubic feet of water per second.

The United Kingdom by the Dominion of Canada, or the Province of Ontario, may authorize and permit the diversion within the Province of Ontario of the waters of said river above the Falls of Niagara for power purposes, not exceeding in the aggregate, a daily diversion at the rate of 36,000 cubic feet of water per second."

Article IX of the agreement of 1941 recognizes the obligation to preserve and enhance the scenic beauty of Niagara Falls and River "as envisaged in the final report of the Special International Niagara Board," which well-known report contains a study and recommendations as to the use and diversions of Niagara waters.

Subdivision (a), (b), and (c) of article IX of the agreement provides that the two governments: "May make arrangements by exchange of notes for the construction of such works in the Niagara River as they may agree upon, including provision for temporary diversions of the waters of the Niagara River for the purpose of facilitating construction of the works."

Subsection (c) provides that "upon completion of the works authorized in this article, the Commission shall proceed immediately to test such works under a wide range of conditions and to report and certify to the governments, the effect of such works, and to make recommendations respecting the diversions of water from Lake Erie and the Niagara River," including a report as to the efficient utilization and equitable apportionment of such waters as may be available for power purposes. "On the basis of the Commission's reports and recommendations," the governments thereafter may "by exchange of notes and concurrent resolution, determine the methods by which the purposes may be attained."

The provisions of subsection (a) and (c) of article IX above referred to are clearly unobjectionable and cannot be attacked on any valid ground, and do not, in any way, conflict with the treaty of 1909, for the diversions are of a temporary nature and for the purpose of testing the works. However, subsection (b) of article IX, if read separately might seem to authorize the diversion of 5,000 cubic-foot seconds on each side of the border in excess of the amount specified in Article V of the Boundary Waters Treaty of 1909.

Subsection (b) does not specifically state that such diversions are of a temporary nature as contemplated in subsections (a) and (c). As, however, the words "temporary diversions" are used in subsection (a), it is fair to assume that it was the intention of the two governments that the diversions mentioned and permitted in subparagraph (b) are the temporary diversions indicated in section (a) and are for the purposes stated therein. Subsection (b) must be read with and as a part of subsection (a) and it would have been better to combine (a) and (b) in a single subsection. However, the meaning and intention seem clear.

On the other hand, we have seen that the treaty of 1909 recognizes and provides for the further development, use, and diversion of boundary waters by special agreements between the two nations and that the agreement relates to improvement of navigation and commerce. It seems clear, therefore, that the two nations can, by special agreement, ratified by Congress as to the United States and by Parliament in behalf of Canada, provide for such additional and necessary uses and works as may be deemed advisable in order to improve navigation and for the benefit of commerce, and to include therein the production of power. I, therefore, conclude that the plan and proposals contained in article IX of the agreement can be constitutionally carried into effect by and through the agreement of 1941, when ratified by concurrent resolutions of Congress and by Parliament. As expressed in article IX the two countries intend to restudy Niagara and to make future adjustments and agreements concerning the allocation and diversion of water, from the Niagara River, having also in mind the preservation of the scenic beauty of the Falls.

In construing any congressional act, treaty, or international agreement, it is always wise and proper to study the purposes thereof and the reports of committees appointed to make recommendations and suggest provisions to be placed therein. On the question of permitted diversions of water from the Niagara River above the Falls, it is well to consider the known facts in respect to the present use of water from the Niagara River above and at the Falls, and the probable reason for placing in article IX of the agreement, a provision which would permit an additional temporary or permanent diversion on each side of the boundary of at least 5,000 cubic foot-seconds in addition to the diversions permitted in the treaty of 1909.

Canada has brought into the watershed by the Ogoki and Long Lac Rivers diversions into Lake Superior 5,000 cubic foot-seconds which, pursuant to understandings between the two governments, would entitle Canada to use of such additional water by diversion at Niagara Falls, for hydroelectric development.

On the American side, we have seen that a diversion of only 20,000 cubic foot-seconds is allowed as against 36,000 on the Canadian side.

Diversions from Lake Michigan at Chicago have been limited by a decision of the United States Supreme Court to 1,500 cubic foot-seconds in addition to approximately 1,900 cubic foot-seconds originally allowed for municipal water supply. Prior to the treaty of 1909, Chicago was claiming the right to divert at least 10,000 cubic foot-seconds for the purpose of sewage disposal which water would outlet through the Illinois River into

the Mississippi. Chicago even claimed that a large increase of population might even require 20,000 cubic foot-seconds for all purposes. Much of this water when so used and diverted would develop large quantities of hydroelectric power, but through inefficient plants with a low head, not comparable with Niagara or the St. Lawrence developments. The proposed Chicago diversion resulted in litigation. Objection was made to the dumping of sewage and additional water into the Illinois River and thence into the Mississippi where floods were already a menace. The Great Lakes States and New York also objected on the ground that the lake levels would be lowered and water unlawfully taken from the watershed. The Supreme Court, therefore, wisely determined the rights of Chicago, and limited such diversion as we have already seen. That the limitation was just and equitable was later demonstrated when the works were completed.

A letter written by Gen. E. M. Markham, Chief of Army Engineers, bearing date January 31, 1934, to Hon. Key Pittman, is most interesting. This letter appears as appendix 4. At this time it is probable that about 1,900 cubic foot-seconds are being diverted at Chicago for drinking and domestic uses in addition to the 1,500 cubic foot-seconds permitted by the decision of the United States Supreme Court for sewage purposes, making an aggregate of 3,400 cubic foot-seconds.

On March 19, 1906, the report of the American members of the International Waterways Commission was filed, which made recommendations as to the necessity of a treaty to control diversions at Niagara, and for other purposes. The Commission made recommendations that diversions from Niagara River above the Falls should be consistent with the then use of such waters, and mentioned the fact that 10,000 cubic foot-seconds was contemplated from Lake Michigan for uses at Chicago. One cannot read this report and the subsequent treaty of 1910, and the final report of the Special International Board, without being impressed with the fact that at least 6,700 cubic foot-seconds should be allocated to the New York State side of the international boundary and be diverted from the Niagara River above the Falls without further delay.

Such facts, including the Ogoki and Long Lac Rivers diversion by Canada—all well known to those negotiating the agreement of 1941—undoubtedly influenced the decision to include in such agreement the provisions contained in article IX.

It is the intention of the two Governments, as clearly stated in the agreement of 1941, to make further investigations and studies before finally determining and agreeing upon the amount of water which can be properly diverted for power purposes from the Niagara River above the Falls and the allocation and use of the same on each side of the boundary. That this is also the view of Canada is disclosed in paragraph (c) of article VII as contained in an agreement entered into between the Government of Canada and the Province of Ontario, which is also dated March 19, 1941, and which is an accord between Canada and Ontario in respect to the use of diverted water for the production of hydroelectric power by Ontario resulting from the 1941 agreement. Paragraph (c) reads as follows:

"Upon completion of the remedial works authorized under article IX of the Canada-United States agreement, Canada, without delay, will authorize such diversions of water above the Falls, for power purposes, in addition to the amounts specified in article 5 of the Boundary Waters Treaty of 1909, as Canada is from time to time enabled to authorize under article IX of the Canada-United States agreement and Canada will promptly take steps that may be necessary under the Canada-United States Agreement to enable Canada to authorize at all times the maximum permissible diversion of water for power."

The arrangement between the United States and Canada clearly indicates that Canada, having diverted the waters of the Ogoki and Long Lac Rivers into Lake Superior, is entitled to divert an equal amount of water and to use the same on the Canadian side of the border, and such arrangement does not seem to be in conflict with the spirit or intention of the treaty of 1909, or the recognized right of either country to make use of water which it actually supplies through and by means of its own works and improvements so long as such works do not change water levels adversely to the other country.

The arrangement in connection with the Ogoki diversion is one of the factors which entered into the proposal contained in article IX of the agreement of 1941, to make a new study of the whole situation at Niagara and for the temporary diversions indicated in such article. A reasonably clear statement of such intention is expressed in a letter from Hon. W. L. Mackenzie King to Mr. Pierrpont Moffat, Minister to Canada, dated March 5, 1941. The following is a quotation from such letter:

"We are also duly appreciative of the agreement recently reached between our respective Government, whereby the Province of Ontario has obtained the right to the immediate use of additional power at Niagara, and the diversion of the waters of the Ogoki and Long Lac Rivers into Lake Superior, in consideration of which, authority was given for the immediate investigation by United States engineers of the project in the international section of the St. Lawrence River in Ontario, in order to enable work of future development to proceed with the least possible delay, once an agreement between the two Governments respecting the St. Lawrence development was concluded."

The conclusions which I reach are:

1. That under article IX of the agreement of 1941 there is to be no permanent diversion of any water from the Niagara River in excess of the amount specified in the treaty of 1909, without a further study and future understandings and agreements between the two countries.

2. That, having in mind all the provisions contained in the treaty of 1909, and the purpose of such treaty, and the powers of each government to regulate commerce and navigation and to appropriate funds therefor, an agreement between the United States and Canada for immediate and permanent diversions of additional water from Niagara River above the falls, is permissible and appropriate procedure, and that when such agreement, or any other similar agreement, is ratified by concurrent legislation of Congress and Parliament, it becomes the law of the land.

3. The Constitution does not forbid the modification or amendment of the treaty of 1909 by concurrent legislation of Congress and Parliament.

APPENDIX III

The following are a few of the many executive agreements and concurrent acts of Congress relating to international compacts:

1792 (February 20): Act of Congress authorizing subsequent executive agreements with Canada in respect to postal service.

1799 (Washington administration): Settlement of the Wilmington Packet controversy with the Netherlands by an exchange of notes.

1845: Texas annexed by joint resolution of Congress, accepted by the Government and people of Texas. A treaty of annexation had previously been defeated in the Senate. In instructions relating to the resolutions Secretary Calhoun said, "It is now admitted that what was sought to be effected by the treaty submitted to the Senate, may be secured by a joint resolution of the two Houses of Congress incorporating all its provisions. This mode of effecting it will have the advantage of requiring only a majority of the two Houses." (Held valid. *Texas* v. *White* (74 U. S. 700).)

1850: Secretary of State Daniel Webster acquired Horse Shoe Reef in Buffalo Harbor and Congress appropriated the purchase price. (See Malloy, Treaties and Conventions, vol. 1, p. 663.)

1890: McKinley Tariff Act, followed by executive agreements.

1892: Executive agreement with Germany protecting authors, artists, musicians, and photographers by reciprocal stipulations relating to copyrights.

1898: Hawaii annexed by joint resolution of Congress after two treaties had been submitted and ignored. These resolutions were approved by President McKinley, July 7, 1898.

1900: Samoan Islands annexed by release of Great Britain and Germany and consent of native chiefs. (President Theodore Roosevelt made the agreement.)

1903: Two executive agreements with Cuba (Congress making appropriations) relative to coaling stations for the Navy, customs, and navigation duties.

1905: President Theodore Roosevelt refused to sanction a change made by the Senate in the terms of a special agreement made pursuant to a treaty with Great Britain respecting arbitration of international disputes. The only change made was the insertion of the word "treaty" instead of "agreement."

1905: President Theodore Roosevelt entered into an executive agreement with the Dominican Republic (in lieu of a treaty) providing for a receiver of revenues from customhouses.

1911 (January 21): President Taft sought avoidance of Senate two-thirds rule by making use of an executive agreement with Canada for tariff reciprocity. This was accomplished by an exchange of notes which frankly stated "that the desired tariff changes shall not take the formal shape of a treaty, but that the Governments of the two countries will use their utmost efforts to bring about such changes by concurrent legislation at Washington and Ottawa."

1921 (July 2): Joint resolution of Congress, declaring war with Germany at an end.

1923 (October 18): Executive agreement with Brazil under Tariff Act of 1922, executed by Secretary Hughes with approval of President, relating to principles of commercial equality.

1934: Act of Congress authorizing the President to enter into foreign-trade agreements with foreign governments.

1940 (August 18): The Roosevelt-Mackenzie King agreement between United States and Canada providing for a permanent joint board of defense for north half of the Western Hemisphere.

1940 (September 2): The Hull-Lothian agreement between the United States and Great Britain relating to the defense of the Western Hemisphere, and granting to the United States naval and air bases on Newfoundland and elsewhere and transferring in exchange 50 destroyers. (See opinion of Attorney General Jackson dated August 17, 1940, to the effect that this agreement is constitutionally valid.)

1941 (March 11): Lend-Lease Act, the basis of the present mutual-aid agreements.

1798 to date: Biparte agreements authorized by acts of Congress relating to international mail service. (Particular reference is made to the act of 1872.)

PROTECTION OF WIDOWS AND CHILDREN OF DECEASED WORLD WAR NO. 1 VETERANS

Mr. GEORGE. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1315, House bill 1744.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 1744) to provide Government protection to widows and children of deceased World War veterans, reported with an amendment.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, am I correct in my understanding that the bill was favorably reported by unanimous vote of the committee? I believe that to be true.

Mr. GEORGE. The Senator from Maine is correct.

Mr. President, I wish to make a statement in explanation of my reason for bringing up the bill at this late hour. House bill 1744, as it came to the Senate, sought to give the benefits, substantially, that are contained in the amendment of the Finance Committee of the Senate, but the Senate Finance Committee, acting on the advice of the Veterans' Administration, for the purpose of bringing about simplicity and uniformity in the law, amended the House bill by striking out all after the enacting clause and proposing a substitute amendment.

The Senate Finance Committee did one thing which was not recommended or suggested by the Veterans' Administration. The Veterans' Administration in a proposed substitute bill had asked for the repeal of section 4 of Public Law No. 312 of the Seventy-eighth Congress. The Senate Finance Committee disagreed with that proposal, because we did not think it appropriate or proper to take away from the widows and children of veterans of World War No. 2 any benefits so recently granted them, and that that question, if it should be reconsidered, should be reconsidered on its merits in a separate bill. So the committee substitute deals entirely with the widows and children of veterans of World War No. 1, and all of Public Law No. 312 is preserved, and it was necessary, in the substitute, to repeat one or two provisions of Public Law 484 of the Seventy-third Congress.

The House bill gave to the widow of a veteran of World War No. 1 without children $30. The substitute increased that amount to $35. The House bill gave to the widow with one child—with $4 for each additional child—$38. The Senate committee increased that to $45. And the subsequent increases are in line. So that the Senate bill is slightly more liberal to the widows and children of veterans of World War No. 1.

It is estimated that the cost for the first year of the substitute offered by the Senate Finance Committee will be slightly over $37,000,000. As passed by the House, the bill would cost $32,000,000 for the first year. The action taken by the Senate committee was unanimous. This is a service pension for the widows and children of veterans of World War No. 1, without any change or modification of the privileges and benefits granted during this and the preceding session of this Congress to widows and children of veterans of World War No. 2.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 1744) to provide Government protection to widows and children of deceased World War veterans, which had been reported with an amendment to strike out all after the enacting clause and to insert:

That section 1 of Public Law No. 484, Seventy-third Congress, June 28, 1934, as amended, is hereby amended by repealing subsections (a) and (b) thereof and substituting the following:

"SEC. 1. (a) The surviving widow, child, or children of any deceased person who served in World War No. 1 before November 12, 1918, or if the person was serving with the United States military forces in Russia before April 2, 1920, and who was discharged or released from active service under conditions other than dishonorable after having served 90 days or more or for disability incurred in the service in line of duty, or who at time of death was receiving or entitled to receive compensation, pension, or retirement pay for service-connected disability, shall, upon filing application and such proofs in the Veterans' Administration as the Administrator of Veterans' Affairs may prescribe, be entitled to receive pension as provided by this act."

SEC. 2. That section 2 of Public Law No. 484, Seventy-third Congress, as amended, is hereby amended to read as follows:

"SEC. 2. (a) That the monthly rates of pension shall be as follows: Widow but no child, $35; widow and one child, $45 (with $5 for each additional child); no widow but one child, $18; no widow but two children, $27 (equally divided); no widow but three children, $36 (equally divided), with $4 for each additional child (the total amount to be equally divided).

"(b) The total pension payable under this section shall not exceed $74. Where such benefits would otherwise exceed $74, the amount of $74 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

SEC. 3. That section 3 of Public Law No. 514, Seventy-fifth Congress, May 13, 1938, is hereby amended to read as follows:

"SEC. 3. On and after the date of enactment of this act for the purpose of payment of compensation or pension under the laws administered by the Veterans' Administration, the term 'widow of a World War No. 1 veteran' shall mean a woman who was married prior to the effective date of enactment of this amendment, or 10 or more years, to the person who served: *Provided*, That all marriages shall be proven as valid marriages according to the law of the place where the parties resided at the time of marriage or the law of the place where the parties resided when the right to compensation or pension accrued: *And provided further*, That where the original date of marriage meets the statutory requirement and the parties were legally married at date of death of the veteran, the requirement of the statute as to date of marriage will be regarded as having been met. Compensation or pension shall not be allowed a widow who has remarried either once or more than once, and where compensation or pension is properly discontinued by reason of remarriage it shall not thereafter be recommenced. No compensation or pension shall be paid to a widow unless there was continuous cohabitation with the person who served from the date of marriage to date of death, except where there was a separation which was due to the misconduct of or procured by the person who served, without the fault of the widow."

SEC. 4. This act shall be effective from the date of its approval: *Provided*, That notwithstanding the repeal of subsections (a) and (b) of section 1 of Public Law No. 484, Seventy-third Congress, as amended, contained in section 1 of this act, claims otherwise payable for a period prior to the effective date of this act may be ajudicated and placed on the roll and the benefits of this act shall be applicable to such claims and those claims now on the rolls.

SEC. 5. Except to the extent they may conflict with the provisions of this act, the provisions of Public Law No. 2, Seventy-third Congress, March 20, 1933, the Veterans Regulations promulgated thereunder, and of Public Law No. 144, Seventy-eighth Congress, July 13, 1943, as now or hereafter amended, shall be applicable to this act: *Provided*, That no compensation or pension shall be reduced or discontinued by the enactment of this act.

SEC. 6. The widow, child, or children of a veteran who served in World War No. 2 whose death is not due to service therein, but who at the time of death was receiving or entitled to receive pension, compensation, or retirement pay for disability incurred in such service, or who, having served at least 90 days during such war period or having been discharged for disability incurred in line of duty during such service, dies or has died from a disease or disability not service connected and at the time of death had a disability due to such service for which pension would be payable if 10 percent or more in degree, shall be entitled to pension in the amounts and otherwise subject to the conditions of Public Law No. 484, as amended: *Provided*, That for the purposes of this section the definition of the terms "veteran," "widow," "child or children" shall be those applicable to World War No. 2 as provided in Public Law No. 2, Seventy-third Congress, as now or hereafter amended: *And provided further*, That section 4, Public Law No. 312, Seventy-eighth Congress, is hereby amended accordingly.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill, H. R. 1744, was read the third time and passed.

The title was amended so as to read: "A bill to provide Government protection to widows and children of deceased World War I veterans, and for other purposes."

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that the report which accompanied the bill which has just been passed be printed in the RECORD at this point.

There being no objection, the report (No. 1297) was ordered to be printed in the RECORD, as follows:

The Committee on Finance, to whom was referred the bill (H. R. 1744) to provide Government protection to widows and children of deceased World War No. 1 veterans, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

1. Amend the title of the bill to read:

"A bill to provide Government protection to widows and children of deceased World War No. 1 veterans, and for other purposes."

2. Strike out all after the enacting clause and substitute in lieu thereof the following:

"That section 1 of Public Law No. 484, Seventy-third Congress, June 28, 1934, as amended, is hereby amended by repealing subsections (a) and (b) thereof and substituting the following:

" 'SEC. 1. (a) The surviving widow, child, or children of any deceased person who served in World War No. 1 before November 12, 1918, or if the person was serving with the United States military forces in Russia before April 2, 1920, and who was discharged or released from active service under conditions other than dishonorable after having served 90 days or more or for disability incurred in the service in line of duty, or who at time of death was receiving or entitled to receive compensation, pension, or retirement pay for service-connected disability, shall, upon filing application and such proofs in the Veterans' Administration as the Administrator of Veterans' Affairs may prescribe, be entitled to receive pension as provided by this act.'

"SEC. 2. That section 2 of Public Law No. 484, Seventy-third Congress, as amended, is hereby amended to read as follows:

" 'SEC. 2. (a) That the monthly rates of pension shall be as follows: Widow but no child, $35; widow and one child, $45 (with $5 for each additional child); no widow but one child, $18; no widow but two children, $27 (equally divided); no widow but three children, $36 (equally divided) with $4 for each additional child (the total amount to be equally divided).

" '(b) The total pension payable under this section shall not exceed $74. Where such benefits would otherwise exceed $74, the amount of $74 may be apportioned as the Administrator of Veterans' Affairs may prescribe.'

"SEC. 3. That section 3 of Public Law No. 514, Seventy-fifth Congress, May 13, 1938, is hereby amended to read as follows:

" 'SEC. 3. On and after the date of enactment of this act for the purpose of payment of compensation or pension under the laws administered by the Veterans' Administration, the term "widow of a World War I veteran" shall mean a women who was married prior to the effective date of enactment of this amendment, or 10 or more years, to the person who served: *Provided,* That all marriages shall be proven as valid marriages according to the law of the place where the parties resided at the time of marriage or the law of the place where the parties resided when the right to compensation or pension accrued: *And provided further,* That where the original date of marriage meets the statutory requirement and the parties were legally married at date of death of the veteran, the requirement of the statute as to date of marriage will be regarded as having been met. Compensation or pension shall not be allowed a widow who has remarried either once or more than once, and where compensation or pension is properly discontinued by reason of remarriage it shall not thereafter be recommenced. No compensation or pension shall be paid to a widow unless there was continuous cohabitation with the person who served from the date of marriage to date of death, except where there was a separation which was due to the misconduct of or procured by the person who served, without the fault of the widow.'

"SEC. 4. This act shall be effective from the date of its approval: *Provided,* That notwithstanding the repeal of subsections (a) and (b) of section 1 of Public Law No. 484, Seventy-third Congress, as amended, contained in section 1 of this act, claims otherwise payable for a period prior to the effective date of this act may be adjudicated and placed on the roll and the benefits of this act shall be applicable to such claims and those claims now on the rolls.

"SEC. 5. Except to the extent they may conflict with the provisions of this act, the provisions of Public Law No. 2, Seventy-third Congress, March 20, 1933, the Veterans Regulations promulgated thereunder, and of Public Law No. 144, Seventy-eighth Congress, July 13, 1943, as now or hereafter amended, shall be applicable to this act: *Provided,* That no compensation or pension shall be reduced or discontinued by the enactment of this act.

"SEC. 6. The widow, child, or children of a veteran who served in World War II whose death is not due to service therein, but who at the time of death was receiving or entitled to receive pension, compensation, or retirement pay for disability incurred in such service, or who, having served at least 90 days during such war period or having been discharged for disability incurred in line of duty during such service, dies or has died from a disease or disability not service connected and at the time of death had a disability due to such service for which pension would be payable if 10 percent or more in degree, shall be entitled to pension in the amounts and otherwise subject to the conditions of Public Law No. 484, as amended: *Provided,* That for the purposes of this section the definition of the terms "veteran," "widow," "child or children" shall be those applicable to World War I as provided in Public Law No. 2, Seventy-third Congress, as now or hereafter amended: *And provided further,* That section 4, Public Law No. 312, Seventy-eighth Congress, is hereby amended accordingly."

The report of the Veterans' Administration on H. R. 1744 furnished this committee July 24, 1944, sets forth certain formal defects in the bill H. R. 1744 and the effects thereof. For the purposes of uniformity and simplicity of administration it is deemed advisable to accept, with modifications, the draft of proposed substitute bill which accompanied the report of the Veterans' Administration which employs the existing law, Public Law 484, Seventy-third Congress, as amended. Changes in the substitute bill, approved by this committee, other than those made to clarify and to meet technical objections are: (1) To integrate the bill with the new section 6 which preserves the rights for World War No. 2 cases; and (2) to extend the delimiting marriage date from May 13, 1938, to the date of enactment of the act rather than 1 year prior thereto as provided in the substitute bill.

It is necessary to restate the eligibility requirements in the new section 6 pertaining to World War No. 2 cases, which will have the effect of reenacting in toto the Public Law 484 provisions for World War No. 2 cases, thus preserving all rights granted that group by section 4 of Public Law 312, Seventy-eighth Congress, May 27, 1944.

In brief, the bill as reported differs materially from H. R. 1744 as reported by this committee in that it adopts the rates for widows and children at present provided in Public Law 484, Seventy-third Congress, as amended, however, increasing the aggregate limitations from $64 to $74, which was overlooked when the rates were increased by Public Law 312, Seventy-eighth Congress. For convenience the rates under H. R. 1744 as referred to this committee and as provided by the bill as reported, are set forth below:

"Rates under H. R. 1744 as passed House of Representatives

"Widow, but no child	$30
Widow, with 1 child (with $4 for each additional child)	38
No widow, but 1 child	15
No widow, but 2 children (equally divided)	22
No widow, but 3 children (equally divided)	30
With $3 for each additional child; total amount to be equally divided.	

"The total compensation payable under this section shall not exceed $64. Where such benefits would otherwise exceed $64, the amount of $64 may be apportioned as the Administrator of Veterans' Affairs may prescribe.

"Rates under H. R. 1744 as reported by Committee

"(Identical with Public Law 484, as amended, with change in aggregate limitation)

"Widow, but no child	$35
Widow, with 1 child (with $5 for each additional child)	45
No widow, but 1 child	18
No widow, but 2 children (equally divided)	27
No widow, but 3 children (equally divided)	36
With $4 for each additional child (the total amount to be equally divided.)	

"The total compensation payable under this section shall not exceed $74. Where such benefits would otherwise exceed $74, the amount of $74 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

There are no World War No. 1 cases in which entitlement could be established under Public Law 484, as amended, where eligibility could not be established under H. R. 1744 as reported by this committee and the rates being identical with those provided in Public Law 484, as amended, the need for a separate act or continuing Public Law 484, as amended, in its present form, for World War No. 1 cases, is removed.

As stated in the report of the Veterans' Administration on H. R. 1744, the estimated cost the first year is approximately $31,958,500, whereas under the substitute bill the estimated cost the first year is approximately $37,496,500. The difference in cost will be offset to some extent by the material administrative savings effected in removing the requirement of adjudicating World War No. 1 claims under Public Law 484, as amended, to determine whether some form of service-connected disability existed at date of death as would be necessary if H. R. 1744 were enacted in the form in which it was referred to this committee. Further, as stated in the report of the Administrator of Veterans' Affairs, an outright service pension to widows and children of World War No. 1 veterans has substantially been accomplished by repeated liberalizing amendments to Public Law 484, Seventy-third Congress. Therefore, there appears to be no sound reason for authorizing rates other than those now in Public Law 484, as amended.

It will be noted that the substitute bill proposed by the Veterans' Administration was furnished this committee after clearance by the Bureau of the Budget, and that the only substantial change therein made by the committee is to reject the proposal in section 6 to repeal the provisions of section 4 of Public Law 312, Seventy-eighth Congress, May 27, 1944, which granted benefits under Public Law 484, as amended, to widows and children of World War No. 2 veterans.

The committee determined that the question of altering the rights recently granted World War No. 2 widows and children is not involved in the consideration of this particular bill, H. R. 1744, but one which, when considered, should be determined on the basis of separate proposed legislation.

The report of the Veterans' Administration, with attachments, follows:

VETERANS' ADMINISTRATION,
Washington 25, July 24, 1944.

Hon. WALTER F. GEORGE,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

MY DEAR SENATOR GEORGE: Further reference is made to your letter dated May 22,

1944, requesting a report on H. R. 1744, Seventy-eighth Congress, a bill to provide Government protection to widows and children of deceased World War veterans.

The bill would grant benefits (compensation) in the nature of service pension to widows and children of veterans of World War No. 1 who entered service prior to November 12, 1918, or prior to April 2, 1920, if service was in Russia, and were honorably discharged after having served 90 days or more, or who, having served less than 90 days, were discharged for disability incurred in the service in line of duty. Under the bill the cause of the veteran's death is immaterial and there is no requirement similar to that contained in the act of June 28, 1934 (Public Law 484, 73d Cong.), as amended, that the veteran shall have had a service-connected disability at the time of his death. The rates are the same as those which were provided in Public Law 484, Seventy-third Congress, as amended, prior to the recent amendment of that act by Public Law 312, Seventy-eighth Congress, approved May 27, 1944, increasing the monthly rates of compensation to those entitled to benefits thereunder and extending such benefits to the widows and children of World War No. 2 veterans. Payment of benefits under the bill would be subject to income limitations similar to those provided in Public Law 484, Seventy-third Congress, as amended.

The term "widow" is defined in the bill as a person who was married prior to the date of the enactment of the act to the person who served. This definition would extend the delimiting marriage date approximately 6 years in World War No. 1 non-service-connected death cases, and since such definition is not made uniformly applicable to all World War No. 1 cases, its adoption would create inequalities as to War War No. 1 service-connected death cases which are governed by the delimiting marriage date of May 13, 1938, as well as other reasonable and uniform limitations and requirements as to remarriage, continuous cohabitation, etc., which are not made applicable to widows entitled to non-service-connected death benefits by the proposed legislation.

The definition of the term "child" as used in the bill is substantially the same as that uniformly applied under laws administered by the Veterans' Administration except that under the definition of that term as contained in the proposed legislation, a child would be eligible to receive benefits thereunder after his or her twenty-first birthday if attending school until completion of the course of instruction provided such child entered upon such course prior to his or her twenty-first birthday.

The effective date of an award of benefits under the proposed legislation, where application for benefits under Public Law 484, Seventy-third Congress, as amended, is on file in the Veterans' Administration would be the date of the enactment of the act and in all other cases from the date application is filed in the Veterans' Administration.

If the bill is enacted into law, widows and children of veterans of World War No. 1 now barred from receiving death compensation benefits under Public Law 484, Seventy-third Congress, as amended, for example, by reason of the fact that the veteran did not have a service-connected disability at the time of his death or by reason of the delimiting marriage date or requirement as to continuous cohabitation applicable to that law, if otherwise eligible, would be entitled to death compensation benefits at slightly lower rates than those who meet the requirements of Public Law 484, Seventy-third Congress, as amended. It would establish an inequality with respect to children of World War No. 1 veterans who entered upon a course of instruction in an educational institution prior to their twenty-first birthday by permitting payments on behalf of such children thereafter until completion of such course, whereas payments are made only until the child's twenty-first birthday in other cases under existing laws. With respect to widows of World War No. 1 veterans, the bill would create numerous inequalities by establishing more liberal marital eligibility requirements in non-service-connected death cases than those in the service-connected death cases and would omit the existing bar pertaining to remarried widows.

The bill would require service of 90 days and an honorable discharge unless the veteran who served less than 90 days was discharged for a disability incurred in service in line of duty. Under Public Law 484, Seventy-third Congress, as amended, benefits are payable irrespective of the length of service of the veteran, or the cause of his death (and an honorable discharge is not prerequisite to entitlement), if the veteran died while receiving or entitled to receive compensation, pension, or retirement pay for 10 percent disability or more presumptively or directly incurred in or aggravated by service. Benefits are also payable under that act, as amended, where the veteran had a service-connected disability for which compensation would be payable if such disability were 10 percent or more in degree even though the disability may be even lower than 1 percent in degree but to establish entitlement under this provision service of 90 days or more and an honorable discharge are required, unless the veteran who served less than 90 days was discharged for disability incurred in the service in line of duty.

The Veterans' Administration does not object to legislation providing an outright service pension to widows and children of veterans of World War No. 1, which has substantially been accomplished by the numerous amendments to Public Law 484, Seventy-third Congress, through liberalization of the original requirement that there be a 30-percent service-connected disability at the time of the veteran's death, then 20 percent, then 10 percent, until now a service-connected disability of even less than 1 percent is sufficient to confer a pensionable status. However, there are many formal defects in the bill, H. R. 1744, which render it objectionable, and it would produce inequalities and administrative complications. Therefore, enactment of the bill in its present form is considered undesirable. These defects in the bill would be eliminated and the administration of its provisions greatly simplified if the legislative proposals were ingrafted into and correlated with existing law as amendments to Public Law 484, Seventy-third Congress, and amendments thereto. As a separate enactment, the administrative, definitive, and regulatory provisions of Public Law 2, Seventy-third Congress, March 20, 1933, and the Veterans Regulations, as amended, and the penal and forfeiture provisions of that law would not be for application to benefits provided for therein, and the bill makes no provision therefor. The definitions as contained in the bill, as stated above, are at variance with those uniformly applied to benefits payable under other laws administered by the Veterans' Administration and would result in numerous inequalities.

There is enclosed for the consideration of the committee a proposed substitute bill which would accomplish, through amendments to Public Law 484, Seventy-third Congress, as amended, practically the same purposes as H. R. 1744, and at the same time remove the objectionable features of H. R. 1744. The substitute measure would repeal the eligibility requirements of Public Law 484, Seventy-third Congress, as amended, subject to certain saving provisions and establish an outright service pension for widows and children of World War No. 1 veterans at the increased rates now payable under that law as amended by section 2, Public Law 312, Seventy-eighth Congress, approved May 27, 1944. It would modify the definition of the term "widow" as applied to benefits payable under the proposed legislation and make such definition uniformly applicable to benefits payable in World War No. 1 cases under other laws administered by the Veterans' Administration, and adopt the definition of the term "child" as applied in existing law.

Since the eligibility requirement that the veteran shall have had a service-connected disability at the time of death would be repealed and a service pension would be provided for widows and children of World War No. 1 veterans, the substitute bill would provide for a repeal of section 4, Public Law 312, Seventy-eighth Congress, May 27, 1944, which extended the benefits provided in Public Law 484, Seventy-third Congress, as amended, to widows and children of World War No. 2 veterans. It is believed that extension of the benefits for non-service-connected death to the widows and children of World War No. 2 veterans, as provided in section 4 of Public Law 312, which benefits are substantially service pensions, constituted a precedent by granting such benefits before termination of the war. It further introduced complications in the service-pension program for World War No. 1 for the reason that the principle upon which the grant was made must have been to afford the same benefits to World War No. 2 cases as are afforded World War No. 1 cases. To follow that principle, it would be necessary to consider including World War No. 2 cases in the bill before the committee. The granting of an outright service pension to widows and children of World War No. 2 veterans prior to termination of the present war presents additional and serious objections.

Sixteen years elapsed after the Armistice of November 11, 1918, before circumstances appeared to justify the extension of benefits for non-service-connected deaths to widows and children of veterans of World War No. 1, and even then this legislation required that the veteran must have had a directly service-connected disability disabling to a degree of 30 percent at the time of his death. The Government's first obligation extends to those disabled in active duty in the military and naval service and to the dependents of those who die as the result of the disability so incurred. The full extent of the Government's responsibility in this respect cannot be determined until after the war has terminated. The magnitude and the extent of providing death pension benefits to widows and children of veterans of the present war whose deaths are in no way attributable to their military or naval service should receive careful and thoughtful study by the Congress. Heretofore, benefits granted in non-service-connected cases led to the Economy Act of March 20, 1933, which resulted in repeal of such laws and restrictions on the service-connected group. While service pension to widows and children of World War No. 1 veterans may be justified at this time, it is recommended that the draft offered by the Veterans' Administration be used and that section 4 of Public Law 312 be repealed as provided in that draft, thus leaving the matter of service pensions for World War No. 2 widows and children to be determined in later years and then considered on the basis of need and the ability of the Government to meet the obligation involved.

There is enclosed a comparative analysis of Public Law 484, Seventy-third Congress, as amended, and of H. R. 1744 and the proposed substitute bill.

It is estimated that H. R. 1744 would make eligible for the benefits provided thereunder, the dependents of approximately 163,300 deceased World War No. 1 veterans whose deaths were not due to service at a cost for the first year of approximately $63,917,000. The substitute bill would make eligible for benefits provided thereunder, the dependents of approximately 162,300 deceased World War No.

1 veterans whose deaths were not due to service at a cost for the first year of approximately $74,543,000. The lower number of cases is due to the year's difference in the delimiting marriage date, and the difference in cost is due to the higher rates provided therein. In addition, the uniform marriage provision in the proposed substitute bill would bring on the rolls approximately 750 widows of World War No. 1 veterans who died of a service-connected disability, at an annual cost of $450,000 which would increase the total estimated cost of the substitute bill for the first year to $74,993,000.

From experience of the Veterans' Administration, it is believed that not more than one-half of those entitled would apply and be paid the first year. Therefore, it is estimated that the actual expenditure under H. R. 1744 would approximate $31,958,500 for the first year, bringing on the rolls the dependents of 81,650 deceased World War No. 1 veterans, and that the actual expenditure under the substitute bill would approximate $37,496,500 for the first year, bringing on the rolls the dependents of 81,525 deceased World War No. 1 veterans.

The cost quoted for each bill is considered a minimum as H. R. 1744 may bring on the rolls in 20 to 25 years a peak load of 730,000 new cases at a cost, for 1 year, of $264,300,000 and the substitute bill may bring on the rolls more than 700,000 new cases at a cost, for 1 year, of $308,000,000. These groups would be in addition to those eligible under laws now in effect.

For the foregoing reasons, the Veterans' Administration is unable to recommend H. R. 1744 in its present form to the favorable consideration of your committee, but recommends in lieu thereof the substitute bill as heretofore explained.

Advice has been received from the Bureau of the Budget that there would be no objection by that office to the submission of this report to your committee.

Very truly yours,

FRANK T. HINES, *Administrator.*

A bill to provide Government protection to widows and children of deceased World War No. 1 veterans, and for other purposes

Be it enacted, etc., That section 1 of Public Law No. 484, Seventy-third Congress, June 28, 1934, as amended, is hereby amended by repealing subsections (a) and (b) thereof and substituting the following:

"SEC. 1. (a) The surviving widow, child, or children of any deceased person who served in World War No. 1 before November 12, 1918, or if the person was serving with the United States military forces in Russia before April 2, 1920, and who was honorably discharged after having served 90 days or more or for disability incurred in the service in line of duty, shall, upon filing application and such proofs in the Veterans' Administration as the Administrator of Veterans' Affairs may prescribe, be entitled to receive pension as provided by this act."

SEC. 2. That section 2 of Public Law No. 484, Seventy-third Congress, as amended, is hereby amended to read as follows:

"SEC. 2. (a) That the monthly rates of pension shall be as follows: Widow but no child, $35; widow and one child, $45 (with $5 for each additional child); no widow but one child, $18; no widow but two children, $27 (equally divided); no widow but three children, $36 (equally divided) with $4 for each additional child (the total amount to be equally divided).

"(b) The total pension payable under this section shall not exceed $74. Where such benefits would otherwise exceed $74, the amount of $74 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

SEC. 3. That section 3 of Public Law No. 514, Seventy-fifth Congress, May 13, 1938, is hereby amended to read as follows:

"SEC. 3. On and after the date of enactment of this act for the purpose of payment of compensation or pension under the laws administered by the Veterans' Administration, the term 'widow of a World War No. 1 veteran' shall mean a woman who was married to the person who served 10 or more years prior to his death, or more than 1 year prior to the effective date of enactment of this amendment: *Provided*, That all marriages shall be proven as valid marriages according to the law of the place where the parties resided at the time of marriage or the law of the place where the parties resided when the right to compensation or pension accrued: *And provided further*, That where the original date of marriage meets the statutory requirement and the parties were legally married at date of death of the veteran, the requirement of the statute as to date of marriage will be regarded as having been met. Compensation or pension shall not be allowed a widow who has remarried either once or more than once, and where compensation or pension is properly discontinued by reason of remarriage it shall not thereafter be recommenced. No compensation or pension shall be paid to a widow unless there was continuous cohabitation with the person who served from the date of marriage to date of death, except where there was a separation which was due to the misconduct of or procured by the person who served, without the fault of the widow."

SEC. 4. This act shall be effective from the date of its approval: *Provided*, That notwithstanding the repeal of subsections (a) and (b) of section 1 of Public Law No. 484, Seventy-third Congress, as amended, contained in section 1 of this act, claims based on World War No. 1 service otherwise payable for a period prior to the effective date of this act may be adjudicated and placed on the roll and the benefits of this act shall be applicable to such claims and those claims now on the rolls.

SEC. 5. Except to the extent they may conflict with the provisions of this act, the provisions of Public Law No. 2, Seventy-third Congress, March 20, 1933, and the Veterans Regulations as now or hereafter amended, and of Public Law No. 144, Seventy-eighth Congress, July 13, 1943, shall be applicable to this act: *Provided*, That no compensation or pension shall be reduced or discontinued by the enactment of this act.

SEC. 6. Section 4 of Public Law No. 312, Seventy-eighth Congress, May 27, 1944, is hereby repealed: *Provided*, That claims based on World War No. 2 service which have been adjudicated and allowed under such repealed provision prior to the effective date of this act shall not be affected by such repeal.

COMPARATIVE ANALYSIS OF H. R. 1744, PUBLIC LAW 484, SEVENTY-THIRD CONGRESS, AS AMENDED, AND PROPOSED SUBSTITUTE BILL

Section 1 of Public Law 484, Seventy-third Congress, June 28, 1934, as amended by section 1 of Public Law 198, Seventy-sixth Congress, July 19, 1939, provides in subsection (a) for payment of compensation to the widow, child, or children of a deceased World War No. 1 veteran who served in World War No. 1 before November 12, 1918, or before April 2, 1920, if service was in Russia, irrespective of the length of his service, whose death was not service-connected but who was receiving or entitled to receive compensation, pension, or retirement pay for service-connected disability 10 percent or more in degree at the time of his death. An honorable discharge is not prerequisite to entitlement, and the requirements as to discharge are those contained in section 23 of the World War Veterans' Act, 1924, as amended; and in subsection (b) for payment of compensation to the widow, child, or children of a deceased World War No. 1 veteran who served in World War No. 1 before November 12, 1918, or before April 2, 1920, if service was in Russia, for a period of 90 days or more and who was honorably discharged from service, or who having served less than 90 days was discharged for disability incurred in service in line of duty and who at the time of his death from non-service-connected disability, had a service-connected disability for which compensation would be payable if the disability were 10 percent or more in degree. Subsection (c), as amended by section 11 of Public Law 144, Seventy-eighth Congress, July 13, 1943, provides an income limitation of $1,000 as to any widow without child, or a child, and $2,500 as to a widow with child or children. In determining annual income any payments by the United States Government because of disability or death under laws administered by the Veterans' Administration may not be considered, and where payments to a widow are disallowed or discontinued by reason of this income limitation, payments to a child or children may be made as though there is no widow.

Section 1 of H. R. 1744 provides for payment of death compensation to the widow, child, or children of a World War No. 1 veteran whose death was not due to service under the same service requirements as in subsection (b) above, that is, 90 days or more service before November 12, 1918, or before April 2, 1920, if service was in Russia, and an honorable discharge unless the veteran having served less than 90 days was discharged for line of duty disability. It contains the same income limitation as in (c) above, but in determining annual income provides that payments of war-risk term insurance, United States Government life (converted) insurance, and payments under the World War Adjusted Compensation Act, as amended, and the Adjusted Compensation Payment Act, 1936, shall not be considered. This provision is less liberal in that it does not include national service life insurance or take into consideration future benefits which may be paid under laws administered by the Veterans' Administration. It does not protect payments to a child or children where payments to the widow are disallowed or discontinued as in (c) above.

Section 1 of the substitute bill would repeal the eligibility requirements as contained in subsections (a) and (b) of section 1, Public Law 484, Seventy-third Congress, as amended, and substitute a new subsection (a) providing for payment of death-pension benefits to the widow, child, or children of a deceased World War No. 1 veteran who was honorably discharged after having served 90 days or more in World War No. 1 prior to November 12, 1918, or April 2, 1920, if service was in Russia, or who having served less than 90 days, was discharged for disability incurred in the service in line of duty and whose death was not due to service, thus adopting the service requirements of H. R. 1744 and eliminating the requirement that the veteran have a service-connected disability at the time of his death. The benefits are designated pension rather than compensation, which is the term generally applied under laws administered by the Veterans' Administration in World War No. 1 cases to benefits payable for service-connected disability or death. Subsection (c) of section 1, Public Law 484, Seventy-third Congress, as amended, would not be disturbed and the more liberal income limitation as prescribed therein would be for application rather than the income limitation contained in H. R. 1744.

Section 2 of Public Law 484, Seventy-third Congress, as amended by section 2 of Public Law 198, Seventy-sixth Congress, July 19, 1939, prescribed the monthly rates of compensation payable under that act subject to a limitation of $64 on the total amount payable to a widow and children, or children alone. The monthly rates were recently increased by

section 2, Public Law 312, Seventy-eighth Congress, May 27, 1944, but no change was made in the $64 limitation which is still for application. H. R. 1744 provides for payment of compensation at the same rates as those prescribed in section 2 of Public Law 198, Seventy-sixth Congress, which are as follows:

Widow, but no child	$30
Widow, 1 child (with $4 for each additional child)	38
No widow, 1 child	15
No widow, 2 children (equally divided)	22
No widow, 3 children (equally divided) with $3 for each additional child (total amount equally divided)	30
Total amount may not exceed	64

The proposed substitute bill would adopt the increased rates provided in section 2 of Public Law 312, Seventy-eighth Congress, and increase the limitation on the total amount payable from $64 to $74. The monthly rates provided in section 2, Public Law 312, Seventy-eighth Congress, are as follows:

Widow, but no child	$35
Widow, 1 child (with $5 for each additional child)	45
No widow, 1 child	18
No widow, 2 children (equally divided)	27
No widow, 3 children (equally divided) with $4 for each additional child (total amount equally divided)	36

Section 3 of Public Law 484, Seventy-third Congress, June 28, 1934, in subsections (a), (b), and (c) defines the terms "person who served," "widow," and "child," respectively. H. R. 1744 defines the term "person who entered service" in substantially the same language as the term "person who served" is defined in subsection (a). The substitute bill would not disturb the definition of the term "person who served" as contained in subsection (a). Subsection (b) defining the term "widow" has been modified by section 3 of Public Law 514, Seventy-fifth Congress, May 13, 1938, which defines the term "widow of a World War No. 1 veteran." Under this definition, applicable to all World War No. 1 widows, service-connected and non-service-connected death, there is a provision relating to proof as to the validity of marriage and a delimiting marriage date, May 13, 1938; also a requirement of continuous cohabitation from date of marriage to date of death of the veteran except where there was a separation which was due to the misconduct of or procured by the veteran without fault of the widow. It also provides that compensation may not be allowed to a widow who has remarried either once or more than once, and where compensation is properly discontinued by reason of remarriage it may not thereafter be recommenced. Under H. R. 1744 the term "widow" is defined to mean a person who was married prior to the date of enactment of the proposed legislation and it also contains a provision relating to proof of marriages identical with that contained in the existing law. The substitute bill would define the term "widow of a World War No. 1 veteran" for the purpose of payment of compensation or pension to the widow of a World War No. 1 veteran under any of the laws administered by the Veterans' Administration, thus establishing uniformity, as a woman who was married to the person who served 10 or more years prior to his death or more than 1 year prior to enactment of the proposed legislation.

The 10-year rule as recommended by the Veterans' Administration was approved in recent legislation pertaining to service pensions of widows of Indian war veterans and is also incorporated in H. R. 86, Seventy-eighth Congress, now pending in the Senate, which would grant service pension to certain Civil War widows not entitled to service pensions under existing laws because of the delimiting marriage date of June 27, 1905. Pension is also provided in the substitute bill for widows who were married "more than 1 year prior to date of enactment of this amendment," thus extending, in effect, the World War No. 1 delimiting marriage date approximately 5 years in order that marked injustices may not result from substitution of the 10-year marriage rule. The first proviso follows the existing law as well as H. R. 1744, relative to proof as to the validity of marriages but modifies this provision to prevent injustices which result from application of this provision in certain cases where the original date of marriage meets the statutory requirement but where the parties were divorced and later remarried subsequent to the delimiting marriage date. The provisions in existing law relating to continuous cohabitation and remarriage of the widow are contained in effect to prevent inequalities and establish uniformity in laws administered by the Veterans' Administration.

Subsection (c) of section 3 of Public Law 484, Seventy-third Congress, as amended, has been modified by application of section 1, Public Law 144, Seventy-eighth Congress, July 13, 1943, making the administrative, definitive, and regulatory provision of Public Law 2, Seventy-third Congress, March 20, 1933, and the Veterans Regulations as now or hereafter amended, applicable to benefits provided under Public Law 484, Seventy-third Congress, as amended, hence the definition of the term "child" as contained in paragraph VI, Veterans Regulation No. 10 Series, is applicable to benefits under this law, as well as under other laws administered by the Veterans' Administration. The definition of the term "child" as contained in H. R. 1744, is substantially the same as that contained in paragraph VI, Veterans Regulation No. 10 Series, except that under the definition of that term in the bill a child would be eligible to receive benefits thereunder after his or her twenty-first birthday if attending an approved educational institution until completion of the course of instruction entered upon prior to his or her twenty-first birthday. Under the substitute bill the definition of the term "child" as contained in existing law would not be disturbed.

Section 4 of Public Law 484, Seventy-third Congress, as amended by section 3 of Public Law 198, Seventy-sixth Congress, July 19, 1939, relates to proof and degree of disability and service connection thereof for which no provision is made or is necessary in H. R. 1744. This section would become inoperative under the substitute bill except as to cases saved from repeal of section 1 (a) and (b) of that act, hereinafter mentioned.

Section 5 of Public Law 484, Seventy-third Congress, June 28, 1934, relates to the effective date of payments under that act and was modified by section 6, Public Law 304, Seventy-fifth Congress, October 16, 1937, and applicable Veterans Regulations under which awards of death compensation are made effective from date of death of the World War No. 1 veteran if claim is filed within 1 year from date of death, otherwise from date of receipt of application in the Veterans' Administration. H. R. 1744 provides that payments shall be effective from date of enactment thereof in all cases where application under Public Law 484, Seventy-third Congress, as amended, is on file in the Veterans' Administration prior to such date of enactment, which would cover pending cases not then adjudicated, and that in all other cases payments shall be made from date application is filed in the Veterans' Administration. This latter provision would create an inequality as to claims filed within 1 year from the date of the veteran's death in that payment could not be made from the date of the veteran's death. The proposed substitute bill provides that the act shall be effective from the date of its approval with a proviso that notwithstanding the repeal of subsections (a) and (b) of section 1 of Public Law 484, Seventy-third Congress, as amended, contained in section 1 of the proposed legislation, claims based on World War No. 1 service otherwise payable for a period prior to the effective date of the act may be adjudicated and placed on the roll and that the benefits of the act shall be applicable to such claims and to those claims now on the rolls. Under this proviso, those now on the rolls and those whose claims are adjudicated and placed on the rolls under this savings provision would receive compensation at the rates provided under laws in effect prior to enactment of the substitute bill for any period prior to the date of approval thereof and the benefits of the proposed legislation thereafter. Claims which may be adjudicated and placed on the rolls under this savings provision include claims based on World War No. 1 service on file in the Veterans' Administration which are pending and which have not been adjudicated prior to date of approval of the substitute bill and claims based on World War No. 1 service filed thereafter within 1 year from date of the veteran's death which occurred prior to the date of approval of the substitute bill and which would otherwise be payable for a period prior to that date, i. e., from the date of death of the veteran. As to all other claims based on World War No. 1 service, section 6 of Public Law 304, Seventy-fifth Congress, and the Veterans Regulations would be controlling and payment would be made from date of the veteran's death if claim is filed within 1 year from date of death, otherwise from date of receipt of application in the Veterans' Administration.

Section 6 of Public Law 484, Seventy-third Congress, as added by section 1 of Public Law 866, Seventy-sixth Congress, October 17, 1940, relates to recovery of overpayments under the provisions of the act and if the substitute bill is adopted this section would remain in full force and effect but there is no provision making it applicable to benefits provided under H. R. 1744.

Under section 9 of Public Law 304, Seventy-fifth Congress, October 16, 1937, and section 1 of Public Law 144, Seventy-eighth Congress, the penal and forfeiture provisions and the administrative, definitive, and regulatory provisions of Public Law 2, Seventy-third Congress, and the Veterans Regulations as amended, are made applicable to benefits provided under Public Law 484, Seventy-third Congress, as amended, but to insure application of such provisions, section 5 of the substitute bill contains the provision that except to the extent they may conflict with the proposed legislation the provisions of Public Law 2, Seventy-third Congress, March 20, 1933, and the Veterans Regulations as now or hereafter amended, and of Public Law 144, Seventy-eighth Congress, July 13, 1943, shall be applicable thereto. It also provides that no compensation or pension shall be reduced or discontinued by the enactment of the proposed legislation. H. R. 1744 contains no such provisions.

Section 6 of the substitute bill would repeal section 4 of Public Law 312, Seventy-eighth Congress, extending the benefits of Public Law 484, Seventy-third Congress, as amended, to widows and children of veterans of World War No. 2, but contains a saving provision as to claims based on World War No. 2 service which have been adjudicated and allowed under such repealed provision prior to the effective date of enactment of the proposed legislation.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate executive messages from the President of the United States, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

Aloysius J. Connor, of New Hampshire, to be United States district judge for the district of New Hampshire, vice George F. Morris, retired.

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Capt. Frederick W. McMahon, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to Commander, Air Force, United States Pacific Fleet; and

Capt. Howard B. Mecleary, United States Navy, retired, to be a commodore in the Navy, on the retired list, for temporary service, to continue while serving as commanding officer, United States naval advance base, Espiritu Santo.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE ARMY—NOMINATIONS PASSED OVER

The legislative clerk proceeded to read sundry nominations in the Army, which nominations had been previously passed over.

Mr. HILL. Mr. President, the Senate Committee on Military Affairs will meet in the morning to consider all Army nominations. In view of that fact, I ask that these nominations be passed over.

The ACTING PRESIDENT pro tempore. Without objection, the Army nominations will be passed over.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. HILL. I ask that the nominations in the Public Health Service be confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations in the United States Public Health Service are confirmed en bloc.

POSTMASTER—NOMINATION REPORTED ADVERSELY

The legislative clerk read the nomination of Rachel Elgiva McCracken to be postmaster at Galt, Mo., which had been reported adversely.

The ACTING PRESIDENT pro tempore. The question is, Will the Senate advise and consent to this nomination?

Mr. WHITE. Mr. President, there is on the calendar one unfavorable report on a postmaster nomination. I understood that it was a matter in which the junior Senator from Missouri [Mr. TRUMAN] was interested, and that the request was to be made that the nomination be passed over until his return.

Mr. HILL. Mr. President, let me say to the distinguished Senator from Maine that the Senator from Missouri wishes that the recommendation of the Committee on Post Offices and Post Roads be sustained by the Senate. Unless there is objection——

Mr. WHITE. Mr. President, I shall have to object to the consideration of the nomination at this time.

Mr. HILL. I ask that the nomination be passed over.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be passed over.

POSTMASTERS—FAVORABLE REPORTS

The legislative clerk proceeded to read sundry nominations of postmasters which had been favorably reported.

Mr. HILL. Mr. President, I ask that the nominations of postmasters which have been favorably reported be confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the postmaster nominations favorably reported are confirmed en bloc.

That completes the calendar.

Mr. HILL. I ask that the President be immediately notified of all nominations confirmed today.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

RECESS

Mr. HILL. I move that the Senate take a recess until 12 o'clock noon, tomorrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, December 5, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 4 (legislative day of November 21), 1944:

DEPARTMENT OF STATE

Joseph C. Grew, of New Hampshire, to be Under Secretary of State.

Nelson A. Rockefeller, of New York, to be an Assistant Secretary of State.

W. L. Clayton, of Texas, to be an Assistant Secretary of State.

Archibald MacLeish, of Virginia, to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

James Hugh Keeley, Jr., of California, now a Foreign Service officer of class 1 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

William E. DeCourcy, of Texas, now a Foreign Service officer of class 2 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

Hartwell Johnson, of South Carolina, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

Harry M. Donaldson, of Pennsylvania, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the Diplomatic Service, to be also consuls general of the United States of America:

Albert M. Doyle, of Michigan.

Paul P. Steintorf, of Virginia.

The following-named persons, now Foreign Service officers of class 4 and secretaries in the Diplomatic Service, to be also consuls general of the United States of America:

Lewis Clark, of Alabama.

William M. Gwynn, of California.

Paul C. Squire, of Massachusetts.

James R. Wilkinson, of Wisconsin.

The following-named persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the Diplomatic Service of the United States of America:

A. John Cope, Jr., of Utah.

J. Ramon Solana, of North Carolina.

Robert M. Taylor, of Washington, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

COMPTROLLER OF CUSTOMS

Charles F. Murphy, of Jamaica Plain, Mass., to be comptroller of customs in customs collection district No. 4, with headquarters at Boston, Mass., to fill an existing vacancy.

COLLECTOR OF CUSTOMS

Victor Russell, of Port Arthur, Tex., to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex. (Reappointment.)

REGISTER OF LAND OFFICE

Mrs. Grace Gavin Lewis, of Oregon, to be register of the land office at The Dalles, Oreg., vice William F. Jackson, resigned.

COAST AND GEODETIC SURVEY

The following-named employees of the Coast and Geodetic Survey to the position indicated:

William B. Page to be junior hydrographic and geodetic engineer with rank of lieutenant (junior grade) in the Coast and Geodetic Survey from the 10th day of September 1944.

Norman Porter to be junior hydrographic and geodetic engineer with rank of lieutenant (junior grade) in the Coast and Geodetic Survey from the 1st day of October 1944.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be first lieutenant with rank from December 11, 1944

Second Lt. Kenneth Oswald Due, Quartermaster Corps (temporary captain), subject to examination required by law.

MEDICAL CORPS

To be majors

Capt. Joseph Sibley Cirlot, Medical Corps (temporary lieutenant colonel), with rank from December 6, 1944.

Capt. Richard Howard Eckhardt, Medical Corps (temporary colonel), with rank from December 10, 1944.

Capt. John Mars Caldwell, Jr., Medical Corps (temporary colonel), with rank from December 10, 1944.

Capt. Charles Parmalee Ward, Medical Corps (temporary colonel), with rank from December 10, 1944.

Capt. Elmer Arthur Lodmell, Medical Corps (temporary lieutenant colonel), with rank from December 10, 1944.

Capt. Lester Paul Veigel, Medical Corps (temporary lieutenant colonel), with rank from December 10, 1944.

Capt. George Lewis Beatty, Medical Corps (temporary lieutenant colonel), with rank from December 10, 1944.

Capt. Harold Irvin Amory, Medical Corps (temporary colonel), with rank from December 10, 1944.

Capt. John Albert Egan, Medical Corps (temporary lieutenant colonel), with rank from December 10, 1944.

Capt. George Gustavo Guiteras, Medical Corps (temporary lieutenant colonel), with rank from December 10, 1944.

Capt. Edgar Louis Olson, Medical Corps (temporary colonel), with rank from December 10, 1944.

Capt. Charles Edwards Spellman, Medical Corps (temporary lieutenant colonel), with rank from December 10, 1944.

Capt. Joe Harrell, Medical Corps (temporary colonel), with rank from December 27, 1944.

To be captain

First Lt. Bruce Hardy Bennett, Medical Corps (temporary major), with rank from August 26, 1944.

PHARMACY CORPS

To be lieutenant colonel

Maj. Edward Martin Wones, Pharmacy Corps (temporary lieutenant colonel), with rank from December 22, 1944.

CHAPLAINS

To be colonel

Chaplain (Lt. Col.) Willis Timmons Howard, United States Army (temporary colonel), with rank from December 25, 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 4 (legislative day of November 21), 1944:

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENTS AND PROMOTIONS IN THE REGULAR CORPS

To be assistant surgeons, effective date of oath of office

Raymond F. Corpe
Reuben B. Widmer

To be temporary passed assistant surgeons, effective dates indicated

William R. Rosanoff, October 1, 1944.
David F. Bradley, November 1, 1944.

To be temporary surgeons, effective dates indicated

Waldron M. Sennott, October 1, 1944.
Edwin N. Hesbacher, November 1, 1944.
William S. Baum, November 1, 1944.

To be temporary senior surgeons, effective November 1, 1944

John D. Lane, Jr.
Robert K. Maddock
Charles R. Mallary

To be sanitary engineer directors, effective dates indicated

Frank R. Shaw, December 18, 1944.
Howard N. Old, December 15, 1944.

To be dental surgeons, effective dates indicated

Robert H. Moore, November 16, 1944.
Frank E. Law, December 24, 1944.

To be senior dental surgeons, effective December 1, 1944

Frederick W. Harper
Pendleton J. Slaughter

POSTMASTERS

MISSOURI

Everett L. Griffin, Aldrich.
Clara M. Moore, Avondale.
Katherine E. Feldmann, Baldwin.
Nellie Hamilton, Berkeley.
Edna Walters, Brownington.
Wade H. Manning, Chula.
Julia S. Dodge, Commerce.
James D. Elkins, Dixon.
Melvin D. Hammons, Dunnegan.
John S. Vickers, Ewing.
Mellie E. Coffee, Fairview.
Chester Alan Platt, Jefferson City.
Josephine B. Diggs, Jonesburg.
Myron G. Mann, Kidder.
Alice F. Paddack, Kingsville.
Garnet Chappell, Louisiana.
Mabel E. Trosper, Ludlow.
Juanita R. Gross, Maryland Heights.
Jesse H. Letton, Mindenmines.
Otis C. Mackey, Morrisville.
Samantha Wilkinson, Patterson.
Paul J. Casey, Potosi.
Frank B. Miller, Queen City.
Thomas S. Clayton, Raymondville.
Earl A. Blakely, Revere.
John T. Harrison, Stark City.
Nadine Smith, Tina.
Edward Francis Gorman, Jr., Wentworth.
Allien B. Alderson, Wyatt.

NEW MEXICO

Jesse L. Truett, Artesia.
John D. Lane, Lake Arthur.
Biddie N. Harrelson, Mesilla Park.
Demetrio P. Roybal, Pecos.
Ruth Dorbandt Ware, Rincon.

NEW YORK

Alexander R. Knowlton, Rexford.

OKLAHOMA

Albert W. Shook, South Coffeyville.

OREGON

Beatrice I. Scoggins, Arlington.
Virgie R. Bradley, Aumsville.
Walter F. Petersen, Lapine.
James R. Sandford, North Plains.
Lorena Lane Bounds, Ordnance.
Mary E. Grieve, Prospect.
Veva I. Hendricks, Seneca.

SOUTH CAROLINA

Robert R. Du Rant, Jr., Manning.
Jackson L. Flake, Swansea.
Katherine M. Ward, Wampee.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 4, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Come, Holy Spirit, Heavenly Dove; lift us above all strife and give us Thy peace within. We pray that we may not be victims of paralyzing fear and awkwardness; in Thy light may we see light, and in Thy love may we breathe hope. Infuse our spirits with sound wisdom to meet the emergencies which may confront us with mental and spiritual firmness which signify the secret of strength and courage.

O peace of God, mighty as the power which hides in the birth of the morning, come and dwell among the nations lest they be severed and destroyed. Grant that our citizens may understand fully that the healthiest life for our Republic is the life of service. Persuade us that if we are to preserve our own spiritual growth we must bring vigor and grace to others. In integrity of soul, in calmness of a conquering faith, help us to sacrifice and labor on until the light of peace breaks from the eternal hills. Help us to lift up the feeble hands that hang down and strengthen the tottering feet which are going the way of this scarred earth. Deliver our hearts from the bonds of selfishness and enable us to yield ourselves to the Son of Man who inscribes on His mind and heart the names of His children everywhere. In Thy holy name. Amen.

The Journal of the proceedings of Friday, December 1, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 56. Joint resolution authorizing the acceptance of a bust of Hon. Cordell Hull, former Secretary of State.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3732) entitled "An act to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey"; disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATCH, Mr. CHANDLER, and Mr. DANAHER to be the conferees on the part of the Senate.

RESIGNATION OF MEMBER

The SPEAKER laid before the House the following communication, which was read:

WASHINGTON, D. C.,
December 3, 1944.

Speaker SAM RAYBURN,
House of Representatives,
Washington, D. C.

DEAR SPEAKER RAYBURN: I have transmitted to the Governor of Tennessee my resignation as a Member of the Seventy-eighth Congress, effective Monday, December 4. This action will not affect my membership in the Seventy-ninth Congress to which I have been duly elected and in which I expect to serve.

A copy of my letter to Governor Cooper is attached hereto.

Sincerely yours,

ALBERT GORE,
Member of Congress.

ACCEPTANCE OF BUST OF HON. CORDELL HULL

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, on behalf of the entire Tennessee delegation in the House of Representatives, I ask unanimous consent to take from the Speaker's desk Senate Concurrent Resolution 56 for immediate consideration.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library is hereby authorized and directed to accept, on behalf of the Congress of the United States, a bust of Hon. Cordell Hull, Secretary of State, formerly a Member of the House of Representatives and of the United States Senate from the State of Tennessee, presented by the Cumberland (Md.) Evening and Sunday Times, and to cause such bust, executed by George Conlon, sculptor, to be placed in a suitable location in the United States Capitol.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT OF BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY

Mr. BLAND. Mr. Speaker, I ask unanimous consent to file for printing in the

RECORD at this point the report of the Board of Visitors to the United States Merchant Marine Academy, Kings Point, N. Y., consisting of Members of the Senate and House. The meeting was held September 30, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The document referred to follows:

REPORT OF THE BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY, KINGS POINT, N. Y., SEPTEMBER 30, 1944

The PRESIDENT OF THE SENATE.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to Public Law 801, Seventy-eighth Congress, chapter 194, second session, approved May 11, 1944, the following Senators and Members of the House of Representatives were designated to constitute the 1944 Board of Visitors to the United States Merchant Marine Academy:

SENATORS

By Committee on Commerce: JOSIAH W. BAILEY, of North Carolina (ex officio); GEORGE L. RADCLIFFE, of Maryland; HAROLD H. BURTON, of Ohio.

By the Vice President: JAMES M. TUNNELL, of Delaware.

MEMBERS OF THE HOUSE OF REPRESENTATIVES

By the Merchant Marine and Fisheries Committee: SCHUYLER O. BLAND, First Congressional District of Virginia (ex officio); EDWARD J. HART, Fourteenth Congressional District of New Jersey; ROBERT RAMSPECK, Fifth Congressional District of Georgia; RICHARD J. WELCH, Fifth Congressional Distric of California.

By the Speaker of the House: EUGENE J. KEOGH, Ninth Congressional District of New York; GORDON CANFIELD, Eighth Congressional District of New Jersey; Representative DANIEL ELLISON, Fourth Congressional District of Maryland, was later appointed in place of Mr. RICHARD J. WELCH, of California, who was unable to attend.

The Board of Visitors to the United States Merchant Marine Academy assembled at Wiley Hall at 10 a. m., Friday, September 29, 1944, where the members were received by the Superintendent of the Merchant Marine Academy, Capt. Giles C. Stedman, United States Naval Reserve, and his staff.

The following members of the Board were present at the first and later meetings: Senator GEORGE L. RADCLIFFE, Senator HAROLD H. BURTON, Representative SCHUYLER O. BLAND, Representative ROBERT RAMSPECK, Representative EUGENE J. KEOGH, Representative GORDON CANFIELD, and Representative DANIEL ELLISON.

FIRST MEETING OF THE BOARD OF VISITORS

After being conducted to the conference room, Representative SCHUYLER O. BLAND took the chair as temporary chairman for the purpose of organization.

The Board elected Representative SCHUYLER O. BLAND as chairman, and designated Lt. Comdr. William W. MacKenzie, United States Naval Reserve, as secretary, and Lt. Comdr. William L. Bull, United States Maritime Service, as assistant secretary.

When, at the request of the chairman, the Superintendent and his staff joined the Board in conference, the Superintendent was invited to make such reports on the state of the academy as he deemed pertinent and proper to bring to the Board's attention. In response to this invitation, the Superintendent, Capt. Giles C. Stedman, United States Naval Reserve, presented the following report:

"Gentlemen, it is a pleasure to welcome the first Congressional Board of Visitors to the United States Merchant Marine Academy.

"The entire academy personnel is sincerely gratified by this visit, and appreciates the important function of your board in better enabling us to accomplish the mission of this national institution.

"We are well aware that the performance of this additional duty during these arduous days calls for considerable sacrifice for each of you. But we firmly believe that this generous donation of your time and effort will be compensated for by the realization that you will have rendered a valuable service to the academy and to the Nation's growing maritime strength.

"Part I. Introduction to background and establishment of cadet corps

"The passage by the Congress of the Merchant Marine Act of 1936, as amended, gave distinct impetus to the Federal training of officers for the United States merchant marine by providing for the establishment of the United States Merchant Marine Cadet Corps.

"The United States Merchant Marine Cadet Corps was officially organized by the United States Maritime Commission, in the spring of 1938. In order to prepare a comprehensive training program an exhaustive study was first made of all foreign systems of merchant marine officer training. For many years England, Italy, Germany, Japan, Holland, Norway, Sweden, France, and Denmark had well-established training programs. Accordingly, a comprehensive analysis was made of the best points of each system of training. With this background, and with the assistance of the keenest minds among American shipping officials and merchant marine officers, the Maritime Commission inaugurated and developed the United States Merchant Marine Cadet Corps, the Nation's first Federal system for training officers for the merchant marine.

"The cadet corps had its inception when the 99 cadets who were aboard Government-owned or subsidized vessels were placed under the direct supervision of the Maritime Commission on March 15, 1938. Early in 1939, national competitive examinations for the appointment to cadetships were inaugurated, and for the first time in the history of this Nation an opportunity was presented to qualified young Americans of every State in the Union to receive training for a career in the United States merchant marine.

"Lacking its own facilities ashore, the newly established cadet corps necessarily had to share the quarters of certain other training institutions, such as the Admiral Billard Academy at New London, the New York State Maritime Academy at Fort Schuyler, N. Y., the United States navy yard at Algiers, La., and a United States Navy base in San Francisco. Although at that early date the total complement of the cadet corps was low, the course of study was comprehensive, based on a 4-year curriculum.

"The growing international tension and subsequently declaration of war suspended the 4-year course, and compelled the adoption of a shortened period of training. Concurrent with the increasing strength of the cadet corps, two basic schools were established, one at San Mateo, Calif., the other at Pass Christian, Miss. By the end of 1941, the rapidly increasing strength of the cadet corps made clear the urgent need for the establishment of an adequate academy on the Atlantic coast to furnish both basic and advanced training. Accordingly, thorough investigation was made to locate a suitable site for the new academy. Final selection indicated that the Walter P. Chrysler estate of 11 acres, at Kings Point, N. Y., was the most appropriate location, and in December 1941, its purchase for $100,000 was consummated by the United States Maritime Commission. Plans were at once developed to adopt this estate for use in building the first Federal Merchant Marine Academy which would furnish officer training to the young men of all States.

"Part II. Planning, establishment, and construction of United States Merchant Marine Academy

"The newly acquired Chrysler property and residence were occupied early in 1942, and instructional activity was commenced. At the same time, broad plans were developed at the United States Merchant Marine Cadet Corps headquarters in Washington for the final design of the academy. Architects, cadet corps officials, prominent merchant marine officers, and educators jointly contributed to the preparation of the over-all plans. The design was based on a peacetime complement of 1,200 cadet-midshipmen, although it was then fully realized that during the war it would be necessary to operate with at least double that figure. Final design having been established a unique problem presented itself owing to the need of continuing all training activity at the same time that the builders proceeded with construction of the new buildings. Further, the enrollment was constantly increasing, and to accommodate the cadet-midshipmen it was necessary not only to occupy fully all existing buildings on the grounds, but temporary C. C. C. barracks as well, erected for the purpose. Owing to the critical shortage of steel, reinforced concrete was used for the basic construction of the new buildings. Record progress was made in the entire constructional program.

"At the termination of the construction period of approximately 15 months the academy was substantially complete and accordingly was officially dedicated on September 30, 1943. At this date the academy had entered upon its full-scale instructional program. The cadet corps at that time had a total strength of 7,514 cadet-midshipmen, of whom 1,094 were undergoing basic training at the academy and the two basic schools on the Pacific and Gulf coasts; 2,200 were undergoing advanced training at the academy, and the remainder, some 4,220, were in an intermediate period of training at sea aboard numerous merchants vessels voyaging to all parts of the world.

"Part III. Broad review of cadet corps academic curriculum

"The course of training prescribed for the past 2½ years has been one of 18 months' duration, consisting of 3 months at basic school, followed by at least 6 months aboard ships, and 9 months advanced courses at the academy. Effective October 1, 1944, the course will be extended to 2 years.

"The method of instructing cadet-midshipmen is unusual, because of the provision whereby each cadet-midshipman must serve at sea aboard merchant vessels as a part of his training. Consequently, during existing war conditions, all cadet-midshipmen assigned to the academy for advanced courses are veterans with service in combat zones.

"At the very beginning of the cadet corps system of training it was found necessary, because of the movement of merchant vessels, to have new sections of 25 cadet-midshipmen commence their basic and advanced academic schedules at weekly intervals. Graduations take place at semimonthly intervals, thus keeping a constant supply of graduates available for sea duty.

"It is, of course, recognized that before newly appointed cadet-midshipmen are ready for assignment to training at sea, a basic course ashore is essential. Hence, the present basic training, of 4 months' duration, has a two-fold purpose. First, to prepare cadet-midshipmen to be useful when they join a vessel for sea training, and take care of themselves and others in event of enemy action or accident, and second, to present a rudimentary outline of the chief subjects upon which to build future training. With cadet-midshipmen undergoing

sea training aboard so many varied merchant vessels, centralized control is difficult. Accordingly a novel method of supervising their study is in force. District cadet-midshipmen supervisors and instructors are stationed in New York, Baltimore, New Orleans, the Canal Zone, Los Angeles, San Francisco, and Seattle. These officers visit vessels which are in port, and not only check progress made by cadet-midshipmen but also assist them with studies. In addition, the cadet corps has developed a guided plan of self-study for the cadet-midshipman at sea, called a sea project. This sea project outlines for the cadet-midshipman the essential points of importance on board his ship, to which attention must be directed during his study. This comprehensive manual has been so designed that for all cadet-midshipmen undergoing deck training, only two individual types of projects are necessary: one for cargo ships, and one for tankers. For cadet-midshipmen in engineering training, two projects suffice—one for steam, and one for Diesel vessels. Cadet-midshipmen are at sea for an over-all period of 6 to 9 months, depending on duration of voyages. During this time they make sketches, prepare drawings, and write answers to hundreds of questions. These questions pertain to the construction, equipment, operation of their vessels, and other professional subjects. Upon termination of their sea training, cadet-midshipmen must have their projects completed. They then report to district supervisors for assignment to the academy.

"To summarize academic training at Kings Point, the course now consists of 36 weeks' advanced work, and will be expanded to 52 weeks on October 1, 1944. Deck and engine cadet-midshipmen take separate courses of study, although both study naval science and shipping economics. The chief subjects studied by deck cadet-midshipmen include navigation, seamanship and cargo, ship construction, mechanical drawing, and meteorology. Engineer cadet-midshipmen have as major courses the study of steam engineering, Diesel engineering, refrigeration, electrical engineering, ship construction, and engineering drawing.

"Teaching is chiefly done by the lecture-demonstration method. Lectures are supplemented by pertinent laboratory and practical work. Extensive use is made of educational motion pictures, slide films, charts, models, specimens of equipment, and other visual aids.

"Instructors are guided uniformly throughout their respective courses by lesson plans developed by officers of the cadet corps. These lesson plans show detailed content of each lesson, and when used in conjunction with an instructor's guidebook, insure that all courses are taught in accordance with a standard plan.

"Academic control is exercised chiefly by an academic board, which maintains high scholastic standards, and an effective method of detecting cadet-midshipmen who are unable to measure up to the high standard required by the Merchant Marine Cadet Corps.

"While cadet-midshipmen pursue a rigorous course of study, there are extensive provisions made for extracurricular and recreational activities. An extensive athletic program is under way, using all available facilities for the physical conditioning and recreation of cadet-midshipmen. The academy also possesses an auditorium, recreation rooms, and a library which contains a collection of books on appropriate technical and general subjects.

"At the completion of courses, graduates are examined for their original merchant-marine licenses as third mates, or third assistant engineers, for service in any ship in the United States merchant marine. Graduates also receive diplomas and commissions as ensigns in the United States Naval Reserve and United States maritime service. About 5,000 have graduated from the cadet corps and its academy since 1938. Of this number 30 percent, or about 1,500, are on active duty as officers in the Navy; the remaining 3,500 are serving as officers in merchant vessels.

"Part IV. Grounds, buildings, and equipment

"The academy, now totaling 60 acres, is situated at Kings Point, Long Island, N. Y. New construction completed since acquisition of the Chrysler estate includes buildings suitable for their respective purposes which are all named in honor of persons who were prominent in the history of the merchant marine. Major buildings include seven dormitories for cadet-midshipmen, a large mess hall, a drill hall, a hospital, and academic buildings for deck and engine training. These are supplemented by necessary service buildings.

"The success of a training program depends to a certain degree on available instructional equipment. The academy is fortunate in having secured a great deal of marine equipment from the Navy and from the United States Maritime Commission. For deck training, navigational instruments and aids are available, including a most up-to-date Sperry gyrocompass laboratory. A full-sized set of ship's cargo masts, winches, and booms is installed near the water front for practical instruction in cargo handling. Instruction in seamanship is supplemented by numerous small boats and latest designs of lifeboat davits and life rafts. There are also based at the academy, sail-, steam-, and Diesel-propelled training vessels, in which cadet midshipmen make short cruises as part of their practical training. Engineering laboratory equipment includes a marine steam power plant which generates steam from two marine boilers. This steam is used for heating the entire academy, as well as for operating instructional equipment. A varied selection of steam engines, pumps, and auxiliaries, as well as Diesel engines, electrical equipment, and shop tools is available for actual operation and practical training. The department of naval science has not only a wide variety of representative guns, loading machines, specimen mines, and paravanes, but also has numerous instructional models and aids for classroom use.

"Part V. Operation of academy

"The United States Merchant Marine Cadet Corps is a division of the training organization of the War Shipping Administration. This organization has jurisdiction over the training of officers and seamen for the duration of the war. The cadet corps operates under the direction of a supervisor whose office and staff are located in Washington, D. C. The academy, the largest unit of the United States Merchant Marine Cadet Corps, is headed by a superintendent. Next in the chain of command is the commandant of cadet midshipmen, assisted by the executive and administrative officers, and the secretary of the academic board, who supervise all academic and service departments necessary to the operation of the academy.

"The academy at Kings Point and the cadet basic schools at San Mateo and Pass Christian are operated on a military basis, with discipline on the same plane as that at other service academies. Cadet-midshipmen of the cadet corps are appointed midshipmen in the United States Naval Reserve, in an inactive status. Officers and instructors are assigned to cadet corps units jointly by the United States Maritime Service and the United States Navy. The Navy has been most cooperative in every respect in assisting in the operation of the academy and other cadet corps units.

"More than 90 percent of our instructors are merchant marine officers, approximately one-half of whom are on active duty as members of the United States Naval Reserve. They have been assigned to the academy by the Navy Department. The remainder are commissioned officers of the United States Maritime Service. Our subordinate administrative complement consists of enlisted personnel of the United States Maritime Service and civil-service employees.

"Part VI. Accomplishments and aims

"Thus the establishment and growth of the United States Merchant Marine Academy has been outlined. Built at a cost of $7,300,000, less than the cost of a single modern destroyer, there now exists the first Federal academy for training merchant marine officers, operating on a parallel with the Naval Academy, Military Academy, and Coast Guard Academy for the equally important American merchant marine.

"The cadet corps as of this date has already graduated 5,000 officers, many of whom have since risen to positions of master and chief engineer aboard vessels of the United States merchant marine. Of growing importance, however, is the post-war function of the cadet corps and its academy. It is expected that graduates, having been trained under the highest possible standards, will take the initiative in safeguarding the interests and well-being of the United States merchant marine in years to come, and thus play a key role in the national welfare.

"Highly desirable is the prompt return to a 4-year course, consisting of 9 months' basic training, 12 to 15 months aboard ships, and 2 years advanced study at the academy. Also highly desirable is the return to national competitive examinations for appointment as cadet-midshipmen in the United States Merchant Marine Cadet Corps.

"It may be of interest to note here that the 5½-year-merchant marine officer training course of Russia was reduced to only 4½ years during the existing war. In the opinion of not a few interested in the future of the American merchant marine, the reduction of the cadet corps' 4-year course to 1½ years was indeed drastic, and action to return to 4 years should be taken at the earliest practicable date.

"Conclusion

"In conclusion, may I again assure you that you are most welcome. I thank you for your kind interest and attention. The entire staff of the United States Merchant Marine Academy offers you its full cooperation, and stands ready to assist you in every way possible during your visit."

Upon the conclusion of this report the chairman threw the meeting open to questions by members of the Board, some of whom were not familiar with the organization of the United States Merchant Marine Cadet Corps and Academy. Their questions were answered by the superintendent and his staff.

At this time, Capt. James Harvey Tomb, United States Navy (retired), the first Superintendent of the United States Merchant Marine Academy, was presented to the Board.

In order to thoroughly acquaint the members of the Board with the academic program of the academy, each member was given a folio containing the following enclosures, the purpose of each being briefly outlined by Commander Harold V. Nerney, United States Naval Reserve, executive officer of the academy:

1. Information booklet of the United States Merchant Marine Cadet Corps.

2. Information booklet for ship's officers and shore officials of steamship companies.

3. Regulations and instructions of the United States Merchant Marine Cadet Corps.

4. (a) Registration as of September 1, 1944, showing distribution and quota by States.

(b) Home States of cadet-midshipmen in training as of September 1, 1944.

(c) Typical daily "strength" report of the United States Merchant Marine Academy.

5. (a) United States Merchant Marine Cadet Corps roster of officers, September 1, 1944.

(b) Organization chart of the United States Merchant Marine Academy.

(c) Directory of officers of the United States Merchant Marine Academy, September 1, 1944.

6. (a) Academic curriculum of the United States Merchant Marine Academy.

(b) Outline of courses for preliminary cadet-midshipman (deck), and a typical class schedule.

(c) Outline of courses for preliminary cadet-midshipmen (engine), and a typical class schedule.

(d) Outline of courses for advanced cadet-midshipmen (deck), and a typical class schedule.

(e) Outline of courses for advanced cadet-midshipmen (engine), and a typical class schedule.

7. Typical academic schedule for the week.

8. Typical plan of the week.

9. Album of pictures of the United States Merchant Marine Academy and cadet-midshipmen activities.

10. Guide book for instructors of the United States Merchant Marine Academy.

11. Typical instructors' manuals.

(a) Instructor's manual in navigation for preliminary cadet-midshipmen (deck).

(b) Instructor's manual in steam engineering for preliminary cadet-midshipmen (engine).

12. Tanker supplement to the sea project for cadet-midshipmen (deck).

The superintendent invited the chairman to designate a member of the Board to deliver a brief address to the regiment of cadet-midshipmen immediately before the review at 4:05 p. m. Senator GEORGE L. RADCLIFFE was selected to make this address.

The regimental commander, Cadet-Midshipman William C. Gibson, United States Merchant Marine Cadet Corps, was then presented to the chairman and the members of the Board. After being presented, he invited the members of the Board to luncheon with the regiment at Delano Hall.

Just before the meeting adjourned at 11:30 a. m., the chairman informed the Board of the regrets expressed by the following members of the Board for the inability to be present due to unforeseen circumstances: Senator JOSIAH W. BAILEY, Senator JAMES M. TUNNELL, Representative EDWARD J. HART.

Meeting with the regiment of cadet-midshipmen

At 12:30 p. m. the Board was conducted to Delano Hall by the cadet-midshipmen regimental commander and his staff for luncheon with the regiment. There were no commissioned officers present. After luncheon each member of the Board was introduced to eight cadet-midshipmen from his home State and held a 20-minute conference with them.

Tour of the academy

Their officer escorts having been presented to them, the members of the Board proceeded on a conducted tour of the academy. Among the various buildings and activities inspected were: Barry Hall, typical cadet-midshipmen's quarters; O'Hara Hall, naval science classrooms, drill hall, pistol range, gun room, and ordnance equipment; Bowditch Hall, academy library, classrooms, radio code room, chart room, mechanical drawing room, radio laboratory, gyro laboratory, meteorology equipment, bridges, and the auditorium; Fulton Hall, classrooms, electrical laboratory, machine shop, Diesel laboratory, welding school, forge shop, and steam laboratory; Samuels Hall, sail loft, practical seamanship room, lifeboat and fire-fighting classrooms, and signaling rooms (where a brief class in mersigs was held).

Proceeding then along the water front the Board viewed the cargo mast unit, Lyle gun and breeches buoy unit, and observed the harbor facilities and training vessels.

Upon completion of this tour, the Board proceeded to Kendrick Field and witnessed the review of the regiment of cadet-midshipmen.

The Board reassembled at the senior officers' mess at 4:45 p. m. for an informal discussion which terminated at 5:30 p. m.

Superintendent's reception and dinner

At 6:30 p. m. the Superintendent held a reception and dinner for all members of the Board. In addition to the members of the Board there were present Capt. J. H. Tomb, United States Navy (retired), five officers from the headquarters of the United States Merchant Marine Cadet Corps, and 20 officers of the academy staff.

After the dinner a film depicting the activities of the entire United States Merchant Marine Cadet Corps was shown, accompanied by a running commentary given by Commander H. V. Nerney, United States Naval Reserve.

The Board adjourned for the day at 10:40 p. m.

Saturday, September 30, 1944

The members of the Board reassembled at 8:30 a. m. and were conducted by their officer escorts on a tour of Patton Hospital, visiting the dispensary, dental rooms and laboratories, wards, operating rooms, and diet kitchen.

SECOND MEETING OF THE BOARD OF VISITORS

The members of the Board were taken aboard the training vessel *William Webb* for an inspection of the water front.

At 9:30 a. m. the Board assembled in the wardroom of the training vessel *William Webb* for its final meeting, adjourning at 10:30 a. m.

Upon adjournment the members of the Board proceeded to Kendrick Field to witness a formal review of the regiment of cadet-midshipmen.

Following the review, the members of the Board attended a buffet luncheon in O'Hara Hall with the Superintendent and senior officers of the academy and prominent invited guests from the maritime industry in celebration of the first anniversary of the dedication of the United States Merchant Marine Academy.

The members of the Board departed from the academy at their pleasure upon the conclusion of the luncheon.

Comments and recommendations

As a result of the inspections made and the interviews held with members of the Merchant Marine Academy staff and cadet-midshipmen of the regiment, the Board of Visitors respectfully submits the following comments and recommendations:

1. The Board recognizes the necessity of maintaining a permanent United States Merchant Marine Academy. This academy will be an important factor in the development of a sound merchant-marine policy for the country. The maintenance of an adequate merchant marine of high standards depends upon the availability of qualified officers as well as upon the existence of the best ships and favorable economic conditions. It is imperative that the indispensable service to the Nation which the United States Merchant Marine Academy has been rendering in maintaining a steady supply of well-trained officers for the merchant marine and the Navy shall be continued in the immediate post-war days and for all years to come.

2. Although the present plant and facilities of the academy are of a permanent nature and have been developed in accordance with well-conceived plans, the Board feels that early and careful consideration should be given to the expansion of both grounds and buildings to the end that a complete and fully integrated educational institution may be established at the earliest moment. Study should be made of the evident need for officers' quarters in a permanent academy. Enlargements of both grounds and facilities should be based on the requirements of the future permanent cadet-midshipmen complement of 1,200.

3. The Board is of the unanimous opinion that a full 4-year course is needed for this profession and recommends the return to the 4-year course as soon as practicable. Opportunity should be given to the graduates of the present shortened course to pursue post-graduate work upon resumption of the full course in order that they may have competence and knowledge in their profession equal to the graduates of the 4-year course.

4. The Board recognizes the need, during the national emergency, of keeping the Cadet Corps at a maximum strength without regard to national competitive examinations, provided the applicants meet the educational qualifications required. However, as a permanent national institution, it is necessary that equal opportunities for entrance be offered to the population of all parts of the country. Such equality may be attained by the assignment of quotas to each State and the requirement of passing a competitive examination by all applicants, subject to the additional qualifications of high moral character, perfect physical condition, and aptitude for the profession.

5. The Board recommends that means be provided for the academy to keep fully abreast of all modern marine inventions and equipment. As an example, one member of the Board learned, while overseas this summer, that the British were planning to place radar equipment on the vessels of their merchant fleet. It is hoped that it will be possible for the United States Navy to cooperate with our merchant marine in a free exchange of contemporary developments in maritime, naval, and scientific fields.

6. The Board believes that there is a lack of proper publicity for the academy. The members have been surprised and pleased, even as members of a congressional committee having to do with merchant marine legislation, at the outstanding establishment found at Kings Point. Ways and means should be found by which the true story of the United States Merchant Marine Cadet Corps and Academy can be brought to public attention. The Board will aid in every way to accomplish this.

7. It is the recommendation of this Board that the next Board of Visitors of the academy visit and study conditions at the academy at an early date in the year, so that they can have ample opportunity to give due consideration to questions of permanent policy and thus make a more substantial contribution to the welfare of the Merchant Marine Academy.

8. The Board recognizes that a great majority of the cadet-midshipmen who are now in training have seen service with the merchant marine in combat zones; they feel that this is a strenuous education for these men in itself, and produces the best kind of officer material for the future. The Board recommends that consideration be given to the general status of merchant marine officers as veterans of this war. A distinction must be made between their status and the status of members of the military and naval services during the war, yet certainly these men deserve regard as veterans of war service and should be given a fair opportunity to establish themselves in their profession. Any study of the situation must consider their special qualifications and their special needs.

CONCLUSION

In conclusion the members of the Board wish to congratulate the superintendent, the officers, and the cadet-midshipmen of the United States Merchant Marine Cadet Corps and Academy for the splendid work being done. The Board was deeply impressed by the spirit and morale of officers and cadet-midshipmen, as well as by the institution—the latter so splendidly arranged and most effectively operated with an administrative

and educational personnel of the highest character and efficiency.

The Board wishes to thank the superintendent, their escorts, and every officer for the courtesy and hospitality extended to the members during their visit.

To Lt. Comdr. William W. MacKenzie, United States Naval Reserve, secretary to the Board of Visitors, the Board expresses its sincere appreciation for his ceaseless efforts in its behalf, and for his invaluable assistance and cooperation.

Respectfully submitted.

Schuyler Otis Bland, Gordon Canfield, Eugene J. Keogh, Edward J. Hart, James M. Tunnell, Josiah W. Bailey, Harold H. Burton, George L. Radcliffe, Robert Ramspeck, Daniel Ellison; W. W. MacKenzie, lieutenant commander, United States Naval Reserve, secretary of the Board of Visitors.

SUSPENSION OF TARIFF DUTY ON COCONUTS AND COCONUT MEATS

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1033) to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts, and for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this legislation?

Mr. PETERSON of Florida. Mr. Speaker, this bill was introduced in the House by the gentleman from Connecticut [Mr. TALBOT], and it has the unanimous report of the committee. It was considered by the committee very carefully and suspends the tariff on fresh coconuts during the national emergency. These coconuts are used for pastry, for sale as fresh coconuts, and in candies only. It has a favorable report from the War Department, the Navy Department, the Treasury Department, and all Government departments.

Mr. MARTIN of Massachusetts. Is this a renewal of a previous suspension?

Mr. PETERSON of Florida. It is a suspension of the tariff on fresh coconuts. The tariff on coconut oil has been suspended before, but we overlooked the fresh coconuts.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no duty shall be levied, collected, or payable under the Tariff Act of 1930, as amended, with respect to coconuts or coconut meat imported during the period beginning with the day following the date of enactment of this act and ending with the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That no duty shall be levied, collected, or payable under the Tariff Act of 1930, as amended, with respect to coconuts or coconut meat provided for in paragraph 758 of that act, entered, or withdrawn from warehouse, for consumption, during the period beginning with the day following the date of enactment of this act and ending with the termination of the unlimited national emergency proclaimed by the President on May 27, 1941."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one to include a statement made by the Honorable Marvin Jones, War Food Administrator, before the cotton conference in the Senate Office Building this morning, and in the other, a statement by the Honorable Claude R. Wickard, Secretary of Agriculture, before that same body.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Hon. Mortimer R. Proctor, Governor-elect of the State of Vermont.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

PERMISSION TO SIT DURING SESSIONS OF THE HOUSE

Mr. MUNDT. Mr. Speaker, I ask unanimous consent that the Select Committee to Investigate the Indian Conditions of America be permitted to sit today during the session of the House, and any other times it may be required to do so during the week.

The SPEAKER. The Chair cannot entertain that request. The policy has been adopted that that consent is not granted to committees while bills are being read for amendment in the House.

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article entitled "Legislative Program of President Hoover."

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a resolution adopted by the Farm Bureau of Nebraska.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address delivered by me yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I am informed that the Resident Commissioner of the Philippines, Brigadier General ROMULO, will be in the United States within a few days, and I have been requested to obtain consent for him to address the House on December 7. Consequently, Mr. Speaker, I ask unanimous consent that the Resident Commissioner of the Philippines be permitted to address the House on Thursday, December 7, for 20 minutes before the legislative program of the day, and that this request not be considered as a precedent by the Members. In view of the fact that the distinguished Resident Commissioner of the Philippines has just returned from Leyte, and will have an important message from the front lines on the liberation of the Philippines, I ask that this request be granted.

The SPEAKER. The Chair believes that under the circumstances a request like that should be entertained. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include two news items relating to Dr. Joseph L. Thorning.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

TO EXPEDITE THE PAYMENT FOR LAND ACQUIRED DURING THE WAR PERIOD

The Clerk called the bill (S. 919) to expedite the payment for land acquired during the war period.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, in view of the fact that a rule has been granted on this bill for consideration later in the week, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REGULATIONS OF FERTILIZERS, FEEDS, AND NURSERY STOCK

The Clerk called the bill (H. R. 3405) making certain regulations with reference to fertilizers, feeds, and nursery stock, or seeds that may be distributed by agencies of the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TO AMEND PUBLIC LAW 537

The Clerk called the bill (H. R. 2908) to amend Public Law 537, Seventy-seventh Congress, approved May 2, 1942.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

WAR SHIPPING FIELD SERVICE

The Clerk called House Joint Resolution 182, to create the War Shipping Field Service.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FOREIGN SERVICE BUILDINGS AND GROUNDS

The Clerk called the bill (H. R. 4282) to amend the act entitled "An act for the acquisition of buildings and grounds in foreign countries for use of the Government of the United States of America," approved May 7, 1926, as amended, to permit of the sale of buildings and grounds and the utilization of proceeds of such sale in the Government interest.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, as I understand, the effect of this bill is to authorize the State Department to sell any American properties in foreign lands and use the proceeds of the sale of those properties for the acquisition of other properties to be used by the State Department. Ever since the bill has been on the Consent Calendar I have asked that it be passed over because of the objection that has been raised by the members of the Appropriations Subcommittee for the State Department that if adopted this bill would permit the State Department to circumvent the Congress in appropriating funds with which to purchase embassy and legation properties in foreign countries. I understand the State Department is very anxious for the bill to be adopted. As far as I am personally concerned, I have no objection to it if the members of the Committee on Appropriations do not. I have discussed the matter with the chairman of the Committee on Foreign Affairs, who advises me that my understanding of the bill is incorrect. If so, and if it is true that even though the bill is adopted, the Committee on Foreign Affairs would have to be asked for permission to expend any of these moneys for properties in foreign lands before that could be done. Then the Congress would retain control of disbursement of the fund. I should like to hear from the gentleman from New York on the proposition.

Mr. BLOOM. The Foreign Service Buildings Commission always has jurisdiction over this money. That Commission consists of the chairman and the ranking Republican member of the Senate Committee on Foreign Relations, the chairman and the ranking Republican member of the House Committee on Foreign Affairs, the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce. They always have jurisdiction over that and must get a complete vote.

The chairman of the House Committee on Foreign Affairs is now the chairman of this Commission. Nothing can go through and no money can be expended unless the entire Foreign Service Buildings Commission approves of it.

May I also state that this is an emergency, because throughout the world we have embassies, legations, and consular offices in very bad locations and cannot dispose of them unless we have the assurance that we are going to get the money to buy other locations. If this legislation would go through at this time it would save the Government many, many thousands of dollars.

Mr. COLE of New York. The gentleman agrees that neither the House Committee on Appropriations nor the House Committee on Foreign Affairs would have anything to say as to how this money could be spent?

Mr. BLOOM. As soon as the location is selected, the matter must come before the Committee on Foreign Relations and the Committee on Foreign Affairs before the chairmen and ranking members of those committees agree to it. They cannot spend a dollar unless we approve of it.

Mr. COLE of New York. Does the gentleman advise the House, then, that the Foreign Service Buildings Commission cannot spend any of this money until after it has cleared that expenditure with the House Committee on Foreign Affairs?

Mr. BLOOM. And the Senate Committee on Foreign Relations as well; both of them.

Mr. COLE of New York. I am speaking of the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations.

Mr. BLOOM. Yes; that is absolutely correct.

Mr. COLE of New York. So that the Congress does then retain some control over how this money shall be spent?

Mr. BLOOM. We retain jurisdiction over all of the moneys that are expended, not only on the land but on the buildings.

Mr. COLE of New York. This bill does circumvent the Committee on Appropriations, however; in other words, heretofore has it been necessary for that committee to appropriate money for the acquisition of embassies in foreign lands?

Mr. BLOOM. Under existing law we are allowed to exchange property. If we have a piece of property that we want to get rid of and you have a piece of property that you want to exchange for that, we are allowed to make that exchange. But we cannot always find someone who has a piece of property to exchange that is usable by us. We are allowed to sell or exchange, but the only thing is that we must take the money from the sale of this property, put it back in the Treasury, and then ask for an appropriation to buy another piece of property. By that time the properties we want to buy have been disposed of.

Mr. COLE of New York. To that extent, then, this bill makes it unnecessary that the State Department come to the Committee on Appropriations for an appropriation to do whatever the State Department wants?

Mr. BLOOM. Well, yes; in a way, you are right. But you must remember that this money is taken from the State Department because they sell their own property.

Mr. COLE of New York. Mr Speaker, in raising this question and in view of the discussion that followed, I think I have performed my responsibility to the House. This is a matter that should interest the Committee on Appropriations. If the Committee on Appropriations interposes no objection to it, I see no reason why I should. Therefore, Mr. Speaker, I withdraw my reservation of objection.

Mr. MOTT. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from New York a question. The gentleman from New York said that before any property could be acquired for the purposes of this bill, those wishing to acquire it would have to come before the Committee on Foreign Affairs for permission. Is that by virtue of any authority or simply an agreement between the gentleman's committee and the State Department?

Mr. BLOOM. I will say this to the gentleman: There is a special Commission that has already been approved by the Congress, the Foreign Building Commission, which consists of the chairman of the Foreign Relations Committee of the Senate, the ranking Republican member of the Senate Committee on Foreign Relations, the chairman of the Committee on Foreign Affairs of the House, the ranking Republican member of the Committee on Foreign Affairs of the House, the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce. All of them must approve of this in writing. They must sign a petition that it is approved of by them.

Mr. MOTT. Now, will the gentleman tell us why that is necessary at this particular time and what is the disadvantage of the State Department coming to the Congress and getting an authorization and an appropriation if it wants to purchase property itself?

Mr. BLOOM. Mr. Speaker, I am glad that the gentleman has asked that question. It is a simple business proposition all the way through. The fact is that we have certain locations that the State Department bought many years ago. Those locations are not serviceable for us, or rather for the State Department. Now we want to get a new location. Under the present law we can exchange that property for another piece of property, but we cannot always find a serviceable

piece of property to exchange. If, for example, we find a location that we can buy in Argentina, we can buy that for a certain amount of money. If we sell our property to buy that and we do not get the money from the Committee on Appropriations, we have sold our property and we have nothing at all for our embassies or legations. We can make money and we do not have to convert the money, the pesos, or whatever currency it may be, into dollars, and then the dollars into pesos. This legislation will save the Government many, many hundreds of thousands of dollars and enable us to get the proper locations by negotiating for cash instead of exchanging property.

Mr. MOTT. Will the gentleman tell me this: Under this bill could not the purchasing authority, which the gentleman referred to, go out and buy a new piece of property and erect a building for an embassy or a legation on it without coming to the Congress and getting an authorization for it, and an appropriation?

Mr. BLOOM. It can, under this legislation, but it must come to both committees, and both the Foreign Relations Committee and the Committee on Foreign Affairs must approve of it. But they will not go out and buy any property unless they find that they have the money to do so. They get that money by selling their present location. As a real estate proposition—and I have had nearly 50 years of experience in real estate—this is the only way for anyone to buy any property.

Mr. MOTT. Mr. Speaker, I withdraw my reservation of objection.

Mr. ENGEL of Michigan. Mr. Speaker, reserving the right to object, I feel that the members of the subcommittee of the Committee on Appropriations, which has the responsibility for appropriating for the State Department, should be consulted in the matter. Therefore, Mr. Speaker, I object, pending consultation with the subcommittee.

Mr. BLOOM. Mr. Speaker, will the gentleman withhold his objection for a moment? I will be glad to answer, if I can, any questions the gentleman has in mind.

Mr. ENGEL of Michigan. No; I have objected.

LOSSES ON ACCOUNT OF ERADICATION OF MEDITERRANEAN FRUITFLY IN THE STATE OF FLORIDA

The Clerk called the bill (H. R. 2542) for the relief of certain claimants who suffered losses and sustained damages as the result of the campaign carried out by the Federal Government for the eradication of the Mediterranean fruitfly in the State of Florida.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN, Mr. COLE of New York, and Mr. CUNNINGHAM objected, and the bill was stricken from the calendar.

EMERGENCY OFFICERS' RETIREMENT BENEFITS

The Clerk called the bill (H. R. 1948) to amend the act of July 15, 1940, pertaining to emergency officers' retirement benefits.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CLAIMS ARISING OUT OF TARIFF ACT OF 1922

The Clerk called the bill (H. R. 901) conferring jurisdiction upon the Court of Claims of the United States to consider certain claims arising after January 1, 1926, out of the Tariff Act of 1922.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING THE NATIONALITY ACT OF 1940

The Clerk called the bill (H. R. 1296) to amend sections 347 (b) and 401 (a) of the Nationality Act of 1940 be extending the periods within which petitions for naturalization filed prior to the effective date of that act may be heard, and to extend for a period of 4 years the time within which certain citizens must return to the United States as evidence of the fact that they have elected to become American citizens, respectively.

Mr. MOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. LESINSKI. Mr. Speaker, I object to that.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MOTT. I object.

DELEGATE IN CONGRESS FROM ALASKA

The Clerk called the bill (H. R. 5246) to provide for filling a vacancy in the office of Delegate in Congress from Alaska.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LOSS OF NATIONALITY BY REASON OF VOTING UNDER LEGAL COMPULSION IN A FOREIGN STATE

The Clerk called the bill (H. R. 2448) to provide that nationals of the United States shall not lose their nationality by reason of voting under legal compulsion in a foreign state.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That section 401 (e) of the Nationality Act of 1940, as amended (U. S. C., 1940 ed., title 8, sec. 801 (e)), is amended to read as follows:

"(e) Voting in a political election in a foreign state or participating in an election or plebiscite to determine the sovereignty over foreign territory, unless such voting in a political election or such participation in an election or plebiscite is done under legal compulsion; or".

SEC. 2. The amendment made by section 1 of this act to section 401 (e) of the Nationality Act of 1940, as amended, shall take effect as of the effective date of the Nationality Act of 1940.

With the following committee amendments:

Page 2, line 2, insert the words "was or hereafter", following the word "plebiscite."

Page 2, line 3, strike out all of section 2.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF TO DISBURSING OFFICERS OF THE ARMY ON ACCOUNT OF LOSS AND DEFICIENCY OF GOVERNMENT FUNDS, VOUCHERS, RECORDS, OR PAPERS

The Clerk called the bill (S. 218) to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, no doubt this bill is justified. I should like to call attention to the provision in which the Secretary of War is directed to submit to the Congress a report of his activities by virtue of the act. I raise the question for the purpose of inquiring if it is necessary to impose that obligation on the Secretary of War, and to just have one more report come to the Congress to be put in somebody's pigeonhole and collect dust. I see the gentleman from Missouri is in the Chamber. As the membership knows, the gentleman has introduced a bill to make unnecessary the making of certain reports by various departments to the Congress, most of which are completely ignored.

It seems inadvisable and unnecessary to impose an additional obligation upon the Secretary of War, as in this instance, to send out one more report. I would like to inquire if any member of the Committee on Expenditures in the Executive Departments feels that that report is essential in order to safeguard the Government's interest.

Mr. MANASCO. In answer to the gentleman, I think it is a wise idea to have these departments know that their transactions will be scrutinized by a congressional committee. I think it will save us money in the long run. We do not read all of those reports but we do read some of them.

Mr. COLE of New York. It is the gentleman's view that his committee will make inquiry into the different reports the Secretary may send out under this resolution?

Mr. MANASCO. Yes, sir. The mere fact that the Department has to send down a report means that they will be very careful, and I think it will avoid a lot of fraud.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. COCHRAN. I suggest to the chairman of the committee that an amendment could be offered striking out that part of the bill which requires a report.

When we considered this bill in the committee, as you recall, there was no discussion about it; all the reports were favorable. I admit I overlooked that proviso. Had I seen it when the bill was considered I would have made a motion in the committee to strike it out; and I will make a motion to strike it out now if the bill is considered, and if the gentleman from Alabama will agree. I do not see any reason why we must have a report in this instance.

Mr. MANASCO. If the gentleman from New York will yield further, I believe it is a wise idea to require these departments to make reports to Congress, because the mere fact they do make the reports and that somebody on some congressional committee may act upon it and the press may study the report will restrain them.

Mr. COCHRAN. I may say to the gentleman from Alabama that I circularized every chairman of a House committee on the bill I introduced, asked for comments and criticism, especially whether they had any objection to the passage of the bill. I have letters on my desk ready to submit to the committee in the next Congress showing that there is not one chairman of committee in this House who objected to any of the provisions of the bill I introduced.

During the time I was chairman of that committee those reports came in, and I can honestly say that outside of one report which carried a list of refunds made by the Bureau of Internal Revenue in connection with income tax laws, there never was one report that anybody ever asked to see.

Mr. MANASCO. That may be true.

Mr. COCHRAN. I do not think this provision should remain in the bill. The time to eliminate these reports is when resolutions asking for them are introduced. I suggest to the gentleman that he agree to accept an amendment to strike out this provision.

Mr. MANASCO. The gentleman from Missouri has the right to offer such an amendment.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, I propose to object unless the gentleman agrees to the striking out of this provision.

Mr. MANASCO. It makes no difference to me; if Congress does not want this provision that is up to Congress.

Mr. COCHRAN. But the gentleman is chairman of the committee of which I am a member.

Mr. MANASCO. And the gentleman has the right to offer the amendment. Perhaps I may not oppose the amendment.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMPENSATION TO OWNERS OF PRIVATELY OWNED AIRPLANES USED ON OFFICIAL BUSINESS

The Clerk called the bill (H. R. 4547) to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, this bill undoubtedly is entirely justified, but I should like to call the attention of the chairman of the Committee on Expenditures in the Executive Departments to the fact that the report accompanying the bill does not fully comply with rule 13, paragraph 2 (a), in that it does not show the changes in existing law.

I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RELATING TO MARRIAGE AND DIVORCE AMONG CERTAIN INDIAN TRIBES

The Clerk called the bill (S. 267) relating to marriage and divorce among the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That from and after 6 months after approval of this act no marriage thereafter entered into, to which a member of the Klamath or Modoc or Yahooskin Band of Snake Indians of the Klamath Indian Reservation in Oregon is a party, shall be valid for any purpose unless such marriage shall have been solemnized pursuant to the laws of the State in which the ceremony is performed.

SEC. 2. Bona fide Indian custom marriages existing prior to the effective date of section 1 of this act are valid, and recordation of such marriage with the superintendent of the Klamath Indian Agency, if both parties are then living, in a book kept by him for that purpose shall be prima facie evidence of such marriage. The nonrecordation of such a marriage shall be prima facie evidence of the nonexistence of such marriage.

SEC. 3. From and after the date of the approval of this act divorces in which a member of the said tribes or band of Indians is a party shall be effected only by decree of a State court of competent jurisdiction.

SEC. 4. No person shall be entitled to inherit as the surviving spouse of a deceased member of the Klamath or Modoc Tribes or Yahooskin Band of Snake Indians by virtue of a marriage entered into subsequent to the effective date of section 1 of this act unless his or her marriage to the decedent has been solemnized in conformity with the provisions of this act: *Provided*, That nothing herein contained shall be construed to authorize the devolution of restricted property within the Klamath Reservation to any person not qualified under the provisions of section 5 of the act of June 1, 1938 (52 Stat. 605).

With the following committee amendment:

Page 2, line 1, after the word "marriages", insert "with members of said tribe mentioned in section 1."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF JACKSON BARNETT

The Clerk called the bill (S. 1710) to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to sell and convey any or all of the property hereinafter described, upon such terms and conditions as he shall prescribe: Lot 2 of tract No. 8553, as shown on map recorded in book 105, pages 22 and 23 of maps, and the southerly 40 feet of lot 20 and all of lot 21 of tract No. 3446, as shown on map recorded in book 37, page 84 of maps, in the office of the county recorder of Los Angeles County, Calif., together with all improvements thereon, and all furniture, fixtures, and personal property, belonging to the estate of Jackson Barnett, located in or on said real property.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, my purpose in rising at this time is to express my appreciation of the work that has been done by the members of the objectors' committee on both sides of the aisle. The Members who undertake this work perform their duties outside of their regular activities as Members of the House and members of committees to which they have been appointed, and they do so at great sacrifice to themselves. This is probably the last call of the Consent Calendar at this session.

Tomorrow will be the last call of bills on the Private Calendar and, of course, there will be no opportunity of expression when those bills are called as there is when bills on the Consent Calendar are called.

I want to express my feeling of appreciation, and I am sure I speak the sentiments of all Members of the House, to Members on both sides, Democrats and Republicans alike, who have so unselfishly made the sacrifice that they have during the past 2 years in serving on the objectors' committee, a task that none of us seek, every one of us would like to get away from the job, but which each and every one of these Members has assumed. Therefore I want to thank the members of the objectors' committee. They play a very important part in the transaction of the business of this House.

I want to thank them all personally, the gentleman from North Carolina [Mr. BARDEN], the gentleman from Tennessee [Mr. PRIEST], the gentleman from Indiana [Mr. MADDEN], the gentleman from New York [Mr. COLE], the gentleman from New Jersey [Mr. KEAN], the gentleman from Iowa [Mr. CUNNINGHAM], the gentleman from Oregon [Mr. MOTT], the gentleman from Indiana [Mr. GRANT], the gentleman from Indiana [Mr. SPRINGER], and the gentleman from Ohio [Mr. MCGREGOR].

I feel it is only fitting and proper—in fact I consider it my duty, and to me it is a pleasant duty—to express on this probably the last day for calling bills on the Consent Calendar during the present session my own personal feeling of appreciation, and to convey to the House information as to the important work these Members have done at such a great sacrifice to themselves. I know that in these few extemporaneous remarks I express, also, the feeling of all Members of the House.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Mr. Speaker, I join with the majority leader in his expression of commendation of the objectors committee and the Members thereof. They perform a thankless but patriotic service and I am sure the entire membership of this House appreciates it.

Mr. McCORMACK. I thank the gentleman.

Mr. JENKINS. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. JENKINS. Mr. Speaker, I served in the capacity of an objector, so-called, for about 10 years and I think I know that what the majority leader has just said is absolutely true.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF THE INTERIOR TO SELL CERTAIN LANDS

The Clerk called the bill (H. R. 126) to authorize the Secretary of the Interior to sell certain lands, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized in his discretion to sell and convey, under such terms and conditions as he may prescribe, those certain areas heretofore acquired for the Albuquerque Indian School, New Mexico, situated within tracts numbered 97a, 97b, and 98, as shown on the Middle Rio Grande conservancy district map, comprising approximately thirty and seventy-five one-hundredths acres: *Provided*, That the proceeds derived from the sale of said land shall be deposited into the Treasury of the United States as school revenue pursuant to the act of May 17, 1926 (44 Stat. 560), and shall be available for the purchase of suitable farm lands, or interests therein, together with improvements thereon, as an addition to the Albuquerque Indian School Reserve.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACQUISITION OF INDIAN LANDS FOR GRAND COULEE DAM AND RESERVOIR

The Clerk called the bill (H. R. 3869) to amend section 1, act of June 29, 1940 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, the committee has not complied with the Ramseyer rule, and I therefore ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING SALE OF CERTAIN LANDS OF THE TULALIP TRIBE OF INDIANS (WASHINGTON)

The Clerk called the bill (H. R. 4782) to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, under such rules and regulations as he may prescribe, and with the approval of the governing officials of the Tulalip Tribe of Indians, to sell and convey to the purchasers certain lands, commonly referred to as tidelands, fronting upon lots 1, 2, 3, and 4 of section 1, township 29 north, range 4 east, the south half of section 36, township 30 north, range 4 east, and lot 1 of section 6, township 29 north, range 5 east, Willamette meridian, Washington. Title to the lands so sold shall be conveyed by deed executed by the governing officials of the tribe and approved by the Secretary of the Interior. In the discretion of the Secretary of the Interior, the lands may be offered for sale by lots or parcels based upon local lot descriptions as identified by local plats of survey covering Priest Point Park subdivisions: *Provided*, That the proceeds of the sale of the lands shall be deposited with the bonded disbursing officer of the Tulalip Indian Agency to the credit of the Tulalip Indian Tribe, a corporation, and, with the approval of the Secretary of the Interior, such proceeds may be reinvested in other lands, in accordance with and subject to the provisions of the act of June 18, 1934 (48 Stat. 984).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRINGING OF CERTAIN ALIENS INTO THE UNITED STATES

The Clerk called the bill (S. 963) relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, I have no objection to the first part of the bill, but section 4 allows the Attorney General to lower the fines to shipping companies who have let sailors jump from their ships, from $1,000 to $200. I understand that the author of the bill will accept an amendment striking out section 4; therefore I am not objecting at this time, but will introduce an amendment later.

Mr. LESINSKI. Mr. Speaker, if the gentleman will yield, may I make an explanation? I think the gentleman is wrong in the matter of the fine. The reason for the reduction of the fine to $200 is that there are certain people who hold a visa from an American consul, and on that visa they come in on a steamship and land in this country. When the Immigration Department finds that this man actually had no right to come in, the steamship lines are fined $1,000.

Mr. KEAN. May I say to the gentleman that I am not objecting to that part of the bill at all. Section 4 of the bill says that if a sailor jumps a ship, that the Attorney General may remit the fine to $200, and that is the part that I am objecting to.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 15 of the Immigration Act of February 5, 1917 (39 Stat. 885; 8 U. S. C. 151), is hereby amended by changing the period after the word "hereof", as it appears in the next to the last sentence of the said section, to a colon, and adding the following: "*Provided further*, That in cases of aliens who arrive in possession of unexpired visas issued by United States consuls within 60 days of the alien's foreign embarkation, detention expenses and expenses incident to detention shall not be assessed against the vessel if the inadmissibility of the aliens could not have been ascertained by the exercises of reasonable diligence at the time the visas were issued and the sole cause of exclusion is one arising under section 13 of the Immigration Act of 1924 (43 Stat. 161–162; 50 Stat. 165; 46 Stat. 581; 8 U. S. C. 213 (a)–213 (f))."

SEC. 2. Section 18 of the Immigration Act of February 5, 1917, as amended (39 Stat. 887–889; 45 Stat. 1551; 8 U. S. C. 154), is amended by changing the period after the last word in the second sentence thereof to a comma and adding the following: "except that detention expenses and expenses incident to detention, shall not be assessed against the owner or owners of the vessels on which they respectively came when the aliens are in possession of unexpired visas issued by United States consuls within 60 days of the aliens' foreign embarkation if the inadmissibility of the aliens could not have been ascertained by the exercise of reasonable diligence at the time the visas were issued and the sole cause of exclusion is one arising under section 13 of the Immigration Act of 1924 (43 Stat. 161–162; 50 Stat. 165; 46 Stat. 581; 8 U. S. C. 213 (a)–213 (f))."

After the word "land" as it appears in the third sentence of this section, which reads: "or to fail to pay the cost of their maintenance while on land", add the following: "as required by this section or section 15 of this act."

SEC. 3. Subsection (b) of section 16 of the Immigration Act of 1924 (43 Stat. 163; 8 U. S. C. 216 (b)), is hereby amended by substituting a colon for the period after the word "assessed" and inserting the following: "*Provided*, That no fine nor refund, as provided for in this subsection, nor any expense incident to detention in connection with an application for admission to the United States, shall be assessed or required for bringing into the United States any alien,

if such alien holds an unexpired visa issued by a United States consul within 60 days of the alien's foreign embarkation if the inadmissibility of the alien could not have been ascertained by the exercise of reasonable diligence at the time the visa was issued."

SEC. 4. Subsection (a) of section 20 of the Immigration Act of 1924 (43 Stat. 164; 8 U. S. C. 167 (a)), is amended by adding at the end thereof the following: "The Attorney General may, upon application in writing therefor, mitigate such penalty to not less than $200 for each seaman in respect of whom such failure occurs, upon such terms as the Attorney General in his discretion shall think proper. This section, as amended, shall apply to all penalties arising subsequent to June 5, 1940."

With the following committee amendments:

Page 2, line 2, after the word "if", strike out down to and including the word "and" in line 5.

Page 2, line 6, after the figures "13", insert "(a) (1) or (3)."

Page 2, line 18, after the word "if", strike out down to and including the word "and" in line 20.

Page 2, line 21, after the figures "13", insert "(a) (1) or (3)."

Page 3, strike out lines 14, 15, and 16.

The committee amendments were agreed to.

Mr. KEAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEAN: Page 3, line 17, strike out section 4.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IMMIGRATION AND NATURALIZATION SERVICE

The Clerk called the bill (H. R. 5464) amending the law relating to the authority of certain employees of the Immigration and Naturalization Service to make arrests without warrant in certain cases and to search vehicles within certain areas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PRIEST. Mr. Speaker, reserving the right to object, as I understand from the report this bill would broaden the authority of certain immigration officials in order to confer that authority where it might be used in the case of transportation by aircraft. I would like to hear, however, some further explanation of changes in the existing law, if there are any, from the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Speaker, a letter written by the Attorney General to the Speaker of the House contains the following language:

Under existing law arrests of aliens illegally in the United States may be made only pursuant to a warrant issued by the Immigration and Naturalization Service. This limitation is cumbersome and at times results in frustrating the ends of justice. The power to make arrests in such cases without a warrant should be conferred on personnel of the Immigration and Naturalization Service with a restriction that an alien so taken into custody should be produced for a hearing without unnecessary delay.

Mr. PRIEST. Mr. Speaker, I withdraw my reservation of objection.

Mr. COLE of New York. Further reserving the right to object, Mr. Speaker, this is but one of perhaps a dozen bills reported out by the Committee on Immigration and Naturalization, and in each instance the report accompanying the bill, as is the common practice, contains a letter submitted to the committee by the head of the department interested in the proposal, but I have been intrigued by the fact that in all the letters submitted to the Committee on Immigration and Naturalization by the Attorney General, and which are contained in these several reports, the name of the Attorney General, his identity, is indicated in blank. I wonder if there is any particular reason why the Committee on Immigration and Naturalization thought it inadvisable to disclose the identity of the Attorney General who is submitting these letters.

Mr. LESINSKI. I cannot answer that question. The chairman of the committee is not present, and he is the man who got the letters. I believe the letters were written to the Speaker of the House, and I know the Speaker knows who the Attorney General is, and I know the letters were signed.

Mr. COLE of New York. The gentleman can assure the House there was no deliberate intention on the part of the committee to withhold that information?

Mr. LESINSKI. I do not think so. I think it is just a technical error.

Mr. COLE of New York. I thought so when I saw it the first time, but when it happened in all 12 reports I thought perhaps a policy must have been adopted by the committee concerning it. It is only recently that this has occurred, and it made me think that perhaps the committee had adopted a policy not to disclose the identity of the Attorney General or make any reference to it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the fourth proviso of the second paragraph of the section entitled "Bureau of Immigration" of the act entitled "An act making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1926, and for other purposes," approved February 27, 1925 (43 Stat. 1049), as amended (8 U. S. C. 110), be, and it is hereby, amended to read as follows:

"Any employee of the Immigration and Naturalization Service authorized so to do under regulations prescribed by the Commissioner of Immigration and Naturalization with the approval of the Attorney General, shall have power without warrant (1) to arrest any alien who in his presence or view is entering or attempting to enter the United States in violation of any law or regulation made in pursuance of law regulating the admission, exclusion, or expulsion of aliens, or any alien who is in the United States in violation of any such law or regulation and is likely to escape before a warrant can be obtained for his arrest, but the person arrested shall be taken without unnecessary delay for examination before an officer of the Immigration and Naturalization Service having authority to examine aliens as to their right to enter or remain in the United States; (2) to board and search for aliens any vessel within the territorial waters of the United States, railway car, aircraft, conveyance, or vehicle, within a reasonable distance from any external boundary of the United States; and (3) to make arrests for felonies which have been committed and which are cognizable under any law of the United States regulating the admission, exclusion, or expulsion of aliens, if the person making the arrest has reason to believe that the person so arrested is guilty of such felony and if there is likelihood of the person escaping before a warrant can be obtained for his arrest, but the person arrested shall be taken without unnecessary delay before the nearest available commissioner or before any other nearby officer empowered to commit persons charged with offenses against the laws of the United States; and such employee shall have power to execute any warrant or other process issued by any officer under any law regulating the admission, exclusion, or expulsion of aliens."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF SECTION 401 (A) OF THE NATIONALITY ACT OF 1940

The Clerk called the bill (H. R. 5496) to amend section 401 (a) of the Nationality Act of 1940.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of the second proviso of section 401 (a) of the Nationality Act of 1940, approved October 14, 1940 (54 Stat. 1168; 8 U. S. C. 801 (a)), is hereby amended to read as follows: "*Provided further*, That a person who has acquired foreign nationality through the naturalization of his parent or parents, and who at the same time is a citizen of the United States, shall, if he is abroad and has not theretofore expatriated himself as a citizen of the United States by his own voluntary act, be permitted at any time prior to January 13, 1947, to return to the United States and take up permanent residence therein, and it shall be thereafter deemed that he has elected to be a citizen of the United States."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF SECTION 201 (G) OF THE NATIONALITY ACT OF 1940

The Clerk called the bill (H. R. 5513) to amend the Nationality Act of 1940.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, in view of the fact that this bill radically alters provisions of existing law and the Nationality Act, I ask that some member of the committee undertake an explanation of its purpose and effect, with especial reference to a subsequent bill on the calendar, No. 415.

Mr. LESINSKI. The report contains a complete and detailed statement as to why the Department of Justice has asked for this legislation. It reads:

Under existing law, when a child is born abroad to a couple, one of whom is a citizen of the United States and the other an alien, the child is born a United States citizen if the citizen-parent has had a total of 10 years' residence in the United States, 5

years of which existed after the parent's sixteenth birthday. Under the provision of law, which was enacted in 1940, no citizen-parent, where the other parent is an alien, can transmit his United States citizenship to his child if the parent is under 21 years of age at the time of the birth of the child, because the father could not have had 5 years' residence in the United States subsequent to his sixteenth birthday.

The reason for this proposed legislation is that a lot of our boys who have gone overseas are 18 and 19 years old. Under existing law, if one of these boys gets married there and his wife has a child, he is not able to bring his wife and child into this country. That is the reason for seeking to change the present law.

Mr. COLE of New York. I call the attention of the gentleman to a bill also reported out by his committee and that is on the calendar today, No. 415, H. R. 4571, which permits the children of a marriage such as he has just described to come into this country on a nonquota basis. I think it is probably quite proper that the children of our service personnel who go across and get married be given preferential status and be granted admissibility to this country, but that is accomplished under the bill H. R. 4571, which is later on the calendar. That being so, why is it necessary to have the bill that is now before the House?

Mr. LESINSKI. It is to change the date of the existing law.

Mr. COLE of New York. That is true, but that changes the date not only as to service people but civilians as well, and makes it apply not only for the period of the war but as permanent legislation.

Mr. LESINSKI. Under the existing law, the American citizen must have 5 years' residence, between the ages of 16 and 21, which gives him the 5 years.

But if the soldier is 18 or 19 years old, he would not have the 5 years. That is the reason for changing it to 13 years of age, to make the 5 years 13, and the 13, 18.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

NATIONAL GUARD OF THE STATE OF TENNESSEE

The Clerk called the bill (S. 1590) for the relief of the State of Tennessee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized to give to the account of the National Guard of the State of Tennessee credit in the amount of $2,920.18 for the money value of property listed on approved reports of survey for which the State of Tennessee has been held pecuniarily responsible, said credits to be given in full satisfaction of any and all claims of the State of Tennessee against the United States on account of clothing purchased by the State and issued to the National Guard of Tennessee to meet a shortage existing prior to the Army maneuvers of August 1940. This credit shall be established by the submission of evidence acceptable to the War Department of the purchase, issue, and transfer of title to the United States of the clothing.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGETOWN COUNTY, S. C., TRANSFERRED TO CHARLESTON DIVISION, EASTERN JUDICIAL DISTRICT

The Clerk called the bill (S. 1877) to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the eastern judicial district of South Carolina.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Georgetown County, S. C., of the eastern judicial district of South Carolina, be, and it is hereby, detached from the Florence division of said district and attached to the Charleston division of said district.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING TRANSACTIONS BY DISBURSING OFFICERS OF THE UNITED STATES

The Clerk called the bill (H. R. 5062) to authorize certain transactions by disbursing officers of the United States, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subject to regulations promulgated pursuant to this act, disbursing officers of the United States are hereby authorized, for official purposes, or for the accommodation of military, naval, and civilian personnel of the United States Government, and personnel of contractors and of authorized nongovernmental agencies operating with the armed forces of the United States, to cash and negotiate checks, drafts, bills of exchange, and other instruments payable in United States and foreign currencies, and to conduct exchange transactions involving United States and foreign currency and coin, checks, drafts, bills of exchange, and other instruments. Any official funds which are held by such disbursing officers and which are available for expenditure may, with the approval of the head of the agency having jurisdiction over such funds, be utilized for this purpose.

SEC. 2. Any gains in the accounts of disbursing officers of the United States resulting from operations permitted by this act shall be paid into the Treasury as miscellaneous receipts. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to adjust any deficiencies in the accounts of disbursing officers of the United States which may result from such operations.

SEC. 3. The Secretary of the Treasury and, with the concurrence of the Secretary of the Treasury, the heads of other executive departments having jurisdiction over disbursing officers of the United States are hereby authorized respectively to issue such rules and regulations, governing the disbursing officers under their respective jurisdictions, as may be deemed necessary or proper to carry out the purposes of this act.

SEC. 4. The provisions of this act shall be effective from and after December 7, 1941, and shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President may designate.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATING AS UNCOLLECTIBLE CERTAIN CREDITS OF THE UNITED STATES

The Clerk called the bill (H. R. 5221) to eliminate as uncollectible certain credits of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, at the close of the fiscal year 1945, there are hereby authorized and directed to be eliminated, as uncollectible from the accounts of the Treasury Department, the Post Office Department, and the General Accounting Office, the following items which have been carried as "Unavailable cash" since the year 1861:

Assistant Treasurer of the United States, New Orleans, La., 1861, $31,164.44.

Depositaries at—

Savannah, Ga., 1861, $205.76.

Galveston, Tex., 1861, $83.36.

Little Rock, Ark., 1861, $5,823.50.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

EXAMINATION OF EXPENDITURES BY DISBURSING OFFICERS OF THE UNITED STATES MARINE CORPS

The Clerk called the bill (H. R. 5248) to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941 (55 Stat. 862), is amended to read as follows: "That the time for examination of monthly accounts covering expenditures by disbursing officers and special disbursing agents of the United States Navy, United States Marine Corps, and United States Coast Guard after the date of actual receipt at the administrative office or offices designated to make the examination, and before transmitting the same to the General Accounting Office as limited by section 12 of the act of July 31, 1894 (28 Stat. 209), as amended, is hereby extended from 20 to 60 days. In time of war or national emergency and for a period of 18 months after such war or emergency shall have ceased to exist, the time for examination of such monthly accounts is hereby extended from 60 to 90 days."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GLACIER NATIONAL PARK FISH HATCHERY, CRESTON, MONT.

The Clerk called the bill (S. 1645) relating to the administration of the

Glacier National Park Fish Hatchery, at Creston, Mont., and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, reserving the right to object, and it is not my purpose to object, I say this is an excellent bill. This bill transfers activities with reference to fish to the Fish and Wildlife Service from the National Park Service. My purpose in speaking is to tell the House that during the last 2 weeks the Select Committee on Fish and Wildlife held hearings. First the Fish and Wildlife Service was heard, then the Soil Conservation Service, the Forest Service, the engineers of the Army, the Grazing Service, and the National Park Service, and each and every one gave a long statement with reference to their activities in connection with fish and wildlife. I hope the committee that has jurisdiction will bring in a general bill to place these activities where they belong, in the Fish and Wildlife Service, and not in the five or six different agencies.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the property at Creston, Mont., acquired by the United States for the establishment of a fish hatchery for restocking the waters of Glacier National Park and administered as a part of the park pursuant to the act of July 31, 1939 (53 Stat. 1142), together with the improvements and equipment utilized in connection with the hatchery property, is hereby eliminated from the park.

The functions of the National Park Service with regard to the administration of the aforesaid properties for the benefit of the park are hereby transferred to and shall be exercised by the Fish and Wildlife Service for the same purposes: *Provided, however*, That such fish propagated at the hatchery as may be in excess of the number necessary to restock and maintain an optimum fish population in the waters of the park at all times may be utilized for the restocking of other waters.

The bill was ordered to be read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATURALIZATION OF FILIPINOS

The Clerk called the bill (H. R. 4826) to authorize the naturalization of Filipinos.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. J. LEROY JOHNSON. Mr. Speaker, reserving the right to object, I want to ask several questions about this matter. Were any hearings held on this bill by the Committee on Immigration and Naturalization?

Mr. MASON. Mr. Speaker, if the gentleman will yield to me I can answer his question. There were hearings held on this bill.

Mr. J. LEROY JOHNSON. Does this not change the fundamental policies of our nationalization laws, as far as Filipinos and many other groups from the Orient are concerned?

Mr. MASON. It changes it only to the extent that it permits the Filipinos who are now in this country to apply for citizenship, and also any who may come in under the quota, after the war is over.

Mr. J. LEROY JOHNSON. How many Filipinos are there in California, in round figures?

Mr. MASON. I cannot tell you how many there are in California, but there are some 45,000 in the United States today, and 30,000 or 40,000, in the Hawaiian Islands. That makes a little over 80,000 all told.

Mr. J. LEROY JOHNSON. What is the quota now?

Mr. MASON. The quota is 55. It would be 100 after the war is over.

Mr. LESINSKI. May I make a correction?

Mr. MASON. Certainly.

Mr. LESINSKI. According to the statement there, the quota will only be 50. The citizenship applies to those Filipinos who are in this country, some of them serving in our armed forces.

Mr. J. LEROY JOHNSON. There are very few in the armed forces. Most of them are laborers out in California and Oregon.

Mr. MASON. There are many in the armed service in the Philippine Islands.

Mr. J. LEROY JOHNSON. That is probably true.

The SPEAKER. Is there objection?

Mr. J. LEROY JOHNSON. Mr. Speaker, I ask unanimous consent that this bill may go over for a week.

The SPEAKER. If it goes over for a week it will go over until the next session of the Congress.

Mr. J. LEROY JOHNSON. Then, Mr. Speaker, I object.

AUTHORIZING POSTMASTERS IN ALASKA TO ADMINISTER OATHS AND AFFIRMATIONS

The Clerk called the bill (H. R. 4919) to amend the act authorizing postmasters in Alaska to administer oaths and affirmations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act approved August 5, 1939, entitled "An act to authorize postmasters within the Territory of Alaska to administer oaths and affirmations, and for other purposes" (53 Stat. 1219), is amended to read as follows:

"That each postmaster within the Territory of Alaska is hereby authorized and directed to administer oaths and affirmations and to take acknowledgments, and to make and execute certificates thereof, and to perform all other functions of a notary public within said Territory, whenever an oath, affirmation, or acknowledgment or a certificate thereof is authorized, permitted, or required by any act or acts of Congress, or of the Legislature of the Territory of Alaska."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLERICAL ASSISTANCE AT POST OFFICES

The Clerk called the bill (H. R. 4892) relating to clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of July 9, 1943 (57 Stat. 391), entitled "An act to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes," is hereby amended to read as follows:

"That, during the present war and for 6 months thereafter, whenever deemed necessary in serving military and naval personnel at military and naval camps, posts, or stations, the Postmaster General is hereby authorized to detail any postal employee from main post offices to postal units, at such camps, posts, or stations, without changing the official station of such postal employee, and to authorize allowances, not exceeding $4 per day in lieu of actual expenses, while so detailed, without regard to the Subsistence Expense Act of 1926, such allowances to be paid from the appropriation 'Miscellaneous items, first- and second-class post offices.'

"SEC. 2. The Comptroller General of the United States is authorized and directed to allow credit for any payments made prior to July 9, 1943, not exceeding the allowances herein provided, to the employees so detailed."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LAND IN POWELL TOWN SITE, WYOMING, TO THE UNIVERSITY OF WYOMING

The Clerk called the bill (H. R. 4665) authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cause a patent to issue conveying that unplatted portion of the town site of Powell, Wyo., on the Shoshone reclamation project, located in the northwest corner of the town site, containing approximately 24 acres, to the University of Wyoming, in trust for use as an agricultural experiment substation; but in said patent there shall be reserved to the United States all oil, coal, and other mineral deposits within said lands and the right to prospect for, mine, and remove the same.

SEC. 2. The conveyance herein authorized shall be made upon the express condition that any use to which the area is put shall comply with all town ordinances and that within 30 days of the receipt of any request therefor from the Secretary of the Interior, the president of the University of Wyoming shall submit a report as to the use made of the land herein granted the university during the preceding period named in such request, showing compliance with the terms and conditions stated in this act; and that in the event of his failure to so report, or in the event of a showing in such report to the Secretary of the Interior that the terms of the grant have not been complied with, the grant shall be held to be forfeited and the title shall revert to the United States, and the Secretary of the Interior is hereby authorized and empowered to determine the facts and declare such forfeiture and such reversion and restore said land to the public domain, and such order of the Secretary shall be final and conclusive.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO AMEND THE NATIONALITY ACT OF 1940

The Clerk called the bill (H. R. 4642) to amend the Nationality Act of 1940.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, this bill states that for the purposes of this legislation the present war shall be deemed to have commenced September 1, 1939. Some time ago, I served notice that I would object to consideration on this calendar of any bill which stated that the war started long before it did. I understand the author of the bill is ready to present an amendment changing that date to December 7, 1941, and therefore, I am not going to object to the consideration of the bill at this time.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Nationality Act of 1940, approved October 14, 1940 (54 Stat. 1137), is hereby amended by adding, immediately following section 304 thereof, a new section to be numbered 304A and reading as follows:

"SEC. 304A. An alien, if eligible to naturalization, 50 years of age or over, who has resided in the United States continuously since prior to July 1, 1924, and who, on or prior to the effective date of this section, has made a declaration of intention to become a citizen which is not more than 7 years old, or who, within 2 years from the effective date of this section, shall make a declaration of intention, may thereafter file petition for naturalization and be admitted to citizenship upon full and complete compliance with all requirements of the naturalization laws, except that he shall not be required to speak the English language, sign his declaration or petition in his own handwriting, or meet other educational requirements: *Provided*, That this section shall apply only to petitions for naturalization filed within 4 years after the date of the enactment of this act."

SEC. 2. Section 326 of the Nationality Act of 1940 (54 Stat. 1150; 8 U. S. C. 726), is hereby amended by adding a new subsection, to be known as subsection (e) and reading as follows:

"(e) The provisions of this section shall not apply to any alien whose son or daughter is a citizen of the United States and has served or is serving honorably in the military or naval forces of the United States during the present war and who, if separated from such service, was separated under honorable conditions. For the purpose of this section, the present war shall be deemed to have commenced on September 1, 1939, and to continue until the termination of all hostilities in the present war."

SEC. 3. The Nationality Act of 1940, approved October 14, 1940 (54 Stat. 1137), is hereby amended by adding, immediately following section 331 thereof, a new section to be numbered 331A and reading as follows:

"SEC. 331A. A declaration of intention to become a citizen shall not be required of any alien whose son or daughter is a citizen of the United States and has served or is serving honorably in the military or naval forces of the United States during the present war and who, if separated from such service, was separated under honorable conditions. For the purpose of this section, the present war shall be deemed to have commenced on September 1, 1939, and to continue until the termination of all hostilities in the present war."

Mr. MASON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MASON:

On page 2, line 23, strike out "September 1, 1939" and insert December 7, 1941."

On page 3, line 11, strike out "September 1, 1939" and insert "December 7, 1941."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING NONQUOTA STATUS TO CERTAIN ALIEN VETERANS AND THEIR WIVES

The Clerk called the bill (H. R. 4571) to grant a nonquota status to certain alien veterans and their wives and minor unmarried children.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BARDEN. Mr. Speaker, reserving the right to object, I think it should be called to the attention of the House at this time that we have had under consideration today several bills amending the Immigration Act. It seems to be the custom to chop it up paragraph by paragraph. If the immigration law needs revising and rewriting, then there certainly must be a better way to do it than to cut it up, paragraph by paragraph, into a hundred different bills.

Along that line, there is some indication, and I have noticed in other bills, that there is an apparent desire on the part of some to amend the Immigration Act for the convenience of some particular individual.

I do not say that is altogether wrong, but I believe the House should know it. I will just take the time to read one paragraph from the bill now under consideration, H. R. 4571:

(g) An immigrant who has served honorably as a member of the military or naval forces of the United States at any time after April 20, 1898, and before July 5, 1902; or after April 5, 1917, and before November 12, 1918; or who has served or hereafter serves honorably in the said forces after September 16, 1940, and until such time as the United States shall cease to be in a state of war; and his wife and unmarried child under 21 years of age.

I doubt very seriously if the membership of this House knows what effect a paragraph of that kind will have on the immigration law. We have passed other bills in this House pertaining to the rights of men who have served in our armed forces. I simply want to call this to the attention of the House, that we can keep chopping up our immigration law, paragraph by paragraph, sentence by sentence; adding a little here and a little there, and the first thing we know we shall have to turn around, go back and strike out half of it. It is much easier to keep it out than it is to put it in under the procedure we have adopted.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield gladly.

Mr. LESINSKI. In the report giving the purpose of the bill appears the following statement:

The sole purpose of this bill is to grant a nonquota status to alien veterans who have served honorably as members of the military or naval forces of the United States during the Spanish War and the First and Second World Wars. The same privilege is accorded to their wives and unmarried children under 21 years of age.

Mr. BARDEN. The gentleman's report is wrong. It reads "unmarried children." The bill states "unmarried child." Anything as delicate as the immigration law ought to be more definite and certainly should not have the appearance of being written or amended for the benefit of a particular person or a particular person's family. Personally, I think we have been tampering with the immigration law too much, especially in view of world conditions at this time.

The SPEAKER. Objection is heard. The Chair will state for the benefit of the membership that there is but one eligible bill remaining on the calendar. The Chair, however, will recognize Members this day to call up bills which are not eligible.

PRESERVATION OF CERTAIN RECORDS RELATING TO DOMESTIC SOURCES OF ORES, ETC.

The Clerk called the bill (H. R. 4852) to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals.

Mr. KEAN. Mr. Speaker, reserving the right to object, I should like to know—and I inquire of the gentleman from Arizona—the reason for microfilming these records after the original papers have been turned over to The National Archives. Why the duplication if they are to have the originals? Why cannot we save the expense of this microfilming?

Mr. MURDOCK. We wanted The National Archives to have a full and complete record so that nothing that should properly go into The Archives would be transferred some place else without being taken care of in that way. Archives would be justified in objecting to this bill without that provision.

This technical matter is of great value and has been obtained at great expense during the war. We feel it would be very unfortunate indeed if after this war there occurred what happened after the other war: that the accumulated data should be shoved away in musty storerooms and finally destroyed. It is easy enough to take inventory of forests and property above ground, but taking inventory, as we have been doing, of minerals and underground resources is a costly matter, and if the records were once lost or destroyed it would have to be done over again in connection with another war.

Mr. KEAN. I may say to the gentleman from Arizona that I believe the purpose of the bill is excellent and nobody objects to this very meritorious thing, but I was just wondering why there

should be this duplication; the gentleman has not explained.

Mr. MURDOCK. I thank the gentleman for affirming his belief in the bill and its merits. The preservation of this information and its proper use will be a great aid to our mining industry and will add to our national security.

Of course, we have The Archives for the preservation of historic material, and they will object if pertinent data are turned over to some other bureau and taken out of their hands. Possibly they would have a right to object if this caused a break in their record. We feel that if The Archives is going to have a complete story, including this data, it ought to be furnished to them in addition to being furnished to the Bureau of Mines.

Mr. PRIEST. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman.

Mr. PRIEST. May I ask the gentleman from Arizona if there has been any investigation made as to the difference in cost between microfilming and photostating? I believe The Archives would be in much better position to file photostats than to file a microfilm and I wondered if there had been an investigation into the difference in cost if that process should be used instead of microfilming?

Mr. MURDOCK. I have not made any investigation and I do not know the difference in cost. It was my thought to get a complete record at the lowest possible cost so that The Archives and the Bureau of Mines might have this valuable data.

Mr. ELLIOTT. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from California.

Mr. ELLIOTT. At the present time all records filed in The Archives of the United States are microfilmed. My bill passed 2 years ago provided that all records filed in The Archives of the United States are to be under the microfilm process.

Mr. CASE. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from South Dakota.

Mr. CASE. We have been appropriating money to The Archives for the purpose of microfilming records. I think the gentleman will find a great many of the records are microfilmed now.

Mr. MURDOCK. Mr. Speaker, I trust there will be no objection to the bill, because it is a meritorious measure.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) after the termination of hostilities in the present war all files and records which relate to the technological and economic phases of domestic sources, supply, and beneficiation of the ores of metals and minerals, and which no longer are required in the conduct of the business of the various governmental agencies (including Government owned or controlled corporations) dealing with such matters, shall be transferred to and consolidated in the possession of the Bureau of Mines.

(b) Whenever an agency having custody of any such files and records determines that it has no further need therefor, it shall immediately notify the Bureau of Mines. Upon receipt of such notification the Bureau of Mines, with the aid and advice of the staff of such agency, shall carefully examine such files and records, eliminate extraneous and duplicative material therefrom, and classify the data contained therein in such form as will be of greatest permanent value to the national economy. Where deemed desirable, microfilm may be used to conserve filing space.

(c) Such portions of the aforesaid files and records as are not retained by the Bureau of Mines shall be subject to disposal in the manner prescribed by law.

With the following committee amendments:

Page 1, line 4, after the word "war", insert "or at such date prior or subsequent thereto as the agency may determine."

Page 2, line 12, strike out "where deemed desirable, microfilm may be used to conserve filing space."

Page 2, line 13, insert "each item transferred to the Bureau of Mines shall be microfilmed by the agency having original custody of such files and records and such microfilm shall be delivered to The National Archives."

Page 2, after line 19, insert the following new section as follows:

"(d) The National Archives shall reimburse the agencies for the out-of-pocket cost of microfilming."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BARDEN. Mr. Speaker, that concludes the call of the bills on the Consent Calendar.

RELIEF OF DISBURSING OFFICERS OF THE ARMY

Mr. COCHRAN. Mr. Speaker, I have discussed the bill S. 218 with the chairman of our committee and I therefore ask unanimous consent to return to Calendar 391 and the bill (S. 218) to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge, to which I shall offer an amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the General Accounting Office shall relieve any disbursing officer of the Army charged with responsibility on account of loss or deficiency while in the line of duty, of Government funds, vouchers, records, or papers, in his charge, where such loss or deficiency occurred without fault or negligence on the part of said officer: *Provided*, That the Secretary of War shall have determined that the officer was in the line of his duty, and the loss or deficiency occurred without fault or negligence on his part: *Provided further*, That the determination by the Secretary of War of the aforesaid questions shall be conclusive upon the General Accounting Office: *Provided further*, That all cases of relief granted under this authority during any fiscal year shall be reported in detail to the Congress by the Secretary of War: *And provided further*, That this act shall be applicable only to the actual physical loss of Government funds, vouchers, records, or papers, and shall not include deficiencies in the accounts of disbursing officers of the Army resulting from illegal or erroneous payments.

Mr. COCHRAN. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 2, line 4, after the colon, strike out the following: *"Provided further*, That all cases of relief granted under this authority during any fiscal year shall be reported in detail to the Congress by the Secretary of War."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN SERVICE BUILDINGS AND GROUNDS

Mr. BLOOM. Mr. Speaker, I have discussed with members of the objectors committee the bill (H. R. 4282) to amend the act entitled "An act for the acquisition of buildings and grounds in foreign countries for use of the Government of the United States of America," approved May 7, 1926, as amended, to permit of the sale of buildings and grounds and the utilization of the proceeds of such sale in the Government interest, and I ask unanimous consent to return to the consideration of that bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. CARTER. Mr. Speaker, reserving the right to object, I wish the gentleman would state briefly what this bill is intended to do.

The SPEAKER. The gentleman from New York has done that in considerable detail some time ago. The Chair suggests that the gentleman from New York [Mr. BLOOM] withdraw his request at this time and confer with the gentleman so that we may get on with other business.

Mr. BLOOM. Mr. Speaker, I withdraw my request at this time.

DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

Mr. McCORD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5566) to amend section 502 (a) of the Department of Agriculture Organic Act of 1944, for immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. BARDEN. May I call this matter to the attention of the House. These bills are not qualified under the rules of the House. No report has been submitted to anyone, and so far as I know, I just see what the title of the bill is and who it was introduced by. I have enough unpleasant duties without taking on this one, but,

so far, no one has had a glimpse at the report. If the House wants to pass it in this form, all right; I am not personally going to object.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman please explain this bill?

Mr. McCORD. This bill, Mr. Speaker, has for its purpose the granting of permission to rural-electrification associations to assume and take over some debts from the Tennessee Valley Authority, of money they have loaned to private electric corporations for extending rural electrification. Before rural electrification came into being the T. V. A. loaned money to those people at a rate of 3½ percent. The Rural Electrification Administration is now loaning money for that same purpose at 2 percent. This bill would put all of them under one Federal agency. It is agreeable to both the T. V. A. and the R. E. A. and has the unanimous consent of the Committee on Agriculture.

Mr. MARTIN of Massachusetts. How much is involved?

Mr. McCORD. Some 15 cooperatives are involved, and it amounts to about $2,800,000.

Mr. MARTIN of Massachusetts. So that the Government will lose about $1,500,000 of interest?

Mr. McCORD. Yes. The Tennessee Valley Authority would surrender about that amount of interest as R. E. A. would take over this indebtedness.

Mr. MARTIN of Massachusetts. At a lower rate of interest?

Mr. McCORD. Two percent.

Mr. MARTIN of Massachusetts. What is the justification for it?

Mr. McCORD. The justification is this: It enables those people that borrowed large sums of money from T. V. A. to borrow from R. E. A. at a lower rate, and will make a broader expansion of the program of rural electrification.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. SMITH of Ohio. I object, Mr. Speaker.

FARM SECURITY ADMINISTRATION

Mr. CASE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5563) to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

The Chair is under the impression that consideration is being sought for a number of bills on which there are unanimous reports, but as to which the official objectors have not been consulted. The Chair is going to be put in a very embarrassing position if this procedure is followed.

Mr. FLANNAGAN. Mr. Speaker, this is one of the bills I spoke to the Speaker about.

The SPEAKER. The Chair understands that. Is there objection to the request of the gentleman from South Dakota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of the Farm Security Administration is authorized to convey, subject to such conditions as he may prescribe, to the city of Hot Springs, S. Dak., all right, title, and interest of the United States in and to a tract of land within the Angostura irrigation project, Hot Springs, S. Dak., containing 474 acres, more or less, in exchange for title to a tract of land owned by the city of Hot Springs, S. Dak., situate near said city, containing 480 acres, more or less.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN SERVICE BUILDINGS AND GROUNDS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 4282) to amend the act entitled "An act for the acquisition of buildings and grounds in foreign countries for use of the Government of the United States of America," approved May 7, 1926, as amended, to permit of the sale of buildings and grounds and the utilization of proceeds of such sale in the Government interest. I understand that the gentleman who objected to the consideration of this bill on the call of the calendar has withdrawn his objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FISH. I object, Mr. Speaker.

TOWN OF SEWARD, ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 4502) to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman from Alaska explain this legislation?

Mr. DIMOND. The bill, which was reported unanimously by the Committee on the Territories, seeks to authorize the incorporated town of Seward, Alaska, to issue additional bonds for the purpose of buying out and paying for a privately owned electric utility plant, provided all the parties agree to the procedure, and to refund and consolidate its bonded indebtedness.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. DIMOND. Mr. Speaker, an explanation of the bill is contained in the report of the House Committee on Territories, and I present it for incorporation in the RECORD at this point:

REPORT TO ACCOMPANY H. R. 4502

The Committee on the Territories, to whom was referred the bill (H. R. 4502) to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the bill is to authorize the incorporated town of Seward, Alaska, to purchase certain private utilities now supplying said town with electric current and with telephone service, to issue and sell its revenue bonds, to provide funds for paying for the property so purchased, and to refund outstanding bonds and to consolidate all of its revenue bonds in one issue. By act approved May 20, 1935 (49 Stat. 282), the town of Seward was authorized to construct and operate a municipal electric system, and provision was made in that act for purchase of the private electric utilities for a sum not to exceed $75,000. The plan for purchase of the private utilities did not materialize because the owner declined to sell for the sum specified. Accordingly, a municipal plant was built and put into operation and has since been used, money therefor having been obtained by loan and grant from the Public Works Administration. The loan amounted to $96,000, and revenue bonds were issued by the town of Seward to the Public Works Administration in that amount. Those bonds are now held by the Reconstruction Finance Corporation and constitute a first charge upon the plant. For some time past it has been evident that considerable economies could be effected through purchase by the city of the privately owned utilities, provided that the same could be purchased at a reasonable price, and by combining and consolidating the two plants and their operation. The city authorities believe that they can now purchase the private utilities at a reasonable sum and are desirous of carrying through the plan for such purchase and of selling revenue bonds in order to obtain money to pay the purchase price. In order to do this, it will be necessary to refund the outstanding bonds and to combine and consolidate all such bonds in one issue. With this in view, Congress enacted Public Law 115, Seventy-seventh Congress, approved June 21, 1941 (55 Stat. 253), but it now appears that in the opinions of the legal advisers of possible bond purchasers that act is insufficient to do what is desired, and consequently it becomes necessary to further enlarge the authority of the town with respect to the bonds desired to be issued so as to protect the bondholders, present and prospective. The authority sought is nothing unusual. In fact, under general law the cities of the various States now have and exercise such power as indicated by the following-quoted paragraph from the report dated August 3, 1944, on the bill of the chairman of the board of the Reconstruction Finance Corporation, as follows:

"The authority contained in the proposed legislation is such as municipalities usually possess and it would seem desirable for this town to have such power."

The bill has the approval of the Reconstruction Finance Corporation and the Department of the Interior as indicated by letter dated August 3, 1944, addressed to former Chairman GREEN by Hon. Charles B. Henderson, chairman of the board, Reconstruction Finance Corporation, and letter dated August 4, 1944, addressed to Mr. GREEN by Hon. Abe Fortas, Acting Secretary of the Interior. The bill does not impose any financial burden on the United States Government, and the Bureau of the Budget has no objection to its enactment. The bill does not obligate anyone to do anything. It merely gives the city authority to do certain things which seem desirable provided all the parties interested agree upon the plan of action.

The letters from Mr. Henderson and Mr. Fortas follow:

RECONSTRUCTION FINANCE CORPORATION,
Washington, August 3, 1944.

Hon. LEX GREEN,
Chairman, Committee on the Territories, House of Representatives,
Washington, D. C.

DEAR MR. GREEN: Reference is made to your letter of April 24, 1944, requesting a report concerning H. R. 4502, a bill to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended.

Under existing legislation this town has no authority to issue bonds for the purpose of financing improvements to the electric system which it now owns and operates. The proposed legislation will confer such power on the town and will in addition broaden the town's powers in other related respects, such brcadening being designed to make any bonds issued pursuant to the statute more marketable.

The authority contained in the proposed legislation is such as municipalities usually possess and it would seem desirable for this town to have such power.

With kindest personal regards, I remain,
Sincerely yours,

CHARLES B. HENDERSON.

THE SECRETARY OF THE INTERIOR,
Washington, August 4, 1944.

Hon. LEX GREEN,
Chairman, Committee on the Territories, House of Representatives.

MY DEAR MR. GREEN: Reference is made to your letter of April 24 requesting a report on H. R. 4502, a bill to amend the act of Congress, approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended.

The proposed legislation would authorize the town of Seward to construct or purchase extensions or improvements to the electric utility property acquired under the act of May 20, 1935, as amended, and would authorize the town council to issue additional revenue bonds to finance the purchase or construction of such extensions or improvements. The authority conferred by the bill would facilitate future financing of the Seward electric utility system and I have no objection to its enactment.

The Bureau of the Budget has advised me that there is no objection to the submission of this report to your committee.

Sincerely yours,

ABE FORTAS,
Acting Secretary of the Interior.

The SPEAKER. The Chair is wondering if, to avoid getting into this kind of embarrassing situation of Members rising all over the House after the Consent Calendar has been completed and asking for the immediate consideration of certain bills, the majority leader will not ask unanimous consent that at 11 o'clock some morning between now and adjournment, after the objectors have had the opportunity of looking over the bills, the Consent Calendar be called again. After the remarks of the gentleman from North Carolina and of the gentleman from Massachusetts [Mr. McCORMACK] and the gentleman from Massachusetts [Mr. MARTIN] about how hard the objectors have worked on the bills on this calendar, this procedure does not set very well with the Chair; and the Chair wonders if the majority leader, in order to stop this practice, will not submit the request suggested by the Chair.

Mr. McCORMACK. I believe that in my remarks I said there probably would not be another call of the calendar. However, Members know that under the custom here if it is believed that bills can be passed by unanimous consent the Speaker will recognize Members at the proper time to request consideration of such bills; but the Members know that before making such requests they should take up the matter with the members of the committee concerned, on both sides of the aisle, at least the ranking members, and then take it up with the leaders on both sides of the aisle and then with the Speaker.

The SPEAKER. The Chair also asks that that be done in connection with all the bills for which Members are asking consideration now, bills that they say have unanimous reports from committees.

Mr. McCORMACK. Certainly. I assume that any Member who makes such a request has done that.

Mr. MARTIN of Massachusetts. The only diffiiculty is that four or five Members rise at the same time and want their bills considered immediately. Under those circumstances, it is difficult to give the bills proper consideration.

The SPEAKER. Will the gentleman from Massachusetts ask unanimous consent that on Monday next the Consent Calendar may be called?

Mr. McCORMACK. I will, Mr. Speaker. I ask unanimous consent that on Monday next it be in order to call all bills that are on the Consent Calendar at that time.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, when a bill is objected to today, ordinarily it would not again come up for consideration for 2 weeks, and at that time three objections would be required to strike it from the calendar. In order to protect those Members who have objected today to the consideration of bills, I believe that we should not require that three objections be made when the calendar is called next week, inasmuch as that is to be a special call of the calendar.

Mr. McCORMACK. Of course, that raises another question, because a call of the calendar on next Monday would be a separate and distinct call of the calendar.

Mr. MARTIN of Massachusetts. Mr. Speaker, it could be done either by continuing today's calendar call until next Monday, or it could be done by requesting that one objection would be sufficient.

Mr. McCORMACK. Mr. Speaker, I have no objection to that.

Mr. MARTIN of Massachusetts. Mr. Speaker, I think continuing the calendar until next Monday would be a fairer and more appropriate way of handling it.

Mr. McCORMACK. If we are going to have a call of the Consent Calendar on next Monday, those bills that have been objected to should be called, I believe. Now, when there has been but one objection to a bill the question of making them be subject to the requirements of the rule that three objections are necessary, is an entirely different question. But does not the gentleman feel that bills which have already been called and to which there has been but one objection made, should be called next Monday?

Mr. MARTIN of Massachusetts. Mr. Speaker, they have had their day in court. What we are trying to provide is for someone who has not had his day in court.

The SPEAKER. Will the gentleman from Massachusetts withdraw his request temporarily, as the Chair believes it would be better to see if that matter cannot be settled later?

Mr. McCORMACK. Mr. Speaker, I withdraw my request temporarily because, although I have no objection, my personal opinion is that it should be in order to call bills which have been objected to today, with but one objection. Whether the one objection would be sufficient or not, we can discuss later.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress approved May 20, 1935 (49 Stat. 282), entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended by the act of Congress approved June 21, 1941 (55 Stat. 253), is hereby amended by inserting after section 6 thereof the following new section:

"SEC. 7. The town of Seward is hereby authorized at any time or times to construct, purchase, or otherwise acquire improvements, betterments, or extensions to any electric or other utility properties owned or to be owned by the town of Seward pursuant to this or any other section of this act, and shall be authorized to issue its revenue bonds to finance in whole or in part the cost of said improvements, betterments, or extensions (including the cost of integrating the systems which may be acquired under section 6 of this act with the properties theretofore owned and the cost of integrating any other newly acquired properties with those theretofore owned), which bonds may be made payable and be secured in the same manner as other revenue bonds authorized to be issued pursuant to any other sections of this act, and shall be issued in compliance with other bond provisions contained in this act, so far as applicable. The issuance of bonds for the purpose or purposes provided in this section may be combined and consolidated with the issuance of any other bonds elsewhere authorized in this or any other section of this act to be issued for any other purpose or purposes, all of which bonds shall in such case constitute a single issue. The provisions of section 6 of this act, which require the consent of holders of outstanding bonds and the approval of electors to the acquisition of the Seward Light & Power Co. properties therein mentioned and to the issuance of any bonds therefor, shall not be applicable to the issuance of bonds for any other purpose under this act.

"The town of Seward is hereby authorized at any time or times to issue its refunding revenue bonds to refund revenue bonds then outstanding pursuant to this or any other section of this act, together with accrued interest thereon and on any unpaid matured coupons pertinent thereto. Said refunding bonds may be made payable and be secured in the same manner as any other bonds authorized to be issued pursuant to this act, and shall be issued in compliance with other

bond provisions contained in this act, so far as applicable.

"Any of the bonds issued pursuant to this or any other section of this act may be sold to and purchased by Reconstruction Finance Corporation or any other purchaser without any proceedings or the happening of any conditions or things other than those specified in this act and without the necessity for compliance with any provisions of any other act, it being intended that this act shall be complete authority for the issuance of the bonds herein authorized, and any restrictions, limitations, or regulations relative to the issuance of bonds which may be contained in any other act shall not apply to the bonds issued pursuant to any section of this act. All bonds issued under the provisions of this act shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Territory of Alaska."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ILLINOIS AND MICHIGAN CANAL

Mr. SABATH. Mr. Speaker. I ask unanimous consent for the present consideration of the bill (H. R. 4626) to declare a portion of the Illinois and Michigan Canal a nonnavigable stream. The bill calls for the filling of an old, old ditch which has not been used for 50 years.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I would rather think this is one of the bills that should go over with the rest of the bills. There are a half dozen people here who are in the same position as the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, I have never asked for any special privilege. I am not asking for it now, but there should be no objection in view of the fact that it was unanimously reported by the Committee on Rules as well as the committee having jurisdiction of the subject matter.

Mr. MARTIN of Massachusetts. Mr. Speaker, everybody else has a bill and is in practically the same position as the gentleman from Illinois. I think all should have a chance or none.

Mr. SABATH. Mr. Speaker, we have a rule on this bill, and I wanted to save the time of this House.

Mr. FISH. Mr. Speaker, if the gentleman will yield, although the Committee on Rules has granted a rule on this bill, I hope as a courtesy to the gentleman from Illinois and in view of the fact that the Committee on Rules has reported a rule unanimously, that the unanimous consent be granted. The gentleman from Illinois has not asked for any special privilege. There is a rule on it and the gentleman is seeking to save time, rather than call it up under the rule.

Mr. MARTIN of Massachusetts. Mr. Speaker, this is an unusual practice for the Committee on Rules not to want to take a bill up under the rule.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, further reserving the right to object, will the gentleman from Illinois explain what the bill does?

Mr. SABATH. Mr. Speaker, it is to fill in an old canal that has not been used for 50 years, because a newer canal adjoining it, which was built about 50 years ago, has made the old canal useless. It is an objectionable stream and it has not been used for traffic during all this time.

Mr. MARTIN of Massachusetts. Who has requested this legislation?

Mr. SABATH. The city of Chicago.

Mr. MARTIN of Massachusetts. Is the city of Chicago going to pay the bill?

Mr. SABATH. There is no expense involved to the Government.

Mr. MARTIN of Massachusetts. We are just merely giving them authority to fill in the old canal?

Mr. SABATH. This bill declares this old canal a nonnavigable stream; that is all. It has been a nonnavigable stream for 50 years. The report shows that.

Mr. MICHENER. Mr. Speaker, if the gentleman from Massachusetts will yield, as a matter of fact, I was opposed to this bill back yonder, before the Illinois people and the rest of the country took so much water out of Lake Michigan.

But this bill in no way interferes with any water going out of Lake Michigan. It is just the filling up of an old ditch that they called a canal at one time, which was abandoned when they took the water from Lake Michigan, which we thought they should not do.

Mr. SABATH. This was built over 100 years ago. It has not been used for over 50 years.

Mr. MARTIN of Massachusetts. You are a little late in getting around to filling it.

Mr. SABATH. The city council of the city of Chicago passed a resolution on March 15, 1944, urging the declaring of the canal to be an unnavigable stream and without taking up the further time of the House in explaining the need for the closing of that portion of the canal set forth in the bill, I insert the resolution of the city council which more fully explains the situation and the need for the passage of the bill. The resolution of the city council is as follows:

"Whereas the Illinois and Michigan Canal, as originally constructed through the city of Chicago and the county of Cook, Ill., has been in disuse for a number of decades, has no current and the bottom of the channel is filled with stagnant water and constitutes a nuisance; and

"Whereas the sanitary and ship canal built by the sanitary district of Chicago is the Lake Michigan end of the Lakes-to-Gulf deep waterway and is capable of handling the traffic for this route, parallels the Illinois and Michigan Canal, and is but a few hundred feet from it; and

"Whereas the existence of the Illinois and Michigan Canal adds to the difficulty of carrying out a proper urban development in that portion of the city of Chicago and Cook County, making it necessary for the local governmental bodies in providing for highway traffic and for transportation companies to construct and maintain unnecessary bridges and other structures: Therefore be it

"Resolved, That it is the sense of the city council that in the interest of a more orderly and economic development of this community and the abatement of a nuisance the Illinois and Michigan Canal should be declared an unnavigable stream; and be it further

"Resolved, That the city council of the city of Chicago does hereby petition the Congress of the United States of America and the General Assembly of the State of Illinois to pass the necessary legislation declaring the Illinois and Michigan Canal as unnavigable between the east line of South Ashland Avenue in the city of Chicago and the boundary line between Cook County and Will County; and be it further

"Resolved, That the city clerk be and he is hereby directed to forward copies of this resolution to Hon. SCOTT W. LUCAS and Hon. WAYLAND C. BROOKS, United States Senators from Illinois, and to the Members of the House of Representatives representing Cook County and the city of Chicago in the Congress, as well as to the Governor of the State of Illinois and the members of the legislature from Cook County."

STATE OF ILLINOIS,
County of Cook, ss:

I, Ludwig D. Schreiber, city clerk of the city of Chicago, do hereby certify that the above and foregoing is a true and correct copy of the certain resolution adopted by the City Council of the City of Chicago at a regular meeting held on the 16th day of March A. D. 1944.

Witness my hand and the corporate seal of the said city of Chicago this 31st day of May A. D. 1944.

[SEAL] LUDWIG D. SCHREIBER,
City Clerk.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all that portion of the Illinois and Michigan Canal extending from the east line of South Ashland Avenue, in the city of Chicago, Ill., to the boundary line between Cook and Will Counties be, and the same is hereby, declared to be a nonnavigable stream within the meaning of the Constitution and laws of the United States of America.

SEC. 2. That the right of Congress to alter, amend, or repeal this section is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. If the Consent Calendar is called again at this session, or in the next session, and the present occupant of the chair holds the same position, bills that are not eligible, which the committee has not prepared in time to have them eligible, will not be called, unless they present matters of great emergency. That applies to next Monday, if the calendar is called at that time.

TRANSFERRING LAND IN NACOGDOCHES COUNTY, TEX., TO THE UNITED STATES FOREST SERVICE

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5551) to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, how far are we going?

The SPEAKER. The Chair intends to recognize one other Member and that is all. Is there objection to the consideration of the bill?

Mr. TABER. Mr. Speaker, I object.

CONVEYANCE OF RAILROAD ERIDGE NEAR TOPOCK, ARIZ., TO THE STATES OF ARIZONA AND CALIFORNIA

Mr. HARLESS of Arizona. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4910) authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what does this bill provide?

Mr. HARLESS of Arizona. The railroad has abandoned this bridge and they have to tear it down in 90 days unless it is transferred through this legislation.

The committee reported the bill out unanimously and I wanted to get it passed today, because the 90 days will expire and they will have to start tearing it down. We can use it for a highway bridge between Arizona and California.

Mr. MARTIN of Massachusetts. The gentleman seems to have a rather urgent situation. I withdraw my reservation of objection, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Atchison, Topeka, & Santa Fe Railway Co., or ts successors, is hereby authorized to convey to the States of Arizona and California, jointly or separately, the existing railroad bridge and approaches thereto, across the Colorado River, formerly known as the Red Rock Bridge, located near Topock, Ariz., which bridge has been or will be superseded by realinement of a portion of the Atchison, Topeka, & Santa Fe Railroad and construction upstream from said existing bridge of a new railroad bridge.

SEC. 2. The States of Arizona and California, jointly or separately, are hereby authorized to accept title to, and thereafter to construct, reconstruct, maintain, and operate said bridge, as a free highway bridge, and approaches thereto in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906 (U. S. C., 1940 ed., title 33, ch. 11), and subject to the conditions and limitations contained in this act.

SEC. 3. There is hereby conferred upon the States of Arizona and California, jointly or separately, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, reconstruction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSENT CALENDAR

Mr. DISNEY. Mr. Speaker, do I understand there will be a call of the Consent Calendar on next Monday?

The SPEAKER. It is hoped so.

TRANSFER OF CERTAIN LANDS BY THE STATE OF MONTANA FOR THE USE OF THE UNIVERSITY OF MONTANA

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4917), an act conferring upon the State of Montana authority to exchange for other lands certain lands selected by the State of Montana for the use of the University of Montana for biological station purposes pursuant to the act of March 3, 1905 (33 Stat. 1089), with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 5, insert "The land acquired by the State of Montana under this act shall be held for the use of the University of Montana as if it had been granted by the United States to the State of Montana by the act of March 3, 1905 (33 Stat. 1080), and a recital to this effect shall be included in the deed by which the land is conveyed to the State."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment.

Mr. PETERSON of Florida. This gives the consent of the Government to trade a small tract of land which the Government originally gave to the Biological Survey of Montana, for another tract. The amendment requires the same restrictions in the second tract as are in the first.

I think it is a good amendment. Our own committee came near putting the amendment in when we reported the bill.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida.

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made a little while ago with respect to the bill H. R. 4502 and to include therein the committee report.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. GEARHART] may extend his own remarks in the RECORD on two subjects and include therein articles and editorials.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentlewoman from Ohio [Mrs. BOLTON] may address the House for 30 minutes on next Friday after the disposition of business on the Speaker's table and other special orders.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent that I may address the House for 1 hour on Wednesday next after disposition of business on the Speaker's table and other special orders.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TRANSFER OF CERTAIN LAND IN NACOGDOCHES COUNTY, TEX., TO THE FOREST SERVICE

Mr. FLANNAGAN. Mr. Speaker, I renew my request to take from the Speaker's table the bill (H. R. 5551) to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service, and ask for its immediate consideration. I understand the gentleman from New York [Mr. TABER] has withdrawn his objection.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. FLANNAGAN. The object of the bill is simply to give the Farm Security Administration authority to pass title to the Forestry Service to a certain tract of land in Texas containing about 2,900 acres.

Mr. MARTIN of Massachusetts. It applies only to that one tract of land?

Mr. FLANNAGAN. Only to that one transaction.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That upon the written consent of the majority of directors, Texas Rural Communities Corporation, the Secretary of Agriculture is hereby directed to convey, grant, transfer, and quitclaim forthwith to the United States, for subsequent administration as a part of the Angelina National Forest and subject to all laws and regulations applicable thereto, all right, title, claim, interest, equity, and estate in and to the following-described lands administered by the Secretary as trustee, under an agreement of transfer, dated October 31, 1939, with the Texas Rural Communities Corporation and situated in the county of Nacogdoches, State of Texas, together with the improvements

thereon and the rights and the appurtenances thereunto belonging or appertaining, to wit:

Two thousand four hundred and ninety-nine acres, more or less, located in Nacogdoches County, Tex., and known as the Nacogdoches farms project of the Farm Security Administration of the War Food Administration, within the United States Department of Agriculture.

SEC. 2. Until such times as the Congress by concurrent resolution, or the President, terminates the functions, powers, and duties of the War Food Administrator or the War Food Administration, the authority vested in the Secretary of Agriculture by this act shall be exercised by the War Food Administrator.

SEC. 3. The Chief of the Forest Service is hereby directed to cooperate with the Stephen F. Austin Teachers College, Nacogdoches, Tex., in order to utilize, insofar as practicable, the property transferred pursuant to this act as a forestry experiment station and to enter into such appropriate agreements as a basis for such cooperation as he may, from time to time, deem necessary or advisable. Such use is found to be in the general interest of rural rehabilitation.

SEC. 4. Any such transfer shall not be deemed to impose any liability upon the Secretary of Agriculture (or War Food Administrator, as the case may be) with respect to his obligations under such agreement to transfer of October 31, 1939.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RATE OF TAX UNDER FEDERAL INSURANCE CONTRIBUTIONS ACT

Mr. SABATH, from the Committee on Rules, submitted the following privileged report on the bill (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945 (Rept. No. 2013), which was referred to the House Calendar and ordered to be printed:

House Resolution 667

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945; that after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. No amendments shall be in order to the bill except such as relate to the rate of tax for the calendar year 1945. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PUNISHMENT FOR WILLFUL INJURY OR DESTRUCTION OF WAR MATERIALS OR UTILITIES

Mr. SABATH. Mr. Speaker, I call up House Resolution 566 for immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3442) to amend sections 1, 2, and 3 of the act entitled "An act to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes," approved April 20, 1918, as amended (40 Stat. 533; U. S. C., title 50, secs. 101, 102, and 103). That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule makes in order a bill known as the Sabotage bill, H. R. 3442. The rule provides for 1 hour's general debate and the reading of the bill under the 5-minute rule.

The Member [Mr. HOBBS] who filed the report and appeared before the committee is thoroughly familiar with the intent and purpose of the bill and can more adequately explain its provisions. I shall not, consequently, take any time but will yield to him as soon as he desires such time as he may need to explain the bill.

Mr. Speaker, I now yield 30 minutes to the gentleman from New York [Mr. FISH] and reserve the remainder of my time.

Mr. FISH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this rule was adopted by a unanimous vote and makes in order the so-called Hobbs antisabotage bill and permits the offering of any and all germane amendments.

This rule was granted last May, and I am somewhat vague about the opposition that arose to the bill at that time. There was some opposition, but I believe it will be brought out in the committee. I think the opposition was from labor organizations in regard to certain penalties, perhaps the death penalty, contained in the bill. I prefer that those matters be discussed in committee rather than under the rule. The rule provides for 1 hour's general debate. I hope that the House will give very careful consideration to this rather ancient bill and find out if there is anything contained in the bill that might imply something different from what is generally conceived to be the meritorious purposes of it.

Mr. Speaker, I have the greatest admiration for the Judiciary Committee and its members. That committee is composed of very able, hard working Members of Congress. However, my recollection goes back to some time ago when that committee brought in a bill, known as the antisedition or Gestapo bill, which amended the Constitution of the United States by law and redefined "treason," already clearly defined in the Constitution. We had 2 or 3 days' debate on the bill, and then I offered an amendment which was adopted and that put an end to the bill because although we passed it over to the other body it has never been heard of since. I am wondering whether this bill needs anything of that kind by way of amendment.

I happen to be one of those Members of the House, and I think all Members are agreed, who believe in free speech and who believe that free speech is the essence of Americanism without which we cease to have a free America. After considerable debate I offered a new section to the so-called Gestapo bill which reads as follows:

Nothing in this act shall be construed to prevent any citizen or citizens or any newspaper or other publications at any time from freely discussing or openly criticizing the domestic or foreign policies of the administration or the Federal Government or of any public official, or from discussing or criticizing any existing or proposed law, regulation, directive, or Executive order.

That amendment was agreed to and was written into the bill, but I presume it destroyed the purposes of the bill, as it has never been heard of since that time.

Mr. Speaker, as far as I know this is sound, meritorious legislation; but it may need clarifying amendments. However, I want to take some time to comment on the recent sedition trial which for the time being has come to an end through the unfortunate death of Judge Eicher. I have been alarmed and disturbed, not as a Member of the House but as an American citizen, about this whole trial from beginning to end. I believe that the law passed by the Congress on July 28, 1940, known as the peacetime sedition law, but actually the alien registration law, has been abused and misused by the Department of Justice which has stretched it far beyond its original purposes.

It never was voted upon by any Member of the House for the purpose for which it was used in this so-called conspiracy trial to drag 26 or more American citizens from all parts of the Nation here to Washington to be tried on charges of a conspiracy to foment insurrection, mutiny, and disobedience of our armed forces. That section of the bill was adopted at the request of the Navy to prevent the Communists from circulating and distributing revolutionary leaflets on board battleships, but it has been used as a dragnet to bring all these alleged seditionists from all parts of the Nation who have never seen a battleship to Washington for trial here—I believe contrary to the provisions of the Constitution that guaranteed that they shall be tried in the district where the alleged crimes were committed, article III, section 2:

Such trials shall be held in the State where the said crimes shall have been committed.

These alleged seditionists were also entitled to the benefit of that clause of the Constitution that prescribes an impartial and speedy trial, amendment VI, Bill of Rights:

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed.

These indictments were made 1, 2, and 3 years ago. The trial has been going on for 7 months. These so-called seditionists have never had a chance to defend themselves or even to answer the charges in open court. It has all the earmarks of persecution, not prosecution. I am not here to defend any one of them specifically but generally in their right to free speech and free criticism in time of peace. I am alarmed and somewhat shocked that no great American constitutional lawyer has raised his voice or offered his services free in defense of free speech and a free press in time of peace. I have always believed that the real reason for these charges and persecution of 90 percent of these outspoken American citizens was because they had openly and bitterly criticized the administration, attacked communism, and had opposed our entrance into the war before Pearl Harbor along with 80 percent of the American people which was their right as free American citizens under the Constitution. If they had committed sabotage, then it was the duty of the Department of Justice to show where they had committed it. No witness or Member of Congress who advocated section 1 of the Alien Registration Act ever imagined that the law could be used to punish individuals who uttered or wrote criticisms considered objectionable by the administration, particularly when they do not constitute a clear or present danger of mutiny, disobedience, or desertion in our armed forces.

I remember what Thomas Jefferson, according to history, had to say against the sedition laws of 1798, when political opponents of the Federalists then in power were hauled into court, condemned, sentenced, and sent to jail. When that great Democrat, Thomas Jefferson, came into office, he released them all and denounced the peacetime sedition law in the strongest kind of language. I will place in the RECORD at this point what Thomas Jefferson had to say in a letter to Mrs. John Adams, written at the end of his first term:

> I discharged every person under punishment or prosecution under the sedition law because I considered and now consider that law to be a nullity, as absolute and as palpable as if Congress had ordered us to fall down and worship a golden image; and that it was as much my duty to arrest its execution in every stage as it would have been to rescue from the fiery furnace those who should have been cast into it for refusing to worship the image.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. The golden image in the present instance is the foreign policy of the New Deal administration prior to Pearl Harbor, and those who failed to fall down and worship it before Pearl Harbor have been charged and in some instances indicted under the provisions of the present-day Sedition Act of 1940.

I do not know and I do not care what action the Department of Justice takes. All I know is that these poor men and women, little people, obscure people, with no money to hire their own counsel to defend them, have been dragged all the way across the continent here to Washington to be defendants in a conspiracy trial most of them not even knowing the other defendants. The most unfair and objectionable aspect of such a trial is that a charge against one runs against all. Some of these defendants were kept in jail for months unable to furnish bond in this type of conspiracy case. What I am fearful of—and I am not defending any one of them specifically because I do not know about all of the charges, and make no pretext to—but what I am alarmed about is this effort by the Department of Justice to use these conspiracy cases to dragnet American citizens, clergymen, editors, writers, and speakers from all parts of the Nation on no specific charges or bill of particulars. I am convinced that the Department of Justice has made a serious error in attempting to abridge freedom of speech and the press in violation of the Constitution of the United States and contrary to the intent of Congress. If this trial had continued and the Department of Justice had succeeded in establishing such an unfortunate and unhappy precedent, carried to its natural and logical conclusion it would mean the setting up of a Gestapo in America that would rival that of Hitler's and destroy freedom of speech and of the press and endanger life, liberty, and the pursuit of happiness guaranteed to every American citizen by the Constitution.

Back in the old days of Thomas Jefferson, when Aaron Burr was tried for direct treason under the Constitution, he had the ablest lawyers in the United States, who volunteered to defend him. Has the flame of freedom, has the flame of liberty, burned so low in America that great constitutional lawyers are afraid—that is the word—afraid to defend and protect the right of free speech of these poor little people, because of fear that they will be smeared by the Communists, by the fellow travelers, by all those evil forces who seek like termites to undermine and destroy our free institutions and who know the technique of smear, because of fear that anyone who raises his voice in defense of any man charged with criticism of the administration or who denounces communism is un-American himself, and is a stooge for the Nazis or a dupe for the Fascists? This kind of smear has gone so far that the great constitutional lawyers are fearful themselves, fearful to defend the constitutional right of free speech and of free criticism. That is why I offered that amendment to the old so-called Gestapo bill, and perhaps it should be offered to this bill.

What I am saying is not in defense of any one of these men or women. I am defending only their right to free speech in time of peace and to an impartial trial, and a trial where the crime is committed, and that there should be clear and sufficient evidence that it was committed and that the alleged crime should constitute a clear or present danger of mutiny, disobedience, or desertion in our armed forces. After 7 months of trial—and I am no expert on it—I have seen no statement in the press that anything has been proved that they attempted to cause a mutiny or desertion, these little preachers, these little writers, these little editors and speakers, who probably never saw a warship in their life or an army camp, and who are charged with causing mutiny and insurrection in a world-wide conspiracy.

I wonder if we are not going too far in this use of the charge of conspiracy by the Department of Justice. I am sure, knowing the Attorney General as I do, that he was not in favor of this type of conspiracy trial. To me, it has gone far beyond the purposes of the law and the Constitution, and that is why I am speaking here today—the law that you and I voted for, to prevent the Communists, according to the testimony given in the committee where the bill originated, from distributing communistic leaflets on board battleships to cause insurrection, desertion, and mutiny. That was the purpose of the law. Instead of that, the Department of Justice has used this law to indict 30 or more American citizens on a conspiracy charge of being in a world-wide plot to promote insurrection in the United States for criticizing, for speaking publicly, for expressing their views on the domestic and foreign policies of the administration, and on communism, with no direct connection with causing mutiny in the armed forces or insurrection in America.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mr. FISH. I yield myself 2 more minutes. Perhaps, too, if I were not a lame duck Member of Congress I might be hesitant to express my views in defense of freedom of speech, which we and our sons are fighting for all over the world, and which should be safeguarded at home. Certainly the "four freedoms" should have priority in America.

It may very well be that these freedoms are being denied in America. I expect to vote for this bill because I believe in the apparent purposes of the bill. Those who commit sabotage, willful sabotage, should be punished and punished severely. But I must say that I am somewhat alarmed at the trend in a great country such as ours, built upon freedom and liberty, that we have strayed so far from the fundamental principles of Thomas Jefferson, and what he had to say against peacetime sedition laws. I hope that this trial, if it comes to an end, will be the last trial of this nature, a conspiracy trial in peacetime, on the basis merely of what some American citizen had to say. If there is any one thing we hold dear on both sides of the House, it is the right to free speech. Whether the chairman of the Committee on Rules or myself disagree or not, I will always defend his right to free speech, as well as anybody else's right in Congress or out. I have been a liberal in politics all my life. What is a liberal? The word "liberal" comes from the Latin word "liber" which means free—free speech,

free press, freemen, free America. That is my political philosophy. The very people I am opposed to, the Communists, the Reds and the fellow-travellers, would destroy that. Anybody who stands up for free speech and is a liberal and against the Communists, dictatorship and totalitarianism is repudiated, attacked, purged, and smeared, as if he was doing something un-American, and against our American form of government. No man would do more to send a saboteur to jail or to his death than I, but no man will do more to uphold the right of every American to freedom of speech and to a free press. And I uphold it for Communists, as well as Republicans and Democrats. I hope as a result of this trial, the American people will find out finally, what it is all about, that it is an attempt to purge little Americans with no financial means and shut the mouths of these obscure and average Americans who dared oppose the foreign policies of the President prior to Pearl Harbor, who dared to attack communism, and even were openly anti-Semites, as much as I deplore that, they have a right as American citizens to be that or anything else, anti-Protestant or anti-Christian. I will defend their right to be what they want, as long as it is within the law of the United States and within the confines and limitations of the Federal Constitution.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, everyone within the sound of my voice, of course, is in accord with the gentleman from New York [Mr. FISH] in his advocacy of free speech. We all are all-out for the Constitution of the United States and the Bill of Rights. Therefore, we have nothing but praise for the objective which he was lauding, and to which he has ostensibly directed his remarks. But let me call your attention to the fact that neither the bill which the gentleman from New York [Mr. FISH] is talking about, that was passed several years ago, nor his amendment of that bill, has anything in common with the bill we are about to begin considering. Neither should what the gentleman has been pleased to call the sedition case on trial in court, downtown, be tried here as though there were any provision of pending legislation that had any bearing upon any question involved in, or growing out of that wholly distinct and separate case.

This bill seeks to expand the coverage during wartime of the law against sabotage. That is all. There are five amendatory provisions that seek to plug loopholes that experience has shown to exist in the law against sabotage.

In order that you may have it clearly in your mind, I am going to suggest to you what they are. These five amendments are approved by every single member of the Committee on the Judiciary; not simply by a majority but with absolute unanimity.

First. The bill would punish a man for knowingly selling defective war material to our Government or our allies. Under the existing law only persons who are chargeable with making it defectively may be punished. An example of the need for this extension is the case where war material is made defectively without anyone being to blame. It gets to the final inspection and is discovered to be defective. Then the inspectors and corporate officials arrange to fake the final inspection and ship it on to the Government. This is the Anaconda Wire & Cable Co. type of case. Since the existing law punishes only defective manufacture, it can be argued that faking the final inspection does not come within it since the material is complete when it reaches that stage. That is one of the major reasons why the Anaconda case had to be prosecuted as fraud against the Government rather than sabotage. Under the bill these persons would be covered because they caused defective material to be sold to the Government.

Another example of what would be covered by this extension is this: An ordnance company had on hand a large number of detonators for bombs. These were made properly but kept around unused for years so that they became rusty, waterlogged and inoperable. Nevertheless they were placed in bombs and sold to the Government though the seller knew they were unusable.

A third example is the case in which an arms broker in New York City bought up 2,000,000 rounds of ammunition which had been made under contract with the French Government and rejected because it was defective. He bought it up at junk prices and attempted to sell it to the Russian Government as first-quality ammunition.

Second. The existing law does not cover persons who carry away, conceal, or tamper with war material without actually damaging or injuring it. Such acts, committed with reason to believe that they would injure the war effort, are made punishable under the bill. An example of the need for this was the case where men working on a tank assembly line hid some necessary parts to keep the next shift from beating their production records. The plant gives a bonus to the shift having the highest production. This has happened frequently. In some cases it has occurred in connection with steel furnaces where necessary valves and regulators were hidden to prevent operation of the furnace by succeeding shifts.

Another type of case which has occurred is where vital irreplaceable parts were stolen and held for ransom. All of these acts would be included in "concealing" or "carrying away" war material within the meaning of the bill.

The bill would also cover the case in which certain persons, not long ago, dumped a whole carload of magnesium on the railroad tracks for reasons of spite. Another example of this type of case is where a large aircraft plant had many hundreds of thousands of tiny parts separated by sizes into different bins. The parts in the different bins differed in size by only a few thousandths of an inch. A workman, bearing a grudge against the foreman, dumped the bins and mixed the different parts up, thus rendering them useless for all practical purposes. These acts, which are very harmful to war production, would be "tampering with" war material under the bill.

Third. The bill would extend the existing law to any material used or useful for the conduct of the war. The present law applies only to defined categories of war material, war premises, or war utilities. An example of the need for this is the case where a large plant making mortars and shells had 250,000 different molds for castings and only 1 copy of a list and index to the molds. A workman, out of anger at the company, destroyed that 1 copy. The company could not use any of the molds until they had all been carefully examined, measured, and reindexed. The list, a piece of paper, is not included as "war material, premises, or utilities" under the existing law and prosecution could not be undertaken.

Fourth. The existing sabotage law does not punish conspiracies to commit sabotage. These are punishable under the general conspiracy section of the code, title 18, United States Code, section 88, which carries the penalty of 2 years. A conspiracy to commit sabotage is certainly as grave an offense as sabotage itself. Under the bill conspiracy would be punished the same as the substantive act of sabotage.

Fifth. The bill extends the definition of "associate nation" and "Government of the United States" so that these terms include corporations producting property for the United States or Allied governments or furnishing property thereto. This is necessary because many persons selling war materials deal with prime contractors or purchasing corporations organized or acting for Allied governments rather than with the United States or Allied governments direct. Thus the man who sells defective war material to the Amtorg Corporation for shipment to Russia or to the Ford Motor Co. for use on a Government contract, would be as guilty as the man who sells defective war material to the Government direct.

Mr. KERR. Will the gentleman yield.

Mr. HOBBS. I will be delighted to yield to my colleague.

Mr. KERR. Do you have any knowledge of any such action of that kind?

Mr. HOBBS. The testimony before our committee by the representatives of the Department of Justice, that Department of our Government that has to do with the enforcement of the antisabotage laws, was that they had more than a hundred cases with which they were unable to deal because of these five loopholes in the law. That is why they asked that we implement the law still further by patching those holes.

Those are the five amendments proposed by the pending bill, as to which there is perfect agreement. In addition to them there are proposed as committee amendments, two highly controversial changes in the bill as drawn. These will be discussed during the debate of the bill.

This bill applies only "when the United States is at war."

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am so glad to yield to my friend from Michigan.

Mr. DONDERO. Just a brief question; are there any cases that fall within the purview of these proposed amendments now arising out of acts against our Government?

Mr. HOBBS. Over one hundred, according to the undisputed testimony of officials of the Department of Justice who appeared before us. At that time there were more than one hundred we were unable to touch except on the theory of fraud, the maximum punishment for which is a fine and not more than 2 years' imprisonment.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman, one of the ranking members of the Committee on the Judiciary.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 minute to the gentleman from Alabama.

Mr. MICHENER. My question is this: We are hearing so much over here about the fact that this bill was introduced on October 13, 1943, was reported by the committee on November 5, 1943; a rule was granted on May 26, 1944, but nothing has been done about it until now. Most of us have forgotten the details of the bill and many Members are wondering why the bill has been stymied all this time if it is necessary legislation in the war effort.

Mr. HOBBS. The testimony before our committee was unanimous that it is necessary and vital to the war effort. The reason that the Rules Committee refused to grant a rule, or did not grant a rule, from the fall of 1943 until May of 1944, I do not know, nor can I possibly understand, not being a member of that committee and having appeared before it a number of times in advocacy of the rule.

Mr. MICHENER. I may say the fact that there is a minority report signed by 13 Members, of which the gentleman now speaking is one, against the enactment of the bill had some weight undoubtedly in the Rules Committee.

Mr. HOBBS. Oh, no, sir. The minority report favors the enactment of the bill, the whole bill, and nothing but the bill. It is against the adoption of the two emasculating amendments proposed to the bill by a majority of those members of the committee who happened to be present when those particular votes were taken in that committee meeting. May I point out, sir, that since May the House has been in almost constant recess, and when not in recess we have struggled under the inhibition against anything controversial in the way of legislation being considered. That accounts for every hour of the time since our committee reported the bill. I hope that that will not militate against favorable consideration of a most meritorious piece of legislation which everybody who knows anything about the facts, including the Army, the Navy, and especially the Department of Justice favors.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, on last Saturday the traditional Army and Navy game was played with the usual ceremony in Baltimore, but unfortunately the Navy absorbed three torpedoes and one depth charge and went down with the flag flying. The usual trophies and souvenirs were distributed before the game.

Mr. Speaker, I wonder how those fine American boys who played the game for the Army and Navy and the fighting men out on Leyte would feel if they knew these little trophies that were handed out were all stamped "Made in Japan"? I wonder how many people who bought them realized those were made by an enemy of our country, a country we are fighting against today? I wonder how, under the blue sky, any organization or any individual had intestinal fortitude enough to fasten these little tin footballs stamped "Made in Japan" on ribbons and sell them at a premium during the football game last Saturday.

Let us start another scrap drive and dump this stuff in it along with the Japs.

Mr. HOFFMAN. Will the gentleman yield.

Mr. ANDERSON of California. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman will notice that all the boys did with the football out there was to kick it around.

Mr. ANDERSON of California. That's right and just as soon as they graduate from their respective academies they will do their share of kicking the Japs and the Germans around, but I think they would all feel better if they knew that the souvenirs of last Saturday's classic were marked "Made in U. S. A."

Mr. FISH. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain excerpts from various papers and documents.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I, too, have been somewhat bewildered by the delay in bringing out this bill which is said to be a necessary war measure. That is, I was until the gentleman from Michigan [Mr. MICHENER], a member of the Rules Committee, called attention to the fact there was a minority report signed by 13 of the members of the Judiciary Committee.

In glancing over the bill I notice that on page 2 it provides, "That whoever, when the United States is at war, knowing that his act may injure, interfere with, or obstruct the United States in preparing for or carrying on war" shall be punished.

I would like to ask the author of the bill or the sponsor of the bill, the gentleman from Alabama [Mr. HOBBS], whether that provision would apply to those who the Secretary of the Navy, the Assistant Secretary of the Navy, the Assistant Secretary of War, have several times said interfered with the production of war materials, with the building of ships and with their departure from our ports. I would like to know whether that language applies to individuals and organizations which deliberately hold up war production.

Mr. HOBBS. In reply may I say to the gentleman that if he is referring to the right to strike and those who have exercised it, it does not.

Mr. HOFFMAN. It just seems to me—and I say this with all due respect to whoever may have drafted the bill—if that bill does not apply to those who interfere with the production and transportation of war material, why does it not apply to them?

The bill on line 3 states:

> That whoever, when the United States is at war, knowing that his act may injure, interfere with, or obstruct the United in preparing for or carrying on war shall be punished.

That language applies to all those who refuse to produce war material, does it not; who refuse to transport war material? I have no fault to find with the bill if it does apply to them. I think it should. I think it was this morning's paper, or Saturday's paper anyway, that carried a statement to the effect that several thousand men are refusing to produce war materials, and it has not been a month since the President of the United States said that our failure to furnish these men with the things they need on the battle fronts was resulting in the loss of lives.

Now I ask the gentleman: Why does the bill not cover those who are refusing to produce as well as those who injure? I take it that under this bill if a man should do something to a tank or a plane or a gun after it was manufactured which would interfere with its use by the Army or the Navy, that would be covered; would it not?

Mr. HOBBS. Yes.

Mr. HOFFMAN. But it does not cover the man who says he will not make the gun or the tank or the plane, or who leaves it partly finished, only a half or a quarter finished. Suppose the gun or suppose the plane is all ready to go; it is a fighter or bomber, or whatever it is that they use, have need for—that needs a bomb sight on it, and the men who are in the plant, upon whose activity depends the production of that bomb sight, go home for one reason or another, or no reason at all, you cannot do a thing with them under this bill; can you?

Mr. HOBBS. No.

Mr. HOFFMAN. Why not?

Mr. HOBBS. I will be delighted to answer if the gentleman will kindly permit.

Mr. HOFFMAN. Do not make it too long, because I want to talk on something else.

Mr. HOBBS. I am not making it long at all. I am waiting patiently until the gentleman gives me an opportunity to answer the question; that is all.

All I want to say is that this bill is not one that has the same purview as the Connally-Smith bill, which was introduced here, which was to deal with wartime strikes, nor does this bill have for its object anything more than to plug the holes that have developed by experience in the enforcement of the Antisabotage Act, and that is all that is within the purview of it.

Mr. HOFFMAN. This bill is brought out here presumably to punish those who would interfere with the war effort. That is what it is brought in here for—at least, that is the statement of its sponsors—and yet the gentleman says—and it is no answer at all—that it is not intended to plug that particular hole—the hole caused by strikes and slowdowns. Strikes are one of the biggest holes of all in the production of war material and the sailing of transports and the delivery to ships and to the islands of war material. I say that is one of the biggest holes in the law or in our procedure and practice, but it is not plugged by this bill.

It was my privilege last Saturday to meet one of those men who had just returned from Guadalcanal—one who had served in Africa and the South Pacific. He said—and I have no reason to doubt his word—that for 5 days he was without food down there on the fighting front, and he said, "I do not mean without K rations"; he said, "Without anything to eat"; and yet here in America, in the factories, where they produce the things that the fighting men need, no effort is made to end nonproduction.

There is another thing about this bill that some of us do not like. I realize you cannot write a perfect bill, and I realize that you cannot even write into the law a provision to prevent mistakes in interpretation, whether they be willful or not.

I realize that you cannot prevent maladministration, but we should, if possible—and I propose to offer an amendment to cure it—prevent as much misadministration as we can.

As the gentleman from New York [Mr. FISH] said, here is this trial of those 29 so-called seditionists down here in Washington. This proceeding has been going on now for almost 2 years, the trial itself for 7 months, and to date, if I read the record correctly, there is not one particle of evidence of an overt act on the part of anyone which in any way tends to prove the offense which they stand charged with. And I hold no brief for any of them. But they are entitled to a fair trial under the Constitution.

How did the district court get jurisdiction? I am going to offer an amendment at the proper place which will provide that those accused under this act shall have the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law. That is not anything more nor less than the sixth amendment, and I know what the answer will be. The lawyers and judges on this committee will say, "Well, that is in the Constitution; that is the law." The gentleman nods his head. Sure it is; but it has been disregarded time and time again.

You know how they got jurisdiction here in the District in this so-called sedition trial. A reporter for the Washington Post induced some of those people to write him letters to a fictitious address, he using a fictitious name, and then, when he received those letters here in Washington, the Attorney General said that all of those defendants had conspired together here in the District of Columbia. We all know that is not so, we know it is false. We know that history has never disclosed here in the United States a greater farce—and it has been so labeled by the Washington Post itself—than this so-called sedition trial. To guard against a repetition under this law I will offer the amendment to which I referred.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SABATH. Mr. Speaker, as to the delay in calling up this bill, it was due originally to the opposition of the very gentlemen, Mr. FISH and Mr. HOFFMAN, who have just addressed the House. For some reason both these gentlemen objected strenuously to any such legislation, fearing, as I believe, that it might affect others guilty of un-American activities and even those on trial in the District of Columbia for sedition. At that time it was believed it would be wise to postpone action on the bill before the House until those gentlemen could familiarize themselves with the bill and the fact that it aims merely to punish those guilty of sabotage, and nothing more. At that time some gentlemen were under the impression that we were trying by this legislation to deprive these accused of free speech and a free press.

I reluctantly take the floor now, not in any way to try to be unfair to the gentleman from New York [Mr. FISH], because I know he has rendered a great service to the country, has been a good legislator and an all-round splendid Member, but because I, unfortunately, could not agree with him when from the very beginning he charged every progressive with being a Communist. How he got that way I do not know, and I am not going to go into it, but I always believed he was misled by people who were not honest with him.

As to the charges that these seditionists did not have an opportunity to defend themselves, he himself said they had been on trial now for more than 6 months. They had to kill a splendid judge by the annoyance to which he was subjected by 20 of the lawyers representing these defendants.

I think if ever defendants, charged with sedition or any other offense, had an opportunity to defend themselves, surely these 26 men and 1 woman have had that opportunity. The gentleman complains that no outstanding constitutional lawyers came to their rescue or to their assistance. I venture to say that these constitutional lawyers realized their guilt and that is the reason they did not want to get into the case. Now, I am as much in favor of free speech and a free press as anyone in the House. I believe in freedom and liberty that is granted to us under the Constitution. I will go as far as anyone to defend that right of free speech and of a free press, though frequently abused. But there were times when the accused who are now on trial have been guilty of trying to create revolution. The gentleman from Michigan [Mr. HOFFMAN] says he never read about it. Why the record is full of it, where they were trying to overthrow our Government by force. That is why they are being tried. Now, lest I forget, only a few weeks ago I read the evidence of the former mayor of Danzig and former friend of Hitler. He testified under oath in the trial here in the District only a few weeks ago in the sedition case that he had several conferences with Hitler, and in 1933 and 1934 Hitler explained to him how he was going to soften all those countries that refused to yield to him by his system of fomenting discord and disunion all through the nations that he would eventually control, including the United States. I wish the gentleman from New York [Mr. FISH] and the gentleman from Michigan [Mr. HOFFMAN] would read that testimony. That man testified in open court, under oath, about the aspirations of Hitler and those who conspired with him and Mussolini and Japan later to destroy that very freedom and liberty stressed by the gentleman from New York [Mr. FISH], and deprive us of free speech and deprive the press of its rights and privileges granted by the Constitution. Not only that, you gentlemen read the evidence of Colonel Donovan. Colonel Donovan, 3 years ago, reported after a thorough investigation, under direction of the Department of Justice, that more than $200,000,000 was sent to the United States, money sent here by Hitler, Goering, Hess, Ribbentrop, and all that murderous gang, allegedly to be kept for the personal accounts of these scoundrels.

These millions sent here and to South and Central America were not for the personal accounts of these men, but were sent for the purposes of propaganda, publicity, and seditious un-American activities; yes, treasonable activities. Even the McCormack committee and the Dies committee and the final report of Colonel Donovan, who is doing such splendid work abroad, pointed out that many organizations, under the leadership of Viereck, Pelley, and the bunds, have been built up for the purpose and with the deliberate intention of creating discord and disunity in our midst and effecting an overthrow of our Government by revolution, peaceably if possible, by force if necessary.

I had not expected to answer the gentleman from New York [Mr. FISH], but I cannot resist pointing out that his accusations against the Department of Justice that these men were unjustly indicted and are being unjustly and unfairly tried are not justified by facts.

I wish I had time to collect at least a portion of the evidence that has been

presented to the McCormack and Dies committees and the reports I have read in the press and the trial evidence which clearly show that there was cooperation and coordination between these accused, under the leadership of Sylvester Viereck, and the Hitler agents and Quislings. Do not the gentlemen from New York and Michigan [Mr. FISH and Mr. HOFFMAN] know that several of these defendants now on trial have already been convicted of kindred offenses?

The gentleman from New York [Mr. FISH] states that he has no interest in those now on trial, or words to that effect, and I believe him, because I could not feel that he could be in sympathy with their un-American, seditious, subversive activities over the last 5 years.

Now if the gentleman feels that an injustice has been done to the bund leaders, to Mr. Viereck and to Mr. Pelley and to some others who are on trial now, I regret it; but I feel that in any other country but ours, those men would have been taken to detention camps long ago, would have been tried, not only for sedition but for treason, probably shot, if only half the supported charges that have been made were lodged against them. So I regret that the gentleman from New York [Mr. FISH] complains of the alleged unfair treatment being accorded these accused. For years the gentleman from New York [Mr. FISH] and others shouted "Communism! Communism!" I remember when some of us tried to defend the Spanish Government against the Hitler-Mussolini manipulators and Franco, who were trying to overthrow the regularly constituted Government in Spain, a democratic government, were charged with being Communists, because we went on record as defending the legal democratic government of Spain. Many outstanding Americans were shamefully smeared and charged with being Communists or being associated with communistic fronts. I recall the many charges against Stalin and Russia by the Fascist group, and I long ago assured the House that, instead of fearing Stalin and his activities, we would some day approve these despised Russians, whom the world today recognizes as the force that is making it much easier for us to defeat Germany and Japan.

I hope this will be the last time that I shall be obliged to answer some of the charges against the administration, or against those who, under our legal processes, including the F. B. I., are obliged to proceed against people who are guilty of conspiracy against this great Government of ours. I hope that in the future those misled men and women, misled by Viereck and his stooges, will realize that they have been fed untruths and lies, and henceforth will be on guard against any such ingenious propaganda and deceit; because they can hardly be against America and our democratic form of government. Oh, it may not be perfect, but by the eternal Gods, after all, it is the best Government in the world. I hope it will continue, and that the people will not be misled by those who are trying to create discord and revolution and attempting to overthrow this great Government of ours.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. HOBBS. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3442) to amend sections 1, 2, and 3 of the act entitled "An act to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes," approved April 20, 1918, as amended (40 Stat. 533; U. S. C., title 50, secs. 101, 102, and 103).

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3442, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. SUMNERS] is recognized for 30 minutes and the gentleman from New York [Mr. HANCOCK] is recognized for 30 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, we have now come to the two controversial amendments. One of them substitutes the word "knowing" for the words "with reason to believe." This amendment would render almost impossible the enforcement of the antisabotage statute of this Government for the very simple reason—nothing technical—that when you require the Government to prove that the saboteur knew in fact, it makes no difference what, you have assumed an almost impossible burden of proof. Therefore, inasmuch as the statutes of the United States are full of similar phrases to the one employed which the first committee amendment would strike out: "With reason to believe," I cannot see any reason why the gentlemen fell into the error of proposing the striking that phrase out of the bill and substituting the higher degree of proof which now would be required by substituting the word "knowing." In other words, you can prove facts from which any reasonable man would conclude that such and such an allegation was true; and that is all that should be required.

But if you have to prove the knowledge which is in the mind of the criminal it is an almost impossible task. The Department of Justice therefore is pleading that this amendment, adopted by what happened to be the majority of the members of the committee present when the vote was taken, be not agreed to and that the bill be restored to its original form. The Government could and should prove the facts, circumstances, and conduct of the defendant, but how can proof be made otherwise of the criminal scienter? The defendant can testify that he did not know, but the prosecution is never permitted by the rules of evidence to adduce evidence that the defendant did know. So such an amendment would hamstring the enforcement of the antisabotage law. Sabotage, especially in wartime, must be stopped. It cannot be stopped if we emasculate the law to stop it.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always delighted to yield to the distinguished gentleman from Michigan.

Mr. DONDERO. How many members are there on the Judiciary Committee?

Mr. HOBBS. Twenty-five.

Mr. DONDERO. Thirteen signed the minority report.

Mr. HOBBS. That is true, but all of them were not there when the vote was taken on either of these amendments.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly, sir.

Mr. VORYS of Ohio. I find in a letter from the Under Secretary of the Navy the recommendation that sections 4, 5, and 6 of the original act be repealed; that otherwise the bill would be cumbersome. I was wondering what the committee had done with that suggestion.

Mr. HOBBS. With all respect to the gentleman from Ohio, and I know of no one whom I respect more, that is water that has gone over the dam. That was considered. That is not the letter with reference to the then latest draft of the bill, if my recollection is correct. The reference in the letter which the gentleman read was to sections 4, 5, and 6 of the peacetime antisabotage statute, not this one, which covers wartime only.

The second amendment which is controversial, and very highly controversial, would strike from the bill section 2, that grows out of the Anaconda Copper case, and I beg all of you to lend me your ears for a few minutes as I talk of that most heinous crime. There we have the conviction of eight members of the management of Anaconda Copper Co.'s subsidiary that furnished supposedly copper wire, in wartime, which was to be used, and they knew it, for the communications work of the armies defending Stalingrad. In the first morning's dew after the wire was stretched, it would not serve its single purpose, and when you took a piece of it and dropped it into a bucket of water it would dissolve in 30 minutes. They found, and the proof showed, that the testing machines in the plant had been "doctored" so that they would show a perfect piece of wire when as a matter of fact it was nothing but trash.

Section 2 provides that three facts will have to be proven and all of them: First, that the manufacturer willfully made the war material below the specifications, fixed by the Army or Navy; second, that it was made knowing that it was for the use of our armed forces or the armed forces of our allies in wartime; and, third, that the maker had reason to believe it was so made as to jeopardize the lives, the health, or the military operations of our armed forces. When all three of those elements concur, and when all three of those facts

are proven, then the guilty shall be punished for that kind of treason just the same as for any other. How anybody can oppose it I do not know. It is not aimed at the poor devil who pours the molten copper or who makes the steel from which our armor plates are rolled. It is aimed at the management that "doctors" the testing machines, that willfully furnishes a wholly inferior and dangerous war material with reason to believe that it will jeopardize the lives of our fighting men, their health, or their military operations.

Mr. Chairman, I submit this bill should be restored to its original form by the defeat of these two committee amendments, manifestly, as shown by the report, by a minority of the committee, but it happened to be a majority on the day the votes were taken.

As far as punishment is concerned, some gentlemen like our distinguished colleague, the gentleman from Massachusetts [Mr. LANE], object to the death penalty. I know of no reason why a man should not occupy "the hot chair" who is a traitor to his country, in wartime, and who willfully jeopardizes the lives of our fighting men; but if some Members disagree with that, I have no objection to the substitution of life imprisonment for the death penalty. Mark you, this is the mere maximum punishment under the law as it was written before the committee amendment striking out section 2 was proposed. The judge, in his descretion, could impose a 1-cent fine and a 1-minute jail sentence as the punishment to be meted out to the convicted criminal, under the bill as originally written, should he see fit. Only in the heinous, the most flagrant case, is the death penalty ever considered for imposition.

I urge the defeat of these two so-called committee amendments.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HANCOCK. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this bill was considered by the Judiciary Committee over a year ago. I did not know until just a few moments ago it was coming up for consideration today, and I am, therefore, embarrassed to admit that I am not prepared to discuss the bill in detail.

We are unanimous, I think, in agreeing that the purposes of the legislation are meritorious. It was reported by the committee at the request of the Department of Justice. The need for it is summed up in this one sentence, which appears in the letter from the Attorney General to the committee:

> This legislation would accord an added protection to the Government against sabotage in time of war and would cure some grave defects and omissions in existing law.

I am inclined to agree with the gentleman from Alabama that the committee amendment, on page 2, line 4, which struck out the language "with reason to believe" and the substitution of "knowing", was a mistake. I do not believe the law could be readily enforced with the committee amendment.

I think section 2 was stricken out by the committee properly because the existing law and section 1 are adequate to cover the situation which is sought to be reached by that section. Whatever we do with the amendments, I believe that the bill ought to pass. I think the House is familiar with the Anaconda Copper case which has been described by the gentleman from Alabama. We were told by the Department of Justice that the existing law does not reach that type of offense.

Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, as the gentleman from New York just explained, this measure came before the Judiciary Committee more than 1 year ago. It was reported with amendments on the House Calendar on November 5, 1943. As a matter of fact, the legislation was a little stale in the minds of each one of us, and just as the distinguished gentleman from New York said a little while ago, I did not myself know that this legislation was coming before the House until this morning.

The gentleman from Alabama [Mr. HOBBS], the author of this bill, has explained it very well before the committee. There are two major provisions which have an important bearing with respect to this legislation. The first one came in the amendment at the top of page 2 where the language "with reason to believe" was stricken out and the word "knowing" was substituted.

The distinguished gentleman from Alabama takes the position that perhaps it would be almost impossible to make proof under this measure, since the word "knowing" is now incorporated as a part of the bill. I cannot agree with that interpretation because the word "knowing" in its use in this particular measure, would have the same force and effect as the words "with intent" or "intending". All of us who have had experience in the trial of criminal cases, and in law, know that you are not required to specifically prove intent. That is shown by the circumstances, and that develops in the circumstances shown by the evidence in the trial of a case. Consequently, if that language is used in this particular statute, the word "knowing," which is used, would mean under the law that knowledge, the same as intent, would be proved by the circumstances. It would be inferred from the facts adduced upon the trial. The evidence would all be introduced before the trial judge, or the trial jury, and from all the evidence, and from all the facts, and all the circumstances, the question of "knowledge" would then be determined, and it could be inferred from the evidence which was introduced in the trial of the case. As I say, with respect to the word "knowing" in that first amendment at the top of page 2, the word "knowing" would have practically the same effect as if the words "with intent" had been used, and could be proved in like manner upon the trial of the case.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. LEWIS. The fact is that in a trial under this act the question of knowledge would be a question for the jury to determine from all the facts of the case.

Mr. SPRINGER. The gentleman is entirely correct.

Mr. LEWIS. The thing the committee was afraid of was that if we used the language as originally inserted, the expression "with reason to believe," there might be a miscarriage of justice due to the broadened application of those words.

Mr. SPRINGER. The gentleman is entirely correct. That was the thought that predominated largely in the minds of the committee at the time this legislation was considered. As I stated before, the insertion of the word "knowing" in the section at the top of page 2 has practically the effect of "intentionally" or "with intent," and the proof would be practically identically the same. The trial judge or the jury trying the case would take all the facts and all the circumstances into consideration, and from the facts and circumstances introduced in evidence in the trial of the case would be determined the question of the knowledge or the question of intent on the part of the accused person.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Alabama.

Mr. HOBBS. May I ask the distinguished gentleman if he will refer to the case of State against McBarron, cited on the top of page 12 of the report, which states that the proof must show knowledge; and I call the gentleman's attention and that of the other Members of the House to the quoted definition of that.

Mr. SPRINGER. But the gentleman does not mean to say that the question of "knowledge" or the question of "intent" could not be inferred from the facts and circumstances which were introduced in evidence in the trial of the case?

Mr. HOBBS. The McBarron case, which was a well-considered case from New Jersey, which is a court of respect, says "No."

Mr. SPRINGER. But that case, if it so decides, does respect the fact that the circumstances have a bearing on that question.

Mr. HOBBS. That is right.

Mr. SPRINGER. That is the same as practically all authority on that question. The question of knowledge or intent is inferred from the evidence introduced. It does not have to be specifically proven as a fact.

Mr. HOBBS. I have the highest regard for the gentleman's legal ability and for his judgment, but I respectfully disagree with him.

Mr. SPRINGER. Going to the next question which has been raised with respect to this particular legislation, under section 2, which was originally stricken out by a majority of the Committee on the Judiciary because of the effect it might have hereafter, under the present and existing law we have section 103, and that is shown on page 9 of the report which the members of the committee now have before them. I want to read a portion of section 103 because it relates to matters identical with

those which are set forth in section 2 of the measure before us, which was stricken out, and I am convinced that it is broad enough to cover practically everything which is covered in section 2, which was stricken out by the committee.

Reading from section 103, the language is as follows:

That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation, in preparing for or carrying on the war, or whoever with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully make or cause to be made, in a defective manner, or attempt to make or cause to be made in a defective manner, any war material as herein defined, or any tool, implement, machine, utensil, or receptacle used or employed in making, producing, manufacturing, or repairing any such war material herein defined, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than 30 years, or both.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend, the gentleman from Ohio.

Mr. SMITH of Ohio. How does the paragraph which the gentleman from Indiana just read differ from the provisions of the proposed legislation now before us?

Mr. SPRINGER. I have just stated that in my opinion the section which I just read, section 103, and which is now present law and in full force and effect, everything which is sought to be done under section 2 of this bill, which was stricken out in committee, can be done under section 103.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HANCOCK. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend the gentleman from Wisconsin.

Mr. SAUTHOFF. Under that section which the gentleman just read, why can you not prosecute anyone who goes on strike in a munitions plant?

Mr. SPRINGER. Under the provisions of the present law, it relates to anyone who shall interfere with the preparation for or the carrying on of the war, or who shall interfere with or obstruct the United States or any associate nations in preparing for or carrying on the war. That is the specific language of that section of the statute.

Mr. SAUTHOFF. That is exactly it, "In preparing for," that means a munitions plant.

Mr. SPRINGER. But the point I was making, and the point which I wish to leave with the committee, is that under section 103 which is certainly broad and which can be interpreted to the extent that it will embrace everything, in my opinion, which could be interpreted under section 2, which was stricken out by the committee.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Is not the gentleman referring to section 102 instead of 103?

Mr. SPRINGER. I am referring to section 103, and section 102 of the present law, to which I now refer, also has practically the same force and effect. But with these two sections I think there is no doubt but that we can reach almost any case that could be reached under the section which was stricken out by the committee.

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend the gentleman from Texas.

Mr. RUSSELL. In view of the statement which the gentleman has made, if it be true, then why the objection to section 2 of the bill which was stricken out? If it adds nothing to the bill and takes nothing away from it, then it would be immaterial, so far as giving effect to the bill, whether it is put in the bill or left out.

Mr. SPRINGER. Why have overlapping laws which would only serve to confuse the people of this country? That was the reason it was eliminated.

Mr. RUSSELL. Some of us think it covers other parties.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. McCORMACK. Will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to call the attention of the gentleman from Michigan [Mr. MICHENER] to a remark he made a little while ago about this being rushed through at the last moment, and desire to assure the gentleman that nothing like that is intended. This bill is now receiving its day in court the same as other bills do. Knowing the fairness of my friend I wanted to particularly remove that thought from his mind. This has been assigned on the program so that it could have its day in court.

Mr. MICHENER. I did not mean to leave any other impression.

Mr. CELLER. Mr. Chairman, I believe that the committee amendment which strikes out the words "reason to believe" and substitutes "knowingly" protects civil liberties and that the bill as it was originally drafted would be a breakdown of our civil liberties. We must be very careful in that regard, particularly during time of war. According to the interpretation given by my distinguished Chairman of the Judiciary Committee it would be very easy for a prosecuting attorney to prove guilt if he only had to prove that the defendant had "reason to believe" the action of the defendant, be it concealment or the making of defective materials, would injure or interfere with the war effort.

All you would have to prove is that there was "reason to believe." A man may be ignorant. He may have been indifferent. He may have been apathetic. He may not have had the common sense that the gentleman from Texas imputes to every man. He may have been a man devoid of common sense, yet you apply the same standard as you would to a man who was possessed of common sense.

We must be mighty careful how we protect the rights of defendants. It would be a lead-pipe cinch, using the words of common parlance, for a United States attorney to convict if all you had to prove was "reason to believe" according to the minds of jurymen and jurywomen. Examine the criminal statutes in your home States, and you will find what? Not "reason to believe." You find that knowledge or intent must be proven, and we should not make it easier in a case of this character for a United States attorney to convict.

May I read to you briefly what is meant by the word "knowing" or by the word "knowledge"? You will find it on page 12 of the report, and I am reading a portion of a decision entitled "*State* v. *McBarron* (66 N. J. L. 680)":

Knowing: The significant word of the statute is "knowing," which means knowledge of, mental assurance, or scienter; it is positive, not negative. Such knowledge must be clearly proved or shown by such circumstances as leave no reasonable doubt in a fair mind.

If that is not a fair formula or fair standard, I will eat my hat.

Mr. HOFFMAN. Start in, brother.

Mr. CELLER. We do not want any impertinent remarks from the gentleman from Michigan, and the gentleman from Michigan should be very guarded and careful in what he says.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I refuse to yield to a gentleman who is as discourteous as the gentleman from Michigan.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CELLER. As to the second amendment I believe the gentleman from Alabama is in error. Section 1 of the bill as worded would enable a United States attorney not only to get after a principal, or the owner of a plant, but the man who drills or the man who wields, or any employee. The provision of the so-called section 2 of the bill of the gentleman from Alabama provided for a penalty of a million dollars and provided likewise for death or both. That is indeed frightening. That is Draconian, beyond the peradventure of a doubt. I do not think you want to go before the country and say that a man who has done these acts contemplated by this bill should suffer the death penalty. The gentleman from Alabama says one million is the maximum but the death penalty is also a maximum; but frequently the maximum becomes the accepted. The whole section is frightening. The section is so worded that it is possible, for example, for a man who has a large stock ownership in a corporate plant to get himself innocently within the meshes of the statute. We do not want to have a situation like that. A man may have been careless. His stock ownership may have been sufficiently

large to place the responsibility upon him without his knowing what is happening in that plant, yet he might be deemed guilty under the wording of section 2 as originally presented.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. HANCOCK. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That sections 1, 2, and 3 of the act entitled "An act to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes," approved April 20, 1918, as amended (40 Stat. 533; U. S. C., title 50, secs. 101, 102, and 103), are hereby amended to read as follows:

"That whoever, when the United States is at war, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on war, willfully injuries, damages, destroys, carries away, conceals, tampers with, or makes or repairs or causes to be made or repaired in a defective manner, or sells or conveys or transfers or causes to be sold or conveyed or transferred in a defective condition, to the Government of the United States or to the government of any associate nation, any property, real or personal, which is being used or which is intended for, adapted to, or suitable for use in the preparation for or carrying on war, or attempts or conspires to commit any of the above acts, shall, upon conviction, suffer imprisonment for not more than 30 years or a fine of not more $10,000, or both.

With the following committee amendment:

Page 2, line 3, after the second comma strike out "with reason to believe" and insert "knowing."

Mr. SPRINGER. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. SPRINGER for the committee amendment: On page 2, line 4, after "believe", strike out "knowing that his act may" and insert "with intent to."

Mr. CELLER. If the gentleman will yield, will he read that line completely?

Mr. SPRINGER. The amendment would strike out "knowing that his act may" on line 4 of page 2, and insert in lieu thereof "with intent to", making the line read, "with intent to injure, interfere with, or obstruct the United States," and so forth.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. Is not that just a restoration of the exact language of the present act?

Mr. SPRINGER. The gentleman is entirely correct. This amendment would restore to the measure now pending before the House the identical language incorporated in the act emanating from World War No. 1.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Chairman, if I understand the gentleman's amendment correctly, if this amendment is adopted, the first two lines then read as follows: "Whoever, when the United States is at war, with intent to injure," and so forth?

Mr. SPRINGER. The gentleman is entirely correct. That is the language which this amendment seeks to place in the bill.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished friend, the gentleman from New York.

Mr. HANCOCK. The gentleman's amendment, as read by the Clerk, does not quite do what the gentleman intends it to do. He should strike out the words "With reasons to believe, knowing that his act may injure" and substitute "with intent to injure."

Mr. SPRINGER. Mr. Chairman, my understanding was that the language "reasons to believe" had already been stricken out by the committee amendment.

Mr. HANCOCK. The committee amendment has been offered but not yet adopted. The word "knowing" will not be in the bill unless the committee agrees to it.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished chairman.

Mr. SUMNERS of Texas. I believe that language is fairly acceptable to the minority. I believe we accept that.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. CELLER. As one who wrote the majority report, that would be indeed acceptable to me, and those who joined with me in that report.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. McCORMACK. In order that there be no mistake, the reason that I asked the gentleman if that is the way the bill would read was because the gentleman's substitute, if adopted, would leave in the bill the words "with reason to believe." Therefore, I believe the gentleman should ask unanimous consent that his amendment be considered as a substitute for the committee amendment, and also striking out the words "knowing that his act may."

Mr. SPRINGER. Mr. Chairman, I stated this was a substitute for the committee amendment. That was to take out the language "with reason to believe" and also "knowing that his act may" and would substitute the language "with intent to."

Mr. McCORMACK. So long as it is understood and the results that the gentleman desires are accomplished, that is agreeable to me, because I think that the language of the gentleman's amendment "with intent to" would place the burden of proof upon the Government to prove intent.

Mr. SPRINGER. Mr. Chairman, that really restores the language of the act of World War No. 1, and that is my intention by my amendment offered.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the Clerk read the bill as it will be, if the amendment offered by the gentleman from Indiana is not adopted.

The CHAIRMAN. Allow the Chair to suggest, with the permission of the gentleman from Indiana [Mr. SPRINGER] that the Clerk read the amendment as he understands the gentleman from Indiana intends to offer it, if that is agreeable.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER as a substitute for the committee amendment: On page 2, line 3, strike out the words "with reason to believe that his act may" and insert "with intent to."

Mr. MICHENER. Mr. Chairman, how will the bill then read?

The CHAIRMAN. Without objection, the Clerk will read the language as it will be if amended.

There was no objection.

The CLERK. The language will then read:

That whoever, when the United States is at war, with intent to injure, interfere with, or obstruct the United States or any associate nation, in preparing for or carrying on war—

And so forth.

Mr. SPRINGER. Mr. Chairman, may I say that is exactly as I had intended the language to read with my amendment and that is exactly the idea I had when offering the amendment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. MICHENER. I quite agree with the gentleman that there is absolutely no difference between "knowingly" and "with intent to." You change the words but you have not changed the meaning.

Mr. SPRINGER. We have made the phraseology conform with the phraseology of the act of World War No. 1.

The CHAIRMAN. Without objection, the substitute amendment offered by the gentleman from Indiana [Mr. SPRINGER] is modified as read by the Clerk.

There was no objection.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOLGER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. FOLGER. Will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. FOLGER. Would the gentleman object to adding to his amendment a correction of the word in line 6, to change the word "injuries" to "injures"?

Mr. SPRINGER. I would see no objection. I really think that should be "injures" instead of "injuries."

The CHAIRMAN. The Chair believes it would be better to offer that as a separate amendment.

The question is on the substitute amendment offered by the gentleman from Indiana.

Mr. GRAHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the difficulty is this: In the act of 1918, the first three sections described war material, implements, and the like. Then the next three sections provided for the destruction, impairment, and so forth. This bill in the amendment which has been offered, the first section adds a conspiracy clause to the substantive acts, and provides for that. I agree with the gentleman from Indiana [Mr. SPRINGER] that in the restoration of the language—I will read the exact language he has sought to put in, in the first part of section 102, "when the United States is at war whoever, with intent to injure." That is the exact language as I understand it. If that were to be substituted as it is, well and good; but it does not include the conspiracy count, which is sought to be added, which provides a penalty of $10,000 fine and imprisonment for 30 years. That is the difference in the two, as I understand it.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. GRAHAM. I yield.

Mr. VORYS of Ohio. I find in the existing section 102, as contained in the report on page 9, also the phrase "or whoever with reason to believe that his act may injure."

Mr. GRAHAM. That is correct.

Mr. VORYS of Ohio. So that both phrases are in existing law, and under the amendment you would use only the first phrase?

Mr. GRAHAM. That is correct.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM. I yield.

Mr. GWYNNE. Does the gentleman think the language "with intent to injure" is substantially the same as "knowing that his acts"?

Mr. GRAHAM. I do not.

Mr. GWYNNE. There is a difference there. Which does the gentleman think would be more favorable for the defendant?

Mr. GRAHAM. Having been a prosecutor, my judgment is it would be more difficult to prove "knowing that his acts" than it is "with intent to injure."

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. SPRINGER] to the committee amendment.

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended by the amendment offered by the gentleman from Indiana.

The committee amendment as amended was agreed to.

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SUMNERS of Texas. Have we voted on the committee amendment, which I understand is on the desk, to strike out the word "injuries" and substitute the word "injures"?

Mr. HOBBS. That is not a committee amendment, but I would like to offer it.

Mr. SUMNERS of Texas. I move to strike out, in line 6, on page 2, the word "injuries" and substitute the word "injures."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: On page 2, line 6, strike out the word "injuries" and substitute the word "injures."

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. Whoever, when the United States is at war, being a party to a contract or subcontract for the production for or the sale to the Government of the United States or to the government of any associate nation of property intended for use in the preparation for or the carrying on of war or national defense, or having ownership in, or responsibility for the management of any facilities for the manufacture of such property or of any tool, implement, machine, utensil, or receptacle intended to be used in making such property, shall intentionally make such property or thing or cause it to be made below the standard or specifications provided for the same, with reason to believe that its defectiveness or inferior quality would endanger the life, safety, or health of members of the armed forces of the United States or of any associate nation, or the success of their military operations, or shall, with like reason to believe, sell, convey, transfer, or cause to be sold, conveyed, or transferred to the Government of the United States or to the government of any associate nation any such property or thing knowing it to be below the standard or specification provided for the same, or shall attempt or conspire to commit any of the above acts, shall, upon conviction, suffer death or imprisonment for life or for such term of years as the court may direct, or a fine of not more than $1,000,000, or both.

Mr. CELLER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. CELLER: Page 2, line 18, strike out all of section 2.

Mr. CELLER. Mr. Chairman, in connection with striking out section 2, I want to read to members of the committee a portion of a report, of which I had a part in preparing:

The committee gave consideration to section 2 of the bill and the provisions that were designed to protect manufacturers and businessmen against the possibility of groundless prosecution involving transactions in which they participated in good faith. There might be the possibility that criminal prosecutions could be successfully maintained resulting even in capital punishment in a close case where eminent engineers might disagree as to whether the war material was below standards or specifications provided therefor, and that they were so defective that the maker or seller would have reason to believe that its use would endanger the life, safety, or health of members of the armed forces or the success of their military operations.

I am sure we would all agree that we want to punish culprits who do the acts contemplated by this bill, but we must be mighty careful that we safeguard the rights of defendants and that in close cases the innocent man will not have to go to jail; innocent men will not have to be electrocuted or sentenced to death and/or fined a million dollars as is provided in this section 2 as originally written; and because of the possibility, the many doubtful cases, the majority of the committee in their wisdom felt that the original section 2 went entirely too far; that other sections amply provide that the employer and employee who are guilty can go to jail under the conspiracy statutes. Punishment for conspiracy to commit sabotage by this bill is made the same as punishment for the principals; in otherwise, the principal and the coconspirators are all punished alike; and because thereof I feel—and I say this most humbly—that we should hesitate long before we leave section 2 as it originally was written. For that reason I hope the committee amendment will be adopted.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. REES of Kansas. There is no movement on the part of the committee to restore section 2 to the bill, is there?

Mr. CELLER. I think not. I hope the committee amendment will prevail.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 3, line 4, after the word "same," insert "or shall willfully refuse to aid in the production of materials to be used in the war effort."

Mr. HOFFMAN. Mr. Chairman, we have been told several times that this bill was necessary, that it was necessary to pass it at this time to aid in the war effort. We were told just a few weeks ago by the President that the delay in the production of materials for the war would cost the lives of American men.

We have been told by the officers of the Army and Navy that the war is not going any too well because the material necessary to carry on the battles is not coming to the front promptly. So I offer this amendment. I know of no reason why those who refuse to produce as well as those who interfere with the production of completed tools or injure completed tools or munitions of war should not have the law applied to their acts.

I want to read from a copy of the Detroit Free Press which I picked up out in the reading room. This is for Saturday, December 2, 1944. On the front page is this heading: "Strikes halt flow of war materials—Chicago Dodge plant facing shut-down."

Then it reads further on in the article:

Officers of the Navy and Army Air Forces late Friday criticized striking employees of two Detroit war plants, saying they are halting the flow of badly needed materials to the fighting fronts.

The strike in the aircraft-engine department of the main Dodge plant of Chrysler Corporation, in its third day Friday, will affect 31,000 workers in the giant Dodge Chicago plant unless it is ended promptly, an A. A. F. officer said.

As a matter of fact, there were three strikes, one in each of three departments of the company named above.

You may remember that the armed forces are now bringing back men from abroad. There were five, I believe, the other day who had their pictures in the paper and we read what they had to say when they were calling on the factory workers to get back on the job, keep the wheels turning, keep the flow of material coming out. Is it necessary to bring back men from the front to urge workers to keep going? I do not see any reason why the Congress should not put this little plug in there to stop the failure to turn out needed munitions.

Continuing, this article says:

The Detroit plant, where 1,100 employees are on strike, supplies pumps for those engines. Unless the strike ends by the afternoon shift Saturday, the Chicago plant's activities will be curtailed seriously, and if it is not ended by Monday, the Chicago plant will have to close, the A. A. F. officer said.

Just think of the boys over across the seas who need these bombers, and then of the fellows here in this country going on strike for one reason or another.

Mr. McCORMACK. Will the gentleman yield?

Mr. HOFFMAN. Yes; I yield to the gentleman.

Mr. McCORMACK. I would like to ask the gentleman is he in favor of section 2, or is he in favor of striking it out?

Mr. HOFFMAN. I am in favor of adding to section 2 after that word up there in the sixth line certain other language.

Mr. McCORMACK. Is the gentleman in favor of the section remaining in the bill, or being removed from the bill?

Mr. HOFFMAN. I think it should be in the bill.

Mr. McCORMACK. The gentleman thinks it should be in the bill?

Mr. HOFFMAN. It should be in the bill.

Mr. McCORMACK. Does the gentleman favor the death sentence?

Mr. HOFFMAN. Oh, no; I do not believe in the death penalty under any circumstances unless the one charged with the offense deliberately and willfully, knowing that other men will die on the battle line, does an act which results in death. But, if we are to have the death sentence imposed upon those in the armed forces, then, under like circumstances, for similar offenses, it should be imposed here at home.

I have never believed in the death penalty except under the most aggravated circumstances. We can so rewrite the penalty section which follows that no one will be unjustly punished. The death penalty is the maximum punishment and will seldom, if ever, be inflicted.

But remember the boys overseas are being shot and blown to bits and there is no reason why anyone here at home should escape punishment if he deliberately, with intent to impede the war, causes the death of the fighting men. Let all get equal justice under law, equal punishment.

All I am trying to do by this amendment is to make everyone, whatever his position, whatever his duty, if he deliberately, knowing the danger, interferes with the war effort, subject to the provisions of the act.

When the lives of those who have volunteered, who have been conscripted, are in danger, no one should be favored or relieved from his patriotic duty, nor be exempt from punishment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

Mr. Chairman, I understand that the gentleman has offered this amendment as a joke. I do not believe anybody will pay any attention to it, because, of course, the answer is obvious. The pending measure, this antisabotage bill, does not include the Lord's Prayer, but we are all in favor of using that matchless prayer with consecrated fervor.

It does not include the crime of arson, or murder, or rape, but we are in favor of keeping and enforcing the laws against such atrocious crimes.

With reference to the committee amendment which would strike out section 2, may I read from the speech made by the Attorney General before the American Bar Association in regard to this bill:

The Nation has been outraged by the recent disclosures of the Department of Justice and the Truman committee of intentional evasion of Government specifications by producers of war matériels and the palming off on the Government of seriously defective war goods.

The need for this legislation is dramatically illustrated by the Anaconda case in the northern district of Indiana, in which the company and 5 officers were charged with conspiracy to defraud the United States.

The Government was prepared to prove, and so stated to the court, that the defendant company supplied the Government with large quantities of defective wire and cable, and deceptive practices were used to conceal the defective nature of the product.

That is, doctoring the testing machines.

The wire and cable were for use of our armed forces and for lend-lease purposes.

A loan to Russia for the defense of Stalingrad.

The Government believed that only the imposition of maximum sentences would serve the ends of justice, and such sentences were recommended. Nevertheless, after acceptance of pleas of nolo contendere the court imposed fines and prison sentences of 2 years or less and suspended the sentences.

So all we did was to license the convicted criminals by imposing fines. That ought to be stopped, and the 2 year penalty for that kind of treason ought not to be the maximum. Of course the gentleman from New York [Mr. CELLER] in his argument takes the maximum as the minimum, or as the norm. How many times have lawyers seen murder cases go to trial, where the maximum penalty for first degree murder was death, but how rarely have they seen that punishment imposed? So I repeat, while this is a maximum, the judge can fine the convicted defendant 1 cent and 1 hour in jail. You might just as well talk about the foolishness of that punishment being imposed as the almost equally foolish thought that the maximum would be imposed except in the most extreme case. That is the answer to the distinguished gentleman from New York.

We insist that this committee amendment ought to be defeated, as well as the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am glad to yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Would the gentleman leave the words on page 2, line 23, "or having ownership in" in his amendment?

Mr. HOBBS. Yes, indeed, sir. I could not consent to those words being stricken out, because I believe that goes to the heart of the matter. We do not believe that the poor fellow who pours the molten copper to manufacture the wire, or who pours the steel, and who knows nothing about its constituent elements, ought to be punished. We are trying to get at the man who in ownership or in management willfully causes the war material to be so inferior as to be dangerous and willfully jeopardizes the lives of our fighting men.

Mr. SMITH of Ohio. This might bring in any stockholder of a corporation.

Mr. HOBBS. If he willfully participated in the treason he is guilty and should be punished according to the extent of his guilty participation.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Michigan.

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment to strike out section 2.

The question was taken; and on a division (demanded by Mr. HANCOCK and Mr. CELLER) there were—ayes 62, noes 20.

So the committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. For the purposes of this act "associate nation" shall mean any nation at war with any nation with which the United States is at war; and the government of an associate nation shall include any department of, bureau of, independent agency of, or corporation organized by or on behalf of, the government of such nation, and any person, corporation, or association acting as an independent contractor or otherwise in the production of property directly or indirectly for or the furnishing of property directly or indirectly to such nation.

"The Government of the United States" shall include any department of, bureau of, independent agency of, or corporation organized by or on behalf of, the Government of the United States, and any person, corproduction of property directly or indirectly pendent contractor or otherwise in the production of property directly or indirectly for or the furnishing of property directly or indirectly to the United States.

The words "United States" when used in this act in a geographical sense shall include the Philippine Islands, the Panama Canal Zone, and all other territory and waters, continental and insular, subject to the jurisdiction of the United States as thus defined.

With the following committee amendment:

Page 3, line 17, strike out "3" and insert "2."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 3442) to amend sections 1, 2, and 3 of the act entitled "An act to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes," approved April 20, 1918, as amended (40 Stat. 533; U. S. C., title 50, secs. 101, 102, and 103), pursuant to House Resolution 566, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

DENTAL SERVICE OF THE NAVY

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 659 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4216) to provide more efficient dental care for the personnel of the United States Navy. That after general debate, which shall be confined to the bill and shall be continued not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendments the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. BATES of Kentucky. Mr Speaker, I yield myself 2 minutes. The purpose of this bill is to make the dental service of the Navy more efficient. It proposes to do that by giving the dental officers a direct approach to the commander on ship and on shore. My understanding is that the vote was 21 to 2 in the Committee on Naval Affairs and there was no opposition to it in the Committee on Rules.

Mr. Speaker, I now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, we have no request for time. I think the rule should be adopted unanimously.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Vermont [Mr. PLUMLEY] may have permission to extend his remarks by printing an address he made this afternoon before the Women's Republican Club of Washington.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therewith a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. KLEBERG] is recognized for 1 hour.

AMERICA

Mr. KLEBERG. Mr. Speaker, as I address you, sir, on this occasion, I am deeply moved. This may be the last time my voice will be heard from the well of this Chamber. A veritable surge made up of human emotions, of the voice of conscience and of reason, fills me as I stand before my colleagues here today. My mind's eye flashes back over the time of life when as a boy, as a young man, and as a grown man with a fine family and my children, before I became a Member of this the greatest of deliberative assemblies.

Only yesterday, it seems to me, Speaker Garner administered the oath of office to me as a Member of this body in December of 1931. My associations here in this body have been too wonderful to describe in words.

As I look before me I see the faces of many dear and close friends I have made. I am filled with the consciousness of the tremendous educational advantage bestowed upon me by the beloved and great people of the district who honored me by choosing me as their Representative. All of this fills me with a gratitude which I find no words to express. Yes, Mr. Speaker, I am deeply moved.

The function of language is to utter intelligibly and audibly what we mean, I conceive it, likewise, to be the height of moral duty and obligation to mean what we say. I shall not violate that duty consciously. I truly mean what I say and what I shall say today.

First, I mean no sermon, I mean no lecture, I mean no criticism of individuals in the usual sense. No value attaches in my mind to the man who does what he thinks is noble and good, but who deplores, criticizes, and assails those who do not imitate him. I have no desire to pose as a model for others and associate imperfection in those who are different.

For my part, I can and do despise an evil or a sin without despising the sinner. As a matter of fact, Mr. Speaker, I have a deep conviction that living creatures are far more precious under full analysis than are their deeds of bad or good. I hold it more than a propriety—yes, a sacred duty—however, to give warning to my friends and fellows on the approach of danger which perchance they may not discern; and, if by so warning them I may fend the danger before it is too late and may save them from total or partial danger and destruction, I shall feel my duty well performed.

In any event, if I am wrong and no danger comes—or, perchance, existed—no harm is done and my friend is safe and I am pleased.

Mr. Speaker, so strongly do I feel on this matter that, were I not to speak concerning matters of concern to my country, to my friends, my dear ones, and to me, I would feel that by keeping silent I would have committed my conscience, my very soul, to the horrors of drab and sordid harlotry.

Mr. Speaker, in that brief span of time known as life, during which we live and inhabit this good earth, we are filled with memories of the past. Some of these are historic and come from the inevitable knowledge of history one gains in the service of one's country here. Others of these memories come because of periods, events, and incidents concerning which we have actual, personal knowledge.

No selected premise from which we would reason to a conclusion is invulnerable, save the original which introduces the origin of the subject to be discussed. One naturally turns to times remote when the advent of man was first noted on this earth. Like other forms of life which came from the same source, he was born free and with the same singular instinct to resist and war against all and sundry that opposed his right to live.

From the earliest record of governments, then extant, we have found them to be governments over the people. There was a slight change as the ages rolled by, and man's ever ceaseless search to free himself from the bondage of other men began to be evidenced.

Your trained minds are better than mine, and I can jump sketchily without fear that your American minds will fail to fill in the gaps. Long before the days of the Roman Empire, this struggle for freedom began, and in the periods of the Emperors—Julius and Augustus Caesar, followed by Diocletian—we have the clearest example from history as to what I mean.

And without more ado, Mr. Speaker, witnessing what we have today, and looking back with but a glance, we must admit that man has reproduced in kind with little success and advancement if, in this era, he must go back to times remote for lessons and examples.

Yes, Mr. Speaker; but he must go back. Has memory waned, even though history has it, that these and particular examples were destructive errors to be guarded against? Years back had it not been for our forefathers in America here, there had been no such thing as freedom in the whole universe. Today, again, ere we lose it, and thereby blot it from the ken of mankind, we must awake. We must perform our duties and our obligations to those to come. We must realize at all costs to redress ourselves, and it will require wisdom and courage so to do.

The Greeks and the Romans once had the spirit of freedom, but they had not discovered the principle—though determined not to be enslaved, they bent all their power to enslave the rest of the world. At least on this undertaking we have not yet embarked.

Mr. Speaker, trafflickers in destiny have brought our country to a point where it must choose rebirth or decay. We must choose between George Washington or Hillman—the forthright founder of American liberty or the sly artificer of oppression. We are at that time when we must choose. Yes, Mr. Speaker, and we must act.

The fourth term accomplished another step along the way and path of unbridled ambition when by a narrow margin Sidney Hillman saved it from defeat. In so doing Hillman rode three parties and fragments of other schools of thought into his present power. What a sorry spectacle. By his acts and his deeds of record, mean and false in his representation of himself, contemptible in the arts of tyranny and of smear, Sidney Hillman comes to power. The Nation that could wittingly exchange the leadership of such as Washington for the leadership of such as Hillman, in my opinion, would be lost beyond all hope. The Nation has neither wittingly nor thoughtfully made such a choice. Sidney Hillman is merely a pilferer of power, a noisome creature grown fat and lusty on dark contrivance, on vicious defamation, on petty tyranny. He stands merely as a symptom of depravity into which our political life has sunk.

Mr. Speaker, words fail me in my most earnest effort to make this clear to you and through you to America and Americans. When such a creature in effigy or otherwise sets out to make a dictator over the lives of a free people, the time has come to turn the searchlight of truth upon political conditions.

Sidney Hillman as a power in American politics is a violent offense to political decency. He is, however, but a symptom—an unpleasant one—of decay. This decay has been brought about by the substitution of propaganda for truth, deliberate confusion of public opinion, planned deception and corruption of our people, mixed with a little terror now and then—sometimes more, sometimes less. Terror, Mr. Speaker!

Black magic has been substituted for statecraft. The things I shall say to you here today will not surprise you who are loyal and faithful to American ideals. All the things I shall say to you here you yourselves with care-torn hearts and minds have said in the privacy of repeated councils.

It is time to say to the people the things that you now say in your cloakrooms and your offices. It it time to join issues. Preservation of the integrity of these United States is the most important thing in this world today, to all Americans and to the rest of this world. The worth of parties, of leaders of party politics, of the war effort itself can be tested in the light of this major responsibility. America, free, independent, herself is the first thing first for each and every American worthy of the heritage he has.

The preservation of the United States in its complete integrity and in its material strength is the master policy of all Americans worthy of the name. America did not send her sons to fight and die upon a hundred battle fronts under the inspiration of those who talked "globaloney." I accept the excellent coinage of the lady from Connecticut. A simple American named Simon invented a process to make your automobiles more lasting. You have all heard of—and some of you have had your car "simonized." America did not send her sons to war to Hillmanize America. Nor did she send them to write with their red blood America's approval of all of the injustices of European and Asiatic history. She did not send those sons to war to make the world safe for Marxism and the totalitarian way of life.

America responded to the call to make enormous sacrifice in a world-wide war to preserve America and the American way against all aggressors. So the people were told and so they have believed.

Ambitious men throughout history have trafficked in human blood, paying noble words and phrases and slyly reaping the harvests of their ambitions.

George Washington knew this. Read his Valedictory Address to the American people; engrave it on your hearts and minds. It is all-important in these times of world-wide war and reckless ambitions that issues shall not be obscured by tumults raised in behalf of things which are secondary. The major issue is, the United States of America, the only and last home of liberty and justice, must be preserved. America's strength must not be dissipated on any visionary international schemes. Her independence must not be sacrificed, curtailed, or impaired by any international centralization of power. Her self-determination, her expression of her right to be free, briefly, neither the sovereignty nor the welfare of the people of these United States can properly be used as poker chips in an international poker game. There must be no reckless betting of her independence, the self-determination of these United States, nor the solvency of her people upon any venture beyond the control of the people of the United States or without their knowledge. He who would deal rashly with the future of these United States is a public enemy. No leader or group of leaders, though gifted with arrogance and presumption, can take matters involving such issues out of politics.

If America is to surrender her independence or impair it and sacrifice her economic security on the speculation that the season has come in world affairs in which the lamb is no longer meat for the lion, then this rash speculation can only be entered into after the people shall have had opportunity to pass mature judgment upon the unveiled and clear-cut issue. Only the people themselves can take such an issue out of politics.

The conduct of the war and the making of the peace cannot be taken out of the political consideration and control of the people. Their consideration and control, despite all dramatic farce among a few leaders, are continuing and vital factors. Their sons are fighting the war; their future and freedom are involved in the making of the peace. America's economic future cannot be recklessly wasted and unnecessarily given away in the conduct of the war with any more propriety than these things can be done in time of peace. Nor has the way been cleared to compromise America's independence or security when a loyal opposition announces that it has removed peacemaking from politics.

Preservation of America and Americans in their independence and in their blessings are first of all upon the list of responsibilities of "We, the servants of the people." Leaders who do not realize this have become far too big for their breeches.

It seems to me most disquieting that the people have been prevented from voting upon fundamental issues in recent years. Some mysterious arrangement has been had in the last three elections that has affected to take fundamental questions out of politics, with the result that the sovereign people have been prevented from expressing themselves thereon.

The New Deal's first term presented to America many Marxist laws, such as, and including, the almost complete Fascist state known as the N. I. R. A. These measures, radically changing the form and spirit of our free government, were slickly and smoothly represented to the people as temporary emergency measures. They were accompanied with constant and skillfully designed prattle in praise of democracy.

This Fascist state was annulled by the then Supreme Court, but many of the temporary Marxist alterations in our free government have become parts of what is now called our leftist government, still trending left.

Free America now speaks in the terms of Europe's house of bondage. Whoever may be the real authors of this planning—and I once asked them from this well to stand up and be counted—did not have the strength in 1936 openly to avow the nature of their program, so they talked much of democracy, of saving the American way of life, of enlarging human rights, and of social security. Above all, they insisted vociferously and continuously upon the wickedness of everyone except themselves. Planned betrayal was thus kept concealed by a confusion thrice multiplied and confused.

The opposition party contributed their full share to this confusion. I do not know who converted what should have been the Republican Party to the cause of Marxism, but I do remember that this party, under the leadership of Landon, launched upon a series of the weirdest and oddest political campaign gyrations in history. In effect, Mr. Landon took domestic Marxism out of politics The burden of his whole opposition was, "All things that the New Deal has done are good, but we Republicans could do them better and perhaps more frugally."

Thus was born the first "me, too" campaign. Perhaps the most important issue in the history of our country has been raised by the New Deal's totalitarian modifications of our free government. But the adroit managers of this new despotism, all dressed up in the rags and tatters of a people's front, by sheer mental control of the opposition prevented the people from having opportunity to pass upon this issue.

There followed then the audacious assault upon the Supreme Court and a spectacular international policy of nagging and general irritability, while supplying the aggressors with the needed sinews of aggression.

Meanwhile the totalitarian trend here at home went grimly forward. The Marxist issue had increased in urgency by the campaign of 1940, and to this issue was soon added the vital issue of war, of international alliances, and of commitments of the resources of the United States to the purposes of a war toward which we then maintained an attitude of declared and legalized neutrality.

It was of first importance in this campaign of 1940 that the people should have opportunity to pass judgment upon matters so vitally concerning their future and their destiny.

The then proponents of war and totalitarianism were still more careful in 1940 to prevent the submission to the people of the important questions raised by their actions. They even dared to violate America's sacred democratic two-term tradition, to keep continuity in their veiled and secret planning. Moreover, they maintained their remarkable sheer mental control over the operations of the opposition party.

Perhaps these planners calculated that the people would accept a third termer in preference to the exponent of a "me, too" campaign.

There appeared, then, Willkie, to lead the Republican Party in "me, too" campaign No. 2. He brought some personal color and a burlesque crusade into this astounding betrayal of the people—a betrayal which cheated them of their right to pass judgment on the control of issues that most seriously concerned their future. Republicans then, for reasons best known to themselves, took domestic Marxism out of politics and also stepped toward war, which we in this body know well.

Candidate Roosevelt, in that campaign, furnished effective spoken opposition, however, to New Deal plans when he won the election by many solemn promises, none of which have borne fruit.

Such excellent concealment of their Marxist and international programs proved that these mysterious manipulators still did not dare in 1940 to avow their purposes to the American people. Cunning and concealment are never expressions of good faith.

Let us see if this truism only fails to apply in the case of the New Deal. There was a time in that period when an effort was made to dispose of the name New Deal. Let us see what these inner planners have promised through their spokesman. They have promised frugality, democracy, free enterprise, reform, recovery, tolerance, peace, plenty, and "four freedoms." However, they have practiced prodigality, totalitarianism, sabotage of business, corruption, depression, intolerance, war, famine shortages, and many tyrannies.

This inner Marxist New Deal revolution, in whatever aspect seen, is a revolution promoted in bad faith and secrecy. The truth has not been found in it, and where truth fails all virtue fails. Black magic, indeed, has been practiced to beguile a free people. But the historic crime—that infamy which will cling to it as the years roll into centuries—is that it has deliberately polluted the moral climate of liberty in this, her chosen abode. That was a crime against humanity.

"Hungry men cannot eat liberty," New Dealers intoned in the early days of their power, when they first offered their mess of pottage for the priceless heritage of our people. No; one cannot eat liberty, nor honesty, nor truth. Yet millions of men have sacrificed their lives that those coming after them might enjoy these highest celestial blessings. On the burning sands and in the dark jungles of the South Pacific and of southern Asia and in the sleet and mud of Europe our young men are daring death and torment for the sake of liberty. The Goddess of Liberty still looks out from her post in the harbor. Did these revolutionaries think to tell them that liberty cannot restore their lives once given? When these men return from the torments of their self-sacrifice—those who do—will New Deal cynics dare tell them that bread is worth more than liberty? Shabby revolution! Shabby slogan!

As the light of liberty dims in this great Nation, so dims the hope of progress for all mankind. If we suffer political racketeers quite to put this light out here, we will not only fail our own historic mission but we will quench and still the faith of men throughout this world in human destiny.

Think, my colleagues, the most precious export ever sent from these United States was the daily news to the world that men were free and prospering. Men do not live by bread alone but gain their greater and mighty strength from faith, and free America was an evidence that faith was justified. America thus, by maintaining faith and liberty through good times and bad, has best served this world. Winston Churchill, harassed, chubby, and now somewhat bewildered statesman, strove to put part of this into words when he accused this revolution which I have mentioned of leading the world back into depression.

Those who are keeping the flag of peace and of free government flying in the Old World—

He said—

have almost a right to ask that their comrades in the New World should during these years of exceptional and not-diminishing danger, set an example of strength and stability. The well-being of the United States may spell not only the well-being but the safety of all sorts and conditions of men.

Mr. Churchill made this appeal to reason when and where only cunning governed in the pre-war year of 1937. These New Deal revolutionaries, heedless, callously continued their adroit assault upon American free enterprise and upon our free people. It was not in their program to set an example to the world of a free people's strength and stability. They said they proposed to make democracy work. They never admitted that the word "make" was from the word "go," an incompatible and an impossible consort to Miss Democracy. They should have let democracy work. They should have aided democracy in its struggle to keep us free and true.

Did the chaos and confusion that was the New Deal United States cause chaos and confusion to overtake the rest of the world? Flash your minds back to the remote ages of the past and to the thousand years of night which followed this noble experiment then. Was not only the well-being but the safety of all sorts and conditions of men in Europe and Asia lost as the light of American ordered liberty dimmed? Was Winston Churchill a prophet? In this, I believe he was.

Let us return to the record. The mysterious and still carefully unexplained tragedy at Pearl Harbor blossomed as the fruit of the New Deal's diplomatic efforts in the Orient, and this tragedy joined America in wars all around this world. Despite the fact that this tragedy has cost each and every American so dearly, the people are still denied the truth concerning it. Marxist manipulators have abused the war emergency to speed up the transformation of a free people into the labor battalion bondage of the totalitarian state.

The totalitarian state now raiding and ravaging our United States aided and abetted and urged on by profiteers in war, have regarded the war emergency as made to order for their perfidy. We speak in bated breath these days because we are patriots; we now speak in the open because we are patriots.

Fattening on easy earnings in the Office of Price Administration, the War Production Board, the Foreign Economic Administration, the War Manpower Commission, in the Office of Defense Transportation, in the War Labor Board, the Maritime Commission, in the Federal Communications Commission, and other agencies, the war their windfall of opportunity to throttle liberty, these sleek Marxists are fixing totalitarian controls upon almost every action of our

once free citizenry. They are grinding out day and night Marxist-decree laws with the high elasticity which comes from elaborate obscurity—laws that are designed to bind this giant, the new Gulliver whose freedom once was the inspiration of the whole world; yes, to bind this Gulliver as by a million threads—laws not made by the representatives of the people, by the Congress, under constitutional authority, but laws by regulation, directive, and decree which bypass, ignore, and set aside. This evidence and mainstay of liberty in its only home in all this world must be preserved.

These totalitarian raiders are multiplying a comparable Russian tyranny over the breadth of our land with their agency police, their "kangaroo courts," their cruel and unusual punishments, their constriction of small business in the main, their petty terrorizations. These things our people have permitted them to do on their sly but unproved claims of war necessity. They scream against any accounting as a menace to the war effort. I recently asked for one in a bill which lies pigeonholed. The greater menace far is the sum of their crafty plans in concealment, the plans we know not of, as yet, the plans which are to come.

These revolutionaries are enemies of American liberty, make no mistake about it. And most recent history has demonstrated again that enemies from within are far more dangerous than is the foe without. You have been warned of this before. There is ultimate disaster, inescapable, if free Americans continue to permit this slick totalitarian band to ravage uncurbed our free institutions here at home.

In the Congress of the United States lies the hope of freedom throughout this world. Think well, and act courageously. Beware of the war emergency that is cried as an excuse for each new invasion of the people's rights and liberties. Beware of the war emergency as a gag upon free speech, today the most essential of war materials. See to it that free speech maintains the highest and first priority. See to it that it be heard by Americans everywhere.

Just the other day those who talk so glibly of "four freedoms" for all the world, while silently but effectively throttling freedom in America, by some unusual and despotic use of power and influence, sought to banish from the airways the voice of an unrevolutionized American who was their critic, the commentator, Upton Close, whose fault was that he courageously opposed aggression against the liberties of our Nation. I hear he is now to be denied certain air channels which are the possession of our people.

The practice of this crafty group is to silence opposition. Are American soldiers fighting for such liberty as this? There is no time in the life of a free people—and God forbid there will ever come another time—when unsuppressed discussion is so important as it is in this time of war. Wars test not only the stamina of peoples but also the stamina of their institutions. Tyranny takes hold in time of war, after carefully stifling free speech. I refer you to the best evidence—those living humans, the Nazi prisoners of war. There is no time in the life of a free people when free speech is as dear.

The forces of destruction once unleashed by the people must remain subject to their control, or they themselves, the people, must fall into subjection. Woe to him who calls forth a force he cannot manage. A free people must know the objects of the war they wage, must make sufficient sacrifice to gain these objects, must halt destruction and war sacrifice when once these ends are gained. A free people must control the agreements that are won by expenditure of their blood and treasure, and they must know what these agreements contain. Therefore, in wartime there must be a full and honest accounting to a free people if they are to remain free.

Now we are in the days when this subtle, implacable, and pusillanimous revolution is planning to spend the last ounce of America's remaining strength, if need be, to endow the world with a peace which is a product of the ambition of these planners, and whose context and contents and portents are still unknown to us, the people. Why can we say this with conviction? Because one man is contriving all arrangements in deepest secrecy and in far places. The objects of our war are made more uncertain by vague and dissimilar definitions. The lesser revolutionaries are insisting that the representatives of the people must be bypassed in the fixing of this peace. These several things establish the rule of duplicity. I make no charge. The record presents the facts.

What are the objects of the New Deal in its war with the new order? Occasionally some crumbs of thought upon this matter fall from the lips of those who are planning in deepest secrecy the future of America and of the world. We have learned that we are fighting to destroy Berlin and Tokyo. These goals at least have the merit of definition. When Berlin and Tokyo are shambles, the task of war is finished.

We have learned that we are fighting to bring "four freedoms" to all mankind. This opens up unlimited speculation concerning the extent and the duration of this war. For example, must we at long last fight Russia, our ally, in order to gain freedom from fear for the Polish Kulaks, if there are any left?

Finally, we have learned that we are fighting to gain a lasting peace for all the world. The undertakings involved in the solution of this expansive problem appal the very mind of man to contemplate.

Our present new system of government in the recent campaign was self-confessedly the most effective factor in the foreign field that the world has ever known. It had worked with might and main for more than 8 long years for world peace. Glance over what it has achieved. What a commentary. Does this mean that we must fight on forever—or that we mean to enter an alliance with Britain, Russia, and China to rule the world in a testy peace for a little while? I am asking for information, information which we, the American people, are entitled to have, which we must have.

We have heard more about the price of peace to America than we have learned about the nature of the peace we are supposed to buy. We have been given many hints by the revolutionaries. They have discovered that Americans must sacrifice their convenience, their comfort, their health, their sufficiency—even their solvency and security, if need be—to ensure these "four freedoms" for all the people of the world. They have discovered that Americans must be content permanently to lower their standards of living to a world level that the greed of the aggressor may be disarmed. The leveling process goes forward. Mr. Speaker, there has never been a leveling process which elevates; it always lowers.

The people have discovered that war controls must be continued upon Americans in peacetime in order that all the rest of the world, then blessed with "four freedoms," may support its unearned transformation in a style to which it has never been accustomed. Think that over.

By the way, we Americans have not yet grown accustomed to the present new way of doing business.

Such a preposterous idea of peace, of course, could not be safely submitted to the people as a campaign issue. It could not bear discussion. So, again, a "me, too" campaign was born. We are now in 1944. What more conclusive proof that these revolutionary plans are contrary to the interests of our people than this, that the planners fear to trust the people with a voice in their own affairs? The close and continuing agreement between the so-called party leaderships upon the fateful issues of Marxism and totalitarianism and internationalism wears every earmark of a strategy propelled from a single source which will betray this Nation before it can become aware.

These are the dangers of which I warn. This close agreement, in other words, wears the appearance of collusion. Let those who now shrink from liberty shrug off these things—the signs of these times.

The Republicans in the campaign just ended once more endorsed domestic Marxism, the conduct of the war, and vague New Deal peace proposals—proposals contemplating some division of United States sovereignty with a world authority, faintly characterized by its American architect as having the power immediately to arrest a people upon a warrant of its own. Think that over.

Mr. Speaker, I speak to you and to my colleagues as an individual, as an American individual, that individual whom the Constitution was created to protect inviolate in his rights. I speak to you still, Mr. Speaker, as a representative from a great congressional district in the Congress of the United States. I speak to you, Mr. Speaker, as a Democrat who holds the belief that the Democratic Party was created to serve this Nation, not that the Nation should be called upon to serve the party.

The idea seems to be the setting up of an international Gestapo. The delegation of the power of compulsion to any international agency, however set up by treaty and wherever situate, involves

such serious considerations as involuntarily come to mind when we hear that this issue has been taken out of politics. That famous line of Pope, "Fools rush in where angels fear to tread," comes to mind.

Notwithstanding the fate of 135,000,000 individual persons involved in the peace plans, vaguely and disturbingly foreshadowed and now maturing in an atmosphere of furtive secrecy from beneath oak trees and distant corners of the world, the Republicans made carefree haste to sign a blank check on the bank of a great nation's destiny. This was an amazing evidence of irresponsibility. The Republican Party is perhaps the most obliging opposition that any group of revolutionaries ever had. So obliging and so gracious an opposition, of course, may be taking itself permanently out of politics.

The President, himself, though at one and the same time a candidate, commented on this odd phenomenon when he assured the people in a bantering tone that the opposition approved his domestic policies, his conduct of the war, his peace policies. This little gibe was meant, perhaps, to serve several purposes. Among these, one probably was to stress the fact that the betrayal of our people by the totalitarian forces gathered around the speaker was a responsibility shared equally by the leaders of the opposition. Indeed, there is compelling reason today for Americans to remain fully alert. My warning will not fall on deaf ears, though jugglers and showmen hold forth at every street corner in this fair land.

The time is here to guard the most precious and blessed home that ever a people had, lest thieves and worse than thieves destroy it, their evil maneuverings sheltered in fog and night. Let us show that this language is too mild by half to characterize foul things already done.

New Dealers started their careers with the endeavor to substitute the Fascist state, the N. R. A., for free America, and when an outraged Supreme Court forbad this violence, they attacked this great tribunal with smears and proposals to reduce it to vassalage. The home of American justice was attacked. Court packing failed before the people's wrath, but ever since all Justices appointed to this Court have been of New Deal faction and have indulged in statements such as "oversimplification," referred to before on this floor.

If further proof is needed, may I direct your attention to some vital facts with reference to upholding and defending the Constitution against all enemies, foreign and domestic. Our Constitution was a living and extant thing, antecedent to Government, which Government has borne the priceless fruits of continued American liberty for the past 160 years.

Let us face the facts. Every one of us in this Congress, on the Supreme Court—to which I have just referred—including the Chief Executive and the Vice President, are under identical oaths. Face these facts. Not long ago the Chief Executive sent a message to this Congress voicing dissatisfaction with the old Bill of Rights, and stating that an addition or a substitution must be made thereto, a new Bill of Rights to adequately provide for our future. You all recall this. Under this old Bill of Rights the Chief Executive had stated that we had grown to our present strength, which, to say the least, was not inconsiderable, seeing that our Almighty God had seen fit to select this Nation and this people for the bearing of a responsibility unparalleled in the annals of all history.

Was he satisfied with the Constitution? Recall, if you will, the Guffey Coal Act and a letter to a Member of this body. Now travel with me to the west coast, where, in an address to Americans out there, the Vice President of these United States warned against a revolution but suggested that the revolution could be peaceful instead of bloody. You recall this speech—all of you.

I defend the Executive's right to say what he thinks. I want him to say what he means! And, like all other Americans, I expect him to mean what he says. This applies, too, to the Vice President and to all public servants in high places of public trust.

One cannot defend the Constitution of these United States while urging attack upon it or its change.

Finally, the underlings among these raiders have dared to assert and advance a Commander in Chief relationship between the President and the civilian—the Chief Executive and the people—thus boldly asserting that one who is merely a first servant has become a dictator over their destinies. He who needs more proof will still be unconvinced even when he feels the lash upon his naked back.

The time is here to guard our home. This Congress can do the job. I shall be represented as an individual by one who takes my place. I treasure it and prize above all things the right to say I am an American, and mean it while it still means what to be an American was intended to mean.

Let us consider wherein this home is like no other edifice reared by man in all his generations. Let us first listen to the solemn counsel of one of our founders—a counsel which should live on as a flame in the veins of all Americans who are true. George Mason, of Gunston Hall, a gentle Virginian, an American statesman, was the author of the Bill of Rights. Transmitting the incomparably precious heritage of free America to his sons, he enjoined them as follows from his will. I quote:

> I recommend to my sons from my own experience in life to prefer the happiness of independence and a private station to the struggles and vexations of public business. But if either the inclinations or the necessities of the time should engage them in public affairs, I charge them on a father's blessing never to let the motives of private interest or ambition induce them to betray, nor the terrors of poverty or disaster or the fear of danger or of death to deter you from asserting the liberty of your country and endeavoring to transmit to their posterity those sacred rights to which themselves were born.

Let no one fail the obligations to free America noted in this counsel because some eminent and impudent totalitarian screams, "This will impede the war effort!" or because some foggy internationalist exclaims, "This will cost the world lasting peace!" Our first charge is to preserve free America, because free America is an immeasurable good, and good things do not stand in conflict or in the way of anything but evil.

Mr. Speaker, I hold these things to be self-evident. It is our duty to survey the treasure that we have before we leave it to follow a mirage over a painted desert. All government, except American Government, has been the authority of a part to impose a way of life upon the whole. The whole, or the mass, has reacted upon authority by outcry, by tumult, and by rebellion, by economic strikes, by petition, by persuasion and by votes. But always the authority has been the sovereign. The term "sovereignty" expresses a power to act without any limitation other than limitations which are self-imposed. Nowhere but in America has the inalienable right of the citizen been recognized, that God-given right to life, liberty, and the pursuit of happiness. The last term is expressive of the right to self-development. We speak of this in our practical conversation as opportunity—and America has been rightly called the land of opportunity.

We hold from our common God that priceless, all-embracing gift, which so far as men are concerned contains all other things worth having—life, physical, intellectual, independent and moral life. Life is existence, and with it from that same source come faculties; and with life and those faculties, assimilation accompanies. In other words, life, liberty, property—that constitutes an American.

Concerning these three things I say without fear of successful contradiction, and apart from all demagogic subtlety, that these are anterior and superior to all human contrivance and legislation. It is not because we have made laws that personality or life, liberty or freedom, and the pursuit of happiness or property exist; it is, on the contrary, because these existed beforehand and because we appraised them at their true worth that we Americans made laws. And in the organic law, the Constitution of the United States, you will find no place where that instrument mentions races, save in one article where the Congress is given the power to regulate commerce between the various States and the Indian tribes. There is no mention of group priority by race, by group, by party, or by faction. The Constitution was not made for that misguided group under the leadership of Sidney Hillman. The Constitution was not made as antecedent to our Government for farmers, for preachers, for soldiers; or racially for Irishmen, for Negroes, for Frenchmen, for Italians, or any of the other races of which America is made. If every man has the right to defend by force his person, his liberty, and his property, certainly a number of men have the right to combine together to extend, to organize, to create a united force to provide regularly for this defense.

Insofar as collective rights are concerned, those worthy of exercise in

America have their principle, their reason for existing, their lawfulness, based upon the right of the individuals which comprise the collective group. And this common collective force cannot rationally have any other end, nor any other purpose, than identity of purpose with the isolated forces of the individuals for which it is substituted. So, as the power of an individual cannot lawfully touch the person, the liberty, or the property of another individual, for the same reason this organized, collected common force cannot properly by law under the American system be used to destroy the person, the liberty, or the property of the individuals or classes of which this Nation is composed.

This is an unholy perversion of a force created by free gifts from on high, which it is our right and our duty to protect. Who shall say that force was given to us, not to defend our rights but rather to annihilate the equal rights of our brethren? This and other questions are before you, my colleagues, as I leave you.

Shall this force be used to destroy opportunity? God gave to man unlimited opportunity. All authorities, until America arose, have frustrated, restricted, repressed, and denied this gift of God to man. The American way is the only way of history that has left men free to find their opportunities in obedience to God's law of liberty. America was established for the individual and for the protection of his rights. It was a new thing of the spirit, a human institution, designed to fulfill the divine law of liberty for humanity under God—the first and only such institution in the whole human history. America affirmed the dignity, the freedom of choice and action, the opportunity for self-development of the individual in these governing principles, and it gave substance in fact and in law to these glorious ideals by deriving government, itself, from the sovereign individual. Hence that peculiarly inspiring American term, "We, the sovereign people."

America was established as a sweeping repudiation of all forms of tyranny. America is the incarnated wisdom of our Father who is in heaven. America has opened the way for each individual to find a self-development to an ultimate point at which the Golden Rule, enshrined in his heart, need be his only law.

America, that ever-resplendent thing of the spirit, took its origin from a concourse of sovereign individuals who made agreements to impose metes and bounds upon themselves, and so they have lived and so have endeavored to go on under the Constitution of these United States and under the constitutions of the several States.

This is the spirit, the law, and the life of America. This is the meaning of the thing we have. This thing is sacred beyond bread and meat, beyond party and ambition, beyond life itself. Life without it is worthless to a true American.

This thing is the true beacon in this present world of turmoil and confusion. America is a sacred trust-free America, charged to us by divine Providence to defend to the uttermost for our posterity and for all humanity. For us there is no higher duty. Recreant and wretched, indeed, are those who shall fail in this duty. Accursed be those impious Marxist hands now daring to hew furtively at the roots of liberty. How shriveled the soul that can entertain an ambition which endangers such a heritage.

Mr. Speaker, Americans must soon answer these fateful questions: First, whether a totalitarian United States, a Naziland, is too high a price to pay for such social security; and, second, whether submergence into a new world order is too high a price to pay for lasting peace.

The cause for innovation, however, is not nearly so favorable as I have stated it. There is nothing in the tragic record of totalitarianism that remotely assures social security. Its history in the past has it otherwise. There is nothing in the record of international arrangement that assures lasting peace. The record, moreover, is long. Both totalitarianism and international peace arrangements are almost as old as governments among men. Hitler, Mussolini, the Mikado, and Lenin are recent exponents of totalitarianism.

There is much to indicate that there are those in highest place within our system who are of that mind. All of these have proposed to revive international political arrangements to ensure lasting peace. To me it seems the vanity of vanities to gamble our precious liberty upon the mere chance that a good dictator will provide to us, as wards of his government, social security. To me, it seems a crime to gamble our country's independence upon the mere chance that an international authority might maintain a just, lasting peace.

This must be kept clear in mind. We cannot gamble with some of our individual liberties and keep the other parts. The Germans recently learned this to their bitter sorrow. We cannot gamble with a fraction of our Nation's independence and retain the other fraction. Ambitious men who say we can are deliberately seeking to deceive, or, have ignorantly deceived themselves.

Mr. Speaker, let us examine sovereignty and that very false doctrine in connection therewith, which is industriously being propagandized and propagated to mislead America. This doctrine is being put forward in defense of the lasting peace that is now maturing in hidden places. Ambitious men are telling Americans that we can delegate a part of our sovereignty and still retain it unimpaired. They know they lie when they say this, unless they are ignorant; and if so, they are too ignorant! Sovereignty comprehends not a bundle of functions but an integral, the power to act without limitation other than that which is self-imposed.

It follows that sovereignty cannot be broken up, delegated, or shared and still be possessed. Sovereignty is indivisible. A nation is either sovereign or dependent.

When the member states of the Delian League delegated to Athens the power of compulsion, Athens absorbed the sovereignties of all these member states. History is replete with such examples. American sovereignty cannot be shared through a delegate with any international centralization of power except at the peril of everything that now constitutes free America. The acceptance of such a vain peril is an issue still in politics.

Mr. Speaker, I am a Democrat; but above all, my allegiance belongs to our free America. I honor great and faithful Americans of the Democratic Party. I take pride in that party's traditions, and I have faith in the objects that these traditions have marked out as goals for America. But today I miss this party's influence in the affairs of state. Instead, I find an almost solid Marxist front, calling itself New Deal, except on election days when the bulk of its vote is registered under the symbol: "In the Democratic column."

The voice of this wary, subtle, sly, many-tongued, hydra-headed thing is the voice of Earl Browder, of Sidney Hillman, of Felix Frankfurter, and an endless line of those whose idealism has been put before you as part of this revolution against the very roots of liberty and freeman and freewoman. It is a composite voice like to nothing American. At election time it pretends to be the voice of Washington, Jefferson, Jackson, and Cleveland; but always its acts have been the acts that sprang from the planning of Marx, Engel, Lenin, Mussolini, and Hitler. Affirmations of the American way have served but as a smoke screen.

Mr. Speaker, these things have long been in my heart, but my head has reasoned constantly that such perfidy simply could not be true. If I may put it so, it has been hard to believe the things that I knew were true.

It is now some time since I knew that I must speak or forever after hate myself for failure in my duty to America—for failure in my duty to the people. I have waited until the election campaign was over, that what I must say I might say with deliberate detachment from all considerations except that for my country.

The time has come when our people must have an accounting. Toleration of betrayal within our home must be ended, or it will result in losing the war and also in losing the peace. Both of these have objectives; to lose these objectives is to lose both. It is urgent today that all true Americans exert themselves to the utmost to prevent these disasters.

I say to you, my loved and honored colleagues, that the vital issue before America today is not merely the winning of the war, but the making and the keeping of the war worth winning. It is the urgent duty of each American today to see to it that the sacrifices of this war shall not become a waste and a mockery.

And so, Mr. Speaker, I conclude with the prayer that Heaven may continue in alliance with you, my colleagues, in the defense, protection and preservation of that most priceless combination of celestial beneficence—the rights to existence, liberty, and the peaceful pursuit of happiness.

I go from among you free of all feeling of bitterness and disappointment, and with the everlasting affection, while I

still have life, of a devoted and affectionate friend.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GEARHART, for 2 weeks, on account of urgent business, public and private.

To Mr. SASSCER (at the request of Mr. D'ALESANDRO), for 1 week, on account of important business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2004. An act to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on December 2, 1944, present to the President, for his approval, bills of the House of the following titles:

H. R. 86. An act to grant pensions to certain unremarried dependent widows of Civil War veterans who were married to the veteran subsequent to June 26, 1905; and

H. R. 5386. An act to amend the Selective Training and Service Act of 1940, as amended, to extend the time within which application may be made for reemployment, and for other purposes.

ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p. m.) the House, pursuant to its order heretofore entered, adjourned until Tuesday, December 5, 1944, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON REVISION OF THE LAWS

The committee will hold a hearing on Wednesday, December 6, 1944, at 10 a. m., in the committee room of the Committee on Agriculture, to consider H. R. 5450, to revise and codify the criminal laws of the United States and to hold public hearings thereon.

EXECUTIVE COMMUNICATIONS, ETC.

2059. Under clause 2 of rule XXIV a letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to repeal the act entitled "An act to authorize the conveyance of the old lighthouse keeper's residence in Manitowoc, Wis., to the Otto Oas Post, No. 659, Veterans of Foreign Wars of the United States, Manitowoc, Wis.," approved June 16, 1938, was taken from the Speaker's table and referred to the Committee on the Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 667. Resolution for the consideration of H. R. 5564, a bill to fix the rate of tax under the Federal Contributions Act on employer and employees for the calendar year 1945; without amendment (Rept. No. 2013). Referred to the House Calendar.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House report No. 2014. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. PATMAN: Special Committee on Small Business. Sixth interim report pursuant to House Resolution No. 18. Resolution creating a Select Committee on Small Business and defining its powers (Rept. No. 2015). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on Labor. H. R. 3986. A bill to prohibit discrimination in employment because of race, creed, color, national origin, or ancestry; without amendment (Rept. No. 2016). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON of North Carolina: Committee on Ways and Means. H. R. 5543. A bill extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes; without amendment (Rept. No. 2017). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON of North Carolina: Committee on Ways and Means. H. R. 5565. A bill to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps; without amendment (Rept. No. 2018). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. FULMER:

H. R. 5574. A bill to provide for the use of net weights in interstate commerce transactions in cotton, to provide for the standardization of bale coverings for cotton, to encourage the compression of cotton to higher density at gins, and for other purposes; to the Committee on Agriculture.

H. R. 5575. A bill to provide for the classification of cotton for producers, and for other purposes; to the Committee on Agriculture.

By Mr. MAY:

H. R. 5576. A bill to establish the grade of Fleet Admiral of the United States Navy; to establish the grade of General of the Army, and for other purposes; to the Committee on Military Affairs.

By Mr. SUMNERS of Texas:

H. J. Res. 320. Joint resolution proposing an amendment to the Constitution of the United States relative to the making of treaties; to the Committee on the Judiciary.

By Mr. OUTLAND:

H. J. Res. 321. Joint resolution extending the life of the Smaller War Plants Corporation; to the Committee on Banking and Currency.

By Mrs. NORTON:

H. Res. 668. Resolution for the consideration of H. R. 3986, a bill to prohibit discrimination in employment because of race, creed, color, national origin, or ancestry; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 5577. A bill for the relief of George E. Baker, to the Committee on Claims.

By Mrs. FULMER:

H. R. 5578. A bill for the relief of Mrs. Glenn T. Boyleston; to the Committee on Claims.

By Mr. O'BRIEN of Illinois:

H. R. 5579. A bill for the relief of Rosa Natalia Christopher; to the Committee on Immigration and Naturalization.

By Mr. WALTER:

H. R. 5580. A bill for the relief of the estate of Archie S. Woods, deceased, to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6229. By Mr. ROLPH: Resolution No. 4308, series of 1939, Board of Supervisors of the City and County of San Francisco endorsing House bill 735 covering personnel engaged in Army transport service in Spanish-American War; to the Committee on World War Veterans' Legislation.

6230. Also, Resolution No. 4307, series of 1939, Board of Supervisors of the City and County of San Francisco endorsing Senate bill 2105 known as the Hayden Federal-aid highway bill; to the Committee on Roads.

SENATE

TUESDAY, DECEMBER 5, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. John R. Edwards, D. D., associate pastor, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Our Father God, earth is Thy footstool while heaven is Thy throne. May a sense of Thy nearness to us make sacred even the secular elements of life. We give humble thanks for our daily bread and the supply of harvests for the multitudes of earth. With these mercies give us a growing measure of experience in the realm of truth and higher attainments of character in all our daily living.

Bless those in responsibilities of public life whose words and decisions are so far-reaching. Be in the midst of those who are planning a new world order which shall displace the perils which have disturbed and endangered the Nation's life in recent years. Help them to attain the quiet mind, the far-reaching vision, and, in superior wisdom, the spirit of great unity. In this petition we claim the promise, if any man lack wisdom let him ask of God who giveth to all men liberally and upbraideth not; and we plead the merits of Christ our Lord. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, December 4, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1590. An act for the relief of the State of Tennessee;

S. 1645. An act relating to the administration of the Glacier National Park Fish Hatchery, at Creston, Mont., and for other purposes;

S. 1710. An act to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian; and

S. 1877. An act to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the eastern judicial district of South Carolina.

The message also announced that the House had passed the following bills of the Senate, each with an amendment in which it requested the concurrence of the Senate:

S. 218. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge; and

S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

The message further announced that the House had passed the bill (S. 963) relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 56) authorizing the acceptance of a bust of Hon. Cordell Hull, former Secretary of State.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1744) to provide Government protection to widows and children of deceased World War veterans.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4917) conferring upon the State of Montana authority to exchange for other lands certain lands selected by the State of Montana for the use of the University of Montana for biological station purposes pursuant to the act of March 3, 1905 (33 Stat. 1080).

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 126. An act to authorize the Secretary of the Interior to sell certain lands, and for other purposes;

H. R. 1033. An act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts;

H. R. 2448. An act to provide that nationals of the United States shall not lose their nationality by reason of voting under legal compulsion in a foreign state;

H. R. 3442. An act to amend sections 1, 2, and 3 of the act entitled "An act to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes," approved April 20, 1918, as amended (40 Stat. 533; U. S. C., title 50, secs. 101, 102, and 103);

H. R. 4502. An act to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended;

H. R. 4626. An act to declare a portion of the Illinois & Michigan Canal an unnavigable stream;

H. R. 4642. An act to amend the Nationality Act of 1940;

H. R. 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming;

H. R. 4782. An act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington;

H. R. 4852. An act to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals;

H. R. 4892. An act relating to clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.;

H. R. 4919. An act to amend the act authorizing postmasters in Alaska to administer oaths and affirmations;

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes;

H. R. 5221. An act to eliminate as uncollectible certain credits of the United States;

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard;

H. R. 5464. An act to amend the law relating to the authority of certain employees of the Immigration and Naturalization Service to make arrests without warrant in certain cases and to search vehicles within certain areas;

H. R. 5496. An act to amend section 401 (a) of the Nationality Act of 1940;

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service; and

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Buck	Chandler
Austin	Burton	Clark, Mo.
Bailey	Bushfield	Connally
Ball	Butler	Cordon
Bankhead	Byrd	Danaher
Bilbo	Capper	Davis
Brooks	Caraway	Downey
Eastland	Lucas	Shipstead
Ellender	McClellan	Stewart
Ferguson	McFarland	Taft
George	McKellar	Thomas, Idaho
Gerry	Maloney	Thomas, Okla.
Gillette	Maybank	Thomas, Utah
Green	Mead	Tunnell
Guffey	Millikin	Tydings
Gurney	Murray	Vandenberg
Hall	Nye	Wagner
Hatch	O'Daniel	Wallgren
Hayden	O'Mahoney	Walsh, Mass.
Hill	Overton	Walsh, N. J.
Holman	Radcliffe	Weeks
Jenner	Reed	Wheeler
Johnson, Calif.	Revercomb	Wherry
Johnson, Colo.	Reynolds	White
La Follette	Robertson	Wiley
Langer	Russell	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON].

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

REPORT ON UNITED STATES PARTICIPATION IN U. N R. R. A. OPERATIONS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read by the legislative clerk, and, with the accompanying report, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

I am transmitting herewith the first quarterly report on U. N. R. R. A. expenditures and operations in accordance with the act of March 28, 1944, authorizing United States participation in the work of the United Nations Relief and Rehabilitation Administration.

The enemy has been driven out of all or virtually all of the Soviet Union, France, Greece, Belgium, and Luxembourg. Parts of the Netherlands, Yugoslavia, Poland, Czechoslovakia, and Norway, as well as the Philippines, New Guinea, New Britain, and Burma have been liberated by the armed forces of the United Nations. Those forces—more powerful each month than the month before—are now striking addi-

tional blows to complete the task of liberation and to achieve final victory over Germany and Japan.

U. N. R. R. A. was established by the United Nations to help meet those essential needs of the people of the liberated areas which they cannot provide for themselves. Necessary relief stocks are being acquired and the personnel recruited to assure efficient and equitable administration of relief supplies and relief services. As rapidly as active military operations permit, U. N. R. R. A. is undertaking operations in the field. U. N. R. R. A. representatives are already in or on the way to liberated areas of Europe and are preparing to go to the Pacific and Far East. The colossal task of relieving the suffering of the victims of war is under way.

The conditions which prevail in many liberated territories have proven unfortunately to be fully as desperate as earlier reports have indicated. The enemy has been ruthless beyond measure. The Nazis instituted a deliberate policy of starvation, persecution, and plunder which has stripped millions of people of everything which could be destroyed or taken away.

The liberated peoples will be helped by U. N. R. R. A. so that they can help themselves; they will be helped to gain the strength to repair the destruction and devastation of the war and to meet the tremendous task of reconstruction which lies ahead.

All the world owes a debt to the heroic peoples who fought the Nazis from the beginning—fought them even after their homelands were occupied and against overwhelmingly odds—and who are continuing the fight once again as free peoples to assist in the task of crushing completely Nazi and Japanese tyranny and aggression.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 5, 1944.*

DECEMBER 5, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November 1944, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
John F. Feeney	1425 Rhode Island Ave. NW	General Accounting Office, Washington, D. C	$6,400
Harold E. Merrick	906 Aspen St. NW	do	4,800
Thomas J. Scott	3500 14th St. NW	Federal Bureau of Investigation, Department of Justice, Washington, D. C	4,800
Mrs. Mamie L. Mizen	1434 Saratoga Ave	District of Columbia Government	3,500

KENNETH MCKELLAR, *Acting Chairman.*

EXECUTIVE COMMUNICATION

The VICE PRESIDENT laid before the Senate the following letter, which was referred as indicated:

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of the Treasury, War, Post Office (2), Navy, Agriculture, Commerce, and Labor (2); and the Government Printing Office which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

H. R. 4446. A bill to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code; with amendments (Rept. No. 1305).

By Mr. WHEELER, from the Committee on Interstate Commerce:

H. R. 1997. A bill to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone; with amendments (Rept. No. 1306).

By Mr. BILBO, from the Committee on the District of Columbia:

S. 2205. A bill to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets; without amendment (Rept. No. 1307).

By Mr. BAILEY, from the Committee on Commerce:

S. 1159. A bill creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.; with amendments (Rept. No. 1308).

By Mr. MCFARLAND, from the Committee on the Judiciary:

S. 1817. A bill authorizing the appointment of an additional judge for the district of Delaware; without amendment (Rept. No. 1309).

By Mr. THOMAS of Utah, from the Committee on Education and Labor:

H. R. 4159. A bill to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742); without amendment (Rept. No. 1310).

By Mr. MEAD, from the Committee on Post Offices and Post Roads:

S. 1882. A bill to increase the compensation of employees in the Postal Service; without amendment (Rept. No. 1312).

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. R. 4311. A bill to authorize the appointment of two additional Assistant Secretaries of State; with amendments (Rept. No. 1314).

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, December 5, 1944, that committee presented to the President of the United States the enrolled bill (S. 2004) to amend the act entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942.

PERSONS EMPLOYED BY A COMMITTEE WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The VICE PRESIDENT laid before the Senate a monthly report of the acting chairman of the Committee on Appropriations made in response to Senate Resolution 319, agreed to August 23, 1944, relative to persons employed who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCFARLAND:

S. 2210. A bill to authorize the Secretary of the Interior to modify the provisions of a contract for the purchase of a power plant for use in connection with the San Carlos irrigation project; to the Committee on Indian Affairs.

By Mr. HATCH:

S. 2211 (by request). A bill to amend Public Law 603 (77th Cong., ch. 404, 2d sess.), entitled "An act to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes"; to the Committee on Banking and Currency.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 1 6. An act to authorize the Secretary of the Interior to sell certain lands, and for other purposes; and

H. R. 4782. An act act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington; to the Committee on Indian Affairs.

H. R. 1033. An act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts; to the Committee on Finance.

H. R. 2448. An act to provide that nationals of the United States shall not lose their nationality by reason of voting under legal compulsion of a foreign state;

H. R. 4642. An act to amend the Nationality Act of 1940;

H. R. 5464. An act to amend the law relating to the authority of certain employees of the Immigration and Naturalization Service to make arrests without warrant in certain cases and to search vehicles within certain areas; and

H. R. 5496. An act to amend section 401 (a) of the Nationality Act of 1940; to the Committee on Immigration.

H. R. 3442. An act to amend sections 1, 2, and 3 of the act entitled "An act to punish

the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes," approved April 20, 1918, as amended (40 Stat. 533; U. S. C., title 50, secs. 101, 102, and 103); to the Committee on the Judiciary.

H. R. 4502. An act to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended; to the Committee on Territories and Insular Affairs.

H. R. 4626. An act to declare a portion of the Illinois and Michigan Canal an unnavigable stream; to the Committee on Commerce.

H. R 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming; to the Committee on Public Lands and Surveys.

H. R. 4852. An act to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals; to the Committee on Mines and Mining.

H. R. 4892. An act relating to clerical assistance at post offices, branches, or stations serving military and naval personnel and for other purposes; and

H. R. 4919 An act to amend the act authorizing postmasters in Alaska to administer oaths and affirmations; to the Committee on Post Offices and Post Roads.

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.; to the Committee on Interstate Commerce.

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes; to the Committee on Banking and Currency.

H. R. 5221. An act to eliminate as uncollectible certain credits of the United States; to the Committee on Expenditures in the Executive Departments.

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service; and

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.; to the Committee on Agriculture and Forestry.

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard; ordered to be placed on the calendar.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENTS

Mr. BILBO and Mr. WAGNER each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. OVERTON (for Mr. PEPPER) submitted five amendments intended to be proposed by Mr. PEPPER to House bill 3961, supra, which were ordered to lie on the table and to be printed.

ACCUMULATED OR ACCRUED ANNUAL LEAVE DUE CERTAIN GOVERNMENT EMPLOYEES—AMENDMENT

Mr. WALSH of Massachusetts. Mr. President, I submit an amendment intended to be proposed by me to House bill 4918, which I request may be appropriately referred, printed, and printed in the RECORD; and I also present an explanatory statement of the amendment which I ask to have printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment intended to be proposed by Mr. WALSH of Massachusetts to the bill (H. R. 4918) to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service, was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 2, section 2, strike out line 25 and insert in lieu thereof the following: "shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such employee and filed with the employing agency;

"Second, if there be no such designated beneficiary, to the estate of such deceased employee."

The explanatory statement presented by Mr. WALSH of Massachusetts relating to the amendment is as follows:

EXPLANATION OF AMENDMENT TO H. R. 4918, SECTION 2, LINE 25

Section 2 of the bill as passed by the House and as reported to the Senate provides that, upon the death of an employee of the Federal Government or of the government of the District of Columbia, compensation for all of such employee's accumulated and current accrued annual or vacation leave which such employee would have received had he remained in the service until the expiration of such period, shall be paid to his estate.

Under the proposed amendment, the employee is given the right to designate a beneficiary or beneficiaries to receive such compensation upon his death upon the establishment of a valid claim therefor. The amendment would thus make possible the speedy payment of the amount determined to be due by the employing agency and would, in those cases not otherwise requiring the probate of an estate, eliminate the necessity for probate and the expenses attendant thereto. The cost of probate, in relation to the amount involved, might well prove to be an onerous and expensive burden to the widow and children of the deceased employee.

In section 724 of the Civil Service Retirement Act, as amended (5 U. S. C. 724), Congress recognized the principle of permitting an employee subject to the Retirement Act to designate a beneficiary to receive, on his death, the amount to his credit in the civil service retirement and disability fund. The proposed amendment would thus be in accord with that principle and also with the recommendation in the Sixtieth Annual Report of the United States Civil Service Commission (fiscal year ended June 30, 1943), page 67, paragraph 38, where it is stated:

"38. Legislation should be enacted to permit the lump-sum payment for accrued annual leave to the estate *or survivor* of a deceased Federal employee." [Italics supplied.]

ASSISTANT CLERK, COMMITTEE ON EDUCATION AND LABOR

Mr. THOMAS of Utah submitted the following resolution (S. Res. 342), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution No. 14, agreed to January 27, 1941, authorizing the Committee on Education and Labor to employ an assistant clerk, to be paid from the contingent fund of the Senate at the rate of $2,880 per annum, hereby is continued in full force and effect until the end of the Seventy-ninth Congress.

ADDITIONAL CLERK, COMMITTEE ON EDUCATION AND LABOR

Mr. THOMAS of Utah submitted the following resolution (S. Res. 343), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution No. 251, agreed to June 4, 1942, authorizing the Committee on Education and Labor to employ an additional clerk, to be paid from the contingent fund of the Senate at the rate of $1,800 per annum, hereby is continued in full force and effect until the end of the Seventy-ninth Congress.

HEARINGS BEFORE COMMITTEE ON EDUCATION AND LABOR DURING SEVENTY-NINTH CONGRESS

Mr. THOMAS of Utah submitted the following resolution (S. Res. 344), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Education and Labor, or any subcommittee thereof, is authorized, during the Seventy-ninth Congress, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject referred to said committee, the total expenses pursuant to this resolution (which shall not exceed $5,000) to be paid out of the contingent fund of the Senate; and the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

PAYMENT TO HOWARD B. SMITH

Mr. AIKEN submitted the following resolution (S. Res. 345), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That notwithstanding the limit of expenditures contained in Senate Resolution 197, Seventy-eighth Congress, agreed to December 9, 1943 (authorizing an investigation by the Committee on Agriculture and Forestry of the administration of the Rural Electrification Act), as modified by Senate Resolution 238, Seventy-eighth Congress, agreed to February 8, 1944, there is hereby authorized to be paid from the contingent fund of the Senate to Howard B. Smith, the sum of $2,805 as compensation for stenographic services rendered to the Committee on Agriculture and Forestry in reporting and transcribing hearings held before such committee pursuant to Senate Resolution 197, Seventy-eighth Congress.

HEARINGS BEFORE MILITARY AFFAIRS COMMITTEE—LIMIT OF EXPENDITURES

Mr. REYNOLDS submitted the following resolution (S. Res. 346), which was

referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures authorized by Senate Resolution 32, agreed to January 14, 1943, and Senate Resolution 179, agreed to October 27, 1943, authorizing the Committee on Military Affairs to hold hearings during the Seventy-eighth Congress, is hereby increased by $5,000.

THE TREND OF THE TIMES—ADDRESS BY THE VICE PRESIDENT

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an address entitled "The Trend of the Times," delivered by Hon. HENRY A. WALLACE, Vice President of the United States, at an anniversary dinner in honor of Marshall Field and the Chicago Sun, at Chicago, Ill., December 4, 1944, which appears in the Appendix.]

THE SHOCKING TRUTH ABOUT RADIO—ARTICLE BY SENATOR WHEELER

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article entitled "The Shocking Truth About Radio," written by him and published in the November 6 issue of La Follette's magazine The Progressive, which appears in the Appendix.]

FREEDOM OF SPEECH FOR WHOM?—ARTICLE BY CLIFFORD JUDKINS DURR

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article entitled "Freedom of Speech for Whom?" by Clifford Judkins Durr, from the Public Opinion Quarterly for the fall of 1944, which appears in the Appendix.]

RAILROAD ACCIDENTS

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an editorial from the Tulsa Tribune of September 20, 1944, and two editorials from the St. Louis Post-Dispatch, one of September 29, 1944, and one of October 9, 1944, together with a letter from C. H. Dalton, chairman of the Illinois legislative committee of the Order of Railway Conductors of America, having to do with railroad accidents, which appear in the Appendix.]

EDITORIAL TRIBUTE TO RUSH D. HOLT

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "In Judgment of Rush Holt," written by Luther R. Jones and published in the Coal Valley News of Madison, W. Va., which appears in the Appendix.]

SURVEY OF SOUTH DAKOTA'S POST-WAR EXPENDITURES AND EMPLOYMENT

[Mr. BUSHFIELD asked and obtained leave to have printed in the RECORD an editorial entitled "Taking Soundings," dealing with a study of South Dakota's post-war expenditures and employment, published in the New York Sun of November 8, 1944, which appears in the Appendix.]

MARGARINE TAX—EDITORIAL FROM THE WASHINGTON POST

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "Margarine Tax," from the Washington Post of December 5, 1944, which appears in the Appendix.]

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The CHIEF CLERK. On page 22, beginning with line 1, it is proposed to insert the following:

Beaver and Mahoning Rivers, Pa. and Ohio; from the Ohio River to Struthers in accordance with the recommendations of the Chief of Engineers for this section of waterway, in the report submitted in House Document No. 178, Seventy-sixth Congress: *Provided*, That compliance with the conditions of local cooperation shall be limited to those features that are usable in this section of the waterway.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Without objection——

Mr. OVERTON. I should like to present my views on the amendment.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. OVERTON. Mr. President, it would be personally very gratifying to me if river and harbor and flood-control bills could be reported to the Senate without any controversial projects carried in them. Whenever there is a controversial project it delays action and to some extent endangers the authorization of projects which are unquestionably meritorious, and concerning which there is no controversy at all—290 projects are in this bill, only 2 of which are opposed. If there were any way to avoid a discussion of such controversial projects before the Senate, I should certainly be very glad to avail myself of the opportunity to avoid such a discussion.

However, there is no way to do this. Such projects are laid before the committee, and the committee must take them into consideration and act as it deems best. If the committee should fail to report a project favorably it would not avoid the controversy, because the proponents of the project would offer an amendment to the bill, and so the controversy would be waged on the floor.

We spent 2 days in the Senate discussing the Tennessee-Tombigbee project. The Senate resolved against it. We have now before us another controversial project, the Beaver-Mahoning project. Personally I had no interest in the Tennessee-Tombigbee project, and I have none in the Beaver-Mahoning, and whatever the Senate determines shall be done, whether the project shall be authorized or whether it shall be disapproved, is agreeable to me. I make that statement because a number of Senators have asked me with respect to certain projects in the bill, and I have stated that I desire them to form their own opinion as to the merits.

The proposed Beaver-Mahoning project is 35 miles in length. It runs from the Ohio River at the mouth of Beaver River near Rochester, Pa., up to Struthers, in Ohio. Struthers is in the immediate vicinity of and adjacent to Youngstown, Ohio. Youngstown is one of the great steel-production centers of the United States. It produces one-tenth of the steel that is produced in the United States. This project was authorized in 1941. There was an unqualified authorization of it in a House bill. When in 1941 the House bill came over to the Senate there was language inserted under a Senate amendment——

Mr. BURTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. OVERTON. I yield.

Mr. BURTON. The Senator from Louisiana referred to 1941. I think the Senator will recall it was 1935 when that action was taken; 1941 was a subsequent occasion when the bill did not actually get through the Congress. The action was taken in 1935.

Mr. OVERTON. That is correct, Mr. President.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. AIKEN. I understood the Chair to say that the amendment under discussion was agreed to.

The PRESIDING OFFICER. The Chair said "without objection," but there was objection, so the amendment was not agreed to.

Mr. AIKEN. There was objection?

Mr. OVERTON. Yes; I objected.

Mr. AIKEN. I thank the Chair for the explanation, and I thank the Senator from Louisiana for objecting.

Mr. OVERTON. I stated the amendment was controversial. I think the Senate is entitled to debate the amendment.

Mr. AIKEN. I think the Senate is entitled to a complete explanation of the project.

Mr. OVERTON. Mr. President, I stand corrected as to the date of the prior legislation. However that may be, there is in my opinion some doubt as to whether the project stands completely authorized today. That phase of the matter will be discussed by the Senators from Ohio who are proponents of the project, and the Senators from Pennsylvania who oppose authorization of the project. However that may be, the project is here now upon the recommendation of the committee that it be authorized in the language recommended by the Senate Committee on Commerce.

The story back of this project is, I think, rather interesting.

Mr. GUFFEY. Mr. President——

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Louisiana yield to the Senator from Pennsylvania?

Mr. OVERTON. I yield.

Mr. GUFFEY. Did the project receive the unanimous recommendation of the committee, or was a vote taken on it in committee?

Mr. OVERTON. I do not know whether it was unanimous or not. I think there were some votes against it.

Mr. GUFFEY. Was a record of the vote kept in the committee?

Mr. OVERTON. I do not know whether a record was kept.

Mr. GUFFEY. I think the Senate should know that.

Mr. OVERTON. I do not have the factual information to give. I simply know that at least a majority of the committee voted for it, and therefore the committee has recommended the authorization of the project.

Steel production was started in Youngstown, Ohio, about the year 1832. Steel plants were located there because there was plenty of coal available at that

time, and I think for the further reason that there then existed a series and system of channel improvements which extended from the Ohio River by various and devious routes to Lake Erie. Youngstown was on that canal system, and therefore had the advantage of it. As time went on, however, the coal became almost exhausted, and there is very little coal available now in that neighborhood for use by the Youngstown plants, and coal used in connection with the plants must be transported from distant areas of mining.

The canal system which was in use at the time of the establishment of the steel plants in Youngstown has been abandoned, and there is now no canal system in existence. Youngstown is an inland town with no river connection. It lies only 35 miles from the Ohio River, but there is no water connection except through the Mahoning and the Beaver Rivers, neither of which is navigable. The purpose of this project is to make those two streams navigable a distance of 35 miles up to the Youngstown district.

Back before the War between the States, and while the canal system was in operation and Youngstown was favorably located on the canal system, the railroads came. The railroads transported coal and other raw material necessary for the manufacture of pig iron and steel at fairly reasonable rates. The rates which applied to Youngstown and Pittsburgh were the same or practically the same. The railroads then absorbed the canal system. They absorbed it in this way. Either by way of acquisition or in some other manner they built their tracks along the canal routes and, as I understand, sometimes laid their tracks right along the beds of the canals. These canals, either on account of natural accretion or because they were filled up by the railroads, are now no longer in existence.

The equality of rates, or the approximate equality of rates that obtained as between Pittsburgh and Youngstown on raw products being shipped into both steel-producing cities continued until about the outbreak of World War No. 1, and then, under supporting rulings of the Interstate Commerce Commission, there arose various discrepancies in the rail rates between Pittsburgh and Youngstown in favor of Pittsburgh.

In the meantime the Congress of the United States, at considerable expense to the United States Government, directed the improvement of the Monongahela and the Allegheny Rivers so as to admit of easy transportation of coal and other freight down these streams into the Pittsburgh district. The result has been that Youngstown pays six or eight times the freight on the delivery of coal into Youngstown that Pittsburgh pays on delivery of coal into Pittsburgh, and it comes about in this way. Coal is transported by barge down the Allegheny and Monongahela and into the Ohio River, and when it gets opposite Youngstown, at the mouth of Beaver Creek, it must be unloaded from the barges, placed on the railroads, and transported into Youngstown by rail. The ex-river rate on coal for this short distance of 35 miles is 90 cents a ton, plus 5½ cents unloading charge for unloading it from the barge to the railroad, making a charge of 95½ cents which must be paid by Youngstown in order to get the coal to supply its steel plants.

On the other hand, Pittsburgh gets its coal down the river, and it is my understanding that the rate is only about 3 mills per ton-mile. Therefore it gets its coal a great deal cheaper than does Youngstown. So this is largely a fight between the Pittsburgh steel interests and the Youngstown steel interests.

Youngstown was confronted with a serious situation. Its steel interests felt that unless something was done it would have to abandon the manufacture of steel in the Youngstown district. It applied to the Interstate Commerce Commission for a reduction in rates. That application was denied. The rate for that short distance is considerably greater than the average rate for the transportation of coal by rail in the United States. The Senator from Ohio [Mr. BURTON] will give the exact figures. I have them before me. However, it is sufficient for my purposes to show that the rate from the Ohio River by rail to Youngstown is several times greater than the average rate for the transportation of coal by class I railroads throughout the United States.

As I have stated, the Interstate Commerce Commission denied that application for a reduction of railroad rates. The President of the United States, Mr. Franklin D. Roosevelt, took cognizance of this situation at one time and requested the Interstate Commerce Commission to make a study of the whole situation to see what, if any, relief could be given to Youngstown as against the railway freight rates. The Interstate Commerce Commission replied that there could be no reduction in rates. So Youngstown said to the Congress of the United States, "Give us water transportation. If we get water transportation, we shall be on an equality with Pittsburgh, and shall be able to compete with Pittsburgh. If we do not get it, we shall have to abandon the mammoth production of steel at Youngstown."

The committee did not view this question from the standpoint of local interest. It did not approach it from the standpoint of Pittsburgh or from the standpoint of Youngstown, as relates to the controversy which existed between those two centers of steel production. The committee felt that steel was of general use and consumption throughout the United States. It was not a question of building up Youngstown against Pittsburgh, or destroying Youngstown for the benefit of Pittsburgh. It was a question of facilitating the cheap production of steel in order that steel might be sold more cheaply to the people of the United States.

The evidence convinced the Senate Committee on Commerce that if this channel improvement were constructed Youngstown would have the benefit of water transportation on its in-bound and out-bound tonnage, and steel could be sold and would be sold to the general consuming public throughout the United States at reduced prices.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McKELLAR. If that policy is established, where will we stop? For example, whenever a city has the advantage of water transportation, should it be the policy of the Government to provide the advantage of water transportation for other cities which are conducting a like business, even if it becomes necessary to dig canals to the other cities? I am wondering where we would stop. Does the Senator think it ought to be done everywhere?

Mr. OVERTON. No; not everywhere. There must be economic justification; there must be a saving; and there must be a public interest involved. That is what we have here. Youngstown is a great steel-producing center, producing one-tenth of the steel produced in the United States. It is only 35 miles from the Ohio River, a part of our great inland waterway system. Here is a connecting stream which is not navigable. Shall it not be made navigable in order that raw material may go into this great steel-producing area and its out-bound products may be distributed, water-borne, along the Ohio and Mississippi River system in order that the public may have cheaper steel? That is the question. I believe that when we have a combination like that, and the engineers say that the project is economically sound, feasible, and practicable, and when, in addition to helping one particular locality, it would help all the people of the United States, we ought not to stop, as the Senator suggests.

That question involves comment on the value of inland waterway transportation throughout the United States. I believe that it is of tremendous value. I have already had occasion to comment briefly on it in the presentation of the river and harbor bill and the flood-control bill. Inland waterway transportation has grown tremendously. If it had not been for inland water transportation during the war in which we are now engaged, the United States would never have been able to carry out the great program which it has carried out. Steel was very necessary, and is today very necessary in the war effort. If we can produce steel more cheaply, and get the steel at lower prices to the consuming public and to the plants which use it, I think we ought to do it.

I wish to refer to certain testimony with reference to the difference in rates. According to the testimony, and according to Bureau of Railway Economics Statistical Summary No. 27, the average revenue per car-mile in 1942 for moving one loaded car 1 mile in the transportation of ex-river coal to Youngstown was $1.40, while freight revenue per loaded freight-car-mile on all class I railroads in the United States was only 28 cents. Rephrasing it, by another method of calculation it appears that in 1939, which is the latest year for which statistics are available on the cost of coal transportation, the average railroad rate for coal transportation was 7.8 mills per

ton-mile, as against the Youngstown ex-river rate; that is, from the Ohio River to Youngstown, of 22 mills per ton-mile—an average rate of 7.8 as against a rate of 22 mills per ton-mile into Youngstown.

In 1939, according to the Army engineers, the annual savings in freight charges, if the Beaver-Mahoning project were authorized and executed, on 6,000,000 tons of assumed immediately prospective commerce, would aggregate $3,120,400. Since 1931 there has been an increase in the aggregate in-bound and out-bound prospective water-borne commerce. In 1941, before we entered the war, it was estimated at six and one-half million tons. Hence, the savings to be realized from the construction of the Beaver-Mahoning project are well in excess of the $3,000,000 per annum originally reported by the Chief of Army Engineers.

Mr. President, that briefly states the situation. The committee has approved the project because it thinks it is in the national interest to have cheaper steel reach the consumers, and to give this great producing area an opportunity, by the construction of this navigation channel, to obtain its in-bound coal and other raw materials at much cheaper rates, and also to send its out-bound products at cheaper rates to the consuming public. The project is a matter of national interest, not only during the present war effort but at all times. For that reason the Committee on Commerce has recommended its construction.

I repeat what I said at the beginning, namely, that personally this project is a matter—I will not say of utter indifference, but it is one for which I have no personal predilection. It is my duty to lay the project before the Senate. If the Senate deems it meritorious and thinks it should be authorized, as the Commerce Committee thought, I should be happy to have it authorized. On the other hand, if my colleagues think the project is one which should not be authorized, then I shall not be disappointed.

Mr. WILEY. Mr. President, will the Senator yield to me?

Mr. OVERTON. I yield.

Mr. WILEY. Let me inquire what is the reason why the Interstate Commerce Commission would not grant a reduction in the rail rates there.

Mr. OVERTON. I have not read through its report or its decision. I do not know why it did not do so. All I know is that it did not. Perhaps one of the Senators from Ohio can answer the question.

Mr. DAVIS. Mr. President, I should like to ask the Senator whether any evidence was presented to the committee to show that the Interstate Commerce Commission is now giving consideration to the freight rates by rail from the mouth of the Beaver River to Youngstown, Ohio.

Mr. OVERTON. I think there was one statement about that matter.

Mr. DAVIS. Does not the Interstate Commerce Commission now have that matter under consideration?

Mr. OVERTON. I do not know that it now has it under consideration, but I know it has twice had it under consideration, and has done nothing about it.

Mr. DAVIS. My understanding is that it now has the matter under consideration. I thought probably some information along that line had been conveyed to the committee.

Mr. OVERTON. Not that I recall. I think there was a suggestion or statement of some kind that either the Interstate Commerce Commission was going to take it up again or had taken it up again. But I think there would be very little hope of a favorable result, inasmuch as the Interstate Commerce Commission has twice denied relief.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. OVERTON. I yield.

Mr. McKELLAR. During the war is the price of steel fixed by the Government? The Government now fixes the prices of most commodities. However, the price of steel was not fixed, was it?

Mr. OVERTON. I do not think it was.

Mr. McKELLAR. I do not think so either. I can understand why the project might be of tremendous interest to the steel companies in one location, but I do not know whether construction of the project would bring about a reduction in the price of steel to the entire country, as the Senator has suggested. I am simply asking for information, because I do not know what the facts are.

Mr. OVERTON. If the price of steel is an entirely wide-open matter, certainly construction of the project should result in a reduction in the price of steel, because if the steel mills can make steel more cheaply, they could sell it more cheaply. Of course, the Youngstown mills might simply pocket all the profits, and not sell the steel more cheaply to the public. We might be running some risk in that way.

Mr. McKELLAR. Of course, in peacetimes there would not be any fixing of prices.

Mr. OVERTON. No; there would not be any fixing of prices at all then.

Mr. McKELLAR. But it is peculiar that prices are not fixed on a product which is so important to us in the war.

Mr. OVERTON. I do not think they have been, although the Senator from Tennessee is just as able to answer that question as I am.

Mr. McKELLAR. I was merely wondering about it.

Mr. OVERTON. Nothing about that was said in the hearings.

Mr. DAVIS. Mr. President, will the Senator yield further?

Mr. OVERTON. I yield.

Mr. DAVIS. Was any information given to the committee that Youngstown itself had lower prices on other materials which go into the manufacture of steel, namely, iron ore, and had lower freight rates on one or two or three other items? I am told that is so. I do not know what they are, and I should like to have the chairman of the subcommittee give me his opinion regarding that matter.

Mr. OVERTON. Yes, Mr. President; some statements to that effect were inserted in the record. There was also some statement to the effect that the outbound rail rates favor Youngstown, as against Pittsburgh.

Mr. DAVIS. That is correct.

Mr. OVERTON. However, that was answered by the Youngstown people, who said that on westbound freight rates they did have an advantage over Pittsburgh, because the haul was shorter, but that on eastbound tonnage the freight rates were in favor of Pittsburgh, for the same reason.

Mr. DAVIS. The able Senator has just pointed out what might be regarded as a fight, although I do not think it actually is, between steel companies in Youngstown and steel companies in Pittsburgh. However, it may be that there is not really a fight, because a number of steel companies—two to my knowledge, and the United States Steel Corporation is one of them—have large plants of their own in Pittsburgh and they are great beneficiaries in the Pittsburgh district by reason of the water transportation.

So, I think construction of the proposed Beaver-Mahoning waterway would help some of the steel mills in Pittsburgh. But I do not think there is a fight between the steel interests of Pittsburgh and the steel interests of Youngstown.

Mr. OVERTON. By and large that was the impression created in the minds of the members of the committee, because everything was going along smoothly and the engineers were in favor of the project and everything connected with it, and so were the people of Youngstown, but then there came before the committee representatives of the Pittsburgh area, and they brought up the matter of the steel rivalry which existed.

Mr. DAVIS. There is always competitive rivalry between the steel interests, just as in the case of every other sort of interest.

Mr. OVERTON. At any rate, I think the main industry which would be affected in both areas would be the steel industry. Steel is the principal commodity which would be affected in Pittsburgh, and it is the principal commodity which would be affected in Youngstown.

Mr. DAVIS. I do not understand that construction of the project would affect the price of steel at all, even though, as the Senator has pointed out, there is a differential on the coal freight rate, because that is a greater benefit to the people of Youngstown, inasmuch as it results in their having a lower rate on the products which are used in the manufacture of steel. So I think that sort of thing rather balances itself.

Mr. OVERTON. I understand the Senator's viewpoint.

Mr. BURTON. Mr. President, speaking on behalf of this amendment, the Beaver-Mahoning Canal project, I wish to express my appreciation of the attention which has been given to it by the chairman of the subcommittee, the distinguished senior Senator from Louisiana [Mr. OVERTON], who has just explained the fundamental issues involved in it and the reasons why it was approved by the Committee on Commerce. Likewise, I wish to express my appreciation of the attention given to this project by the senior Senator from North Carolina [Mr. BAILEY], the chairman of the Committee on Commerce.

There has been placed on the desks of Senators a publication issued by The Youngstown Vindicator. It explains Youngstown's case for the Beaver-Mahoning waterway. I wish to call particular attention to the map which appears at the beginning of the publication. The map shows more clearly than I could state in words that the project is merely an amplification of access to the headwaters of the Ohio River.

The Ohio River begins at Pittsburgh. It is formed by the confluence of the Allegheny River and the Monongahela River. Both of those rivers, therefore, improved by the Federal Government as they have been, are in the nature of dead-end canals reaching beyond Pittsburgh to their respective sources, one to the north and the other to the south.

The Beaver River is only 25 miles down the Ohio from Pittsburgh. Therefore, the creation of a canal up the Beaver River and the Mahoning River to Struthers, which is just below Youngstown, would give us three water routes of access to the headwaters of the Ohio River.

The proposal which I am submitting is not a new one. It has been repeatedly approved. What I am presenting is an amendment to retain in the construction program of the United States a project which was approved in 1935.

The amendment seeks to reaffirm, with minor modifications which have been approved by the Chief of Engineers, this repeatedly approved project to reach the headwaters of the Ohio River by the canalization of the Beaver and Mahoning Rivers for a distance of 35 miles.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. McKELLAR. I am seeking information. It seems to me that there was a canal once extending between the river to which the Senator has referred and Youngstown. It was finally abandoned. The statement has been made that the railroads took charge of the canal, or were using it. If the canal to which the Senator refers would be an important one—I am merely asking for information—why was the old canal abandoned? Why would it not have been proper to have retained the old canal and continued it in operation?

Mr. BURTON. The Senator from Tennessee has raised a historically interesting point which takes us back to the days of State canals. The canal to which the Senator from Tennessee has referred was the result of the early canalization of the Beaver River. Such a canal was operated from about 1834 to 1875. There were canals on many neighboring streams. When the railroads came in they provided a better system of transportation than could be afforded by the canal under the conditions then existing, and the improvement in the natural water course which was made at that time was only slight.

Since then many things have taken place. The railroads supplied facilities in the area affected by the canal, and originally their rates were on what is known as an equalized basis, so that every shipper within a wide area received the benefits of an equal rate. More recently, however, instead of maintaining the equalized rate the railroads have differentiated between various points on the railroads, and instead of adjusting the rates on the basis of the cost involved the rates were made what the traffic would bear. This has brought about extraordinary discrimination on the part of the railroads. Therefore the matter is now before Congress, and because of the extraordinarily high railroad rates charged to shippers today, the canalization of the river would result in providing much cheaper transportation. The old canal was one of the old State canals abandoned when the railroads came into the area in about 1875.

Mr. McKELLAR. I thank the Senator.

Mr. BURTON. Let us refer to the history of Congress itself in connection with this particular measure. I believe that its history will be a complete justification of the project.

The project was approved by both Houses of Congress in 1935. The total estimated cost was then $47,000,000; $37,000,000 from the Federal Government and $10,000,000 from local interests. However, when the project passed the Senate it was made subject to approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors.

In 1939 that approval was given by the Board of Engineers with the further recommendation that the short canal to Struthers, just below Youngstown, be completed separately as the first step, and that further consideration be then given to the situation before completing the remainder of the much larger project, which would be over 100 miles long and would cost more than $200,000,000.

The recommendation for the short canal reduced the total estimate of the cost of the project from $47,000,000 to $42,400,000, but increased the Federal share from $37,000,000 to $38,500,000. That is one reason for bringing the matter before the Senate at this time, namely, a change in the estimate of a million and a half dollars, which would be the only change involved in the Federal expenditure. The local contribution was reduced from $10,000,000 to $3,900,000. The total cost would be $42,400,000 instead of $47,000,000, and the Federal cost would be $38,500,000 instead of $37,000,000, or an increase of $1,500,000. It is to cover this item of $1,500,000, and the modification of some of the engineering features of the original plans, that the action of the Senate is requested as suggested by the Board of Engineers.

The action which we now ask the Senate to take would not take the project to Lake Erie. It would confine it clearly to the 35-mile project. It would be more, rather than less, conservative than the action already taken by Congress in 1935. It would be directly in line with the recommendation of the Chief of Engineers in 1935, and again in 1939. It would involve additional Federal expenditures of only about $1,500,000 for the improved project, above that already authorized.

If the Senate wishes to sustain the repeated previous approvals of the project by various agencies it will not fail to agree to the proposed amendment. I may well say "repeated previous approvals." The Board of Engineers examined the proposal for constructing the short canal, and approved it in 1934. The Chief of Engineers approved it in 1934. The House Committee on Rivers and Harbors approved it in 1934. The House of Represenatives passed it in exactly that form in 1934. The Senate Committee on Commerce approved it in that form in 1935. The Senate approved it in 1935 with the request which I have mentioned, namely, for further report on its extension as a part of the larger project to Lake Erie. On that basis the Board of Engineers approved the expanded provision in 1939 with the recommendation that the first step to Struthers, be taken separately from the rest. The Chief of Engineers approved the project in 1939. It came up for consideration when the river and harbor bill was introduced in the House in 1941, and in that year the House Committee on Rivers and Harbors, after extended hearings, approved the project. Since then a new Chief of Engineers was appointed, and in the testimony taken before the Senate Committee on Commerce the new Chief of Engineers, through the testimony of his representative, approved the project in 1944. In 1944, this year, the Senate Committee on Commerce also approved the particular amendment now before us.

Therefore, Mr. President, this measure has been twice favorably passed upon by the Board of Engineers, three times by the Chief of Engineers, twice by the Committee on Rivers and Harbors of the House of Representatives, and twice by the Senate Committee on Commerce. It was passed once by the House of Representatives, once by the Senate, and is before us at this time for action as a part of the general post-war program.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. DAVIS. This particular amendment is a Senate committee amendment, is it not?

Mr. BURTON. It is.

Mr. DAVIS. And it has not been passed upon by the House. It was not even submitted to the House, was it?

Mr. BURTON. It was not submitted to the House in the pending bill, but it was submitted to the House in 1941.

Mr. DAVIS. Yes.

Mr. BURTON. I am glad the Senator has brought out that fact. After the authorization of the project in 1935, subject to approval of the long canal through to Lake Erie, it was again recommended in 1939 by the Chief of Engineers.

The first river and harbor bill to come up after that was that of 1941. The proposal was put in the House bill in 1941. Extended hearings were held. It was approved by the House Committee on Rivers and Harbors in 1941. That bill never reached the floor of the House, and it died with the Congress.

In 1944 there again came up the proposal for a river and harbor bill. The question arose, Was it likely that this bill could pass at this session, since the bill in 1941 failed to get any action in the

House? The matter was discussed by the proponents of this measure, and it was decided, in order not to compel the House to go over again the whole ground it went over in 1941 when it approved this express measure, that the House would act on a bill practically without any controversial matters in it, and the bill went through the House in 1944 in that form.

When it came to the Senate there appeared to be a reasonable chance for it as a post-war program.

Mr. DAVIS. Mr. President, may I interrupt the Senator at that point?

Mr. BURTON. I yield.

Mr. DAVIS. As I recall, the Pennsylvania Republican delegation, I believe, practically unanimously adopted a resolution opposing this particular amendment which has been reported to the Senate by the Commerce Committee.

Mr. BURTON. There was no vote in the House in 1941.

Mr. DAVIS. There was no vote in the House, but I say that in a caucus—and I shall present the matter later—as I understand, every member of the Pennsylvania delegation disapproved of this item.

Mr. BURTON. As the matter stands on the record, it was approved by the House Committee on Rivers and Harbors, but the bill, as a war measure, died in the Congress at that time. It was not considered likely that many of these projects could be completed during the war, and the bill was dropped.

Mr. DAVIS. There is no question about that, but I am saying now that practically all the members of the Pennsylvania delegation and quite a number from Ohio disapproved of the project.

Mr. BURTON. I am not arguing what the Senator may know about a caucus; I have no information about that; but, whatever may be the case, the bill was proposed as a war measure at war prices, but it was never thought to have enough chance of passage as a war measure to bring it to a vote in the House.

Mr. DAVIS. I do not quite understand why the House did not submit it themselves.

Mr. BURTON. This entire bill comes to the Senate as a post-war measure, and, as I explained to the Senator, at the time it was before the House practically no controversial measures were put in the bill. No hearings have been held on these matters, from the time the bill went over in 1941 until it came to the Senate in 1944.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BURTON. I yield to the Senator from Louisiana.

Mr. OVERTON. I do not know whether I am correct about it, but it is my understanding that in 1944 the House committee had determined on the policy not to insert in the bill any project which was estimated to cost in excess of $15,000,000. I think that is correct, and it will be found that the projects which were recommended were, for the reasons stated, war measures. They did not want any controversial items and I think no such items were recommended by the House committee the estimated cost of which exceeded $15,000,000. I may be wrong about that but I think I am correct.

Mr. BURTON. The amendment comes before the Senate as an original measure by action of the Senate Committee on Commerce.

I referred to the 1941 action merely to develop the whole story. Whenever the project has come to a vote it has been favorably voted upon either in committee or in Congress.

Now, to approach the proposition itself. I think it is necessary to give a brief description of it and then to trace its legislative history, its economic history, and its justification. The description, I think, has been probably sufficiently covered by the Senator from Louisiana and in the brief statement I have made; but in giving its legislative history it is important that we visualize what has been done with respect to this item and what has been said in connection with it. It appears as an amendment to House bill 3961, which is now pending before the Senate. The amendment is found on page 22. I read it for the reason that it shows that it is merely an amplification of a formerly approved project, in accordance with the recommendation of the Chief of Engineers. On page 22, in lines 1 to 8, the bill provides:

Beaver and Mahoning Rivers, Pa. and Ohio; from the Ohio River to Struthers in accordance with the recommendations of the Chief of Engineers for this section of waterway, in the report submitted in House Document No. 178, Seventy-sixth Congress: *Provided*, That compliance with the conditions of local cooperation shall be limited to those features that are usable in this section of the waterway.

That makes the short canal clearly a partial step in the longer program. It is to stand on its own feet and on its own basis and to stop there until further examination of its economic value before expansion of it can be made. This is as recommended by the Chief of Engineers.

The next preceding reference to the matter in its legislative history occurs in the report of the Senate Committee on Commerce. In that report the amendment is listed on page 3, item 12. I shall read it for the reason that it emphasizes in an official report to the Senate that the project involves a charge of only $1,500,000 so far as Federal expenditure goes. Item 12 reads as follows:

12. Beaver and Mahoning Rivers, Pa. and Ohio: Clarifies previous legislation to enable the deepening of the Beaver-Mahoning waterway from the vicinity of Youngstown, Ohio, to the Ohio River, at Rochester, Pa., at an estimated increased cost of $1,500,000.

In the committee report at page 100 there appears probably the best short and complete statement of the project itself. I read this also for the reason that it is vitally important that it appear in this manner in the RECORD, because it tells the story concretely and in good legislative form. At page 100 of the committee report this statement appears:

BEAVER-MAHONING RIVERS

(H. Doc. 178, 76th Cong.)

The Mahoning River has its origin in northeastern Ohio. It flows southeastwardly to a point near New Castle, Pa., where it is joined by the Shenango to form the Beaver River. The Beaver River flows southwardly 21 miles to join the Ohio River at Rochester, Pa. The Beaver River and Mahoning River are not now improved by the United States. Youngstown, the center of an important steel-producing area, lies on the Mahoning River about 37 miles above Rochester, Pa. It does not have access to water transportation.

House Document No. 277, Seventy-third Congress, recommends the improvement of the Beaver-Mahoning Rivers as far as Struthers, Ohio (immediately below Youngstown), to provide a channel 12 feet deep and 250 feet wide in the Beaver and 12 feet deep and 200 feet wide in the Mahoning at an estimated Federal cost of $37,000,000 and annual maintenance at $630,000. The report shows that the annual benefits to be derived from the project are in excess of its annual cost.

The project was authorized in the River and Harbor Act approved August 30, 1935, by the following item:

"Beaver and Mahoning Rivers, Pennsylvania and Ohio; of the width and depth provided in House Document No. 277, Seventy-third Congress, as a Federal project and to continue to Lake Erie at or near Ashtabula, Ohio, subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors."

In House Document No. 178, Seventy-sixth Congress, submitted after the above-quoted River and Harbor Act, the Board of Engineers for Rivers and Harbors and the Chief of Engineers recommended the construction of the Lake Erie and Ohio River Canal. The recommendation states specifically that the construction should be step by step, the first step being the construction of the Beaver-Mahoning Canal as far as Struthers. The Chief of Engineers in his report brings out that the improvement of the Beaver and Mahoning Rivers as far as Struthers, the first step, is justified as an independent improvement and as such would become an important arm of the Ohio River waterway system.

The two reports, for the section comprising the Beaver and Mahoning waterways, although basically the same, differ in the following important aspects:

The first report (H. Doc. No. 277, 73d Cong.), now authorized by the River and Harbor Act approved August 30, 1935, recommends a waterway 12 by 250 feet in the Beaver; a waterway 12 by 200 feet in the Mahoning; twin locks 56 by 360 feet; reconstruction, where necessary, of railroad bridges to be at the expense of the railroads; construction of the Berlin Reservoir for water supply; all at a total estimated first cost to the Government of $37,000,000.

The second report (H. Doc. 178, 76th Cong.) recommends a waterway 12 by 250 feet for both the Beaver and Mahoning Rivers; single locks 56 by 720 feet; necessary railroad bridges to be constructed by the United States; no reservoirs (Berlin Reservoir and Mosquito Reservoir are now constructed), all at an estimated Federal cost of $38,500,000.

Testimony before the committee has demonstrated that the annual benefits are considerably in excess of the annual costs and that the project, therefore, falls in the required category of favorable economic justification. The conditions of local cooperation adequately safeguard the interests of the United States and local interests. The additional estimated cost over the previously authorized cost is $1,500,000.

Mr. President, referring to the history of the project, I would like to mention five outstanding high spots.

First. The investigation of the short canal, authorized in 1930, was completed in 1934, with a favorable report. This was published in House Document No. 277, Seventy-third Congress.

Second. That report resulted in a bill which passed the House as it was in 1934, then passed in the Senate, in 1935, with a proviso relating to an extension to Lake Erie.

Third. The examination of the proposal for the extension to Lake Erie was completed in 1939, with a favorable report to Congress. This was published in House Document No. 178, Seventy-sixth Congress. This recommended the through canal project with several steps in the construction, and certain minor changes in the plans for the original 35-mile lower section.

Fourth. In 1941 the project was approved by the House committee.

Fifth. In 1944 the project was approved by the Senate committee.

Taking this historical development in somewhat more detail in order that the record may show clearly the basis for all this, I refer first to what the Senator from Tennessee referred to recently, the fact that this area was long ago a canal area. There were old canals in existence on both the Beaver and Mahoning Rivers.

In 1834 a canal was built by Pennsylvania. It was in operation from Rochester to New Castle, connecting with the towns of Rochester, Brighton, Beaver Falls, New Castle, and Youngstown, which were canal towns. It remained in operation about 40 years.

Then we come to another step in the historical development of this project, which must be understood in order fully to understand its relation to the Lake Erie program. In 1919 the River and Harbor Act of March 2 contained an authorization for the study of different canal routes between the Ohio River and the Great Lakes system. This act authorized a survey of "the Miami and Erie Canal, Ohio, including a branch canal connecting the Miami and Erie Canal with Lake Michigan, and such other routes between Lake Erie and the Ohio River as may be considered practicable by the Chief of Engineers, with a view to securing a channel 12 feet in depth with suitable widths, or such other dimensions as may be considered practicable, including any recommendation for cooperation on the part of local interests."

This has been quoted from page 1 of House Document 178, of the Sixty-sixth Congress.

Following that authorization for a general examination of Lake Erie and Ohio Canal made in 1919, came the report of the engineers of February 16, 1922. This was published in House Document 188 of the Sixty-seventh Congress. That report recommended surveys of three routes. First, Pittsburgh to Ashtabula via the Beaver and Mahoning Rivers. I mention that as the foundation for the Beaver and Mahoning program now before us.

Second, a route from Portsmouth to Sandusky, via the Scioto and Sandusky Rivers.

Third, a route from Cincinnati to Toledo, via the Miami, St. Marys, Anglaize, and Maumee Rivers, and for a branch canal from Defiance connecting with Lake Michigan.

Following that report of February 16, 1922, came the River and Harbor Act of September 22, 1922. This marked still another stage in the plan for a canal from the Ohio River to the Great Lakes. It authorized a preliminary examination and report on a waterway from a point at or near Erie Harbor, Pa., by way of French Creek, Pa., to the Allegheny River and the Ohio River. Survey reports of these first three routes came in on March 19, 1925. The Board of Engineers later recommended a new survey of the three Ohio routes and also a survey of the additional Pennsylvania route, making four routes. This recommendation was dated April 25, 1933.

The next step in the history came when an application was made for an additional railroad on this route. This occurred in 1927. The application of the Pittsburgh, Lisbon & Western Railroad was made to put in a new railroad line, and to lower the rates between Youngstown and the river. This application was denied by the Interstate Commerce Commission in 1928, and a further decision in 1929. The discussion of this may be found in the 1941 hearings before the House Committee on Rivers and Harbors, at page 114. I may say that this litigation with the railroads in several forms consumed about 7 years, with never any relief resulting from that approach to the problem.

Mr. President, the next step was the River and Harbor Act of July 3, 1930. This act in 1930 authorized a preliminary examination and survey of the Beaver River, Pa.; Shenango River, Pa.; and the Mahoning River in Pennsylvania and Ohio. The survey recommended covered all three rivers, extending up the Beaver to its junction with the Shenango and the Mahoning, and up to Greenville, above Sharon, Pa., on the Shenango, and up to Warren, Ohio, on the Mahoning.

When the final report came in, it cut out the canal to Shenango, it cut out the Mahoning Canal to Struthers, below Youngstown, but it expressly approved as the foundation for the present program the Beaver-Mahoning Canal from the Ohio River up to Struthers. This revised project therefore was based upon the River and Harbor Act of July 3, 1930.

That brings us to the official report of March 3, 1934. This was published as House Document 277 of the Seventy-third Congress. Maj. Gen. E. M. Markham, then Chief of Engineers, approved the report of the Board of Engineers, submitted on January 30, 1934, by Col. W. J. Barden, the senior member of it.

Mr. President, the report of 1934 is vitally important today. I therefore read from the report of the Board of Engineers for Rivers and Harbors, at page 5, the syllabus of the report. This syllabus bears on the situation today. It reads as follows:

> The Board finds that the Youngstown area is under a material handicap as compared with competitors in the matter of higher freight rates and that some relief is necessary if the district is to be allowed to prosper and its future welfare is to be secured. While it appears that substantial relief could be secured through lower ex-river rates, which would still be at a ton-mile cost greater than that of the average in this region, local interests have been unable to secure such reduction in rates. Under these circumstances the Board recommends improvement by canalization of the Beaver and Mahoning Rivers, Pa. and Ohio, from the mouth of the Beaver to Struthers, Ohio, so as to provide a channel 12 feet deep and 250 feet wide in the Beaver and 200 feet wide in the Mahoning, increased to 300 feet on bends, with twin locks 56 by 360 feet, in general accordance with plans submitted by the district engineer, except for the omission of one reservoir and of the lower lock and dam in the Beaver River and the provision of 27 feet instead of 20 feet vertical bridge clearances, all at an estimated cost of $37,000,000, with $640,000 annually for operation and maintenance, subject to certain conditions of local cooperation. The Board further recommends that the exact location and details of designs of all structures be left to the decision of the Chief of Engineers.

That, Mr. President, is the result of the 4 years' study which is the foundation of the amendment presented today in a still further modified form based on further study.

As the next step in the history of this project I call attention to the report of the Chief of Engineers himself, also included in House Document No. 277, Gen. E. M. Markham, who says at page 4 of the report the following:

> After due consideration of these reports, I concur in the recommendations of the Board. The proposed improvement is essentially a canal extending from the Ohio River into the heart of a highly developed industrial district.

The next step in this historical record of this project consists of the hearings which were held upon that report from March 19 to 23, 1934. Those were extended hearings before the Committee on Rivers and Harbors of the House of Representatives.

The next step came when in 1935 the House of Representatives passed House bill 6732 in the Seventy-fourth Congress. That was the first rivers and harbors bill that had come up in about 5 or 6 years.

The next step—and I call attention to these steps to show how fully this project has been considered at every point, and how the favorable action has been repeated time after time—the next step came in the hearings in the Senate Committee on Commerce from April 22 to June 4, 1935.

The next step occurred when the Senate committee made a favorable report following those hearings. This report is known as Report No. 893 of the Seventy-fourth Congress, a Senate committee report to accompany House bill 6732, and I read from that its brief statement giving its conclusions, still being directly in line with the proposals now presented. It appears at page 39, as follows:

> The improvement proposed extends from the Ohio River at Rochester, Pa., up the Beaver and Mahoning Rivers to the Youngstown industrial district. In this district there is a population of 800,000. It contains 60 mills with a total annual capacity of over 30,000,000 gross tons. It is reported that the rail traffic from this district amounts to 74,750,000 tons per annum. The project adopted will provide a channel 12 feet deep from the mouth to Struthers, Ohio, to be secured by dredging and the construction

of locks and dams. The estimated cost is $37,000,000, with maintenance estimated at $630,000 annually.

The next step occurred when that bill, amended on the floor of the Senate, was passed by the Senate, and became the act of August 30, 1935. This act, insofar as it relates to this project, is quoted at page 17 of House Document 178 of the Seventy-sixth Congress. It is a short provision and is as follows:

Beaver and Mahoning Rivers, Pa. and Ohio; of the width and depth provided in House Document No. 277, Seventy-third Congress, as a Federal project, and to continue to Lake Erie at or near Ashtabula, Ohio, subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors.

That was in 1935. That called for an investigation of the long waterway, the through waterway, a waterway to extend from the Ohio River to Lake Erie, and the engineers reported on that on January 23, 1939. That report is known as House Document No. 178 of the Seventy-sixth Congress. I wish to point out here, because it is the latest detailed examination of the subject and official report on the subject by the Engineer Corps, that the district engineer, Lt. Col. W. E. R. Covell, the division engineer, Col. R. G. Powell, the Board of Engineers, under the chairmanship of the senior member, Brig. Gen. M. C. Tyler, and the Chief of Engineers, Maj. Gen. J. L. Schley, agreed on this report from the beginning to the end, with but minor differences, and they first of all considered whether there might be another route for later development between the Ohio River and the Lake Erie system than the one on the Beaver and the Mahoning. They all selected the Beaver and Mahoning and Ashtabula route for the through route, and they recommended the building of the canal, not only the short canal but also the through canal, with an express recommendation, however, that the through canal be built in several steps. They recommended that the first step be the short canal now before the Senate, and that a further economic survey be made after its completion, before proceeding with the rest of it.

These two projects, Mr. President, must not be confused. The through canal, which is not under consideration here, would be inclusive, however; of the short canal. But instead of being 30 miles long it would be nearer 130 miles long. Its cost to the United States, instead of being $38,500,000, as revised now for the first section, would be $225,910,000 for the long canal. The cost to local interests, instead of being $3,900,000 for the short project, is estimated for the through project at $14,156,000. The over-all cost for the long project or through canal would be $240,066,000, as against $42,400,000 for the short canal. The annual cost to the United States for the maintenance and operation of the through canal would be $1,730,000, as contrasted with an annual cost of $630,000 for the short canal. It is found by the engineers that there would be a substantial excess of benefits over cost on the long canal, as well as on the short canal, the estimate on the long canal being about $8,000,000 a year. This was considered amply sufficient to justify the project.

Mr. President, that approval in 1939 of the through canal, in addition to the approval of the short canal, is of particular importance in the present situation for several reasons: First, by completing the review of the Beaver-Mahoning project as a part of the greater project, this report doubly checks and reestablishes the engineering feasibility of the canal. If it is a feasible route for the through project, it is certainly navigable and feasible for the shorter project. I may point out that the Beaver-Mahoning-Ashtabula route, including the Beaver-Mahoning as the first step, is chosen over three other competing routes as being the best of the four. Second, the Beaver-Mahoning-Ashtabula route for the through canal, including the Beaver-Mahoning as the first step, is found suitable and justifiable for a still greater movement of traffic than that on the short step alone.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Ohio yield to the Senator from Missouri?

Mr. BURTON. I yield.

Mr. CLARK of Missouri. I am very much interested in what the Senator has said about the shorter route and the fact that the longer route has been approved as justifying the shorter route. As the Senator knows, I voted for this project in the Commerce Committee; but it does not seem to me that the fact that a through line would be justifiable also justifies a stub line.

Mr. BURTON. I thoroughly agree with the Senator, except from the engineering standpoint of the navigability of the short canal.

Mr. CLARK of Missouri. I am not disputing that at all; but it seems to me that the same principle which would apply to a railroad applies to this proposal, namely, that a through line might be entirely justifiable, whereas a stub line might not be justifiable.

Mr. BURTON. I agree with the Senator from Missouri that approval of the through line and the short line are quite separable; but one of the objections raised to the short canal is that it would not be sufficiently navigable to handle traffic on the short route. For that reason I think approval of the long route would certainly indicate that the short route would be navigable.

Mr. CLARK of Missouri. I am not undertaking to dispute the navigability of the short canal; but I do say that the fact that a through line might be justifiable does not necessarily justify a stub line.

Mr. BURTON. I am not attempting to base it on that argument.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. BURTON. I yield.

Mr. GUFFEY. As I understood, a while ago the Senator quoted Colonel Feringa on the cost of operation of the canal.

Mr. BURTON. Is the Senator referring to the through canal?

Mr. GUFFEY. The Senator quoted some figures as to the total cost locally, in connection with the through canal.

Mr. BURTON. I quoted from the engineers' report, not from Colonel Feringa.

Mr. GUFFEY. The Senator stated that the annual local cost would be $600,000.

Mr. BURTON. Six hundred and thirty thousand dollars as estimated for the short canal.

Mr. GUFFEY. What were the figures as to the annual cost of the whole canal?

Mr. BURTON. For the long canal, the cost for maintenance and operation was estimated at $1,730,000.

Mr. GUFFEY. The testimony shows that the cost to the Federal Government would be $2,275,000, and that the annual local cost would be $600,000, making a total of $2,875,000. I do not believe those were the figures the Senator used. I know the Senator would not wish to misquote anyone.

Mr. BURTON. I do not wish to misquote anyone. I should like to refer back to the engineers' report for a moment, which may clear up the matter. I was quoting from the engineers' report when I made my statement.

Quoting from page 10 of House Document No. 178, and quoting from the report of the Chief of Engineers there published, Major General Schley, in paragraph 25, says——

Mr. GUFFEY. I have used the figures in the subcommittee report, and the Senator has used figures from the report of the full committee.

Mr. BURTON. I am taking the figures from the engineers' report, for the actual maintenance and operation of the canal, not the total costs to be balanced against the total benefits. Let me make it clear. I read:

The Board accordingly recommends construction of the waterway at a cost to the United States of about $207,000,000 for the new work and $1,730,000 annually for maintenance and operation, subject to certain conditions of local cooperation.

That was the report of the Chief of Engineers in 1939.

Mr. GUFFEY. What were the figures representing local cost, which the Senator used in his statement?

Mr. BURTON. The cost which I am using for Federal maintenance and operation of the short canal is $630,000.

Also, referring again to the value of the 1939 report on the short canal, it emphasizes the fact that the Beaver-Mahoning Canal is the first step, with slight modifications, expressly approved by the Board of Engineers as an independent step; and an express recommendation is made by the Board, really for the second time, that the project stand on its own feet. The Board recommends that the short canal be completed first, and that a survey then be made to determine whether it would be advisable to continue, or to stop there.

In this connection I wish to point out that I have noted that the through canal has at various times also been supported by the Pittsburgh and Pennsylvania interests as being of possible value to that area; but when the project was cut down

to a shorter canal, opposition developed. I quote from page 23 of the pamphlet entitled "The Taxpayers' Case Against Youngstown's Beaver-Mahoning Dead-End Canal," which was received by a Member of the Senate. This is a quotation from the Pittsburgh Sun-Telegraph of July 16, 1944:

The fight for the canal has been waged before Congress for a number of years. Originally part of the Ohio-Lake Erie Canal plan, favored by Pittsburgh interests, opposition grew by leaps and bounds when it became evident that its terminus would be at Struthers, Ohio.

I cite the Pittsburgh support to the extent that it indicated the engineering feasibility of such a route, although the Pittsburgh interests objected to stopping at a shorter point.

Mr. GUFFEY. Pittsburgh was always in favor of the through canal.

Mr. BURTON. Is Pittsburgh still in favor of the through canal?

Mr. GUFFEY. I do not know.

Mr. BURTON. If it favors the through canal——

Mr. GUFFEY. There will never be a through canal if we have very many such projects as this.

Mr. BURTON. Without getting into a by-pass in this discussion, I wish to emphasize that we cannot go all the way through without going part way first, and therefore the first part must be navigable.

Finally, on this particular matter, in view of the language of the act of August 30, 1935, which approved, and still stands as approving, the Beaver-Mahoning short canal as a Federal project, to continue to Lake Erie at or near Ashtabula, Ohio, subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors, it is important to see exactly what that Board of Engineers did say, because the Board of Engineers having approved it, its action has really fitted in completely with the action of Congress already taken in 1935 expressly on the subject. I therefore turn to the action of the Board of Engineers in accordance with that express recommendation and direction of the Congress. On page 17 of House document No. 178, which contains the report of the Board of Engineers, we find these important statements bearing on the project now before us. The Board of Engineers finds, in paragraph 11:

The first step of the work should consist of the improvement of the Beaver-Mahoning Rivers as described in House Document No. 277, Seventy-third Congress, second session, modified as proposed by the present plans, at an estimated construction cost of $38,500,000 to the United States and $3,900,000 to local interests. The prospective traffic and savings for this section justify its construction at the present time with one lock 56 by 720 feet at each lift, but no work should be started until local interests have furnished rights-of-way for the through canal as proposed hereafter. The extension of the waterway, in part or in full, to Lake Erie should be undertaken only if found advisable after the first section to Struthers has been opened to traffic and after a further determination of economic advisability, taking into consideration changes that result from the work already finished, and after the Chief of Engineers has been assured that adequate terminals will be constructed by local interests.

There is a clear segregation of the first step from the rest.

In paragraph 12, the Board of Engineers stated:

Improvement of the Beaver and Mahoning Rivers was authorized in the River and Harbor Act approved August 30, 1935, as follows:

"Beaver and Mahoning Rivers, Pa. and Ohio, of the width and depth provided in House Document No. 277, Seventy-third Congress, as a Federal project and to continue to Lake Erie at or near Ashtabula, Ohio, subject to the final approval of the whole project for the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors."

The Board then continued as follows:

The Board now concludes that the whole project from the Ohio River to Lake Erie, with certain modifications of the plans proposed in House Document No. 277, Seventy-third Congress, second session, is economically justified. Because of the large expenditure required for the project and in order that advantage may be taken of changes in economic conditions and of adjustments in transportation charges, the Board believes that construction should be undertaken in several steps as found advisable by the Chief of Engineers; that somewhat unusual requirements for local cooperation are justified; and that the Federal Government should pay for the reconstruction of existing railroad-company bridges spanning the Beaver and Mahoning Rivers. To carry out the work in accordance with these conditions it is necessary to secure additional authority from Congress.

Because of that statement by the Board of Engineers, we are here endeavoring to secure the additional consent of Congress to conform to the specific recommendation of the Board.

In paragraph 13 the Board continued as follows:

The Board therefore recommends step-by-step construction of the waterway extending from the Ohio River through the Beaver, Mahoning, and Grand River Valleys to Lake Erie, with minimum depth of 12 feet and generally 250 feet wide (minimum width 200 feet), at a cost to the United States of about $207,000,000 for construction and $1,730,000 annually for maintenance and operation, the exact alinement, location, program of construction, and details of design of all structures to be left to the decision of the Chief of Engineers; subject to the condition that before any construction on any part of the improvement is undertaken, local interests shall—

(a) Furnish free of cost to the United States title to all lands required for rights-of-way in and south of the city of Warren.

(b) Agree to furnish free of cost to the United States suitable spoil-disposal areas for initial work and for subsequent maintenance as required for the section in and south of Warren.

(c) Agree to hold and save the United States free from claims for damages in connection with existing water rights for power development and other purposes, and for other damages that may occur due to construction of the waterway.

(d) Agree to operate Milton Reservoir under the supervision of the Chief of Engineers for the primary purpose of increasing the low flow in the interest of navigation.

(e) Agree to make at their expense alterations, as required, of existing highway and steel company bridges spanning the Beaver and Mahoning Rivers, and necessary road changes in connection therewith.

(f) Agree to maintain at their expense all new public roadways, and maintain and operate all rebuilt and new bridges constructed incident to the improvement.

(g) Agree to make at their expense alterations as required in all sewer, water supply, and drainage facilities.

(h) Agree to provide at their own expense, and as required, suitable and adequate lake and canal terminals, and dredged harbor areas adjacent thereto shoreward of channel or harbor lines, in accordance with plans approved by the Chief of Engineers and the Secretary of War.

Finally, following the list of local requirements, the Board said that—

The Board further recommends that in view of the extraordinary enlargement of the river channels, required to provide a suitable through waterway, the Federal Government pay the cost, as determined by the Chief of Engineers, that is finally involved in making necessary changes in existing railroad company crossings, and track adjustments in connection therewith.

It is also important to note that at this point express approval is given by the Chief of Engineers himself, apart from the Board. Maj. Gen. J. L. Schley, in his report of May 23, 1939, as bearing specifically upon the short canal as a separate step justifiable in and of itself, apart from the final decision upon the completion of the through canal, made a statement. His statement appears on page 10 of House Document No. 178, and is material and important. In paragraph 24 of the statement General Schley said:

Because of the large expenditure required for the project and in order that advantage may be taken of changes in economic conditions and of adjustments in transportation charges, the Board believes that its construction should be undertaken in several steps, the first step consisting of the improvement of the Beaver and Mahoning Rivers as described in House Document No. 277, Seventy-third Congress, second session, with modifications as proposed by the present plans, at an estimated construction cost of $38,500,000 to the Federal Government and $3,900,000 to the local interests.

Then he added:

Extension of the waterway, in part or in full, to Lake Erie should be undertaken only if found advisable after further determination of economic advisability, taking into consideration rate adjustments and changes that result from the work already finished, and after the Chief of Engineers has been assured that adequate terminals will be constructed by local interests.

26. I concur with the Board that the Pittsburgh-Ashtabula route is the best route for a waterway between Lake Erie and the Ohio River, and that the savings in transportation charges and other benefits are sufficient to warrant the adoption of the project at this time.

27. I also concur with the Board that construction, if authorized, should start with the canalization of the Beaver and Mahoning Rivers to Struthers. This part of the proposed project is economically justified as an independent improvement and as such would become an important arm of the Ohio River waterway system. The commerce available consists largely of bituminous coal which now moves from points in the Ohio River Basin by barge to, and near, the mouth of the Beaver River, where it is transferred to rail lines for a short haul to points in the Youngstown area. After the construction of this section of the waterway the movements could be completed by barge

with a considerable saving in transfer and line-haul costs.

28. The through project to Lake Erie will save the shippers an average of 72 cents per ton in transportation charges on the prospective commerce, estimated as 28,000,000 tons per year. The total Federal and non-Federal costs resulting from the construction of the project would amount to a cost of 43 cents per ton, leaving a net average saving of 29 cents per ton. It seems important to call attention to the fact that if the waterway is constructed the railroads which now carry this commerce would have to meet a competitive water rate averaging 72 cents per ton below the present rail rates, or lose a large volume of traffic and revenue, while a permanent reduction in rail charges averaging 29 cents per ton, if put into effect prior to construction of the through waterway, would eliminate the justification for the project. Since it is impossible to determine at this time the extent and effect of future possible rail-rate reductions it is advisable that the completion of the waterway from Struthers to Lake Erie in part, or in full, be undertaken only after the section to Struthers has been opened to traffic and after a further finding by the Chief of Engineers of economic justification, taking into consideration trends in economic conditions, rate adjustments, and changes that result from the work already finished. It is advisable that the through project be authorized in accordance with the plans outlined by the Board and that the program of construction be left to the decision of the Chief of Engineers and the approval of the Secretary of War.

29. I therefore recommend the construction of a waterway extending from the Ohio River through the Beaver, Mahoning, and Grand River Valleys to Lake Erie with minimum depth of 12 feet and generally 250 feet wide (minimum width 200 feet), at an estimated cost to the United States of $207,257,000 for construction and $1,730,000 annually for maintenance and operation, the exact alinement, location, program of construction, and details of design of all structures to be left to the decision of the Chief of Engineers, subject to the condition that before any construction work on any part of the improvement is undertaken, local interests shall—

(a) Furnish free of cost to the United States title to all lands required for rights-of-way in and south of the city of Warren.

(b) Agree to furnish free of cost to the United States suitable spoil-disposal areas for initial work and for subsequent maintenance as required for the section in and south of Warren.

(c) Agree to hold and save the United States free from claims for damages in connection with existing water rights for power development and other purposes, and for other damages that may occur due to construction of the waterway.

(d) Agree to operate Milton Reservoir under the supervision of the Chief of Engineers for the primary purpose of increasing the low flow in the interest of navigation.

(e) Agree to make at their expense alterations, as required, of existing highway and steel company bridges spanning the Beaver and Mahoning Rivers, and necessary road changes in connection therewith.

(f) Agree to maintain at their expense all new public roadways, to maintain and operate at their expense all rebuilt and new highway and steel company bridges, and to assume the cost of maintenance and operation of all new railroad company bridges, constructed incident to the improvement.

(g) Agree to make at their expense alterations, as required, in all sewer, water supply, and drainage facilities.

(h) Agree to provide at their own expense, and as required, suitable and adequate lake and canal terminals, and dredged harbor areas adjacent thereto shoreward of channel or harbor lines, in accordance with plans approved by the Chief of Engineers and the Secretary of War.

I further recommend that in view of the extraordinary enlargement of the river channels, required to provide a suitable through waterway, the Federal Government pay the cost, as determied by the Chief of Engineers, that is finally involved in making necessary changes in existing railroad company crossings, and track adjustments in connection therewith.

There then follows an interesting side development of importance in the history of this matter. It is contained in a letter from Frederic A. Delano, chairman of the advisory committee of the National Resources Committee, to the President of the United States, written on February 16, 1939. The letter will be found on pages 17 and 18 preceding the report from which I have just been reading, in House Document No. 178. It reads in part as follows:

In view of (1) the previous general authorization for the project, (2) the possibility of delaying the allotment of funds for the project for some time after a perfecting authorization may be made, and (3) the ill-humored protest which almost certainly would greet any attempt to delay congressional consideration of such authorization, our advisory committee suggests that the report be transmitted to the Congress without comment by you. However, the committee recommends that you consider taking the following action at that time:

1. Request the Secretary of War to inform you before any allotments are made for actual construction of the project, if and when it is authorized in its modified form.

That refers to the full through canal.

2.—

This is of special importance here—

Request the Interstate Commerce Commission to review the report, when printed, in order to determine the need for the project in relation to present rail and highway facilities and to the effect which the construction of the project would have on the operations of rail and motor carriers * * *. There is a possibility, of course, that the Commission may not wish to make this study and may suggest that the investigation involved is beyond their authority. It seems to us, however, that the question, if it arises, might well be faced on an important case like that of the proposed Beaver-Mahoning Canal involving over $200,000,000.

The President, in transmitting the report to the Chairman of the Interstate Commerce Commission, followed that recommendation. I ask unanimous consent that there may be printed at this point in the RECORD the letter from Franklin Delano Roosevelt to the Chairman of the Interstate Commerce Commission, dated February 16, 1939, appearing at page 15 of House Document No. 178, carrying out that recommendation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, February 16, 1939.

Memorandum for the Chairman, Interstate Commerce Commission.

I recently have reviewed a report by the Chief of Engineers in which he concurs in the recommendations of the Board of Engineers for Rivers and Harbors for construction of a waterway through the Beaver, Mahoning, and Grand River Valleys at a cost to the United States of $207,257,000 and to local interests of $12,472,000. The report is being transmitted to the Congress by the Secretary of War.

The Board states that "if the railroads would permanently reduce the rates by an average of 29 cents per ton prior to construction of the waterway, the through project could not be justified." The Board then goes on to say that—

"At the present time the Interstate Commerce Commission does not regard cost of service as the sole controlling factor in determining whether rates are just and reasonable (see 223 I. C. C. 657, p. 737), and hence it would be illogical to consider the present rates as the cost of providing the rail service, and it would accordingly be impossible for the Board to predict the extent to which rail-rate reductions will be put into effect either prior to or after the construction of the waterway. However, it is quite evident that if rail reductions are to be made, as is usually done to meet water competition, it would be advantageous to both the railroads and the United States for such reductions to be made before large obligations are incurred for construction work on the through canal."

In view of this report, I wish that the Commission would undertake an investigation of rail rates in the area affected and review the report, as soon as it is printed, so that the Commission may advise me on whether or not rate reductions of the magnitude and type noted above would be economically justified. I presume that such review would require consideration of the present railway and highway facilities in the area concerned, and of the effect which construction of the project would have on rail and motor carriers. These are problems which I should like to have examined before large Federal expenditures are made for the project.

FRANKLIN D. ROOSEVELT.

Mr. BURTON. Mr. President, under those circumstances we have the unique situation of a through canal much larger than the one now proposed being referred to the Interstate Commerce Commission for recommendation, in view of the great disparity existing between the railroad rates and the water-transportation rates, it being clear that there would be a saving of $8,000,000 a year, or more if the water route went through.

Under those circumstances it would be conceivable that the railroads might voluntarily reduce rates. One would suppose, to meet a situation of that kind, where the Interstate Commerce Commission expressly found and showed that the rates do not depend so much upon cost to the railroads as upon what the traffic will bear, and that therefore they could be reduced. Throughout these communications the thought was expressed that perhaps voluntary reductions might be brought about. But I wish to emphasize—and this point is material to our present issue—that the railroads resisted all proposed reductions from the year 1927 on, at which time, as I pointed out, they resisted construction of an additional railroad to provide lower rates. The railroads are now resisting reduction of the rates, and they definitely declined to make voluntary reductions when they were sought in 1940 by the Youngstown interests, following the 1939 report, which would point toward their solution.

It is with this point in mind that I wish to call the attention of the Senate to the failure of the railroads to respond

to every effort of the Youngstown interests to bring about a voluntary reduction in rates on the long canal which was then under consideration by the Interstate Commerce Commission, or was about to be.

I shall now read from a brief recently filed in 1944 in a case pending before the Interstate Commerce Commission. It is Docket No. 28,825, entitled "Bituminous Coal to the Youngstown District," filed by the Youngstown Sheet & Tube Co., in which there is a review of the efforts to obtain voluntary reductions on this long route. I read from pages 8, 9, and 10, in part:

The construction of a canal connecting the Ohio River with Lake Erie has been actively advocated by various associations in the Pittsburgh district and in Youngstown and Mahoning and Shenango Valley districts for the past 50 years. This has been particularly so in the last decade.

In 1935 the Chief of Engineers, United States Army, recommended construction of a canal from Beaver, Pa., up the Beaver and Mahoning Rivers to Struthers, Ohio, just east of Youngstown. This improvement was authorized in the River and Harbor Act of August 30, 1935, "subject to the final approval of the whole project from the Ohio River to Lake Erie by the Board of Engineers for Rivers and Harbors." It will be noted that that portion of the project from Beaver up to Struthers is now shown on the official map of the War Department as an authorized section of the waterway. Following this authorization there was further study of the through project, and it was finally approved in the report of the Chief of Engineers dated January 23, 1939. This was the report which contained the reference to the economic effect of a possible rate reduction averaging 29 cents per ton by the rail carriers, and was the same report which was submitted by the President to this Commission and resulted in its report cited "Proposed Lake Erie-Ohio River Canal."

It was that report which, at page 763, contained the statement indicating that the Commission was unaware of the attitude of those carriers respecting the desirability of making a voluntary reduction in the rates.

The Youngstown interests undertook to develop what that attitude was, with particular reference to the all-rail and ex-river rates on bituminous coal to the Youngstown district. Negotiations were had between representatives of the Youngstown consumer interests and the traffic vice presidents of the Baltimore & Ohio, the New York Central, and the Pennsylvania Railroads, commencing in Youngstown on March 29, 1940. No definite proposal was made by the carriers in the course of that conference. The conference ended with the understanding, at least on the part of the Youngstown interests, that an affirmative proposal would later be made by the railroad representatives. That, however, did not eventuate.

Three months later, there was a further conference between Youngstown representatives and the same traffic executives of the three trunk lines, at which time the latter stated that they had not intended to make any proposal with respect to voluntary reductions. A further and last conference was had on August 5, 1940, at which time the carriers' position was stated about as follows:

"After a great deal of discussion and after giving the subject very full consideration and acting on the advice of counsel, that no change could be made in either the all-rail or ex-river coal rates to Youngstown without adversely affecting coal rates over a very wide territory, and particularly due to two important coal-rate adjustment cases now pending before the Interstate Commerce Commission, these three railroads regret very much that no change can be made in the Youngstown coal rates at the present time."

This ended the conference. Insofar as it indicates the conceivable possibility of some later reduction in rates, it is indirectly hopeful; but insofar as actual results go, there have been no reductions in rates, and the situation stands on the voluntary refusals which I have stated.

But the striking thing is what the Interstate Commerce Commission did when it reported on the application to it for a reduction in rates. The Interstate Commerce Commission reported on the application on October 3, 1939. It reported to the President, and the report is published in volume 235 of the Interstate Commerce Commission Reports, page 753. It is also found at pages 128 to 153 of the hearings before the House Committee on Rivers and Harbors held September 30, 1941, to October 6, 1941.

Briefly, the answer of the Interstate Commerce Commission as to the possibility of requiring a reduction of railroad rates on the basis of potential water transportation on the through-canal was "No." It was stated, in effect, that under the present law potential water competition is not enough, but apparently actual water competition might be enough to secure reductions based upon competitive conditions.

The report does not deal with the short-canal issue, but solely with the through-canal issue. It is, however, of great value for at least two reasons. The report from the Interstate Commerce Commission demonstrates the futility of seeking rate reductions in the absence of actual water competition. Secondly, it demonstrates the general soundness of the engineers' report in estimating the benefits to be derived in savings from water transportation on the basis of the through canal. The report of the Interstate Commerce Commission therefore reflects favorably upon similar estimates previously made by the Board of Engineers on the short canal.

Therefore, the statement from the Interstate Commerce Commission has two distinct values to us. First, as indicating the futility of competitive reduction in rates based on potential water competition, and therefore looking toward actual water competition as the only means of securing the reduction; and secondly, as an expression of opinion from the Interstate Commerce Commission as to the reliability of the Army engineers in their estimates of rates and savings.

On the first point, that of the futility of seeking a reduction in rates on railroad transportation based on potential water competition, the Interstate Commerce Commission points out that the rates it approves for railroads do not depend wholly on costs, but evidently include also historical and actual competitive factors. It points out clearly that the railroad rates are not based wholly on costs. They are based on a multitude of things. Therefore, in many cases, as in the present one, it is clear that the rates do not depend in any substantial measure on the cost of transportation between the Ohio River and Youngstown, but upon what the traffic will bear, and the ability to exact from consumers and shippers, in the absence of any other competition, a rate higher than that based on any cost factor.

In order to make this clear, I invite attention first to the provision of the United States Code, title 49, section 4. It is there stated that the charges for long and short hauls cannot be varied by the Interstate Commerce Commission merely because of potential water competition. The language is as follows:

And no such authorization shall be granted on account of merely potential water competition not actually in existence.

That means that the Interstate Commerce Commission, under the statute, does not have the right to modify certain railroad rates because of potential competition, but when actual competition occurs the situation is different.

I now read from the opinion of the Interstate Commerce Commission. I take the quotations from the opinions of the Commission as reprinted in the hearings held by the Committee on Rivers and Harbors of the House of Representatives from September 30, 1941, to October 6, 1941. The first quotation is on page 133 of those hearings. It bears upon the futility of action by the Interstate Commerce Commission. The Interstate Commerce Commission says in its report:

Section 4 prohibits the charging of higher rates to intermediate than to more distant points over the same line or route unless, under the conditions specified in the section, we have authorized such rates. We may not give such authorization if, among other things, the adjustment sought is justified by only potential water competition.

A little later in its report, on the same page, the Commission said:

In implementing the general standards set up in these four sections, we have never considered it practicable to make rail rates wholly with relation to the costs of transporting particular commodities between particular points. The reasons are in part the difficulty of ascertaining such costs but more importantly the fact that the rate structures with which we have had to deal have reflected the part and continuing efforts of the railroads to cope with competition and to preserve and to promote the traffic in which they are individually interested.

I may say, Mr. President, that we are there confronted with the situation that in this particular area we are handicapped by a lack of actual competition in railroad transportation and we therefore pay a higher rate for transportation costs because we are not in a position to provide the competition which would force rates down and the traffic is made to bear a high charge merely because it is unable to escape it.

Again on the same page 133 the Commission says:

The rise of motor transportation and the extension of water and pipe line competition have undone many of our efforts, and the rate structures of the country have become more complex as a result.

That certainly does not give us a basis for saying that the Nation should step in

and allow for the benefits of actual water competition at Pittsburgh, for example, and at other places which have actual water competition, and then refuse to step in and help to establish similar actual water competition at Youngstown. The rise of water competition is entitled to assistance just as much for the benefit of Ohio consumers and taxpayers as it is for the benefit of Pennsylvania consumers and taxpayers.

The Interstate Commerce Commission on page 133 again said:

We have made for the purposes of this report a general analysis of the costs of rail transportation of the traffic that directly and indirectly may be affected by the proposed waterway. This analysis has not been carried to a point which would enable us to determine whether the rates to Youngstown and other points interested in the project are in any particular out of line with other and related short-haul rates. Such a finding, which in any event would not be conclusive of the issues can best be made on a public record to which the interested parties would contribute. We can say, however, that the traffic in question is both short-haul and heavy loading, it is probable that, from a cost standpoint alone, some and perhaps most of these rates could be reduced without bringing them down to cost.

I wish to emphasize that although recognizing that these rates were substantially above cost and that they would be subject to be reduced, there was both an unwillingness and perhaps an incapability of reducing them in the face of merely potential water competition.

On page 134 the Commission states the alternative as follows:

We do not know what the attitude of these carriers is respecting the desirability of making a voluntary reduction at this time in preference to making a larger reduction in the event the project is carried through. As we now see the matter, they face the alternatives of attempting to make a voluntary reduction which could not, on present information, be confined to Youngstown and the other points which have figured in the Board's calculations, and the making of a larger competitive reduction after the waterway is provided. Under the law as it now stands and on the information now available, the railroads probably could not single out the specific rates which the Board has in mind.

That merely emphasizes the necessity of proceeding soon with the short canal construction or at least with its authorization, if there is to be any relief.

I go now to page 153 of the same report. In the summary of the Interstate Commerce Commission its first statement is as follows:

By the way of final summary, we wish to state (1) that permanent rate reductions of th type and magnitude specified in the inquiry directed to us would not be economically justified prior to the construction of the canal for the reason that, on the information now available, these reductions could not be confined to the traffic of those who would be expected immediately and directly to benefit by construction of the proposed waterway.

All that says is that obviously there is a basis for reduction; that competition will bring about reduction; that the general public would benefit from it, but that the Interstate Commerce Commission will not order a reduction in the face of merely potential water competition. It leaves us but one alternative, the alternative so often used by the Federal Government throughout the Nation, namely, the construction of beneficial water transportation.

I may add at this point, as bearing upon the railroad rates of this Nation, an interesting statement made by the Board of Investigation and Research, which was created by the Transportation Act of 1940 to investigate the transportation situation and to make recommendations to the Congress for its betterment. That commission report is published in House Document 595 of this Congress, the Seventy-eighth Congress, 1944, page 6, the following:

Theoretically rate levels are related to the two factors of cost of the service and value of the service. Actually, however, the freight rate structure picture is a crazy quilt of inequalities and discrimination.

That is what has taken place in Youngstown, and the relief is to resort to a cheaper method of transportation which would eliminate the discrimination at that point.

Mr. President, this report of the Interstate Commerce Commission is important also as indicating an independent opinion of the reliability of the methods and procedure used by the Board of Engineers in their estimates of cost. I wish to point out that at pages 136 to 150 of this report the general soundness of the Board of Engineers' estimates of benefits are approved and especially its estimate of traffic and its estimate of savings in transportation costs. These cover in detail iron ore, coal, limestone, and costs of barge (line-haul) and terminal operations. The investigation points out that these estimates of the engineers are conservative. In order to emphasize that I quote from page 145 the opinion of the Interstate Commerce Commission. This, I believe, will be of interest to anyone who has in mind a criticism in any way of the procedure and the conclusions of the Board of Engineers and the present procedure. At page 145 the Commission said this:

Conclusion as to traffic estimates and effect on rail carriers: While we have not undertaken a detailed or field check of the tonnage estimates used by the Board—

That means by the Board of Engineers—

and have confined ourselves to certain general tests of their reasonableness, it appears appropriate to conclude that, if the waterway is constructed and if rail rates are not reduced, less iron ore and possibly more coal and miscellaneous commodities will move over it than are indicated by the estimates used by the Board. On the whole, therefore, it appears that at least 28,000,000 tons of rail traffic would be diverted, or held only by substantial reductions of rates. Furthermore, rate reductions probably would not be confined to those directly required to check the competition which the waterway would make possible. Carriers indirectly affected would endeavor to meet the situation by reducing their own rates.

There is no way of definitely foretelling how far the process would go, but, to obtain the true picture of the total tonnage that would be affected, the 28,000,000 tons included in the Board's statement of prospective traffic should be doubled and probably considerably more than doubled. Further, the reduction of rates necessary to hold this traffic would have to be well above the average figure of 29 cents per ton previously considered. The maximum reduction would be in the neighborhood of 72 cents. If 50 cents be used as an average figure, the revenue loss sustained by the railroads might well exceed $35,000,000 per year.

I quote those figures for two reasons: First, because they indicate the conservativeness of the estimate of the engineers as to the savings resulting from water transportation as compared to rail transportation; and then I wish to emphasize that these figures relate to the through canal as a measure of railroad operation. Therefore, although while there may be reasons for hesitancy in providing the through canal under these conditions because of its major effects, these same reasons do not apply to the much smaller scope of the short canal. These conclusions indicate that the savings estimated by the Army engineers on the short canal are dependable. They also indicate that their total effect on the widespread operations of the railroads would be comparatively small. In other words they justify a lowering of the excessive railroad rates, and, unlike the situation on the through canal, such lowering of those rates can have only a comparatively minor effect in disturbing the general rate structure of the railroads.

Similarly on page 150, we have the comment of the Interstate Commerce Commission bearing upon the cost, and this is important in view of the criticism which has been suggested from time to time as to the estimates of the engineers on the subject of costs. At page 150 the Interstate Commerce Commission said:

The other items included by the district engineer appear reasonable, and no item of cost seems to have been omitted.

It is concluded, therefore, that the line-haul and terminal costs seems to have been reasonably determined in the light of the various contingencies to be considered. These costs relate more or less to the present time. No one can definitely predict what they will be some years hence, though it may be presumed that, in general, rail costs will move in a considerable degree in unison with those of water transportation.

That brings me to the next historical step, which occurred in the Seventy-seventh Congress, when hearings were held in the House committee in 1941. I have been reading from those hearings because they included in them quotations from the Interstate Commerce Commission decision.

Following those hearings, which were held September 30 to October 6, 1941, there was an approval of the project by the House committee. This approval is found in Report No. 1431 of the Seventy-seventh Congress, House of Representatives. It is a brief statement, and I shall quote from it only in part. The approval appears at pages 83, 84, and 85 of the report. This is the latest approval by the House of Representatives of this project. This was an approval by the committee of the House rather than the whole House because it never reached the floor, but as late as 1941, under conditions which called for the construction

of this project as a wartime measure at a far greater cost than is now proposed, the committee found in favor of it, and found in favor of it with this language. I quote from page 84:

The authorization item in this bill for this project reads:

"Beaver and Mahoning Rivers project, Pennsylvania and Ohio, from the Ohio River to Struthers, Ohio, authorized in the Rivers and Harbors Act of August 30, 1935, and modified in accordance with the report of the Board of Engineers for Rivers and Harbors contained in House Document No. 178, Seventy-sixth Congress, first session."

This provision modifies the plan of improvement for the Beaver and Mahoning Rivers, Pennsylvania and Ohio, as authorized by the River and Harbor Act of 1935 (but upon which work has not yet been commenced), to conform to the plans for the improvement of this section of the Lake Erie & Ohio Canal as recommended by the Board and Chief of Engineers. The modified plan will provide a channel 12 feet deep and 250 feet wide by the construction of six locks, each 56 by 720 feet, from the Ohio River to Struthers, Ohio, a distance of 35 miles. The difference in this authorization and that authorized in 1935 is that the canal width is increased from 200 to 250 feet.

This stub-end canal is economically justified as an independent improvement and as such would become an important arm of the Ohio River waterway system. The commerce available consists largely of bituminous coal, which now moves from points in the Ohio River Basin by barge to and near the mouth of the Beaver River, where it is transferred to rail lines for a short haul to points in the Youngstown area. After the construction of this section of the waterway the movement could be completed by barge with a considerable saving in transfer and line-haul costs.

Other commodities which would move on this stub-end canal in large quantities are coke, scrap iron, fluorspar, sand and gravel, cement, pyrites, gasoline, fuel oil, pig iron, limestone, and manufactured iron, steel, and other products.

The extension of the waterway, in part or in full, to Lake Erie, should be undertaken only if found advisable after the first section to Struthers has been opened to traffic and after a further determination of economic advisability, taking into consideration changes that result from the work already finished, and after the Chief of Engineers has been assured that adequate terminals will be constructed by local interests.

I quote that as the last action from the House of Representatives, taken in 1941, by the House Committee on Rivers and Harbors. I believe that it is a sufficient guaranty that if the Senate adopts the pending amendment it will be accepted by the House committee, and the representatives of the House committee on the conference, and later by the House itself.

Since that occurred, in 1941, two reservoirs have been constructed in this area for flood-control purposes which have made the pending project more economical as a canal, and also have improved its feasibility.

Under the Flood Control Act of June 28, 1938, the Berlin Reservoir, costing $7,250,000, was constructed for flood-control purposes, and under the act of June 28, 1938, there was also authorized the Mosquito Creek Reservoir, costing $5,550,000. Both these have been built, and I understand both of them are now in operation.

The result is that the water in the Beaver and Mahoning Rivers is under better control, through this flood control, and therefore the previous proposal for pumping water up the river in order to provide this canal flow is not necessary.

The interesting point of this is that when the House committee approved the project, in 1941, it approved it in the absence of these reservoirs. These reservoirs being there now eliminate a substantial part of the difficulty from both an engineering and a cost standpoint, and therefore it is a much more attractive proposal than when the House had the bill before it in 1941.

Mr. President, this brings us to the year 1944, and to the pending bill, House bill 3961, before us today, which was passed by the House of Representatives on March 22, 1944. It did not then include any reference to the Beaver-Mahoning canal, nor was that matter discussed at any stage in connection with it, because, as was pointed out here previously, it was thought that presumably it should start in the form of an uncontroversial and smaller measure, and that the House would not have to take the time to go over those controversial matters unless there was probability of passage of the bill before the end of the present Congress.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Ohio yield to the Senator from Pennsylvania?

Mr. BURTON. I yield.

Mr. DAVIS. The Senator mentioned two reservoirs. Will he give us the location of them?

Mr. BURTON. They are the Berlin River Reservoir and the Mosquito Creek Reservoir. If the Senator from Pennsylvania will turn to the little map which he has before him on his desk he will see, just above Youngstown, the Mosquito Creek Reservoir directly north of Youngstown, and he will see to the west of Youngstown the Milton River, which is a local reservoir, and below that the Berlin Reservoir. All of them are in the upper reaches of the Mahoning River, or its tributaries, and therefore are helping to control floods and the flow of water through the steel areas, and, incidentally, they affect the canal.

Mr. DAVIS. Are any of those reservoirs used as sources of water supply by the people in the neighborhood?

Mr. BURTON. I understand the people in those neighborhoods draw some of their water supply from that river, and therefore incidentally there is a benefit from it for example at Beaver Falls and in the areas below it helps to control the steady flow of water.

Mr. AIKEN. Madam President——

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from Ohio yield to the Senator from Vermont?

Mr. BURTON. I yield.

Mr. AIKEN. In looking at this map, there is one thing which puzzles me somewhat, that is, that the canal just goes to Youngstown and stops, or I would say goes not quite halfway to Lake Erie and stops. I was wondering why, in these days, when we are appropriating billions of dollars, almost without giving much thought to it, the canal was dead-ended there, instead of going through to Lake Erie?

Mr. BURTON. That is precisely the matter I have been reviewing, and I can state the answer in a few words, in this way. When the proposal came before Congress in 1935 for the short canal to Struthers, the Senate, on the floor, inserted an amendment, subject to approval by the Board of Engineers, for a through-canal to Lake Erie. That resulted in a 4-year study of routes to Lake Erie. The Pennsylvania people urged a route to the east. The Ohio people suggested this and at least two other routes, to the west. The Board of Engineers analyzed all the routes, and concluded that the one I am now referring to was the route to be followed if there was to be any route through to Lake Erie. They recommended such a route, and recommended its approval at a cost of $240,000,000. They then recommended that the canal as here suggested—and which is before the Senate now—should be completed as the first step, and that there should be a further survey of the economic conditions at the time of its completion, before proceeding with the expenditure of the rest of the money, because there might be quite an economic readjustment based upon the construction of the short canal.

Mr. AIKEN. The Senator expects then that eventually the canal will go through to Lake Erie?

Mr. BURTON. I am rather doubtful of that.

Mr. AIKEN. Why would the Senator be doubtful?

Mr. BURTON. Because there does not seem to be the same urgency for that as exists for the shorter canal. Controversy has been raised from time to time respecting the two proposals. I am urging the shorter canal on the basis of the recomendation of the Board of Engineers, and in any event this is a valuable contribution to a through canal, and it is a valuable contribution independent of it, on its own feet. There may well be a valuable contribution, as pointed out by the Interstate Commerce Commission, if there is actual water competition with rail transportation, which might make the high charge for the railroad transportation no longer justifiable, and even though the railroads have not yet offered to do so heretofore, they might then reduce their rates in the light of that actual competition.

Mr. AIKEN. How is the ore brought into Youngstown, Pittsburgh, and other places in that locality at the present time?

Mr. BURTON. The ore from the north comes down largely by rail after it reaches the southern shore of Lake Erie.

Mr. AIKEN. By rail?

Mr. BURTON. The ore does, yes; because it cannot come down otherwise.

Mr. AIKEN. From where? From the lake side?

Mr. BURTON. From different ports along the lake. I mean the ore comes down by boat from the iron mines to

Cleveland or other ports. It is then shipped by rail from there.

Mr. AIKEN. Even to Pittsburgh?

Mr. BURTON. Even to Pittsburgh.

Mr. AIKEN. I think that would put those places in decided disadvantage with the steel plants which are on the lake.

Mr. BURTON. That gives an advantage to the steel plants which are on the lakes, but they have a longer haul for their coal coming up the other way.

Mr. AIKEN. For instance, I discovered on a trip west that the ore was being transported from Duluth to the lake cities for about 90 cents a ton, or about 10 percent of the rail cost. It seems to me that if water transportation could be gotten through to these other places, for instance Youngstown and Pittsburgh, it would mean a decided saving and a lowering in the price of steel.

Mr. BURTON. That is precisely the argument that was presented in full in this interesting report of the engineers to the Seventy-sixth Congress, in which they say they feel that the through canal would result in an annual saving in transportation and economic benefits of about $8,000,000 a year.

Mr. AIKEN. I think it might even result in business being done which otherwise would not be done.

Mr. BURTON. When the Interstate Commerce Commission made its investigation it thought that the estimates of the engineers were conservative, and probably should be doubled, but hesitated to make recommendation on the basis of merely potential water competition.

Mr. AIKEN. Could the Senator from Ohio tell what the effect of importation of foreign ores is going to have on these inland steel cities? As I understand, a great deal of Chilean ore is now being brought in on the Atlantic coast.

Mr. BURTON. That, I believe, brings the Senator from Vermont to the St. Lawrence seaway proposal, whereby some of that ore would come through the St. Lawrence seaway to the lake ports.

Mr. AIKEN. I think the completion of the St. Lawrence waterway would go a long way toward assuring efficient and economical transportation to Cleveland and other lake cities.

Mr. BURTON. There is a difference of opinion as to that on the part of the people of Cleveland and other cities.

I thank the Senator from Vermont. He has brought out the importance of the long canal and the shorter canal. Both projects stand on their own feet, particularly on the basis of the report of the engineers.

That, Mr. President, brings me then to the present hearings in the Senate Committee on Commerce. That is the last action that has been taken on this matter in the Congress. The hearings were held on May 1 and 2, 1944. I wish merely to emphasize official statements which were made on behalf of the Chief of Engineers at that time, because we have a new Chief of Engineers, and therefore in order to bring the third Chief in line with the others, I refer the Senate to the hearings before the Committee on Commerce on May 1, at page 105. The Senator from Louisiana [Mr. OVERTON] there said:

> I would like to ask General Robins a question. In the absence of General Reybold, General Robins, I want to ask you, as Acting Chief of Engineers, as to whether or not it is your opinion that the Chief of Engineers—

That is General Reybold—

> does recommend the construction of the Beaver-Mahoning project from Struthers down to the Ohio River, as set forth in Senator BURTON'S amendment, with the modifications insofar as applicable to this part of the project contained in the report on the larger project extending from Lake Erie to the Ohio River; or, on the other hand, is it your opinion that the Chief of Engineers recommends the construction of the Beaver-Mahoning project with such modifications only in the event that the entire project is constructed?
>
> Major General ROBINS. He recommends the entire project for authorization if Congress sees fit to authorize it. If Congress sees fit only to authorize the part of the project from Struthers down to the Ohio River, he recommends that and believes that that in itself is fully justified economically.

On page 106 the Senator from Louisiana [Mr. OVERTON] then asked:

> Now, what I want to get at, to express it another way, is, Does the Chief of Engineers recommend this project from the Ohio River to Struthers as a separate, independent project, in accordance with the recommendations modifying the project, from the Ohio to Struthers, in that last report?
>
> Major General ROBINS. In my opinion he does; yes, sir.

Then Major General Robins, in reply to a question raised by myself, said, also on page 106:

> I was on the Board of Engineers for Rivers and Harbors when this project was up and helped prepare the report of the Board and also the report of the Chief of Engineers, and there was no doubt in the minds of the Board or of the Chief either that they wanted the Struthers-Ohio River section of this project built as an initial step, and that they did not want the complete project built until the first step was completed and in operation.

It was following this hearing that the Committee on Commerce itself joined in the favorable report, Report No. 803, to the Senate, which I have already read, and which is the basis of our action here today on the committee amendment.

The only other remaining step that is pending at this time, besides this bill, is the proceeding before the Interstate Commerce Commission, No. 28825, in which an attempt is being made to secure a reduction in railroad rates to 87 cents per net ton as an all-rail rate on bituminous coal from the Pittsburgh base district to Youngstown, instead of $1.44; and a 55-cent per net ton as the ex-river rate on bituminous coal from Conway and Colona to Youngstown, instead of 90 cents. This would not equal the savings that would be made if there were a canal, but it indicates that every effort is being made to reach a fair result. The Senate owes it to itself and to the country and to the Interstate Commerce Commission to stand its ground on this canal proposition in order that it may be clear that actual competition will and can be provided that will produce at least these reductions in rates, if they are not available in any other manner.

Mr. President, that brings me to the end of the historical presentation of this case. I believe that the historical presentation proves the case. It is important also that there be in the record a justification of the case itself on its merits.

I want to say that the transportation that will be available through this canal is by no means solely for the benefit of one or two companies or a few people at Youngstown. Any project that reduces the cost of transportation in the production of steel or other products is of benefit to the entire country. When we speak in behalf of the canal we speak in behalf of the consumers, in behalf of the shippers and of the taxpayers, those who pay, rather than those who receive returns from these operations. These reports show that the canal would result in a reduction of the cost to the public as a whole.

In addition I wish to make this clear in the RECORD, that among others who would benefit from this canal directly, without looking to the indirect results throughout the Nation, there should be listed the following companies and businesses, among others. On pool No. 6 of the canal, the Republic Steel Corporation, its Youngstown plant, which makes up to 50,000 steel ingots per month, which are shipped to the Warren plant. Also on pool No. 6 the Struthers Iron & Steel Co., the Youngstown Sheet & Tube Co., and the Sharon Steel Corporation at their Lowellville plant.

On pool No. 5 of the canal, the Ohio Edison Co., using about 218,000 tons of coal in a year; the Bessemer Limestone Co., the Standard Slag Co., and the Carbon Limestone Co.

On pool No. 4 various companies located in New Castle. The engineers found that some 565,000 tons of traffic would move to New Castle on this canal.

On pool No. 3, the Crescent Portland Cement Co. at Wampum, Pa. The engineers found that some 75,000 tons of freight shipped to this company would be shipped by barge on this canal. The Pennsylvania Power Co., at West Pittsburg, Pa., used 137,000 tons of coal in the year 1943, and would benefit from reduced rates on its transportation.

This brings me to the justification of the cost of this canal as presented by the engineers. It appears that the present estimate is $38,500,000. This, I believe, is a thoroughly conservative estimate. In the original presentation, which is found in the 1934 report, House Document No. 277, the Board of Engineers, at page 12, paragraphs 27 and 28, breaks down in detail the estimates of the capital cost involved. I ask permission to have printed in the RECORD at this point as a part of my remarks, without reading them, paragraphs 27 and 28 of the report, appearing on page 12, showing these figures.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

> 27. Making these changes the costs to the United States and to local interests as estimated by the Board would be approximately as follows:

United States:	
Locks, dams, and appurtenances	$14,721,000
Channel	9,917,000
Railroad bridges over new channels (2)	318,000
Highway changes and bridge over new channel	166,000
Raising railroads to give 7-foot elevation above pool	400,000
Contingencies, engineering, and legal costs at 20 percent	5,104,000
Total	30,626,000
Local interests:	
Railroad bridges, track changes, etc	5,642,000
Highway bridges and road changes	1,525,000
Water rights	780,000
Right-of-way and flowage damages	430,000
Total	8,377,000
Grand total construction cost	39,000,000

NOTE.—Allowance for contingencies, engineering, and legal expenses is made in each item.

28. The district engineer states that construction prices were based on 1931 figures. The Board is of the opinion that if the work were to be undertaken under present conditions, the total cost to the United States would be increased to approximately $37,000,000, and to local interests to $10,000,000, making a total of $47,000,000.

Mr. BURTON. These figures show that the capital cost to the United States would be $30,626,000, and the Board of Engineers added a 20-percent safety factor, making it $37,000,000 in order to cover the increase in costs between 1931 and 1934.

In 1939, we find the Chief of Engineers stating in his report, on page 17, that the first step, as modified, would cost the Federal Government about $38,500,000. In the 1941 hearings we find Colonel North estimating, even as a wartime measure, as a measure to be constructed at the high cost of wartime operation, that it would cost $48,179,000. In the present hearing we find Colonel Feringa, at page 103 of the 1944 Senate hearings, again stating that the cost as a postwar project would be $38,500,000. This is highly conservative, particularly in view of the elimination of the reservoir which was referred to in the earlier estimates.

As to the capital costs to local interests, we again find these well within conservative estimates. At page 12, in paragraph 27, which has already been placed in the RECORD, we find that the estimated cost to the local interests, as found in House Document 277, for 1934, is $8,377,000. The Board of Engineers, in order to afford a thorough safety factor, increased this estimate to $10,000,000, in view of the possible increase in labor costs from 1931 to 1934. But today we find that it will not cost $10,000,000, because a good deal of the cost has now been transferred from private interests to the Government, and the Government costs have been otherwise reduced. Today the capital costs to the local interests appear in the 1939 report as $3,900,000, and that is where they stand in our present estimates.

We come now to the question of the saving in rates of transportation. These are the annual savings based upon the high railroad rates and the lower water rates, and allowing for a fair return upon the various capital investments which have been made. That is to say, in order to bring about the estimate which results in the recommendation of the Board of Engineers, there is not merely a comparison between what the water rate would be and what the railroad rate would be, but in addition there is included a computation of what the full cost to the public is, including interest on the investment and the other items to which I shall refer. So there is a full and fair comparison between railroad rates and water rates, and other costs to the public besides what it pays in water rates.

Madam President, there are two general kinds of cases in which water transportation is well justified. One is even more clearly justified than the other. The case before us belongs to the clearer and more urgent class. The first class is a case in which the railroad rates are based largely upon cost and a fair profit, so that the rates cannot be fairly reduced without going below cost and a fair profit, perhaps resulting in the transportation company going out of business. On the other hand, there is the other class of rates—and this is one of those cases—in which the railroad rate is far above the cost of service, and is based upon what the traffic can be forced to bear, and the railroad refuses to reduce its extraordinary rate.

Much of the coal which would be brought in by way of the canal would come from the captive mines owned by some of the steel companies in Youngstown. The railroad really "hijacks" the load, because it forces it off the river at the Ohio River, and onto the railroad as the only means of transporting it, and charges what the traffic will bear, which is so high a charge as to be far out of line with other charges for railroad services. I shall show later that the present rate is more than twice the average rate for such service, and the earnings per car-mile are about five times the average earnings per car-mile.

As the Senator from Louisiana [Mr. OVERTON] has stated, the rate being paid to Youngstown is $1.23½ a ton, whereas it would be about 40 cents a ton by water. The railroads refuse to reduce their rates to any degree whatever in order to meet this situation. The Interstate Commerce Commission, in a hearing dealing with the whole situation, declined to reduce the rates, in view of potential water competition.

In such a case the answer, which has been given so many times in this Nation, is actual water competition for the benefit of the public. Neither the railroads nor competing interests now enjoying water rates can justly oppose the rights of the rate-paying and tax-paying public, who are entitled to reasonable rates, not only in this case but in other and similar cases.

The contrast in rates is easily shown in this manner: The Youngstown coal rate is the highest per ton-mile or per car-mile paid by any steel-producing district in America. It is about 21.3 mills per ton-mile, and the average revenue in the United States per ton-mile in 1942 for all class I railroads was 9.32 mills. The Youngstown rate is, therefore two and one-third times higher than the general average rate. Furthermore, the average rate in the Nation for coal is even lower than 9.32 mills. It is only 7.8 mills. So the Youngstown coal rate per ton-mile is about three times higher than the average rate for coal. These figures are taken from the 1944 hearings before the Senate Committee on Commerce, at pages 116 and 127.

On page 116 we find that the average earnings per car-mile in this service are $1.40 based on the Youngstown charge by the railroads. This is five times greater than the average earnings of all class I railroads in the United States for comparable service. The average is 28 cents. These figures are taken from Statistical Survey No. 27 of the Bureau of Railroad Economics, a department of the Association of American Railroads.

The Senator from Louisiana referred to the economic history of this area as showing how it came about that Youngstown suffered this disadvantage. When Youngstown first went into the steel business, as he so well stated, there was coal nearby. When that was used up, the coke was produced by the beehive process at the mines and transported by rail. However, when the by product coke process was developed instead of the beehive coke process, it then became possible for the Pittsburgh interests to bring their coal by water transportation to the coke ovens at Pittsburgh, for coal, unlike coke, was suited to such handling. On the other hand it was necessary for the Youngstown people to carry their coal to Youngstown by rail or partly by water and partly by rail. The advantage to Pittsburgh due to water transportation, as against a part-rail or all-rail rate to Youngstown, became increasingly great as the rail rates went up.

Even that was not so bad, so long as the rates were equalized. But when the system of rate adjustment in the country was changed, and the equalization of rates between areas was abandoned new rates were set up. Then Youngstown was put at a disadvantage. If the differentials had been based upon cost for service, there would have been less basis for complaint. But when the differential was put upon the basis of what the traffic will bear, then there developed the extraordinary result which has been described.

It now means a contrast of this kind: It costs, to transport coal to Pittsburgh, somewhere between 10 and 20 cents a ton; whereas if the coal goes to Youngstown, the water rate which must be paid to the mouth of the Beaver River is 28 cents a ton. Then the coal must be unloaded and placed on railroad cars, at a loading or unloading cost of 5½ cents a ton. Then it is moved by rail into the Youngstown district, at a rail rate of 90 cents a ton, so that the total Youngstown river-rail rate on Monongahela coal is $1.235, as compared with 10 or 20 cents in Pittsburgh or the 40 cents which the

rate would be if the coal were carried by water to Youngstown.

That brings me to a further computation which appears in the pamphlet which has been placed on the desks of Senators. It is the cost of the assembly of a ton of iron. It appears on page 10 of the pamphlet.

Mr. HOLMAN. Madam President, will the Senator yield for an observation?

Mr. BURTON. I am glad to yield.

Mr. HOLMAN. It seems to me that the Senator is demonstrating the truth that the value of any commodity depends not so much on what it is as where it is, and that transportation facilities are absolutely a controlling factor in the determination of the cost of any commodity.

Mr. BURTON. I appreciate the Senator's remark, and I wish to emphasize that that fact has been recognized by the Government for many years, and that therefore, with regard to the navigable waterways of the Nation, the United States has attempted to equalize that differential as between those localities, and to assist in making the navigable waters of the Nation national highways, open to use by anyone who can use them. All that has been a great contribution to the development of the Nation and has yielded a great saving to the public.

Madam President, I now refer to the tabulation which I mentioned. It appears on page 10 of the pamphlet which has been placed on the desks of Senators, and it shows the assembly cost of making steel products. It appears that in Steubenville, for example, the total estimated assembly costs per ton are $6.565, at Pittsburgh $6.626, and at Youngstown $7.741. That makes a margin of $1.115 against Youngstown in favor of the Pittsburgh area.

We are not arguing for anything other than a fair adjustment based on the actual cost of transportation available by means of the available waterways. If the waterway were built or were available, the cost of assembly at Youngstown still would be higher than the cost of assembly at Pittsburgh; but instead of being $7.741 it would be $6.891, or still a handicap of about 27 cents, as against the assembly cost of $6.626 at Pittsburgh.

Coming to the question of the demonstrated benefits, as shown by the Board of Engineers for Rivers and Harbors, let me say that a minority report was filed from the Senate Committee on Commerce, the minority consisting of the junior Senator from Wyoming [Mr. ROBERTSON]. His report considers the matter in some detail, and I might comment upon it by saying that it makes the following interesting observations:

> The river and harbor bill is nominally a bill dealing with navigation and water transportation; deepening of channels; construction of piers and harbors, and generally those matters which make water transportation possible.
>
> A vast system of federally constructed waterways, based on a channel 9 feet deep and some 300 feet wide, has been built with Federal funds and is maintained by annual Federal appropriations. In the central and northern areas these inland waterway systems are not subject to year around use, and consequently the areas they serve are forced to rely on other means of transportation during 2, 3, 4, or 5 months of the year—depending on the location. No mention of this great handicap is made in the bill.
>
> The result is that year-round transportation companies have to hold additional equipment in readiness for the short-period use of their systems.

It is evidently intended to refer somewhat to the pending project. Therefore, I should like to say that the average time which proposed waterways in the northern latitudes will be closed to navigation is estimated by the Army engineers from operating and weather records, and is published in their individual project reports forming the basis for river and harbor bills. Wherever these limitations exist, the effect of the seasonal character of the transportation is recognized in formulating the plans of operation and in computing the value of the benefits. The churning effect of passing tows and the progressive improvement in ice-breaking technique are constantly prolonging the open navigation season in these latitudes. For instance, the latest report recommending provision of the Beaver-Mahoning improvement, which has been singled out for criticism in the minority report, estimates the period of navigation at 350 days out of the year. I am referring to House Document 178, Seventy-sixth Congress, paragraphs 112, 354, 384, and 394. They indicate, I may point out, that whereas on Lake Erie a large period of the year—perhaps at the most 90 days—is to be allowed as a factor in these considerations, on the short canal, as distinguished from the long canal, no comparable period is to be eliminated. That is why the estimate is made by the engineers on the basis of 350 days. As a matter of fact, they said in their report that the full year can be used as the basis. The condition existing on the Beaver and Mahoning Rivers is substantially the same as that which exists on the Ohio River, on the Monongahela and the Allegheny waterways.

Materials adapted to water transportation, such as iron ore and other ores, limestone, raw chemicals, fuels, iron, steel, logs, lumber, pulpwood, cotton, grain, sugar, coffee, canned goods, and other staples making up the bulk of barge-borne freight on the inland waterways, readily lend themselves to seasonal transportation and to storage and stock piling against winter demands. They are not dependent to any considerable extent on other means of transport between water ports, and it is not necessary to maintain stand-by service to handle off-season movements. Traffic records show that the peak demand on the equipment and service of the northern railroads normally comes, not during the closed season for navigation but during the period from June through October, when waterway transportation is also at its busiest. The large-scale traffic in ore, coal, and grain on the Great Lakes, which is adjusted to an open season of only 8 months, is an extreme example of seasonal water movements that do not require or use stand-by overland carrier equipment to supplement vessel service between ports.

So far as the Beaver-Mahoning short canal is concerned, there is no necessity to maintain such equipment of railroads to take care of the closed condition of the canal during the winter season, because the periods when it will be closed are so short, if any, that they would not require it, and in any event stock piling would take care of the situation with respect to practically all the products which would be transported on the canal.

I again refer to the minority report, which contains the following paragraph:

> Various navigation projects calling for construction of new or of enlarging existing channels are approved by the committee on a basis of so-called benefits which are the rates charged for transporting freight on the subsidized inland waterways as compared with the rate charged for transportation on existing systems. In arriving at the rate-based benefit, which, in general, is that of estimated water-borne transportation rates as compared to existing railroad rates between the same points, but a fundamental and basic consideration in the water-borne transportation rate is omitted.

That is not a correct statement, because the computation of the benefits is not made merely on the basis of a comparison between the water rates and the railroad rates, but the other items are also taken into consideration, as I shall show in a moment.

The basis on which navigation projects are approved by the committee is the ratio of the annual transportation benefits to the full annual costs to both the Federal Government and local interests.

Annual costs include the expense of construction, amortization, maintenance, and operation of the waterways, with interest figures at the current rates at which the required funds can be obtained by the United States and local interests, respectively. Gross benefits are the estimated savings in transportation charges. They are derived from a comparison of prospective water-carrier charges via the proposed improvement on freight movements found economically adapted to barge transport, with prevailing charges via the most economical existing means of transportation, be it railroad, motor truck, pipe line, or other agency. Since the present transportation charges presumably provide for a reasonable income on the total investment of present carriers, the estimated charges by water likewise provide for a reasonable income on the total estimated investment of the water carrier.

Madam President, in the statement of minority views is the following paragraph:

> Comparison is made between railroad rates and estimated rates on water-borne traffic. Railroad rates are based on the cost of construction and maintenance of the railroad bed and trackage and the operation thereon of power units and freight cars hauling freight on this railroad trackage, and the paying of vast sums in taxes and the supporting of hundreds of thousands of men and women receiving a good living wage and operating under regulated conditions. These factors go to the making of the rate of the railroads which, with their dependability and speed of movement of freight, have been not only invaluable but an absolute necessity to our great war effort.

That is the end of the quotation from the minority views at that point; but by way of comment the paragraph includes five more or less unrelated allegations

which may best be separated and dealt with.

First. That railroad rates cover full costs including rights-of-way, roadbed, and trackage.

It is true that railroad revenues must, in the aggregate, cover all expenses, including a return on investment, if the enterprise is to prosper. Railroad rates on specific commodity movements do not usually bear any direct relationship to the cost of carrier service. They are maintained, with the approval of the regulatory agencies, rather on the principle of the value of carrier service, which is the one way of describing the highest rates that the various shippers can pay without being driven to seek some alternative agency of transport.

Second. That railroads pay taxes. One of the essential characteristics of rail transportation is that the carriers own, occupy, and put to exclusive private use, extensive areas of valuable real property, which otherwise could be put to different useful purposes of a tax-yielding nature. On the other hand, one of the inherent advantages of water transportation is that commercial carriers do not occupy or need exclusive roadways for their line-haul operations, but instead share with other craft, and for other public purposes, the natural, traditionally tax-free water courses, improved by and belonging to the Nation at large. They do not pay taxes on those waterways because they do not own or monopolize them, and their occupancy does not withdraw those channels from any possible alternative use that would bring tax returns.

Third. That railroads support many employees at high wage rates. Water carriers also employ all the skilled labor needed for their operations on well-regulated hour schedules and at liberal and attractive wage rates.

Fourth. That rail carriers move freight at higher speeds than do water carriers. The speed of barge transport is, like its cost, much more moderate than that by rail. Perishables and other goods requiring speedy delivery normally seek airways, highways, or railways in preference to waterways. However, a large proportion of the Nation's freight burden does not need such expeditious handling, but is suited to barge transportation where it can be moved economically and efficiently; and where the desired commodity movements are so adapted, the savings in transportation costs are genuine and substantial.

Fifth. That railroads render indispensable service in wartime. The fact that railroads concededly render essential war service should not in any way preclude recognition of the essential character of waterway transportation service in war. The present emergency has shown the vital necessity for both kinds of transportation. Utilization of inland river boat yards for the construction of approximately 1,700 seagoing fighting ships and their movement downstream to the Gulf for placement in commission, when coastal shipyards were operating at capacity, made a contribution to the war effort sufficient by itself to justify the waterway system.

Madam President, the statement of minority views continues to discuss a number of matters of the same general type. In order to conserve the time of the Senate I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the quotations from the minority views. I have prepared such copy, as well as my comments upon the quotations involved, and I will supply a copy of them to the Senator from Wyoming [Mr. ROBERTSON] if he so requests.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

MINORITY REPORT

In arriving at the transportation rates of water-borne traffic, no consideration is given to the hundreds of millions of dollars expended by the Federal Government to construct these waterways and no consideration is given to the millions of dollars of annual maintenance cost paid by the Federal Government. The only item taken into consideration in arriving at the estimated freight rates of water-borne traffic is the cost, maintenance, and operation of a towboat and a string of barges. On this basis the so-called benefits of water transportation are arrived at. The great costs for the construction and maintenance of waterways to the taxpayers are wholly omitted.

COMMENT

In arriving at the transportation rates of waterborne traffic the only items taken into consideration are the cost, maintenance, operation, and profit on the operations of the towboats, barges, and terminals because these are the only items that enter into the establishment of water rates. These rates, however, constitute only one element in weighing the justification of waterway projects. It is incorrect to say that the costs for construction and maintenance of the waterways to the taxpayers are omitted from the computations of net benefits.

Waterway costs include all the items stated but must necessarily be segregated according to the directives of Congress between water carrier operating costs and waterway improvement costs. (See River and Harbor Act approved March 4, 1913.) The water carrier operating costs include the capital cost, maintenance, and operation of towboats, and "strings of barges" as stated in the minority report. The Interstate Commerce Commission concurs in the method of computing these carrier costs, as indicated in its analysis of the Army Engineers' Lake Erie-Ohio River report, 235 I. C. C. 790, October 3, 1939, where it is concluded: "that the line-haul and terminal costs seem to have been reasonably determined in the light of the various contingencies to be considered."

The estimated cost for that improvement, which includes the construction, operating and maintenance cost of the waterway is given on page 17, House Document No. 178, Seventy-sixth Congress, first session. By means of the segregation, water-carrier operation costs are reflected in full in the barge-line rates, and the costs of the waterway improvement is set up against the savings in transportation charges. By the Army engineers' method all the items of cost are taken into account in weighing the justification of the project. A project is deemed economically justified and recommended favorably only if the annual savings exceed the annual costs. Within the annual costs are included all public costs such as interest, amortization, maintenance and operation of the navigation facilities as well as costs to local interest which result from provision of the improvement.

MINORITY REPORT

The Senator signing this minority report is not opposed to inland-waterways transportation, but does insist on a fair and equitable comparison of rates, based on cost of construction and maintenance, in addition to operation of the transportation system in question.

The minority is given to understand that no charges of any kind whatsoever are made to the owners of towboats and barges for construction and maintenance of these very expensive federally owned navigation channels, and the Government gets no return on its investment, and no arrangements are made for the eventual refunding of debt created.

COMMENT

The owners of commercial towboats and barges are not legally nor properly chargeable with the cost of improving natural public channels because they acquire no exclusive rights to their use, but merely share their occupancy with the rest of the public for other uses, and pass the benefits of their use along to the general public in the form of lowered transportation costs. (See D. P. Locklin's standard treatise on Economics of Transportation, chapter on Freight Rates and Prices, p. 98). The public thus gets adequate return in its reduced transportation bill on commodities in most general use.

In weighing the justification of projects, the Army engineers always include within the annual cost figures, interest and amortization on the investment sufficient to retire the facilities within the period of their useful life. The refunding of the public debt is considered to be accomplished by the public savings in transportation charges which must be great enough to offset all items of cost.

MINORITY REPORT

This demand for an equal basis of comparison applies to all inland waterway transportation projects, of which there are a number in this bill. One illustration alone will be sufficient, as it applies equally to all others.

The Beaver-Mahoning Rivers: This project envisions the construction of a 12-foot channel, 200 to 250 feet wide in the Beaver and Mahoning Rivers in the States of Ohio and Pennsylvania. It was the original intention that this project should connect the Beaver-Mahoning Rivers with Lake Erie, but that idea has been abandoned, at least for the present time. In this bill the project calls for the construction of a dead-end channel from the point where the Beaver-Mahoning Rivers enter the Ohio River, to a point 35 miles north at Struthers, Ohio, in the Youngstown area. The main object of this project is to provide a navigation channel from the Ohio River to Struthers, apparently to enable the large steel companies in the Youngstown area to obtain their coal supply by water transportation, in contrast to the present method of unloading the coal barges at a point on the Ohio River into railroad freight cars, and then hauling by railroad the 35 miles north to Youngstown. The estimated Federal cost of this project is $38,500,000 and with an annual maintenance charge of $630,000 for this 35-mile-long dead-end canal. There is a further cost of approximately $30,000,000 to be borne by local contributions. In all, this project will need $70,000,000 for construction, and an estimated $630,000 for yearly maintenance.

COMMENT

The main object of the Beaver-Mahoning project is to afford means of moving cheaply by water, instead of expensively by rail, the materials essential to the industrial life of the Youngstown area. Rail charges on the movement of fuel and some of the other necessary raw materials into this area are levied at rates per ton-mile far in excess of the average charges for the service in this and other general industrial regions. The

steel companies operating in this area own large industrial developments in other areas already accessible to water transportation. In normal times, they are in a position to select the fields of their major manufacturing processes in accordance with the relative economic advantages of the several sites. The eight-hundred-odd thousands of population of the Youngstown area, together with their investments in accessory mercantile and business and urban development, however, cannot shift about from place to place but are dependent upon the maintenance of industrial activity in these particular localities. And in order to insure its continuance discriminatory inequalities in transportation rates on essential materials must be removed.

The waterway project is designed to extend the accessibility of barge transportation, already available to most of the steel industry in neighboring areas, to the Youngstown area with a further saving in transportation costs.

The latest report recommending this project estimates the costs to local interests at about $3,900,000. If the larger figure used in the minority report is intended to cover the cost of terminal and other accessorial facilities, it should be pointed out that terminal charges sufficient to cover the overhead and operating costs of the necessary terminals are included in the computations determining the benefits.

MINORITY REPORT

In figuring the estimated subsidized water transportation rates as compared with the existing railroad rates, it must be borne in mind that the railroad rates—as pointed out earlier in this report—are based on total construction cost and maintenance of railroad bed and trackage, plus equipment costs and operating charges, whereas the rates on subsidized waterborne traffic are based solely on floating equipment cost and their operating charges.

COMMENT

Rail rates are increased or depressed without compensating fluctuations in the cost of providing the service for the purpose of driving out competition wherever it is encountered. Rail rates are frequently depressed below service costs between existing waterway ports to discourage barge competition, the revenue burden being transferred to such portion of their rate system as is not subject to competition. This practice gives rise to such rate inequalities as now penalize the off-river Youngstown area to the advantage of industrial communities along the existing waterway system. Rates on coal to the Youngstown area run as high as 22 mills per ton-mile, while averaging in the neighborhood of 8 mills per ton-mile for the region as a whole.

On the other hand, water carriers have no such blocks of traffic not subject to competition and hence must maintain all of their rates on a fair compensatory basis. Savings in transportation by water result from the genuine economy in the cost of the service, and in providing waterways at public expense the taxpayers are but reducing the cost of commodities to themselves.

MINORITY REPORT

The Army engineers are the technical division planning all the various projects in this bill. They give the estimated cost of the various projects and an estimate of the supposed benefits based upon rate comparisons which totally disregard construction cost or the maintenance of the waterway system.

These inland waterways can be made an important and valuable adjunct of our transportation system, but to arrive at this desirable end, the Army engineers must put forward a comprehensive plan to cover all these subsidized inland waterways. There was no such plan put forward at any of the hearings on this bill. The signer of this minority report asks that before these or any future subsidized inland waterways are authorized, that the Army engineers prepare a complete and comprehensive plan of the entire waterways of the United States, existing and projected, and that a copy of such complete plan be supplied to every Member of Congress. In view of the multiple-use nature of the water of the country to be used in certain of the projects in this bill, it is suggested to the Senate that a great comprehensive survey of all water supplies, existing and potential, throughout the United States be made by a joint body, consisting of reclamation engineers, Army engineers, and representatives of the Geological Survey. This is not only an urgent and vital matter to the arid and semiarid West, but to the generally water-complacent East and South, which obtain a large percentage of their water supply from underground sources.

A project is recommended by the Army engineers only if the annual benefits exceed the annual costs. Within the annual costs are included all construction costs, capital charges, maintenance and operation, depreciation, amortization, cost to local interests, and so forth. No cost is disregarded.

The Army engineers, in the surveys authorized by Congress in House Document No. 308, Sixty-ninth Congress, first session, 1927, formulated and put forward comprehensive plans for all major river systems. These "308" reports have constituted in major part, the foundation for all subsequent steps taken in cooperation by the various interested Federal agencies toward the formulation of comprehensive plans of development of all national water resources for beneficial public purposes.

From a transportation standpoint there is no common interest or connection between all of the elements of the Nation's watercourses. For instance, what connection is there between vessel traffic on the Columbia River, Oregon and Washington; fishing boat movements through Chincoteague Inlet, Va., and coal barge transportation on the proposed Beaver-Mahoning Canal? From a practical viewpoint no useful purpose is seen in calling for preparation of a single report on all the rivers of the country which would necessarily be voluminous and nothing more than a compilation of individual reports on individual waterways.

Comprehensive plans are of value only where there is a relation between the improvement and commerce on the different streams. This principle is observed in the surveys and reports of the Army engineers. Insofar as the Beaver-Mahoning project is concerned, a comprehensive study and report has been made of all feasible routes connecting the Ohio River with Lake Erie. No reason for further generalization of the problem is apparent.

Mr. BURTON. I now reach the end of my discussion of the minority views. These I believe are also well answered by a reading of the Orders and Regulations of the Corps of Engineers. Therefore, Madam President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the Orders and Regulations, Corps of Engineers, United States Army, chapter II, Navigation Surveys, paragraph 282.11, dealing with an analysis of the economic justification of the proposed improvements. These regulations provide in detail for the inclusion of interest on Federal investment, and the various factors which I have been discussing, and which can be discussed further if further question with reference to them is raised.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

ORDERS AND REGULATIONS, CORPS OF ENGINEERS, UNITED STATES ARMY

Chapter II, Navigation Surveys. Paragraph 282.11. Analysis of economic justification of proposed improvements:

(a) Reports on proposed river and harbor projects, except preliminary examinations or reviews thereof, must present two distinct and separate estimates:

1. The estimated appropriation of public funds necessary for the execution of the project and for its subsequent maintenance.

2. An estimate of the entire economic cost of the project, including interest charges and amortization set against an estimate of the benefits from the work.

(b) The estimated cost of the proposed work as set forth in a recommendation for the adoption of a project should be that defined in subparagraph (1) above. Special care must be taken to avoid confusing the economic cost as defined in subparagraph (2) with the appropriation required.

(c) In the interest of uniformity, the economic cost, by which the economic justification is weighed, should be computed as an annual carrying charge and not as a capitalized sum; and the economic benefits should be computed on the same basis.

(d) The benefits from the further improvement of a going project should include only the increased return because of the further expenditures under consideration. The fact that an improvement already made is highly valuable in affecting transportation economies is not in itself sufficient grounds to justify expenditure for further improvement. Similarly, the fact that a past expenditure has not secured commensurate results is not a compelling reason against further expenditure if it can be shown that transportation savings will repay the cost of further improvement. The estimate of economic cost of further improvement will therefore not include costs already incurred by the United States.

(e) On large projects the following items should be included in the economic cost, so far as applicable:

1. Federal investment:

(a) Estimated expenditure by the Engineer Department for new work of construction and for lands, easements, and rights-of-way.

(b) Estimated expenditure by other Federal departments for new work entailed by construction, such as aids to navigation.

(c) Total Federal first cost.

(d) Interest during construction: 3 percent of item (c) for one-half of the estimated construction period.

(e) Total Federal investment.

2. Federal annual carrying charges:

(a) Interest: 3 percent on item 1 (e).

(b) Amortization of obsolescence and depreciation.

(c) Increased cost of maintenance and operation.

(d) Total Federal carrying charges.

3. Non-Federal investment:

(a) Funds to be contributed.

(b) Value of lands and rights-of-way to be furnished.

(c) Reconstruction or alteration of bridges or other structures (when not included under 1 (a)).

(d) Cost of new terminals to be provided by public agencies.

(e) Total non-Federal first cost.

(f) Interest during construction on item 3 (e) at 4 percent for one-half of estimated construction period.

(g) Estimated remaining value of works owned by local interests and scrapped on account of project.

(h) Total non-Federal investment.

4. Non-Federal carrying charges:

(a) Interest at 4 percent on item 3 (h).

(b) Amortization of depreciation and obsolescence.

(c) Increased cost of operation and maintenance of structures.

(d) Loss of taxes on lands and property transferred to Federal ownership.

(e) Gross non-Federal carrying charge.

(f) Net estimated return from public terminals, etc., included in investment cost (to be deducted).

(g) Net non-Federal carrying charge.

5. Total carrying charge (item 2 plus 4):

(f) Amortization: The item for amortization should be determined from a careful analysis of the useful life of the project and its major parts. Except at well-established ports having a general trade, the usefulness of channels and other apparently permanent works cannot be expected to extend indefinitely. Many works heretofore constructed for benefit of the lumber trade, for sailing vessels, etc., have been abandoned. It appears highly probable that improvements made on oil ports will cease to be useful at some future time. With few exceptions, the useful life of river and harbor improvements of a permanent nature should not be taken at more than 50 years and in many cases should be a shorter period. The life of movable parts of works and of steel and wood construction will ordinarily not exceed 25 years and may be less. The useful life of the various major parts of the structure, or of the work as a whole, should be analyzed, and the amortization determined for Federal works as an annual charge which, compounded at 3-percent interest as given in standard tables, will repay the cost of the project, less any amounts which may be recoverable from tangible property and structures at the end of the amortization period. Thus, for a lock and dam, the amortization charge might be:

Fixed parts, 40 years life: 1.33 percent annually.

Movable parts, 25 years life: 2.74 percent annually.

The estimated charge for parts which would have a shorter life than that of the whole project would be required for major replacements and should be combined with the estimated cost of maintenance and operation, (e) (2) c, to obtain the estimated appropriation of public funds necessary for the subsequent maintenance of the project, item (a) (1). The amortization cost to be included in non-Federal carrying charges should be similarly analyzed, but be based on 4 percent interest, compounded.

(g) On some projects certain of the items listed may not apply. Interest during construction need be included only when the anticipated construction period will exceed 1 year. On projects for the improvement of existing works, where the benefits will accrue as the work proceeds, the interest during construction should be omitted. A flat charge of 4 percent for interest and obsolescence and depreciation may be made on minor works.

(h) If the proposed improvement involves the advance replacement of an existing structure of a going project, the total Federal investment, item (e) (1) e, should be reduced by an amount equal to the estimated accumulated amortization charges for the existing structure, due consideration to be given to the original cost, period of service and useful life. The carrying charges for the new work will accordingly be estimated as the amount in excess of the carrying charges for the existing structure, and the benefits for comparison should include only the increased return because of the new improvement. The present value of advanced replacement, betterments, etc., should similarly be deducted from the non-Federal investment.

(i) The value of the benefits from an improvement must be based on sound judgment. Where the improvement is clearly justified in the interest of safety and convenience of established navigation, no attempt need be made to set up a theoretical money value of the benefits. For example, the benefits from the removal of a hazard to shipping should not be measured by the average damage caused by such a hazard, but on sound business judgment as to whether the work is worth the cost. On the other hand, the benefits in the savings in the cost of transportation as set up by proponents of a project must not be blindly accepted, but must be analyzed and verified in the light of benefits actually realized in the use of similar improvements already made.

(j) When the improvement proposed is the establishment of a new route of inland waterway transportation, or a major extension of existing inland waterway routes or a new port, etc., an exhaustive survey and analysis of the amounts of commerce that would use the waterway must be made, and the savings in cost of transportation as compared with the cost by present routes determined. Only those commodities which experience shows will actually move by water should be included. In determining the amount of prospective commerce, due cognizance must be taken of the fact that for small shipments, the convenience, time, and assurance of delivery may outweight the consideration of cost. When the prospective commerce includes movements over connecting waterways the report will include a full description of such waterways and of the type of traffic they carry and a statement as to their adequacy for the prospective commerce. If the proposed improvement will develop new waterway movements that extend to existing waterways, the estimated saving for the complete water movement will be included as a benefit, and no part of such saving should be deducted on the theory that it should be assigned to the connecting waterway. On the other hand, when a proposed improvement will result in the extension of waterway movements already developed, only the savings which result from the extension of the movements should be included as a benefit, and no part of the saving already being realized by movement on the existing waterway shall be included as a benefit for the new improvement.

(k) In the final analysis, the probable transportation charges by water should be compared with the present transportation charges actually paid by the public. Since the present transportation charges presumably provide for a reasonable income on the total investment of present carriers, the estimated charge by water should likewise provide for a reasonable income on the total investment of the water carrier. All terminal and transfer costs and any storage charges while awaiting transshipment should be included. The estimated water transportation charges should be fully checked against the actual charges under parallel conditions. The adequacy of the proposed waterway for the transportation of commodities at the costs set up in determining the benefits must be carefully verified.

(l) A favorable recommendation will be warranted only when the estimated benefits show a substantial margin over the total estimated carrying charges, due regard being had to intangible and collateral benefits. This margin should be sufficient to absorb the carrying charges which may accrue during the development of commerce on the improvement and leave a net return to the public because of the improvement.

Mr. BURTON. Madam President, I now direct my attention to the demonstrated benefits which would be experienced from operation of the proposed canal. In the engineers' report of 1934, at pages 12 to 14, the Board of Engineers states that the saving would be $3,120,400. That sum represents the difference between railroad costs and water transportation costs. But I wish to emphasize that not only would that be the saving as is shown by the computation, but that it is an extremely conservative one. In reaching the conclusion set forth in the report, separate public hearings were held before the district engineer, division engineer, and the Board of Engineers. They also sent representatives into the field who carefully checked the basis for each estimate. They excluded any shipments by shippers who have expressed opposition to the canal. They also limited their estimates to instances where a saving of at least 20 percent would be disclosed. These eliminated the close questions or doubtful cases.

Madam President, at the end of the pamphlet which has been placed on the desks of Senators there are shown several pages in detail on which these savings are based. Comparisons are made between the estimates made by various people. The result is a conservative one. For example, in the estimate of the tonnage which would be moved by the canal, the Youngstown Chamber of Commerce estimated 9,180,700 tons of freight. The United States district engineer estimated 5,605,000 tons. Colonel Barden, who made an independent investigation, estimated 6,350,000 tons.

In order to be conservative, the Board of Engineers made an estimate far below that of the Youngstown Chamber of Commerce—even below that of the independent investigator—and estimated the amount to be 5,970,000, or approximately 6,000,000 tons, which, under the circumstances, is an extremely conservative estimate. I again refer to the comment made by the Interstate Commerce Commission that the reports as related to the through waterway indicate that the estimates as made by the engineers would probably be doubled.

Furthermore, as appears on the last page of the pamphlet on the desks of Senators—

> The above estimate is based on commerce during the years 1929 and 1930. Considering the rate of growth of the steel industry from 1900 to 1930 it seems reasonable to predict that by 1940 the tonnage and savings will be not less than 125 percent of that estimated above or 7,500,000 tons with savings from $3,500,000 to $4,000,000 annually.

The trend since then has been up, not down.

As further bearing upon the conservativeness of this estimate, in estimating what the cost of water transportation would be, the Board of Engineers used 5 mills per ton-mile as the cost of water transportation on the Ohio River and 7½ mills per ton-mile on the Beaver and Mahoning Rivers, whereas the Dravo Corporation, which is actually carrying on this kind of transportation at the present time, does it for 3 mills per ton-mile.

As bearing still further upon the conservativeness of the figures I cite the fact that in 1941 Colonel North, representing the Board of Engineers of the Army, when asked what the savings would be if the canal were built in that year, estimated them not at $3,120,000 but at $4,618,000. And in the 1944 testimony which was taken before us this

year, at page 107, Major General Robins, speaking for the Board of Engineers, said this about these rates:

Senator OVERTON. What have you to say as to the ratio of cost to benefit, General? Are they increased since this report, one way or the other? Of course we have the costs, now. The question is, are the benefits increased or decreased?

Major General ROBINS. I should say they are increased, Senator, because I think the need for this waterway has increased. The great development that has been made during the last few years in the vicinity of Youngstown, I think, emphasizes the importance of the project.

Senator OVERTON. There has been an increase of tonnage?

Major General ROBINS. There has been an increase of tonnage, and an increase in the importance of the tonnage to the country.

Also at the hearings in 1944, at page 108, in answer to a question that I asked Colonel Feringa, he further emphasized the conservativeness of these figures. My question was as follows:

In connection with your estimated prospective tonnage you base your estimates of the benefits upon, could you explain the basis used there to show whether it is a conservative basis of estimate or not?

Colonel Feringa replied:

I am talking from memory. That is given in the report in detail. It was very conservatively estimated. Like all our analyses of prospective tonnage, we got in touch with the prospective shippers. * * * I think we took something like 60 percent of that prospective tonnage. The analysis was made during the years when there wasn't as much production as later, and we did not include in that tonnage the probable tonnage that the interests that are opposed to the canal will ship. I think the estimate is extremely conservative.

That brings me to the question of the estimates of cost. I have already placed in the RECORD the rules which govern the engineers in making these estimates. They are a guaranty of their conservative nature.

On page 15 of the pamphlet which appears on the desk of Senators there is a tabulation of annual costs. It is broken down in detail; it is taken from House Document No. 277, Seventy-third Congress, page 12, paragraph 29, and I ask unanimous consent that it may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table is as follows:

Based on the total construction cost, the Board of Engineers estimated the annual cost as follows (see H. Doc. 277, 73d Cong., 2d sess., p. 12, par. 29):

To the United States:	
Interest at 4 percent on first cost	$1,480,000
Obsolescence at 0.42 percent of first cost	155,000
Maintenance of channel, 2½ percent of original cost	300,000
Maintenance and operation of seven locks and dams at $40,000	280,000
Maintenance and operation of two reservoirs (Berlin and Milton)	20,000
Maintenance and operation of two railroad bridges	40,000
Total	2,275,000
To local interests:	
Six percent interest on first cost (no maintenance or amortization included)	$600,000
Grand total	2,875,000

Mr. BURTON. There again I wish to comment on the extreme conservatism of the figures. The total is $2,875,000, which is substantially lower than the $3,120,000 I have just mentioned as the gross saving, and the figure, $3,120,000 could well be moved up many hundreds of thousands of dollars on a fair basis and the figure $2,875,000 could well be reduced.

I can demonstrate the conservativeness of these in many ways: It appears that interest is computed at 4 percent on first cost to the United States. The revised calculations of the engineers have now reduced that to 3 percent.

On the question of obsolescence, however, this change of interest has a reverse effect on that particular item. If, in computing an obsolescence item, the interest is to be compounded at 3 percent instead of 4 percent, the resulting annual allowance for obsolescence would have to be a little larger than that shown in the table. This increase, however, would not equal the reduction in the first item.

Coming to the next item, that of maintenance of channel at 2½ percent of original cost, I may point out that that is an extremely liberal maintenance charge, so liberal that in fact, in the opinion of the engineers, it eliminates the item of depreciation, because on that basis the canal would be in a hundred percent condition at all times.

On the next item, maintenance and operation of seven locks and dams at $40,000 per lock and dam, the number of locks and dams has been reduced to six, and therefore it will be necessary to reduce that item by at least $40,000.

For maintenance and operation of two reservoirs, the one at Berlin and the one at Milton, that item can now be omitted, because those reservoirs are to be operated for flood-control purposes, and will be otherwise charged.

Similarly, turning to the charge to the local interests, that is computed at 6 percent interest on the first cost. I may say that, under their procedure, the engineers now have reduced the 6 percent rate of interest here used to 4 percent. Also at the time this computation was made the capital cost to the local interests was estimated at $10,000,000, whereas now it is estimated at about $3,900,000.

This amply demonstrates the extreme conservativeness of the figures on this particular feature of the project.

Now I may point out that there were included in the construction costs items which are based upon 1938 and 1940 rates of wages and costs of construction. This is a sound basis for the estimate as a post-war project. As a matter of fact it is the estimate used throughout the engineers' reports. If it is to be criticized here as an estimate of post-war costs, then every project before the Senate would have to be modified accordingly.

When we come to the question of harbor facilities and facilities for unloading, I point out that they are amply provided for in House Document No. 277. At paragraph 30 it is expressly stated that—

The cost of terminals and transfer facilities, which is not included in the above statements of cost, has been taken into account in estimating the savings by including in the costs of transportation by water, terminal and transfer charges sufficient to pay for interest and operation on these facilities.

The item of interest during construction is omitted in this case in accordance with the regular practice of the engineers on a comparatively small project or where substantial benefits accrue as the project is being built.

I have already listed many of the users who will benefit from this canal up and down the canal. Those benefits will accrue during the construction, thereby making this item an unnecessary one.

Similarly, capital investment in floating equipment is also figured into the estimates of the rates for transportation.

That brings us to the justification of the canal based on savings, showing that the savings are far in excess of those indicated in the official report, although the official reports themselves amply justify the project on an economic basis.

I now come to a brief statement on the effect of the project on the employment of labor. The question is whether or not the project will adversely affect labor. It has been claimed in some of the discussions of this canal that somehow or other its construction might reduce employment on the railroads, or at large in the country, to greater extent than it would create employment in the operation of the canal. That is not according to the estimate of the situation as shown in the hearings in 1941. I here quote from a brief filed by J. C. Argetsinger, of the Youngstown Sheet & Tube Co., as it appears at page 57 in the House hearings of 1941, held September 30 to October 6. He said he had looked into this matter of the effect on labor in detail. The statement concludes that the building of the canal would increase rather than decrease employment. I read a few sentences from page 57, as follows:

Let us assume that 5,000 tons of coal (the actual pay tonnage is more than 5,000) are hauled on the average coal train, 6,000,000 tons divided by 5,000 tons means 1,200 trainloads. The witness says that this movement can be accomplished in 8 hours, so divide 1,200 by 3 shifts and you have 1 train operating 400 days. To provide for holidays, Sundays, delays, and breakages, let us say that 2 trains per year are necessary. Thus from a labor standpoint the work of 2 crews per year will be lost, or in the language of the railroad's own witness, 30 employees times $1,800 per year equals $54,000 in lost wages.

Then, on page 58, the same witness compares this with the employment which would result from the operation of the canal. I quote:

On this basis the waterway furnishes employment for 60 lock employees, 16 repairmen, and 75 employees on the towing units, or a total of 147 jobs with a pay roll of $258,000.

The railroad jobs lost for this line haul movement are 30 crew members with a pay roll of $54,000.

The total employment picture is benefited by the waterway to the extent of 117 jobs and $204,000 in pay roll.

The witness continues, however, as follows:

All of this becomes very unimportant and irrelevant, however, when we consider that the drying up of this district, even to the extent of 10 percent, because of inability to compete with low-cost water transportation already given to other districts, would throw 25,000 persons out of work, destroy over a hundred million dollars of investment, impair school, county, and State bonds, close churches and colleges, and create new problems of relief. Ours is a home-owning district (steel workers here are largely home owners) and I hate to think of 25,000 families losing their homes.

I wish to add also that there testified before the Senate committee in 1944 representatives of organized labor in the steel mills and in the community at large in Youngstown. They strongly endorsed the Beaver and Mahoning Canal.

Some reference has been made, in the literature on this subject, to whether or not the National Rivers and Harbors Congress has endorsed this project. I may point out that the president of that distinguished body is JOHN L. MCCLELLAN, the distinguished junior Senator from Arkansas. Its national vice presidents are the senior Senator from Louisiana [Mr. OVERTON], and three Members of the House of Representatives, Mr. WHITTINGTON, of Mississippi; Mr. PETERSON, of Georgia, and Mr. CLASON, of Massachusetts. The chairman of the board is Representative SHORT, of Missouri. I may say that the National Rivers and Harbors Congress has endorsed this project. I read from a letter of November 16, 1944, addressed to me by William H. Webb, executive vice president, containing the following statement:

The Beaver-Mahoning waterway project was considered by the projects committee, composed of a waterway expert from each of the engineering divisions of the United States, at the first meeting after its organization in the year 1935. After careful consideration of the project the committee recommended unanimously that the project be put in class I—endorsed—which means the committee is convinced that the project is sound, needful, and sufficiently advanced in status, and should be promptly constructed in the public interest. The congress in convention assembled thereupon unanimously approved the recommendation of the committee.

At the several conventions of the Congress subsequently held, including the most recent session held in New Orleans, La., July 27–28, 1944, the Congress reiterated its previous endorsement of the Beaver-Mahoning waterway.

Under our procedure a project once endorsed by the Congress upon the recommendation of the projects committee retains its status until finally constructed, unless the Congress in the meantime rescinds such action.

Project Nos. 1 and 2 having been constructed, the Beaver-Mahoning waterway retains its status as the No. 1 and first project in our highest classification as an endorsed project.

Madam President, I wish to conclude this statement as I began it, by saying that this is a proposal to retain in the program of the United States for its postwar program a project which has been repeatedly and soundly approved. The project has been approved by two boards of engineers, by three Chiefs of Engineers, twice by the Committee on Rivers and Harbors of the House, and twice by the Senate Committee on Commerce. It has once passed the House and once the Senate. It is before us now in a form which reiterates the previous authorization, modifying it only in accordance with the recommendation of the Chief of Engineers increasing the Federal cost by a million and a half dollars, and making the money available in accordance with the final recommendation, for future use, greatly needed, as demonstrated in this statement. It is a fair and reasonable part of any post-war program that may be passed by this Congress, and in view of its repeated endorsement in the past, I trust the Senate will again endorse it today.

AMENDMENT OF MUSTERING-OUT PAYMENT LAW — MENTALLY DISABLED VETERANS

Mr. REVERCOMB. Madam President, on behalf of the Committee on Military Affairs, I report back favorably without amendment House bill 5408, to amend the Mustering-Out Payment Act of 1944, to provide a method for accomplishing certain mustering-out payments on behalf of mentally disabled veterans, and for other purposes, and I submit a report (No. 1313) thereon.

The PRESIDING OFFICER. Without objection, the report will be received and the bill will be placed on the calendar.

Mr. REVERCOMB. Madam President, I ask unanimous consent for the immediate consideration and passage of the bill.

Mr. GUFFEY. I object.

Mr. LUCAS. What was the unanimous-consent request?

Mr. REVERCOMB. For immediate consideration of the bill. I shall be glad to make explanation of the bill if the Senator desires it.

Mr. LUCAS. I think we ought to have some explanation of the bill.

Mr. OVERTON. Madam President, may there be an explanation made of the bill before it is to be considered by the Senate?

Mr. REVERCOMB. I am proceeding to do that now, I may say to the Senator.

Mr. OVERTON. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. The subject matter before the Senate at the present time is an amendment to the river and harbor bill, and my question is: Can there be an explanation of another bill which is not before the Senate?

Mr. REVERCOMB. Of course, if there is objection, I cannot proceed.

Mr. OVERTON. Madam President, I am forced to object.

The PRESIDING OFFICER. Objection is heard.

Mr. REVERCOMB. Very well.

The PRESIDING OFFICER. The bill will be placed on the calendar.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment at the top of page 22, relating to the Beaver and Mahoning Rivers, Pennsylvania and Ohio.

Mr. ROBERTSON. Madam President, the Beaver-Mahoning project calls for the building of a dead-end channel 12 feet deep and from 200 to 250 feet wide up the Beaver-Mahoning Rivers from the Ohio River in Pennsylvania to Struthers, Ohio, a distance of approximately 35 miles.

There are several interesting things connected with the project. The first is the 12-foot channel. The waterway is to be 12 feet deep and from 200 to 250 feet wide. Why this 12-foot channel? I think all the channels to date on the entire Mississippi water system have been 9 feet deep with the exception of some earlier ones which were made 6 feet deep and for which authorization has been sought to increase to the 9-foot depth. One of the arguments used to convert these 6-foot channels to 9 feet has been that a 6-foot channel on a 9-foot system is similar to a narrow-gage railroad connection on a broad-gage road. Would we be right in assuming that a 12-foot channel on the Beaver-Mahoning Rivers would throw the rest of the Mississippi canal system, that is the 9-foot channel, into the category of a narrow-gage railroad, or is it notice that it is the intention of the promoters of inland waterways to convert the entire system into a 12-foot channel. If that is so, I think we have a right to know it.

The total cost of this canal to the Federal Government, and to the local communities, will be in round figures, $70,000,000, of which $38,000,000 is the proposed Federal contribution.

Why is this proposal being made and to what purposes will the proposed canal, if constructed, be put? By that I mean what is the type of freight to be hauled over it, and who are to be the beneficiaries?

As the Senator from Ohio [Mr. BURTON] stated a few moments ago, the Beaver-Mahoning project originally envisioned a canal going through to Lake Erie. That idea has apparently been abandoned in favor of this 35-mile dead-end canal. The dead end of this canal is at Struthers, Ohio; that is, in the Youngstown district, which is one of the large steel-producing areas of the country. The open end of the canal is at the mouth of the Beaver-Mahoning Rivers, where it enters the Ohio River. A little farther up the Ohio River is Pittsburgh, with its great steel industry, and most of the steel plants in the Pittsburgh area are located on the banks of the Ohio River.

Coal is a very important product in the manufacture of steel. Roughly the figures are that it takes 2 tons of coal to make 1 ton of steel. The great producing areas of the bituminous-type coal are in Pennsylvania, West Virginia, and Kentucky. In the case of the Pittsburgh area, the coal is taken by barge up or down the Ohio River—I am talking now of what happens at present—it is shipped by barge to railroad points near the mouth of the Beaver-Mahoning at places

called Colona, Conway, and Smiths Ferry, and then transferred to railroad cars and hauled up to Youngstown and Struthers. The freight rate on this coal is 95 cents per ton from Colona and Conway to Youngstown, which includes the lifting charge.

For a long time the steel companies in the Youngstown area have been seeking to reduce this freight rate and now they are asking authorization for a Federal and local expenditure totaling $70,000,000 in order to help them do so. I am informed also that the steel companies feel that the construction of this $70,000,000 canal would enable them to use more coal from their so-called captive mines than they are able to do at the present time.

The evidence during the committee hearings on this bill brought out and emphasized that the authorization of this canal has been sought to enable the Youngstown steel people to get their coal at cheaper rates. In fact, we have been asked to authorize the construction of this waterway for the benefit of some three or four big steel-producing concerns.

To bear out this statement, I will quote from the testimony of Mr. Kenneth M. Lloyd, secretary, Mahoning Valley Industrial Council, Youngstown, Ohio, one of the proponents of this project. On page 115 of the hearings on H. R. 3961, part II, Beaver-Mahoning Rivers project, Mr. Lloyd said:

> The principal commerce to be moved on the proposed waterway is the so-called ex-river coal which is transferred from barges at Smiths Ferry, Conway, or Colona, appearing on the map right at the mouth of the Beaver River on the Ohio River, to the railroads for shipment into the Youngstown district.

There are four railroads that traverse this district: the Pennsylvania, the Pittsburgh & Lake Erie Railroad, the Youngstown & Suburban, which is the Pittsburgh Coal Company's private railroad, and the Baltimore & Ohio Railroad. There are, of course, also excellent highways which can be used for truck hauling.

I particularly call the attention of the Senate to the Youngstown & Suburban, which is the private railroad of the Pittsburgh Coal Co. It is important, in that, being a private railroad there are apparently no published freight rates, as the operation of this railroad is confined to the business of the Pittsburgh Coal Co. It is of interest and of great importance in the whole inland waterway set-up to know that this private railroad company was refused a certificate of necessity and convenience by the Interstate Commerce Commission. The decision of the Interstate Commerce Commission in refusing this certificate can be found on pages 43 and 619, volume 150 of the Interstate Commerce Commission Reports.

This has a very direct bearing on an amendment which I submitted regarding this very important question of necessity and convenience, which Senators will find on their desks, and which I shall move for consideration when the controversial committee amendments shall have been disposed of. However, as that question, at least of necessity does come into this picture of the proposed 35-mile dead-end canal from the Ohio River up the Beaver-Mahoning to Struthers, let us compare this with the situation of a railroad asking to build a line over this 35 miles in order to provide a further transportation system. Before a railroad can make a line extension into new territory, it must first make a showing of necessity and convenience. It must conclusively prove that the area is not now adequately served by transportation. I fail to see why a canal system should not be called upon to show necessity and convenience when authorization is sought to construct a new means of transportation into a district. Here is a small river, for which authorization is being sought to make it into a transportation system; and yet on the banks of this river for the entire 35-mile distance, four railroads are operating. There has been no complaint that the service of these railroads is deficient. As a matter of fact, there is overwhelming evidence that the railroads are doing a splendid job and are completely filling the bill so far as the hauling of coal to the steel mills in the Youngstown area is concerned. Every project in this bill should be subject to the test of necessity and convenience, and if the Interstate Commerce Commission—and this in every way is interstate commerce—is prepared to grant a certificate of necessity and convenience, then, and only then, should the Congress be asked to authorize construction of such projects.

Back of this project is another angle which is interesting, as it reveals a further illogical reasoning as to why the United States Treasury and, therefore, the United States taxpayers, should construct this dead-end canal, in order to bring coal at a cheaper freight rate to the Youngstown steel industry. As I said a few moments ago, the steel mills at Pittsburgh get their coal over the Ohio River. The Youngstown steel people feel that the Pittsburgh crowd have an advantage over them.

Mr. Lloyd, in his testimony on page 119 of the hearings, stated:

> We are not asking for anything which has not been provided to our principal competitors on the Ohio River. We have never appeared in opposition to any project designed to benefit our competitors by reducing their assembly costs on raw materials.

I call particular attention to the words "designed to benefit our competitors." Of course, the inference is natural, and the statement is clear, that the channels in the Ohio River were largely constructed for the benefit of the big steel companies.

Mr. President, in support of this contention I hold in my hand a magazine called Waterways. It was sent to me with the compliments of the National Rivers and Harbors Congress, and is a marked copy. I take it that the National Rivers and Harbors Congress is the organization to which the distinguished Senator from Ohio referred. The marking calls attention to page 11, and to some 6 succeeding pages. On those pages there are some excellent photographic reproductions of water transportation, and being naturally interested in this rivers and harbors bill, and all that had been said about the great advantage which would accrue to the people from the construction of various waterways, it was most enlightening to read the caption under various pictures.

The first shows the Wheeling Steel Corporation's steam towboat *Carbon*, and barges.

The second shows the steam towboat *Charles T. Campbell* of the Campbell Transportation Co. My information is that the Campbell Transportation Co. was recently purchased by the Mississippi Valley Barge Lines, a common carrier barge service, and is, therefore, a carrier-owned barge line.

The third shows the *C. W. Talbot*, of the Union Barge Line, is a steam towboat of 775 horsepower, and we are advised in the caption that she is a sister ship of the *Sam Craig* and the *J. D. Ayres*. I am advised, according to the records of the Interstate Commerce Commission, that 87 percent of the stock of the Union Barge Line Corporation is owned by the Dravo Corporation, a large sand and gravel company engaging also in machinery and shipbuilding.

The fourth shows a Diesel towboat, *The Tri-State*, of the Ashland Oil & Refining Co.

The fifth shows a picture of the steam towboat *Titan* pushing a string of barges. The *Titan*, according to the caption, belongs to the Jones & Laughlin Steel Corporation.

The sixth shows the Carnegie-Illinois Steel Corporation steam towboat *Lamont Hughes*.

The last one shows a very big affair of 1,200 horsepower pushing 18 barges and called the *City of Pittsburgh*, of the Ohio Barge Line, a subsidiary of the United States Steel Corporation.

Madam President, we have a right to ask, For whom are these waterways being built? Who is benefiting by them? From the photographs in that article, I should say—and this article was sent to me by the Rivers and Harbors Congress—that if these photographs show a relatively correct proportion of the ownership of barges—and there is no reason to doubt that they do—then, on that part of the water transportation system on which they operate, the great majority of the towboats and barges are owned and operated by the big corporations.

Madam President, we have a right to ask and at the same time to consider most seriously, Are we going to build and maintain a Federal transportation system, and are we going to spend millions of dollars of taxpayers' money to build and subsidize a transportation medium for the benefit of large corporations operating in this country?

I repeat, Madam President, that I hold no brief for the railroads. I hold no brief for the trucking companies. The latter enter very little into this picture, as the type of freight hauled by water transportation is hardly the type that would be possible on the highways of the Nation. Be that as it may, in order to form a fair, just, and equitable comparison of rates of hauling as between any two systems of transportation, the initial costs and maintenance should very definitely be taken into

consideration, and particularly where in one case the cost of construction and maintenance of the transportation facility is undertaken by the Federal Government, as compared to the other case, where the transportation system has been built up over many years by private enterprise and devoted to public service.

As further evidence that this is purely a project for the benefit of the large steel companies, I again quote Mr. Lloyd. The chairman of the subcommittee, the Senator from Louisiana [Mr. OVERTON] asked Mr. Lloyd:

> Well, now, what industries in and around Youngstown would be serviced by this channel?
>
> Mr. LLOYD. I am very happy, sir, that you asked the question. I would like to say that, according to the American Iron and Steel Institute, the following companies are listed as basic steel-producing units in the Youngstown area: the Carnegie Illinois Steel Corporation, the Youngstown Sheet & Tube Co., the Republic Steel Corporation, the Sharon Steel Corporation, the Struthers Iron & Steel Co., the Copper Weld Steel Co. at Warren.

Mr. Lloyd further stated that the Copper Weld Steel Co. is an organization which uses electric furnaces and, as a result of that fact, it depends for its fuel on electricity. Mr. Lloyd further advised the committee that he was prepared to introduce a representative from each one of these companies as proponents of this project.

The first of these representatives of big steel companies to be introduced by Mr. Lloyd was one J. C. Argetsinger, vice president and general counsel, Youngstown Sheet & Tube Co., Youngstown, Ohio. Mr. Argetsinger had some most interesting things to say. I shall not take up the time of the Senate to go over his testimony to any great extent, but I do wish to call attention to a statement he made on page 127 of the hearings:

> Competition, of course, is dog eat dog, every man for himself, and in this case it is simply one steel company fighting to see that another competing steel company does not receive the same advantages that he has.

The case referred to in this statement is, of course, the authorization for the building of this 35-mile long dead end canal on the Beaver and Mahoning Rivers.

Madam President, this project or the authorization for it has been sought for sometime previously, and House Document 277 of the Seventy-third Congress, second session, contained the reports of the man who at that time was division engineer, Col. R. C. Moore, and the man who then was district engineer, Maj. W. D. Styer. I should like to have the Senate listen what Colonel Moore stated in paragraph 28, page 23:

> In my opinion, the Government should not undertake the improvement considered in this report. Even the total theoretical savings based on optimistic traffic prophecies are insufficient to justify the large expenditures involved. The assumption that the active available tonnage would be attracted to the rivers is untenable.
>
> It would not be an attractive waterway. It would not afford facilities for navigation equivalent to those of the system embracing the Monongahela, Allegheny, and Ohio Rivers. The waterway would be essentially an industrial basin serving a limited area and relatively a few industries. The improvement would be of little benefit to the general welfare of the Nation and it would not be productive of appreciable increase in national wealth through the development of national resources. It is recommended that the Federal Government not undertake improvement of the Beaver and Mahoning Rivers in accordance with the plan considered in this report.

Madam President, one very important factor to take into consideration in connection with this project is the fact that while the railroads operate year in and year out, this stub-end canal would be subject to ice, fog, and high velocity wind, so that there would be a limited operation of not in excess of 9 months. In other words, for 3 months of the year, and probably more, this means of transportation could not be utilized, and the big steel companies in the Youngstown area would again have to revert to use of the railroads to haul their coal. That would mean that the railroads would have to maintain their property and have in readiness locomotives, coal cars, and other operating units, in order obligingly to take care of the Youngstown steel companies during the period when their dead-end canal would be frozen up or otherwise out of use. But during the 8 or 9 months when the Federally subsidized transportation system would be available, the railroads, with their employees, their plants, and their equipment, would be told to stand aside.

Mr. BURTON. Madam President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BURTON. I merely wish to make sure that the Senator appreciates the fact that the Board of Engineers for Rivers and Harbors in its final reports on the project has overruled the district and division engineers on the original report, and has pointed out in the final report that the lower canal would be open 350 days of the year, and therefore there would not be any necessity for the shut-down which is indicated by the authority to whom the Senator from Wyoming has referred. Furthermore, the type of freight which would be carried would be the type which could easily be stock-piled, and therefore the railroads would not be under the necessity of maintaining stand-by service for the short canal.

The long canal to Lake Erie is something else, but the short canal would be much more open in winter than the northern end would be, and the traffic situation is such that the materials could readily be stock-piled.

Mr. ROBERTSON. Madam President, I am interested in what the Senator from Ohio has said. I hold in my hand a magazine entitled "The Taxpayers' Case Against Youngstown's Beaver-Mahoning Dead-End Canal," and in this connection I am interested to see in the magazine a photograph bearing the following caption:

> The Beaver River at Beaver Falls, Pa., on January 6, 1940, where skaters are taking advantage of the thick ice to enjoy their favorite sport. During periods of this kind of weather, all traffic on the dead-end canal will, of course, be indefinitely suspended.

The photograph shows that the river is frozen solid from one side to the other.

Mr. TAFT. Madam President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. TAFT. Of course, the Senator knows that the question is chiefly one of the transportation of coal, with resultant great savings to Youngstown. Of course, the Senator also knows that the Great Lakes are frozen during winter, but all the coal which goes to the Northwest is shipped during a much shorter period—namely, a period of 9 months—and is stock-piled when it is delivered.

So, it seems to me that the very short period when the Beaver-Mahoning Canal would be frozen is certainly no objection. There is no question at all that the coal could be transported during the period when the canal would be open, as in the case of transportation on the Great Lakes.

Mr. ROBERTSON. Madam President, if this canal were for the general best interests, the project would be in a better position. But even at that it would be an unsound project. It is a plan for the financial betterment of a few large steel companies.

According to testimony presented at the hearings by Mr. Percy Tetlow, representing the United Mine Workers of America, the Youngstown Sheet & Tube Co. at Youngstown is the only plant in Youngstown of the great steel companies which could use that waterway, and that waterway alone, for transportation. Mr. Tetlow further said that the Republic Iron & Steel Corporation has great coal resources that can be moved down the Monongahela River and the Ohio River, and by this canal to Struthers, but it would not reach the Republic plants.

Mr. Tetlow continued as follows:

> As an investment of money, either postwar, or now, or at any time, to my mind, it is uneconomical, unsound, and it will not be beneficial to all of the people in the communities reached by this canal. The steam coals or the heating coals that are available must be moved by rail into the city of Youngstown. This canal would not be available for that. There is approximately 7,000,000 tons of coal used in that area annually. This coal has heretofore, and now is, coming from the Ohio mines into Youngstown, either by rail or motortruck (800,000 tons).

Mr. Tetlow throughout his statement was insistent in regard to the shipment of coal that—

> The shipment of coal to Struthers, Ohio, over that waterway will be almost exclusively, if it is shipped by water, to the Youngstown Sheet & Tube plants at Struthers.

What new towage or new wealth do these subsidized inland waterways produce? They produce none that I can ascertain. Their only function is to take away business, during a portion of the year, from some other transportation system which is well able to take care of that business. The railroad, as a common carrier, must at all times be prepared to accept shipments weighing from 1 ounce to a million tons. It is on the job in winter as well as in summer, in

flood time as well as in dry time, whereas in certain seasons the subsidized inland waterways may be frozen up and unable to function. They are very much a fine-weather transportation system. Even if the enemy were on our shores, and we needed additional transportation in the worst way, much of the subsidized waterways would be of no value to us during the winter months. Certainly the Beaver-Mahoning dead-end canal could not, by the greatest stretch of the imagination, be considered to be strategically important to the war effort.

The Beaver-Mahoning dead-end canal project differs from others which have been before the Senate in the past few days. In the discussions regarding the Tombigbee project, the question was raised as to justification, and in most cases the justification of costs was built up on a series of intangible assets. In the case of the Beaver-Mahoning project no intangible assets have been put forward for the simple reason that there are none.

Another striking difference between this project and practically every other project in the bill—both controversial and noncontroversial—is that this proposed 35-mile canal does not have the support of the Senators from Pennsylvania. Ninety percent of the waterway would flow through that State. The canal, as we have been told, would be approximately 35 miles long. Of that distance 31½ miles would be in Pennsylvania and approximately only 3½ miles in Ohio. I do not think it is the policy of this body to approve any canal project 90 percent of which is opposed by the Senators from the State through which the canal would flow.

I have earlier referred to the lack of intangible justification. There being no intangible assets to form the basis of a justification, let us see what are put forward as tangible assets. The approval of the committee of authorization for the construction of the canal is sought by the proponents in conjunction with the United States engineers on the basis of estimated benefits. Those benefits would be in the ratio of 1 to 1.08. That means, as I understand it, that if today it costs $1.08 per ton to haul coal by rail from Conway, or Smith's Ferry, or Colona to the Youngstown Sheet & Tube Co., we are now asked to believe that by the construction of this $70,000,000 canal, the water-borne freight rate on the coal from the mouth of the Beaver-Mahoning on the Ohio River up to the Youngstown Sheet & Tube Co.'s property at Struthers would be $1, or a saving of 8 cents per ton, or in that ratio. But that in itself is definitely not sufficient to justify such a project, and particularly so when we realize the basis on which that figure is reached. The $1.08, which is purely a ratio figure, is based, as are all railroad freight rates, on the proportional cost of the railroad bed, the rails, the locomotives, cost of maintenance, cost of loading and unloading, and the great number of men employed in such operations. In addition, there are tremendous taxes which the railroads of the country are called upon to pay. All those factors enter into the making of the rate. On the other hand, the rate of $1 is based apparently only on the costs of a tugboat, a string of barges, the operation and maintenance thereof, and the comparatively small amount of taxes which would be payable on a tugboat and barges, and no consideration whatsoever is taken of the $70,000,000 investment, with an annual upkeep of more than $2,000,000 a year, including $630,000 for the local authorities.

As one very much opposed to unlimited Federal expenditures, I suggest that rather than approve this authorization, the Federal Government should build another railroad, paralleling the proposed 35-mile waterway. A very good double-track railroad could be built for between five and ten million dollars, and the annual upkeep of such a railroad would not exceed $150,000 a year. It would be very much to the taxpayers' benefit to turn such a railroad over to the Youngstown steel mills, not charge them a cent for it, and keep it up for them at a cost of $150,000 a year. In that way the Federal Government and local interests would save $60,000,000 on original costs and at least $1,800,000 annual upkeep costs as compared with the waterway.

I am not advocating the construction of such a federally owned railroad, but am merely using the suggestion for a comparison, to illustrate the inequality of the basis of calculation for freight rates as between the two systems.

The construction, maintenance, and operation of waterways in a country barren of railroads can be justified, but when it is proposed to spend vast sums on construction or deepening of a channel to permit water-borne transportation or a river, on either bank of which there is a modern railroad equipped to handle all available traffic, the justification is a different and much more difficult matter.

I hold no brief for the railroads, but with the vast majority of my countrymen I take my hat off to them—both management and labor—for the magnificent job that they have done and are doing.

We must never lose sight of the importance of our railroad system during wartime or great emergencies. No illustration is more convincing than that which happened to the Russian railroad system, particularly in view of the fact that Russia is frequently quoted as an example for expansion of inland waterway construction. Russia developed her waterways system because she lacked an adequate railroad system. Yet during the German army advance into Russia as far as Stalingrad, the limited railroads that are in Russia, and not the waterways, were the controlling strategic factor; in fact, so important were the railroads to their military operations that the German Army converted the Russian broad gage railroad track—approximately 5 feet—to the German standard gage of 4 feet 8½ inches in order to move their troops and equipment efficiently.

Reversing the picture, as the Russians gallantly drove the Germans back across the Dnieper and Dniester Rivers, it was necessary for them to change the gage of their railroads back to their broad gage in order to supply their forces.

There is no finer railroad system in the world than that which we have in the United States. It is a system built up by private enterprise, and devoted to public service under Federal regulations.

I am an advocate of a powerful United States of America after this war. I advocate that we must maintain the framework of a great army, a great navy, a mighty air force, and a great merchant marine. I believe that possibly our greatest contribution in Congress is to make definite and certain that those four great vital forces of our Nation are backed by the greatest, most efficient system of railroads and highways throughout the country. I feel that the Congress of the United States would not be doing its duty if it permitted the passage of any legislation which would in the slightest degree reduce the efficiency and operative capacity of our railroads and highways.

Unnecessary paralleling, competing, part-time operating systems, constructed by the Federal Government, tend to weaken our great railroad systems, and anything that will weaken that integral part of our national defense system must be considered in the light of being unsound.

I am not arguing that a water transportation system cannot be made a valuable adjunct to our national defense and to a general economical transportation system, but I am opposed to vast sums from the Federal Treasury being used to construct and maintain a system in order to place the large corporations of this Nation in a favorable position as compared with their competitors or with small business. The federally subsidized waterways of this Nation are for the big shipper. The small businessman and the poor man have to rely on the railroads and the motortrucks for their transportation facilities.

Mr. President, I have no interest in Ohio or in Pennsylvania, beyond an admiration for two great States. I have no interest in any railroad company in this country or in any other country. I have no interest in any trucking company. As a member of the subcommittee of the Senate Commerce Committee appointed to conduct hearings on the pending river-and-harbor bill, H. R. 3961, I formed the very definite opinion that this project is not sound, no matter from what angle it is approached.

I wrote and submitted minority views dealing with the Beaver-Mahoning project and the Missouri River project, in the latter case, largely on the question of the beneficial use of waters in the arid and semiarid States of the West.

I was convinced during the hearings that the Missouri River question could be worked out to the satisfaction of all parties. Happily this was possible, and the amendments which were incorporated in the flood-control bill, H. R. 4485, dealing with this matter, are now incorporated in the pending river-and-harbor bill.

As I have said, the other part of my minority report dealt with the Beaver-Mahoning project. As a member of the

subcommittee, I attended practically every hearing and listened most attentively to everything that was put forward pro and con.

As a completely disinterested party, I came to the conclusion that this project could not be justified, and I ask the Senate to vote to reject it.

The PRESIDING OFFICER (Mr. WHERRY in the chair). The question is on agreeing to the committee amendment.

Mr. DOWNEY. Mr. President, I desire to make a request of the Senator in charge of the bill. I have two amendments to offer, involving merely survey items, routine matters.

Mr. HILL. The distinguished Senator from Louisiana [Mr. OVERTON], in charge of the bill, was called from the floor for a few moments on important public business. I wonder if the Senator would withhold his request until the distinguished Senator from Louisiana returns.

Mr. DOWNEY. Of course, I shall be glad to do so.

Mr. DAVIS. Mr. President, I shall be brief, because I believe the subject matter of the pending amendment has been discussed fully. I wish, first of all, to compliment the junior Senator from Wyoming [Mr. ROBERTSON] for the splendid way in which he has presented the minority views of the committee.

Mr. President, there is included in the pending bill an amendment to which I and the overwhelming majority of the people of Pennsylvania are unalterably opposed. I refer to the amendment which provides for the construction of the so-called Beaver-Mahoning canal, extending from the mouth of the Beaver River in Beaver County, Pa., to Struthers, Ohio, a distance of 36 miles, 31 of which miles lie within the territorial limits of the Commonwealth of Pennsylvania.

I have discussed this proposition with many interested parties, both within and without the State of Pennsylvania, and, in addition, I have received numerous letters, telegrams, and other communications, all of which embodied sound reasons for opposing the construction of this proposed canal at a cost to the American taxpayers of more than $70,000,000.

The reasons for my opposition to the construction of the proposed canal are as follows:

First. The proposed canal would be prejudicial to the public interest and would benefit no one outside the Youngstown district.

Second. The Youngstown district and the two steel companies asking for this practically $70,000,000 gift from the American taxpayers is preposterous. They do not need the canal in order to survive or to meet their competitors upon a basis of full economic equality.

Mr. TAFT. Mr. President, will the Senator yield a moment?

Mr. DAVIS. I yield.

Mr. TAFT. Is not the Senator mistaken in referring to this as a $70,000,000 project?

Mr. DAVIS. I think not; that was the testimony before the committee itself.

Mr. TAFT. But the canal we are discussing is a canal to Youngstown, which is to cost thirty-eight and a half million dollars, not $70,000,000.

Mr. DAVIS. No; I understand it will cost $2,000,000 a mile, and the statement was made, as the record itself shows, that it would cost $70,000,000.

Mr. TAFT. The Senator is referring to the canal which goes through to Lake Erie and which the Pennsylvania people were supporting.

Mr. DAVIS. No; the canal which goes through to Lake Erie would cost $200,000,000. I think the Senator is not correct.

Mr. BURTON. Mr. President, will the Senator from Pennsylvania yield?

Mr. DAVIS. I yield.

Mr. BURTON. I think the record is incontrovertible that the report of the engineers showed that they estimated the Federal expenditure on the canal would be thirty-eight and one-half million dollars, and the local expenditure would be $3,900,000. I understand that in the Pennsylvania literature it is estimated there would be some additional expenditures, but I do not know what they are. They were not of the Federal Government, but were of local interests.

Mr. GUFFEY. Mr. President, I should like to ask the Senator from Ohio a question.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield in order that his colleague may ask the Senator from Ohio a question?

Mr. DAVIS. I yield.

Mr. GUFFEY. Were not the figures the Senator quoted, the $38,500,000, based on costs in 1938?

Mr. BURTON. That is correct.

Mr. GUFFEY. How much have they increased since then?

Mr. BURTON. The committee went into that in detail. It was pointed out that all the projects in the bill are post-war projects. They based the figures on the 1938 and 1940 rates of wages and costs, which are the ones on which they have based their post-war estimates. When this matter was up for consideration in 1941 as a wartime project, it was estimated by the engineers that the project would cost, at the wartime rates, about $48,000,000, but all through the entire bill the rates are on the basis of 1938 and 1940, which are accepted by the Department of Labor as being substantially the same in both those years, and they are the basis of all estimates in connection with every project; we have had this project before us as a post-war project, not a wartime project.

Mr. GUFFEY. Mr. President, I agree with my colleague that the figure $70,000,000 is nearer being correct than $38,500,000.

Mr. DAVIS. Mr. President, there must also be taken into consideration the expense that will be placed on the people of Pennsylvania after the work has been completed. County after county will be bankrupted in attempting to pay the cost of this canal. I do not think $70,000,000 would cover the cost of the canal.

Mr. BURTON. Mr. President, will the Senator yield for a moment?

Mr. DAVIS. I yield.

Mr. BURTON. I do not want to take the Senator's time, but it is not contemplated that any county would be bankrupted. If the local public interests do not bear the expenses the project cannot go ahead unless other local private interests guarantee these expenses. The Government is to be protected, and then the local public interests would not be affected by it. The local communities cannot be bankrupted by the canal, because it is a condition of this project that the project shall not go ahead unless the local expenditures are provided for.

Mr. DAVIS. Mr. President, I do not so understand the situation. The people of Beaver County and Mahoning County are of the opinion that they will be put to great expense, sufficient expense to bankrupt the counties, to meet the cost of the canal.

Mr. BURTON. The Senator should recognize this point, that if there is a local expense connected with the project, there is no way that the Federal Government can make the local communities put up the money.

Mr. GUFFEY. In other words, Mr. President, the proposal is that the Government build the canal and find out later whether the local communities will put up the money.

Mr. BURTON. I think it is perfectly clear that the Government will not proceed until the money is provided or guaranteed. That is very clear in the conditions set by the engineers.

Mr. DAVIS. Mr. President, I shall continue from where I left off.

Third. The per-mile cost of over $2,000,000 a mile would be several times greater than that of any inland waterway ever authorized or seriously considered in the United States and should of itself condemn this project.

Fourth. The Army engineers have clearly indicated they never have been satisfied that the project is economically justified.

Fifth. The cost of assembling raw materials for the making of steel is no higher at Youngstown than at the plants of most of its competitors, many of which do not have Youngstown's other advantages.

Sixth. The contention of the Youngstown steel companies that their freight rates are unfair cannot be substantiated inasmuch as the Interstate Commerce Commission repeatedly has held that their rates are reasonable and nondiscriminatory. However, these rates are again under investigation at the present time by the Interstate Commerce Commission and all action looking to the canal's authorization should cease, at least until the Commission has handed down its decision. The Commission—and it alone—should pass upon the propriety of these rates.

Seventh. This is a bold and inexcusable attempt to circumvent the findings and decisions of the Commission, which is invested by law with exclusive jurisdiction in such matters. It is an attempt to use the Army engineers both as a threat to the Commission and as a court of appeal from its findings and decisions.

Eighth. The authorization and construction of this waterway would create a dangerous and unbelievably expensive precedent, which if followed logically, would justify the construction and operation of navigable waterways with public moneys to practically every industrial district in the United States.

Ninth. The proposed dead-end canal would be extremely dangerous from the standpoint of sanitation and health to whole communities, and would destroy the values of the properties along and near its banks for residential and commercial use.

Tenth. The proposed waterway would be a menace and not an aid to national defense.

Eleventh. The construction of the canal would actually cause the useless and unwarranted destruction of much valuable property, including mills, factories, and waterworks, as well as many costly and essential highway and railroad bridges. This of itself would cause the greatest inconvenience to the public and would result in a severe dislocation of public travel.

Twelfth. The canal could not be used continuously throughout the year. Temperature and weather conditions would of necessity cause it to stand idle and unusable for many weeks at a time.

Thirteenth. The railroads would lose a vast amount of tonnage and revenues. This of necessity would result in their substantially reducing their facilities and available service in the territory involved. When the canal was idle, this would make it impossible for the railroads to furnish the district with adequate service. The loss of railroad revenues because of traffic diversion to the canal would necessitate rate increases to other districts.

Fourteenth. The Federal, State, and local governments would suffer large tax losses because of the decrease in railroad operations and revenues, and would be forced to increase taxes or get additional revenue in some other way to finance the enormous cost of the construction, maintenance, and operation of the waterway.

Fifteenth. Labor—through no fault of its own—would be severely penalized through the loss of thousands of jobs in the railroad, motor trucking and off-river coal-mining industries—a fact to be considered most seriously in view of probable post-war problems of unemployment. It would be most illogical and unfair to build a canal for the express purpose of providing temporary employment to a relatively small number of men engaged in its construction, when the canal would destroy countless jobs which otherwise would be permanent.

Sixteenth. The proposal in effect is for indefensible and wholly unwarranted subsidy. The taxpayers of the Nation are asked to provide a private and personal toll-free waterway for two steel companies which do not propose to pass on any of their savings in transportation costs to anyone other than their stockholders.

Seventeenth. The project as urged would not be started during the war; and post-war conditions will probably change the entire aspect of the situation. Therefore, further consideration of its possible authorization should be postponed at least until after the end of the war. In any event, it would be a poor make-work project as only a relatively small proportion of the cost would go to labor.

Mr. President, I am confident that upon a clear and sober consideration of these facts the Members of this great body will reject this outlandish proposal as being totally unnecessary, ill-advised, and unwarranted—a project which will contribute nothing to the welfare and protection of the Nation, and which will, if completed, cause irreparable damage to established industries, communities, and property values throughout a vast segment of the country.

Mr. President, during the time this matter has been under discussion the congressional delegation of Pennsylvania has considered it. The Republican delegation of Pennsylvania, and I may add the Democratic members as well—practically all the members of the Pennsylvania delegation—are opposed to the proposed waterway. I desire to read to the Senate a resolution adopted by the full membership of the Republican delegation at a caucus held during the time the bill now under consideration was being considered in the Senate committee:

Whereas the omnibus bill of the Committee on Rivers and Harbors, H. R. 3961, which passed the House on the 22d day of March 1944, is now being considered by the Committee on Commerce of the Senate; and

Whereas testimony and evidence have now been introduced in said hearings to include in this bill an authorization estimated approximately at $75,000,000, to construct the so-called Beaver-Mahoning Canal extending from the mouth of the Beaver River in Beaver County, Pa., to Struthers, Ohio, a distance of 36 miles, and of which mileage approximately 31 miles are included within the territorial limits of the Commonwealth of Pennsylvania; and

Whereas during this session of Congress this provision was not included in said bill when it passed the House of Representatives, and no testimony on said project was produced before the Committee on Rivers and Harbors of the House of Representatives; and

Whereas the construction of said canal at this time is in our judgment unnecessary, ill-advised, and unwarranted for the reasons set forth by the various protestants and objectors who appeared before said Senate committee in opposition to said project: Be it now

Resolved by the members of the Republican delegation from the Commonwealth of Pennsylvania, in the House of Representatives, at a meeting held at the Capitol in Washington on Tuesday, May 16, 1944, That we unanimously oppose the inclusion of this project in said river and harbor bill, and earnestly urge that it be not made a part of said bill for the reasons set forth above.

HARVE TIBBOTT,
R. L. RODGERS,
THOMAS BYRON MILLER,
Committee, Pennsylvania Republican Delegation.

Mr. President, I lived in this neighborhood the greater part of my early years. I believe I know these streams. I have fished along the banks of both the Mahoning and the Shenango Rivers, and along the Beaver River. There are times when, at certain places in the Beaver River, one can wade across the river, rolling up his trousers to his knees. I do not believe there is enough water there to construct a successful waterway, and I am sure that such a project would be a failure, even though the Government of the United States should go to this great expense to try to construct such a waterway. I am opposed to the amendment reported by the committee.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment at the top of page 22.

Mr. GUFFEY. Mr. President, I wish to say a word about one of the projects included in this bill which should be emphatically repudiated and eliminated by the Senate, because it is nothing but an adroit scheme to spend a very large amount of public money for the private benefit of two rich steel companies—the Republic Steel Corporation and the Youngstown Sheet & Tube Co.

The project to which I refer is the so-called Beaver-Mahoning stub-end canal, which we are told in the engineer's report would cost the Government $38,500,000 for the purpose of converting two insignificant rivers, having a controlling depth of only 1 foot of water, into a canal 12 feet deep.

The pretended purpose of the proposed canal is to bring water transportation artificially to Youngstown, Ohio, which is located about 40 miles away from navigable water, and has grown to its present size and industrial importance purely as an inland city.

When the steel industry started at Youngstown, it had a very favorable labor market. The freight rate on coal was not a consideration. It had a much more favorable labor market than its competitor in Pittsburgh had at that time. I ask Senators to bear that in mind.

Now, for the benefit of the two great steel companies which I have named, and whose plants are located at Youngstown, this bill proposes to convert Youngstown into a port for water-borne commerce at the expense of the American people.

Since these steel companies, when they originally located their plants, did not have the foresight to go anywhere near the water, they are now asking to have the water brought to them by the American taxpayers.

However, the proposal is even more extraordinary when we lift the curtain and look for what is really behind this project.

It turns out that the two steel companies of Youngstown do not really want the canal for the purpose of using it. They do not really want it as an avenue of navigation, a highway of commerce. They want the Government to build it, and spend $38,500,000 in doing so, but after it is built they are not primarily interested in floating cargoes upon it.

What they really want the canal for is to beat down the railroad freight rates on coal hauled to Youngstown by rail and

thereby gain for Republic and Youngstown Sheet & Tube a competitive advantage over other steel-producing localities, which the Interstate Commerce Commission has hitherto refused to give them on the ground that it would be discriminatory.

It is to get around this action of the Commission that the steel companies have devised this canal project. They want to use one department of the Government against another, and to have Congress, by appropriating $38,500,000 of public money, defeat the policy of the body which Congress has set up to regulate rate relationships between localities, namely, the Interstate Commerce Commission.

All this comes out with perfect frankness and clearness from the testimony of the leading proponents of the Beaver-Mahoning Canal project before the subcommittee which conducted hearings on this bill.

I suggest that any Senator who is interested should read the testimony of Mr. Lloyd, secretary of the Mahoning Valley Chamber of Commerce, who admitted that he was speaking primarily for the two steel companies of Youngstown, and whose testimony is found at pages 113 to 125 of the printed hearings.

It is entirely plain from the testimony of Mr. Lloyd and other witnesses that this Beaver-Mahoning Canal project is not intended to make any contribution to the development of our great system of inland waterways, but is merely an attempt to get better railroad rates on coal for the Youngstown steel companies, in view of the refusal of the Interstate Commerce Commission to grant them such rates.

Mr. Lloyd's testimony and that of practically all the other witnesses for the proponents of the project is devoted to the question of freight rates.

He refers to the fact that the Youngstown steel companies, which are farther away from their coal supply than the producers in and around Pittsburgh, naturally have to pay more for hauling their coal than do the producers who are nearer to the source of supply.

Incidentally, however, he says nothing about the fact that the Youngstown steel companies are nearer to the supply of ore, which comes in from the lake ports, and that consequently, with respect to ore rates, the Youngstown companies enjoy an advantage over their Pittsburgh competitors.

Also, the Youngstown companies have a very important advantage in lower rates on their finished products to the great steel-consuming center in the Detroit area.

At present these advantages and disadvantages of the two localities approximately counterbalance each other and leave the Youngstown producers and the Pittsburgh producers in a fair competitive position.

However, the two great Youngstown steel companies are not satisfied with this fair competitive situation.

They of course wish to go on enjoying their lower rates on ore and on their finished products to the Detroit market, but at the same time they want lower rates on coal, in spite of their greater distance from the mines.

This whole Beaver-Mahoning Canal project is nothing but an effort on the part of those companies to get lower coal rates.

The whole question is a coal-rate question which properly belongs in the jurisdiction of the Interstate Commerce Commission. It is not a waterway question at all.

The manner in which the waterway question was interjected into the controversy is shown by the report of the Interstate Commerce Commission on this canal project, which was made by the Commission on October 3, 1939, in response to certain inquiries from the President of the United States, and which is printed in volume 235 of the Commission's reports, at page 753.

In that report the Commission very clearly points out that the reduction in rates, which the Youngstown steel companies are demanding, would have a discriminatory effect on other localities, and that Congress, in section 3 of the Interstate Commerce Act, has prohibited such discriminations.

Reduction in the rates to Youngstown would, according to the Commission, result in far-reaching disturbances in the competitive relationships of industrial communities throughout the whole steel-producing area, and would not be economically justified merely by the private benefit that would result to the two Youngstown companies.

Mr. BURTON. Mr. President, will the Senator yield to me?

Mr. GUFFEY. I yield.

Mr. BURTON. I merely wish to ask the Senator whether it is not true that that decision by the Interstate Commerce Commission related not to the short canal, but to a question raised by the through canal which would involve a different rate question, of course, than the short canal would raise.

Mr. GUFFEY. Mr. President, I shall put the whole report into the RECORD, so that everyone may understand to what the Interstate Commerce Commission referred. I am not in agreement with what the Senator from Ohio has said.

The Commission then went on to say that under the law the only authority that it would have for authorizing such a reduction in rates would be for the purpose of meeting water competition.

In other words, under the act, if there was water transportation to Youngstown, there would then be a legal ground on which the Commission might, in the absence of economic justification, give the Youngstown steel companies the lower rates which they want. This is the reason why the Youngstown companies are now asking Congress to construct this Beaver-Mahoning canal. It is solely for the purpose of enabling them to go back to the Commission and get their coal rates reduced on the ground of water competition.

This was frankly admitted by Mr. Lloyd in his testimony before the subcommittee, to which I have already referred. He said, in effect, that every avenue for the two Youngstown steel companies to obtain lower coal rates from the Commission is closed, except through the construction of this Beaver-Mahoning canal.

He referred to the fact that last year the Youngstown Sheet & Tube Co. paid $24,000,000 in taxes to the Federal Government, and he seemed to assume that this fact should give that company the right to ask the Government to spend $38,500,000 on a canal for the purpose of reducing the company's coal rates.

Since this is the admitted purpose, and the only purpose alleged, for the Beaver-Mahoning canal project which is contained in the bill now under consideration, it seems clear that the conclusion expressed before the subcommittee by Mr. Percy Tetlow, speaking for the mine workers, is thoroughly sound and justified.

Mr. Tetlow used the following language with respect to this project, as found at page 186 of the hearings:

> The great beneficiary would be the Youngstown Sheet & Tube * * * as an investment of money, either post-war or now, or at any time, to my mind it is uneconomical, unsound, and will not be beneficial to all of the people in the communities reached by this canal.

I should also like to bring to the attention of the Senate the following statement by the city solicitor of Pittsburgh, Miss Anne Alpern, who said at page 178 of the hearings:

> The problem involved is the question of whether or not you can ask taxpayers to supply funds from all over the country to be utilized not for the general public benefits but for the private gain of a few industries. If the plan is for the financial betterment of the few, then it is for the disadvantageous position of many others.

Miss Alpern elsewhere in her testimony made the following point, which I submit is thoroughly sound and practical:

> A bill of this character should not be utilized as a means of superseding the action of the Interstate Commerce Commission, which is established as a rate-making body. There are too many other problems involved in a rate case. The question of the character, the fixed charges to the point of origin and the point of destination, all the complicated, inherent characteristics of a rate case, and this method of appealing it is unsound and untenable (hearings, p. 177).

Therefore, I say that this Beaver-Mahoning canal project ought to be eliminated from this bill by the Senate.

It has no place in this bill.

It is not a real waterway project at all.

It is nothing but a way of defeating the policy of the Interstate Commerce Commission.

It is nothing but a proposal to spend $38,500,000 for the purpose of reducing the coal rates of the Youngstown Sheet & Tube Co. and the Republic Steel Corporation.

It is an attempt to get Congress to buy that reduction for those two corporations with $38,500,000 of the public money.

Since that is all that the project comes down to, it is entirely unnecessary to go into complicated matters of figures about the depth and width of the canal, the source of its water supply, the construction of reservoirs, and the prospective traffic volume, largely imaginary, which

have been brought into the discussion for the purpose of confusing the issue.

All of those complicated questions are not relevant, in view of the fundamental nature and purpose of the project.

It is highly significant that the project was opposed before the committee by practically every district, community, and municipality in the whole area along the Beaver, the Upper Ohio, the Monongahela, and the Allegheny Rivers, as well as by the spokesmen for coal-mining labor and railroad labor.

It is also opposed by the owners of practically all the inland coal mines in Pennsylvania, West Virginia, and Ohio, as well as by the public generally.

Possibly the advocates of the canal will attempt to make something of the fact that they have succeeded in obtaining a recommendation from the Army engineers in its favor. That recommendation, as shown by the testimony before the subcommittee, was based entirely on supposed economic considerations, and represents a complete misunderstanding of the economic factors involved.

The engineers would seem to be getting out of their province when they undertake to decide economic questions and to attempt to readjust the competitive position of different industrial areas.

The whole economic argument advanced by the engineers in supposed justification of the Beaver-Mahoning project rests upon the assumption that the present freight rates are too high and should be reduced, although the Interstate Commerce Commissions, the body charged by Congress with determining the reasonableness of rates, has held expressly to the contrary.

The whole argument of the engineers that the construction of the canal would result in a saving assumes that the two Youngstown steel corporations which would be the sole beneficiaries of the saving, are having to pay too much for the transportation of their coal.

Certainly it would not seem that the Army engineers are the proper agency of the Government to determine that question. It is a question for the Interstate Commerce Commission, not for the engineers; and as between the two, Congress should accept the view of the Commission.

There are many questions of detail with respect to which the adoption of this project would open up difficulties which have not been adequately faced, and which would entail embarrassing, expensive, and inconvenient consequences for the people of the communities through which the canal would pass.

Thus, the municipalities along the proposed route discharge their sewage into the rivers which are proposed to be displaced by the canal, and they would find themselves faced with the necessity of spending millions of dollars for the construction of new sewage facilities or else the canal would become an open sewer, highly dangerous to the public health. This matter was developed to some extent, but not as fully as it should have been before the subcommittee, but I shall not take time to elaborate on it here. I simply mention it as an illustration of the hasty and ill-considered way in which the project has been put forward without giving full attention to many of the important public interests involved.

I will close with just a word as to the ineffectiveness and inappropriateness of this Beaver-Mahoning project as a means of giving employment to labor after the war. If that is the object of the projects which we are now authorizing—and it should of course be very directly the object—then a canal-building project such as this is an ill-advised and ineffective way of accomplishing the intended result. It is well known that relatively a smaller amount of labor is necessary for a project of this kind than in almost any other type of public work. A waterway of this kind would necessarily have to be constructed largely by dredges and other machines which require only a relatively small amount of human labor in their operation, and at the same time the project, if actually operated and not left to stagnate, would have the effect of taking away the work not merely of hundreds of railroad employees, but also of the miners who work in the off-river coal mines which would otherwise supply the Youngstown steel plants with a substantial part of their coal. This is shown by the opposition registered against the project by the representatives of the miners, the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen.

All these groups of labor would stand to lose by this project, while the only beneficiaries would be the Youngstown Sheet & Tube Co. and the Republic Steel Corporation. Certainly we ought not to authorize for any such purpose a project which would cost $38,500,000 of the taxpayers' money.

Mr. MEAD and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment at the top of page 22.

Mr. GUFFEY. Mr. President, do I not have the floor? I wish to ask the Senator in charge of the bill whether he wishes to complete consideration of the bill today or let it go over until tomorrow.

Mr. OVERTON. I understand that a yea-and-nay vote has been requested. If we were to take a vote a quorum would first have to be developed.

Mr. HILL. Mr. President, I understand that the distinguished Senator from Ohio [Mr. TAFT] wishes to speak for about 10 minutes.

Mr. OVERTON. I understand that there will be no further speeches on this amendment after the Senator from Ohio shall have concluded.

Mr. GUFFEY. Will the Senator from Louisiana endeavor to get a vote tonight?

Mr. OVERTON. Not under the circumstances which I have stated.

Mr. HILL. I do not know how long it will take the Senator from Pennsylvania [Mr. GUFFEY] to conclude his address.

Mr. GUFFEY. I can take an hour or stop right now.

Mr. HILL. I believe that if the Senator from Pennsylvania were not to talk too long, and if the Senator from Ohio were to speak briefly, we could conclude the debate tonight and tomorrow we could finish consideration of the bill.

Mr. OVERTON. I believe that could be done.

Mr. GUFFEY. I may offer some matter for the RECORD tomorrow. I now yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment at the top of page 22.

Mr. TAFT. Mr. President, I shall speak very briefly upon the subject before the Senate. I shall speak in behalf of the amendment offered by my colleague in the Committee on Commerce, and adopted by the committee.

I listened with considerable interest to the speech of the Senator from Wyoming [Mr. ROBERTSON.] If the arguments which he presented are valid there should have been no rivers included in the bill, because the arguments made were substantially that our railroad transportation is wholly adequate today and that we need no canals of any kind. It is necessary to deal with the argument because many times Congress has asserted an opposite view to that expressed by the Senator from Wyoming, and has proceeded to build waterways wherever they might be built and return economic advantage to the United States. The justification of the project under discussion is that by the proposed expenditure there would be constructed a canal which, according to the Army engineers, would bear a heavy traffic, and by the reduction in the cost of transportation thereby would return an economic advantage to the United States.

It has been said that this would be a dead-end canal, but if we have a river system surely the traffic need not be confined to a single river. It is sound policy to extend the traffic on the branches of a river where er there would be reached by that means some center of industry or other activity which would return traffic justifying the necessary expenditure. The Army engineers have found in this case that this additional expenditure is justified by the tremendous traffic which will be produced between the Youngstown steel center and the Ohio River.

If we adopt the proposal of the Senator from Wyoming that a certificate of public necessity should be required for every river improvement, and that if there is rail transportation there can be no river improvement, it will prevent the development of all additional and new means of transportation in the United States. The same theory would have prevented us from building public roads upon which trucks might run in competition with the railroads. The same theory would prevent the development of air freight, and yet I feel that is going to be one of the great developments of the future.

The truth is that these different forms of transportation are useful for different purposes, and the peculiar advantage of river transportation is in the carrying of heavy material, gravel, coal, steel, and in this case the particular project offers a cheap mode for the transportation particularly of coal and steel between the Ohio River and Youngstown.

It is true that the Interstate Commerce Commission has refused a reduction of rail rates, presumably because rail transportation is more expensive, presumably because the rates cannot be reduced, since it would not be economical to carry this heavy material by rail at the lower rates which are requested, and at the lower cost at which they can be carried by water transportation. I feel, therefore, that the justification for this project is the economic justification of extending our river system wherever the traffic to be reached is sufficient to justify the expense involved.

It is strange that the opposition to this canal comes from the Senators from Pennsylvania. The Pennsylvania interests were well pleased with the canal when it was projected to run all the way through from the Ohio River to Lake Erie, because they figured that the expenditure would give them some slight advantage in the reduction of the price of their ore. They are opposed to this project, not because of any particular economic opposition to the canal, but because they think it would enable Youngstown steel companies to compete more successfully with the Pittsburgh steel companies. That probably is true, but it would not be an exclusive advantage to the steel companies in Youngstown. It would affect every one of 150,000 people who live in Youngstown. It would affect the labor unions of Youngstown, and every labor union there has endorsed it, and every interest in Youngstown has endorsed it.

The opposition to the proposal is not based merely on a desire that we not spend the money, but it is based on the fact that because this kind of extension can be made, and can be made with economic justification, it is going to give some advantage competitively to those who are reached by the extension as against others who already have the particular advantages of water transportation. I submit that is not a proper ground for opposition to a project which can in and of itself prove economic justification.

Mr. President, I wish to submit to the Senate that if we are to proceed with a billion-dollar public works program dealing with the rivers of this country, certainly we cannot exclude from the program a project which has more economic justification, which is better designed to carry the peculiar type of traffic for which water transportation is designed, than any other project in the bill.

Mr. President, I submit that the amendment of my colleague should be agreed to.

Mr. HILL. Mr. President, I understand that the Senators who desired to speak on the pending amendment have now all been heard. So far as I can ascertain, that is the situation. We desire to make as much progress as possible on the bill, and to dispose of the pending amendment the first thing tomorrow morning, if possible, and as we are about to go into executive session and then take a recess, I ask unanimous consent that the Senate vote on the pending amendment and all amendments thereto at not later than 12:30 o'clock p. m. tomorrow.

Mr. WHITE. Mr. President, could there not be an arrangement as to a division of the time between those who are proponents of the amendment and those who are opposed? I hardly think it would be fair to enter into such an agreement and then have one Senator secure recognition at 12 o'clock tomorrow and speak for half an hour.

Mr. OVERTON. There is no one else to speak on the amendment.

Mr. HILL. I do not know of any other Senator who wishes to speak on the amendment.

Mr. GUFFEY. The Senator from Kansas may desire to speak.

Mr. HILL. I understand the Senator from Kansas is willing to delay his remarks until after the amendment has been voted upon.

Mr. REED. What the Senator from Kansas will say will have general application to the bill. As a matter of fact, the Senator from Kansas expects to vote against the pending amendment.

Mr. WHITE. Mr. President, I have no personal desire to discuss the amendment, but it has been suggested to me by at least one Senator who is vitally interested that 12:30 is a little too early. A quorum call will consume a substantial part of that time, and I suggest as a compromise that the hour be set at not later than 1 o'clock. I think there will be no objection to that.

Mr. HILL. Mr. President, I modify my request, then, and ask that the Senate vote on the amendment and all amendments thereto at not later than 1 o'clock tomorrow afternoon.

Mr. CLARK of Missouri. Reserving the right to object, Mr. President, to the unanimous consent request, I want it understood that the Senator from Kansas is not going to deliver his speech against the Army engineers in this hour without my requiring at least a half hour to reply to it.

Mr. HILL. I understood the Senator from Kansas to state just a few minutes ago—and if I am in error, the Senator from Kansas will correct me—that he will delay his remarks until after the disposition of the pending amendment and all amendments thereto.

Mr. REED. The Senator is correct.

Mr. CLARK of Missouri. Then that is all right.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama that the Senate vote on the pending amendment and all amendments thereto at not later than 1 o'clock p. m. tomorrow? The Chair hears none, and the order is entered.

ADDITIONAL REPORT OF A COMMITTEE

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (H. R. 5062) to authorize certain transactions by disbursing officers of the United States, and for other purposes, reported it without amendment and submitted a report (No. 1311) thereon.

TRIBUTE TO JUDGE KENESAW MOUNTAIN LANDIS

Mr. MEAD. Mr. President, I wish to pause in the course of Senate business to pay tribute to the passing of a great American, Judge Kenesaw Mountain Landis. Before he became associated with baseball, Judge Landis had lived a full and eventful life which was climaxed by an honorable career on the Federal bench. Always a colorful character, he attracted the attention of the Nation by his individuality and fearlessness in carrying out his judicial duties as a member of the Federal court.

When the great American pastime of baseball was threatened by the Black Sox scandal connected with the world series of 1919 between the Cincinnati Reds and the Chicago White Sox, baseball turned to Judge Landis and conferred upon him extraordinary powers to rule the game. Under the terms of the agreement made in January 1921 for 25 years, Commissioner Landis was authorized to rule the destiny of baseball with an iron hand. There were some who had considerable misgivings about reposing such great power over this American sport in one man for fear that the power would be abused; yet during each successive term of Judge Landis as commissioner, his honesty, integrity, and fair dealing with baseball players and club owners alike recommended the judge for succession in himself as commissioner.

That confidence in professional baseball was shaken before Judge Landis took office cannot be denied. Today it is on the highest level it has reached since its founding by Abner Doubleday. There are some who say that the "Sultan of Swat," Babe Ruth, saved the game, while others credit Judge Landis. There is plenty of room for glory for both of them. The incomparable Babe pleased the crowds in the stands and made the turnstiles click. Judge Landis maintained the integrity of the game and kept the machinery of baseball functioning smoothly.

In the global struggle in which we are now engaged we in America have created the mightiest Army in history. American competitive sports have played a great part in conditioning our youth and in filling them with the spirit to win.

Baseball has made its contribution to the war effort. It provides wholesome recreation in those theaters where the boys have a few leisure hours. In my trip around the world I attended baseball games in the "land of the midnight sun," as well as in the islands of the South Pacific. In all theaters we found the boys hungry for sports. They look for the baseball scores eagerly each day just as they did here at home.

Organized baseball has neither asked nor received preferential treatment for baseball players. Those who have answered their country's call are serving in all branches of the armed forces. While the ability of the players in organized baseball today may not be up to the prewar standard because of the loss of many of the stars to the armed forces, nevertheless, the great American pastime is carrying on and is furnishing amusement and recreation for our war workers here at home.

We all look forward to renewed activities and expansion in this great American sport when the terrible conflict in which we are now engaged is brought to an end.

We can be grateful to Judge Landis for his distinguished career and for the fine example which he has set for the one who may be selected to carry on. He will long be remembered for his contribution to our way of life.

For his contribution to baseball Judge Landis has earned a place in baseball's Hall of Fame with the honor men of the history of the development of the game, including John McGraw, Connie Mack, Ban Johnson, and Albert Spalding, and with the other immortals of the diamond, Ty Cobb Babe Ruth, Honus Wagner, Walter Johnson, Christy Mathewson, and their teammates enshrined at Cooperstown, N. Y.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks several editorials relative to the passing of Judge Landis.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Niagara Falls Gazette of November 28, 1944]

KENESAW MOUNTAIN LANDIS

One of the most picturesque, and certainly one of the most courageous, figures on the American scene died Saturday at the age of 78—Judge Kenesaw Mountain Landis, the commissioner of the country's national sport for 24 years.

He was a member of the celebrated Landis family which moved to Logansport at the close of the Civil War. There young Kenesaw spent his boyhood and early manhood. He delivered newspapers on the family horse, worked in a grocery, and started his career as a reporter on the old Logansport Journal. It was from that beginning that he stepped into court reporting and climbed the ladder to legal success.

As a Federal district judge at Chicago he won fame for his inflexible attitudes and with organized baseball needing so badly a ruler, he was the natural choice of the country. He took the baseball post on the same understanding that he presided on the bench—his word was law. Organized baseball accepted his terms. It proved wise, for under his 24-year commissionership the sport rose to its peak of popularity and acceptance.

He was literally a symbol of pioneer Americanism—thoroughly honest, sturdy, direct, and intensely active. The whole country will join in mourning the loss of one of its greatest sons.

[From the Atlanta Constitution of November 27, 1944]

KENESAW M. LANDIS AND HIS MOUNTAIN

Judge Kenesaw M. Landis died Saturday after several years of declining health.

Called to baseball to become its literal czar, he took over when the very foundations of the game were shaken by the notorious "Black Sox" scandal of 1919. In this series, played between the Cincinnati Reds of the National League and the Chicago White Sox of the American, the Reds won five games to three. The White Sox, great favorites to win, later were revealed to have had in their lineup men who had sold out to gamblers. In the next 2 years other players were discovered to be tainted with gambling associations.

Judge Landis, who had been a famous Federal judge, was called in and given totalitarian powers. He cleaned up the game, the fans having confidence in him. Babe Ruth came along and began hitting home runs and the fans forgot the "Black Sox" and baseball entered into its most prosperous era.

Georgia and Judge Landis had a special tie. The judge's father had been a soldier with Sherman's army and learned of the birth of his son shortly after the battle of Kennesaw Mountain, near Marietta. He named his son for the mountain. Judge Landis, on his visits south, always insisted on going out to see my mountain.

He rendered a real service to baseball and in his passing we have lost a national character and a man of positive force and integrity.

[From the Patriot, Harrisburg, Pa., of November 27, 1944]

HE SAVED BASEBALL

Judge Kenesaw Mountain Landis' death takes professional baseball's savior as well as czar and likewise ends the career of a notable judge. It was the vigorous, hardfisted record of Judge Landis on the bench that commended him for an analogous role with a commercialized sport.

In neither capacity did Judge Landis brook opposition. In both instances he was czar. Many an offender of the statute laws came to realize that just as did the players, managers and others under the blanket of big league baseball.

Many persons still find it impossible to understand why Judge Landis left the bench for the dais of sport. There was a substantial difference in income, to be sure. Baseball magnates, seeing their business crumble around them because of the taint and suspicion of gamblers, arranged the compensation to fit the title of czar.

But if to some persons Judge Landis' abandonment of law for sport seemed odd or eccentric such action may seem less so in view of the great hold which baseball has upon the American people, old and young, and how vital it is that even a commercialized sport which can command such loyalty and enthusiasm from its supporters should be a clean, decent game worthy of the devotion and idolatry it is given by its followers.

Judge Landis lived long enough to see professional baseball pretty well scoured clean of its old gambling stains and, little better, the Simon Legree handling of some of its players.

[From the Philadelphia Record of November 27, 1944]

SYMBOL OF INTEGRITY

Judge Kenesaw Mountain Landis was almost as well known to the last two generations of Americans as any President of the United States who served during his time.

And yet only a handful of people knew the judge intimately.

No back-slapper, no personality-plus fellow, he stood as a symbol more than as a flesh-and-blood human being. He was the symbol of integrity—first, on the Federal bench and second as high commissioner of baseball. Figuratively, he lived in an ivory tower, this czar who made honesty in our great national game a sportsman's religion.

So thoroughly did he clean up the notorious Black Sox scandal of 1919 that when crookedness occurred in some other activity, we'd say: "What it needs is a Judge Landis."

He was paid $50,000 a year by the club owners to keep baseball on the level and to adjust, without appeal from his rulings every dispute that might arise. He was always fair to the players. He never hesitated to talk back in sharp language to the men who paid his salary when he felt they were wrong.

Baseball will have a tough job finding another Judge Landis.

[From the Washington Star of November 26, 1944]

JUDGE LANDIS

The death of Kenesaw Mountain Landis takes away a figure who had become as much a part of baseball as third base. For nearly a quarter of a century "the Judge" ruled the national pastime, and, while an occasional edict stirred the fires of rebellion among club owners, discretion always managed to triumph, and the invariable end was a new contract for the high commissioner, whose $65,000 salary almost equaled that of the President of the United States.

Judge Landis came to baseball when the multimillion-dollar industry faced an uncertain future because of the scandal which ultimately brought about the banishment of eight members of the Chicago White Sox for throwing games in the 1919 World Series. Before that time there had been some agitation for appointment of an overlord as a result of dissatisfaction with the administration of baseball's affairs by the old National Commission, but opposition proved too strong. The 1920 disclosures, however, threatening to give the game a permanent black eye, moved the club owners to act, and Judge Landis was brought into the picture.

To baseball Judge Landis carried the prestige of a reputation built up in the 15 years he had served in Federal District Court in Chicago. The general public knew him best because of a $29,000,000 fine he had levied against Standard Oil of Indiana in a freight-rebate case, which later was nullified by a Supreme Court decision. Others more conversant with the routine of the courts knew him as a hard-working judge who was not bothered by precedent in his efforts to administer justice.

Throughout his long service as baseball's supreme ruler, Judge Landis continued to administer justice as he saw it, without regard for the eminence of the parties concerned. He let "Alabama" Pitts, former convict, have his chance in organized baseball—but there was no mercy for offenders against the probity of the game itself. Baseball will miss "the Judge."

[From the Duluth (Minn.) News-Tribune of November 27, 1944]

THEATRICAL BUT COURAGEOUS

Kenesaw Mountain Landis, who died in Chicago Saturday, is known to the present generation only as the "czar of baseball," and "czar" he was, for he ruled the national game with an iron hand. But history will record him as distinctly something else, despite the fact the most of his life's best known years were connected with sport.

The high point in Judge Landis' career came in 1907, when he levied a fine of $29,240,000 on the Standard Oil Co., convicted of accepting rebates from railroads. The size of the fine, no doubt the greatest ever imposed anywhere at any time, attracted Nation-wide attention; the sudden emergence of a comparatively obscure United States judge, into the public limelight, brought him into focus at once and the unconventionality of his given names, "Kenesaw Mountain," nailed the attention of the public and forbade his being quickly forgotten.

Not only these things marked his career, but always it takes courage, even reckless daring, to take a stand or action against a corporation or combination that holds such high position and prominence in the financial world. Standard Oil was a name and a company to be considered in that period with care and tact. True it had been under attack for some time, and just about then another court's decision, confirmed by the United States Supreme Court, had caused it to split up into several sections; but that was only for legality, for its combined strength never changed.

It was the fact that Judge Landis was slapping the greatest fine in history on the greatest financial giant in history that attracted attention and admiration—some grudging, but nevertheless, admiration. From then on he was never lost to public sight, and when the baseball scandal of the early '20s broke out and the game came

close to the death rattle, Judge Landis was called in as the "physician" to restore it. He resigned from the bench in 1920 to take the $60,000 a year job as dictator of the game, and proved worth it, for he not only saved the national sport, but cleansed it of crookedness, restored its standing in the confidence of the public, and has kept it there ever since. He has been a benevolent dictator, and an able one. With all his theatricalness, he has proved to American sport worth all that was paid him and all that was said of him. His successor, if one is named, has been set a record to equal that will be something worth emulating.

MARRIAGE AND DIVORCE AMONG KLAMATH AND MODOC TRIBES AND OTHER INDIANS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 267) relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, which was, on page 1, line 10, after the word "marriages", to insert "with members of said tribes mentioned in section 1."

Mr. CORDON. Mr. President, with the consent of the chairman of the Committee on Indian Affairs, the Senator from Wyoming [Mr. O'MAHONEY], I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RELIEF OF ARMY DISBURSING OFFICERS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 218) to authorize the relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge, which was, on page 2, line 3, to strike out all after the word "Office." down to and including "War:" in line 6.

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate concur in the amendment of the House.

Mr. WHITE. Mr. President, during the afternoon I have endeavored to contact minority members of the committee from which this bill came. I have found no objection on the part of any of those Senators to the motion of the Senator from Colorado.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

The motion was agreed to.

FARM LABOR PROGRAM

Mr. O'MAHONEY. Mr. President, the deficiency bill is now under consideration in the House of Representatives. Heretofore at the close of the calendar year, for several years, the Congress has made an appropriation for the recruiting of farm labor.

The appropriation has been made on a calendar-year basis. This year the Bureau of the Budget has requested that it be made on a fiscal-year basis. It seems to me that such a policy would have a rather disadvantageous effect upon the recruitment of labor for the growers of sugar beets. I have written a letter to the Director of the Budget urging that an estimate be submitted immediately for the calendar year 1945 so that farmers who raise beets may have the earliest possible assurance that every effort will be made to secure a labor force.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed at this point in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 5, 1944.

Hon. HAROLD D. SMITH, *Director,*
Bureau of the Budget,
State Department Building,
Washington, D. C.

DEAR MR. SMITH: May I not invite your attention to the imperative necessity of an immediate appropriation for farm labor for the year 1945. The War Food Administration is emphasizing the need for large plantings of sugar beets in 1945 in order that, if possible, the production of beet sugar be increased. At this moment conferences are in progress here in Washington with representatives of the growers for the purpose of canvassing ways and means of expanding the planting of beets in 1945.

A great obstacle to the expansion program lies in the fact that it is difficult to secure labor for harvesting the beet crop and the War Food Administration has been obliged to contract for the importation of workers from Mexico and elsewhere. At least 60,000 workers should be brought into the United States next year, but with the funds it is proposed to make available through the pending deficiency appropriation bill the War Food Administration cannot make contracts for more than 15,000.

Obviously this will be a serious obstacle to any expansion program. Sugar-beet farmers must have some assurance now that labor will be available during the harvest; otherwise they cannot take the risk of planting sugar beets, the harvesting of which requires so much labor. The result will be the production of less domestic sugar than the War Food Administration deems necessary.

The estimate of November 27, 1944 (H. Doc. No. 783) provides for the postponement of a specific estimate for a complete farm-labor program until later in 1945. I cannot avoid the conclusion that this would be a serious mistake. The appropriations for farm labor have heretofore been made on a calendar year basis. To delay the full appropriation until the regular appropriation bill for the fiscal year 1946 would mean that sugar-beet farmers would lack the assurance that is necessary that a program for the importation of a sufficient labor force would be undertaken. May I not, therefore, urgently request the submission of a complete estimate now for the calendar year 1945.

Very sincerely yours,
JOSEPH C. O'MAHONEY.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. WHERRY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committee.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations, conventions, and protocols were submitted:

By Mr. REYNOLDS, from the Committee on Military Affairs:

Sundry officers for promotion in the Regular Army, under the provisions of law; sundry officers for appointment, by transfer, in the Regular Army; and sundry officers for temporary appointment in the Army of the United States, under the provisions of law.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Sundry officers for promotion in the Diplomatic and Foreign Service;

Executive J, Seventy-eighth Congress, second session, a protocol dated in London, August 31, 1944, which has been signed on behalf of 16 governments, including the United States of America and the Commonwealth of the Philippines, to prolong after August 31, 1944, the international agreement regarding the regulation of production and marketing of sugar signed in London May 6, 1937, as enforced and prolonged by a protocol dated in London July 22, 1942; without amendment (Executive Rept. No. 5).

By Mr. GEORGE, from the Committee on Foreign Relations:

Executive G, Seventy-eighth Congress, second session, a convention between the United States of America and Canada for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties, signed in Ottawa on June 8, 1944; without amendment (Executive Rept. No. 3); and

Executive I, Seventy-eighth Congress, second session, a convention and protocol between the United States of America and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes; without amendment (Executive Rept. No. 4).

THE STATE DEPARTMENT

Mr. CONNALLY. Mr. President, from the Committee on Foreign Relations I report favorably the following nominations:

Joseph C. Grew, of New Hampshire, to be Under Secretary of State;

Nelson A. Rockefeller, of New York, to be an Assistant Secretary of State;

W. L. Clayton, of Texas, to be an Assistant Secretary of State; and

Archibald MacLeish, of Virginia, to be an Assistant Secretary of State.

The PRESIDING OFFICER. The nominations will be received and placed upon the Executive Calendar.

Mr. CLARK of Missouri. Mr. President, lest my acquiescence in the report of the nomination of Mr. Archibald MacLeish, the famous poet, supposed Librarian of Congress, which he has never been, may be considered to amount to my approval of that nomination, I desire to give notice at this time that it is my intention, when Mr. MacLeish's nomination is called on the calendar, which will probably be tomorrow, to move that his nomination be recommitted to the Committee on Foreign Relations with instructions to hold hearings as to his qualifications.

Mr. WHEELER. Did the Senator from Missouri have reference to the poet?

Mr. CLARK of Missouri. Well, he claims he is a poet. I never have been informed from sources which are reliable that he is.

Mr. WHEELER. I understood a poet was wanted in the State Department.

Mr. CLARK of Missouri. Did the Senator from Montana ever see any poems of his that were printed in the anthologies?

Mr. WHEELER. I never saw any of which I could make sense.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE ARMY—NOMINATIONS PASSED OVER

The legislative clerk proceeded to read sundry nominations in the Army, which nominations had been previously passed over.

Mr. HILL. Mr. President, in view of the fact that the Committee on Military Affairs today reported a number of nominations in the Army, which will be on the Executive Calendar for action tomorrow, I ask that the nominations in the Army now on the calendar be passed over, so that all the nominations in the Army may be considered together tomorrow.

The PRESIDING OFFICER. Without objection, the nominations in the Army will be passed over.

POSTMASTER—NOMINATION REPORTED ADVERSELY

The legislative clerk read the nomination of Rachel Elgiva McCracken to be postmaster at Galt, Mo., which had been reported adversely.

Mr. WHITE. I ask that the nomination be passed over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of Aloysius J. Connor to be United States district judge, district of New Hampshire.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE NAVY

The legislative clerk read the nomination of Capt. Frederick W. McMahon to be commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Air Force, United States Pacific Fleet.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Capt. Howard B. Mecleary, United States Navy, retired, to be commodore in the Navy, on the retired list, for temporary service, to continue while serving as commanding officer, United States naval advance base, Espiritu Santo.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HILL. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, December 6, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 5 (legislative day November 5), 1944:

IN THE NAVY

Rear Admiral Donald Royce, United States Navy, to be a rear admiral in the Navy, for temporary service, to continue while serving as commanding officer, Naval Air Material Center, to rank from the 12th day of July 1942.

Rear Admiral Frederick W. Pennoyer, Jr., United States Navy, to be a rear admiral in the Navy, for temporary service, to continue while serving as fleet aircraft maintenance officer, on the staff of commander, Air Force, Pacific Fleet, to rank from the 21st day of July 1942.

Rear Admiral Arthur C. Miles, United States Navy, to be a rear admiral in the Navy, for temporary service, to continue while serving as Bureau of Aeronautics general representative, central district, to rank from the 2d day of December 1942.

Commodore Cyril T. Simard, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, Naval Air Bases, Thirteenth Naval District, to rank from the 20th day of October 1944.

Commodore Walter F. Boone, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, Naval Air Bases, Twelfth Naval District, to rank from the 20th day of October 1944.

Commodore William M. Angas (CEC), United States Navy, to be a civil engineer with the rank of commodore in the Navy, for temporary service, to continue while serving as officer in charge of a naval construction brigade, to rank from the 20th day of October 1944.

Commodore Andrew G. Bisset (CEC), United States Navy, to a civil engineer with the rank of commodore in the Navy, for temporary service, to continue while serving as officer in charge of a naval construction brigade, to rank from the 20th day of October 1944.

Commodore John R. Perry (CEC), United States Navy, to be a civil engineer with the rank of commodore in the Navy, for temporary service, to continue while serving as officer in charge of a naval construction brigade, to rank from the 20th day of October 1944.

Commodore Harold M. Martin, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Air Force, Atlantic Fleet, to rank from the 20th day of October 1944.

Capt. Leroy W. Busbey, Jr., United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, American naval forces, Aruba, Netherland West Indies, and commander, combined local defense forces, Aruba, Netherland West Indies.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 5 (legislative day of November 21), 1944:

THE JUDICIARY

UNITED STATES DISTRICT JUDGE

Aloysius J. Connor to be United States district judge for the district of New Hampshire.

IN THE NAVY

TEMPORARY SERVICE

Frederick W. McMahon to be commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Air Force, United States Pacific Fleet.

Howard B. Mecleary, United States Navy, to be commodore in the Navy, on the retired list, for temporary service, to continue while serving as commanding officer, United States naval advance base, Espiritu Santo.

POSTMASTERS

KANSAS

Mattie V. Bohling, Fowler.
Albert J. Anderson, Green.
Clayton B. Barton, Ingalls.
Louis W. Crady, Lecompton.
Nellie L. Stark, Linwood.
Della M. Bailey, Menlo.
George B. Viney, Murdock.
Robert L. Bever, Narka.
Agnes Lennen, Partridge.
Grace Benton, Robinson.
Frank B. Kumberg, Sawyer.
Joseph R. Hubbard, Waldo.
Daniel B. Fogle, Williamsburg.

LOUISIANA

Eula M. Ewing, Batchelor.
Eva A. Matlock, Bethany.
Mary V. Bryson, Greenwood.
Robert Hamilton Fuller, Hosston.
Idella N. Trombino, Keatchie.
Annie I. McCord, Keithville.
Audrey Rowe, Longstreet.
Cecile M. Germany, Loreauville.
Nova V. Baker, McDade.
Marcella E. Barbier, Paincourtville.
Orren M. Peters, Quitman.
Sherman H. McCarty, Roanoke.

MISSISSIPPI

Bessie Puckette, Chunky.
Marshall Carson, Conehatta.
Esta K. Campbell, Dennis.
Mamie McGraw Whittle, Gholson.
Lela Epps, Golden.
Erie Riggan, Greenwood Springs.
Nettye B. Eley, Harpersville.
Euna Clower, Hillsboro.
Herd E. Stone, Ludlow.
Louise Burris, McCall Creek.
Lyman W. Smith, Midnight.
Luther D. Henderson, Preston.
Nannie Bryant, Summerland.
Joe G. Ishee, Stringer.
Gertrude H. McGee, Vosburg.

PENNSYLVANIA

Arthur W. Ewing, Industry.
James H. McConnell, Jackson Center.
Sarah Mitchell, Kennerdell.
Anna C. O'Mara, Laceyville.
Nathaniel E. Lyons, Lake Lynn.
Lawrence J. Wood, Lima.
Joseph T. Qualters, McKeesport.
Birtus B. McDowell, Mineral Springs.
Wilbert R. Adams, New Kingstown.
Margaret M. Watson, Parkland.
Marshal E Yost, Point Pleasant.
Ruth K. Humphrey, Prospect.
Jacob C. Reddig, Reamstown.
Stephen E. Hornberger, Reinholds.
Susan Breene, Reno.

TEXAS

Ruth Finley, Aquilla.
Edmund B. Cummins, Cleveland.
Cecil Miracle, Eddy.
James E. Wallace, Flint.
Roe Sledge, Forestburg.
Isaac G. Malone, Goodlett.
Emma Annette Greer, Lake Jackson.
Tom Hazle Bivins, Longview.
Wilora Damuth, Magnolia.
William A. Harty, Marietta.
Sallie Hudson, Newark.
Catherine H. Bannister, Old Ocean.
Letha B. Gramer, Panhandle.
Mildred W. Carpenter, Pattonville.
Willie J. Allison, Pickton.
Faye Emberson, Pilot Point.
Mary V. Denton, Port Aransas.
Jesse M. Robbins, Raymondville.
William A. Ramirez, Roma.
Rua M. Arthur, Saltillo.
Verna Appling, Shepherd.
John W. Wright, Thalia.
Gertrude B. Rabke, Tivoli.
Raleigh C. Spinks, Vera.
Nelson G. Hargett, Weslaco.

VERMONT

Arthur C. Wells, Bakersfield.
Edward P. Kelley, Danby.
Anna H. Morrie, East Barre.
Lester L. Worthley, East Corinth.
Marguerite C. McKenzie, Hinesburg.
Edith M. Reed, Jacksonville.
Marion L. Grover, Londonderry.
Frances E. Rock, Ludlow.
Murray K. Paris, Lyndon.
Merlin B. Ward, Moretown.
Frank A. Curran, Newport.
Herbert J. Tute, Newport Center.
Harold G. Kennedy, St. Albans.
Olive E. Fullam, Westminster.
Raymond Taylor, Weston.
Oney B. Lafont, Wolcott.

WISCONSIN

Ann J. Karth, Arlington.
Francis J. McCarty, Brownsville.
Leona R. Johnson, Danbury.
Wencel A. Mattek, Deerbrook.
Everett R. White, Glenhaven.
Gordon J. Cross, Larsen.
Marjorie M. Minten, Menomonee Falls.
Oscar R. Horn, Muskego.
Nora Flynn, Neopit.
Gertrude M. Heaney, Poy Sippi.
Florence M. Van Poucke, South Range.
James Ervin Casey, Star Prairie.
Glennes T. Anderson, Tripoli.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 5, 1944

The House met at 11 a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God, Thou who didst come with the living word, we pray that our civilization may not wander between two worlds, one dying and the other struggling to be born. Let there come such an outrush of sacrificial and patriotic power in our country that our wearied armies shall feel the mighty impact and soon snatch redemption from the throes of ruin. Let there be heard again the words of hope and cheer which in the pain of parting they left amid tears, and the day of blessed fellowship renewed.

Blessed is the land whose God is the Lord which lifts its soul to pure air and broad view. If we are to exalt the cross of our Lord and Master, we must follow the path of helpful service and good will based on fraternity and not on conflict. Thou hast woven us to other peoples by the shuttles of the Sermon on the Mount and the Golden Rule of Jesus; forbid that we should be a hermit nation, that the evangel of the Carpenter of Nazareth should be jostled aside and crowded out of the soul of America. Keep from us, our Father, that dangerous solicitude of wealth and gain and let the heart of our land rest on Christian ideals as we turn to a future of promise with a common love and a common purpose. O Christ, sanctify our homes, and may we forgive as we hope to be forgiven. In our Redeemer's name. Amen.

The Journal of the proceedings of Monday, December 4, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 1744. An act to provide Government protection to widows and children of deceased World War veterans.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1471. An act for the relief of Mrs. Eugene W. Randall.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2825) entitled "An act for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'DANIEL, Mr. STEWART, and Mr. WHERRY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an editorial; also to extend my remarks in the RECORD and include a statement made by the gentleman from California [Mr. VOORHIS] before the Committee on Rules.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(Mr. ANGELL asked and was given permission to extend his remarks in the Appendix and include a newspaper article.)

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

ELIAS BAUMGARTEN

The Clerk called the first bill on the Private Calendar, H. R. 2148, for the relief of Elias Baumgarten.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admission at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which exclude from admission into the United States "persons who have been convicted of or admit having committed a felony, or other crime or misdemeanor involving moral turpitude", shall not hereafter be held to apply to Elias Baumgarten, on account of a conviction in Austria while a youth for having been involved in the stealing of certain merchandise. If he is found otherwise admissible under the immigration laws an immigration visa may be issued and admission granted to Elias Baumgarten under this act upon application hereafter filed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PEDRO JOSE ARRECOECHEA

The Clerk called the bill (S. 556) for the relief of Pedro Arrecoechea.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General of the United States be, and he is hereby, authorized and directed to cancel deportation proceedings in the case of Pedro Jose Arrecoechea, of Shoshone, Idaho, legally admitted as a seaman but who has remained in the United States longer than permitted by law and regulations, and that this alien shall be considered as having been admitted for permanent entry as of the date of his actual entry on the payment of the visa fee of $10 and head tax of $8. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota for the first year that the said Spanish quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FILIP NICOLA LAZAREVICH

The Clerk called the bill (H. R. 4146) for the relief of Filip Nicola Lazarevich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and deportation laws the Attorney General is hereby authorized and directed to cancel the warrants of arrest and deportation heretofore issued against Filip Nicola Lazarevich, of Dearborn, Mich., on the ground that he admits having committed a felony or other crime or misdemeanor involving moral turpitude prior to entry into the United States, to wit, perjury; and that hereafter he shall not again be subject to deportation for any offense heretofore committed in connection with his endeavor to be and remain in the United States. For the purposes of the immigration and naturalization laws, such alien shall be deemed to have been lawfully admitted to the United States for permanent residence as of May 23, 1938, the date on which he was admitted to the United States at the port of New York on a quota immigration visa.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN BASQUE ALIENS

The Clerk called the bill (H. R. 2626) for the relief of certain Basque aliens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General of the United States be, and is hereby,

authorized and directed to cancel deportation proceedings in the cases of Cirilo Olavarri, Theodoro Asla, Antonio Urteaga, and Joe Buera, all of Salt Lake City, Utah, and Vidal Mezo, Marcial Aguirregoitia, Geromino Bilbao, Juan Tomas Mendiola, and Alejo Yraguen, all of eastern Nevada, legally admitted as seamen but who have remained in the United States longer than permitted by law and regulations, and that these aliens shall be considered as having been admitted for permanent entry as of the date of their actual entry on the payment of the visa fees of $10 and head taxes of $8 per person.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct nine numbers from the Spanish quota for the first year that the said Spanish quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROY W. OLSEN

The Clerk called the bill (S. 1002) to compensate Roy W. Olsen for the loss of an eye on account of negligence of Work Projects Administration employees September 25, 1938, at Cranston, R. I.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $3,500 to Roy W. Olsen, of the city of Warwick, county of Kent, State of Rhode Island, for damages resulting from personal injuries received by him on September 25, 1938, arising out of the alleged negligent action of certain employees of the Work Projects Administration, as a result of which the said Roy W. Olsen, an innocent bystander, permanently lost the use of his right eye, which eye was later removed and an artificial eye inserted, in full satisfaction of his claim against the United States therefor: *Provided*, That no part of the amount appropriated by this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VODIE JACKSON

The Clerk called the bill (S. 1274) for the relief of Vodie Jackson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in addition to the sum authorized to be paid to Vodie Jackson, of Obion County, Tenn. (post office address, Fulton, Ky.), pursuant to the act approved March 24, 1943 (Private Law 8, 78th Cong.), the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Vodie Jackson, the sum of $3,686, in full satisfaction of his claim against the United States for further compensation for personal injuries sustained by him when his wagon, in which he was riding, was struck by a Civilian Conservation Corps truck near Fulton, Ky., on October 18, 1940, such injuries having proved to be of a more serious nature than appeared at the date of enactment of such act of March 24, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE THERIAULT

The Clerk called the bill (S. 1462) for the relief of Marie Theriault.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Solomon and Marie Theriault, of Caribou, Maine, the sum of $4,000, in full satisfaction of their claim against the United States for compensation for the death of their daughter, Antonia Theriault, who was killed on June 26, 1943, by a United States Army airplane while she was riding on a wagon in a field at Presque Isle, Maine: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOEL A. HART

The Clerk called the bill (S. 1557) for the relief of Joel A. Hart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joel A. Hart, of Milton, Fla., the sum of $300, in full satisfaction of his claims against the United States for compensation or damages sustained and expenses incurred by him as a result of his losing the use of his property when he was required to vacate such property pursuant to a notice erroneously served upon him in connection with the condemnation by the United States of certain land in Dixie County, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR M. SELLERS

The Clerk called the bill (S. 1732) for the relief of Arthur M. Sellers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur M. Sellers, of Baxley, Ga., the sum of $5,000, in full satisfaction of his claim against the United States for compensation for the death of his son, Walter R. Sellers, who died as a result of personal injuries sustained by him when the passenger bus in which he was riding collided with a United States Army vehicle near Allenhurst, Ga., on April 24, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. FRANK K. BOLAND, SR.

The Clerk called the bill (S. 1853) for the relief of Dr. Frank K. Boland, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. Frank K. Boland, Sr., of Atlanta, Ga., the sum of $2,000, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him as the result of an accident which occurred when the automobile in which he was riding was struck by a United States Army truck near Mabelton, Ga., on February 11, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MAMIE DUTCH VAUGHN

The Clerk called the bill (S. 1869) for the relief of Mrs. Mamie Dutch Vaughn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Mamie Dutch Vaughn, of Tattnall County, Ga., the sum of $5,000, in full satisfaction of her claim against the United States for compensation for the death of her minor daughter, Gladys Vaughn, who was killed on the night of April 23, 1943, in Liberty County, Ga., when the bus on which she was riding was struck by a motor vehicle driven by a soldier in the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall

be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SOPHIA TANNENBAUM

The Clerk called the bill (S. 1897) for the relief of Mrs. Sophia Tannenbaum.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Sophia Tannenbaum, of University City, Mo., the sum of $5,327.45, in full satisfaction of all claims against the United States arising out of the death of her husband, Morris Tannenbaum, who died as the result of injuries sustained by him on February 13, 1943, when a United States Army truck struck another vehicle which struck the said Morris Tannenbaum: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was land on the table.

DR. E. S. AXTELL

The Clerk called the bill (S. 1942) for the relief of Dr. E. S. Axtell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. E. S. Axtell, of Rantoul, Ill., the sum of $398, in full satisfaction of his claim against the United States for compensation for services rendered the United States Engineer Office, Louisville, Ky., in conducting physical examinations of prospective civilian employees of the United States, such claim having been disallowed by the Comptroller General on the ground that payment for such examinations was not authorized by law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GORDON LEWIS COPPAGE

The Clerk called the bill (S. 1987) for the relief of Gordon Lewis Coppage.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gordon Lewis Coppage, of Chicago, Ill., the sum of $1,535.07, in full satisfaction of his claim against the United States for compensation for personal injuries and damage to personal property sustained by him when the truck which he was driving was struck by a Navy ambulance at the intersection of Bryn Mawr and Central Avenues in Chicago, Ill., on December 4, 1943, and for reimbursement of medical and hospital expenses sustained by him as a result of such injuries and damage: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACK STOWERS, B & O STORE, AND COTTON COUNTY POULTRY & EGG CO.

The Clerk called the bill (S. 1997) for the relief of Jack Stowers, B & O Store, and Cotton County Poultry & Egg Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jack Stowers, of Carter, Okla., the sum of $247.45, to B & O Store, of Temple, Okla., the sum of $240, and to Cotton County Poultry & Egg Co., of Walters, Okla., the sum of $26.74, in full satisfaction of their respective claims against the United States for reimbursement of amounts erroneously collected from them by the Office of Price Administration on account of alleged violations of maximum price regulations relating to the sale of pecans: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERMAN PHILYAW

The Clerk called the bill (S. 2008) for the relief of Herman Philyaw.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman Philyaw, of Tate, Ga., the sum of $650, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him when he was struck by an Army vehicle as a result of an accident which occurred in Tate, Ga., on January 23, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NANCY FRASSRAND

The Clerk called the bill (S. 2042) for the relief of the legal guardian of Nancy Frassrand, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Nancy Frassrand, a minor, of Winchester, Tenn., the sum of $2,000, in full settlement of all claims against the United States for (1) compensation for personal injuries sustained by her as the result of an accident which occurred when an Army vehicle struck a mail box in front of her home, on June 21, 1943, and (2) reimbursement of medical expenses heretofore or hereafter incurred in her behalf as a result of such injuries: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MORGAN CREAMERY CO.

The Clerk called the bill (H. R. 4224) for the relief of Morgan Creamery Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $920.64 to the Morgan Creamery Co., of Fargo, N. Dak., in full settlement of all claims against the United States as part of the excess cost alleged to have been incurred by the United States by reason of the failure of the Morgan Creamery Co. to perform under contract No. VA37r-935, entered into on June 25, 1942, with the United States Veterans' Administration to deliver fresh milk, cream, buttermilk, and cottage cheese to the Veterans' Administration facilities, Fargo, N. Dak., during the fiscal year ended June 30, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARJORIE E. DRAKE AND OTHERS

The Clerk called the bill (S. 1740) conferring jurisdiction upon the United

States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini, all of Westboro, Mass., against the United States for compensation for personal injuries sustained by them when the horse-drawn wagon in which they were riding as passengers was struck by a United States Coast Guard vehicle on route No. 9, east of Park Street, in Westboro, Mass., on September 7, 1943, and for reimbursement of medical, hospital, and other expenses incurred by them as a result of such injuries.

SEC. 2. In the determination of such claims, the United States shall be held liable for damages, and for any acts committed by any of its officers or employees, to the same extent as if the United States were a private person.

SEC. 3. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from and payment of any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM LUTHER THAXTON, JR., AND WILLIAM LUTHER THAXTON, SR.

The Clerk called the bill (S. 1756) for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to William Luther Thaxton, Jr., of Houston, Tex., the sum of $2,000, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him when he was struck by an airplane propeller at Meacham Field, Fort Worth, Tex., on November 3, 1942, while undergoing training under the Civil Aeronautics Administration civilian pilot training program, as a member of the Army Enlisted Reserve Corps, and (2) to William Luther Thaxton, Sr., of Houston, Tex., the sum of $2,694.93, in full satisfaction of his claim against the United States for reimbursement of medical, hospital, and other expenses incurred by him on account of such personal injuries sustained by his son, the said William Luther Thaxton, Jr.: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFRED FILES

The Clerk called the bill (S. 1899) conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files, of Westboro, Mass., against the United States for compensation for personal injuries sustained by him when the horse-drawn wagon in which he was riding was struck by a United States Coast Guard vehicle on route No. 9, east of Park Street, in Westboro, Mass., on September 7, 1943, and for reimbursement of medical, hospital, and other expenses incurred by him as a result of such injuries.

SEC. 2. In the determination of such claim, the United States shall be held liable for damages, and for any acts committed by any of its officers or employees, to the same extent as if the United States were a private person.

SEC. 3. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from the payment of any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF BERTHA L. TATRAULT

The Clerk called the bill (S. 1900) conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault, late of Westboro, Mass., against the United States for the death of the said Bertha L. Tatrault, as the result of personal injuries sustained by her when the horse-drawn wagon in which she was riding as a passenger was struck by a United States Coast Guard vehicle on route No. 9, east of Park Street, in Westboro, Mass., on September 7, 1943.

SEC. 2. In the determination of such claim, the United States shall be held liable for damages, and for any acts committed by any of its officers or employees, to the same extent as if the United States were a private person.

SEC. 3. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from and payment of any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRE DISTRICT NO. 1 OF COLCHESTER, VT.

The Clerk called the bill (S. 1958) for the relief of Fire District No. 1 of the town of Colchester, Vt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fire District No. 1 of the town of Colchester, Vt., the sum of $10,562.07, in full satisfaction of its claim against the United States for reimbursement of expenses incurred by it in repairing damage to a sewer line, such damage having been caused by the negligence of Army authorities in the installation of such sewer line: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLIFFORD E. LONG AND LAURA C. LONG

The Clerk called the bill (S. 1961) for the relief of Clifford E. Long and Laura C. Long.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clifford E. Long and Laura C. Long, both of San Diego, Calif., the sum of $2,316.32. The payment of such sum shall be in full settlement of all claims of the said Clifford E. Long and Laura C. Long against the United States for damages sustained on account of the death of their daughter, Kathleen Mae Long, on or about August 18, 1943, as the result of injuries received when a United States Army airplane in the service of the United States Army crashed into the front yard of the home of the said Clifford E. Long and struck the said Kathleen Mae Long: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH A. BECKER

The Clerk called the bill (S. 1968) for the relief of Elizabeth A. Becker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elizabeth A.

Becker, of Kalaloch, Wash., the sum of $1,282, in full satisfaction of her claim against the United States for compensation for the loss of certain equipment owned by her which was destroyed, while in the custody of the United States Coast Guard, as the result of a fire caused by the negligence of Coast Guard personnel, which occurred in a building occupied by the United States Coast Guard at Becker's Resort, Kalaloch, Wash., on January 8, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATES OF JOSEPH B. GOWEN AND RUTH V. GOWEN

The Clerk called the bill (S. 1993) for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated (1) to the estate of Joseph B. Gowen, the sum of $6,040.80, in full satisfaction of the claims of such estate against the United States (a) for compensation for the death of the said Joseph B. Gowen, (b) for reimbursement of funeral expenses incurred in connection therewith, and (c) for compensation for damage to personal property of the said Joseph B. Gowen, as a result of an accident which occurred when an Army airplane crashed near George Field, Ill., on December 30, 1943; and (2) to the estate of Ruth V. Gowen, the sum of $5,275.50, in full satisfaction of the claims of such estate against the United States (a) for compensation for the death of the said Ruth V. Gowen, and (b) for reimbursement of funeral expenses incurred in connection therewith, as a result of such accident: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. A. DAVIS

The Clerk called the bill (S. 2006) for the relief of J. A. Davis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. A. Davis, of Chandler, Ariz., the sum of $2,000, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him when he was struck by a United States Army vehicle which crashed into his store at Norton's Corner, near Chandler, Ariz., on November 21, 1943. *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHARD H. BEALL

The Clerk called the bill (S. 2064) for the relief of Richard H. Beall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Richard H. Beall, of Delray Beach, Fla., the sum of $5,785.40, in full satisfaction of his claim against the United States for compensation for the death of his wife, the late Mary Juanita Beall, as the result of an accident which occurred when the automobile which she was driving collided with a United States Army vehicle in Delray Beach, Fla., on November 18, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF LIEUTENANT COLONEL APGAR AND OTHER DISBURSING OFFICERS OF THE ARMY OF THE UNITED STATES

The Clerk called the bill (S. 2168) for the relief of certain disbursing officers of the Army of the United States, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Lt. Col. Theodore B. Apgar, Quartermaster Corps, $3.88; Col. E. F. Ely (deceased), Finance Department, $351.15; Maj. J. W. McManus, Finance Department, $9.74; Maj. E. A. Muth, Finance Department, $127.73; Col. M. F. W. Oliver, Finance Department, $94.30; Col. H. R. Priest, Finance Department, $3.04; Lt. Col. E. F. Rea, Finance Department, $1.50; Special Disbursing Agent Clarence W. Ruland, Jr., $3.36; Col. John L. Scott, Finance Department, $21.66; Col. K. E. Webber, Finance Department, $30; the said amounts representing erroneous payments of public funds for which these officers are accountable, as listed in letter of September 19, 1944, of the Secretary of War to the Speaker of the House of Representatives, such erroneous payments having resulted from minor errors in determining amounts due individuals and commercial firms.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Col. H. M. Denning, Finance Department, the sum of $77, public funds for which he is accountable and which were destroyed by fire while in the custody of Special Agent Franklin C. Newman at a Civilian Conservation Corps camp: *Provided*, That the said Franklin C. Newman shall not be held pecuniarily liable for said sum of $77 or any part thereof.

SEC. 3. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Col. Raymond B. Hatch, Finance Department, the sum of $646.91, public funds for which he is accountable and which were stolen by a person or persons unknown while in the custody of his agent officer, Maj. (then captain) Harold F. Scariano, Corps of Engineers: *Provided*, That the said Maj. Harold F. Scariano shall not b held pecuniarily liable for said sum of $646.91 or any part thereof: *And provided further*, That the said sum of $646.91 shall be considered and accounted for as a charge against the appropriation "Finance Service, Army."

SEC. 4. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Col. F. Richards, Finance Department, the sum of $241.56, public funds for which he is accountable and which were paid by him for newspaper advertising for and in behalf of the United States, said advertising having been published without the prior approval of the Secretary of War as required by Revised Statutes 3828 (44 U. S. C. 324): *Provided*, That Maj. Neil R. McKay, Corps of Engineers, shall not be held pecuniarily liable for said sum of $241.56 or any part thereof.

SEC. 5. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maj. Joseph J. Hickey, Air Corps, the amount of $140, in full satisfaction of his claim against the United States for a like amount which was supplied by him from personal funds to cover a shortage which developed when, on account of adverse conditions, it was necessary for him to accept from a bank pay-roll funds in Brazilian money, without opportunity for verification.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARY VULLO

The Clerk called the bill (S. 616) for the relief of Mrs. Mary Vullo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to Mrs. Mary Vullo, of Independence, La., in full settlement of all claims against the United States for personal injuries sustained by her and for medical, hospital, and other expenses incurred by her when the automobile in which she was riding was struck by a United States Army truck on United States Highway No. 51, near Hammond, La., on August 8, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

QUEEN CITY BREWING CO.

The Clerk called the bill (H. R. 3614) for the relief of the Queen City Brewing Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Queen City Brewing Co., Cumberland, Md., the sum of $3,062.25. Such sum shall be in reimbursement of a payment of an equal sum made by the Queen City Brewing Co. as tax on 510.375 barrels of fermented malt liquor, which liquor was returned from the company's bottling house to the brewery because of its unsalable condition resulting from a flood. A claim for such amount was filed by the Queen City Brewing Co. under section 3154 of the Internal Revenue Code but was disallowed because more than 90 days, provided by such section as the limitation period for filing such claims, had elapsed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERMAN WEINERT, JR.

The Clerk read the bill (H. R. 3639) for the relief of Herman Weinert, Jr., M. D.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman Weinert, Jr., M. D., of Galveston, Tex., the sum of $168, in full settlement of all claims against the United States for services rendered to the Corps of Engineers, United States Army, from July 1, 1942, to June 30, 1943, inclusive:

Committee amendment:

On page 2, line 3, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MADDEN. Mr. Speaker, that completes the call of the bills on the Private Calendar.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD two newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement from the National League of Women Voters.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PENSIONS FOR WIDOWS AND CHILDREN OF DECEASED WORLD WAR VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 1744, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: "The section 1 of Public Law No. 484, Seventy-third Congress, June 28, 1934, as amended, is hereby amended by repealing subsections (a) and (b) thereof and substituting the following:

"'SEC. 1. (a) The surviving widow, child, or children of any deceased person who served in World War No. 1 before November 12, 1918, or if the person was serving with the United States military forces in Russia before April 2, 1920, and who was discharged or released from active service under conditions other than dishonorable after having served 90 days or more or for disability incurred in the service in line of duty, or who at time of death was receiving or entitled to receive compensation, pension, or retirement pay for service-connected disability, shall, upon filing application and such proofs in the Veterans Administration as the Administrator of Veterans' Affairs may prescribe, be entitled to receive pension as provided by this Act.'

"SEC. 2. That section 2 of Public Law No. 484, Seventy-third Congress, as amended, is hereby amended to read as follows:

"'SEC. 2. (a) That the monthly rates of pension shall be as follows: Widow but no child, $35; widow and one child, $45 (with $5 for each additional child); no widow but one child, $18; no widow but two children, $27 (equally divided); no widow but three children, $36 (equally divided) with $4 for each additional child (the total amount to be equally divided).

"'(b) The total pension payable under this section shall not exceed $74. Where such benefits would otherwise exceed $74, the amount of $74 may be apportioned as the Administrator of Veterans' Affairs may prescribe.'

"SEC. 3. That section 3 of Public Law No. 514, Seventy-fifth Congress, May 13, 1938, is hereby amended to read as follows:

"'SEC. 3. On and after the date of enactment of this act for the purpose of payment of compensation, or pension under the laws administered by the Veterans' Administration, the term "widow of a World War No. 1 veteran" shall mean a woman who was married prior to the effective date of enactment of this amendment, or 10 or more years, to the person who served: *Provided*, That all marriages shall be proven as valid marriages according to the law of the place where the parties resided at the time of marriage or the law of the place where the parties resided when the right to compensation or pension accrued: *And provided further*, That where the original date of marriage meets the statutory requirement, and the parties were legally married at date of death of the veteran, the requirement of the statute as to date of marriage will be regarded as having been met. Compensation or pension shall not be allowed a widow who has remarried, either once or more than once, and where compensation or pension is properly discontinued by reason of remarriage it shall not thereafter be recommenced. No compensation or pension shall be paid to a widow unless there was continuous cohabitation with the person who served from the date of marriage to date of death, except where there was a separation which was due to the misconduct of or procured by the person who served, without the fault of the widow.'

"SEC. 4. This act shall be effective from the date of its approval: *Provided*, That notwithstanding the repeal of subsections (a) and (b) of section 1 of Public Law No. 484, Seventy-third Congress, as amended, contained in section 1 of this act, claims otherwise payable for a period prior to the effective date of this act may be adjudicated and placed on the roll and the benefits of this act shall be applicable to such claims and those claims now on the rolls.

"SEC. 5. Except to the extent they may conflict with the provisions of this act, the provisions of Public Law No. 2, Seventy-third Congress, March 20, 1933, the Veterans Regulations promulgated thereunder, and of Public Law No. 144, Seventy-eighth Congress, July 13, 1943, as now or hereafter amended, shall be applicable to this act: *Provided*, That no compensation or pension shall be reduced or discontinued by the enactment of this act.

"SEC. 6. The widow, child, or children of a veteran who served in World War No. 2 whose death is not due to service therein, but who at the time of death was receiving or entitled to receive pension, compensation, or retirement pay for disability incurred in such service, or who, having served at least 90 days during such war period or having been discharged for disability incurred in line of duty during such service, dies or has died from a disease or disability not service connected and at the time of death had a disability due to such service for which pension would be payable if 10 percent or more in degree, shall be entitled to pension in the amounts and otherwise subject to the conditions of Public Law No. 484, as amended: *Provided*, That for the purposes of this section the definition of the terms 'veteran,' 'widow,' 'child or children' shall be those applicable to World War No. 2 as provided in Public Law No. 2, Seventy-third Congress, as now or hereafter amended: *And provided further*, That section 4, Public Law No. 312, Seventy-eighth Congress, is hereby amended accordingly."

Amend the title so as to read: "A bill to provide Government protection to widows and children of deceased World War No. 1 veterans, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not object, because I think it is extremely important to pass this bill. The passage of the bill has been long delayed. A somewhat similar bill has passed the House several times. I know the gentleman from Mississippi will explain it. For years the distinguished chairman of our committee, the gentleman from Mississippi [Mr. RANKIN] and I have wanted to secure its passage. All the Senate version does is to increase the rate of compensation for the widows and orphans, which is a very important matter, due to the higher cost of living and to eliminate certain inequalities. It is only a small increase in any event. The House will vote unanimously for it.

Mr. RANKIN. Mr. Speaker, this is a bill I have been trying to get passed for at least 12 years. It passed the House by a vote of 316 to 16 in 1932. A similar bill has been passed by the House several times but did not get through the Senate.

I understand it was submitted to the Bureau of the Budget, and the Bureau of the Budget cleared it.

The bill as amended by the Senate simply raises the compensation to the widow with no child from $30 a month to $35; a widow with one child from $38 to $45 a month, with $4 a month for each additional child. No widow but one child is raised from $15 to $18; no widow but two children is raised from $22 to $27; no widow but three children is raised from $30 to $36. Where the House bill provides that there shall be $3 for each additional child the Senate raises that to $4. Where the House bill provided a limit of $64 a month for wife and children the Senate raised it to $74, with the provision that where such benefits would otherwise exceed $74, the amount of $74 may be apportioned as the Director of Veterans' Affairs may prescribe; that is where there are a large number of dependent children.

This bill also changes H. R. 484, which was a bill providing that a veteran who had a service-connected disability at the time of death the widow and orphans should receive the compensation provided here. The Senate bill amends that provision so as to put nonservice connected on a parity with them.

Mr. SMITH of Ohio. Mr. Speaker will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SMITH of Ohio. Let us take a specific case, that of a veteran who was receiving a statutory pension for arrested tuberculosis.

Mr. RANKIN. The gentleman means service connected?

Mr. SMITH of Ohio. Service connected; yes, of course. He dies, however, from a disease nonservice connected and leaves a widow. What would be her status?

Mr. RANKIN. She draws compensation under this bill of the amount provided here, $35 a month to the widow. If she has one child she would get $45; and then it is $4 additional for each additional child.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MILLER of Connecticut. Under this bill there is no requirement that the veteran must have any service-connected disability whatever; that is done away with.

Mr. RANKIN. That is correct, but the widow must have been married to the veteran prior to the enactment of this law or else have lived with him 10 years.

Mr. MILLER of Connecticut. There is no requirement that the illness causing death must be service connected.

Mr. RANKIN. No; this puts all those widows on a basis with the widows of the Spanish-American War, so far as that element is concerned.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mrs. ROGERS of Massachusetts. But if the widow has an income of over $1,000 she does not get this?

Mr. RANKIN. That is right.

Mrs. ROGERS of Massachusetts. Compensation or insurance payments do not count.

Mr. RANKIN. In other words, she must have been dependent on him.

Mrs. ROGERS of Massachusetts. There is a dependency clause in the bill. If her income is over $1,000 if she has no child or if she has an income of $2,500 if she has children she does not receive the pension.

Mr. RANKIN. That is right.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I offer this observation: This is justice too long delayed.

Mr. RANKIN. I agree with the gentleman from Kansas in that statement.

Mr. SCRIVNER. The Members of the House should bear in mind the fact that most of these widows now are past the middle forties and in fact many of the children who might have been benefited in earlier years are now fighting in World War No. 2. Most of the widows to be benefited are no longer employed. This, as I say, is real justice which we should have provided for these widows and orphans many years ago.

Mr. RANKIN. I agree with the gentleman from Kansas. I feel that way now and I felt that way in 1932, especially after the so-called Economy Act of 1933.

There were a great many of these men who came out of the service with incipient diseases, such as tuberculosis, cancer, and creeping paralysis, that did not develop until after 1925, when it was too late for them to come under the presumptive clause of the original Veterans' Act. There were also many of them who did not know of their rights and therefore did not make application until it was too late. There were many men who thought they could overcome their disabilities and who did not want to apply until they finally broke down and then it was too late. Then when they broke down they found they were precluded. Under the presumptive clause, those men who did come under that clause in many cases were stricken from the roll by the Economy Act of 1933 and placed back on the roll later at a smaller compensation as non-service-connected cases with the net result that when they died their widows and orphans got nothing.

I agree with the gentleman from Kansas [Mr. SCRIVNER] that this is not only justice now but it is belated justice. Many thousands of these widows who dragged their children through two depressions and struggled along to rear them as best they could now see those same children fighting on the various battle fronts of the world.

Mr. ANGELL. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Oregon.

Mr. ANGELL. This applies only to the widows and orphans of World War No. 1?

Mr. RANKIN. Yes. There is a provision in here that covers the veterans of World War No. 2. That is where a veteran is discharged for disability and dies from some other cause. For instance, let us take a blind veteran discharged from this war. He starts across the street and is run over by an automobile. You cannot say he died of a service-connected disability, but his widow and orphans are taken care of under this bill.

Mr. ANGELL. I want to commend the gentleman for his action in bringing this bill up. I have had many inquiries from my own district, and I know my colleagues have, with reference to this legislation. We are doing a service to have this done by the present Congress.

Mr. RANKIN. I have done everything I could for the last 12 years to get this bill passed.

Mr. TARVER. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. TARVER. I am in hearty accord with the views the gentleman has expressed, but in view of the fact this substitute for the House bill was adopted in the Senate only on yesterday and many of us have not had an opportunity to read it, I think the gentleman should make a little more clear the provisions of the Senate substitute. Particularly I would like to know just what the differences are between the rates of compensation for dependents of veterans of World War No. 1 who died from service-connected disability and the pension rate for dependents of veterans of World War No. 1 who died of non-service-connected disability. What are the differences in the rates of compensation and pension?

Mr. RANKIN. The rates are the same under this bill for the dependents of one who had a service-connected disability but who died of some other cause.

Mr. TARVER. There is no distinction?

Mr. RANKIN. No; not as to them.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. RANKIN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. If I understood the gentleman correctly, he asked what the rates will be for service-connected disability, did he not?

Mr. RANKIN. Yes.

Mrs. ROGERS of Massachusetts. That is $50, if he died from a service-connected disability and the compensation is more for the orphans.

Mr. RANKIN. That is true, I may say to the gentleman from Georgia.

Mrs. ROGERS of Massachusetts. And the rate for the orphans is also higher.

Mr. RANKIN. This does put them on a parity with the widows and orphans of men who had service-connected disability and died from some other cause.

Mrs. ROGERS of Massachusetts. If a man dies from a non-service-connected disability but had a service-connected disability at the same time, it raises the widow and orphans to the same level.

Mr. RANKIN. Yes.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. The enactment of this bill will put into law what the gentleman from Mississippi and all members of the Veterans Committee have contended for many years, namely, that the widow and child of a veteran who dies as the result of a non-service-connected disability or accident may be just as much in need of help or assistance from the Government as the widow of one who died from a service-connected disability.

Mr. RANKIN. Yes.

Mr. McCORMACK. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I congratulate the gentleman from Mississippi for his many years of consistent work and leadership, and also the members of his committee who during those years cooperated with him in bringing about the final passage of this bill.

It has been a hard fight but finally a successful one. I remember throughout the years the argument was advanced that direct service-connected disability causing death was a contributing factor. We started by a certain percentage of service-connected disability that might not have caused death and used that as a basis for compensation, and gradually it got down to 10 percent, as I remember; is that right?

Mr. RANKIN. That is right.

Mr. McCORMACK. The particular observation I desire to make is this: In addition to the Federal Government doing something that it should do at this time, if not prior to this time, the passage of his bill will take off the shoulders of local government a serious financial obligation that local government has been assuming for many years; is that not correct?

Mr. RANKIN. That is right, and the Federal Government should have had all the time.

Mr. McCORMACK. The Federal Government should have had it all the time but it is going to be of invaluable assistance to local government throughout the entire country.

Mr. RANKIN. That is right. Let me say another thing. This bill has the approval, as I said, of the Bureau of the Budget, and the veterans' organizations. May I say in this connection with reference to the members of this Committee on World War Veterans' Legislation, that there has never been any political division on that committee. Every member of the committee was in favor of the passage of this bill. Every member of that committee has worked diligently to see that those widows and orphans are properly cared for.

Mr. CARLSON of Kansas. Mr. Speaker, it gives me great pleasure to support H. R. 1744 which provides Government compensation to widows and children of deceased World War No. 1 veterans. Certainly those who will benefit by this legislation have just claims to compensations as provided by the act. These widows who are provided for herein, in cases where the cause of death of the veteran was not a service-connected disability, have made untold sacrifices, and this provision of financial benefits for them and their children in their declining years will be of great assistance.

This legislation should have been enacted long ago. It is now 25 years since the World War No. 1 armistice, and there are thousands of cases of widows and children of veterans of that great conflict who are in sore need and who have received no recognition or help from the Government for the protection of which these veterans offered their lives.

Mr. Speaker, it is my hope that this measure will pass in the House without a dissenting vote. The House has passed similar legislation for several sessions. It is long overdue. I deem it a pleasure and a duty to do something for my comrade's widow and his children.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I expect to make today on the bill H. R. 5564, and to include certain excerpts and material, as well as the dissenting views of certain members of the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include two very short articles on the subject of freezing the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I expect to make in the Committee of the Whole in connection with the social-security freeze and to include certain excerpts and articles.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

GENERAL LEAVE TO PRINT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Committee on Irrigation and Reclamation may sit this afternoon while the House is in session.

The SPEAKER. The Chair will entertain the gentleman's request if permission is asked that the committee be permitted to sit only while the House is engaged in general debate, which will be 3 hours.

Mr. WHITE. Then, Mr. Speaker, I will amend the request to make it read that way.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

TAX UNDER FEDERAL INSURANCE CONTRIBUTIONS ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 667 for immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945; that after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. No amendments shall be in order to the bill except such as relate to the rate of tax for the calendar year 1945. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, this rule would make in order consideration of H. R. 5564, a bill to freeze the rate of tax under the Federal Insurance Contributors Act on employer and employees for the calendar year 1945 at 1 percent, thus postponing for the fourth time an increase of 2 percent of pay rolls on employer and employees. I presume it is generally known to every Member what this bill aims to do, namely, freeze the social-security tax in the act that was passed 8 years ago for the purpose of providing old-age and survivors benefits for the deserving people.

I, myself, hope we may soon extend the Social Security Act, because the country is in favor of it being broadened to cover more deserving people.

Personally, I am placed in a rather embarrassing position again this morning. My policy has been at all times to give all committees the right generally to bring before the House practically all the meritorious bills they report. I feel that each and every Member should, generally speaking, have the right to pass upon any worthy legislation agreed to in committee. However, at this time, as chairman of the Committee on Rules, I have the "pleasant" duty of reporting this rule—and I unsuccessfully offered that opportunity to several members of the committee—notwithstanding the fact that I am not in favor of the legislation that is proposed in the bill whose consideration would be made in order.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Tennessee.

Mr. COOPER. The Committee on Ways and Means unanimously agreed to request the Committee on Rules to grant a rule allowing 5 hours of general debate on this bill. I see that the rule provides for only 3 hours of general debate. Can the gentleman advise us why the 3 hours was granted instead of the 5 hours the Committee on Ways and Means had agreed to request?

Mr. SABATH. Yes.

Mr. DINGELL. And at whose specific request, if the gentleman will be good enough to state?

Mr. SABATH. The chairman requested 5 hours. Anyway, the Committee on Rules felt, in view of the fact that there are so many other important matters pending, and having in mind the desire of many Members, after nearly 2 years of hard work, to visit their homes for a few days before being called back here for another 2 years of hard struggle, we came to the conclusion that 3 hours should suffice, because it is believed by the Committee on Rules that general debate, as a rule, does not add much enlightenment on a bill; but it is better that a chairman be extremely liberal when a bill is taken up under the 5-minute rule, so as to give each and every Member an opportunity to be heard. Moreover, nearly all of the Members are present when a bill is considered under the 5-minute rule and very few of them are present during general debate. In short, the Committee on Rules is responsible for fixing the time provided in this proposed rule.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. KNUTSON. As I understand, the rule does not place any limitation on the time that may be consumed under the 5-minute rule.

Mr. SABATH. No, not at all. The gentleman from Minnesota should know that also.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. COOPER. Mr. Speaker, the gentleman from Minnesota is entirely in error. The rule limits amendments to a very restricted and narrow channel. Of course it does affect debate under the 5-minute rule.

Mr. KNUTSON. Not as far as debate is concerned.

Mr. DINGELL. The gentleman from Minnesota will be the first one to raise objection to any extended debate under the 5-minute rule. He is not deceiving anyone. What I would like to ask is, has the Committee on Rules assumed that 2 hours is so important as to solve all the problems of Members going home for their Christmas vacations on an important matter of this kind? I think the action of the Committee is just plain arbitrary and that they disregarded the importance of the legislation when they clipped off 2 hours.

Mr. SABATH. Mr. Speaker, the unfortunate part of this is that you gentlemen who signed the minority report and who desired more time, did not appear before the Committee and press for the 5-hour general debate. And though the Chairman suggested 5 hours, in view of the fact that generally more time than necessary is asked for by Committees, we thought by reducing it to 3 hours no harm would be done.

Mr. DINGELL. The chairman of the Rules Committee did not so think, did he?

Mr. SABATH. Well, I am not so much given to general debate. I have been here so many years, and very seldom have I observed that general debate adds a great deal of light or changes the end result. What I favor is a liberal allowance under the 5-minute rule.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. HALLECK. I would like to say, as one member of the Committee on Rules, that I endorse what the chairman has said in respect to the attitude of the Rules Committee. I would like to add just this word: We have all had an opportunity to read about this proposition. We have heard it discussed before. We have all been studying it. I am quite sure that with the enlightenment we will get during the 1-hour debate under the rule and the 3 hours of general debate and then any debate under the 5-minute rule, all of us will be fully competent to pass on the merits of the controversy.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Tennessee.

Mr. COOPER. I would like for the distinguished chairman of the Rules Committee and the distinguished gentleman from Indiana [Mr. HALLECK] a most influential member of the Rules Committee, to explain to us how there is going to be an opportunity for such great debate under the 5-minute rule, when the rule itself provides that no amendment shall be in order to the bill except such amendments as relate to the rate of tax for the calendar year 1945.

Mr. SABATH. That is all the bill provides for.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MICHENER. The language of the rule is exactly what the gentleman from Tennessee [Mr. COOPER], and his committee asked for. The Rules Committee hesitated to grant a limited rule of that kind, but at the request and the behest of the entire Ways and Means Committee, the Rules Committee conceded, gave them the type of rule they wanted. Now, why complain about it on the floor?

Mr. COOPER. The gentleman is in error, because the gentleman from Tennessee did not even appear before the Rules Committee. The point I am making is why talk so much about liberal time under the 5-minute rule when the rule itself prohibits it? If you want to grant 3 hours general debate, say so, but do not get up here and talk about liberal debate under the 5-minute rule, because the rule does not permit it.

Mr. SABATH. It does under the provisions of the bill. There should be formality.

Mr. DINGELL. There is not going to be anything said in this debate that is going to change anybody on that side, because this was decided in caucus by you people the other day. You are not going to kid the country about that.

Mr. SABATH. That was another reason.

Mr. DOUGHTON of North Carolina. Will the gentleman yield?

Mr. SABATH. I yield to the chairman of the Ways and Means Committee.

Mr. DOUGHTON of North Carolina. I understand the Rules Committee granted precisely the type of rule that the chairman asked for, other than as to the time allotted.

Mr. SABATH. That is true.

Mr. DOUGHTON of North Carolina. That was the only change.

Mr. SABATH. The Committee on Rules always grants requests of committees wherever practicable.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MARTIN of Massachusetts. As long as there has been so much talk about the matter, let me say there was no action taken on this bill in the conference held by the minority. We discussed it, but there was no action taken binding any member, and there was no discussion about the rule.

Mr. DINGELL. Oh, well, we will get a few votes over there. I know that.

Mr. SABATH. I do not know whether there was a conference, or caucus, or any other meeting. I do not have time to follow all the activities of the minority.

Mr. MARTIN of Massachusetts. The gentleman knows it now after I have told him.

Mr. SABATH. Those on the other side are entitled to have their conferences and caucuses, but I hope when they do they will come to a conclusion, at least infrequently, to support legislation that is for the best interests of the whole country.

Now, I only have a few more minutes and therefore I cannot read to you the splendid minority report on this bill; but I hope the membership will obtain a copy of that report, which contains a great deal of splendid information. Also, I hope gentlemen will read the splendid statement of Mr. A. J. Altmeyer, Chairman of the Social Security Board, before the Committee on Ways and Means November 17, 1944, and certain articles by independent, able writers that I have read. If they do that I feel they would hesitate long before voting to freeze the tax rate a fourth time.

Mr. Speaker, I do not wish to take further time on the rule because I know the gentleman from North Carolina [Mr. DOUGHTON], chairman of the Committee on Ways and Means, will explain his viewpoint intelligently, as he always does, explain why the majority of that committee came to its conclusion. I am also perfectly satisfied that the gentleman from Tennessee [Mr. COOPER], as well as the gentleman from Michigan [Mr. DINGELL] will be able to bring home at least a portion of the forceful facts that are included in the minority report.

I feel very keenly that it is necessary from the standpoint of sound financing of a contributory social-insurance system that these automatic increases be permitted to go into effect. The Social Security Board believes, as I do, that the longer these necessary increases in the contribution rate are deferred the greater is the impairment of the financial soundness of this contributory social insurance system and the greater the impairment of the whole idea of contributory social insurance.

Now, when business and employees are making good money, is the time to add to these reserves. We do not know what will happen in the post-war period, and certainly the ability to contribute to this system will not be so great as it is.

Feeling there is no opposition to the rule, I conclude my remarks on this matter and ask your indulgence for a few minutes to call attention to something that is very near and dear and close to my heart.

IS THE FUTURE OF OUR FARMERS BEING ENDANGERED BY REASON OF GOVERNMENT AID AND ARTIFICIALLY CREATED PRICES?

Mr. Speaker, I shall now express my views to some extent on the matter which I called to your attention a few days ago, namely, the need for action in the interest of the white-collar workers. There are 22,000,000 of these workers in the United States, one-half of whom are earning less than $25 per week and the other half less than $20 a week. Notwithstanding these low wages, the cost of living and the cost of food has increased, making it impossible for these millions of forgotten wage earners to make both ends meet. Therefore, I read with a great deal of interest a report that gentlemen from the Cotton States held a meeting yesterday to consider the dangerous situation which confronts the cotton farmer because of the fact that there are now in warehouses and storage facilities throughout the country over 12,000,000 bales of cotton on which high loans have been advanced by the Government, and, in addition, it is costing the Government hundreds of thousands of dollars in the payment of storage charges.

Mr. Speaker, due to Government support and loans cotton is being held at such a high price that it cannot be exported or sold in competition in foreign markets. These prudent men who called this meeting realized that these condition are becoming dangerous to the cotton farmers. They recognize that the Government may not be able to give that financial aid that it has in the last few years, and consequently, this meeting was called to devise methods to safeguard the interests of the cotton farmer in the future and at the same time to protect the Government.

SETTING A SPLENDID EXAMPLE FOR THE WHEAT, CORN, AND OTHER GRAIN GROWERS

Mr. Speaker, this gathering of cotton men have set a splendid example for the wheat, corn, and other grain growers who have also been persistent in demanding higher and higher loans and guaranty of prices on their crops. They should remember that the Government beginning in 1930 and up to 1932 wasted $500,000,000 in an effort to bolster and maintain high prices for wheat, but no sooner than the $500,000,000 was expended immediately the market and the value of wheat began to sag, yes, crashed, so that in 1932 wheat was sold around 50 cents per bushel.

Many outstanding economists fear that the farmers and the country may experience the same unfortunate conditions that befell them and the country that unforgettable year from which they suffered for several years thereafter. Therefore, it behooves them in view of the great surpluses of wheat and corn that are on hand today that they follow the steps of these wise cotton men and begin to devise ways and means by which the Government will be relieved of the unnecessary burden and expense. The loans and guaranties may for a short time be beneficial to them, but in the long run they are bound to be destructive because Argentina, Brazil, several of the European countries, and other countries have tremendous surpluses of wheat and corn and, in fact, are disposing of their wheat and will continue to dispose of their grains at a much lower price than that prevailing in this country. I ask, Mr. Speaker, how will we get rid of our surpluses unless we meet the prices of the other countries? Oh, I concede that for the time being, at the expense of the Government, they are reaping a harvest, but what the future effect will be I hate to think about.

This condition is being aided by the manipulators, speculators, brokers, and hoarders who also have reaped and are reaping a harvest, performing in similar manner and method as did the stockbrokers and manipulators up to 1929. Just yesterday I read an article appearing in the financial columns of a daily newspaper, headed "Serious farm slump after war predicted—demand to fall off, says Schultz."

The article carried a statement of Theodore W. Schultz, professor of agricultural economics at the University of Chicago and adviser to the United Nations Food Commission. The article, I feel, is too long for insertion in the RECORD, but in it Professor Schultz predicts a serious agricultural depression 2 years after Germany is defeated.

Mr. Speaker, similar warnings have appeared in the press throughout the country and in various trade journals and many economists believe that the slump may come before Professor Schultz's prediction, perhaps before the war is over.

Many calculating men believe that Europe will require and absorb our tremendous cotton and grain surpluses, but today's message of the President makes clear that Europe will require less than 10 percent of its needs for rehabilitation. Therefore, it will be to the benefit and to the best interests of all concerned that immediate steps be taken to save the situation and I feel, in view of these alarming conditions, the agricultural leaders will not urge and demand continuously additional subsidies. I hope that the War Food Administrator, the Secretary of Agriculture, and the heads of all the various agencies will give serious consideration to the approaching alarming conditions and will not yield to any influence that will clamor for ever-increasing prices on these items and other commodities which, in the long run will be at the expense of the grower and producer and to the despair of the consumer.

What applies to those groups having to do and urging the increase and maintaining of prices on these commodities also applies to meat, butter, egg, cheese, fruit, and vegetable exchanges and price manipulators. It is high time that Congress should cease in maintaining these artificially created high prices. I say this in the interest of the farmers themselves as well as in the interest of the country and the consumers among whom are numbered the 22,000,000 white-collar workers.

Mr. Speaker, some of the Members may recall my effort and fight in 1920 and 1921 to bring about a reduction in the high artificially created prices on sugar and other food commodities and the steps that were taken in those years in restricting loans for speculative purposes. Some of you may recall my fight against the stock exchanges in the summer of 1929 when I sought to bring about the suspension of all stock-exchange activities. Not succeeding, I continued to fight against the manipulators and short selling because I then feared that the professional short sellers were instrumental in depressing the value of stocks. They succeeded in doing so and it brought about the bankruptcy of most of the banks and the insolvency of many of the insurance companies, destroying the value of stocks and bonds held by millions of our investors and, in the midst of

plenty, brought about the greatest financial crash in the history of our country. The then president of the New York Stock Exchange, through the medium of newspaper and radio advertising and other publicity, sought to show that I did not realize or understand what I aimed to do but, unfortunately, I did know whereof I spoke. And now again, I am taking the privilege of a man well along in years who has gone through and witnessed the destruction wrought in five depressions to warn the Nation and those interested of the conditions that confront us and, at the same time, hope that I might be able to some extent to bring about relief to the millions of underpaid and undernourished working people of our country.

Mr. Speaker, I now yield to the gentleman from New York [Mr. FISH] the usual 30 minutes, reserving to myself the remainder of the time on this side.

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am in entire accord with the chairman of the Rules Committee when he upheld the action of that committee in regard to limiting general debate on this bill to 3 hours. This certainly is one of the simplest issues that has ever come before the House of Representatives; a very clear-cut issue. It is simply whether you want to freeze the social-security tax at 1 percent or want it automatically to be increased to 2 percent on January 1945, and to 2½ percent on January 1, 1946. That is the issue before the House. You may talk about it until doomsday but you will always get back to that same question: Do you or do you not want to freeze it at 1 percent or let it increase on January 1 to 2 percent?

It seems to me that 1 hour on the rule and 3 hours general debate are ample time for a discussion of such a simple matter. May I say to the chairman of the Rules Committee and to other gentlemen who raised the issue that the Republicans in their conference took no definite action. Any Republican Member may vote as he sees fit upon this bill.

Mr. Speaker, I confess I am guided in my opinion mainly by the action of the Ways and Means Committee, one of the most able committees in the Congress, headed by that great American, perhaps the greatest of them all, the gentleman from North Carolina [Mr. DOUGHTON] on the Democratic side. Under his able leadership that committee has recommended this bill to the House freezing the tax at 1 percent, and asking the House for time to study the issue further, to find out what the financial resources are, what the requirements are and, if necessary, in the next Congress come back with a report on what should be done; maybe increasing the tax at that time. But at least they have the right to ask for time on such a vital issue as social security and to study our resources and to know exactly where we are and where we are going and what is exactly and precisely needed for the future. Therefore, on that basis, I propose to support the bill introduced by an overwhelming majority of the Committee on Ways and Means.

Now that the election is over, I hope the Republicans and Democrats will put aside their partisanship and combine and cooperate on great fundamental principles and issues. One of those issues is social security. That has been accepted by the American people; all the people, Republicans and Democrats. A great many of them not only want the existing social-security law but they want it expanded to include the farmers, to include those in the hospitals and those in the schools. I am in favor of the expansion of social security.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. What evidence can the gentleman present to the committee or to the House that the farmers want this program applied to themselves?

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

Mr. Speaker, there is no question in the world but that the farmers of America hate regimentation and love freedom, perhaps more so than any other group in America. But I am inclined to think that social security is no longer regarded by the American people as part of a program of regimentation. They believe that it runs parallel with free enterprise, with private initiative and equal opportunities, and they believe, now that the rest of the country are provided with social security, that they too should be included. I am quite sure that if the farmers do not want it, they will not get it. I am sure, on the other hand, that those who are employed in the schools and in the hospitals want it. I am certainly in favor of giving it to the farmers if the farmers desire it, because I think it is a matter of right if the rest of the country have it. But I am not here testifying as to the viewpoint of the farmer himself. There are plenty representatives directly from the farm districts who will speak for them, and I can assure the gentleman that if the farmers are opposed to it, and if they do not want it, they will not get it.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman has expressed an interest in behalf of those in hospitals. I take it the gentleman's views on that are liberal enough to include people who are in need of health insurance.

Mr. FISH. I freely predict that in the not far-distant future the Congress will include health insurance and hospitalization. It is probably inevitable. I am not expressing my views right now as to what should be done today or next month or in the next Congress, of which I will not be a Member, but I am inclined to believe that in the course of events it is inevitable that the Committee on Ways and Means in a future Congress will recommend health insurance and hospitalization, which have been in effect in the older nations of the world, even Germany, for the last 50 or 60 years, and in many other countries not as progressive or liberal or as rich as America. I think that day is coming. But it is no use discussing it now because we have only one simple issue before us, and that is the amount of the tax on social security, including old-age and unemployment benefits.

May I conclude by saying that I am in favor entirely of the social-security program as it exists today. It is accepted by all the people. Of course it will be amended and it will be extended. But may I point out that it is parallel to and not a denial of free enterprise. It is not a denial of private initiative or of equal opportunities, or the profit system which have made this country a great, rich, and free nation. There is no question that all people hate and loathe wartime regimentation and are only waiting for the day to come to get rid of it and get back to freedom and freedom of business initiative. But I do not think the American people have any idea of relinquishing social security. Social security has come to stay and will be expanded as the years advance and the needs require.

In the meantime, Mr. Speaker, I am in favor of this bill as it stands largely because the experts and the majority of the Committee on Ways and Means, those who have devoted their lives to the study of these questions and those who have sat in on these hearings, have recommended this bill to us in its present form and have stated openly that perhaps in the future when they have time to go into it and study the details and find out the financial status of the country they may recommend something different. So, Mr. Speaker, I am in favor of the bill as submitted and will vote for it, and I hope the rule will be adopted.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, realizing the limitation of time imposed by the rule, which will doubtless be adopted, I am constrained to say at this time what I might otherwise have said when the bill is being considered.

I think it important that the proposed tax freeze and its dangerous effect be taken into account, particularly by the business interests of this country. Provisions such as are intended under the Social Security Act with regard to old-age insurance are a safeguard and a stabilizer for business in that they provide freedom from fear on the part of our aging citizens. I think it goes without saying that anything we can do to eliminate the age-old fear of the poorhouse from our midst is the best thing in the world for the insured and for business. I think progressive, farsighted businessmen realize that repeated tax freezing tends each time to undermine the social-security structure. My principal objection to the proposal, at the present time, of freezing the tax is one which I have raised in committee, time and again. In the first place, we

have already frozen the social-security tax on two previous occasions. Now we come before the Congress again with a similar proposal for a third time. I have argued for several years past, and the Members of the committee know it, that we ought to have a special, standing subcommittee to acquaint itself with the current and future needs of the social-security structure and we ought to go into the matter with the assistance of experts, very carefully. I hold to that view now. I cannot reconcile myself to any such proposal as this, which is before us now, to first freeze the tax and later to investigate. I think that the proper, the sound, the businesslike proposal would be to investigate first and then to freeze the tax, if investigation justifies it. So far as I can get the facts to date, there is no justification for freezing, because business is at its best and business would not suffer anything by the automatic imposition of the tax, as provided by law.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. DISNEY. Even if we had raised the tax to 5 percent it would not have changed the benefits. The benefits would have remained the same until after we would meet next year and determine whether or not they would be changed.

Mr. DINGELL. It is not going to change the benefits, no, but it will affect the plan, in my estimation. I will say this to my friend from Oklahoma, and I think he knows it, it is going to be mighty easy to slash the tax, but very difficult to restore it. He is not going to be here to vote for its restoration, but I dare say, he is going to vote to cut it.

Mr. DISNEY. But it is clear that either the raising or the cutting or the leaving in statu quo, of the rate, will not affect the benefits under the bill.

Mr. DINGELL. Not immediately, no; but it will in the future. I just want to express this hope at the present time. Those of us who have been defending the social-security bastion, and who have been pushed from one line of defense to another, have this final hope, and I express it here now for whatever it might be worth, that if this legislation does pass in the House and in the Senate, regardless of whether it is wrapped in the mantle of the War Powers Act or not, the President will have the courage to veto it. I think that he will. I hope I am not making a mistake in that prediction.

Mr. DEWEY. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. DEWEY. I would just like to ask the gentleman to make a statement as regards title I of the Social Security Act. There is nothing in this bill, nothing in this rule, that has anything whatsoever to do with the so-called old-age pension.

Mr. DINGELL. Not the pure pension, no; that is, not those that are receiving a gratuity.

Mr. DEWEY. I just wanted to bring that out.

Mr. DINGELL. This affects the old-age insurance feature of the act which provides for old-age pensions, not as a gratuity but as a matter of right, to those who pay the insurance premium.

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, does the gentleman from New York [Mr. FISH] wish to yield some of his time now?

Mr. FISH. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, there is no question that this rule will pass. Consequently it would be useless to discuss the rule any further. I might say this, however, that usually when a rule is given for legislation from the Committee on Ways and Means, it is usually branded as being a gag rule. This rule is an exception in that respect. This rule is not a gag rule in any respect. The application of this bill is restricted within a very narrow scope, as has already been said. It deals with only one proposition. That proposition is, Shall we freeze the present rate at 1 percent for another year, or shall it be increased to 2 percent beginning with January 1, 1945?

This rule permits amendments within that scope. I hope there will be several amendments so that we shall have a fair chance to present the real issue to the House and the country. At that time, no doubt, the issue will be sharper and we will then be able to keep our remarks more to the point.

At this time let me discuss with you for a few minutes the general proposition of social security. The term "social security" is a very broad term. It is used to express many different ideas. In other words, in 1935 this Congress passed the social-security law. That was a great step in legislation. In fact, it was one of the most comprehensive pieces of legislation ever passed by Congress. That law includes 10 different titles, and it is very comprehensive. It deals with old-age pensions in title 1. In title 2 it deals with old-age insurance. Title 3 deals with unemployment compensation. And title 4 deals with aid to dependent children. Title 10 deals with pensions for the blind. As was brought out in the debate a moment ago, the first title deals with old-age pensions. This is an easy proposition in that it provides a grant for the aged needy to be matched by the States. That was the first time the Federal Government had ever entered the field of gratuitous pensions to the old people. Many of the States up to that time had passed old-age pension laws, but that was the first time the Federal Government took action with reference to Federal aid to the aged needy. The Government is still operating under that old-age pension law. It pays out to the States about $300,000,000 annually, which the States match. When Congress passed the social-security law, title 2 of the social-security law was expected to be a corollary to the old-age pension section. The purpose of title 2 was to provide a system of compulsory insurance that would render it unnecessary to continue old-age pensions. If title 2 will work out as it was intended, in about 30 or 40 years the old-age pension section may not be necessary. If our people can provide themselves with personal security through this title 2 it will not be necessary to pay old-age pensions. In other words, if we did not pass title 2 at all, it will not necessarily bring about any calamity in this country, because we would still have title 1 to take care of the old people who reach 65 years of age by paying them an old-age pension.

So, we are not today experimenting with amending a plan that might jeopardize the bread and butter of anybody. What we are trying to do today is not absolutely a bread-and-butter proposition at all. But we are now dealing with a very important experiment in universal social insurance. That is what it amounts to. It is compulsory. Title I is not compulsory. It is voluntary. If a person does not want to draw an old-age pension, he need not do so. But title II is a tax. It provides for compulsory payments and when we deal with a tax we must be careful to make it uniform. We had better make it fair; we had better make it of such nature that there will be no revulsion in the country about it. There are 2 titles in the Social Security Act that are very compulsory. One of these is the title with which we are dealing today and the other is the title providing a tax out of which to pay unemployment compensation.

Title II provides that every employee in the country, except a certain few who have been exempted, such as domestics, farm labor, and casual labor, must pay 1 percent of his wages into a trust fund under the supervision of the Government. Every employee has deducted from his pay roll 1 percent of his earnings, and at the same time, from the till of the employer an amount equal to 1 percent of the wages of his employees is deducted. But you must remember when you take the 1 percent from the employee, you take it out of his own earnings. But when you take it out of the employer, you do not take it out of his profits. It is not taken out of the profits of the employer. It is a charge on his total receipts. If the employer is prosperous, it means that he just pays that much less income taxes. And if the employer is not prosperous, he must pay it whether he makes any profit or not. It comes out of the money he earns. It comes out of his business. He passes it on as an item of cost. You must remember that whenever you pass on an item of cost, it comes out of the consumer. Suppose a man is manufacturing shoes. One percent of all the wages he pays, is paid to the Government and is added onto the cost of the shoes. Very well. Who pay that cost? The consumer, of course, and that in some instances is very unfair. This is true when a person who is not protected by social security must pay that added cost. We have to be fair about it. We must give this matter very exhaustive study. In our complex industrial life it is difficult to give one person an advantage without working a disadvantage to another.

Take, for instance, a farm hand. He is excluded from the protection of the law. Most farmers desire to be excluded.

But the farm hand has to pay that increased price for his shoes because the price has been increased by the employer all along the line by that amount and perhaps it has been increased by the amount the employee pays—if the employer has been smart enough to add all its tax as a part of the cost.

So we are going to have to consider some of these days whether or not we are going to extend the benefits of the social-security insurance to some of these other people, to the white-collar workers, to school teachers, and many other people employed by the State and Federal Governments. They have to pay the extra price for their shoes just as these farm laborers do.

So the question arises then, if we do sometime in the future decide to include farm labor within the provisions of this law, How we can best do it? It cannot be applied to a farm laborer as easily as it can to those who work in a factory. It is difficult also to apply it to domestics who work only 1 or 2 days a week. Likewise it is difficult to apply it to a grass cutter or to one who works for himself as a plumber or a repairman.

Some day we shall have to face all these matters if we are to be absolutely fair to all. As I have already stated, most farmers are opposed to extending this coverage to farm help and most self-employed people are opposed to it.

In 1939 we amended this section of the original Social Security law, the section I am now talking about. It was not well put together. It could not have been well put together, because we had had no experience from which we could chart our course. We made a good start and expected to learn by experience and we did learn and in 1939 the Ways and Means Committee recommended and the House passed very striking amendments to this section. I cannot go into these extensively at this time. I refer you to the law. The principal amendments were to the effect that the benefits were made more acceptable to the families of the beneficiaries. The original social-security law did not give sufficient protection to the wife and children of those who paid in their money. It was loosely drawn because it was experimental legislation. I make these statements to show you that this legislation is very important and very far reaching. I think our Ways and Means Committee took a very wise course when a few days ago it adopted a resolution to the effect that the whole committee would, when time permits, enter upon an exhaustive study of this whole matter. From that study I hope we may find the solution of some of these important problems.

For instance, it is not wise for us to require our wage earners to pay into the Treasury of the United States the great surplus of $6,000,000,000. The Government takes in about seven times as much as it pays out under this law. No insurance company would do that, no private individual setting aside a trust fund would set aside seven times as much as is necessary.

It has been said that in prosperous times we ought to collect these funds to create a huge reserve against less prosperous times. I think we ought not to be piling up a surplus at the cost of today's workers to be paid to somebody 40 years from now. The Congress will be just as smart and patriotic 40 years from now as it is today. The workingman who has paid into this fund has a surplus now of seven and one-half times any reasonable demands that may be made upon it. Mr. Morgenthau, at the public hearings seeking to develop facts in 1939 said that a surplus of three times was enough—three times any reasonably anticipated draft upon the funds. Three times ought to be enough, but we now have seven times the necessary amount.

Why should the man who is now working be called upon to pay nearly a billion dollars more each year than is necessary? And if this is raised to 2 percent the workingman of this country will be called upon to pay over one billion and nearly a billion and a half extra money into this fund that is already seven and one-half times too large. I am moved to make this statement because I do not want the man who works to be misled into the belief that this increase is necessary for his security. It is not necessary. Every person who testified at our hearings, including Mr. Altmeyer, stated that the present surplus with the present payments would keep the fund solvent for 10 years.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the distinguished gentleman from Oklahoma.

Mr. DISNEY. And this does not affect his benefits.

Mr. JENKINS. No; I was just going to come to that. If we increase this rate to 2 percent from the employee and also from the employer it does not give the employee any more money in case of death or accident. He does not get any more benefits; the benefits stay just as they are.

Mr. Speaker, it is absolutely unfair to compel those who labor to pay these exorbitant surpluses if there is no additional benefit to them. If we are going to increase these rates we should by all means increase the benefits.

From a standpoint of economy some say that we should not raise the benefits now in these prosperous times. The time they will need greater benefits is in less prosperous times. I say this just to show how confusing these arguments can be. I still say, however, that the benefits must be raised if the payments are raised and the big surpluses are maintained.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. JENKINS. Mr. Speaker, I yield the balance of the time to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I do not wish to enter the field assigned to the committee inasmuch as those members will explain this bill and they will have sufficient time to do it. I suppose Members on both sides of the House will be bending and torturing statistics to bring about the desired result of an opinion they have predetermined. I will not enter into that phase. You may, if you wish. My remarks will be general, but let no one translate them as being against real social security, because we all ought to be for that. It is the method I may wish to question in the very few minutes I have, and I wish to bring to you some fears that have been expressed to me.

Blessed be the man who expects nothing because he will not be disappointed; but the man who expects something and does not get it might well be disappointed.

Are we entering into a system of swindling posterity on a huge scale? Are we really collecting this money and spending it for the general purposes of government and not treating it as a trust fund? Can the Government spend trust funds for general expenses without challenge? I have here a letter that came to my desk this morning from a chamber of commerce, calling this method a swindle because we are spending these funds for the general expenses of the Government. I expect a reply to this on the floor this afternoon. I have spoken along this line several times before. I am frankly worried as to whether or not the Government is so different from individuals as the custodian of such contributions. If you as an individual hold my trust funds, do not buy an automobile for yourself. I am worried about the many comments of wise men who are critical of the road we are traveling. It is stated that the foremost superstition in the United States today is that we think that we can get social security by voting for it.

Mr. EBERHARTER. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I just want to call the gentleman's attention to the fact that the majority report of the committee, which all of his Republican colleagues signed, states that there definitely is a trust fund amounting to over five and one-half billion dollars. That is a trust fund upon which the membership who voted to pass out this bill depend.

Mr. GIFFORD. It is indeed a trust fund. Should it be spent for general purposes? This has been questioned. Maybe you will be able to reassure these critics. Here is a Government faced as it is with many billions of dollars to be paid out for subsidies and pensions in various forms after this war. Our Government is traveling fast in those directions. I have been giving as much thoughtful study as I can to post-war problems. We are told that wages must be even higher. Then we must subsidize the wage earner. We must continue to subsidize the farmers on a much greater number of their products. I read that $290,000,000 have been used to support the price of eggs, alone.

Let us take into consideration the cost of subsidizing wheat, cotton, and other large crops. We are told that we must allow great quantities of goods to come into the country in order to be paid for our exports and the loans we must be prepared to make.

So I sometimes wonder if we are embarking upon plans the results of which would be to swindle posterity on a huge scale. Of course, some people think this money is in a trust fund. Perhaps it is. They think it has been set aside. Surely, they will have to be taxed again in order to get it. They will pay twice. "He who gives too soon will soon be asked to give again."

Mr. Speaker, I am not against social security, but I should watch the way and manner in which we are providing for it. I am expressing a warning that comes to you and me from people who are very much interested and very skeptical about these funds. They must be assured that their contributions are properly safeguarded. Should we not tell them that an investment in a Government bond—their own debt—is the safest possible investment? Again, do not translate this talk into the belief that I am against social security. But we are piling up a huge indebtedness. We have used all the letters of the alphabet in designating relief agencies which have been set up, both at home and abroad. A boy was asked in school to write a sentence containing every letter of the alphabet. I want to give it to you. He wrote:

New Deal quackery and extravagance have piled up a fearful debt upon all junior citizens, including myself.

You know I do not love the New Deal; neither do you. I distrust the New Deal; so do many others. I shall not be beguiled by the simple title "Social Security," if it is simply to get more money into the Treasury to be spent for something else. I have that warning. I have been beguiled more or less on many of these New Deal propostions, ostensibly for meritorious purposes. Proper administration of them is highly important and it is our duty to watch that. I have not attempted to discuss the presentation arguments of the Committee on Ways and Means. I took the floor at this time simply to express the fear of many people who have written to me and of others who have printed their fears and opinions for us to read. I hope we will get this social security, so-called, but it now appears that we will pay for it twice. There is an old saying, "Where every prospect pleases and only the ink is red."

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

MESSAGE FROM THE PRESIDENT

A mesage in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on December 2, 1944, the President approved and signed a bill of the House of the following title:

H. R. 5490. An act to provide for the continuation on the active list of the Regular Army for the duration of any of the wars in which the United States is now engaged, and for 6 months thereafter, of any officer on the active list of the Regular Army who has served as Chief of Staff during the wars in which the United States is now engaged.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—FIRST REPORT TO CONGRESS ON UNITED STATES PARTICIPATION IN OPERATIONS OF U. N. R. R. A.

The SPEAKER laid before the House the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed, with illustrations:

To the Congress of the United States of America:

I am transmitting herewith the first quarterly report on U. N. R. R. A. expenditures and operations in accordance with the act of March 28, 1944, authorizing United States participation in the work of the United Nations Relief and Rehabilitation Administration.

The enemy has been driven out of all or virtually all of the Soviet Union, France, Greece, Belgium, and Luxemburg. Parts of the Netherlands, Yugoslavia, Poland, Czechoslovakia, and Norway, as well as the Philippines, New Guinea, New Britain, and Burma have been liberated by the armed forces of the United Nations. Those forces—more powerful each month than the month before—are now striking additional blows to complete the task of liberation and to achieve final victory over Germany and Japan.

U. N. R. R. A. was established by the United Nations to help meet those essential needs of the people of the liberated areas which they cannot provide for themselves. Necessary relief stocks are being acquired and the personnel recruited to assure efficient and equitable administration of relief supplies and relief services. As rapidly as active military operation permit, U. N. R. R. A. is undertaking operations in the field. U. N. R. R. A. representatives are already in or on the way to liberated areas of Europe and are preparing to go to the Pacific and Far East. The colossal task of relieving the suffering of the victims of war is under way.

The conditions which prevail in many liberated territories have proven unfortunately to be fully as desperate as earlier reports have indicated. The enemy has been ruthless beyond measure. The Nazis instituted a deliberate policy of starvation, persecution, and plunder which has stripped millions of people of everything which could be destroyed or taken away.

The liberated peoples will be helped by U. N. R. R. A. so that they can help themselves; they will be helped to gain the strength to repair the destruction and devastation of the war and to meet the tremendous task of reconstruction which lies ahead.

All the world owes a debt to the heroic peoples who fought the Nazis from the beginning—fought them even after their homelands were occupied and against overwhelming odds—and who are continuing the fight once again as free peoples to assist in the task of crushing completely Nazi and Japanese tyranny and aggression.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 5, 1944.*

EXTENSION OF REMARKS

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TAX UNDER FEDERAL INSURANCE CONTRIBUTIONS ACT

Mr. DOUGHTON of North Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5564), with Mr. McCORD in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill H. R. 5564, now under consideration, provides for the freezing of the tax on employer and employee for old-age and survivors benefits at the present rate of 1 percent for 1945, thus postponing an increase to 2 percent, which would otherwise result if the bill does not become a law.

In supporting this bill I desire to have my position clearly understood. Therefore I call your attention to the fact that I introduced and reported the original social-security bill in 1935 as well as the amendments to the social-security law of 1939. I was at that time and still am a firm believer and advocate of old-age insurance.

I take considerable pride in having my name associated with this great humanitarian law and yield to no one in my desire to maintain the system and the purposes of the act on a sound and secure basis. I would resist to the limit any effort that would, in my judgment, tend to weaken and undermine the stability of the system.

However, I am fully and firmly convinced, after a careful study of the subject, that the action taken by a substantial majority of our committee—about 2½ to 1—is fully justified and does not and will not undermine or weaken the financial structure of the system.

After studying all the testimony presented in the hearings recently conducted by our committee we arrived at a decision that the only practical and proper course to follow was to freeze the tax at 1 percent for the year 1945; and that is

all that this bill does. It has no reference or effect whatever upon the expansion of benefits or the extension of coverage under the Social Security Act. Neither does it affect, in any way, old-age pensions or benefits which are paid by annual appropriation out of the general fund of the Treasury and matched on a 50–50 basis by the States. It makes no change whatever in the basic purposes of the act.

The issue we have placed squarely before the House is whether the reserve in the trust fund is adequate at the present time and that it can be maintained within the reasonable limit of safety by retaining the tax at 1 percent during the year 1945.

In 1939 the law was revised and the basis of the trust fund was changed, after long and deliberate study, from a so-called full reserve to a contingent reserve to meet unusual conditions or emergencies. At that time the Social Security Board, with the help of experts and actuaries, estimated that the trust fund would be $3,000,000,000 at the end of 1944. They estimated that it would be only that amount if the tax increases as written into the law should become effective. However, without the increases, instead of only $3,000,000,000 we have, or will have at the end of 1944, approximately $6,000,000,000 in the trust fund—or 100 percent more than was estimated. In other words we will have double the amount it was estimated we would have and we have built this reserve at a lower rate of tax than the social-security experts and actuaries used in their calculations for securing only $3,000,000,000. Today, mark you, we are collecting more in taxes at 1 percent than it was anticipated we would collect at 2 percent, which amount we were told would be adequate to fully protect the system.

The opponents of this bill will contend that this is all due to the war, which we deny. Some of it is probably due to the war, but the estimates of receipts before the war were far from accurate. We have always collected more, both before and since the war, in taxes and paid out considerably less in benefits than was estimated. The Social Security Board estimated that in 1944 benefits paid out would be $667,000,000, but actual benefits paid will amount to approximately $200,000,000, or less than one-third of the amount anticipated.

The opponents of this bill also contend that the claims or liabilities against the fund have increased greatly. In the report they use the figures $50,000,000,000, which as far as I can determine is the most extreme possibility that the human mind could imagine and not within the realm of any reasonable probability. Apparently they are assuming that every person who is now contributing to the fund will die within a short time. But surely no one, not even Dr. Altmeyer, is expecting this to happen. Also they forget to state that the survivorship benefits expire in a comparatively short time after a person who is covered by social security leaves employment. But we are undoubtedly going to see large numbers leave the system after the war.

The estimates on receipts and disbursements and the growth of the trust fund made by Dr. Altmeyer and his experts have fallen so wide of the mark up to the present that it is difficult for anyone to view with any reliance whatever estimates they make as to many, many years hence, which must necessarily be based upon economic conditions and human factors that can only be guessed at—and so far they have been the wildest guessers with whom I have ever attempted to work. I know that I cannot personally look into the future and tell what economic conditions and human factors will be 20, 30, or 40 years from now. So how can we, on the basis of such estimates and when the fund is adequate at present or within the reasonably near future, justifiably increase the already high tax burden on workers and employers. Even opponents of the bill admit that a tax of 1 percent will be adequate for 10 years, and I have no doubt it might be sufficient for 20 years.

The Secretary of the Treasury, who is also one of the trustees of the old-age and survivors' trust fund, and doubtless speaking with the knowledge and approval of the other trustees, testified before our committee in 1939, as follows:

> Specifically, I would suggest to Congress that it plan the financing of the old-age insurance system with a view to maintaining for use in contingencies an eventual reserve amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years.

The Congress incorporated the Secretary's recommendation into the law; at the same time instructing the trustees to report immediately whenever they believed the amount in the trust fund to be unduly small. The Congress put an alarm bell in the law, but to my knowledge the trustees have not rung that bell, warning us that the trust fund was unduly small for the very obvious reason that the fund is twice what they estimated it should be. The highest estimated benefits for any of the ensuing 5 years were from four hundred and fifty to seven hundred million dollars. So, as a matter of fact, the amount in the trust fund is now from 8 to 12 times the highest prospective annual expenditure in the next 5 years—8 to 12 times, instead of 3 times as recommended by Secretary Morgenthau, who must surely know, or should know, whereof he speaks.

If the Morgenthau rule is sound, and it has not been repudiated by the Secretary as far as I know, we then have a wide margin of safety. Under these circumstances and in view of the extremely high tax burden the people necessarily are carrying, how can we justify doubling the tax at this time? Remember, the trust funds is 100 percent greater than it was anticipated it would be and is from 8 to 12 times instead 5 times more than the highest anticipated benefit payments for any one of the ensuing 5 years, which was considered by Secretary Morgenthau to be necessary to maintain the system. So I repeat: How can we justify an increase of 100 percent in the tax at this time?

In the recent campaign, not only the platforms of both political parties, but also the candidates and spokesmen, promised the people of the country relief from heavy tax burdens at the earliest possible moment; each trying to outdo the other in such promises. However, it is clearly evident with the mounting cost of the war, the taxpayers can look for little or no relief in general Federal taxes in 1945, but they certainly are justified in opposing any unnecessary increases, or increases that have not definitely been demonstrated to be necessary. They will, in my opinion, judging by the letters and telegrams that I received from all parts of the country and from people in all walks of life, resent any increases in tax burdens which are not proven to be absolutely necessary. Based on previous testimony and estimates of amounts required to keep this trust fund sound, a 100 percent increase in tax for this purpose can, in nowise, be justified.

We have taxes here, taxes there, taxes everywhere. Hundreds of thousands of small businesses have been forced to close as a result of the war and taxes, and thousands of white-collar people have not had their salaries increased commensurate with the increased cost of living. Upon these people a 100 percent increase in this tax would prove a grievous burden. It should be remembered that this tax is not a tax upon profits, but a tax on costs of the employer and must be paid even though the employer is in the red or just breaking even, and by the employee it must be paid out of sweat and toil of daily earnings, although such earnings may not be sufficient to provide a comfortable subsistence for the wage earner and his family.

Before any increase in this tax is permitted to become effective the entire subject of tax rates and the adequacy of the trust fund should be reexamined in the light and upon the experience of 9 years of operation of the law to date, as our committee proposes to do if this tax is frozen for the year 1945.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield myself 5 additional minutes.

Mr. COLMER. Will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield to the gentleman, although my time is very limited.

Mr. COLMER. Do I understand it is the gentleman's view that business would find it more difficult to increase jobs in the post-war period if this bill were not enacted?

Mr. DOUGHTON of North Carolina. Well, I did not make that statement, but I do say there are hundreds of thousands of small businesses that have already gone to the wall as a result of the war conditions and high taxes. Upon those this tax increase would be a very grievous burden. This is a tax not on profits, but a tax on the costs of business so far as business is concerned, and a tax on sweat and toil of daily earnings so far as the employee is concerned.

Mr. COLMER. I should like the benefit of the distinguished gentleman's good judgment on that question: What effect

would it have on employment in the post-war period?

Mr. DOUGHTON of North Carolina. It would certainly leave the employer in a much better condition to employ labor after the war, in my opinion.

Mr. COLMER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, I have before me letters I have received opposed to the freezing of the tax and opposed to this bill. You will see that I have received only 14 post cards, all written in precisely the same language, mailed the same day and at the same post office and received by me at the same time—identical messages. I have received only three letters opposing the bill. I come from a great industrial district and a great industrial State. Not 1 telegram, not 1 letter, not 1 word of objection have I received from my district relative to freezing this tax by the enactment of this bill. From the rest of the country I received only 14 identical post cards, all propaganda, opposing it. As you can see by these telegrams I hold in my hand, hundreds and hundreds of them, I have received in favor of freezing the tax and passage of this bill. Here are hundreds and hundreds of letters, none of them identical, from men in all walks of life, and from all sections of the country, from men in all types of business, from labor, capital, industry, employer and employe. This is not propaganda. This is a free expression of the will of the people on this important subject and should have great value, in my judgment. It is an expression of the enlightened sentiment of this country opposed to the increase of this tax.

In my judgment the security and stability of the system will in no way be jeopardized by the enactment of this bill into law.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. KNUTSON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the measure now under consideration would freeze the social security pay-roll tax at the present 1-percent rate for another year. Heretofore, social-security tax legislation has been handled in a more or less haphazard manner because we have not had sufficient information to act with full knowledge. It is the purpose of the appropriate committees of the two Houses to make a thorough and exhaustive study of the whole question after the first of the year. It will interest those on this side of the aisle to learn that the Republican members of the Ways and Means Committee unanimously supported the bill; also, that it was supported by a majority of the Democratic members of the committee. The measure was reported out of the Ways and Means Committee by a vote of 17 to 7.

Unless the Congress acts to freeze the rate at the present level, the tax will automatically increase to 2 percent on both employer and employee on January 1, 1945.

When the Social Security Act was revised in 1939, Congress abandoned the so-called full reserve plan, under which a reserve fund of some fifty billions would eventually have been built up. This action was taken with the approval of the Treasury, in recognition of the fact that a full actuarial reserve is not necessary in a Government-operated insurance plan. The act, as revised, contemplated only a contingent reserve, and specified that a report should be made to Congress whenever the reserve fund exceeded three times the highest contemplated benefit payments in any year of the ensuing 5 years. This is the so-called Morgenthau rule.

According to Dr. Altmeyer, Chairman of the Social Security Board, the reserve fund on January 1 will be $6,000,000,000. The annual benefit payments are now running around $200,000,000, and the highest estimated annual payment in the next 5 years will be between $450,000,000 and $700,000,000. Thus the existing reserve is more than 8 times, rather than 3 times, the highest annual benefit payments in the next 5-year period, based on the highest estimate of payments. It is 13 times the highest annual payments, based on the lowest estimate of such payments.

Current receipts from the present 1 percent tax are approximately $1,300,000,000 annually, or more than 6 times current outlays. The present reserve is 30 times the amount of current payments, and will continue to grow under the 1 percent rate, even if it were to be continued for a number of years. If the rate is automatically increased to 2 percent on both employers and employees on January 1 next, an additional and unnecessary burden of $1,300,000,000 will be imposed.

The above figures conclusively show that the present 1 percent rate may safely be continued for another year, as provided in the bill reported by the Ways and Means Committee, without in any jeopardizing the trust fund. The scheduled increase to 2 percent on both employer and employee is wholly unnecessary and unjustifiable. The 1 percent rate heretofore in effect has built up a far greater reserve than Congress, in 1939, contemplated would be built up under a 2 percent rate by the year 1948.

Mr. MILLS. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Arkansas.

Mr. MILLS. May I remind the gentleman of the testimony given by Mr. Altmeyer in answer to questions propounded by the gentleman on that particular point:

> Mr. KNUTSON. You have competent actuaries in your employ at the present time, have you not?
>
> Mr. ALTMEYER. Yes.
>
> Mr. KNUTSON. And based upon their findings, the present rate of income is sufficient to take care of the calls that will be made upon that fund during the next 20 years?
>
> Mr. ALTMEYER. That is right.

That substantiates what the gentleman is saying.

Mr. KNUTSON. I am glad to have the gentleman's contribution, and without casting reflection on anyone I may say that representatives of the Social Security Board who appeared before the committee failed to make out a case. There was only one gentleman appearing who claimed to represent labor and when interrogated he admitted he did not know how much the reserve was; he also admitted that he did not know what the outgo was, and apparently lost some of his enthusiasm for the program he was espousing when he learned that the reserve fund is now eight times greater than the outgo.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman wants to convey the information to the House, as to the question read here by the gentleman from Arkansas and Dr. Altmeyer's answer, that if the increase goes into effect as provided on January 1, it will take it for 20 years.

Mr. MILLS. On page 10 of the hearings Mr. KNUTSON asked the question:

> Based upon their findings, the present rate of income is sufficient to take care of the calls that will be made upon the fund during the next 20 years.

Mr. Altmeyer's answer was:

> That is right.

He may be incorrect, but that is his statement.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from North Carolina.

Mr. DOUGHTON of North Carolina. Nobody can question that he did say definitely that it was all right for at least 10 years.

Mr. KNUTSON. There is no dispute about that.

Mr. DOUGHTON of North Carolina. There is no question about that.

Mr. KNUTSON. There is no question and no dispute that all the testimony adduced before the committee was to the effect that the present rate of 1 percent was enough to carry the fund in a solvent manner for the next 9 or 10 years.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from South Dakota.

Mr. CASE. Was there any testimony adduced before the committee that measured the effect of increasing the tax on the wage earner by 1 percent, on the cost of living, or upon the demand for breaking the ceiling on wages?

Mr. KNUTSON. Unfortunately the committee did not go into that phase of the question. I think that we should have given some thought to it. It is inflationary. If the increase goes into effect the Congress will merely vote to place another 1 percent tax on all pay rolls and pay envelopes. Naturally the employees will ask for an increase in pay to offset the additional load that will be placed upon their shoulders on January 1.

Mr. CASE. In other words, it will help to break down the "hold the line" order, so to speak.

Mr. KNUTSON. Exactly, and I am not so sure that that is not the reason why the administration seems to be for the increase. Of course, if Congress would conveniently provide the administration with an "out" so that it was justified in abrogating the so-called Little Steel formula, the Congress would be entitled to a vote of thanks from the administration.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KNUTSON. Mr. Chairman, I yield myself 5 additional minutes.

I wish the House to get this: The 1 percent rate now in effect has built up a far greater reserve than Congress in 1939 contemplated would be built up under a 2 percent rate by the year 1948; in other words, under a 1 percent rate we have by 1944 built up a greater surplus than it was contemplated could be built up by the year 1948 under a 2 percent rate.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from New York.

Mr. LYNCH. Is it not also a fact that, although the reserve has been built up in the manner in which the gentleman states, the liabilities of the fund have also increased?

Mr. KNUTSON. It would be passing strange if the liability of the fund did not continually increase. That is one reason why we should have a full study made. We should go into this subject exhaustively, not only by the Committee on Ways and Means, but also by the Finance Committee of the Senate, so that we may know without any doubt as to what should be done. The question of social security is not a debatable one. We all admit it is necessary. Where we disagree is upon how much of a tax we should levy. It is for the purpose of ascertaining what should be done that we propose, as the gentleman, who is an esteemed and valuable member of the Committee on Ways and Means, knows, to hold such a hearing after the first of the year. We feel that the present rate should be frozen until we have had an opportunity to go into the question completely from all angles.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from North Carolina.

Mr. DOUGHTON of North Carolina. Is not the solvency of the fund determined by the reserve?

Mr. KNUTSON. Precisely.

Mr. DOUGHTON of North Carolina. The reserve is 100 percent more than they said would be necessary for 1944. Of course, the liability would not increase to that extent; everybody knows that.

Mr. KNUTSON. The reserve is greater today under the 1-percent tax than the actuary said we would have in 1948 under a 2-percent levy.

Mr. DOUGHTON of North Carolina. So an increase in the tax rate would not be necessary.

Mr. LYNCH. Mr. Chairman, will the gentleman yield further?

Mr. KNUTSON. I yield to the gentleman from New York.

Mr. LYNCH. Is it not a fact that today, insofar as all the liabilities of the fund and the reserve are concerned, if payments were made to the beneficiaries who are entitled to them there would be a deficit of $6,500,000,000?

Mr. KNUTSON. Does the gentleman mean to tell the House that the Social Security Board, which is dominated by his party, is gypping the people?

Mr. LYNCH. The gentleman and every member of that committee know it is costing more for these benefits than is being paid in, and that the minimum cost is 4 percent, by all authorities.

Mr. KNUTSON. We know no such a thing, and that is the reason we want to hold hearings.

Mr. LYNCH. Hearings have been held, and the testimony is that the minimum is 4 percent.

Mr. KNUTSON. The hearings that were held in 1939 are about as up-to-date as a last year's bird nest.

Mr. DOUGHTON of North Carolina. As to the amount of the reserve, we have taken in more than $1,000,000,000 in 1944, and it is estimated that we have paid out only $200,000,000.

Mr. KNUTSON. That is a juicy morsel for those who are continually pleading for the poor downtrodden, but no matter what you do today you are not going to increase or decrease by one penny the benefits that are being paid.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KNUTSON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Arkansas.

Mr. MILLS. In order to prevent anyone's assuming that there is any attempt on the part of anyone to mislead the House or place erroneous information in the RECORD, based upon the hearings, I find on page 12, called to my attention by the gentleman from Tennessee [Mr. COOPER] that in response to his question Mr. Altmeyer indicates a different conclusion or result from that stated in response to the question of the gentleman from Minnesota. This is the testimony:

> Mr. COOPER. Now, Mr. KNUTSON's questions clearly indicated that he thought the present 1-percent tax on employers and employees would be sufficient to last for 20 years. That is wrong, is it?
>
> Mr. ALTMEYER. Yes, sir.
>
> Mr. COOPER. That means, then, that if the 2-percent tax as now provided by law is permitted to go into effect on January 1, the fund is estimated to be sufficient to carry the system for 20 years.
>
> Mr. ALTMEYER. Yes, sir.

Apparently Mr. Altmeyer misunderstood the question of the gentleman from Minnesota, or else there is a difference in his mind as to what the conclusion is, but I put this in the RECORD nevertheless.

Mr. KNUTSON. Mr. Altmeyer may have changed his mind between the time I interrogated him and the time the gentleman from Tennessee interrogated him.

Mr. MILLS. My point is this: In view of the erroneous conclusions that have been reached by the Social Security Board heretofore, prior to the war, even, as to the amount of revenue and the amount of liabilities that will be incurred annually, and the uncertainty as to the size of the fund that will be needed in the future, it is clearly evident that the Committee on Ways and Means is right in unanimously deciding to go into this whole subject next year and determine how much is needed to carry on this program.

Mr. KNUTSON. The gentleman from Arkansas will recall that when the original social-security bill was before the Committee on Ways and Means, under the operation of the Treasury proposal a reserve of forty-eight or fifty billion dollars would have been built up, a sum that staggers the imagination and defies reliable analysis.

The fact that Congress, on three previous occasions, has found it necessary to set aside scheduled increases in the rate, and now finds it desirable to do so again, suggests the need for a restudy of the whole matter of social-security financing in order that revenues may be adjusted to the active needs of the program without requiring annual action by Congress. Pending such a study, it is advisable to set aside the wholly unnecessary increase scheduled for next January 1.

Let me again remind the House that if the increase goes into effect on January 1, you are, in effect, taking $700,000,000 out of the pay envelopes of American labor. There is no more need of that than there is for the New Deal.

The same considerations which caused Congress to do away with the full reserve plan necessitate such action, as otherwise the reserve will grow to such unwieldy proportions as to encourage use of the moneys for all sorts of spending schemes. In fact, it must be kept in mind that the so-called reserve is nothing more than a paper reserve in any event, since the Treasury uses the social-security funds to meet current general expenditures, leaving only its I O U in the fund. Thus, the larger the fund, the more the Treasury will have to draw on, and the more must eventually be repaid when the I O U's come due.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. DONDERO. Did the gentleman's committee have before it actuaries of life-insurance companies who have had many years of experience, to testify as to what is reasonably necessary as a reserve?

Mr. KNUTSON. I yield to the gentleman from New York [Mr. REED] who may be able to answer that question.

Mr. REED of New York. Yes; we had testimony from several of them. If I can get time later, I may quote from the testimony of one of them.

Mr. DONDERO. Did they say the reserve fund was adequate to take care of the needs of the reserve fund?

Mr. REED of New York. Yes.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. EBERHARTER. There has been no testimony before this committee to

the effect that 1 percent is sufficient to carry the annual cost of these benefits, and neither has any actuary attempted to say that the reserve fund is sufficient for a longer period than perhaps 10 years. In other words, they are all agreed that the reserve fund is not sufficient to carry this system on through as was originally contemplated when the law was passed.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. KNUTSON. Mr. Chairman, I yield myself 1 additional minute to answer the gentleman's question.

Mr. Chairman, we do know that the present rate is sufficient to carry the fund for the next 9 or 10 years. I agree with the gentleman that we do not know just what the rate should be in order to maintain a solvent reserve for the long-time future. That is the reason the majority of the Committee on Ways and Means wants to freeze the present rate until we can have an exhaustive study made of the whole question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, it is with regret that I find I am unable to agree with the majority of my committee on the pending bill, H. R. 5564. I have always been grateful for the fact that it was my privilege to very actively participate in the drafting and passage of the Social Security Act. It was my privilege to serve as a member of the original subcommittee that gave much thought and study to the subject and to be a member of the second subcommittee that participated in the drafting of most of the original Social Security Act.

I mention that to try to convey the impression that I have always taken an active interest in this legislation. I happen to be the only Member of Congress who is still serving who was a member of those subcommittees that worked a long time on those measures.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. DOUGHTON of North Carolina. The gentleman overlooks the fact that the chairman of the committee was ex officio a member of the subcommittee and sat in on all of those deliberations.

Mr. COOPER. I am speaking only of the subcommittee. In 1935 the Congress enacted the Social Security Act, the greatest piece of legislation of its type ever enacted in the history of this or any other country in the world. It provided for old-age assistance or pensions, old-age benefits or annuities, unemployment compensation, aid to dependent children, maternal and child welfare, assistance for crippled children, vocational rehabilitation, public health, and aid to the blind.

In 1939, after 3 years of experience under the act, the Social Security Act was very materially amended. It was greatly expanded and broadened to take in thousands of additional people, especially with respect to old-age and survivors benefits. That is the part of the program under consideration with respect to the pending bill.

In the 1939 act the Congress launched the greatest insurance program in history. It wrote the largest insurance policy of all time. Overnight it provided insurance of some $50,000,000,000. It provided a method of paying the premiums on that large amount of insurance. It is on a contributory basis, the employer paying a tax, the employee paying a tax, thereby providing the fund to pay the benefits. Those benefits are provided as a matter of law. The people are entitled to them as a matter of right. There is no needs test applied at all. The solemn law of the land provides these benefits for the people.

I believe the action proposed in the pending bill will endanger the system. That is why I am opposed to it. I am confident that the increase in tax provided in existing law is essential for the protection of this system. All actuaries agree that at least 4-percent tax is necessary to provide a fund to pay the benefits, and some of them place it much higher. That is, 2 percent on the employer and 2 percent on the employee, which is provided in the existing law and will go into effect if the pending bill is not passed.

None of the witnesses appearing before the committee placed the average annual cost of this insurance system at less than 4 percent of the pay roll. Some of the estimates placed the average annual cost as high as 7 percent, and eventually an annual cost as high as 11 percent. Even if we accept the lowest estimate of 4 percent average annual cost, it may be said that the reserve fund of this system already has a deficit of $6,600,000,000.

If we take the higher estimate of 7 percent average annual cost it may be said that the reserve fund already has a deficit of about $16,500,000,000. I should like to point out the fact that Mr. M. A. Linton, president of the Provident Mutual Life Insurance Co. of Philadelphia, appeared before the committee in favor of freezing the tax, and when asked questions he stated that it would result in a subsidy having to be paid from the Treasury to pay for these benefits provided; and he very frankly stated that he favored that. He is in favor of a subsidy from the Treasury to help pay these benefits. That is nothing new to members of the Ways and Means Committee who have gone through all the proceedings on this matter. It was originally proposed by some people that there should be a three-way contribution, that the employer should contribute one-third, the employee one-third and the Government of the United States one-third. I present this only to point out the fact that if this freeze is accomplished it will endanger this fund and will require a subsidy to be paid from the Treasury of the United States.

I offer this simple illustration with the permission of my friend, the gentleman from Michigan: I do not believe it is fair to call upon the gentleman from Michigan as a general taxpayer of the Federal Government to pay me a special benefit when no needs test is applied. I may be worth many times more than he, yet as a general taxpayer to the Federal Government he would have to be paying me a special benefit.

As I said a moment ago, the continuance of the present pay-roll tax rate, 1 percent on the employer and 1 percent on the employee, which is sought to be frozen and continued by the pending bill, will require an eventual Government subsidy. If the rate of contributions is continued at less than the average annual cost of this insurance system, it is a mathematical certainty that there will be one of the following three results: First, the future pay-roll tax rates will have to be much higher if the insurance system continues to be financed wholly by pay-roll taxes; or, second, the benefits promised will have to be reduced; or, third, the Federal Government will be obliged to provide a subsidy out of the general tax revenues.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield for a little information at that point?

Mr. COOPER. I am sorry, but it will have to be very brief.

Mr. ROBSION of Kentucky. When is it anticipated that this subsidy would have to be paid by the Government?

Mr. COOPER. It is difficult to tell. The gentleman knows there are thousands of people now in covered employment because of the emergency. The fact is that practically a million people have already retired and are now on the benefit rolls. One hundred and sixty-five thousand people who had retired and begun their benefits went back into employment during this period of high employment and high wages. There are about 650,000 people now employed who are already eligible for retirement and the beginning of the receipt of the benefits. When this enormous number of people leave present employment due to the ending of this emergency the contributions they are now making will stop, the fund will thereby stop increasing, but, on the other hand, benefits will begin to accrue—they will begin to receive benefits all the way from $10 to $85 a month.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield at that point?

Mr. COOPER. Very briefly.

Mr. KNUTSON. The gentleman will recall that it was testified that the demand on the funds next year would not exceed $750,000,000. In some instances it ran as low as $400,000,000.

Mr. COOPER. That is the main difficulty about this matter. Anyone who has his vision limited to 1 year cannot begin to understand the principles or the purposes upon which social security rests. It is the future that we must look to. We are building up these benefits that are provided by law. When people begin to work they start to pay their contributions because they are acquiring benefits every day that they are covered in employment. Benefits is the thing that must be taken into consideration if you are to get anything like an accurate view of the situation.

Mr. DEWEY. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Illinois.

Mr. DEWEY. The gentleman has mentioned the subsidies that might be necessary to be paid to carry out the system. Is it not a fact that at the present moment the Government is subsidizing to the extent of about $700,000,000 annually the old-age pensions as a direct contribution, which is a subsidy? So there is nothing new in the matter when it becomes necessary.

Mr. COOPER. I am sorry the gentleman is trying to divert me from the subject under consideration. Old-age pensions has nothing to do with this bill. All that is paid under title I of the old-age system, commonly referred to as pensions, is a subsidy. Those people have not paid in anything and the Federal Government puts up dollar for dollar whatever the State is willing to put up; but bear in mind there is a need test applied. Unless the person is in need he cannot qualify for it. There is no need test applied at all under these benefits because this is insurance that people are paying for themselves and they are buying these benefits that they are entitled to as a matter of right.

Mr. McCORMACK. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Old-age assistance is only a temporary stopgap necessary to meet the problem of the aged people, based on need, whereas this is an earned annuity which goes to persons as a matter of right when they have met the requirements of the existing law.

Mr. COOPER. The gentleman is correct. The present value of the benefits payable to those now eligible now amount to approximately four and one-half billion dollars. I repeat, four and one-half billion dollars. Those are the benefits they are entitled to now. This figure represents only the liabilities which the Federal Government has assumed for those persons already eligible for benefits. Since the reserve fund on January 1, 1945, will be $6,000,000,000, this leave only one and one-half billion dollars in the reserve fund to meet the liabilities which the Federal Government has assumed for the payment of benefits to the 69,000,000 persons who have accumulated wage credits but have not yet died or reached retirement age.

I want to invite attention to the fact that it must have been recognized that the freezing of the tax in the bill which became law over the veto of the President early this year endangered the fund, otherwise why did the Senate, after adopting Senator VANDENBERG'S amendment to freeze the tax, then adopt Senator MURRAY'S amendment providing that funds should be paid out of the General Treasury of the United States to pay benefits when the reserve became inadequate?

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COOPER. Mr. Chairman, I want to call your attention to this provision which was inserted in the bill the last time this tax was frozen:

> There is also authorized to be appropriated to the trust fund such additional sums as may be required to finance the benefits and payments provided under this title.

Certainly they were so apprehensive when they adopted that freeze that they realized it was necessary to also put a provision in the law providing for payment of these benefits out of the General Treasury of the United States. That is the law today. You keep freezing this tax, thereby not allowing the fund to increase to the point that is necessary to pay the benefits, and it simply means that those benefits will have to be paid out of the General Treasury of the United States. That is in the law today, and so far as this bill is concerned, will continue in the law.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I am looking for light. The gentleman from Minnesota [Mr. KNUTSON] said that there were I O U's in the Treasury for the money paid in by the workers in industry. Is that money used as a general revenue-raising measure, or is that money available for the worker when he needs it?

Mr. COOPER. I am sorry; I do not have time to go into all of that. Let it be stated that every person entitled to a benefit receives his benefit when it is due; when he makes application for it. This trust fund is handled exactly the same as the trust fund for the veterans' insurance plan of the First World War, the same as the veterans' insurance plan of this war, the same as the civil-service retirement plan, the same as the retirement plan for people in the Foreign Service of the United States, and every other trust fund of the Federal Government.

Bear in mind that in 1939 the Congress wrote into the law survivors' benefits to widows and orphans and dependent parents in lieu of lump sums that were then provided. I would like to point out again, as I stated a moment ago, let it be remembered that we do not now have a normal situation due to this emergency, due to the manpower situation, due to this war. We have thousands of people who have remained in covered employment and thereby are paying in the tax and continuing to make contributions to the fund who are already of retirement age. When this emergency is over, which we all hope and pray will be soon, thousands of those people will stop paying the tax, stop making the contributions, and thereby the size of the fund will decrease, and at the same time they will go on the rolls for benefits to be paid, and thereby draw from the fund these large amounts. That is the practical situation we have presented today.

So I say to you with all the sincerity of my being that, based upon the actuarial information presented upon the authority of the Social Security Board, upon the authority of actuaries not associated with the Government, there can be no doubt that by further freezing this tax we endanger this fund and thereby jeopardize this insurance system.

Mr. CARLSON of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. I think in all fairness it should be brought out, however, that we have about 20,000,000 people who left uncovered employment and went into covered employment and will probably go back to uncovered employment, and therefore the fund eventually will be the beneficiary of great benefits they paid in, and they will not receive a cent.

Mr. COOPER. There will be some accretions to this fund, there is no doubt about that. Bear in mind that every time people go into covered employment, they build up benefits. Every time you increase the size of the fund you are increasing the burden, the liability of the benefits that are provided.

Under leave granted to extend my remarks, I include the dissenting views of certain members of the Committee on Ways and Means:

DISSENTING VIEWS

The undersigned members of the Ways and Means Committee respectfully submit their dissenting views relative to H. R. 5564, which has been favorably reported by the majority of the committee.

We deeply regret that our considered opinion with respect to this bill is at variance with a majority of our colleagues and that we cannot concur in the recommendation that the bill should be reported favorably.

The bill reported by a majority of the committee will prevent the rate of contributions under the Federal old-age and survivors insurance system from increasing on January 1, 1945, in accordance with the schedule contained in the present law. We believe this action to be unwise and detrimental to the basic principles underlying a contributory social-insurance system. Our reasons are summarized as follows:

SUMMARY OF OBJECTIONS TO THE BILL

1. The success of a contributory system of social insurance is at stake

We believe that the very success of this contributory social-insurance system which Congress established in 1935 is at stake and not merely the fixing of a tax rate in the usual sense of the term. The Congress of the United States in 1935 took a long step forward in undertaking to substitute for a hit-and-miss method of relieving destitution through a Government dole a systematic long-range method known as contributory social insurance. Under a system of contributory social insurance, benefits are paid as a matter of right without a means or a needs test and are related in an equitable manner to the length of time a person has been insured and the amount of his past earnings. An essential characteristic of any contributory social-insurance system is that the benefits are financed wholly or in large part from contributions made by or on behalf of the beneficiaries. It is just as true of a social-insurance system as of any insurance system that its security depends upon the certainty and soundness of the methods used to finance it. In financing a contributory social-insurance system it is necessary to make certain that the promises made today to pay benefits in the future can be and will be fulfilled. Under a social-insurance system providing old-age annuities based upon the length of time insured initial costs are low and ultimate costs are high. In the

case of this social-insurance system it has been estimated that the eventual annual cost will be 15 to 20 times what they are today.

2. The cost of benefits promised is far in excess of the contributions being collected

None of the witnesses appearing before the committee placed the average annual cost of this insurance system at less than 4 percent of pay roll. Some of the estimates placed the average annual cost as high as 7 percent and the eventual annual cost as high as 11 percent. Therefore, it is obvious that the actuarial soundness of this insurance system will continue to deteriorate so long as the current rate of contributions is kept at the present low level. Even if we accept the lowest estimate of 4 percent average annual cost, it may be said that the reserve fund of this system already has a deficit of $6,600,000,000. If we take the higher estimate of 7 percent average annual cost, it may be said that the reserve fund already has a deficit of about $16,500,000,000. The fact that we are collecting as much at the present 1-percent rate as it was estimated in 1939 we would collect at the 2-percent rate does not affect these estimates of cost and the size of the deficit, since the liabilities assumed by the insurance system have likewise increased.

One of the arguments advanced for not permitting the automatic increase in rate to take effect is that there should be a study made of the financing of this system and of social security generally. Another argument advanced is that Congress will soon consider the extension and broadening of the social-security law. These arguments lack validity, since the minimum cost estimate set forth above has not been disputed by any witness appearing before the committee and it is obvious that any extension and broadening of the social-security law will certainly not result in a reduction in cost. Therefore, there appears to be no good reason why present costs, which are not disputed, should not be properly financed.

3. The continuance of the present pay-roll-tax rate will require an eventual Government subsidy

If the rate of contributions is continued at less than the average annual cost of this insurance system, it is a mathematical certainty that there will be one of the following three results: (1) The future pay-roll-tax rates will have to be much higher if the insurance system continues to be financed wholly by pay-roll taxes, or (2) the benefits promised will have to be reduced, or (3) the Federal Government will be obliged to provide a subsidy out of general tax revenues.

There is of course a limit to the amount of pay-roll taxes that can be levied in justice to employers and workers. In the case of the workers the actuarial figures indicate that if the eventual rate is placed higher than 3 percent large numbers will be required to pay more for their benefits under this insurance system than if they obtained similar protection from a private insurance company. Since such a result would be clearly inequitable and since the repudiation by the Government of benefits promised is unthinkable, the only real alternative is an outright Government subsidy.

In making these statements, it should not be concluded that we are opposed to some eventual contribution by the Government to the social-insurance system out of general revenues, provided it is not caused solely by the fact that an unjustifiably low rate is levied in the early years of operation and provided there is complete coverage of the workers in this country. However, at the present time, there are some 20,000,000 individuals engaged in occupations which are excluded from the insurance system. We believe, therefore, that before any such contribution is made to the social-insurance system out of general revenues consideration should be given to broadening the coverage of the insurance program.

4. Freezing costs taxpayers more later on

A major argument that has been made by persons in favor of the tax freeze is that it does not make any difference to the taxpayers of the future whether they are required to pay taxes to cover the interest on Government bonds held by the reserve fund or are required to pay taxes for an outright Government subsidy to this insurance system. This argument was completely disproved in the course of the hearings, since not only the Chairman of the Social Security Board but M. A. Linton, president of the Provident Mutual Life Insurance Co., who advocates the freeze, both agreed that the amount of taxes to be raised in the future if there is no reserve fund will be twice as much as if there is a reserve fund. Both of these witnesses agreed that the interest payable on Government obligations held by the reserve fund would otherwise have to be paid to private investors who would be holding these obligations and in addition a subsidy of an equal amount would still have to be made to the insurance system.

5. Delay in automatic step-up will create future hardship for employers and workers

It has been suggested that now is a difficult time for employers and workers to meet the additional 1-percent tax on pay rolls. We sympathize with the difficulties of meeting the present tax burden made necessary by the war. However, we are of the opinion that it will be far more difficult for employers and workers to absorb an increase in the rate a year from now or at any date in the near future. The profits of most employers are at a high level today. In fact, the majority of employers will be required to pay excess-profits taxes. Therefore, in most cases the increased pay-roll tax payable by employers will be partially offset by the reduction in the excess-profits taxes they will be required to pay. So far as the workers are concerned, the committee was informed that both the American Federation of Labor and the Congress of Industrial Organizations are in favor of permitting the automatic increase to take effect. As members of the Committee on Ways and Means, the committee which has the difficult task of raising taxes, we are impressed by the willingness of the workers of this country to pay their equitable share of the cost of these benefits. We wish to commend these labor organizations for their statesmanlike action which indicates that they truly understand and appreciate the value of this contributory social-insurance system, and therefore desire to maintain its financial integrity.

6. Low contributions imply low benefits

The real reason why many people advocate keeping the contribution rate at a level below the true cost of the benefits provided is that they fear the accumulation of a reserve fund will create a demand for an increase in the size of the benefits. However, in our opinion the continuation of the present unjustifiably low contribution rate has the effect of making people believe that the cost of the benefits provided is low and that the value of the benefits provided is inconsequential. As already pointed out, the real cost and value is far in excess of the rate of contribution now being collected. The survivors' benefits alone have a face value between $3,000 and $10,000 for most families and as high as $15,000 for some families. The total amount of survivors' benefits provided have a face value of $50,000,000,000.

Most people estimate the value of what they buy by the price which they pay. Therefore, we believe that an increase in the contribution rate will result in less extravagant rather than more extravagant demands being made upon the Congress for an increase in the benefits provided.

7. Freezing not consistent with general congressional policy

The policy embodied in the majority's recommendations to freeze the rate of contributions under the old-age and survivors insurance system is defended on the ground that only sufficient contributions should be collected to cover the cost of benefits currently being paid out. However, this policy is diametrically opposed to the policy which the Congress follows in the national service life insurance system for veterans of World War No. 2, the Government life insurance system for veterans of World War No. 1, the civil-service retirement fund, the Foreign Service life insurance fund, and several other of the retirement funds set up by the Congress. In completely departing from this principle for the Federal old-age and survivors insurance fund we believe that the Congress is making a grave mistake.

CONCLUSION

For the reasons outlined above, we oppose the freezing of social-security contributions at the present time. We believe that the action of the majority of the committee is unwise and unsound.

We believe that it is important to strengthen the social-insurance provisions of the Social Security Act. We cannot do so unless we assure the continuation of the social-insurance provisions on a sound financial basis that will guarantee to every American citizen that he will get his social-insurance benefits as a matter of right and not as a dole.

We do not believe that the present provisions of the Social Security Act are perfect. We believe that many of the provisions in the existing law should be strengthened and expanded. We believe that the Committee on Ways and Means should give consideration to a comprehensive review of all of the provisions of the Social Security Act. Only in this way can the contributions and the benefit provisions be seen in proper perspective. However, we do not believe it is wise, pending such consideration, to emasculate the proper financing of the admitted true cost of the benefits now provided. We are opposed, therefore, to the piecemeal consideration of one aspect of social-security legislation and favor a comprehensive study of the entire social-security program with a view toward broadening, expanding, and strengthening its provisions so that it will make its full contribution to the preservation of our democracy and our system of free enterprise in the difficult reconversion and post-war periods.

JERE COOPER.
JOHN D. DINGELL.
A. SIDNEY CAMP.
WALTER A. LYNCH.
AIME J. FORAND.
HERMAN, P. EBERHARTER.
CECIL R. KING.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Chairman, notwithstanding the fact that seven members of the Ways and Means Committee filed a minority report on the pending bill to freeze social security pay-roll taxes at present rates for another year, there is no fundamental difference in objective between those who voted to report the bill and those who voted against doing so. Every member of the committee wants to make a success of a contributory system of

social insurance. Every member of the committee frankly admits that an indefinite continuance of a 2-percent tax will require eventual Government subsidy. Every member of the committee voted to make a study at an early date of what constitutes an adequate contingent reserve fund and the rates required to produce and maintain that fund on a sound financial basis. The essential difference between the divergent groups in the committee is that a majority of the committee wishes to approach the problem from the standpoint of what is an adequate contingent reserve fund and the minority from the standpoint solely of rates. It should be apparent to every thinking man that there can be no proper determination of rates prior to the determination of the basic question of the amount of reserve fund you seek to create.

The second paragraph of the minority report is headed: "The cost of benefits promised is far in excess of the contribution being collected." With all due deference to the testimony of the Chairman of the Social Security Board before our committee to that effect, it is only fair to point out that in the past he has been unable to give us any estimate on either collections or disbursements that have been reasonably accurate. No one can blame the so-called experts for being so far off in their estimates 9 years ago, before there was any experience with the system. Most of them frankly admitted that their estimates were just plain guesses that might be at least 50 percent wrong. Greater accuracy was expected in 1939 but failed to materialize. Government experts in that year predicted that the reserve would reach the sum of $3,122,000,000 in 1944 after a 4-percent rate had been in effect for 3 of those years. The facts are that with a 2-percent rate throughout that period the reserve fund is now approximately $6,000,000,000, and at the same rate will approximate $7,250,000,000 by the end of 1945. In other words, in 1939 the Government experts missed their guess on what a given schedule of rates would produce by 100 percent. In 1939 Government experts declined to commit themselves to any specific contingent reserve fund, although most of them frankly admitted that a contingent reserve fund of forty-nine or fifty billion dollars, as contemplated by the original act, was not necessary to keep the system sound and on a contributory basis. The Secretary of the Treasury, Mr. Morgenthau, gave it as his personal opinion that the Congress would be safe in planning a contingent reserve fund which at all times would be not less than 3 times the highest prospective annual benefits in the ensuing 5 years. The 3 previous occasions on which the Congress has postponed the statutory increase in pay-roll taxes have not only been in keeping with that formula but that test of safety has been far exceeded. As pointed out in the committee report, the existing reserve is now from 8 to 10 times the highest expected annual expenditure. Therefore, the next subheading of the minority report which says: "The continuance of the present pay-roll tax rate will require an eventual Government subsidy," is a definite repudiation of the Morgenthau formula.

It is significant to me that the section of the minority report dealing with the cost of benefits does not refer to the estimate of the Social Security Board, which is annually made in keeping with the Morgenthau formula. That last estimate of the Board is to the effect that the highest annual expenditure will be between $450,000,000 and $700,000,000 in the next 5 years. The difference between the low estimate and the high estimate is so great that the average layman is forced to the conclusion that the Board is just guessing. In the same section of the report, referring to the unexpected and unpredicted increase in receipts, it is said that the liabilities assumed by the insurance system have likewise increased. That, of course, is true, but neither the Social Security Board nor anyone else undertakes to tell our committee how much the liabilities have increased. They certainly have not increased as fast as the assets because of several factors, among which may be enumerated the fact that young people must be in covered employment for a total of 10 years before becoming entitled to annuity benefits; thousands of employees have come into industry who otherwise would have retired, and when they go back to retirement the Government saves the millions of dollars they would have received in retirement benefits but did not receive during the war; many have worked at higher wages during the war than they received before the war but their annuity benefits have not been measurably changed. The maximum benefit with respect to taxes paid is at the $50 per month level and ends at the $150 per month level. Covered employees making more than $150 per month are profitable accounts. It is true that the Social Security Board now recommends that the benefits should be increased but that action as yet has not been taken by the Congress. The net result has been that the contingent reserve has increased faster than the contingent liability and the difference may properly be called a war windfall.

Section 4 of the minority report says:

> A major argument that has been made by persons in favor of the tax freeze is that it does not make any difference to the taxpayers of the future whether they are required to pay taxes to cover the interest on Government bonds held by the reserve fund or are required to pay taxes for an outright Government subsidy to this insurance system.

I never have made that argument and few who voted to report this bill have ever made that argument. To me, nothing is more absurd than to say that a Government bond in the reserve of a private insurance company is a good bond and a safe investment for the reserve fund but that a similar bond in the trust fund of the Social Security System is nothing but a worthless I O U. Those bonds are of equal dignity, of equal value, and are the safest investment that can be made either of premiums paid on private insurance policies or premiums by way of pay-roll taxes paid on Government insurance policies. In each instance the interest paid by the Government on those bonds is good money and a valuable addition to the reserve fund. If our Government had no debt and had no necessity to engage in deficit financing, the point might be made that we should not force the Government to go into debt through the investment of billions of pay-roll taxes in Government bonds. But our Government now has outstanding, mostly in the hands of private investors, over $200,000,000,000 in bonds, and our Government is engaging in deficit financing on a large scale. As long as there is a necessity for the Government to borrow money and to evidence its obligation for that money by the issuance of bonds, the interest paid on Government bonds in the social-security trust fund is just that much less interest to be paid to private investors. The Government pays the total interest on its total debt only once, and the people of the Nation are taxed only once for the payment of that total interest debt. So far as the general taxpayer is concerned it is a matter of indifference to him whether the taxes he contributes for the payment of interest all goes to private holders of Government bonds, or a part to private holders and a part to the trustees of the social-security trust fund.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. ROBERTSON]. The gentleman is making a splendid statement.

Mr. ROBERTSON. I thank the gentleman very much.

But it makes a lot of difference to the trust fund whether it receives any interest or does not receive any interest, and it makes a lot of difference to the general taxpayers if, after paying taxes to carry the interest on the total debt of the Nation, they must also pay taxes to help support the payments to be made under the Social Security Act. It is my contention, and it is the contention I believe of every member of our committee, that the social-security system should be self-supporting and that we should have a pay-roll tax and a contingent reserve fund sufficient to make contributions to the system from general taxation unnecessary. There can be no doubt about the fact that we now have such a system, and there can be no doubt about the fact that the freezing of current pay-roll taxes for another year will not render the system unsound. The statement contained in paragraph 7 of the minority report that we defend the freezing on the ground that only sufficient contributions should be collected to cover the cost of benefits currently being paid out is not justified. There may be some who favor that plan but they are not members of our committee. At the hearings before our committee last year a labor representative based his opposition to the proposal to freeze the pay-roll taxes at the existing rates on the ground that his labor organization wanted to see the fund increased in order that it might be justified in asking for larger benefits.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Minnesota.

Mr. KNUTSON. If for any reason the proponents of freezing should lose out, those who vote to increase the tax will, in effect, vote to place an additional 1-percent tax on the American workingmen?

Mr. ROBERTSON. I was just coming to that. I thank my colleague, who so graciously yielded me 5 additional minutes, for his suggestion.

During the hearings it was pointed out to Dr. Altmeyer that the best way for the Social Security Board to prevent a raid on what might appear to be an unnecessarily large contingent reserve fund would be for the trustees of the fund to set up on their books a liability account along with the account of assets. So far that has never been done, and I fear one reason it has not been done is that the trustees do not know with any degree of accuracy what figure to enter on their ledgers as the liability account.

But that is information that those who voted to freeze the pay-roll taxes for another year earnestly desire. We have been proceeding in the dark. We know that an additional 100 percent of pay-roll taxes in 1945 will fall heavily upon many small business enterprises. We are told that 500,000 small enterprises have already gone to the wall during the war effort. Some months ago a bill was introduced in the Senate calling for the payment of millions of dollars in severance pay to war workers on the ground that there would be great unemployment and great hardship in war industries when the war with Germany ended. We hope and we believe the war with Germany will be ended before the end of 1945. We believe that the present imposition of an additional $600,000,000 of pay-roll taxes principally on war workers will touch off either a demand for higher wages or for legislation similar to the Senate bill mentioned above. Under those circumstances, we deem it to be the part of wisdom to impose no unnecessary tax burden either on small business or on workers during 1945. Before the end of 1945 we will get the advice of the best experts in the country on what is necessary to put the social-security system on a sound basis and will act accordingly.

The CHAIRMAN The time of the gentleman from Virginia has again expired.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I really feel it is entirely useless and only drawing in the patience of a tired House for me to take the floor to discuss this issue, which reduced to its true proportions is simply: Shall we tax or not tax? Shall we freeze or not freeze? I have prepared a few remarks which may be useful at some future time when the question of increasing the social-security tax in pay rolls for old-age insurance is again presented to the Congress.

Mr. Chairman, the problem of freezing the social-security tax relates solely to the old-age and survivors insurance program, which is the only one under the act entirely administered by the Federal Government. Benefits under the old-age and survivors insurance system are financed by an equal rate of tax on the employer and the employee. They are based on the employee's wages—exclusively of amounts in excess of $3,000 received in any 1 year—and the employer's pay roll. The original Social Security Act of 1935 provided for the following tax rates:

Years:	Percent
1937–39	1
1940–42	1½
1943–45	2
1946–48	2½
1949	3

This schedule of rates was changed by an amendment to the social security adopted in 1939 to meet the change in the benefit structure. It was at this time that the 1½ percent tax rate for the years 1940, 1941, and 1942, was eliminated.

The 2 percent rate was to have become effective in 1943, but a provision in the Revenue Act of 1942 postponed the increase until the following year. This Congress froze the rate at 1 percent for 1943 and again at 1 percent for 1944. Unless this bill which is now being considered is adopted the rate of 2 percent will take effect January 1, 1945.

Why has the rate been heretofore frozen at 1 percent and why freeze the rate again at 1 percent? It is to prevent imposing an unnecessary and an unjust tax burden upon the employers and the employees alike. There is no necessity to increase the tax in order to protect the solvency of the old-age and survivors insurance system. Secretary of the Treasury Morgenthau presented the formula that should be followed to insure full protection to the beneficiaries of the system. I quote from the official recommendations made by Secretary Morgenthau to the Ways and Means Committee on March 24, 1939:

> Specifically, I would suggest to Congress—
>
> Said Secretary Morgenthau—
>
> that it plan the financing of the old-age insurance system with a view to maintaining for use in contingencies all eventual reserve amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years.

Now then, the testimony presented to the Ways and Means Committee in the hearings on this bill, shows clearly that the highest expenditure for benefits under the old-age insurance and survivors system will not exceed $700,000,000 annually during the next 5 years, and in this connection the testimony is undisputed that the reserve last June 30 was $5,450,000,000. There is no sound reason why a reserve should be built up under the pretense of protecting the old-age and survivors insurance benefit when in truth and in fact the reserve will be spent to finance Government expenditures and war. Let taxes for war fall upon the public generally, and not upon the pay rolls of employees and employers. The money collected as a pay-roll tax for old age benefits should not be poured into the General Treasury to be spent for whatever fantastic scheme may be incubated within the inner circle of the boondoggling fraternity of the New Deal.

SUMMARY BACKGROUND OF SOCIAL SECURITY ACT OF 1935, AS AMENDED

The Social Security Act became effective upon signature by the President August 14, 1935. It was a combination of 10 measures relating to various aspects of public welfare and assistance. From the standpoint of public interest, at least, the 2 most important subjects dealt with in the act are old-age benefits and unemployment compensation. This summary is confined solely to old-age provisions of the act, particularly the financial aspects of the old-age benefit program.

The old-age program, in the original act, was founded upon the following tax rates:

Calendar years	Percent of earnings paid by workers	Percent of pay rolls paid by employer	Total percent of wages collected
1937–39	1	1	2
1940–42	1½	1½	3
1943–45	2	2	4
1946–48	2½	2½	5
1949 and thereafter	3	3	6

It was estimated at the time the act became effective, that at the end of the fiscal year ending June 30, 1944, under the foregoing rates, aggregate receipts for that year would total $1,185,900,000 and that the cumulative total in the reserve fund resulting from the excess of receipts over disbursements, would reach a total of $5,765,100,000. For annual estimates based upon original rate schedule, see Old Age and the Social Security Act, Thomas L. Norton, School of Business Administration, University of Buffalo, Buffalo, N. Y., 1937.

The act provided for the establishment in the Treasury of an old-age reserve account and authorized an annual appropriation to this account, beginning with the fiscal year ending June 30, 1937, an amount "sufficient as an annual premium to provide for the payments required under this title—old-age benefit payments—such amount to be determined on a reserve basis in accordance with accepted actuarial principles, and based upon such tables of mortality as the Secretary of the Treasury shall from time to time adopt, and upon an interest rate of 3 percent per annum compounded annually."

It was anticipated that the excess of receipts over appropriations to the special account a huge reserve would be accumulated reaching the staggering total of $47,000,000,000 by 1980 and thereafter with income and outgo relatively stable, would remain at or near that figure. It is important to note that this reserve was not planned to be self-accumulating. The amount appropriated each year to the account depended upon the amount requested annually by the Secretary and upon action by the Congress. Tax receipts would reach the reserve only if the Secretary requested the necessary appropriation and Congress made the appropriation.

After 3 years of experience under the original act an Advisory Council on Social Security was appointed by the Senate Special Committee on Social Security—subcommittee of the Committee on Finance—and the Social Security Board to consider, among other things, the advisability of increasing the taxes less rapidly under title VIII, and the size, character, and disposition of reserves. During this 3-year period, the reserve fund had grown to $1,180,302,000. Benefit payments had risen from $5,404,000 in the fiscal year ending June 30, 1938, to $13,892,000 in the following fiscal year.

In making its recommendations, the council observed:

The council believes that the contributory-insurance method safeguards not only the wage earner but the public as well. By this method benefits have a reasonable relation to wages previously earned, and costs may be kept in control relative to tax collections. Through careful planning, the continued payment of benefits can be assured without undue diversion of funds needed for other governmental services.

The council's financial recommendations centered on the theme of a contingent, as opposed to a full, reserve, and the use of tax revenues other than pay-roll taxes to supplement the receipts from the latter in future years. Specifically, the council said:

The financial program of the system should embody provision for a reasonable contingency fund to insure the ready payment of benefits at all times and to avoid abrupt changes in tax and contribution rates.

The council is of the conclusion that, in the financing of the insurance program, it is desirable to make provision for a contingency fund to insure ready payment of benefits at all stages of the business cycle and under varying conditions resulting from fluctuations in such factors as the average age of retirement, the total coverage under the program, and average wage rates.

With the changes in the benefit structure here recommended and with the introduction of a definite program of governmental contributions to the system, the council believes that the size of the old-age insurance fund will be kept within much lower limits than are involved in the present act.

In his testimony before the Ways and Means Committee in 1939, Dr. Altmeyer, Chairman of the Social Security Board, subscribed to the principle of Government contributions by saying:

It is possible to effect the changes I have outlined without increasing the eventual annual cost of the system; but the cost of paying benefits in the early years would be materially increased. For the first 15 years or so, the taxes provided for under the present law would probably meet this increased annual cost, and would also provide for some reserve, which would of course earn interest. But it would eventually be necessary to provide additional funds—either by increasing the pay-roll taxes * * * or by making up the deficiency out of other taxes. The Social Security Board believes it would be sound public policy to follow the latter course, utilizing preferably taxes like those on incomes and inheritance which are levied according to ability to pay. And the wider the coverage of the system the more extensive this general contribution might properly be. (See hearings, Ways and Means Committee, 1939, 76th Cong., 1st sess., Social Security, vol. 1, pt. 1, p. 64.)

In line with these recommendations of the council and the views of other economists and actuaries, including the Chairman of the Social Security Board, the employment-tax-rate structure was modified and the idea of a full-reserve fund was abandoned. The 1939 amendments continued the 1-percent levy on employers and employees from 1939 through 1942. The new rates were:

Calendar years	Percent of earnings paid by workers	Percent of pay rolls paid by employer	Total percent of wages collected
1939–42	1	1	2
1943–45	2	2	4
1946–48	2½	2½	5
1948 and thereafter	3	3	6

According to estimates made in 1939—see report of Ways and Means Committee, 1939 amendments, page 15—the reserve fund on January 1, 1943 was expected to reach the sum of $2,441,000,000 with benefit payments for the calendar year 1942 amounting to $350,000,000. The actual figures were: Trust fund, $3,227,194,000 as of June 30, 1942; benefit payments $110,281,000 as of June 30, 1942.

Undoubtedly the influence of the war telescoped the past estimates to place the trust fund many years ahead of its scheduled proportions. Acting on the obvious fact that the fund was sound and thoroughly adequate, Congress again postponed any increase in the rate of tax, and in an amendment to the Revenue Act of 1942 established the following new rate structure:

Calendar years	Percent of earnings paid by workers	Percent of pay rolls paid by employer	Total percent of wages collected
1939–43	1	1	2
1944–45	2	2	4
1946–48 [1]	2½	2½	5
1949 and thereafter [1]	3	3	6

[1] Subsequent amendments did not affect scheduled rates for 1946 and thereafter.

The fund continued to increase far more rapidly than original estimates as war production swung into high gear. Annual benefit payments likewise reflected the diminishing number of unemployed and fewer retirements by older workers with the result that again in 1943 Congress froze the 1-percent rate, setting up the following rate structure in an amendment to the Revenue Act of 1943:

Calendar years	Percent of earnings paid by workers	Percent of pay rolls paid by employer	Total percent of wages collected
1939–44	1	1	2
1945	2	2	4
1946–48 [1]	2½	2½	5
1949 and thereafter [1]	3	3	6

[1] Subsequent amendments did not affect scheduled rates for 1946 and thereafter.

On June 30, 1944, the reserve fund had reached the sum of $5,446,000,000. For the fiscal year ending June 30, 1944, benefits paid amounted to $184,597,000. At the end of the calendar year 1944 it has been estimated by the Social Security Board that the reserve fund will approximate $6,000,000,000, with benefit payments reaching the approximate sum of $200,000,000.

As I have already pointed out, when the social-security tax was frozen for 3 years at the 1-percent level in 1939 upon the recommendation of the Secretary of the Treasury, he said:

We should not accumulate a reserve fund any larger than is necessary to protect the system against unforeseen declines in revenue or increases in the volume of benefit payments. Specifically, I would suggest to Congress that it plan for financing of the old-age insurance system with a view to maintaining for use in contingencies an eventual reserve amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years. (Hearings, 1939 amendments, Ways and Means Committee, vol. 3, pp. 2113–2114.)

Life-insurance companies, reserves and insurance in force, Dec. 31, 1943, selected large companies

Company	Net reserve		Insurance in force paid for	Annuities in force—annual payments	Ratio, life-insurance reserves to insurance in force
	Life	Annuities			
Aetna Life	$481,514,581	$198,289,168	$5,867,882,586, including group [$3,808,246,867]	$29,383,339	0.082
John Hancock Mutual	935,997,717	207,007,936	$6,438,540,577, including group [$1,114,758,137], and industrial [$2,059,606,857]	36,615,353	.145
Metropolitan Life	4,793,115,700	600,731,145	$29,180,396,994, including group [$6,210,968,732], and industrial [$8,684,764,531]	92,097,328	.164
Mutual Benefit	639,316,845	29,050,490	$2,205,359,131	4,448,961	.290
Mutual Life, New York	1,071,962,414	189,981,846	$3,659,982,397	22,518,104	.293
New York Life	1,955,522,802	435,357,437	$7,340,581,744	48,976,926	.272
Northwestern Mutual	1,154,259,114	105,741,550	$4,257,440,292	10,636,181	.271
Prudential, New Jersey	4,126,938,366	434,642,743	$21,579,241,819, including group [$2,153,231,607], and industrial [$7,917,154,860]	62,804,516	.191
Sun Life, Canada	727,629,609	164,490,018	$3,173,417,467, including group [$595,980,580]	38,012,831	.229
Travelers, Connecticut	779,631,477	153,651,867	$6,287,149,509, including group [$3,313,514,447]	24,514,876	.124

Source: Unique Manual Digest, 1944.

Accident and Health Insurance:

A group of companies which write health and accident insurance were examined; their financial statements do not indicate the reserves attributable to health and accident insurance, or do not indicate the amount of such insurance; generally the companies which write health and accident insurance also write life or other insurance

ANALYSIS OF DISSENTING VIEWS ON 1944 SOCIAL-SECURITY TAX FREEZING BILL, H. R. 5564

First. The first objection to the bill states that the success of a contributory system of social security is at stake. This is not true. The funds in the social-security reserve for the payment of old-age and survivors' insurance claims are secure and adequate. No one has advocated the abolishment of the reserve fund. At the end of the calendar year 1944 it is estimated by the Social Security Board and the Treasury Department that the reserve will amount to approximately $6,000,000,000, and that benefits to be paid in 1945 will probably not exceed $200,000,000.

The formula furnished by the Secretary of the Treasury requires a reserve fund equal to three times the highest estimated benefits to be paid in any one of the ensuing 5 years. The highest estimate of annual benefits to be paid between now and 1950 does not exceed $700,000,000. Three times this amount is $2,100,000,000. Therefore, the fund today is three times larger than Secretary Morgenthau has told the Congress it was necessary to be.

In the face of these facts, it is utterly misleading to state that the success of a contributory system of social insurance is at stake.

Second. Those who dissent from the report of the committee say that the cost of benefits promised is far in excess of the contributions being collected, and argue that for this reason the rates should be increased in 1945 to 2 percent on the employer and employee.

Not one witness appeared before the committee with competent proof of the ultimate costs of the present system. No one disputed the actuarial soundness of the present reserve fund or return of collections. The testimony that was furnished was entirely guesswork. It must be obvious that the true measure of liability in the future consists of the future annual benefits to be paid. These are not expected to go beyond $1,000,000,000 for many, many years. The present rate of collections, although it may decline after the war, will not drop to such a figure as to endanger the payment of annual benefits.

Third. The continuance of the present pay-roll tax rate will require an eventual Government subsidy, and those who dissent say for this reason the rate should not go to 2 percent next year. In taking this position the dissenters are utterly inconsistent. It has always been contemplated until now by the Social Security Board and others, including some Members who signed the dissenting views, that the ideal system would require revenues from the employment tax, from interest on the reserve funds, and contributions out of the Treasury. As a matter of fact, the dissenting members admit that they may not be opposed to some eventual contribution by the Government to the social-insurance system out of general revenues. The Government already subsidizes old-age assistance programs. It is only fair for the Government, that is to say, the general taxpayer, to add assistance to old-age programs, because the public interest demands that all taxpayers support it, since all taxpayers benefit directly or indirectly from its continuance.

Fourth. It is said that freezing the rate at 1 percent for 1945 will cost the taxpayers more later on. The premise of this argument is completely false and the reasoning behind it is utterly distorted. The theory is that by paying less now the taxpayer will have to pay more later on. This is true only if there is no reserve fund, but there will always be a reserve fund of sufficient amount to meet unexpected fluctuations in wage levels, benefit payments, and other contingencies. One of the major functions of the reserve fund is to counterbalance the amount of required revenues, to act as a governor.

Fifth. It is said that delay in making the automatic step-up in rates will create future hardships for employers and workers; that it will be more difficult for employers and workers to absorb an increase a year from now or at any date in the near future. The currently high profit levels of employers is cited and the support of labor organizations to the proposed increase in rate is also mentioned. It must be pointed out that labor did not appear before the committee to advocate the increase. Labor is not currently on record with the committee in support of the 2-percent rate. This added tax will mean that employers will have less money to use in creating jobs. It will hamstring our whole reconversion program. We might as well nail industry to the floor and command it to rise. The burden of this increase will be great, particularly among small employers. The big manufacturers and other corporations having large pay rolls and heavy taxes will not feel the shock to any extent. The men, however, particularly partnerships and individually owned businesses operating on a small scale, will be vitally and adversely affected.

Sixth. It is said that low contributions imply low benefits and that those who advocate the freeze fear the accumulation of a reserve fund as a stimulant to increased benefits. Those who dissent say that an increase in the contribution rate will result in less extravagant rather than more extravagant demands being made upon Congress for an increase in the benefits provided. It is interesting to note, however, that those who subscribe to this statement are the very ones who are foremost in the campaign to increase the benefits. The pressure is already being exerted to increase these benefits and the source of that pressure is the minority itself. The Social Security Board and every labor organization in the country, as well as many other reformers and dreamers, have been urging the increase of old-age and survivors' benefits for many years. How these people can argue now, in favor of increasing the rate of 2 percent on the grounds that it will adversely affect their own program is difficult to understand.

Seventh. It is said that freezing the rate is not consistent with general congressional policy as evidenced in the policy of Congress with respect to national service life-insurance system, civil-service retirement system, and other retirement programs under Government auspices. This is not true. The national service life-insurance system is a life-insurance program and should be administered as such. It is not social insurance. Neither is the civil-service retirement program. The policy of Congress as far as the freeze is concerned, must be measured by the past actions in freezing the rate at 1 percent consistently for the past 9 years and the attitude of Congress, the Treasury, and the Social Security Board heretofore with respect to the nature of the trust fund which supports the old-age and survivors' insurance program.

Originally that fund was regarded as a full reserve accumulation of assets, but in 1939 that concept was abandoned in favor of the theory of a contingent reserve fund large enough only to stabilize receipts and expenditures and avoid the fluctuations in economic conditions and unforeseen contingencies that would increase the demands made upon the reserve. It is unnecessary in an insurance program of this kind, sponsored by the Government, to maintain a full reserve system. As long as the Government has the power to tax, the system is secure.

Therefore, the argument of those who dissent that the continuation of the present freeze will render the system unsound is a specious and misleading contention. To freeze this tax for the year 1945 would certainly not "emasculate the proper financing of the admitted true cost of the benefits now provided" as stated by the minority.

The reserve fund, Mr. Chairman, is simply piling up beyond all bounds, and it simply means that if we do not hold this down to 1 percent, this money will be either boondoggled away, spent for the running expenses of the Government or for the prosecution of the war. As I said before, that is not fair to the employees, to throw this burden of financing the Government and financing boondoggling programs or running the war on them. They should not bear that load. They are being compelled to buy bonds. They are making a magnificent record in the purchase of bonds. Why should they be singled out for these special high taxes when they are not necessary for old-age security. The question of financing the Government should come under one tax bill, and the question of social security should come directly and exclusively under another set of taxes.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Has it occurred to the gentleman that they may want these additional funds as an additional source of revenue?

Mr. REED of New York. I do not have the slightest doubt that that is exactly the reason, so that when they come in with another revenue bill they will not be obliged to put on as high tax rates that they might be obliged to do if they did not throw this burden now on the employees of the country who come under old-age insurance.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include a few observations with reference to life-insurance company reserves and insurance practices as of December 31, 1943. I have selected a few companies to show how very small their reserves are compared to the benefits of the policies they have issued.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. KNUTSON. Mr. Chairman, I yield 5 additional minutes to the distinguished gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, like my colleague from Tennessee, I too regret that it is necessary for to me to take issue with my colleagues on the Ways and Means Committee concerning this question of the automatic increase in the tax rate under the Federal old-age and survivors' insurance system. I hope that nothing that I may say during the course of my address will be taken as blanket criticism of the motives that have animated our distinguished chairman and some of the other members of the committee who have voted to freeze this tax rate. However, with all respect for their judgment and integrity, I do feel that they have not fully appreciated the serious effect of the action that they have taken on the success of this great contributory, social-insurance system which has barely gotten under way in this country and which all of us hope will be extended, expanded, and strengthened with all possible speed. I say this at the very outset because I shall be compelled in the course of my address to point out that most of the opposition to the automatic increase in the contribution rate now provided by law comes from the same individuals and groups within and without Congress who opposed the establishment of this great contributory social-insurance system in 1935 and who have opposed it more or less openly ever since its establishment. I realize that this is a serious charge and that it should be documented and I propose to document it in the course of my address.

I realize that the Members of this Congress, overburdened as they are with pressing war duties, cannot possibly be expected to study all of the technical considerations that are involved in the question that is before us for decision. However, I think it would clear up a great deal of misunderstanding on the part of the Members of this House and on the part of the public if all of us bore in mind constantly that what we are discussing is not merely a question of what a certain tax rate shall be but fundamentally a question of what premium is necessary to finance the benefits provided under this great contributory social-insurance system on a self-sustaining basis. If all of us thoroughly understood that it is an insurance premium and not a tax in the usual sense of the term that we are discussing there would be and could be only one conclusion; namely, that this contribution rate must be permitted to increase on January 1, 1945, if this insurance system is to be maintained on a self-sustaining basis. I say that there can be only one conclusion, because not a single witness before the Ways and Means Committee has contended that it will cost less than 4 percent as an average annual premium to finance the benefits provided under this insurance system on a self-sustaining basis during the years that are ahead of us. I repeat, not a single witness has denied that at least 4 percent is necessary.

What has probably confused a great many persons is the fact that this insurance system at the present time is collecting more in contributions than it is paying out in benefits and that the amount it has collected in contributions is about twice as much as was originally estimated. However, there could be no confusion if it were thoroughly understood that any old-age annuity system which pays benefits in accordance with the length of time insured is bound to have a low annual benefit cost in the early years of operation and tremendously high annual benefit cost in the later years of operation.

Unless we average the cost of these benefits over a long period of time it means that the beneficiaries who retire in the early years will pay far less than the actuarial value of their benefits and the beneficiaries who retire years hence will be required to pay much more than the actuarial value of their benefits. M. Albert Linton, president of the Provident Mutual Life Insurance Co. and a foremost advocate of this freeze, apparently took the position that it is not necessary in a social-insurance system to collect premiums high enough to cover the cost. He insisted that there was a "great difference between voluntary insurance and a compulsory Government plan where everybody has got to come in and to stay in and pay taxes." These are his exact words. However, when the time comes, as it will inevitably come unless we collect adequate contributions in the early years of the system, that the Government would be faced with the necessity of collecting a premium higher than it would cost to obtain the same insurance from a private insurance company, I am sure that Mr. Linton and private insurance companies generally would not be slow to exploit that fact in making comparisons between the cost of the protection provided by the Government and the cost if the protection were provided by a private insurance company. Since it would be manifestly unfair to make future beneficiaries pay more for the Government insurance than they would have to pay for similar private insurance, if Congress does not collect sufficient premiums now it means that Congress is automatically pledging itself to provide a Government subsidy out of general revenues later and is thereby abandoning a self-sustaining, contributory social-insurance system.

I submit that the Members of this Congress have not been fully informed as to the seriousness of the effect on the contributory social-insurance system of continuing to collect less in insurance contributions than the cost of the benefits promised. I submit that the Members of Congress have not been sufficiently warned that in continuing to collect less in insurance contributions than is necessary to finance the benefits promised they are pledging this Congress to provide an outright Government subsidy out of general revenues. I believe that if the Members understood this fully they would not hesitate in permitting adequate insurance contributions to be paid as provided in the present law.

I am sure that all of the Members of this Congress have had the same experience that I have had, namely, that they have been able to get a good idea of the true merits and significance of pending legislation by the respective individuals and groups who support and oppose such legislation. Since it is impossible for the Members of this House to study thoroughly all of the technical questions involved in the financial operations of a contributory social-insurance system, I suggest that it would be worth while for them to at least consider who are supporting the necessary automatic increase in contribution rates and who are opposing this increase. After all, this contributory social-insurance system was created to protect the workers of this country against the hazards of loss of wages due to premature death and old age. Are these beneficiaries urging that their rate of contributions be kept at the present inadequate level? By no means. On the contrary, the two great labor organizations are urging that Congress permit the rate of contributions to increase as provided by law, just as they have urged that this be done on the three other occasions when Congress has prevented the automatic increase provided by law from taking effect. We all know that people do not like to pay any more taxes than they have to and that they do not like to pay any higher insurance premiums than they have to. Therefore, is it not significant that the beneficiaries of this system feel that it is necessary that this rate be increased and are prepared to pay their fair share of the increase as provided by law?

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield briefly for a question.

Mr. KNUTSON. Mr. Chairman, I do not recall that the great labor organizations asked to have the increased tax go into effect. It is true that Mr. Miller of the trainmen, did appear but upon interrogation it was conclusively shown that Mr. Miller's information on the subject was very, very limited.

Mr. DINGELL. Mr. Miller said he discussed the matter with authorized representatiives of both the C. I. O. and the A. F. of L. and that they assured him they opposed the pay freeze. However, I will insert in the RECORD, a statement from Mr. Hutcheson of the American Federation of Labor and a copy of a letter which was sent to the chairman of the Committee on Ways and Means. I am glad the gentleman brought that question up. In that letter the president of the American Federation of

Labor says under date of November 30, to Hon. ROBERT L. DOUGHTON of North Carolina, in the very first paragraph:

Being advised that your committee has under consideration, the freezing of the social-security pay-roll deductions at 1 percent, I wish to advise that the American Federation of Labor is very much opposed to the freezing of the tax.

Mr. Chairman, I shall also insert in the RECORD, a similar expression from the C. I. O. That makes labor complete on its opposition and bears out the statement which I have made. I hope that covers the subject of the inquiry of the gentleman from Minnesota.

Mr. KNUTSON. Usually these labor leaders speak for themselves, rather than these organizations.

Mr. DINGELL. They speak with authority in this instance, I assure my friend. The letters I referred to are as follows:

NOVEMBER 30, 1944.

Hon. ROBERT L. DOUGHTON,
Chairman, Ways and Means Committee, House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Being advised that your committee has under consideration the freezing of the social-security pay-roll deductions at 1 percent, I wish to advise that the American Federation of Labor is very much opposed to the freezing of the tax.

We sincerely hope that your great influence will not be used to aid in freezing the rate of pay-roll deductions at 1 percent, but that it will be directed to the fundamental problem involved, which is how to make the old-age annuities and survivors benefits worthy of the name "social security." The average primary annuity of June 1944 was $23.46, which obviously ought to have been increased as quickly as funds were available.

It is common information that many persons receiving annuity benefit payments have responded to the call for war workers but will again apply for benefits. In addition, we know the proportion of older workers to the population is steadily increasing the number of potential claimants. Had funds been accumulated as planned by the law in this period of high employment, it would have been easier to pay decent annuities.

Labor thinks it is possible to enable persons who have been self-supporting to have annuities that will make them self-dependent when they are no longer physically able to work. Sometimes inability to work comes prematurely. This same fund should take care of these persons also. There are others now uncovered whose incomes are small, who should be given opportunity to have insurance against the emergencies that commonly force persons on relief.

Unemployment insurance should be improved and coverage extended. Medical care for all is also urgent.

A proposal has been made by Senator VANDENBERG to refer to a committee of citizens the task of studying the operation of the Social Security Act up to the present time, including fiscal policies for the purpose of recommending amendments to provide needed expansion in coverage and benefits. This seems to me to be a very wise suggestion and I feel that such a committee should include adequate representation for workers, employers, and the general public, as this is a proposal that vitally concerns employers, the workers, and the entire Nation.

While technical experts would be needed by such a committee, the groups mentioned have experience in their special fields which is essential to the determination of wise and sound policies. This committee should, therefore, employ experts and also have access to all the information and records of the Social Security Board.

I hope that the contents of this letter will be laid before the entire committee in order that it may be considered.

Sincerely yours,

——— ———,
President, American Federation of Labor.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., December 1, 1944.

Hon. JOHN D. DINGELL,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: The American Federation of Labor was not able to present its opposition to the freezing of the social-security tax at 1 percent before the Ways and Means Committee for the following reasons:

On November 27 I learned of the compromise proposal of setting the tax at 1½ per cent as of January 1, 1945, and as the American Federation of Labor has a special committee on social security which was to meet the first of this week in New Orleans at our convention, I immediately sent full information to President Green for transmittal to the committee, with the further request that I be immediately notified of any action taken.

On November 30 I received a wire from President Green in regard to the matter and immediately called the House Ways and Means Committee and learned that the hearings had been concluded the previous day.

Under the circumstances, a letter was sent by Mr. Green to Chairman DOUGHTON and I am pleased to enclose a copy of this letter for the information of all concerned.

With kindest personal regards and best wishes,

Sincerely yours,

W. C. HUSHING,
Chairman, National Legislative Committee, American Federation of Labor.

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., December 1, 1944.

MY DEAR CONGRESSMAN: Attached is a copy of the letter I wrote to Majority Leader MCCORMACK and Minority Leader MARTIN of the House of Representatives stating the position of the C. I. O. on the freezing of the social-security contributions at the present levels. The attached letter clearly outlines the reasons of the C. I. O. for increasing the social-security contributions in January 1945, and it is my sincere hope that when this legislation is brought to the floor of the House for action you will refuse to go along with any weakening of the present social-security system.

Sincerely yours,

NATHAN E. COWAN,
Legislative Director.

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., November 30, 1944.

MY DEAR CONGRESSMAN: The C. I. O. at its recent convention voted unanimously to oppose the freezing of social-security contributions and to support the increase in the old-age and survivors insurance contributions scheduled for next January 1.

Today the majority of the House Ways and Means Committee voted to freeze these old-age and survivors insurance contributions at previous levels, thus turning the clock back during these closing days of the Seventy-eighth Congress at the time when the country is looking to the Seventy-ninth Congress for forward motion on a broad social-security program. The C. I. O. favors early action on a sound and comprehensive social-security program as one of the necessary cornerstones for prosperity and for freedom from want in the post-war world. Full employment for those who can work must be linked with social insurance for those who are unable to work and with insurance against the costs of medical care, if a basis is to be laid for a sound post-war economy.

The C. I. O. believes that a comprehensive and adequate social-insurance system should be financed through contributions of employers and employers supplemented by a contribution from the general tax revenue of the Government. The increase of the old-age and survivors-insurance contribution to 2 percent on employers and employees will be needed to cover the costs of the present benefits. That rate of contribution and more will be needed for a complete program, even if a part of the total income to the insurance system comes from general revenues.

If the Congress acts to prevent the automatic increase of social-security contributions next January, this will be the fourth time the planned gradual introduction of the contribution step-up has been set aside. This continued postponement injures the financial stability of the present system. The same groups who support the freezing of the contributions were also opposed to the original old-age insurance program in 1935 and have fought openly or through delaying tactics against the improvement or expansion of the present program. They do not speak for the workers of America; they are not the friends of social security for the American people.

Those who oppose the scheduled contribution step-up argue that total current income from social-insurance taxes is higher than was expected and is higher than current disbursements. But employment is higher than was expected; earnings are higher; social-security wage credits are higher and future benefits will be higher; and more workers are accumulating wage credits and rights to future benefits. All actuarial studies show that at least the 2-percent rate will be needed. When the disbursements rise in the future—as they must—because the benefit rights will mature in the course of time, we want assurance that the necessary premiums have been collected, that the trust fund has ample money, and that benefits will be paid to workers and their families as a matter of right. The workers of America will want the promised insurance benefits when they come due.

The C. I. O. wants the scheduled old-age and survivors-insurance increase to stand for the same basic reasons that it is actively supporting the Wagner-Murray-Dingell bill. The C. I. O. wants more and better social security and its members are paying their fair share of the cost. This is no time to undermine the social-security program. Both workers and employers can better absorb an increase now than they may be able to do a year from now. The added funds are needed for the present program; they will certainly be needed for the expanded program which the people of this country are determined to have for themselves and for their children. We strongly oppose the freezing of contributions and urge that the Congress refuse to go along with any weakening of the present social-security system.

Sincerely yours,

NATHAN E. COWAN,
Legislative Director.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mrs. NORTON. Is it not a fact that both the A. F. of L. and the C. I. O., in convention, expressed themselves as being opposed to the freeze?

Mr. DINGELL. I understand they have taken definite action on that particular question in recent conventions.

Mrs. NORTON. That is my understanding.

Mr. DINGELL. There can be only one explanation of this attitude on the part of the workers of this country, and that is that they realize that unless this insurance system is adequately financed and unless they are willing to pay their fair share of the cost they cannot be sure that these benefits will be paid when due. They realize fully that if they are obliged to depend in future years upon a Government subsidy out of general revenues their benefits will by no means be as secure as if they are paid out of a reserve fund made up of Government obligations, the same sort of Government obligations that are being held by the banks and insurance companies and other private investors throughout the Nation.

Just where, then, is the opposition coming from against permitting this increase in insurance contributions from taking place? I said at the outset of my remarks that I would undertake to establish that the opposition to the collection of adequate insurance contributions comes largely from the same individuals and groups within and without Congress who opposed the original establishment of this social-insurance system. I shall now proceed to document that charge.

Let us go back to the establishment of this system in 1935. One of the groups now opposing the automatic increase in contribution rates is the National Association of Manufacturers. Just what attitude did the National Association of Manufacturers take in 1935? It opposed both the unemployment insurance and old-age insurance provisions. It questioned the constitutionality and urged that if Congress insisted upon taking action, at least it defer action for further study. A great amount of the present opposition to the automatic increase in the contribution rate comes from the Ohio Chamber of Commerce and its affiliates. What attitude did the Ohio Chamber of Commerce take in 1935? Perhaps it is well for me to quote the exact language of the statement submitted by George B. Chandler, of the Ohio Chamber of Commerce, to the Ways and Means Committee. Here is the statement that Mr. Chandler submitted:

1. Ohio business protests against the coercion of the States by the Federal Government as represented by the assessment on pay rolls and in other ways. This procedure is repugnant to American institutions, destructive of the historical relationships between State and Nation, and calcu'ated in the end to do permanent harm and little immediate good.

2. Ohio business believes that legislation of this class will permanently weaken the fiber of the American people. Self-reliance has been the key to American success. It has been the initiative, thrift, and self-sacrificing foresight of the individual and the family which has brought this country to its proud position. This legislation starts this country on a pathway from which there will be no retreat in the course of the next two generations. When the time comes—as it surely will—to reverse these policies incalculable harm will have been done to the character of the population.

Time will not permit me to discuss all of the individuals and groups who opposed the contributory social-insurance provisions in 1935 and who now oppose the necessary increase in the contribution rate. Before turning to a discussion of the 1935 opponents in Congress, I should like to observe that, while practically all of the opposition comes from employer groups, I believe there is a great difference between the motives actuating big business and small business. Big business can easily pay its share of the increased contribution rate. In fact, a representative of big business testified before the Ways and Means Committee that about half of the employers' contribution was probably offset by a reduction in the excess-profits tax. Therefore, the opposition of big business to this increase cannot be explained on the basis of hardship to business but upon continued opposition to the fundamental principle of contributory social insurance. However, in the case of small business unquestionably there are many instances of individual hardship. But, even so, I believe that small-business men would be more willing to pay their share of the contributions if they themselves could also enjoy the protection of this great contributory social-insurance system. And I for one shall do everything in my power to extend its protection to them. In many small businesses the proprietor is just as much exposed to the hazards of premature death and old age as are his workmen, and I see no good reason why he should not enjoy the same protection.

Now, let me turn to the opponents of contributory social insurance in Congress. What attitude did the minority party members of the Ways and Means Committee take in 1935 toward this old-age insurance system? So that there can be no question about the attitude that the minority party members took, I think it is best for me to read the exact language they used in a report which was signed by all and only minority party members of the committee:

Title II provides for compulsory old-age annuities, and title VIII provides the method by which the money is to be raised to meet the expense thereof.

These two titles are interdependent, and neither is of any consequence without the other. Neither of them has relation to any other substantive title of the bill. Neither is constitutional. Therein lies one of the reasons for our opposition to them.

The Federal Government has no power to impose this system upon private industry.

The best legal talent that the Attorney General's office and the "brain trust" could marshal has for weeks applied itself to the task of trying to bring these titles within constitutional limitations. Their best effort is only a plain circumvention. They have separated the proposition into two titles. This separation is a separation in words only. There is no separation in spirit or intent. These two titles must stand or fall together.

The learned brief submitted by the Attorney General's office contains in its summation the following weak, apologetic language:

"There may also be taken into consideration the strong presumption which exists in favor of the constitutionality of an act of the Congress, in the light of which and of the foregoing discussion it is reasonably safe to assume that the social-security bill, if enacted into law, will probably be upheld as constitutional."

We also oppose these two titles because they would not in any way contribute to the relief of present economic conditions and might in fact retard economic recovery.

The original bill contained a title providing for voluntary annuities. This was another attempt to place the Government in competition with private business. Under fire this title has been omitted. It was closely akin to title II. In fact, it had one virtue that title II does not possess in that it was voluntary while title II is compulsory.

These titles impose a crushing burden upon industry and upon labor.

They establish a bureaucracy in the field of insurance in competition with private business.

They destroy old-age retirement systems set up by private industries, which in most instances provides more liberal benefits than are contemplated under title II.

Some of the gentlemen who were minority members of the Ways and Means Committee in 1935 are still members of that committee. I know that in 1935 many of the minority members joined with the majority members in the final vote that was taken on the Social Security Act. However, some who did not are still members of the Ways and Means Committee. I know that by 1939 they had abandoned their open opposition to this contributory social-insurance system. Perhaps they benefited by the fact that their Presidential candidate in 1936 chose this contributory social-insurance system as a focal point of attack on the Democratic administration and was overwhelmingly defeated as a result. Mr. Landon, you may recall, alleged that this contributory social-insurance system was "a fraud on the workingman" and "the saving it forces on our workers is a cruel hoax."

Let me also remind you that during the last 2 or 3 weeks of the 1936 campaign the industrial division of the National Republican Campaign Committee, under the chairmanship of A. R. Glancy, formerly vice president of the General Motors Co., sent out millions of pay-envelope inserts, a photostatic copy of which I hold in my hand. This pay-envelope notice is headed "Deductions from pay start January 1," and reads as follows:

Beginning January 1, 1937, your employer will be compelled by law to deduct a certain amount from your wages every pay day. This is in compliance with the terms of the Social Security Act signed by President Franklin Delano Roosevelt, August 14, 1935.

The deduction begins with 1 percent, and increases until it reaches 3 percent.

To the amount taken from your wages, your employer is required to pay, in addition, either an equal or double amount. The combined taxes may total 9 percent of the whole pay roll.

This is not a voluntary plan. Your employer must make this deduction. Regulations are published by—

And then in large letters at the bottom of the page—

Social Security Board, Washington, D. C.

Apparently in order to give the impression that this was an official notice sent out by the Social Security Board in Washington. As you may also recall, the Chairman of the Social Security Board at that time was John G. Winant, three times Republican Governor of the State of New Hampshire and at present Ambassador to Great Britain. Mr. Winant was so outraged that he resigned from office in order that he might be free

to defend the Social Security Act. In his letter of resignation he stated:

Today we know that both the Republican platform and the Republican candidate have definitely rejected the constructive provisions of the Social Security Act, only to fall back upon the dependency dole—a dole with a means test, which in my State includes the pauper's oath and disenfranchisement.

To combat this kind of misleading and reprehensible propaganda I was called upon to prepare the folder which I hold in my hand and which was circulated in large numbers in many States.

WORKERS! LEARN THE TRUTH ABOUT THE SOCIAL SECURITY ACT—LEARN WHY SOME EMPLOYERS ARE OPPOSING IT AND SPREADING FALSE PROPAGANDA AGAINST IT

(By JOHN D. DINGELL, Member of Congress, Fifteenth District)

For old-age benefits on a salary of $100 per month for example:

For your benefit you pay per month:
Year 1937---------- 1 percent or $1
Year 1949---------- 3 percent or $3

Your employer pays per month:
Year 1937---------- 1 percent or $1
Year 1949---------- 3 percent or $3

Unemployment insurance on a salary of $100 per month for example:

For your benefit you pay per month:
Year 1937---------- nothing
Year 1938---------- nothing
Year 1939---------- nothing

Your employer pays per month:
Year 1937---------- 1 percent or $1
Year 1938---------- 2 percent or $2
Year 1939---------- 3 percent or $3

Thus it is evident your employer pays in 1937 for old-age benefits and unemployment insurance $2 per month for your benefit to which is added your $1.

Therefore an employer of 100,000 employees pays monthly to both funds 100,000 times $2, or $200,000, or $2,400,000 per year. In 1949 this same employer will pay for your benefit three times $2,400,000 or $7,200,000 per year. This example proves why the employer is opposed.

While you pay only $12 in 1937, this employer pays for the benefit of you and your fellow employees $2,400,000.

While you pay only $36 in 1949, this employer pays for the benefit of you and your fellow employees $7,200,000.

There are several big employers in the United States who employ more than 100,000 employees. Thus the total amount which they will pay will be correspondingly larger.

Under the old-age benefit plan, a young man 35 years of age who starts paying his premium on January 1, 1937, and remains in the system for 30 years will receive a monthly pension of $42.50 for the remainder of his life if his average monthly wage has been $100. An older man who was 60 years of age when he entered the system on January 1, 1937, and retires 5 years later would receive a monthly pension of $17.50, based on an average monthly wage of $100. The young man during the course of his life would have contributed $900 and his employers would have contributed $900, but if he lives out a normal life expectancy, he would receive as much as $6,000. The older man would have contributed only $72 and his employer an equal sum, but he would receive in benefits, if he lives out his normal life span, a total of $2,500.

Under the unemployment-insurance plan, if laid off through no fault of his own, the employee will receive half pay for a maximum of 16 weeks and will receive assistance in securing another job.

This is not, strictly speaking, a tax; it is an insurance premium, and you get all of the benefit. Any statement that the money may be used for any other purpose is absolutely false.

Republicans are trying to scare the beneficiaries of the plan by pointing out that their individual accounts will have to be designated by numbers. This is a common business practice today in automobile and manufacturing plants. Public utilities assign numbers to designate their customers. The Veterans' Administration uses numbers to designate veterans' claims. The use of numbers, case histories, and maternal names will be essential to correct and effective handling of the largest roll of registered employees ever compiled.

Since the employer puts away in a special fund large sums of money each year for depreciation of buildings, equipment, and machinery, why should he not be required to provide for the depreciation of the human being whose life is being used up in production?

This Social Security Act provides security and comfort in old age, removes the haunting specter of the poorhouse, and provides unemployment benefits. It provides aid for the crippled, blind, and the handicapped; benefits for dependent children, for widows, and orphans; maternal assistance and hospitalization.

The act is the strongest plan ever devised for man's present and future security.

The most progressive elements of employees, such as school teachers, city firemen, policemen, postal employees, and civil-service employees, to say nothing of the railway brotherhoods, and other trade-unionists, instituted their own security and pension plans and voluntarily taxed themselves as high as 5 percent for the same purpose.

A large number of employees at the present time are being taxed by deductions from their pay by employers for company pension plans, many of which are little better than worthless.

The problem of social security was thoroughly studied by the President's Cabinet committee, consisting of the foremost economists, sociologists, insurance executives, insurance actuaries, and men and women who have devoted their lives to social and economic problems. These studies extended over a period of 9 months before the report was presented to the Ways and Means Committee of the House and to the Finance Committee of the Senate. Both committees devoted many weeks to public hearings and additional weeks in executive session in the perfection of the bill. Every safeguard was invoked. Yet in spite of the expert advice, the Roosevelt administration and the Congress concede that the operation of the act will disclose certain minor weaknesses, which can easily be corrected. The plan, however, is fundamentally sound.

It is significant that on final passage of the bill only 16 Republican Congressmen in the House and 5 Republicans in the Senate voted against the bill. More significant to the people of Michigan is the fact that of the entire Michigan delegation in both Houses, only one Republican Congressman, CLARE E. HOFFMAN, voted against it. Republican Minority Leader Snell, of the House of Representatives, and Congressman MARTIN, eastern manager for Governor Landon, voted for the bill. The arch critic of social security in Michigan, Senator VANDENBERG, voted in favor of the act.

As the beneficiary under the Social Security Act you should sustain and support President Roosevelt as a matter of self-defense. Alfred Landon and the Republican Party are committed to the destruction of the social-security plan. For your protection vote straight Democratic.

JOHN D. DINGELL,
Member of Congress,
Fifteenth District of Michigan.

Now, if we turn to the United States Senate, whom did we find opposing this contributory social-insurance system there? We found the Republican Senator from Delaware, the Honorable Daniel O. Hastings, who, as you know, was, and I have no doubt is still, closely identified with the du Pont interests. At that time Senator Hastings was a member of the Senate Finance Committee, and this is what he said at the hearings held by the House Ways and Means Committee:

My fear is that when the Federal Government undertakes the job of social security, through direct taxation for that purpose, it has taken a step that can hardly be retraced. I fear it may end the progress of a great country and bring its people to the level of the average European. It will furnish delicious food and add great strength to the political demagog. It will assist in driving worthy and courageous men from public life. It will discourage and defeat the American trait of thrift. It will go a long way toward destroying American initiative and courage.

Now, just what position did the Republican Senators take at that time? Their position is fully revealed in a vote which was taken on an amendment offered by Senator Hastings to strike out the old-age insurance titles from the Social Security Act. Of 15 votes in the Senate to support the Hastings amendment, 12 were cast by Republican Senators. And let me point out to the Members of this House that one of the Republican Senators who joined with Senator Hastings in his attempt to remove the old-age insurance provisions from the Social Security Act was the Honorable ARTHUR H. VANDENBERG, of my State, who has taken the lead in advocating these successive freezes in the rate of contributions.

Now, I dislike to recount this history of the attitude of the Republican Party, since I feel that the question of social security should be considered on a nonpartisan basis. I think increasingly the Republican Party has accepted social security as necessary and inevitable. Certainly their last Presidential candidate seems to have done so when he advocated the extension of this contributory social-insurance system which we are discussing to the 20,000,000 persons not now insured. However, the Republican Party itself has made a partisan issue of this necessary increase in the rate of contributions, when the Republican steering committee tee voted to instruct the Republican members to vote against the increase. I hope that the Republicans and Democrats alike will join in the enactment of an extended, expanded, and strengthened social-security system. Therefore, I hope that nothing I have said on the floor today will be taken as a personal affront or an advance indictment of their future attitude. However, I felt that in justice to the Members of this House and in view of the vital effect any further action to delay the collection of adequate insurance contributions will have upon this contributory social-insurance system, it was necessary for me to point out that consciously or unconsciously a great deal of the opposition may be due to what

one might call a hang-over of an attitude of opposition to the basic idea of contributory social insurance. Therefore, I wish to plead with my friends on both sides of the aisle to reappraise their thinking and search their consciences before they make a final decision as to how they shall vote in this important matter. In my opinion, whether we realize it or not, we are deciding the whole future course of social security in this country—whether we shall have a genuine contributory social-insurance system where benefits are paid as a matter of right or whether we shall have a system of Government handout or dole, requiring the taking of a pauper's oath.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KNUTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Chairman, I ask unanimous consent to proceed out of order for a very brief period.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DEWEY. Mr. Chairman, this is probably the last time I shall rise in the well of this House to speak on a major issue as a member of the Ways and Means Committee, I therefore take this opportunity to pay my respects to the Speaker of the House of Representatives, to the chairman of my Ways and Means Committee and all my colleagues thereon, and also to all my colleagues in the House of Representatives of the United States.

I wish only that my fellow citizens throughout our land during these troublous years knew with what honesty of purpose and what industry, with what high mindedness you cared for their affairs and the affairs of the country. It will always be one of the greatest honors of my life and one of its most pleasant memories that I could work so closely with you.

Mr. Chairman, in this matter that is before the committee there has been a good deal of talk pro and con as to a large reserve. Let me say without any equivocation whatsoever that I, as I believe are all of you, am squarely behind an old-age and survivor insurance system as a national policy. The only thing I think all of us are attempting to do is to see that it is sound in every respect.

I have heard several of the speakers refer to the social-security systems employed in foreign countries. I understand some countries have had old-age benefit systems for 60, 70, and even more years. I believe, therefore, it might be wise to consider their experience.

One of the witnesses before the Committee on Ways and Means, Mr. Albert Linton, president of the Providence Mutual Life Insurance Co., of Philadelphia, referred to an Englishman who has given great study to old-age pensions and social security, Sir William Beveridge. In referring to the requirements of a reserve fund, Mr. Linton quoted a statement made by Sir William Beveridge, and I will read that quotation:

> In providing for actuarial risks, such as those of death, old age, or sickness, it is necessary in voluntary insurance to fund contributions paid in early life in order to provide for the increasing risks of later life, and to accumulate reserves against individual liabilities. The state with its power of compelling successive generations of citizens to become insured, and its power of taxation, is not under the necessity of accumulating reserves for actuarial risks, and has not in fact adopted this method in the past.

From my own study I am convinced that there must be a contingent reserve. One can never tell when low employment will reduce the income from the tax on wages, no matter what may be the rate. But I want to direct to your attention the difference, because some of my colleagues on the Ways and Means Committee made a comparison, between the voluntary insurance reserves of our great insurance companies and a contingent reserves under Federal old-age insurance.

There is this difference: When an insurance company writes an insurance contract it does but one thing. It promises to pay back the number of dollars mentioned in the insurance policy to the insured. It has no obligation whatsoever to the insured with reference to what kind of a dollar it does pay back—whether that dollar will buy 1 bushel of corn as it does today or will only buy 1 peck of corn 10 years hence. As long as it is a soundly run insurance company it meets its obligation by returning legal dollars.

When we enter into a contributory insurance system, such as set up under social security, we have a double obligation to the beneficiaries. Under the present law they, like the insured under an ordinary insurance policy, will receive a number of dollars of benefits, but we must go further, we the Congress, and we must see that those dollars are either kept stable so that they will at all times buy the same quantity of goods or we must be prepared to change the benefit to compensate for any decline in the purchasing power of the dollar.

Hence I am not so sure that any reserve fund we may set up today would be adequate. I do know that over the years the actuarial accountants have made estimates up to the year 2000. Who can tell what will happen in the year 2000? Who can tell what will happen 10 years hence? It was only in 1939 that Members of this House and the other body considered and amended the act. We all know the difference in prices and the value of the dollar today as compared with 10 years ago when its gold content was changed. How do we know what will be the price level after this terrible war, with the rise in wages, the increased costs and so forth? Will the benefit payments remain the same. No. They will be changed and brought up to the level of future values.

So in speaking here today and in speaking in favor of this freezing of the tax at 1 percent for another year, I do not think it will in any way harm the system, nor do I think we are doing anything but upholding the best principles of social security. Even if the people covered are fully employed and capable of paying, it is unwise to take that extra 1 percent until we know a little bit more about what the level of values is going to be after the transition period back to peace.

From the arguments made here by various speakers, it is evident that the present reserve fund is adequate, many times adequate to pay any possible calls there may be for benefit payments. But when peace has come, and we may look forward to what is ahead of us, then we can set our tax rates and decide what should be the reserve fund for a forseeable period. I think then we will have a more honest and a sounder system of social security for old-age retirement and benefits.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KNUTSON. Mr. Chairman, I yield the gentleman an additional minute.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Is this not an additional distinction between this sort of insurance and insurance by a private company, that a private insurance company is not permitted to invest in its own obligations? What is happening here is that the Government is investing in its own obligations, and therefore the reserve is illusory, because the only security behind the Government promise to pay is the solvency of the Government itself, wholly aside from the particular specific obligations that are placed in this so-called reserve.

Mr. DEWEY. I think the gentleman has made a very important point. Not only is what the gentleman has stated true as to the policy of the private company, but politics might enter into the use of Federal reserves. It has been known that there have been raids on swollen Federal funds, and that may occur again.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from New York.

Mr. LYNCH. What higher security could there be than the bonds of the Government of the United States?

Mr. DEWEY. None whatsoever; the gentleman is perfectly correct. Yet the dollars represented by those bonds are subject to the will of political bodies, and this is a political Government. Further, those who set up the reserves might decide possibly to use what they may consider excessive reserves for other purposes.

Mr. LYNCH. Despite all politics, has there ever been any default on United States Government bonds?

Mr. DEWEY. There has never been a default on United States bonds and I hope and pray that there never will be.

Mr. VORYS of Ohio. Is not the promise of the United States Government to pay a legal and binding contract just as valuable as a Government bond?

Mr. DEWEY. Of course it is. The Government bond, or the contract made. But it might be that if we should build up reserves running, as has been mentioned in the testimony, as high as $50,000,000,000, now deemed necessary to meet beneficial payments 75 years hence,

in stringent times the Congress might find it expedient to use some of those funds for emergency purposes, expecting to replace them later on.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I deeply regret that I find myself at variance with a majority of the able gentlemen on the Ways and Means Committee and that I cannot concur in their recommendation that this bill pass.

I, like most of us, have had a very large number of telegrams, letters, and telephone calls from my constituency urging me to vote to freeze the present rate of 1 percent on the employer and 1 percent on the employee as the premium to be collected for the old-age and survivors insurance as provided under the Social Security Act. I have talked to many owners of small businesses, retail merchants, automobile garages, and other businesses that employ a small number of men, and I realize that the amount collected from them is a burden on them especially at this time when taxes of every kind are at such a high rate. Then, too, these smaller businessmen are not embraced within the provisions of this act, and that upon reaching the age of 65 they will not draw any annuity as their employees will although they probably will need it as much or more. I wish that the present premium rate of 2 percent was sufficient to pay for the annuities guaranteed under the act, and no Member of this House would derive more genuine satisfaction from a vote to freeze this rate than I would. However, after giving this subject the most careful thought and study of which I am capable, I have reached the conclusion from the testimony of expert insurance actuaries and men experienced in the administration of this act that a premium of 2 percent will not cover the cost of the benefits guaranteed to these workers under the Social Security Act and that even a rate of 4 percent will be insufficient.

All of us who have had any experience with life insurance know that the cost of insurance can be figured and is figured mathematically correct by actuaries, who base their computations upon the American experience table which is worked out from the data obtained each decennium from our census. We all know that these accountants and actuaries have been so successful in figuring these costs that the American life-insurance companies are the marvel of the business world and are stronger than any other like companies in all the world. I believe that the cost of this old-age and survivors insurance should be borne by the employer and employee and that sufficient premiums should be collected as we go along to meet any and all payments guaranteed under the law to these beneficiaries. If sufficient premiums are not collected and the fund at some future date is not sufficient to meet the demands upon it by those legally entitled to receive annuities and payments, then, of course, under the amendment which was adopted the last time these rates were frozen, the General Treasury of the United States will have to augment the fund, as under the present law the Government is guaranteeing the integrity of this insurance fund. That would mean, my friends, that the general taxpayers, which will include you and me and all others who do not have any right to any benefits under the Social Security Act, would have to pay for a part of the cost of this vast insurance system. If we do not collect sufficient premiums to pay for this insurance as we go along, it means that when the peak load is reached, which has been estimated by the actuaries to be about the year 1966, our children and our grandchildren will then be taxed to make up the deficit.

Personally, I have reached the conclusion that we have already voted and passed on to our posterity sufficient public debt. They will do well to pay the taxes to take care of our disabled veterans of this tremendous and vast war in which we are engaged, and to pay that part of the war which we do not pay as we go along. I shudder to think of the load that we have already placed upon the shoulders of our coming generations, and regardless of the clamor that is being made at this time for the freezing of these insurance premiums, my conscience will not permit me to pass on to posterity any part of the cost of this vast insurance system.

In the beginning of these remarks I stated I have received a large number of telegrams, letters, and phone calls from my constituency asking that these premium rates be frozen at the present rate. During the recess I had many of these businessmen to personally talk to me on this subject. To each of them I asked this direct question: "Do you think the general taxpayers should pay anything into this fund?" Without exception every one of these businessmen answered, "No; I think the premium should be collected from the worker and his employer and if the present rate is insufficient to pay the cost of it, either the benefits should be lowered or the premium rates raised."

And that, my friends, is the position I am taking here today. If our people do not feel able to pay more than the 2 percent now being collected then we should amend the Social Security Act and cut down the benefits guaranteed under the old-age and survivors' insurance section of it. If we are not willing to collect adequate premium rates we should by all means do this. On the other hand, if we do not desire to cut down the benefits then, as I see it, we are all conscience-bound to collect adequate premium rates and not pass this burden on to the General Treasury. In closing I want to give a concrete example, which I think illustrates my point better than any argument I can give.

We will take the case of a young man beginning work at the age of 20 and receiving a salary of $250 per month. At the present rate of 1 percent, he would pay into this fund $30 each year and his employer would pay a like amount, making a total of $60 per year. If he continued in employment without diminution of wages and without interruption in work until he is 65 years of age, which age under the law is the retirement age, there will have been paid into this fund by this young man and his employer the sum of $2,700. To this sum would be added the interest the Government pays on the securities owned by the Old Age and Survivors' Insurance fund and invested by it in Government bonds and debentures. The present rate of interest is 2.18 percent, and this $2,700 compounded at that rate would yield in the 45 years approximately $2,600. So at the present premium rate, the fund will have to the credit of this man when he reaches retirement age the sum of $5,300. Now, under the present law, this man would be entitled to receive, if he is single at 65 years of age, the sum of $58 per month or $696 yearly. When he reaches the age of 65 if he is married and has a wife 65 years of age, he would draw 50 percent more, or $87 per month or $1,044 per year. According to the American mortality experience table, this man at age 65 would have a life expectancy of 12.08 years to live. If he lived his expectancy, he would be entitled to draw from the fund, if single, $8,407.68 whereas the amount of money to his credit is only $5,300. If he is a married man and lives his expectancy, he would be entitled to draw from the fund $12,611.52, whereas the fund only contains $5,300 to his credit. In other words, according to actuaries' figures and the American mortality experience table, the present fund is just about 50 percent sufficient to carry this load. I have used for this example the minimum case. The amount of benefits paid to men who draw less than $250 per month is figured on a more liberal basis and in any other illustration you might use, the result will be a more flagrant deficiency because benefits paid to smaller wage earners are at a higher proportion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMPSON of Pennsylvania. I yield 2 additional minutes to the gentleman.

Mr. CAMP. In conclusion, Mr. Chairman, I wish to state that knowing these facts from the testimony of some of the best experienced life-insurance actuaries in America and from the testimony of those in charge of the fund, I do not feel I can conscientiously vote to cut this rate, thereby placing a burden upon the future taxpayers of this country. It is true that this fund is not insolvent at the present time. There are many valid reasons for that as the peak of the load has not been reached and there are thousands upon thousands of men 65 and over who are working in war plants and not drawing their annuities. But when this present level of employment is over, you may rest assured all of them will file their claims and draw upon this fund.

I cannot vote to place a tax load upon the future taxpayers of this country, which should be collected as we go along.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I regret very much that I must disagree with a

majority of the committee, but I am opposed to freezing for another year, the social-security tax of 1 percent on the employer and the employee. It is not sound legislation. To my mind it tends to weaken the whole structure of the social-security insurance system. Certainly it is not sound business. When the reserves of an insurance company are impaired, a prudent executive will raise the rates. We know that if the present rate on employee and employer is maintained, the reserves of the social-security fund will be impaired within 9 or 10 years. Although under the original law the tax was to be stepped up from 1 percent in 1937, 1938, and 1939 to 1½ percent in 1940, 1941, and 1942, and 2 percent in 1943, 1944, and 1945, it has since been frozen at 1 percent since 1939, even though it has been definitely known that the benefits provided by law cannot be met by the 1-percent tax.

The best authority in the country maintains that the benefits cannot be maintained at less than 6 percent, and all authorities agree on a minimum of 4 percent. When payments to beneficiaries exceed income, then the meager payments made now, will either be further reduced, or the Congress must make up the deficit by appropriation. That will be the end of the social security as a matter of right, and the beginning of a dole.

The national income today is the greatest in the history of the country and out of that income, industry and employees should now make adequate provision for the old age of employees, and not put that burden on the 11,000,000 men and women who today are in the armed forces of the United States, but who will be the taxpayers 10 years hence. That is exactly what we will be doing—we will be putting the burden that should be carried today by industry and employees upon those who will be the taxpayers 10 years hence, if we maintain this rate of 1 percent.

It has been stated that we should study this matter further; that we do not know the real facts about the case. If we do not know the real facts about the case, why in heaven's name do we try to change the law? Keep the law as it is until you are certain that it is wrong. Do not change it simply for the sake of changing. Do not change it because a year or 2 years ago some other Congress changed the law without further study. We know definitely, as I said before, that every single authority has stated that these insurance benefits cannot be maintained at less than 4 percent unless the Government makes an appropriation to make up the deficit.

This theory of social security has been based upon an annuity as a matter of right, not by the needs test. Yet as soon as we get into a position where the Government must make an appropriation to make up the deficit, you can rest assured that the needs test will be put into effect, because certainly a poor man is not going to pay a tax, if he can help it, in order that a man more wealthy than he may get some benefits from the social security.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KNUTSON. Mr. Chairman, would the gentleman like a little more time?

Mr. LYNCH. One minute would be enough.

Mr. KNUTSON. Mr. Chairman, I yield 2 minutes to the gentleman from New York.

Mr. LYNCH. I thank the gentleman from Minnesota.

Mr. Chairman, when this social-security program was put into effect it was determined that if they could raise the rate of insurance premiums first from 1 percent to 1½ percent after 3 years, and so on, until 1948, when the rate was supposed to be 3 percent upon employee and employer, the fund would be self-sustaining; that with the income that would be derived from taxes and the interest on the reserves there would be adequate funds to pay the benefits that were promised. Those benefits were promised by the United States Government as a matter of law and it was intended that those who were to receive those benefits should receive them because they had paid into the fund sufficient to obtain an annuity for the years that were to come. It was never intended that they should be the recipients of a dole, and I doubt very much whether the American people want a dole. I believe they are firmly sold on the idea that they want a self-sustaining social-security fund that will pay back to them in their old age an annuity based upon the amount they themselves have contributed or which has been contributed in their behalf.

Mr. KNUTSON. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON of Kansas. Mr. Chairman, I think the debate here this afternoon and the hearings before our committee should convince any and every Member of this House that this matter needs further study. Very able arguments have been presented by both the proponents and the opponents of this particular bill. I for one—and I believe I can speak for every Member here—want a sound social-security program; but there are some things I believe that should be studied.

I have been a little amazed today to notice that everyone who seems to speak for increasing the rate say they are doing it to benefit the laboring people. I wonder about that. I was interested to note that not a representative of the C. I. O. appeared before our committee, not a representative of the A. F. of L., not a representative of the United Mine Workers appeared before our committee and asked that this bill be defeated or that the freeze be not granted. Only one representative of labor appeared, a representative of the Brotherhood of Railroad Trainmen, and their organization is not covered under this program; they have their own, the one set up by the Railroad Retirement Act. I wish to call the attention of these folks who are always coming to the defense of labor to the fact that the situation this year is different than it was in 1935 and 1939. When these rates were adopted in 1939, for instance, I think I can safely say that not a single one of these folks who are paying social-security taxes today paid a Federal income tax. How can I say that? In 1940 only 3,000,000 people paid personal income taxes in the United States, and today there are 50,000,000 personal income-tax payers, and the lowest rate they pay, each and every one of them, is 23 percent. Yet you want to double the social-security tax on them. I hope the Members will think about that a little. Let us take the employee who makes $1,680 a year, $140 a month. How much tax is he paying to the Federal Government today? He is paying $337.90. I contend that is a real tax burden. He is paying $16.80 social-security tax, yet you today want to make it $33.60. We seem to speak here today as though we were going to double the tax with scarcely any burden on the employee or the employer. Coming from my district I certainly should be the last one to oppose it, but I believe in all fairness to the working people of this country somebody ought to take the floor here this afternoon and talk about the burden these people are carrying.

It may be that some of you folks think a withholding of $330 on an individual with an income of $1,680 is not much of a tax. It may be that the doubling of this tax does not amount to much. But I contend these folks are having a very difficult time, especially the millions of white-collar workers of this Nation, and I am not going to let this go through without speaking a word for them.

I was interested to learn since I came on the floor this afternoon, and this will appear in tomorrow's RECORD, that an employer in Iowa, with a small factory, presented two petitions to his employees. He put it where they could sign it when they went in and came out of the factory. He asked them to sign whether they favored an increase in the social-security tax or they favored freezing the rates. An analysis of this expression of opinion will be in the RECORD tomorrow. Look it over and see how many of these workers want to increase the tax. We ought to think a little about this.

Then there is another angle. I want to discuss it from the farm standpoint, because I represent a farming district. It was stated by Dr. Altmeyer that 20,000,000 people are paying into this fund every day and that 12,000,000 of them are people who left the farms and went into war work. Millions of them are going back to the farms after the war. They are going back to uncovered employment and they are not going to get 1 cent benefit unless they later get back into covered employment. Now, you gentlemen want to double the tax on these people.

The hearings on the pending bill and the debate in the House this afternoon emphasize the confused thinking that is prevalent over the various aspects of social security.

The country needs a clarification of the various ideas presented by pro-

ponents and the opponents of the pending legislation.

I heartily approve the action of the Ways and Means Committee, which assures Congress and the country a thorough analysis and report early next year. Nine years of experience with social security should develop trends that require study. We should reexamine our entire social-security program. It should now be possible to secure information on:

First. The cost of social security.

Second. The true significance of the reserve fund.

Third. The distinction between insurance and the relief of need.

It is my contention that the present social-security program is so unfair to millions of our people that it cannot honestly be called national in scope. Yet millions of people must pay directly and indirectly for a social security which is limited in coverage.

Years ago the battle cry was, "No taxation without representation." The modern version might well be, "Taxation without benefits."

In addition to this group, we have millions who contribute indirectly to the fund through increased cost of commodities they purchase. These people cannot benefit from the program we are considering today. Shall we double the tax on them?

We need to analyze the social-security program from the standpoint of accrued liability. All actuaries which have appeared before our committee seem agreed that at some point in the future the benefits will exceed the income. There is no unanimity as to when this will occur.

In 1939, when Congress changed the basic policy of individual concept to group or family concept, it practically destroyed the original program. Few people realized what happened at the time, and many do not understand the change as yet. It is for this further reason that I believe we must make a thorough study.

The freezing of the present rate for another year will in no way affect social-security payments to those who are receiving benefits under title 1, or the old-age assistance section. These payments are made through grants-in-aid by the Federal Government in cooperation with the States. At the present time this amounts to about $700,000,000 annually.

The freezing of the rates under the pending bill will in no way change the payments or benefits under title 1 or the old-age and survivors insurance section. This fund has a reserve of about $6,000,000,000, and in 1944 increased one and one-quarter billion dollars at the 1-percent rate.

When Congress overhauled the Social Security Act, and adopted a revised financial plan, it was estimated the reserve, with a 2-percent rate for 1943 and 1944, the fund would be $3,122,000,000. It has now reached $6,000,000,000 at the 1-percent rate.

The war and unexpended revenues, plus a conservative estimate in the first place, were responsible for this. In fact if Congress collected no social-security taxes for the years 1945, 1946, 1947, and 1948, and if benefits should be paid equal to the highest current estimates of the board of trustees, the fund would be as large as originally planned in 1948.

No one, of course, would suggest repeal or suspension of the tax. Regardless of this favorable picture of the reserve fund we must keep in mind accruing liability.

The additional tax burden would be severe on thousands of small employers. These small businessmen have been fighting to keep their doors open against great odds. The addition of another 1-percent tax on their pay rolls might easily be the factor which would close their doors. This increase would, in a number of instances, require changes in our price structure that could become general over the entire economy. It is a poor time to vote this increase.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, the Social Security Act, passed by Congress in 1935, in favor of which I spoke and voted, provides that beginning January 1, 1945, the employers and their employees shall pay a tax of 4 percent, 2 percent each for the employer and 2 percent for the employees, to maintain the Federal insurance for the employees as provided in said act. The present tax, collected from the employers and employees, is 2 percent, 1 percent paid by the employer and the other 1 percent by the employees.

H. R. 5564, before us for consideration, does one thing, and one thing only, and that is it amends the Social Security Act and freezes and continues the present tax at 2 percent for the fiscal year 1945. This bill does not increase or decrease any of the benefits provided for the employees as set forth in the Social Security Act. This bill does not amend the Social Security Act in any particular, except, and only, that it continues the present tax rate at 2 percent, one-half to be borne by the employers and one-half by the employees, as provided in said act. The one, and only, important question to be determined is, Will this 2 percent-tax be sufficient to provide a reserve that will fully protect the employees under said Social Security Act. There is no good reason why the tax should be increased from 2 to 4 percent at his time. This increase would double the tax. It would mean a hundred percent increase. The Ways and Means Committee that initiated this legislation in 1935 and has had charge of it ever since decided that this increase was not necessary, and by a vote of 17 to 7 favorably reported this bill to hold the tax at its present level, 2 percent, for the year of 1945. Not only an overwhelming majority of the committee voted in favor of this bill but a majority of the Democrats, including the able chairman and all of the Republicans, voted favorably. Knowing the chairman and the 16 other members of the committee who voted with him and their interest in social-security legislation, I am led to believe that there is no good reason why we should double this tax on the workers as well as the employers for 1945. The committee, in its report, is fortified by the facts. Of course, some of those connected with the administration urged this increase from 2 percent to 4 percent. Now let us examine the facts. What is necessary to make this trust fund solvent? The Secretary of the Treasury of the United States is a very important member of the trust-fund committee. He testified before the Ways and Means Committee in 1939 as follows:

> Specifically, I would suggest to Congress that it plan the financing of the old-age insurance system with a view to maintaining for use in contingencies and an eventual reserve amounting to not more than three times the highest prospective annual benefit in the ensuing 5 years.

The present 2-percent tax brought to this trust fund in 1944 approximately $1,350,000,000. All benefits paid out of this trust fund to the beneficiaries under this Social Security Act in 1944 amounted to less than $200,000,000. In other words, the present 2-percent tax in 1944 brought in over six and one-half times as much money as was necessary to pay out to the beneficiaries under this act in 1944.

The tax rates that have prevailed under this act since 1935, there will have been accumulated in this trust fund by the end of 1944, $6,000,000,000, and Dr. Altmeyer, Chairman of the Social Security Board, stated that the 2-percent rate would be adequate to meet all contingencies for the next 9 or 10 years, and if we increase the rate to 4 percent, one-half to the employer and one-half to the worker, it would provide a fund that would take care of all contingencies for the next 20 years. You observe that Mr. Morgenthau, Secretary of the Treasury, stated that there should be a reserve, that this reserve fund should amount to not more than three times the highest prospective annual benefits in the ensuing 5 years. The amount of the annual benefits for the year 1944 are less than $200,000,000 and the present reserve, therefore, is 30 times the amount of the annual benefits for 1944. Some persons contend that during the next 5 years, the benefits to the workers arising under this act may reach as much as four hundred fifty million, while the extreme figure is seven hundred million. If we adopt the $450,000,000 annual benefit as the yardstick, then the present reserve would be 12 times the annual benefits. If we adopt the $700,000,000 as the extreme yardstick, the present reserve of $6,000,000,000 would be more than 8 times the annual benefits, while the Secretary of the United States Treasury stated the reserve should not amount to more than 3 times the highest prospective annual benefits in any one of the ensuing 5 years. With these facts staring the Ways and Means Committee in the faces, it is no surprise that a majority of the Democrats and the chairman and all the Republicans voted to report favorably this bill and with these facts, I do not see how I can consistently vote to put this additional tax burden on the workers and upon the employers of the country. I strongly favored this legislation, spoke for it, and voted for it, and I want to see such a reserve fund

provided and maintained that will fully protect the workers.

The amendment to the Social Security Act of 1939 provides that if the trustees of this reserve or trust fund should find that the fund was inadequate they should so advise the Congress. They have not said to the Congress that the reserve fund is not sufficient or that the 2-percent tax for employers and workers is not sufficient.

I have received many letters from workers and employers residing in my district urging me to support this bill. I have not received a single letter, telegram, or other expression of opposition, to this bill from anyone residing in my district. Most of them understand that this bill does not affect, in any way, the present so-called old-age pension where the Federal Government without contribution from the beneficiaries or States, puts up one-half and the States the other half of the pension paid to the needy aged, the needy blind, and the needy widows and children.

WHAT BECOMES OF THE TAXES PAID INTO THIS FUND?

All the taxes that have been paid in and that will in the future be paid in are intended to create and maintain a reserve or trust fund to be paid out to the beneficiaries as their claims to part of this trust fund accrue. All of the taxes that have been paid by the workers and the employers into this trust fund up to this time and including the $6,000,000,000 of reserve have been from day to day transferred to the general fund in the Treasury and in the place of the tax money there is placed the I O U of the Federal Government, and the money paid out of these funds has not been limited to the beneficiaries, but it is expended by the administration for almost every and any activities of the Federal Government. This social-security tax money may be spent, and part of it, no doubt, has been expended for a lot of the boondoggling projects of the Government, and other parts of it have been squandered and wasted. It is handled the same as other tax money paid into the Treasury.

It is no secret that the administration desires through these taxes to build up a so-called reserve or trust fund amounting to approximately $50,000,000,000, and, of course, the administration will, in the future as in the past, in my opinion, place this money in the general fund and spend the money as it comes in, and there will be nothing in its place except the I O U and bonds of the Federal Government. This is where the Government takes the tax money of the workers and the employers and turns over to itself and gives I O U's and bonds. When we realize the great desire of this administration to tax, squander, and spend, it is easy to understand why they complain, because this so-called trust fund is only $6,000,000,000. These taxes roll in day by day, and it affords the administration an easy way to get billions of dollars without going out and publicly borrowing the money and selling the bonds.

This surplus reserve fund is already 8 to 12 times as much as the estimated outlay for benefits to the workers for any 1 year for the next 5 years, when Secretary Morgenthau stated that this reserve should not amount to more than 3 times the highest prospective annual benefits in any one of the ensuing years. The Social Security Board and the administration now urge that this tax must be increased. We cannot give too much weight to their prediction. They told the Congress some years ago that under the tax as provided in the act we would have a reserve or trust fund of $3,000,000,000 at the end of 1944, when, as a matter of fact, we have $6,000,000,000 in this reserve or trust fund. They also predicted that in 1944 we would be paying out approximately $667,000,000, when as a matter of fact in this year of 1944 we will pay out in benefits less than $200,000,000. This Board was 100 percent wrong in estimating the reserve or trust fund that would be on hand in 1944 and 267 percent wrong in estimating the amount of benefits that would be paid out in 1944.

There is quite a difference of opinion on a number of these important matters. We are told by the Ways and Means Committee that by unanimous vote they agreed at an early date in the Seventy-ninth Congress to launch a thorough and searching investigation of this whole subject. Some persons talk as if today is the last day that this or any Congress will ever meet. The people have already elected the Seventy-ninth Congress and will elect other Congresses. We have amended the Social Security Act heretofore and as the years come and go it will likely be amended in other respects that will be necessary and helpful. I have no doubt but what the Congress will watch this reserve or trust fund carefully so that so far as it is practicable under the present administration the rights of the beneficiaries under this legislation will be fully protected. I have no doubt but what it is protected today so far as the amount of money that has been paid in and no harm can come to this reserve fund during this investigation in 1945. If this reserve fund is weakened, it will be due to the improvident spending and wasting of the present administration.

It is generally admitted that our national debt will be three hundred billion or more at the end of the war. Only a few years ago the number of income taxpayers was less than 3,000,000. Today they number 50,000,000 or more. With the 20 percent withholding tax and the many concealed Federal taxes the workers of the Nation as well as the employers are carrying a heavy load. This load should not be increased unless it is clearly necessary. Firmly believing that it is unnecessary to increase this tax 100 percent to the workers as well as to the employers, I feel constrained to cast my vote in favor of the bill to hold the tax as it is for the year of 1945. If this thorough and searching investigation should disclose the necessity for an increase in this tax in order to preserve the rights and benefits of workers under this legislation, I shall be very glad to support such increase as may be necessary.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, to me, the main issue is whether or not we want to continue the policy that was decided upon in 1935 and again in 1939 when we established this Social Security System based on a contributory basis; in other words, it is not this afternoon merely a question of fixing the rate of taxation for the year 1945 on both the employer and the employee, it is a question of whether we want to get away from the policy of operating the Social Security System on a full reserve basis and not on a contingent reserve basis, or on a basis of annual subsidy out of general taxation.

I call your attention to the fact that we have in operation now four or five insurance systems by the Government. We have a national insurance system for veterans of World War No. 2. We have a Government life-insurance system for veterans of World War No. 1. We have a civil-service retirement fund, we have the Foreign Service life-insurance fund, and several others. In all of those funds we are operating on the basis of a full and adequate reserve, and that is the policy this Congress decided on in 1935 and 1939 with respect to the Social Security System. If we today do as we did last year, we are going to be getting away from the adequate-reserve, full-reserve principle.

They say that the reserve now is sufficient. There has not been a single bit of testimony before this committee by any actuary and there has not been a single actuary who has either publicly or privately stated that a tax of 1 percent is sufficient to carry the annual cost. We must remember that we have been working under abnormal conditions in this country since 1940. Naturally the reserve will be somewhat larger than we contemplated it would be 3 or 4 years ago. But when the actual cash reserve is greater at this time, it also means that we have increased our liability by just so much, because millions of persons have become entitled to receive benefits; in other words, the Government promises these people that when it taxes them they will receive certain benefits in the future.

It is well known by everybody familiar with insurance that the initial costs of any system are low and that the ultimate costs are quite high. We are only in the initial stages of the operation of this Social Security System. It has been said that the ultimate cost may run as high as fifteen or twenty times what the early costs are. Every actuary who submitted any figures whatever did not deny the fact that it would at least take a 4-percent tax. We already know that much, anyhow.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Is the gentleman satisfied that the present rate of annuity payments and benefit payments under title II is sufficient?

Mr. EBERHARTER. I certainly am not satisfied that it is sufficient. The

contingent reserve may be sufficient for 6, 7, 8, or even 10 years, but it certainly is not sufficient for the future, when the cost will be high. As it was testified, the cost will ultimately be perhaps 15 or 20 times as much.

Mr. KEEFE. The gentleman did not get my question. My question is, Is the gentleman satisfied that the annuity payments provided under the social-security law today and the survivors' and benefit payments provided under the law are ample and sufficient, or is the gentleman of the opinion that the Congress will be called upon within a short time to raise the amount of these benefits?

Mr. EBERHARTER. It may be possible that we will be asked to, but we are basing our figures and our decision today on the benefits that are already promised under the present law and not taking into consideration the extension or broadening of the benefits.

There is no time better than the present to create an adequate reserve. I submit it would not be a hardship on either the employer, nor on the employee. Just remember that the employer is allowed to deduct as a business expense whatever amount he pays to the Government in pay-roll taxes to the Social Security Board. Furthermore, it is estimated that the value of this insurance to an employee is on the average from $3,000 to $10,000, and for some families, valued at $15,000. This is the time to strengthen the social-security system instead of weakening it, and I submit in conclusion, Mr. Chairman, that those who believe in a strong social-security system operated on a sound basis will vote against this bill.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I think that anyone who thinks about social security and the question of the reserve must recognize that we are worrying about a situation which may arise some 40 or 50 years from now, in 1990 or the year 2000. It is probable that it will approach that date before, on the basis of the present tax payment and the tax payment we all agree must be made by way of increases, following the examination into the matter by the Committee on Ways and Means, there will be occasion to worry about the reserve. We forget, however, that between this year and that distant year many Congresses will change this law, year after year, increasing the benefits and coverage, for as pointed out but a moment ago, it is undoubted that the payments being received by many today are far less than necessary to properly maintain one's livelihood. So, I think as we are in the war, and as we face the reconversion period in this country, we can, with entire safety, consider the facts as we find them today and determine on the situation today—whether we cannot with safety delay this increase next year. It is unquestioned but that there are ample funds in current collections at 1 percent to meet all liabilities which will arise during the coming 9 years. I am struck also by the fact that imposition of this additional tax in January will bear most heavily upon the people of our country whose wages are frozen at their present rate of income. Their income is frozen today by the laws and regulations of the Government which prohibit increases in their pay. I refer to the white collar worker, the man who is today, beyond all others, pinched between the rising cost of living and the limitation which has been placed upon his chances for any pay increases whatever. Though his employer wants to increase his pay, he dare not do so. It is the man who is today living at just about the margin between income and outgo who cannot afford to pay the additional 1 percent. The proposed increase to him is not a trivial one—it is a serious matter. I think that until the period of reconversion is over we should delay this increase on this tax.

Then I am thinking too, of the returning soldier, the man who upon his return to this country, will, I believe, solve the question of reemployment of his comrades of today. As we think of reemployment in the post-war years, of the returning soldier, we all too often forget that there are some millions who will become the employers of that day. The man who returns from the Army and becomes an employer by opening a small store or gasoline station, who hires one or two of his comrades, will in my opinion, take up a large part of those who would otherwise be unemployed. But when that returning soldier considers the question of whether he shall become an employer in that future day, he is all too apt to consider the tax burden which would be placed upon him as an employer as being too great, and he might take the course of least resistance and simply not provide the jobs for his comrades.

So I think that inasmuch as the reserve fund is today ample to take care of any possible contingency which may arise within the coming 10 years, without any increase in tax, we would be foolish, in this day, to impose a further burden upon the small businessman, the employer of today.

Five hundred thousand small businesses have closed their doors in recent years. They could not make ends meet or Government regulations forced them to shut down. Will they reopen after the war, or is their place to be taken permanently in our economic system by the large employer?

Only as we lessen the burden of fixed charges on the small businessman can we insure his success in the competitive business world, and only as he succeeds can there be reemployment of all returned soldiers.

Until there is proof of the need for increased social-security tax collections to meet the fund's obligations we only hinder and delay peacetime employment by the collection of unnecessary taxes.

We must not forget that this tax is an "income tax." It comes from the income of every covered worker, and is taken from him entirely without regard to his ability to pay. It violates this basic principle of income tax legislation. There are no exemptions, no deductions. The tax is taken out of your income, no matter how small your earnings or how great your family's needs are.

Certainly we cannot justify an increase in this tax at this time, when only one-fifth of this year's collections are required to pay this year's liabilities.

I think, Mr. Chairman, we will do far better to freeze the tax at the present rate of 1 percent on the employer and 1 percent on the employee, and to await the results of the investigation promised by the House Ways and Means Committee.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. CANFIELD. The New York Times editorializes on this subject today, and closes with this summation:

> The case against increasing the social-security tax at this time is a strong one.

Mr. SIMPSON of Pennsylvania. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield the remainder of my time to the gentleman from Oklahoma [Mr. DISNEY].

Mr. KNUTSON. Mr. Chairman, I yield the gentleman from Oklahoma the remainder of my time.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 21 minutes.

Mr. DISNEY. Mr. Chairman, I shall not use very much of this time. I doubt the wisdom or propriety of intruding on the House any more figures than have been adduced. However, there are some to which attention should be called.

At the outset, when we cast our votes on this subject we must remember that this bill poses simply a question of revision of the rates. It does not affect the benefits of any man or woman within the Social Security System.

It seems to me we have been doing some blind financing by fixing the rates without first determining the size of the fund required for the reserve, if there should be a reserve. It seems to me that the Ways and Means Committee in this ensuing study, to which I am sorry in one way I will not be a party, should first find out by the best information available to it, how large a fund is necessary to maintain this system, if it first decides that a big reserve is necessary. There is a difference of opinion on that subject. Some schools of thought hold to the idea that a reserve is not necessary. The general thought is that a reserve is necessary, but it seems to me it would be wise first to decide how much the fund should be, and then levy the tax rates to conform to raising that fund, instead of blindly applying the rates and letting the fund accumulate in skyrocketing proportions.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. DINGELL. Why did not the Committee on Ways and Means heed my modest warning time and again to go into the question of social security to determine what are the needs, instead of now attempting to slash, and investigate it after you create a freeze?

Mr. DISNEY. The gentleman has as much information on that subject as I have, being a member of the Ways and Means Committee also, so I doubt if an answer is necessary.

Mr. DINGELL. I wondered if he might know, being on the opposite side of the argument, why that occurred.

Mr. DISNEY. The sources of information are equal to us.

Mr. DINGELL. That does not answer the question.

Mr. DISNEY. Now, to deal with some of these figures for a little while. Dr. Harley Lutz, of Princeton, a well-known and respected authority, at the instance of the Tax Foundation estimates that in 1945 we will have 2,498,000 people in the System, with receipts of $2,306,000,000 per year and expenditures of $268,000,000. Then he calculates that in 1960 there will be 6,500,000 people in the System, with annual receipts of $3,600,000,000 and expenditures of only $1,716,000,000. If those figures are correct, and they come from a reliable source, is there any reason to raise these rates until a complete study is made? He calculates that in 1980 we shall have 11,900,000 people in the System with receipts of $4,077.000,000 per year and expenditures of $3,435,000,000 a year. And yet a responsible Member of this House today made the statement that the fund now has a deficit of four and one-half billions. Why, if everybody in the Social-Security System should die today, there would, of course, be a deficit. Likewise if every insured person in a private insurance company died the insurance company would be in a bad fix; but why creat that mare's-nest when we know nothing of that kind is going to happen? So those assertions are not argument, but speculation.

This statement is made in the Lutz report that struck me as very seriously material. Dr. Lutz says:

> If the terms of the present law relative to tax rates and benefits operate without change, workers and employers will pay in taxes $37,836,000,000 more by 1980 than the beneficiaries receive after meeting the administrative costs.

Do you want so enormous a fund? Now, I have quoted from an authority someone might designate is a private authority. Let me tell you what Mr. Altmeyer said on this subject. Here it is, from the hearings:

> Mr. DISNEY. Can you give us some idea what the demands on the fund will be during that period of time?
>
> Mr. ALTMEYER. Well——
>
> Mr. DISNEY. You do not mean $35,000,000,000 net; you mean the collections.
>
> Mr. ALTMEYER. I mean the reserve probably would be that much, that is $35,000,000,000.
>
> Mr. DISNEY. When?
>
> Mr. ALTMEYER. At the end of 20 years if the Congress never did cut this law as to rates of benefits.

So, if you leave it as it is, do not freeze this at 1 percent but let it rise to 2 percent in 1945, to 2½ percent in 1946, 1947, and 1948, then to 3 percent in 1949, and not raise the benefits, at the end of 20 years according to Dr. Altmeyer there would be a net of $35,000,000,000 in the fund. Dr. Lutz says it amounts to thirty-seven to thirty-nine billions. Do you want that large a fund? The advocates of a fund of that size have one definite objective in mind, the raising of the benefits. Do not deceive yourselves on that subject; that is the objective, the raising of the benefits. That is for future Congresses to determine. It may be right, it may be wrong; it may be practical or it may be impractical when the time comes. We could safely say today that if the Ways and Means Committee did not in good faith intend to pursue a study of this subject, we could go blindly ahead and let the rates become accelerated. But the history of that committee does not justify such assumption. The only landmark we have now is that Secretary Morgenthau said the fund ought to be three times an average 5-year-cost of benefits. That is the only landmark we have now, and it is time to take stock of how things stand at present and what to expect in the future. So the study by the committee is the answer.

Gentlemen who had apparently never read the Social Security Act have made the assertion that all the new war workers who had come into the system and paid in benefits, paid in taxes for say a year or a year and a half, that all down through eternity they and their posterity would be entitled to that money back with interest. Not so. To be permanently entitled to a share in the insurance under this system you have to work for 10 years; you must have a backlog of 40 quarters of covered employment. If you work 5 years in covered employment and then never return to the system, the taxes you paid into this fund are gone forever; you never get them back, nor do your survivors get them back.

Mr. KNUTSON. That is 65 years of age.

Mr. DISNEY. I have tried to be very careful about the statement I am now going to make. I shall read it. This I prepared after communication with the social-security organization and it seems to me this is definite and pertinent. There are millions of dollars in this fund that will remain there to the benefit of the other taxpayers coming from those who go back to the farm, back to housework, back to uncovered employment.

If the worker has been employed in covered employment for 40 quarters, he has a permanent insurance status. If the worker leaves covered employment for a period greater than he spent in covered employment he loses his insurance status unless he has worked for 40 quarters. Recurring to my statement, if he works for 5 years and drops out, all he put into the fund belongs to the fund and the other people in the fund. He is out and his heirs and survivors are, forever. However, if this worker returns to covered employment, and this is pretty well safeguarded, he regains his insurance status provided he works for a period equal to half the number of quarters previously spent in covered employment. In other words, the question whether an individual at any given time has an insurance status is a question of whether the time spent in covered employment equals or exceeds the time spent in uncovered employment.

If he works 40 quarters in a covered employment he has an insurance status for full benefits; however, if his employment is intermittent, even though he keeps his insurance status, his benefits are measurable by his actual covered employment. His average monthly earnings are the basis upon which his insurance benefits are computed and he has got to work at least half the time. He cannot come in once a year and work a quarter and still stay in the system. He has to devote at least half his time to covered employment. After the worker has acquired 40 quarters of covered employment, he has a permanent insured basis to the extent that he need not work further in covered employment, but still his benefits would accrue to him. If he reaches 65 years of age and desires to work in some other covered employment, he can work at that other employment provided it does not exceed his benefits. If his job pays him less than the benefits he is entitled to keep his job; also to draw the benefits. If he has a job that pays more than the benefits he is not entitled to have the benefits accrue to him.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Arkansas.

Mr. FULBRIGHT. Say that a man works 5 years, then dies; what happens to the money he pays in; does that accrue to him then?

Mr. DISNEY. To his heirs.

Mr. VOORHIS of California. Not if he dies at the end of the 5 years while he is still working on covered employment.

Mr. DISNEY. That is right.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If a man is receiving this retirement annuity and earns over $14.99 in any 1 month, he loses his annuity status?

Mr. DISNEY. Stated in general terms, yes; that is correct.

Mr. VOORHIS of California. He loses it for that period, but he does not lose it permanently.

Mr. DISNEY. No. That is right.

Mr. JENKINS. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Ohio.

Mr. JENKINS. We are talking about these benefits. Is this not the fact: Under the present law in order for a man to get the full maximum of $85 a month, which is the maximum sum, he must commence when he is 21 years of age, he must earn at least $3,000 a year, he must work from when he is 20 years old

until he is 65 years old in order for him to get the full maximum of $85 a month?

Mr. DISNEY. Yes. That maximum is $85 a month whether you make this 1, 2, or 5 percent today, until you change the benefits. It remains in that situation until the law is changed. This does not affect the benefits.

Mr. KNUTSON. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. As a matter of fact, whether we freeze it or permit it to advance will not make 1 dollar's worth of difference to those who are receiving benefits now?

Mr. DISNEY. No. So we have time to have this study made, and I have confidence in the integrity of the Committee on Ways and Means that it will make a thorough study of the subject, because this is the first time in recent years, since 1939, that it has been put squarely before the Committee on Ways and Means. The proviso attached to the tax bill last year made this practically mandatory upon the Committee on Ways and Means to look toward a revision of the Social Security Act.

One further suggestion, and then I close. As I understand, both party platforms in the very earnest and feverish quest for votes this year require that the Congress, as Representatives of the people, shall place farm help and domestic help in the covered status, and that probably socialized medicine will be included. In every law there is an arbitrary place where you have to stop. Many men at 17 years of age are as capable of voting as men at 45, but 21 has been the arbitrary status for suffrage, and so in many, many other laws arbitrary standards are set. In this we stopped at the origin of the Social Security System, at the threshold of farm help and domestic help. Think well before you fly into the patience of the agrarian element of this Nation by reaching into the pocketbook of the farmer and requiring him to support farm help in later years. Consider seriously the implications of an extension to domestic help. Go slow on socialized medicine. At some place you have to stop.

I see no good in a nation, in a nation already distraught with domestic difficulties, by choking tedious and burdensome things down upon the throats of the American people. The benefits do not justify it, and the trouble, and the difficulty, and the annoyance of providing Social Security to farm help and domestic servants are a Pandora's box of problems, not in the long run, conducive to the personal or political contentment of the people.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That (a) clauses (1), (2), (3), and (4) of section 1400 of the Federal Insurance Contributions Act (section 1400 of the Internal Revenu Code, relating to the rate of tax on employees) are amended to read as follows:

"(1) With respect to wages received during the calendar years 1939, 1940, 1941, 1942, 1943, 1944, and 1945, the rate shall be 1 percent.

"(2) With respect to wages received during the calendar years 1946, 1947, and 1948, the rate shall be 2½ percent.

"(3) With respect to wages received after December 31, 1948, the rate shall be 3 percent."

(b) Clauses (1), (2), (3), and (4) of section 1410 of the Federal Insurance Contributions Act (section 1410 of the Internal Revenue Code, relating to the rate of tax on employers) are amended to read as follows:

"(1) With respect to wages paid during the calendar years 1939, 1940, 1941, 1942, 1943, 1944, and 1945, the rate shall be 1 percent.

"(2) With respect to wages paid during the calendar years 1946, 1947, and 1948, the rate shall be 2½ percent.

"(3) With respect to wages paid after December 31, 1948, the rate shall be 3 percent."

Mr. VOORHIS of California. Mr. Chairman, I offer and amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California:

On page 1, line 8, after "1943", insert "and."

In line 9, strike out "and 1945."

After line 9 insert "With respect to wages received during the calendar year 1945, the rate shall be 2 percent."

On page 2, line 10, after "1943", insert "and."

In lines 10 and 11, strike out "and 1945."

After line 11, insert "With respect to wages paid during the calendar year 1945, the rate shall be 2 percent."

Mr. VOORHIS of California. Mr. Chairman, the effect of this amendment would virtually be the same as defeating the bill. What my amendment does is provide for a 2-percent rate of tax during the year 1945; in other words, my amendment simply would not let the freeze go into effect. My reason for offering the amendment is partially because it is the only way I know of to say some of the things I have been wanting very much to say here this afternoon.

I readily recognize the problem the Committee on Ways and Means has been up against, and I certainly do not begrudge any of the members of that committee the time they consumed, but I feel that this is a very crucial question.

In some of the debate I have listened to this afternoon it seems to me that what members of the Committee on Ways and Means have been doing has been criticizing the Social Security Act itself. I agree with some of those criticisms. I believe very earnestly, as the committee minority report points out with great vigor in the closing paragraph, that a study of the whole Social Security System should be made with a view to its improvement.

I do not personally believe that a person who works in covered employment for a short period of time should lose all the benefits that have been built up during that period of time, nor is it my understanding that under those circumstances a lump-sum payment is not made to that person or to his survivors. I may be mistaken about that, but it is my understanding that a lump-sum payment amounting to the amount paid in in taxes is paid to a person under those circumstances. Certainly that should be the case, and if it is not, the law should be amended.

Mr. CARLSON of Kansas. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. If the gentleman will check, he will find that that provision was in the 1935 act, but we changed it in the 1939 act. However, I do not believe the people of our country know what happened.

Mr. VOORHIS of California. I think it was wrong. I think they should be entitled to at least the amount of refund of taxes paid in. I hope that will be corrected.

In any case, those questions are not before us today. There is only one question before us today, and that is whether or not Congress is going to do the easy thing and freeze these taxes at 1 percent or whether it is going to do the courageous thing and let that tax increase to 2 percent at the most logical time in all the history of America to let the tax increase. The question I ask in the first instance in my speech today is, if this is not the time to permit that tax to increase, when will be the time? Will it be sometime later on when there is much less prosperity and less employment in the country than there is today? I do not think so. If there is ever a time to lay aside resources against a rainy day, it is when income is high, and that time is now.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Oklahoma.

Mr. DISNEY. Why not raise it to 5 percent, then?

Mr. VOORHIS of California. It might be a little bit severe to do that all of a sudden.

Mr. DISNEY. Then how about 3 percent?

Mr. VOORHIS of California. I am asking for 2 percent, and I am going to stand on that amount. We have set up here a contributory system of insurance. You can argue the question as to whether you want a contributory system or whether you want a general pension system. I think there are arguments on both sides. But if we want a contributory system, we ought to stand by our guns and make provision for the accumulation of a reserve when we know that the obligations of the system are going to require it in the future.

The question before us today is whether we are going to let those taxes increase now and pay now the taxes to accumulate that reserve, or shift the burden into the future and require those taxes to be paid in the future when it may be far more difficult than now.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the chairman, of course.

Mr. DOUGHTON of North Carolina. What would be the difference between voting for the gentleman's amendment and voting against the bill?

Mr. VOORHIS of California. Not a bit, I will say to the gentleman.

Mr. DOUGHTON of North Carolina. The gentleman just wanted to make a speech against the bill?

Mr. VOORHIS of California. That is all. Yes, sir; but I did not know any other way to do it. As the gentleman knows, there was hardly enough time for members of the committee.

I believe this system ought to be extended. I do not agree with the gentleman from Oklahoma. As I understand it, both political parties before the election pledged to the people of America that they were going to try to give social-security protection to the people not now covered. I think that ought to be done. I think exactly the same thing now as I did before the election.

Now then, the question is always raised as to what happens to this money? I ask this question: If John Jones buys a Government bond or buys a War bond today, are the gentlemen going to insist that a certain amount of cash be tagged with John Jones' name and deposited down here at the Treasury to wait until the time comes when John Jones' bond has to be redeemed? No; you are not. You are going to pledge the credit of the United States and make good on that bond when it becomes due. And the credit of the United States is going to be good then. It is exactly the same proposition with reference to the social-security obligations; exactly the same.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VOORHIS of California. Mr. Chairman, I ask unanimous consent to proceed for 4 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California.

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, I am very much obliged to the Committee for this additional time. The credit of the United States is behind the obligations that are accumulating under Social Security and the bonds that are deposited to the credit of the old-age insurance trust fund are just as good as any bond this country issues. And that means they are good and are going to be paid. Now, it is argued that it makes no difference whether we have a reserve or not. Let us assume, if this bill is defeated, or if my amendment is adopted, that you would accumulate $4,000,000,000 of additional reserve. I do not know whether or not that figure is right. Just assume that it would be $4,000,000,000 in reserve, which you would not otherwise have. What would be the effect of that? It would mean when we paid interest on that $4,000,000,000 we would not only be paying interest on that portion of the debt but we would be, at the same time, supplying money to pay the old-age pension obligation we have under the act. Now, if we do not increase the reserve, what situation would we have? That would mean that we would have to borrow more money now from banks, insurance companies or any other place we could get it and then we will have to pay interest on that portion of the debt, and will also have to raise money by taxing the American people to get the money to discharge the obligations under the Social Security Act. If we do not accumulate the reserve we have to raise just exactly twice as much money in the future, to make good on all of the obligations as we would if we do accumulate the reserve right now. I do not know how many Members of the House are familiar with the distribution of the holding of the national debt at the present time, but I will give it to you very briefly. It is as follows:

Seventy-eight billion dollars of the national debt—only $78,000,000,000, is held by individuals or to nonfinancial corporations.

Sixty-two billion dollars of it belong to commercial banks.

Twenty-one billion dollars to Government agencies.

Twelve billion dollars to Federal Reserve banks.

Seventeen billion dollars to insurance companies.

Ten billion dollars to mutual savings banks.

In other words, only $78,000,000,000 out of $200,000,000,000 of that debt belongs to individuals or to nonfinancial corporations. If this bill is defeated and the social-security tax is allowed to be increased, what we will be doing will be simply shifting a portion of this national debt so that we would actually owe it to the people of this country, who will have retired from active employment in the future under the Social Security Act. Let us spread the holding of this tremendous debt to as many people as we can instead of concentrating the indebtedness in the hands of a few holders of the national debt in a way that is not a sound policy. And that is our choice here today. The question is whether we are going to raise the money now or whether we are going to increase the taxes later, so that we will have to levy a heavier tax than the benefits justify, or whether you are going to repudiate the obligation of the Government under the Social Security Act. I am sure you are not going to do the latter of the three possible courses that I have mentioned. Therefore, if this bill passes today, what it amounts to is that you are shifting a portion of that burden to make good the obligations which this Nation and the Congress have assumed under the Social Security Act, to some time in the future when it may be very much more difficult to raise money than it is today.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, in view of the fact that the effect of my amendment would be exactly the same as the defeat of the bill, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KEEFE. Mr. Chairman, the Social Security Act first became law on August 14, 1935. Substantial amendments were made by the act of August 10, 1939. The law in its entirety is known as chapter 7 of title 42 of the United States Code. The law consists of 11 titles or subchapters. It is well to understand this in view of the proposal now before the House in order that our thinking in relation to the current proposal may be accurate.

It will be observed that the Social Security Act makes provision for two separate and distinct sorts of benefits for the aged. Title I of the Social Security Act sets up a program of old-age assistance to provide for those already past 65 at the time of the effective date of the act and for those who could not establish a reserve account under title II that would permit the payment of a subsistence annuity. Under title I, the organization and management of the plan is left directly to the States, and the Federal contribution consists of grants of funds to match State funds up to $20 per month. The Federal contribution to these matching funds is secured from direct appropriations out of the Treasury of the United States. It should be borne in mind clearly that the aged people of this country who are receiving old-age assistance from the States under title I are in no way concerned with the proposal now pending before the Congress. Whether the pending legislation is passed or not, the assistance rendered to this class of our aged citizens will remain the same. No increase in the amount of monthly assistance given to them will accrue.

Under title II of the Social Security Act, provision is made for Federal old-age and survivors' insurance benefits. This system is managed entirely by the Federal Government. The schedule of benefits and annuities is specifically provided for in the law. The program contemplated that those workers covered by the act and their employers would be taxed to provide the funds out of which benefits would be paid upon retirement at age 65.

Title 8 contains the provisions with respect to these taxes upon employers and employees. It is interesting to note that section 1001 of title 42 is entitled "Income Tax on Employees." This law provides—

> In addition to other taxes there shall be levied, collected, and paid upon the income of every individual a tax equal to the following percentages of wages (as defined in section 1011 of this title) received by him after December 31, 1936, with respect to employment (as defined in section 1011 of this title) after such date.

The law further provides that with respect to employment during the calendar years 1937, 1938, and 1939 the rate shall be 1 percent. With respect to employment during the calendar years 1940, 1941, and 1942, the rate shall be 1½ percent. With respect to employment during the calendar years 1943, 1944, and 1945, the rate shall be 2 percent. With respect to employment during the calendar years 1946, 1947, and 1948, the rate shall be 2½ percent. With respect to employment after December 31, 1948, the rate shall be 3 percent.

Section 1004 of title 42 provides for the tax on employers and is entitled "Excise Tax on Employers." The progressive rate of tax provided in this section is the same. It will be noted that by previous acts of the Congress the rate of tax on employer and employee was frozen at 1 percent. It is clear, therefore, that unless the Congress passes the pending legislation and the President permits it to become law, the rate of tax on employers and employees will rise to 2 percent on January 1, 1945. It is proposed to freeze the rate for another year at the existing rate of 1 percent.

It should be observed that the term "wages" against which the tax is imposed means the remuneration for employment including the cash value of remuneration paid in any medium other than cash up to the sum of $3,000, received by an individual in any calendar year. Section 1011 of title 42 provides further for the exception of certain employees from the provisions of the act. These are: First, agricultural labor; second, domestic service in a private home; third, casual labor not in the course of the employer's trade or business; fourth, service performed as an officer or member of a crew of a vessel documented under the law of the United States or of any foreign country; fifth, service performed in the employ of the United States Government or of an instrumentality of the United States; sixth, service performed in the employ of a State, a political subdivision thereof or an instrumentality of one or more States or political subdivisions; seventh, service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruely to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Thus it will be seen that the original concept of title 2 of the Social Security Act was to provide for an old-age retirement system which would provide a decent annuity for the covered workers and for which the workers themselves would in part pay. The program contemplated organization as an insurance system to be operated by the Government. In the years that have intervened since the organization of this program, consistant demands have been made for the extension of the system so as to include all or part of the workers not now covered. On this phase of the program, I am in hopes that the next Congress will adopt amendments that will extend the coverage of the act so as to include many of the groups that are now excluded.

The second contention that has arisen involves the reserve program. There is a definite school of thought in this country that effectively contends that the so-called old-age and survivors' insurance reserve is a myth and a delusion as presently operated. This school of thought insists that the program be maintained and extended largely on a pay-as-you-go basis, with each generation being called upon to pay for the support of the people then living who have reached retirement age. Those who embrace this school of thought contend that taxes should only be levied at rates sufficient to bring into the Treasury each year the amount necessary to meet the current demands for payment, plus an additional amount to be set up in reserve to take care of unforeseen contingencies that might arise.

The other school of thought embraces the idea that pay-roll taxes paid into the Treasury of the United States can be spent for general Government activities, and that a reserve fund can be created consisting of Government obligations amounting to 100 percent of the tax collected and that the interest on such Government obligations will take care of the entire cost of the system. They contend that as the Government was setting up an insurance plan, it should follow the practice of private insurance companies and create a giant reserve fund to insure the financial soundness of the plan. This theory sounds completely plausible. They point out that the plan began in 1936, with employer and employee each paying 1 percent on pay rolls. No pensions were to be paid until 1942. Between 1936 and 1942, how did the plan work out in actual practice? The taxes were paid into the Treasury, and, aside from certain refunds and expenses of administration which were deducted, the Government used the money for general Government activities and reimbursed the trustees of the fund with Government obligations. Thus, the trust fund began to grow rapidly, and each year there has accumulated in the trust fund large blocks of Government bonds until the trust account has reached some $5,600,000,000. It will continue to grow year after year, until by 1980 it is estimated that there will be approximately $55,000,000,000 in this fund, represented by Government bonds bearing the average rate of bond interest. The Government, of course, will have to raise the money through taxation to pay the interest on these bonds, but will continue to borrow the liquid funds in the trust, whether acquired through payment of taxes or payment of interest, and substitute Government obligations therefor. Under this method of financing, the citizen has been taxed to create the reserve and must be taxed again to pay the interest.

This conclusion seems inevitable. If the interest on the trust fund is not sufficient to pay the maturing claims as years go on, even at the high rates of tax originally provided in the act, a direct subsidy to the program out of the Treasury will be necessary, requiring additional taxation. Bonds held by the trust may be liquidated, which again will require the Treasury to impose taxes in order to receive the funds with which to liquidate its obligations. It seems clear, therefore, that the Government cannot pay adequate pensions if it continues to borrow the old-age taxes and spends them to support current Government activities. The whole program is a clearly disguised income-tax levy upon the lowest income groups. As a matter of fact, the law itself, in section 1001 of title 2 of the United States Code, clearly states that the tax levied upon employees is an income tax, whereas the tax levied upon employers is designated as an excise tax.

I have frequently wondered how this giant reserve program came into being and recently read an article appearing in Harpers Magazine in the issue of February 1939, in which the economist, John T. Flynn, gives the history of the enactment of this legislation. Because of its historic significance and bearing upon the question now confronting the House, I desire to quote from that article:

In the winter of 1934–35 a group of technical agents of the Cabinet Committee on Economic Security were bringing their labors to an end. The idea of a reserve had arisen somewhere but every actuarial and financial expert consulted opposed it vehemently. Messrs. O. C. Richter and W. R. Williamson were the actuarial consultants of this group. (Mr. Williamson is now actuary of the Social Security Board.) They opposed it as "quite beyond the realm of practical possibilities" and an "unsound departure from the principles that should govern social insurance." They are authority for the statement that "Representative of the Treasury and Federal Reserve System who acted as financial advisers to the committee were of the opinion that an old-age-pension plan which did not require a reserve would be preferable."

Four eminent actuarial consultants of the Cabinet committee were called. They were Mr. M. A. Linton, president of the Provident Mutual Life Insurance Co.; Prof. A. L. Mowbray, of the University of California; Prof. Henry L. Reitz, of the University of Iowa; and Prof. James W. Glover, of the University of Michigan. Mr. Linton writes me: "The actuarial consultants were unanimously opposed to a large reserve and expressed themselves clearly on the point." Says Dr. Reitz: "It is my recollection that the committee was unanimously against holding reserves on this basis. The members of our committee argued as strongly as they could against this feature of the plan in certain committee meetings of the larger group including representatives of the Treasury."

Finally the Cabinet committee adopted the advice of these consultants and in their report to the President expressly declared that "The plan we advocate amounts to having each generation pay for the support of the people then living who are old." It warned against large reserves and announced that "to keep the reserves within manageable limits we suggest that the combined rate of employers and employees be 1 percent for the first 5 years (against 2 percent for the first 5 years adopted in the act); 2 percent for the second 5 years; 3 percent the third 5 years; 4 percent the fourth 5 years, and 5 percent thereafter."

And upon this report, signed by four members of the Cabinet and Harry Hopkins, the Wagner-Lewis bill was framed.

But at this point a strange thing happened. The President, seeing the report of the committee, expressed apprehension at the fact that in 30 or 40 years general taxes would be required to supplement the old-age pay-roll taxes. He gave the matter a swift, glancing blow of his mind and decided that future generations ought not to be burdened. About this time, and perhaps hearing of this, an official of the Treasury Department called upon the President and spun him a whimsical yarn of fairy finance. He pictured how a great reserve might be created; how with this, which would belong to the poor, all the national bonds would be bought; how the interest being paid the rich would now be paid to the poor; how the grave problem of tax-exempt bonds would thus be solved, since the debt would be practically extinguished as a possession of the rich; how the old-age

system would thus become self-supporting and future generations would be emancipated from the drudgery of providing for their aged; and how, most delightful to contemplate, these immense old-age tax collections and the mounting reserves would become an almost inexhaustible reservoir of funds to meet Government deficits. Here was a miraculous contrivance of heavenly finance. It was a wondrous vision which could survive only upon one condition, a condition easily complied with, that it be not looked at too closely.

About this time the House committee was holding hearings on the bill as introduced by Messrs. WAGNER and LEWIS. The heat was on, and the administration managers were jamming it through the committees at the full speed then so easily managed. Except for administration spokesmen, witnesses were allowed only 5 minutes each. Only a few days remained, when one morning Secretary Morgenthau, who had signed the report against large reserves, walked into the committee chamber with a message. The Treasury, he declared, wanted the huge reserve, the $47,000,000,000 device, put into the bill and the rates raised to make that possible. And so, with little or no thought about the matter, under the pressure of the Presidential "must," this grotesque fraud was railroaded through the committee. It got little notice. Later the bill was jammed through Congress. Some Members warned against it. The American Association for Social Security, which for years had fought the battle for social security, issued a solemn protest. But Mr. Vinson told the House the President wanted it. And it became a law. It remains in the law despite the fact that it has, so far as I have been able to find, the support of no first- or second-class economist, actuary, or finance expert either here or abroad and despite the fact that old-age insurance systems have existed for many years, even decades, abroad without anything more than small convenience reserves.

It must be remembered that this statement was made in 1939, before the Nation was confronted with the tremendous deficit financing incident to the war. I wonder, in view of present conditions, whether the President could have been sold on the idea of the giant reserve plan when faced with the prospect of a national debt of $300,000,000,000. It seems clear to me that when the workmen of this country realize that they are to be asked to contribute a 100-percent increase in pay-roll taxes with no resultant increase in the annuities to which they and their families will be entitled under present provisions of law, they will begin to ask some questions about this program. I am a firm believer in social security and have long advocated the extension of coverage, not only under title 2 but also under title 3, providing for grants to the States for unemployment compensation. There is little doubt in my mind but that as the years go on, demands will be made, very properly, for increases in the annuity and benefit provisions under title 2 and for compensation increases under title 3. It seems to me that in view of this almost overwhelming demand for revision of the Social Security Act, that we should at the same time reexamine the whole philosophy involved in the reserve trust funds and that the present rate of tax, which will provide ample funds for years to come, should be maintained until opportunity is had to reexamine and explore the possibilities for revision of the entire act. Those who will be forced to retire at age 65 in the next 15 years will be shocked to learn of the pitiful annuities on which they will be required to subsist. It seems to me that common honesty requires that this whole program, and especially titles 1, 2, and 3, be reexamined and reappraised now in the light of our experience under the system since 1936. We should reexamine the question involved in the accumulation of huge reserves of Government bonds in view of the present fiscal situation of the Nation. If we must raise taxes to take care of the aged and to pay suitable and proper annuities and unemployment compensation, we should do it directly through a system of income taxes instead of requiring the lowest income paid groups of the country to have levied upon them an income tax under the guise of social security all out of proportion in many instances to their ability to pay.

I trust that further piecemeal attempts to deal with the problem will be postponed and that the Ways and Means Committee will go into this whole subject matter again and bring before the Congress a completed and rounded piece of legislation that will attempt the solution of the complexities and problems that have arisen as a result of our experience with this law since 1936.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5564, pursuant to House Resolution 667, had reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 262, nays 73, not voting 94, as follows:

[Roll No. 120]

YEAS—262

Abernethy	Bolton	Colmer
Allen, Ill.	Bonner	Cox
Allen, La.	Boren	Cravens
Andersen, H. Carl	Boykin	Crawford
Anderson, Calif.	Bradley, Mich.	Cunningham
Andresen, August H.	Brehm	Curley
Andrews, Ala.	Brown, Ga.	Curtis
Andrews, N. Y.	Bryson	D'Alesandro
Angell	Buck	Day
Arends	Buckley	Dewey
Arnold	Buffett	Dilweg
Auchincloss	Butler	Disney
Baldwin, Md.	Canfield	Dondero
Barden	Carlson, Kans.	Doughton, N. C.
Barrett	Carrier	Drewry
Bates, Mass.	Carson, Ohio	Durham
Beall	Carter	Dworshak
Beckworth	Case	Eaton
Bender	Celler	Elliott
Bennett, Mich.	Chapman	Ellis
Bennett, Mo.	Chiperfield	Ellsworth
Bishop	Church	Elmer
Blackney	Clason	Engle, Calif.
Bland	Clevenger	Fellows
	Cole, Mo.	Fernandez
	Cole, N. Y.	Fish
Fisher	Kinzer	Reed, Ill.
Folger	Kleberg	Reed, N. Y.
Fulbright	Knutson	Rees, Kans.
Fuller	Kunkel	Richards
Fulmer	Landis	Rivers
Gamble	Lanham	Robertson
Gathings	Larcade	Robsion, Ky.
Gavin	Lea	Rockwell
Gerlach	LeCompte	Rodgers, Pa.
Gibson	LeFevre	Rogers, Mass.
Gifford	Lewis	Rohrbough
Gilchrist	Ludlow	Rolph
Gillespie	McConnell	Rowe
Gillette	McCord	Russell
Gillie	McCowen	Satterfield
Goodwin	McGehee	Schiffler
Gossett	McKenzie	Schwabe
Graham	McMillan, S. C.	Scrivner
Grant, Ala.	McMillen, Ill.	Short
Grant, Ind.	McWilliams	Simpson, Ill.
Gregory	Maas	Simpson, Pa.
Gwynne	Mahon	Slaughter
Hagen	Manasco	Smith, Ohio
Hale	Mansfield, Tex.	Smith, Va.
Hall, Edwin Arthur	Martin, Iowa	Smith, Wis.
Hall, Leonard W.	Martin, Mass.	Springer
Halleck	Mason	Starnes, Ala.
Hancock	May	Stearns, N. H.
Hare	Merrow	Stewart
Harris	Michener	Stigler
Hays	Miller, Conn.	Sullivan
Hébert	Miller, Mo.	Sumner, Ill.
Heidinger	Miller, Nebr.	Sumners, Tex.
Hess	Miller, Pa.	Sundstrom
Hill	Mills	Taber
Hobbs	Monkiewicz	Talbot
Hoeven	Mott	Talle
Hoffman	Mundt	Taylor
Holmes, Mass.	Murray, Tenn.	Thomason
Holmes, Wash.	Murray, Wis.	Tibbott
Hope	Newsome	Towe
Horan	Norman	Troutman
Howell	Norrell	Vincent, Ky.
Jarman	O'Brien, N. Y.	Vinson, Ga.
Jenkins	O'Hara	Vorys, Ohio
Jensen	O'Konski	Vursell
Johnson, Anton J.	O'Neal	Walter
Johnson, Calvin D.	Pace	Weaver
Johnson, Ind.	Patton	Weichel, Ohio
Johnson, J. Leroy	Peterson, Fla.	West
Johnson, Luther A.	Peterson, Ga.	White
Johnson, Okla.	Philbin	Whitten
Jones	Phillips	Whittington
Jonkman	Pittenger	Wigglesworth
Judd	Ploeser	Willey
Kean	Plumley	Wilson
Kearney	Poulson	Winter
Keefe	Powers	Wolcott
Kerr	Pratt, Joseph M.	Wolfenden, Pa.
	Price	Woodruff, Mich.
	Ramey	Woodrum, Va.
	Randolph	Worley
	Rankin	Zimmerman
	Reece, Tenn.	

NAYS—73

Anderson, N. Mex.	Granger	Murphy
Bates, Ky.	Harless, Ariz.	Myers
Bloom	Hart	Norton
Bradley, Pa.	Hoch	O'Brien, Ill.
Burchill, N. Y.	Hull	O'Brien, Mich.
Burdick	Izac	O'Connor
Camp	Johnson, Lyndon B.	Poage
Cannon, Mo.	Kee	Priest
Capozzoli	Kefauver	Rabaut
Cochran	Kelley	Ramspeck
Coffee	King	Robinson, Utah
Cooper	Kirwan	Rowan
Crosser	Klein	Sabath
Dawson	Lane	Sadowski
Dingell	Lemke	Sauthoff
Eberharter	Lesinski	Smith, Maine
Engel, Mich.	Lynch	Snyder
Feighan	McCormack	Spence
Flannagan	Madden	Tarver
Fogarty	Marcantonio	Thomas, Tex.
Forand	Monroney	Voorhis, Calif.
Gale	Morrison, La.	Weiss
Gordon	Morrison, N. C.	Welch
Gorski	Murdock	Wickersham
		Wright

NOT VOTING—94

Baldwin, N. Y.	Byrne	Delaney
Barry	Cannon, Fla.	Dickstein
Bell	Chenoweth	Dies
Brooks	Clark	Dirksen
Brown, Ohio	Compton	Domengeaux
Brumbaugh	Cooley	Douglas
Bulwinkle	Costello	Ellison, Md.
Burch, Va.	Courtney	Elston, Ohio
Burgin	Daughton, Va.	Fay
Busbey	Davis	Fenton

Fitzpatrick	LaFollette	Scott
Ford	Lambertson	Shafer
Furlong	Luce	Sheppard
Gallagher	McGregor	Sheridan
Gearhart	McLean	Smith, W. Va.
Griffiths	McMurray	Somers, N. Y.
Gross	Magnuson	Sparkman
Harness, Ind.	Maloney	Stanley
Hartley	Mansfield, Mont.	Stefan
Heffernan	Merritt	Stevenson
Hendricks	Mruk	Stockman
Herter	O'Toole	Thomas, N. J.
Hinshaw	Outland	Tolan
Holifield	Patman	Torrens
Jackson	Pfeifer	Treadway
Jeffrey	Pracht, C. Frederick	Wadsworth
Jennings	Rizley	Ward
Johnson, Ward	Rooney	Wasielewski
Kennedy	Sasscer	Wene
Keogh	Scanlon	Whelchel, Ga.
Kilburn		Winstead
Kilday		Wolverton, N. J.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Elston of Ohio for, with Mr. Outland against.

Mr. Douglas for, with Mr. Baldwin of New York against.

Mr. Gallagher for, with Mr. Wasielewski against.

Mr. Smith of West Virginia for, with Mr. Fitzpatrick against.

Mr. Brown of Ohio for, with Mr. Barry against.

Mr. Daughton of Virginia for, with Mr. Fay against.

Mr. Herter for, with Mr. McMurray against.

Mr. Sasscer for, with Mr. Somers of New York against.

Mr. Jeffrey for, with Mr. Torrens against.

Mr. Fenton for, with Mr. Rooney against.

Mr. McGregor for, with Mr. Delaney against.

Mr. Gross for, with Mr. Scanlon against.

Mr. Rizley for, with Mr. Dickstein against.

Mr. Griffiths for, with Mr. Byrne against.

Mr. Stefan for, with Mr. Keogh against.

Mr. Kilburn for, with Mr. Heffernan against.

Mr. Shafer for, with Mr. Merritt against.

Mr. Jennings for, with Mr. O'Toole against.

Mr. C. Frederick Pracht for, with Mr. Pfeifer against.

General pairs:

Mr. Bell with Mr. Dirksen.

Mr. Clark with Mr. Ellison of Maryland.

Mr. Winstead with Mr. Harness of Indiana.

Mr. Burch of Virginia with Mrs. Luce.

Mr. Sheppard with Mr. Wadsworth.

Mr. Kennedy with Mr. Hartley.

Mr. Bulwinkle with Mr. Wolverton of New Jersey.

Mr. Kilday with Mr. Thomas of New Jersey.

Mr. Sparkman with Mr. Chenoweth.

Mr. Cooley with Mr. Stockman.

Mr. Davis with Mr. Busbey.

Mr. Courtney with Miss Stanley.

Mr. Brooks with Mr. Compton.

Mr. Cannon of Florida with Mr. Stevenson.

Mr. Hendricks with Mr. LaFollette.

Mr. Domengeaux with Mr. Scott.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend as part of my remarks, two letters from the A. F. of L., and one from the C. I. O., and one 4-page pamphlet.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PURCHASE OF LOGS—FIVE CIVILIZED TRIBES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (H. R. 2185) to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products, with Senate amendment thereon, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Chair appointed the following conferees: Mr. O'CONNOR, Mr. FERNANDEZ, Mr. MURDOCK, Mr. MUNDT, and Mr. GILCHRIST.

WATER-BORNE EXPORT AND IMPORT FOREIGN COMMERCE

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the proceedings in the Committee on the Merchant Marine and Fisheries by which the bill, H. R. 5387, was ordered to be reported to the House be vacated, for the purpose of considering proposed amendments.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the request of the gentleman?

Mr. BLAND. It is a bill amending section 101 (a) of the Merchant Marine Act of 1936. The purpose is to vacate certain proceedings of the committee, which ordered the bill reported.

The SPEAKER. As the Chair understands, the committee ordered the bill reported, but it has not yet been reported, and the gentleman from Virginia desires it to go back to the committee for further consideration by the commitee. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. COFFEE. Mr. Speaker, I ask unanimous consent at the conclusion of the legislative business today and any other special orders I be permitted to address the House for 12 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXTENSION OF REMARKS

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances; one to include a short address by Gilbert Montague, and another by Edward J. Meeman, of the Memphis (Tenn.) Press-Scimitar.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the calendar on Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONSENT CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order on Monday of next week, December 11, to continue the call of the Consent Calendar, starting with the bill following the last bill that was considered on Monday last.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent that I may insert three brief newspaper articles in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks on the bill, H. R. 1744, which we had under consideration this morning, and that they may appear at that point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two short forms.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the gentleman from Washington [Mr. COFFEE].

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leaves of absence were granted as follows:

To Mr. HARTLEY of New Jersey (at the request of Mr. EATON), for 3 days, on account of official business.

To Mr. KILDAY, for 3 days, on account of important official Government business.

To Mr. VINSON of Georgia, indefinitely.

To Messrs. HEFFERNAN, PRICE, ROWAN, WOLFENDEN of Pennsylvania, BLACKNEY, WARD JOHNSON, GRANT, MCWILLIAMS, PLOESER, and Mrs. SMITH of Maine, on account of official business.

The SPEAKER. Under the previous order of the House, the gentleman from Washington [Mr. COFFEE] is recognized for 12 minutes.

A COMMENT ON THE CURRENT CRISIS IN GREECE

Mr. COFFEE. Mr. Speaker, Greece, after 4 years of dictatorship under Metaxas, and another 4 years of suffering, misery, exploitation, and murder under Nazi tyrants, deserves better of us than to have to continue shedding its blood for the democracy they so richly

deserve and which they want so much. They want it so urgently that they continue to fight for it now, despite the years of starvation and malnutrition which have weakened the nation so that it is almost a miracle that they are physically able, let alone willing, to fight for an ideal.

Now Churchill threatens that the Allies will not give Greece relief supplies "if tommy guns provided for use against the Germans are now used in an attempt to impose by violence a Communist dictatorship without the people being able to express their wishes."

Every word of this statement can be disproved. It is sincerely hoped that Winston Churchill, although he has had ample opportunity to learn the facts from members of Parliament, who sought to correct him many times, is misinformed, instead of something worse.

Churchill speaks of guns being supplied to kill Germans, instead of being used to impose by violence a Communist dictatorship. The first guns used in the current struggle were, according to reports from two American eyewitnesses—M. W. Fodor, Chicago Sun correspondent, and the United Press Athens correspondent—used by Greek police against unarmed men, women, and children, who were attempting to demonstrate peacefully against the Greek Government's unfair edicts.

Unfortunately, some of the guns used by the Greek police may not even have been Allied because these same police who fired on Greek people Sunday kept order for the Germans in Nazi-occupied Athens. They were the ones used to keep down the Greeks who dared disagree with the Quisling ruler, Rallis, or his Fascist overlords. The guns which Churchill pledges the British to support may, in fact, be German lugers.

As to the attempt to establish a Communist dictatorship by force, authoritative reports state that no more than 10 percent of the E. A. M., national liberation movement and its military adjunct, the E. L. A. S., is Communist. The E. A. M. is strongly democratic; members of the Popular—Democrat—Party, the Popular Democratic Union, the Republican Union, the Agrarian Party, and some liberals and loyalists are also represented. Furthermore, John Chabot Smith, writing for the New York Herald Tribune from Athens, and Frank Gervasi of Collier's, specifically state that the Greek Communists are not similar to American Communists but more like our Democrats or even our Republicans; they are, in the term Stalin applied to the Chinese Communists, "margarine Communists."

In any event, only 10 percent of E. A. M. are Communists of any sort. Of course they are a politically alert minority, organized and able to operate more effectively than others. But every action of the E. A. M., up to the very present, shows that they did not want to take over the Greek Government by force.

After Papandreo, the Greek Premier, publicly insulted the E. A. M., representatives of that organization, of their own volition, came to Lebanon to confer with him, willing to lay aside their pride in the best interests of the Greek people. They joined his government although they only have 5 ministers out of 23 in the cabinet—totally out of proportion to their actual political strength.

Several days before the British landed in Greece—using, by the way, colonial troops usually reserved for action in British colonies, instead of British regulars—the Germans had cleared out of the Peloponnesus and Athens. But the water works of Athens, the streetcars and electric power works were not blown up by the Germans as they left. Was this due to a sudden change of heart by the Germans? Did they decide not to blast Athens to shambles because they did not want to inconvenience the Greek people? They did not scorch the earth behind them because the people of Athens and the E. A. M. prevented them from doing it. They killed the Germans assigned to blow up the works or removed fuses after they left. The E. A. M. patrolled Athens and kept peace and order after the Germans left for almost 4 days before the British troops arrived to liberate the already free city.

A secret report by a British agent to the foreign office last year revealed that the Germans were deliberately fostering fear of Communism and I quote:

> They (the Germans) have deliberately stressed the Communist bogey and instilled moderate opinion with the fear of a Communist coup on the liberation of Greece.

Has the British Prime Minister succumbed to this German propaganda?

Every report from Greece stated that, except for two small sections of the country, the E. A. M. was in full control of Greece. But the E. A. M. did not try to keep this control when the British and the Government in exile moved in. The National Liberation Movement, confident it could win a Democratic victory in a free election, had no reason to fear the Government in exile, so they willingly relinquished their power.

What did the Greek Government in exile, encouraged by a British Army, backed by a prime minister who specifically stated he wanted George II to return to Greece, do? Fearing E. A. M.'s strength, the reactionary members of the Government, some of whom had been connected with the Metaxas dictatorship, tried to abolish the E. L. A. S., military wing of the E. A. M.

In France, de Gaulle had to incorporate some of the guerrilla movement into his regular army, and Belgium is having to do that this very moment. But in Greece, where it had been agreed previously by representatives of the E. A. M. and Premier Papandreo that E. L. A. S. forces would be integrated with the Greek Regular Army, the Papandreo Government tried to sidestep this agreement.

When the Greek people tried to demonstrate against this lack of faith, Greek police backed up by British patrols, fired on them. That brings the entire story up to date.

The whole tragic mistake is pointed out by Frank Gervasi, former I. N. S. foreign correspondent, who was in Greece recently, in his recent article for Colliers wherein he stated:

> Even more disastrous to the future stability of Europe is the self-evident misreading of popular democratic upsurges in France, Italy, Yugoslavia, and now in Greece as manifestations of a Bolshevik or Communist trend linked to dark maneuverings of the Comintern. That's unmitigated rot.

And what is our own State Department's role in this drama?

The State Department says that they are taking no part in the present Greek crisis. In a statement issued today, they reiterated their policy to have countries of the United Nations "work out their problems of government along democratic lines without influence from outside." This statement is not enough—it must be implemented by telling Greece and Great Britain, as President Roosevelt said in a letter to the editor of the Greek National Herald, which censorship probably kept out of Greece, that the American Government will not refuse to aid Greece because of the government the people choose.

Democracy all over the world must have active support of the greatest democracy of the world, the United States of America.

PERSONAL ANNOUNCEMENT

Mr. BELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BELL. Mr. Speaker, a few moments ago, when H. R. 5564 was passed, I was absent from the Chamber on a matter of important official business connected with the Committee on Insular Affairs. Had I been present, I would have voted in favor of the bill.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

SHORTAGE OF WAR SUPPLIES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have repeatedly urged, at home and abroad, that the American public be told the truth about the situation concerning the battle fronts. It is obvious that both the Japanese and the Germans have known very much more about our condition of supplies and war matériel than has the American public. Only by securing the whole truth, to my mind, will the manufacturers of America and the workers of America give us full wartime production.

May I read, Mr. Speaker, from an article which has the date line December 4, by Noel Monks, London Daily Mail correspondent with the United States Ninth Army in Germany:

> I wish some of the American munition workers, who, thinking the war has been won, have quit their jobs to take up peacetime occupations, could have been beside me at a forward regimental command post today.
>
> American infantry, launching the final attack on a German-held town from the outskirts, were counterattacked by the last German tanks remaining in the area.

The heavy fire of the tanks caught the doughboys as they came up an incline toward the town.

They had no tank support of their own, owing to enemy mines in the sector and the narrowness of their avenue of attack.

A call was put through for artillery support while the Yanks dug in.

I was back at the command post when the colonel passed on the request for artillery support. The reply I heard coming over the phone embarrassed me and I moved into a corner of the cellar.

A voice was saying: "Too bad, but we fired our quota of shells in the opening stages of the attack."

Without saying another word, the young colonel replaced the phone on its hook and slumped back in his chair.

With shaking hands, he lit a cigarette, and I could see emotion was running through him.

Then he said:

"Fired their quota. No use telling them the German tanks haven't fired their quota. My men are getting cut up for want of a few more American shells."

Mr. Speaker, I blame Winston Churchill for his optimistic reports of the end of the war; that the war would be over this year. General Eisenhower also made the optimistic statement that the war would be over at the end of the year or soon thereafter. Why those reports were made, Mr. Speaker, I cannot imagine, because on D-day, when our forces went in and were moderately successful, they knew exactly what the fortifications were in those towns; they knew the depth of the walls; they found that many of those fortifications could not be demolished by bombs dropped from airplanes, and still these optimistic statements by leaders were made. Mr. Speaker, no public request from the administration here was made for production; no description of the terrible need for production was made at that time. Many lives have been lost as the result of that. Today, Mr. Speaker, I have the requirements for the ammunition needed. This comes from the War Department and is a direct quotation:

"The requirements for small arms ammunition for 1945 have been greatly increased. The increased requirements have been brought about because of increased expenditures on the fighting fronts; the need for making good these expenditures is eating into our reserves at a rapid rate.

"This increase is also the result of battlefield experience, particularly in the European theater of operations."

The above statements by the Under Secretary of War give the basic underlying reasons for the changing requirements in virtually all categories of ammunition. It means that the methods of conducting modern warfare have evolved under actual fighting conditions, so that the original concept as to how much ammunition would be required has had to be revised. Although this condition was recognized some time ago, and new ammunition plants put under construction, during the period of expansion it has been necessary to seriously deplete our reserves. The current drive is to bring ammunition production up to the new requirements.

This is signed by the Director of Matériel, so it is an accurate description of what the War Department is needing. You will note it states there that the War Department recognized this condition some time ago, yet no public appeal was generally made for munitions of war except by Mr. Patterson and General Somervell, who made repeated requests even when Mr. Nelson, of the War Production Board, was saying that they should convert to peacetime operation, and it was clear at that time that we would need this matériel. Anyone who was overseas, as I was, could see this need, and, of course, it was not just my opinion but the opinion of those who knew much more than I do about such matters.

Mr. CALVIN D. JOHNSON. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. The small arms munitions are being made in plants that were constructed for that specific purpose for the Government. As I understand, the cut-back was ordered by the War Department. In plants in the city of St. Louis and also in Alton, Ill., they curtailed the production of small arms ammunition some months ago. It seems to me the shortage should have been foreseen and they should have placed those plants back into production, because civilian requirements were not the cause of the curtailment of the manufacture of small arms ammunition inasmuch as those plants were built for a specific purpose and nothing else could be manufactured there; yet the plant operation was curtailed.

Mrs. ROGERS of Massachusetts. The gentleman is absolutely correct. Further, the War Department lost over a year of production at the beginning of the war. At Lowell, in my own district, they did not use existing facilities or the extremely fine labor we had. Much of that labor was already trained in the manufacture of small arms and of cartridges. They were made at Lowell during the last war. Finally, they did go into producton of cartridges there, but there was a cut-back a year and a half ago, not only at Lowell, where the plant was eliminated, but also in St. Louis and elsewhere. I think six plants were closed down, some entirely.

The Lowell plant was closed entirely but later at Lowell some of the plant was used in the manufacture of wire. One reason I did not go overseas earlier was that they were not getting their priorities for the manufacture of wire. I was very anxious about it, as I was told by the War Department it was a critical war item. Finally, the priorities came through. On every front I visited there was a tremendous shortage of wire. Wire today is vitally needed. It is extremely tragic that the delay took place, because the shortage of supplies meant that the Germans had a chance to get strong again and to get reinforcements, while our own Army was waiting. I felt also that the supplies might have been moved up from some other area, but they were not moved up for a number of weeks.

As everyone knows, the fighting today is very much more difficult for our forces than it was when they were stopped in France last September. It is much colder. The rain, the snow, and mud are much worse. I was there and I know what the mud means. Even in September and October I saw our soldiers wallowing around at the front. I saw our doctors and nurses slipping and sliding working in the mud in the tent hospitals. It is a much more serious condition than if General Patton and some of the other generals had been allowed to go ahead at the time they were stopped in September. I was over there when the drive was stopped.

Mr. DINGELL. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. DINGELL. I deduct from the remarks of the gentlewoman that she shares the views, at least partially, which I hold, that General Somervell and some of the directors of warfare in the Army, seemingly try to make it appear that all of this shortage, so called, of heavy shells and heavy ordnance is the fault of those of us here on the civilian home front. My belief is that much of it is due to cutbacks and miscalculations on the part of General Somervell and perhaps General Echols, and others in the Army and that it is not a matter entirely which you and I are to be blamed for or the men and women on the home front.

Mrs. ROGERS of Massachusetts. No; I agree with the gentleman. We were not told the truth.

Mr. DINGELL. At least it can be said that they miscalculated grossly.

Mrs. ROGERS of Massachusetts. They miscalculated, I think, on the small arms. They must have known after D-day, and to be just about it, Mr. Patterson and General Somervell were asking for production but it was not backed up generally by the administration. You see, war production was not urged. I think there was great miscalculation on the small arms. I agree with the gentleman there, and also in the heavy shells and other war matériel. To my mind it was a great misjudgment.

Mr. DINGELL. But at least it ought to be made clear that it is a matter of misjudgment along with other things.

Mrs. ROGERS of Massachusetts. Undoubtedly that is true.

Mr. DINGELL. And it is not entirely the fault of men and women on the home front that certain plants were cut back or in some instances, completely shut down.

Mrs. ROGERS of Massachusetts. I agree with the gentleman thoroughly on that. And you cannot blame the manufacturers; they thought everything was all right. You cannot blame labor because labor thought there was enough production. That the war was practically over. They were not told the truth.

The SPEAKER pro tempore (Mr. WORLEY). The time of the gentlewoman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. I stated before that I deeply regret that General Eisenhower made no public

appeal for arms at the time of the delay when General Patton and others were dashing forward into Germany, or prior to that at least after D-day, and I believe if they would have been allowed to go forward, they would have been in Berlin today. And thereby saved thousands of lives. There was a strange and very peculiar silence about the allocation of supplies. A public appeal should have been made then. I made an appeal from London. I made an appeal and spoke of the shortage to the press of the shells and of wire and of ammunition at a number of places along the front I made the same statement and I stated at the time, that there was no excuse for the delay in production. I made the same appeal to the press and to Government officials on my return to America. I am making this speech today because I feel that we should be told the whole truth at the present time as to exactly what our situation is, not only in the European theater of war, on the Italian front, and so forth, but also in the Pacific theaters of war. There is not an American citizen of this country today, I believe, that would not give everything he had in the way of labor and energy, in order to save our fine men and women. The story of the London correspondent is undoubtedly true. In September after our forces were stopped from advancing for a time I heard Mr. Winston Churchill in the House of Commons blame some of our press for their overoptimistic statements. They said that was the reason there was overoptimism, and so forth. Mr. Churchill made the first overoptimistic statement regarding the near end of the war. It is time that the people were told the whole truth. I have asked that General Marshal come before the Congress, not on the floor of the House, perhaps, he cannot come here, but to some meeting room, to tell us exactly what the situation is. It is horrible to feel that there is any loss of life because this country has not produced. I know the people of the country so well. I know they would make any sacrifice in order to help production.

Mr. CALVIN D. JOHNSON. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. CALVIN D. JOHNSON. I understand we have been lend-leasing war materials to some 35 divisions in India. I do not know of any record of that many divisions fighting in that area. There is a possibility that the materials that have gone there may have been used to better advantage, if a check were made, in the European theater.

Mrs. ROGERS of Massachusetts. I have heard it said repeatedly. I know that abroad, my feeling was verified that we should get a very complete check from foreign countries of exactly what is being done on lend-lease and also from our own Government. I think the gentleman will remember that when lend-lease was passed, I felt that Congress should have a check and keep control of lend-lease in order not to have it give away too many supplies to other countries and thereby weaken our own.

Mr. CALVIN D. JOHNSON. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Certainly.

Mr. CALVIN D. JOHNSON. In 1943 we exported 7,198,000 tons of steel to foreign countries, and of that amount, if I remember correctly, 830,000 tons went into South America, and much of the material the gentlewoman is referring to was included, being wire in exports to noncombatant countries.

Mrs. ROGERS of Massachusetts. Yes; and I saw those American paratroopers in planes being towed by other airplanes going across to the tragic Arnhem disaster, and I realized the necessity for wire towlines then. I watched some of them going over, not to return. I saw that need at every front—at headquarters of every front, and every department—the great need for wire and also the great need for heavy shells.

Mr. DINGELL. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Yes.

Mr. DINGELL. I do not want to impose on the gentlewoman's time, but since we are talking about ordnance, and the shortage of shells, and heavy guns, a subject in which we are all deeply interested at the present time, I am wondering what action the War Department and the War Production Board are going to take with regard to the utilization of certain still available plants. I saw the other day where Mr. Krug said it may be necessary to go on with the construction of additional plants—a plant-expansion program.

Mrs. ROGERS of Massachusetts. Building new plants. I saw that myself, and I cannot understand it.

Mr. DINGELL. I submit that there are still plants available that could be turned to that purpose, almost immediately. When the amortization plan was before my committee, I submitted a list of plants then available. I was assured on more than one occasion by the War Department officials, including Mr. Patterson, that this could be done, and yet it has been unfulfilled so far as one great big plant is concerned in my district. I refer to the old Studebaker plant, where perhaps 15,000 to 20,000 men, and necessary machinery, could be installed immediately for this purpose. It still stands for a great part idle, and yet they are talking about building additional plants in order to manufacture ordnance. It seems to me that Mr. Patterson and the War Department ought to find out first whether available plants are being utilized before talking about spending more money to build new plants.

Mrs. ROGERS of Massachusetts. Everybody over here ought to realize, that the fighting that is being done now is the most severe and the most difficult fighting done. The enemy is extremely fanatical. I saw a lot of German prisoners and they are very fanatical. I saw a lot of the German wounded, and those boys are fanatical looking. Now the Germans are fighting on their homeland. They know every inch of the way. They have been preparing it for years and years, and everyone who knows the underground tunnels knows that the land naturally lends itself to tunneling. Then take the concrete that the Germans have used to reinforce them. It is impossible to have a bomb from the air do much in the way of abolishing some of them. You have to have heavy artillery. I was over there myself in the First World War, and I was down in the natural caves. I know the construction of them. I think the Germans could live for months underground if they have supplies. Probably they have many supplies in those underground tunnels now. I wish everyone could see the construction of the tunnels, and the fortifications, the pill boxes over there, 20 feet deep.

Mr. CALVIN D. JOHNSON. Does the gentlewoman feel that the fanaticism is caused by the statement made that their country was to be turned into small farms?

Mrs. ROGERS of Massachusetts. That may have had something to do with it, but I think the fanaticism was there even before that. Everyone fighting overseas must know it. The Germans have been preparing for years for this war. They knew when the war started it was probably their last chance to gain their objective. But undoubtedly the statement the gentleman referred to added to their fanaticism because they do not want just to have a farm-land country.

But then without that statement they would have been very ruthless, very cruel in their fighting. We shall have to travel every inch of the road to win the war. The Siegfried line is composed of hundreds of underground fortifications. These fortifications make it very difficult for our men to break through. Then there is the Rhine River.

And I repeat as I close, the importance of being told the truth. We shall have all the production we need if the truth be told and told us at once. The Army now is begging and begging for production. I was at a dinner where General Somervell spoke the other day at a meeting in Boston, and I myself spoke at the same meeting. Everyone agreed with me that we should be told the truth and the whole truth; that that was the important thing in order to have the production that would save human lives. We are losing many lives because we have not the supplies.

I said at Boston last Friday at the associated industries:

> You industrialists here today would continue war production if you felt there was need.
>
> You have sons and daughters in the service. You would not sacrifice them. That is equally true of the workers in industry. They are not cruel either. They, too, have sons and daughters in the service. It is un-American and incomprehensible that either labor or industry should stop war work and cut the life line of war supplies when the severing of that life line means the loss of thousands and thousands of lives. Already there have been many casualties because of delay of supplies at the front, because of false optimism about the end of the war—of accredited leaders at home and abroad.
>
> There has not been perfect frankness about war equipment, and now it is claimed there

is a 40-percent lag in production on the home front. But even when I was in the European theaters of war in September, I was told there was a lack of supplies at the front and as I stated several times at London, and at the front, and after my return to the United States, that there was great need of ammunition and wire. After the optimistic statements by General Eisenhower and Prime Minister Churchill last summer that war would soon be over and there was no general appeal for war supplies, it cannot be wondered at, that industry began to give thought to reconversion and the workers began to think of peacetime jobs. If mistakes have been made in production it is largely due to the lack of frankness—this filtering of news—this less than the whole story that is given to the public. The public is losing faith in the stories of our victories. It is time that the half-truth stop and the public be told the whole truth.

It is the only way we shall secure full war production for our fighting forces.

The SPEAKER pro tempore. The time of the gentlewoman from Massachusetts has again expired.

EXPLANATION OF ABSENCE FROM ROLL CALL

Mr. PFEIFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PFEIFER. Mr. Speaker, I wish to inform the House of the reason why I am not recorded on the vote this afternoon. The bells in my office failed to ring. I was on the floor until 3 p. m., but then had gone to my office. When I came over the roll call had been finished. Nevertheless, had I been present I would have voted "no."

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House on the following titles, which were thereupon signed by the Speaker:

H. R. 4366. An act for the relief of Alex Wylie and the estate of James Evans; and

H. R. 4917. An act conferring upon the State of Montana authority to exchange for other lands certain lands selected by the State of Montana for the use of the University of Montana for biological station purposes pursuant to the act of March 3, 1905 (33 Stat. 1080).

ADJOURNMENT

Mr. PFEIFER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Wednesday, December 6, 1944, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON REVISION OF THE LAWS

The committee will hold a hearing on Wednesday, December 6, 1944, at 10 a. m., in the committee room of the Committee on Agriculture, to consider H. R. 5450, to revise and codify the criminal laws of the United States and to hold public hearings thereon.

EXECUTIVE COMMUNICATIONS, ETC.

2060. Under clause 2 of rule XXIV a letter from the President of the United States, transmitting a report on the requirement for water for military and civilian use in San Diego County, Calif., was taken from the Speaker's table and referred to the Committee on Irrigation and Reclamation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEMKE: Committee on the Public Lands. S. 209. An act authorizing the conveyance of certain property to the State of North Dakota; without amendment (Rept. No. 2019). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on Irrigation and Reclamation. H. R. 4795. A bill to authorize the undertaking of the initial stage of the comprehensive plan for the conservation, control, and use of the water resources of the Missouri River Basin; with amendment (Rept. No. 2020). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEMKE: Committee on Irrigation and Reclamation. H. R. 4808. A bill to amend the Fact Finders Act; with amendment (Rept. No. 2021). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 4857. A bill to confirm the claims of Charles Gaudet under Spanish patents to section 18, township 11 south, range 5 east, and section 21, township 12 south, range 5 east, St. Helena meridian, Parish of St. James, State of Louisiana, together with all accretion; with amendment (Rept. No. 2022). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MURDOCK:

H. R. 5581. A bill to authorize the Secretary of the Interior to modify the provisions of a contract for the purchase of a power plant for use in connection with the San Carlos irrigation project; to the Committee on Irrigation and Reclamation.

By Mr. CASE:

H. R. 5582. A bill authorizing an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. 484), and for other purposes; to the Committee on Indian Affairs.

By Mr. McMILLAN of South Carolina:

H. R. 5583. A bill establishing wage differential for leadingmen and quartermen at all naval establishments; to the Committee on Naval Affairs.

By Mr. WICKERSHAM:

H. R. 5584. A bill to enable the mothers, fathers, and widows of deceased members of the armed forces now interred in cemeteries outside the continental limits of the United States or in Alaska to make a pilgrimage to such cemeteries; to the Committee on Military Affairs.

By Mr. PLOESER:

H. J. Res. 322. Joint resolution proposing an amendment to the Constitution of the United States limiting the tenure of office of President of the United States; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr JARMAN:

H. Res. 669. Resolution authorizing the printing of the prayers of the Chaplain of the House of Representatives; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CURLEY:

H. R. 5585. A bill for the relief of Evelyn DeNunzio, Mrs. Mary Capodanno, and the legal guardian of Vincent Capodanno; to the Committee on Claims.

By Mr. WILLEY:

H. R. 5586. A bill for the relief of the estate of James W. Taylor III; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6231. By Mr. ROLPH: Resolution of the Citizens Advisory Committee on Agriculture of the California State Reconstruction and Reemployment Commission, Sacramento, Calif., relative to making more equitable price stabilization provisions for agricultural production; to the Committee on Banking and Currency.

6232. Also, resolution of the Citizens Advisory Committee on Agriculture of the California State Reconstruction and Reemployment Commission, Sacramento, Calif., relative to dates for establishing ceiling prices on farm products; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, DECEMBER 6, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, infinite in mercy, love, and power, we come knowing that all else is vanity, that all other cisterns are empty and broken and in Thee alone is the fountain of life. Thou knowest the stern responsibilities that confront us and the pathetic limitations of our knowledge. Thou knowest, too, our deep necessities and our unutterable desires. We can bring to Thee but unfulfilled aspirations and many a failure that makes us ashamed. When we foolishly endeavor to live our lives without Thee, we deny our reason, we blot out our hope, and destroy our joy.

Forbid that our lives should be so busy with the trivial traffic of the common days that, as in the Bethlehem inn of long

ago, the highest and best should be crowded out of our reckoning. As the advent month brings a song that soars above the sobs and a flutter of wings above the woe of a warring world, lead our jaded and worldly wise spirits out to the peaceful plains where with the simple faith of shepherds we may hear the angels sing. So pour upon our Nation's leaders Thy spirit of counsel and understanding that they may follow the star of their highest designs to a future for all humanity glorified by the light which comes from Thee. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, December 5, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the following bills of the Senate.

S. 556. An act for the relief of Pedro Jose Arrecoechea;

S. 616. An act for the relief of Mrs. Mary Vullo;

S. 1002. An act to compensate Roy W. Olsen for the loss of an eye on account of negligence of Works Progress Administration employees September 25, 1938, at Cranston, R. I.;

S. 1274. An act for the relief of Vodie Jackson;

S. 1462. An act for the relief of Solomon and Marie Theriault;

S. 1557. An act for the relief of Joel A. Hart;

S. 1732. An act for the relief of Arthur M. Sellers;

S. 1740. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini;

S. 1756. An act for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.;

S. 1853. An act for the relief of Dr. Frank K. Boland, Sr.;

S. 1869. An act for the relief of Mrs. Mamie Dutch Vaughn;

S. 1897. An act for the relief of Mrs. Sophia Tannenbaum;

S. 1899. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files;

S. 1900. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault;

S. 1942. An act for the relief of Dr. E. S. Axtell;

S. 1958. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.;

S. 1960. An act for the relief of Clifford E. Long and Laura C. Long;

S. 1968. An act for the relief of Elizabeth A. Becker;

S. 1987. An act for the relief of Gordon Lewis Coppage;

S. 1993. An act for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen;

S. 1997. An act for the relief of Jack Stowers, B & O Store, and Cotton County Poultry & Egg Co.;

S. 2006. An act for the relief of J. A. Davis;

S. 2008. An act for the relief of Herman Philyaw;

S. 2042. An act for the relief of the legal guardian of Nancy Frassrand, a minor;

S. 2064. An act for the relief of Richard H. Beall; and

S. 2168. An act for the relief of certain disbursing officers of the Army of the United States, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2185) to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. O'CONNOR, Mr. FERNANDEZ, Mr. MURDOCK, Mr. MUNDT, and Mr. GILCHRIST were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2148. An act for the relief of Elias Baumgarten;

H. R. 2626. An act for the relief of certain Basque aliens;

H. R. 3614. An act for the relief of the Queen City Brewing Co.;

H. R. 3639. An act for the relief of Herman Weinert, Jr., M. D.;

H. R. 4146. An act for the relief of Filip Nicola Lazarevich;

H. R. 4224. An act for the relief of the Morgan Creamery Co.; and

H. R. 5564. An act to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1471. An act for the relief of Mrs. Eugene W. Randall;

S. 1590. An act for the relief of the State of Tennessee;

S. 1645. An act relating to the administration of the Glacier National Park Fish Hatchery, at Creston, Mont., and for other purposes;

S. 1710. An act to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian;

S. 1877. An act to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the eastern judicial district of South Carolina;

H. R. 4366. An act for the relief of Alex Wylie, and the estate of James Evans; and

H. R. 4917. An act conferring upon the State of Montana authority to exchange for other lands certain lands selected by the State of Montana for the use of the University of Montana for biological station purposes pursuant to the act of March 3, 1905 (33 Stat. 1080).

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hall	Revercomb
Bankhead	Hatch	Reynolds
Bilbo	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kilgore	Thomas, Okla.
Capper	La Follette	Thomas, Utah
Caraway	Langer	Tunnell
Chandler	Lucas	Tydings
Clark, Mo.	McClellan	Vandenberg
Connally	McFarland	Wagner
Cordon	McKellar	Walsh, Mass.
Danaher	Maloney	Walsh, N. J.
Davis	Maybank	Weeks
Downey	Mead	Wheeler
Eastland	Millikin	Wherry
Ellender	Murray	White
Ferguson	Nye	Wiley
Gerry	O'Daniel	Willis
Gillette	O'Mahoney	Wilson

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Georgia [Mr. GEORGE], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Washington [Mr. WALLGREN] and the Senator from Massachusetts [Mr. WALSH] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

SENATOR FROM LOUISIANA—CREDENTIALS

Mr. ELLENDER presented the credentials of JOHN H. OVERTON, chosen a Senator from the State of Louisiana for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, JOHN H. OVERTON was duly

chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning at noon on January 3, 1945.

Witness: His Excellency, our Governor, J. H. Davis, and our seal hereto affixed at Baton Rouge, this 20th day of November, in the year of our Lord, 1944.

J. H. DAVIS,
Governor.

By the Governor:
[SEAL] WADE O. MARTIN, Jr.,
Secretary of State.

REPORT OF COMMISSION ON LICENSURE (HEALING ARTS PRACTICE ACT), DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the President of the Commission on Licensure (Healing Arts Practice Act), District of Columbia, transmitting, pursuant to law, a report showing the activities of the Commission for the fiscal year ended June 30, 1944, which, with the accompanying report, was referred to the Committee on the District of Columbia.

PERSONS EMPLOYED BY A COMMITTEE WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The VICE PRESIDENT laid before the Senate a monthly report of the chairman of the Committee on Military Affairs made in response to Senate Resolution 319, agreed to August 23, 1944, relative to persons employed who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

COMMITTEE ON MILITARY AFFAIRS

DECEMBER 6, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November 1944, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Theodore B. Stothart	3801 Fourth St. SE	War Department, Adjutant General's Office	$1,800
Amy J. Tishendorf	4434 First St. NE	War Department, Legislative and Liaison Division, Office of Chief of Staff	2,000
Col. Lewis Sanders	1911 R St. NW	War Department	6,000
Col. David A. Watt	Clinton, Md	do	6,000

ROBT. R. REYNOLDS, *Chairman.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RADCLIFFE, from the Committee on Commerce:

H. R. 4968. A bill to amend section 511 (c) of the Merchant Marine Act, 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes; without amendment (Rept. No. 1315).

By Mr. ROBERTSON, from the Committee on Claims:

H. R. 2150. A bill for the relief of Diemer Adison Coulter and Frances Andrews Coulter; without amendment (Rept. No. 1316);

H. R. 3218. A bill for the relief of Enid M. Albertson; without amendment (Rept. No. 1317);

H. R. 3484. A bill for the relief of Mrs. Pearl W. Peterson; without amendment (Rept. No. 1318);

H. R. 3781. A bill for the relief of Hall Farris; without amendment (Rept. No. 1319);

H. R. 3880. A bill for the relief of Mrs. Anna Zukas; without amendment (Rept. No. 1352);

H. R. 3928. A bill for the relief of James LeRoy Eden; without amendment (Rept. No. 1320);

H. R. 4333. A bill for the relief of Bertha LeFrancq; without amendment (Rept. No. 1321); and

H. R. 4629. A bill for the relief of Ludwig Wolf; without amendment (Rept. No. 1322).

By Mr. WILSON, from the Committee on Claims:

H. R. 3302. A bill for the relief of Eleanor Parkinson; without amendment (Rept. No. 1351).

By Mr. WHERRY, from the Committee on Claims:

H. R. 2354. A bill for the relief of the estate of Mrs. Phoebe Sherman, and for Mrs. Harriett W. Vanderhoef and Allan Vanderhoef; without amendment (Rept. No. 1335);

H. R. 2688. A bill for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor; without amendment (Rept. No. 1336);

H. R. 4588. A bill for the relief of Robert L. Whiddon; with an amendment (Rept. No. 1338); and

H. R. 4631. A bill for the relief of John L. MacNeil; without amendment (Rept. No. 1337).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 3191. A bill for the relief of Lillian Hill; without amendment (Rept. No. 1323);

H. R. 3414. A bill for the relief of Edward C. Robbins; without amendment (Rept. No. 1345);

H. R. 3467. A bill for the relief of Miss Anne Watt; without amendment (Rept. No. 1346);

H. R. 4101. A bill for the relief of P. E. Brannen; with an amendment (Rept. No. 1350);

H. R. 4451. A bill for the relief of John McLaughlin, Sr., and John McLaughlin, Jr.; without amendment (Rept. No. 1347);

H. R. 4525. A bill for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy; without amendment (Rept. No. 1348); and

H. R. 4542. A bill for the relief of Harold Miller; without amendment (Rept. No. 1349).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 2300. A bill for the relief of Rose B. Luzar; without amendment (Rept. No. 1339);

H. R. 3369. A bill for the relief of Harry V. Hearn; without amendment (Rept. No. 1340);

H. R. 3814. A bill for the relief of M. Senders & Co.; without amendment (Rept. No. 1341);

H. R. 3995. A bill for the relief of Walter Lundmark; without amendment (Rept. No. 1324);

H. R. 4038. A bill for the relief of Joseph W. Steel; without amendment (Rept. No. 1325);

H. R. 4144. A bill for the relief of Brig. Gen. Louis J. Fortier; without amendment (Rept. No. 1326);

H. R. 4212. A bill for the relief of Robert Rowe and Mary Rowe; without amendment (Rept. No. 1342);

H. R. 4213. A bill for the relief of Karl Lungstras; without amendment (Rept. No. 1343);

H. R. 4322. A bill for the relief of the estate of Floyd M. Adair, deceased; without amendment (Rept. No. 1327);

H. R. 4345. A bill for the relief of the legal guardian of Luther Marcus Smith, a minor; without amendment (Rept. No. 1328);

H. R. 4549. A bill for the relief of Sandy C. Brown; without amendment (Rept. No. 1329); and

H. R. 4962. A bill for the relief of Jessie Springsteen and John Springsteen; without amendment (Rept. No. 1344).

By Mr. STEWART, from the Committee on Claims:

H. R. 1556. A bill for the relief of Archie Barwick; without amendment (Rept. No. 1330);

H. R. 2543. A bill for the relief of Mrs. Nelle Jones; without amendment (Rept. No. 1331);

H. R. 4049. A bill for the relief of Alfred F. Ross; without amendment (Rept. No. 1332);

H. R. 4367. A bill for the relief of Mrs. Julia Toler; with an amendment (Rept. No. 1334);

H. R. 4481. A bill for the relief of William H. Crompton; with an amendment (Rept. No. 1353); and

H. R. 4593. A bill for the relief of Thomas R. Clark; without amendment (Rept. No. 1333).

PRINTING OF REPORT OF NATIONAL SOCIETY OF DAUGHTERS OF THE AMERICAN REVOLUTION (S. DOC. NO. 251)

Mr. HAYDEN, from the Committee on Printing, reported an original resolution (S. Res. 347), which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Forty-seventh Annual Report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1944, be printed as a Senate document.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, December 6, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 1471. An act for the relief of Mrs. Eugene W. Randall;

S. 1590. An act for the relief of the State of Tennessee;

S. 1645. An act relating to the administration of the Glacier National Park Fish Hatchery, at Creston, Mont., and for other purposes;

S. 1710. An act to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian; and

S. 1877. An act to transfer Georgetown County, S. C., from the Florence division to

the Charleston division of the eastern judicial district of South Carolina.

BILL INTRODUCED

Mr. MEAD introduced a bill (S. 2212) for the relief of Thomas F. Gray, which was read twice by its title and referred to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 2148. An act for the relief of Elias Baumgarten;

H. R. 2626. An act for the relief of certain Basque aliens; and

H. R. 4146. An act for the relief of Filip Nicola Lazarevich; to the Committee on Immigration.

H. R. 3614. An act for the relief of the Queen City Brewing Co.;

H. R. 3639. An act for the relief of Herman Weinert, Jr., M. D.; and

H. R. 4224. An act for the relief of the Morgan Creamery Co.; to the Committee on Claims.

H. R. 5564. An act to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945; to the Committee on Finance.

QUESTIONS AND ANSWERS ON OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a series of questions and answers on the old-age and survivors insurance trust fund. I believe these questions and answers will be of help to Senators in considering the problem of the social-security freeze, which now is pending before the Committee on Finance.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

THE OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

Question. What is the Federal old-age and survivors insurance trust fund?

Answer. It is a fund composed of amounts accumulated under the old-age and survivors insurance program. The fund is held by the board of trustees under authority of the Social Security Act. The three members of this board, each of whom serves in an ex-officio capacity, are the Secretary of the Treasury, the Secretary of Labor, and the Chairman of the Social Security Board. The Secretary of the Treasury serves as managing trustee.

Question. From what sources do receipts come into the trust fund?

Answer. Receipts come primarily from contributions paid by covered workers and their employers toward old-age and survivors insurance. A secondary source of receipts is interest received on investments held by the fund. A third potential source of revenue for the trust fund is provided in an amendment to the Social Security Act in 1943, which authorizes, as a Government contribution, the appropriation to the trust fund of such additional sums out of general revenues as may be required to finance the benefits and payments provided under the Social Security Act.

Question. Can the money in the trust fund be spent for any other purpose than to pay for old-age and survivors benefits and administrative expenses? Could money from the trust fund be used to pay out unemployment insurance benefits, for instance, if unemployment compensation funds were exhausted?

Answer. No. The sums in the trust fund can be used for no other purpose than to pay old-age and survivors benefits and the administrative expenses of the program. There is no connection whatsoever between the old-age and survivors insurance trust fund and the unemployment trust fund, except that both operate under the Social Security Act.

Question. Does the managing trustee invest all the contributions that come into the trust fund?

Answer. He invests that portion of the trust fund which is not required for meeting current expenditures for benefits or administration.

Question. Can the managing trustee invest sums from the trust fund as he pleases?

Answer. No. According to the act, amounts in the fund not required for current expenditures must be invested in interest-bearing obligations of the United States Government or in obligations guaranteed as to both principal and interest by the United States. The reason for this limitation is that such investments are the safest in the world. It is also standard practice for all trust funds held by the Federal Government.

The investment feature of the trust fund is a procedure similar to that followed by sound business concerns. Banks, insurance companies, and others do not store in a vault all the money they receive. The money not currently needed is put to work—invested so it will earn interest.

Question. What investments were made for the fund during the fiscal years ending June 30, 1943, and June 30, 1944?

Answer. During the fiscal year 1943, special Treasury notes were bought to the amount of $1,434,000,000 and Treasury bonds to the amount of $125,000,000; during the fiscal year 1944, purchases of special Treasury notes totaled $342,000,000, purchases of Treasury bonds, $450,035,880, and Treasury certificates of indebtedness, $380,000,000.

Question. How much does the interest from investments amount to?

Answer. The total amount of interest received on investments of the trust fund through June 30, 1944, was $404,658,876.

Question. Doesn't investing sums from the trust fund in Government bonds mean that old-age and survivors insurance contributions are collected to pay for other Government activities?

Answer. No. The money is loaned to the Federal Government for use in the same way as money the Federal Government borrows from banks, insurance companies, individuals, etc. The loan must be repaid with interest.

Question. Are not workers covered by O. A. S. I. taxed twice to pay for their benefits?

Answer. No. The contributions are deposited in the trust fund and invested in Government bonds, i. e., the Treasury borrows them. It uses the money just as if it had been borrowed from banks. Later, when benefits are to be paid, the Treasury may have to get money by taxation to redeem the bonds held by the trust fund, so the trust fund can pay the benefits. These later taxes are not for the purpose of paying O. A. S. I. benefits. Rather, they are to pay for the cost of the war and the general operating expenses of the Government. If the trust fund were not there, the Treasury would have to borrow that much more from banks. Then in the future we would have to pay just as much in taxes to pay off the bonds held by the banks, and in addition we would have to be taxed to support the aged and survivors. So a contributory social security program which builds up a trust fund through payroll contributions now is really a device for getting wage earners as a group to finance their own future security by lending some of their present earnings to the Treasury, to be repaid when needed. To this extent it reduces the amount of taxation which will be necessary in the future to meet our total obligations.

Question. If amounts from the trust fund are invested, does it not mean that when the money is needed to pay benefits it may not be there?

Answer. The investments of the trust fund may be converted to cash at any time. Moreover, every year the board of trustees submits a report to Congress on the operations and status of the trust fund during the preceding year and on its expected operation and status during the next 5 fiscal years. Thus, if there were ever any danger of there being too little money in the trust fund for payments, the deficit would be foreseen early enough so that remedial action could be taken.

Question. Is there enough in the fund now to take care of the liabilities when they come due?

Answer. No; there is not. At present the system is not self-supporting. The total liability which has accrued on a level premium basis for the payment of insurance benefits is several times in excess of the amount in the existing trust fund.

Question. Have the rates of contribution been raised?

Answer. No; the contributions have been kept at the original rates—1 percent of taxable wages for both employer and employee. The original act provided that the rates should rise to 1½ percent on January 1, 1940, to 2 percent on January 1, 1943, to 2½ percent on January 1, 1946, and to 3 percent on January 1, 1949. The social security amendments of 1939 modified this original schedule of contribution rates to provide that the rate of 1 percent each on employees and employers should continue in effect through 1942, but left the remainder of the schedule as originally enacted. The Revenue Act of 1942 provided that the 1-percent rates should continue through 1943. Public Law 211 of the Seventy-eighth Congress extended the 1-percent rates further through February 29, 1944, while the Revenue Act of 1943 extended the same rates throughout 1944. As it stands now, the 2-percent rates are to go into effect on January 1, 1945, the 2½-percent rates on January 1, 1946, and the 3-percent rates on January 1, 1949.

Question. Why was a graduated schedule of contributions incorporated in the 1935 Social Security Act?

Answer. It was incorporated in order to give employees, employers, and the economy generally an opportunity to become adjusted to the imposition of the pay-roll taxes.

Question. As time goes on, are benefit disbursements under the program expected to increase?

Answer. They are expected to increase markedly over a long period. The reason is that for many decades the number of persons aged 65 and over will be increasing and that an increasing proportion of such aged persons will be qualifying for benefits under the old-age and survivors insurance system. At the beginning of 1940 there were about 9,000,000 persons aged 65 and over, equivalent to 6.8 percent of the total population. According to carefully developed estimates, the number of persons aged 65 and over may increase to about 22,000,000 or 14.4 percent of the population within 40 years. Moreover, the proportion of aged persons eligible to receive benefits under the program will be constantly increasing over the same 40 years.

Question. How much do present benefit payments total?

Answer. Present benefit payments are around $200,000,000 a year.

Question. Has the volume of benefit payments increased or decreased on account of the war?

Answer. Benefit payments have increased steadily during the war, but not because of it. The increase has been less than had been expected under conditions of peace. Many thousands of workers 65 and over who have built up rights to benefits and who probably would have claimed them in more normal times have remained at their jobs. In addition, many persons already on the benefit rolls have suspended their benefit payments by returning to covered employment. These two groups combined constitute some 600,000 persons.

Question. To what extent are disbursements expected to increase?

Answer. Over a period of four decades disbursements may increase as much as 15 to 30 times the present rate.

Question. In making its actuarial projections of the future costs of the old-age and survivors insurance system what factors are taken into consideration?

Answer. Among the most important are: (1) Mortality; (2) population progress dependent upon births, deaths, emigration, and immigration; (3) family composition; (4) amount of employment; (5) amount of wages; (6) length of the productive period; (7) length of the period of dependent childhood; (8) length of the period of retirement; (9) invalidity; (10) interest rates; (11) migration between covered and uncovered employment; (12) the war.

Question. What do the actuarial calculations show as to future costs?

Answer. All actuarial calculations indicate a steeply increasing annual cost. The principal reasons are: (1) The growing number of aged persons in our population. (2) The growing number of aged persons who will become entitled to benefits. (3) The increasing amount of benefits per person due to the fact that size of benefits is related to the amount of earnings and length of employment in covered jobs.

Question. According to the actuarial estimates, how many aged people will be receiving O. A. S. I. benefits in 1960?

Answer. Two actuarial estimates have been made—one under low-cost assumptions and one under high. Under low assumptions, in the year 1960 there will be 3,500,000 aged persons receiving benefits; under the high assumptions 4,800,000. By the year 2000, which is as far as the projections have been carried, these figures will be 10,700,000 under the low assumptions and 19,300,000 under the high. There were 500,000 aged people receiving O. A. S. I. benefits as of June 30, 1944.

Question. How many children and widowed mothers will be getting benefits in 1960?

Answer. Under the low assumptions in the year 1960, 1,800,000 children and widowed mothers will be getting benefits; under the high assumptions 1,600,000. The smaller number of beneficiaries under the high assumptions results from the use of a projected table which assumes lighter mortality combined with a lower birth rate. The lower mortality rate would result in more aged persons qualifying for benefits. There were 340,000 children and widowed mothers receiving benefits as of June 30, 1944.

Question. Are not heavier contributions coming into the trust fund on account of the war, and do not these make up for the low contribution rate?

Answer. The contributions now being collected are higher, true, than was originally expected at the time of the 1939 amendments. During the fiscal year 1944, as a consequence of war, the contributions to the trust fund increased from $691,000,000 in the fiscal year 1941 to $1,292,000,000. This increase came about because more people worked more steadily and at higher wages. Approximately 47,000,000 workers received taxable wages in the calendar year 1943, as compared with only 35,000,000 in 1940 and less than 32,000,000 in 1938. The assets of the trust fund rose from $2,400,000,000 at the end of fiscal year 1941 to $5,400,000,000 at the end of fiscal year 1944, an increase of $3,000,000,000. But the increasing assets of the fund are not a net gain. In considering the increasing amount of contributions, account must be taken of the increased liabilities to which these assets give rise. The wages which account for the increased current receipts will also in the future serve to qualify many individuals for benefits who would not otherwise receive them, and will increase the potential benefit amounts payable to other individuals.

Question. Why does the Social Security Board think the contribution rates should be increased?

Answer. Prudent management requires emphasis on the long-range relationship of income and disbursements. At the 1 percent rate of contribution the system is not self-supporting. It is estimated that the level premium cost of the benefits now provided by the system is between 4 percent and 7 percent of the covered pay roll. This means that if pay-roll taxes of this magnitude (employer tax and employee taxes combined) had been levied from the beginning, and were continued indefinitely, the system as a whole would be just self-supporting. The present rates of contribution even under the most favorable prospects are not more than half the minimum level premium cost of the system. Moreover, they are only one-third the ultimate maximum rates provided by statute.

The Board believes that the rates of contributions should be raised at once to 2 percent each for employers and employees for the following reasons: (1) The existing rates of contributions are less than necessary to support the system on a level-premium basis; (2) the existing rates constitute a smaller proportion of the total cost than it is believed suitable to meet by employer and employee contributions; and (3) general economic conditions are such that increased rates of contribution could be borne without injury to the economy.

NECESSITY OF INCREASE IN PRODUCTION OF WAR MATÉRIEL—ADDRESS BY LT. GEN. BREHON SOMERVELL

Mr. HILL. Mr. President, I have before me a copy of the address which Gen. Brehon Somervell, the commanding general of the Army Service Forces, delivered this morning in New York before the National Association of Manufacturers. General Somervell characterizes the address as the most important speech he has ever made. It deals with the question of matériel and supplies for our armed forces at this time. General Somervell says:

More matériel equals fewer casualties, a shorter war.

Mr. President, this is to my mind a tremendously interesting, timely, and challenging address. I believe it will be of interest not only to Members of the Senate, but to the whole country, and I ask that the address be printed at this point in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is the most important speech I have ever made.

Upon me at this moment rests the responsibility for how long this war will last; perhaps the fate of millions of men—their very lives.

Unless I can somehow pass this responsibility on to you, who represent such a large block of industry, and on to several hundred thousand American workers, I will have failed those men; failed them at a time they most needed my support.

Worse than that, if I fail today to get this situation across to you and these workers, I will have failed all America—the twelve million in the armed forces, and the 10 times that number on the home front.

That is the reason for my earnestness today; that is why I believe this is the most important speech I have ever made.

This Nation has committed its troops to fighting the war in one specific fashion—with an overwhelming superiority of matériel.

We are a productive and resourceful people. Knowing our power to produce, we sent our men into war with this promise: You shall have an overpowering weight of everything it takes to win.

You shall have this weight because time and thus lives will be saved.

You shall have this weight because we would rather fire a ton of munitions than lose a single American soldier.

We, a productive people, elected to fight the war by that method. So far, we have made good on that promise; our tactics, our strategy, our victories have been shaped by it.

I have come here today to examine the current situation with you so that we may all see what it takes to live up to our part of the plan and to continue to make good the promise we made our men in uniform.

Now this war is like a giant balance. Onto one side of the scales the enemy throws the weight of his men and his matériel. Imagine with me that the indicator at the top of the balance points to the time on the calendar.

If you will look at the balance on December 7, 1941—the day of Pearl Harbor—you will see us very badly outweighed indeed.

Much of our fleet was out of action, most of our present Army was still in civilian clothes. We possessed exactly 1,157 airplanes suitable for combat and almost exactly the same number of usable tanks.

Then and there we set about to change the balance—to put the weight of men, and particularly of matériel, on our side.

I should like to tell you a little about the cost of not having the weight of matériel—what happens if the scales are against you for a long period.

The Russians had men but lacked matériel, lacked the sheer weight of arms. According to a report a few months after the turn came at Stalingrad, from June 22, 1941, when Hitler marched against Russia until June of 1943, the Russians paid for their lack of matériel with 4,200,000 killed and missing.

That was an appalling price. It's more than half of our whole Army. It would be nearly fatal to us.

Fortunately, we have not had to sacrifice our manpower while we were building our strength in matériel. Thanks to an almost incredible job of production by American industry, you made fighting matériel as fast as we could get fighting men ready to use it, and as fast as you could build ships to carry the men and matériel to the fighting fronts. When our troops met the enemy they were equipped to fight the war on our terms.

Let's take a good look at that kind of war:

It's on wheels. It's mechanized. It's in the air. It's on the ocean. And everywhere it's in overwhelming strength.

Since it started you have made: 1,800,000 trucks; 68,000 tanks; 2,800,000 big and medium guns; 15,000,000 machine guns and rifles; 43,000,000,000 rounds of ammunition; 43,400,000 bombs; 196,000,000 uniforms; 98,000,000 pairs of shoes of all kinds; 187,000 planes.

Based on any experience any country had ever had in any war, these and the thousands of other things you also made represent a magnificent achievement.

In the opinion of many, they should have been enough, but they are not enough for this war.

General Eisenhower's forces, General MacArthur's forces, General Richardson's forces, General McNarney's forces, are using some parts of the reserves we were able to build up before the fighting reached its present intensity faster than we can replace them.

Where, by reason of the superior mobility which our mechanization has given them, they have been able to discover the enemy's softest spots and where they have been able to hurl more tons against the enemy, they have been able to hurt him worst, advance our cause most, and save more of our own men's lives.

Proof that our kind of war pays off, lies in the men who will come home again as well as in the ground won. At Aachen, for instance, we were able, with the help of a very great concentration of fire from 105-millimeter howitzers and air bombing to capture the town at a relatively low cost in men.

Let me explain what I mean. As our troops moved forward, the town was divided into areas. Each area, just ahead of the troops, was smothered with shell fire to keep the Nazis pinned to whatever shelter they could find. With the lifting of that fire to another sector, our infantry moved forward to kill or capture the Nazis as they crawled out of their shelters.

We saved manpower by taking the town that way. We did not save artillery shells. We didn't try to.

At Aachen alone we fired 300,000 rounds of 105's.

And the same general tactics are working in the Pacific. To date, the Japs have lost over 277,000 men to our 21,000. One American soldier and his tons of supporting matériel to 13 Jap soldiers.

Today, both in Europe and in the Pacific, we are fighting with millions of men in the combat lines instead of the hundreds of thousands of last year and the year before.

There will be many Aachens ahead of us on both fronts; spots where we will throw everything America has at a groggy enemy, never letting him rest, never letting him get his head up day or night; throwing fresh men with fresh material at him from the front while the Air Forces batter his supply lines and factories in the rear.

Until we are heavy enough on our side of the balance to fight such battles with all armies on all fronts, we aren't ready to call the war in the bag.

This is the way, remember, America elected to fight this war. Our generals and our G. I.'s are carrying out the strategy America set for them, and they are doing it magnificently.

In short, industry, labor, the W. P. B., the W. M. C., and the Army Service Forces are on the spot. We, at home, are squarely up against the question of whether American productive capacity can deliver the increased quantity of goods to fight the kind of war America has elected to fight, can deliver these goods wherever they are needed, whenever they are needed, and in whatever quantities they may be needed. When you compare the weight we swing today with what we could muster 3 years ago today, the balance is undeniably shifting.

Had we been able, however, to have reached today's weight on December 6, 1943, we might be celebrating total victory now. Great as is our capacity, it was beyond our ability to do that.

Instead, we are just now coming against the full might of the concentrated weight which a desperate Germany and an even more desperate Japan can use to pit against us.

I will give you a few figures for comparison between our strength in 1942 and in 1944. But don't forget that Germany with its undeniable fiendish skill and efficiency is right now training thousands of fresh troops and turning out millions of tons of equipment for them.

By the end of 1942, we had a little over 1,000,000 Army men overseas; now we have nearly 5,000,000 men overseas—and that doesn't include the Navy, marines and Coast Guard.

The tempo is quickening—the fury more devastating. Our men are using supplies faster. They need new kinds of supplies.

Take the mortar shell, as an example. In north Africa our forces expended 42,000 rounds a month. In France, between September 20 and October 20, the First, Third, and Ninth American Armies alone expended more than 1,300,000 rounds of mortar ammunition. They fired more mortar shells every day than were used in a month in Africa. And there are four other armies fighting on this same front.

The other day a cable requisition came to Army Service Forces Headquarters in Washington from a general in the field. He asked for 80 different types of ammunition, 4,000,000 rounds of one kind; 10,000,000 of another; 5,000,000 of a third, and so on for four closely typed pages. That wasn't the only big ammunition order we were handling on that day, either. Add to the needs of this general those of others in Europe and throughout the world and you get a fair notion of the industrial job ahead of us.

The more weight we can have, when we need it, and where we need it, the sooner we shall be able to knock over Germany and Japan.

It is just a case of simple arithmetic.

More matériel equals fewer casualties, a shorter war.

What weight do we need? We need all the weight we can use. What additional weight must we have right now? How do we stand right now?

Make no mistake about our situation. They have supplies at the front right now. It's the future we must provide for. Our program is not lagging on all items. Even on the critical items many manufacturers are abreast of the schedules we have given them. Further, some of the demands are so recent that you could not be expected to have reached your maximum schedules in the time that has elapsed. That very fact merely emphasizes the urgency of our plight.

It is on these critical items, some of them new ones, that we must concentrate our efforts. Twenty-seven percent of all the programs are in this critical category. It is to this 27 percent we must give our thought and bend our energies. Though individual manufacturers can well take pride in their position if they are on or ahead of schedule, on a broad front we can find no comfort unless these critical shortages are met. For example, though all else may be up to schedule, what good is a truck without tires or a gun without ammunition or, for that matter, 50-caliber ammunition in abundance if ammunition is needed for big guns? We must have balance and to make our problem harder that balance is constantly shifting. We must meet these shifts; we must meet new and unforeseen demands. We must meet them when they are needed and continue to meet them until the last shot is fired.

We have explained our need to our two great labor organizations, the A. F. of L. and the C. I. O., and both have responded wholeheartedly, with prompt organization of recruiting services to assist us in plugging the holes we need to fill.

Government agencies involved in our production programs, especially the W. P. B. and the W. M. C., are acutely aware of our need. We are in complete agreement as to the urgency of our situation. Together we have outlined the steps we must take.

In a few minutes, Mr. Krug, who I am mighty happy to have in here pitching with me, will discuss these measures and the programs where extra effort is needed today.

I said at the beginning that it was my job also to see that several hundred thousand good American workers understand this problem. Who are these good American workers, over three hundred thousand of them?

They are ex-members of the home front industrial army, or workers who have not yet been in war production at all. They are members of the group of optimists who have already guessed that the war is about over. They have drifted away from the home front army of 10,400,000 war workers. They have taken a furlough or have come to believe their term of enlistment is over.

Over three hundred thousand is the number of additional workers our critical programs need to get up to schedule. We may need more later on.

So, we must reach these men and women now. We must get their help to turn out the weight they can add to the balance.

If every one of these workers decides today to go back to work on the production front this week it won't be long before Eisenhower and MacArthur will feel their support; it won't be long before there will be an upsurge of short items needed on the fighting fronts.

To date, we've had half a million casualties. Thank God not one has been because of short production! But, if we don't throw this extra weight of production into the scales now, right now, we may have to risk lives tomorrow that we never should risk. The lives are those of your sons and your brothers.

You see now what I mean by the importance of this speech.

If I fail, if you fail, if these needed workers fail, we face the justly accusing eyes of the men who are willing to die for us and who ask us only to give them the power to carry the fight to the enemy.

How much is enough?

There cannot be too much weight.

In a little over 3 months after D-day, the First, Third, and Ninth American Armies in France fired 300,000,000 rounds of small arms ammunition, 4,426,000 rounds of 105's, 1,248,000 rounds of 155's, 3,500,000 rounds of mortar shell. And I remind you again, there are four other armies on this front as well as still others in the Mediterranean and the Orient.

Since October 20, General Eisenhower has asked us for two-thirds of all our present mortar-shell output. Yet, General MacArthur, not to mention the other Pacific and Mediterranean fronts, has used more mortar shells on Leyte than in all his previous actions combined.

I told you earlier of the vast quantities of material you have delivered already. Let me give you another reason why we must make more, and still more.

In 1 month those same three American Armies in France lost from all causes 83 percent of their dump trucks, 50 percent of their mortars, 14 percent of their scout cars, 10 percent of their light and medium tanks. Multiply such losses by 12 months and you can see that our manufacturing output is far from being net gain in the weight we put in the balance.

I have had quite a little to say about the way we are using up the weight of our matériel in Europe—at an ever-increasing rate. We have two wars to fight. We are perhaps not yet in the full fury of the one in Europe. We are certainly not yet full-out against Japan.

You may be looking toward V-day in Europe as a day of let-down, a time to relax. Burn this thought into your minds. It takes more tons, hauled more miles by far, to destroy a Jap than it takes to destroy a Nazi. We will only transfer our energies after Hitler's Germany falls. We may even have to increase our output in many categories of materials. For instance, there are new weap-

ons now being made—weapons I can't tell all of you about—not yet in use in Europe. Those of you who make them, know them. They must be ready in large quantities for the Pacific pushes.

I would remind you that the Jap still has to be driven across half the continent of Asia to destroy him—that this may be necessary even if we conquer all or a part of his home islands first. That cannot be done bare handed.

It will cost us $71,000,000,000 a year to fight the Jap after Germany is defeated.

We are going to give that war everything we have. We are going to hit the Jap with everything and every man we can get within reach of him; hit him with every ship, every plane, and every ground formation. That is the formula which will bring the most of our men home quickest. That is the only way to cut down the cost in lives and in dollars.

The war against the Jap alone will be the biggest war this country or this world ever fought before the present war.

The $71,000,000,000 a year which will be expended against the Jap is greater than the value of all goods manufactured in the whole country in its busiest productive peacetime year, 1929.

Within the past 90 days we have had to increase by 25 percent our estimate of the production we believed we would need to fight the Japs after Germany is defeated.

We have more ahead of us today in the war against Japan than we faced in the whole of World War No. 1 in Europe. We will have to ship at least 4 tons to the Japanese front for every ton we shipped to Europe in World War No. 1.

I told you at the beginning that this was the most important speech I have ever made. It is important because I speak in this room to American industry—the greatest industry in the world, an industry that has given sword and shield and buckler to its fighting men. And I speak, through you, to the millions now making war goods so well, and to those 300,000 extra workers you and their fellow workers need tomorrow—today, if possible—in war plants.

It is important because in this room is the power to add weight to the balance, to shorten the war, to save lives.

Because now, this minute, American productive force for the first time may fail our fighting forces.

Because for the first time industry and its workers are not making munitions as fast as munitions are being used up.

Because on all fronts the Allies are pouring on everything they have.

Because our enemies are fighting more desperately than ever before.

Because we planned this war to use up munitions to save men's lives and, with more than 12,000,000 men under arms, with over half of them overseas, we are committed to backing them up with everything America has.

I wish you would pick up your next newspaper and take a pencil out of your pocket. Turn to the casualty list. Say this to yourself:

"If we could somehow, some way, have thrown in another ton of steel, I could mark a name off this list. If we can supply enough tons, in enough places, we can replace the list with news of final victory." Today all victory leads to is another battle. The final battle is the one we must win.

In closing here today, I want to urge upon you this thought.

As long as the Nation is at war, on one front or two, planning for war, producing for war, fighting the war is the Nation's business and its only business. We must win before we can reap the fruits of victory. You can't beat the gun in this race, and I know you don't want to try to do so.

Our enemies are tough, they are desperate. Their objective was to destroy us. It is still their objective. War is their single purpose. What reason have you to believe that they will not continue to fight? Why won't they defend their homeland with the same, yes even more, desperate fanaticism than they now show on every front.

After Pearl Harbor, we rose in indignation and in wrath. Our objective was to crush our enemies. That is still our objective. And, if we are to achieve it, war until the end must be our single purpose.

After Pearl Harbor, all were imbued with a determination, a selflessness, a high purpose which carried us to peaks of production hitherto undreamed of. From January to August of this year, production then scheduled continued to decline; to decline in the face of the efforts many of us made to stem the tide. During that period, new demands for still more production added to our deficit. Since August, production has again been on the increase. The increase, though not what we would have liked, was gratifying. Since August still other new demands have developed. We must have more. We cannot delay, we must meet these new demands as well as the deficits that have accumulated. We must meet them now.

American industry and American workers must rededicate themselves, here and now, to an upsurge of production on the home front so that our forces on all fronts shall be limited in their use of matériel only by our ability to get it to them and by elbow room on the fighting fronts in which to use it.

The kind of war we shall fight is in the balance. The decision as to the weight we shall throw into the scales is your decision—and this is the time for decision. I know what it will be.

SOCIAL SECURITY: INSURANCE OR DOLE—RADIO ADDRESS BY SENATOR WAGNER

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a radio address on the subject Social Security: Insurance or Dole, delivered by him from Washington, D. C., on December 5, 1944, which appears in the Appendix.]

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The VICE PRESIDENT. The clerk will state the pending amendment.

The CHIEF CLERK. On page 22, beginning with line 1, it is proposed to insert the following:

Beaver and Mahoning Rivers, Pa. and Ohio; from the Ohio River to Struthers in accordance with the recommendations of the Chief of Engineers for this section of waterways, in the report submitted in House Document No. 178, Seventy-sixth Congress: *Provided*, That compliance with the conditions of local cooperation shall be limited to those features that are usable in this section of the waterway.

The VICE PRESIDENT. The clerk will read the unanimous-consent agreement.

The legislative clerk read as follows:

Ordered, By unanimous consent, that on Wednesday, December 6, 1944, at not later than 1 o'clock p. m. the Senate proceed to vote on the pending amendment (Beaver and Mahoning River projects) and all amendments thereto.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). The question is on agreeing to the amendment reported by the committee.

Mr. BURTON. Mr. President, I made an extended statement yesterday respecting this amendment. I wish to make an extremely brief one today. This committee amendment presents a proposal which has already been approved by Congress. It does, however, require action in the present form so as to include minor engineering improvements, and an increase in the Federal expenditure by one and one-half million dollars, as recommended by the Board of Engineers in response to the previous request of the Congress. The project's revised cost as a Federal expenditure will be $38,500,000; its over-all cost will be less than before, being $42,400,000 instead of $47,000,000.

The history of this project I gave in detail yesterday. It demonstrates the unfailing approval which it has received whenever acted upon by the Board of Engineers or by a committee of Congress. It has been approved in the several steps of its development by two boards of engineers, by three Chiefs of Engineers; it has been approved twice by the Committee on Rivers and Harbors of the House, twice by the Committee on Commerce of the Senate. It has been passed once by the House and passed once by the Senate in its previous form.

Finally on its merits, the need and justification of this project is clear. Because of the excessive rail rates, the present charge for transporting coal to Youngstown partly by rail and partly by water is three times what it would be if done all by water; and for the distance where the proposed canal will replace rail transportation, the present rail rates are about seven times what they would be by water. It is an outstanding case of exaggerated rail charges.

The ratio of economic benefits was found to be favorable by the engineers, and today the ratio is substantially stronger than when it was computed by the engineers.

The committee in supporting this amendment asks only that the same public policy be applied to the Beaver-Mahoning branch of the headwaters of the Ohio River as has been applied to its other branches. It is approved by the Committee on Commerce, and I hope the Senate will today approve it as a part of the bill.

Mr. DAVIS. Mr. President, in discussing this amendment on the floor of the Senate yesterday, I stated that the cost of this project to the taxpayers of America would run to approximately $70,000,000. The accuracy of that statement was almost immediately questioned by both Senators from Ohio.

In order to clarify the matter, and in order to establish the validity of the figure which I cited yesterday, I quote now from page 2, paragraph 5, of the minority views of the committee which considered this amendment:

The estimated Federal cost of this project is $38,500,000 and with an annual maintenance charge of $630,000 for this 35-mile-long dead-end canal. There is a further cost of approximately $30,000,000 to be borne by local contributions. In all, this project will need $70,000,000 for construction, and an estimated $630,000 for yearly maintenance.

Mr. President, I feel that this statement of minority views represents a sound, iron-clad, and comprehensive case against the construction of this proposed project. It had been my intention to discuss a number of these points during the debate today, but in order to conserve the time of the Senate, I ask unanimous consent that the portion of the minority views dealing with the Beaver-Mahoning project may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpt from the minority views was ordered to be printed in the RECORD, as follows:

The Beaver-Mahoning Rivers: This project envisions the construction of a 12-foot channel, 200 to 250 feet wide in the Beaver and Mahoning Rivers in the States of Ohio and Pennsylvania. It was the original intention that this project should connect the Beaver-Mahoning Rivers with Lake Erie, but that idea has been abandoned, at least for the present time. In this bill the project calls for the construction of a dead-end channel from the point where the Beaver-Mahoning Rivers enter the Ohio River, to a point 35 miles north at Struthers, Ohio, in the Youngstown area. The main object of this project is to provide a navigation channel from the Ohio River to Struthers, apparently to enable the large steel companies in the Youngstown area to obtain their coal supply by water transportation, in contrast to the present method of unloading the coal barges at a point on the Ohio River into railroad freight cars, and then hauling by railroad the 35 miles north to Youngstown. The estimated Federal cost of this project is $38,500,000 and with an annual maintenance charge of $630,000 for this 35-mile-long dead-end canal. There is a further cost of approximately $30,000,000 to be borne by local contributions. In all, this project will need $70,000,000 for construction, and an estimated $630,000 for yearly maintenance.

In figuring the estimated subsidized water transportation rates as compared with the existing railroad rates, it must be borne in mind that the railroad rates—as pointed out earlier in this report—are based on total construction cost and maintenance of railroad bed and trackage, plus equipment costs and operating charges, whereas the rates on subsidized water-borne traffic are based solely on floating equipment cost and their operating charges.

The minority is reliably informed that the cost of a new double-track railroad from a loading point on the Ohio River up the 35 miles to Youngstown would be between fifteen and twenty million dollars, and it must be evident to all that if the Government built this railroad for this sum and maintained it at an annual cost of not exceeding $130,000, that some $50,000,000 would be saved in construction costs as compared with the waterway, and some $500,000 annually in maintenance costs, and if the railroads were permitted to operate their equipment over this federally built and maintained railroad without any charge, as in the case of the waterway, the per-ton freight rate would be considerably less than that estimated for the water-borne transportation system with positive, dependable operation all the year round.

It must be clearly understood that the signer of this minority report is not advocating the construction of this federally owned railroad, but merely using the suggestion as a comparison to illustrate the inequality of the basis of calculation for freight rates as between the two systems. The member of the Commerce Committee submitting this minority report holds no brief for the railroads, but does hold a brief for the taxpayers of the country.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 22 beginning with line 1.

Mr. GUFFEY. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHITE (when Mr. WILEY's name was called). I am asked to announce the necessary absence from the Senate on official business of the junior Senator from Wisconsin [Mr. WILEY].

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. PEPPER] is absent on important public business. I am advised that if present and voting he would vote "nay."

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Georgia [Mr. GEORGE], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Washington [Mr. WALLGREN], and the Senator from Massachusetts [Mr. WALSH] are necessarily absent. I am advised that if present and voting the Senator from Florida [Mr. ANDREWS] and the Senator from Georgia [Mr. GEORGE] would vote "nay."

The Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Maine [Mr. BREWSTER], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from New Jersey [Mr. HAWKES] and the Senator from Idaho [Mr. THOMAS] are necessarily detained. If present these Senators would vote "nay."

The Senator from Illinois [Mr. BROOKS] is necessarily absent. If present he would vote "nay." He is paired with the Senator from Minnesota [Mr. SHIPSTEAD], who would vote "yea."

The result was announced—yeas 16, nays 52, as follows:

YEAS—16

Ball	Ellender	Nye
Burton	Gurney	O'Mahoney
Bushfield	Hayden	Overton
Capper	Holman	Taft
Connally	McClellan	
Downey	Millikin	

NAYS—52

Aiken	Hall	Reynolds
Austin	Hatch	Robertson
Bankhead	Hill	Russell
Bilbo	Jenner	Stewart
Buck	Johnson, Colo.	Thomas, Okla.
Butler	Kilgore	Tunnell
Byrd	La Follette	Tydings
Caraway	Lucas	Vandenberg
Chandler	McFarland	Wagner
Clark, Mo.	McKellar	Walsh, N. J.
Cordon	Maloney	Weeks
Danaher	Maybank	Wheeler
Davis	Mead	Wherry
Eastland	Murray	White
Ferguson	O'Daniel	Willis
Gerry	Radcliffe	Wilson
Green	Reed	
Guffey	Revercomb	

NOT VOTING—27

Andrews	Gillette	Scrugham
Bailey	Glass	Shipstead
Barkley	Hawkes	Thomas, Idaho
Brewster	Johnson, Calif.	Thomas, Utah
Bridges	Langer	Tobey
Brooks	McCarran	Truman
Chavez	Moore	Wallgren
Clark, Idaho	Murdock	Walsh, Mass.
George	Pepper	Wiley

So the amendment of the committee was rejected.

PURCHASE OF LOGS, LUMBER, AND OTHER FOREST PRODUCTS

The PRESIDING OFFICER (Mr. MAYBANK in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2185) to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'MAHONEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. THOMAS of Oklahoma, Mr. WHEELER, Mr. LA FOLLETTE, and Mr. SHIPSTEAD conferees on the part of the Senate.

APPOINTMENT OF TWO ADDITIONAL ASSISTANT SECRETARIES OF STATE

Mr. CONNALLY. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate now consider a bill authorizing the appointment of two additional Assistant Secretaries of State. It is rather an urgent matter, and I do not think it will entail any discussion.

Mr. AIKEN. Is it a noncontroversial bill?

Mr. CONNALLY. It is.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none. The clerk will state by title for the information of the Senate the bill referred to by the Senator from Texas.

The CHIEF CLERK. A bill (H. R. 4311) to authorize the appointment of two additional Assistant Secretaries of State.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments, on

page 1, line 3, after the words "Department of State", to insert "beginning immediately"; and on line 4, after the words "period of", to insert the words "the emergency and not to exceed", so as to make the bill read:

Be it enacted, etc., That there shall be in the Department of State, beginning immediately for the period of the emergency and not to exceed 2 years following the cessation of hostilities, two additional Assistant Secretaries of State, each of whom shall be appointed by the President by and with the advice and consent of the Senate, and who shall serve without numerical designation of rank.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDING OFFICER. The clerk will state the next committee amendment passed over.

The CHIEF CLERK. On page 35, after line 23, it is proposed to strike out:

SEC. 4. The excess-land provisions of the Federal reclamation laws shall not be applicable to lands which will receive a water supply from the Central Valley project, California, reauthorized by section 2 of the River and Harbor Act approved August 26, 1937.

Mr. LA FOLLETTE. Mr. President, I wish to make a brief statement in connection with the pending amendment. I believe the committee is to be commended for having stricken the language known as the so-called Elliott rider. The question involved is one of fundamental change in the land policy of the United States, which goes back in an unbroken record to the Preemption Act. The action of the committee is in conformity with the action taken by the Senate in regard to matters affecting the irrigation laws in connection with the flood-control bill. Those amendments were referred to the Committee on Irrigation and Reclamation, where they could have the study of the committee which has jurisdiction over such legislation. I believe the Senate feels, in view of that action, that legislation affecting the land policy of the United States, and particularly the portion of the policy designed to maintain and encourage the development of the family-sized farm in the United States, should not be altered or changed or compromised except after the most meticulous consideration and for the most persuasive reasons.

Therefore, I trust that the conferees on the part of the Senate will bear that in mind when the pending bill is in conference.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 35, beginning in line 24.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment which has been passed over.

The next amendment passed over was, on page 36, after line 3, to insert:

SEC. 4. In connection with dams or works authorized by this act which the Secretary of War determines, upon the recommendation of the Secretary of the Interior, may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and upon the authorization by the Congress; and, within the limits of the water users' repayment ability, such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and works authorized by this act may be utilized for irrigation purposes only in conformity with the provisions of said Federal reclamation laws and this paragraph.

Mr. OVERTON. In lieu of that amendment, I offer the amendment in the nature of a substitute which now lies on the desk.

The PRESIDING OFFICER. The amendment in the nature of a substitute offered by the Senator from Louisiana to the committee amendment will be stated.

The CHIEF CLERK. In lieu of the committee amendment, beginning in line 4, page 36, it is proposed to insert the following:

SEC. 4. Hereafter whenever the Secretary of War determines, upon recommendation by the Secretary of the Interior, that any dam and reservoir project operated under the direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and after subsequent specific authorization of the Congress by an authorization act; and, within the limits of the water users' repayment ability, such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing. This section shall not apply to any dam or reservoir heretofore constructed in whole or in part by the Army engineers, which provides conservation storage of water for irrigation.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offerred by the Senator from Louisiana.

Mr. HATCH. Mr. President, when the substitute was first offered the other day, I raised some question about it, because it had just been presented from the floor and I had not had an opportunity to study it. Since that time I have not only studied the substitute but I have conferred with officials of the Bureau of Reclamation. Everyone seems convinced that the substitute is really better than the committee amendment, and that the substitute proposal should be adopted.

However, Mr. President, one slight amendment is desired. It will only emphasize language already contained in the substitute. I call the attention of the Senator from Louisiana to the following amendment which I now propose: In line 14 of the substitute, after the word "with" insert "the Federal reclamation laws and." That will make that part of the sentence read, "in conformity with the Federal reclamation laws and the provisions of this section."

Mr. OVERTON. Mr. President, there is no objection to the amendment. I think it is wholly unnecessary, but there is no objection to it.

Mr. MILLIKIN. Mr. President, I could not hear what the proposed amendment to the substitute is. Will the Senator from New Mexico be kind enough to state it again?

Mr. HATCH. I point out to the Senator the amendment as it would appear in the bill. It merely emphasizes the first line, but it makes no change.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico to the substitute amendment offered by the Senator from Louisiana to the committee amendment beginning in line 4 on page 36.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The question now is on agreeing to the substitute amendment, as amended, to the committee amendment on page 36, inserting a new section 4.

The substitute amendment, as amended, to the committee amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment which has been passed over will be stated.

The next passed over amendment was on page 37, after line 8, to insert:

SEC. 6. Electric power and energy generated at projects authorized by this act and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Preference in the sale of such power and energy shall be given to public bodies and cooperatives: *Provided*, That the Secretary of the Interior is not authorized to construct or acquire transmission lines in competition, direct or indirect, with any existing company operating transmission lines for the sale of electric power; except as otherwise authorized by other sections of this act relating to Umatilla Dam and the Snake River project.

Mr. OVERTON. Mr. President, as a substitute for that amendment I offer the amendment which lies on the desk.

The PRESIDING OFFICER. The amendment in the nature of a substitute,

offered by the Senator from Louisiana, to the committee amendment, will be stated.

The CHIEF CLERK. In lieu of the committee amendment on page 37, beginning in line 9, it is proposed to insert the following:

SEC. 6. Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Mr. OVERTON. Mr. President, since I have offered the substitute amendment I have consulted with two or three Senators and with the Department of the Interior. It is desired that an exception be made in respect to the Umatilla Dam and the Snake River project.

Mr. HOLMAN. Mr. President, I am unable to hear the Senator who is speaking.

Mr. OVERTON. I assure the Senator it is not my fault. There is too much confusion in the Chamber.

I was making the observation that since I submitted the substitute amendment a request has come to me from the Department of the Interior and from several Senators to make an exception with respect to the Snake River project and the Umatilla Dam, so that the provisions of this section will apply to all dams, except as may be otherwise provided in this bill in respect to those two dams.

I do not think the substitute amendment offered by me affects the Umatilla Dam and Snake River project, and I have so advised the Secretary of the Interior and the Senators who are interested. However, I have no objection to the suggested modification; and therefore I am modifying my amendment, in the beginning, after "Sec. 6" and before the word "Electric", by inserting:

Except as may be otherwise authorized by other sections of this act relating to Umatilla Dam and the Snake River project,

Then the section as recommended will apply to all dams, except as may be otherwise provided for the Snake River project and the Umatilla Dam.

Mr. AIKEN. Mr. President, will the Senator yield to me for a question?

Mr. OVERTON. I yield.

Mr. AIKEN. As I understand the amendment, it means that the Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary. Suppose the existing facilities agreed to transmit the power at their regular rates, but the Secretary of the Interior found that by constructing the lines the power could be transmitted for a considerably lesser cost to the consumers. Would he then be authorized to construct a line?

Mr. OVERTON. He could construct transmission lines for the sale of current from the dams at wholesale prices. I do not think there is any particular limitation to that authority, except as contained in the language "wholesale prices." He is also instructed to do so in order to bring about as wide a distribution of electric current and energy as possible.

Mr. AIKEN. And on fair and reasonable terms, I believe.

Mr. OVERTON. Yes; on fair and reasonable terms.

Mr. AIKEN. And if any existing line attempted to hold him up on the price for transmitting it, then he would be at liberty, would he not, to go ahead and construct a line himself?

Mr. OVERTON. That is my interpretation of it.

Mr. AIKEN. That is what I thought the interpretation would be, and what I hoped it would be.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. MILLIKIN. I should like to ask the distinguished Senator from Louisiana how the amendment would change, if it would change, the language of the committee amendment on the subject as it is contained in the bill.

Mr. OVERTON. The language of the substitute would be changed in the form which I have asked to have modified.

Mr. MILLIKIN. Yes.

Mr. OVERTON. I have asked to modify the substitute amendment by inserting after "Sec. 6." the words "Except as may be authorized by other sections of this act relating to Umatilla Dam and the Snake River project."

Mr. MILLIKIN. The exception would apply to the substitute.

Mr. OVERTON. Yes. The reason why the insertion was made in the original committee amendment is that otherwise there could be, under its terms, an interference with the distribution of power from the Snake River and Umatilla Dam. My substitute amendment would not interfere whatever, because it would permit the Secretary of the Interior to build transmission lines for the sale at wholesale rates of power generated at the Snake River project and the Umatilla Dam.

Mr. HILL. Mr. President, I understand the amendment is practically in the language of the one which the Senate adopted with reference to the construction of transmission lines under the flood-control bill, with the exception that the amendment would not apply to the Umatilla Dam and Snake River project. It would carry out the policy provided in the flood-control bill, namely, giving to the Secretary of the Interior the right to build transmission lines where they may be necessary in order to afford preferences to municipalities, public agencies, and farmer cooperatives in assuring a fair and equitable distribution of power at the fairest and most reasonable rates. I strongly favor the adoption of the amendment.

Mr. President, the power policy of the Federal Government has not been developed capriciously. It has been hammered out by the Congress in bill after bill relating to the Federal construction of water control and conservation projects and the regulation of interstate streams. The core of that Federal policy is that the benefits of power development at Federal projects shall not be monopolized by limited groups but that those benefits shall be widely distributed. This policy respecting the disposition of the people's power property on the basis of the general welfare has its roots in the earliest history of our country. There were those in the early days who sought to sell the public lands in the public domain to the highest bidder, to the men or companies that could put up the most ready cash. That policy bred land monopoly and the monopolization of the resources derived from the land—both on and under the earth. That policy was repudiated in the homesteading policy of selling our public land and resources for the benefit of the greatest number. Upon the policy of homesteading our Nation has grown big and great and our resources have been kept from being monopolized by the powerful few. Under that policy the Northwest territory, Ohio, Indiana, Illinois, the great Middle West was settled—settled by farmers who work the land and reap its benefits.

So, too, with our power resources we have sought to assure that they will not become enmeshed in the empires of the monopolists but that they will be available to develop the industry and agriculture of our Nation and to lighten the burden of the housewife. We have enacted into law again and again a policy of giving preference to public agencies, municipalities and cooperatives in the sale of the people's power resources, developed at Federal dams. The Senator from Kentucky [Mr. BARKLEY] remarked on Wednesday that the first such preference was started in an amendment to the Reclamation Act in 1906. It was reiterated in vigorous language in the Raker Act in 1913 which gave public lands to the city of San Francisco for use in connection with a water and power development. It has in recent years been enacted in the reclamation laws, in the T. V. A. Act, the Bonneville Act, and the Fort Peck Act. This policy has resulted from the efforts of the Congress to combine the sound tradition of our Nation, to foster business, aid the farmer, and make the benefits derived from Government expenditures available to all of the people.

There are two sound policy reasons for combining this policy of giving preference and priority to public agencies in the distribution of federally developed power and for building the necessary transmission networks to implement that preference and priority and to make it effective.

First, it is sound business for the Government to sell its power to more than one distributor. If the Government is required to sell merely to the one large

utility in the vicinity that can afford to build a line to the Government's dam, that utility will be able to dictate the terms upon which the power may be sold by the Government. It can dictate the price at which the power will be sold. No businessman would want to be in such an anomalous position. No wholesaler in business would want to depend upon a single outlet for the distribution of his product if he would remain in business.

The sale of power through public agencies and nonprofit organizations, moreover, means the sale of more power. It means the fuller and speedier development of the power resources of the Government and the consequently greater repayment to the Treasury of the costs of the projects. It means this because public agencies and nonprofit distributors sell power on a basis that results in the widest use of power and its heavy consumption in the home and on the farm and in the factory. The effect of low-cost power on consumption has been demonstrated again and again. The T. V. A. has given us an outstanding example of the greater use of power through the reduction in its price. Similarly, in the Northwest the results of the low-cost power, at Bonneville and Grand Coulee, are shown in the tremendous per capita use of electricity in those areas.

Let me state this in figures. I shall use State averages of both public and private companies so as not to confuse the point I am making that lower costs, whether public or private, means a greater use of power. The average residential use of power in the Nation as a whole in 1943, according to figures from the Edison Electric Institute, was 1,070 kilowatt-hours. The average price was 3$\frac{6}{10}$ cents. That is the average use and price throughout the Nation from public and private retailers. In the State of Tennessee, both private and public retailers sold 1,672 kilowatt-hours to the average customer at a cost of 2$\frac{3}{100}$ cents. More than half again as much use of power in Tennessee over the average for the country—at less than two-thirds the cost. In the State of Washington, where Grand Coulee and Bonneville Dams sell power to both public agencies and private utilities at wholesale over a great publicly owned transmission grid, the average use of power by the domestic consumer is 2,327 kilowatt-hours or more than twice the national average—the cost of power to the consumer is 1¾ cents or just less than half of the average national figure. I cite these figures because I think them pertinent to the point that the use of power goes up as the price goes down. A further extension of this point may be found in Winnipeg, Canada, where the average use of power is about five times the average in this country and the average price is about a fourth of our national average.

As long as power can pay a part of the cost of multiple-purpose water developments; as long as our rivers are uncontrolled and lay waste lives and property; as long as navigation and irrigation are needed in the building of America—we must combine the policy of giving preference and priority to public agencies and farmers' cooperatives in the sale of Federal power. For that sale of power will stimulate greater demand for power that helps in paying for multiple-purpose developments.

The sale of public power through agencies that do not place excessive tolls upon this power before it reaches the ultimate consumer is good business. It means that the Government's power will be sold steadily, and that the Government will receive a constant income. It means further multiple-purpose developments where these developments depend upon additional power installations. As a business proposition, therefore, it would be unthinkable to place the negotiators for the Government behind the eight ball of a policy that would hamstring them and require them to sell through private power companies exclusively, power that public agencies and farmers' cooperatives are eager to buy.

The Government has also launched on a popular and sound policy of lending money to farmers' rural electrification cooperatives to bring the light of our electric-power civilization to the far corners of our rural areas. That policy is sound in peace and in war. The labor-saving devices made possible by rural power have enabled our patriotic American farmers to carry on the greatest food-and-fiber production load in the history of this or any other nation, and to do so with fewer farmers and farm helpers. More than 4,000,000 people have left the farms of this country in the past few years and yet our farmers are producing more necessities of war than ever before. The lowly electric motors—pumping water, milking cows, grinding feed, and carrying forward the other chores of rural living—have helped to make this miracle of production possible.

The loans that have been made to these farmers are paid back—they are a sound business proposition.

But they are sounder if the cost of power to the cooperative is lower. Why should publicly produced power not be made available at cost to publicly financed cooperatives? To do so is sound business. The figures of the Rural Electrification Administration show that the cooperatives bought power cheaper from public agencies than from private utilities. For the Nation as a whole the cooperatives paid an average of 1$\frac{5}{100}$ cents per kilowatt-hour for power from private sources, whereas the average cost of public power was sixty-eight one-hundredths of 1 cent. Indeed, the figures of the R. E. A. for 1943 show clearly that by and large the cheapest power was bought from public agencies. For instance, the lowest rate for large cooperatives purchasing more than 3,500,000 kilowatt-hours was from a public agency. It was forty-one one-hundredths of 1 cent. The highest rate for such purchasers was from the Tidewater Power Co. in North Carolina, and the price was 1$\frac{31}{100}$ cents, or 219 percent higher.

Bonneville, T. V. A., the Bureau of Reclamation, and other Federal suppliers have given the farmers' cooperatives power at low rates. This has been good business for the Government both as a power supplier and as a banker for the cooperatives. I would not now want to abandon that sound business policy. The Government's transmission line is like a public highway that brings the benefits of multiple-purpose projects to farmers, to householders, and to businessmen alike. The Senate should accept no amendment that would require that this power be sold over a private toll road. Such a policy would bog down the sale of Government power except to the monopoly operating in the area of the dam. It would not be good business for the Government.

My first reason for our traditional policy of giving preference to public agencies and providing transmission lines to implement those preferences was that it was good business. My second reason is that it is good government. It has been shown to be good government not merely in these past few years but since the earliest stages of public power development. It has been good government throughout the time that Congress has reiterated its position that the people's power should be made available to the people on a basis that will not result in excessive tolls or in the monopolization of the benefits of that power by a favored few.

In the past few years we have seen the concept of the multiple-purpose project blossom out into the sound multiple-purpose development of an entire river basin. I cannot believe that anyone who has seen the results of the comprehensive plan and program of the Tennessee Valley Authority would ever want to go back to the anarchy that prevailed over the waters of the Tennessee River in the past. I cannot believe that anyone who has seen the drudgery of the farmers and the farmers' wives lifted from their shoulders by the advent of rural electrification upon their farms would ever again want to return to the period of kerosene lanterns that prevailed when power companies skimmed the cream of the rural business and left the more isolated farmers to fend for themselves in what was literally the Dark Ages on the farm.

It is good government to provide for the multiple-purpose development of our rivers so that they may carry the commerce of our Nation through their navigation works, so that they may no longer waste the lives and property of our people through destructive floods, so that they may irrigate our arid lands, and so that their falling waters may produce power for the benefit of our people. It is good government to see that all of these benefits are widely spread among our people and that none of them are made the possession of the few. It is good government to see that Federal power is made available throughout the area of its economic transmission—to lower the cost of farming, to lower the cost of running the home, and to lower the cost of making goods and providing services in industry and business.

For in the transmission of its abundant supplies of low-cost power the Federal Government is providing a means

for decentralizing industry and for achieving a balance between the town and country, between agriculture and industrial production. The day of industrial concentration with its slums, its health hazards, its poor living standards, is reaching its twilight. The availability of abundant supplies of low-cost electric power that results from the development of our country's water resources is bringing about a new era of industry scattered throughout the land, benefiting all regions, all groups, all people in our great Nation. Low-cost power is intensifying the effective use of our civilization just as surely as our low-cost public highways extended that civilization. Indeed, the transmission lines that bring abundant low-cost public power to every hamlet are the new highways over which this country will progress and over which the undeveloped regions may reach a fuller use of their manpower and their resources. Yes, it is good government to continue our present sound policies for the distribution of power produced at Federal developments.

Because it is good business and good government to sell Federally produced power in a manner that will prevent its monopolization and that will spread its benefits widely among the people, I am opposed to any amendment that would restrict sales of power to the site of the dams. I favor giving preference to municipalities, public agencies, and farmer cooperatives. Where it is necessary for the Government to construct transmission lines for such preference to be enjoyed, I strongly favor such construction by the Government. I was very much gratified over the action of the Senate in providing for such construction in the flood-control bill and I urge similar action on the pending bill by the adoption of the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Louisiana [Mr. OVERTON] in behalf of the committee, in lieu of the committee amendment on page 37, after line 8.

The modified amendment to the amendment was agreed to.

The committee amendment, as amended, was agreed to.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. Does that complete the committee amendments?

The PRESIDING OFFICER. That completes the committee amendments. The bill is before the Senate and open to further amendment.

MR. TYDINGS. Mr. President, within a few minutes I shall have to go to a physician, and I should like to offer several small amendments which would merely authorize surveys to be made on five small streams in the State of Maryland. I should appreciate it if the amendments could be considered at this time and disposed of. No appropriations are asked for. The amendments merely provide for examinations and surveys.

The PRESIDING OFFICER. The clerk will state the first amendment offered by the Senator from Maryland.

The CHIEF CLERK. On page 42, after line 5, it is proposed to insert the following:

Crisfield Harbor, Md.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Maryland.

The CHIEF CLERK. On page 42, after line 10, it is proposed to insert the following:

Bear Creek and Lynch Cove, Md.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Maryland.

The CHIEF CLERK. On page 43, after line 13, it is proposed to insert a new paragraph, as follows:

Governors Run, Calvert County, Md., with a view to providing a harbor for small boats.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Maryland.

The CHIEF CLERK. On page 43, after line 13, it is proposed to insert a new paragraph, as follows:

Channel between Ramsey Bay and Chesapeake Bay, and other measures for the prevention of damage from erosion near the mouth of South River, Anne Arundel County, Md.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland.

The amendment was agreed to.

Mr. DOWNEY. Mr. President, I have an amendment lying on the desk affecting two survey items only, one on the Napa River, Calif., and one on the Noyo River, Calif. I ask that they be read by the clerk.

The PRESIDING OFFICER. The first amendment will be stated.

The CHIEF CLERK. On page 55, after line 10, it is proposed to insert:

Noyo River, Calif.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the Senator from California will be stated.

The CHIEF CLERK. On page 55, after line 10, after the amendment heretofore agreed to, it is proposed to insert:

Napa River, Calif.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I ask to have the attention of the able Senator from Louisiana, I offer an amendment with which he is familiar, and which would remove certain obstacles in the St. Marys River. The amendment is based on the recommendation of the Chief of Engineers dated September 18, 1944, which reached us after the Senate Committee on Commerce had concluded its consideration. I am inclined to believe that the able Senator from Louisiana agrees with the amendment and that it will be taken to conference.

Mr. OVERTON. The Senator is correct. I understand that it is very emergent. I have been so advised by the engineers. So far as I know, there is no conceivable objection to it on the part of anyone.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 23, after line 15, it is proposed to insert the following:

St. Marys River, Mich., South Canal; in accordance with the report of the Chief of Engineers dated August 14, 1944, and contained in House Document No. 679, Seventy-eighth Congress, second session.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. WHERRY. Mr. President, on behalf of the Senator from New Jersey [Mr. HAWKES], who is necessarily absent from the Chamber, I offer an amendment which I ask to have read. I understand that the amendment is not controversial in any way.

Mr. OVERTON. I have no objection to the amendment. I know what it is.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 41, after line 5, it is proposed to insert:

Sandy Hook Bay, N. J., with a view to providing a channel to, and navigation improvements at, Leonardo.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] on behalf of the Senator from New Jersey [Mr. HAWKES].

The amendment was agreed to.

Mr. HILL. Mr. President, I offer an amendment which would merely authorize a preliminary examination and a survey. It is an amendment about which I have spoken to the distinguished senior Senator from Louisiana [Mr. OVERTON], and it is perfectly agreeable to him.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 49, after line 23, it is proposed to insert:

Columbus, Ga. to Pensacola, Fla.; waterway via Chattahoochee, Conecuh, and Escambia Rivers.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama.

The amendment was agreed to.

Mr. BYRD. Mr. President, I offer an amendment providing for a survey. I have discussed the amendment with the able Senator from Louisiana [Mr. OVERTON] and he has no objection to it.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 45, between lines 9 and 10, it is proposed to insert the following:

Inland waterway from Norfolk, Va., to Beaufort, N. C., with a view to providing a side channel 12 feet deep through Pasquotank River and Albemarle Sound to Elizabeth City.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment was agreed to.

Mr. WEEKS. Mr. President, I offer two amendments, which I ask to have stated. One amendment pertains to Falmouth Harbor, Mass., and the other amendment pertains to Mattapoisett, Mass.

The PRESIDING OFFICER. The first amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 39, after line 19, it is proposed to insert:

Falmouth Harbor, Mass.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Massachusetts.

The CHIEF CLERK. On page 39, after line 17, it is proposed to insert:

Mattapoisett, Mass.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. RADCLIFFE. Mr. President, on behalf of the senior Senator from North Carolina [Mr. BAILEY], who is not in the Chamber at the moment, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 14, at the end of line 19, it is proposed to change the semicolon to a comma and add "with such modifications, including rearrangement of the harbor facilities and turning basin, as in the discretion of the Secretary of War and the Chief of Engineers may be advisable."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland on behalf of the Senator from North Carolina.

The amendment was agreed to.

Mr. CORDON. I offer a noncontroversial amendment merely authorizing an additional survey.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In section 7, page 55, after line 21, it is proposed to add the following:

Nehalem Bay and River, Columbia Slough, Astoria, Oreg., with a view to the construction of a mooring basin for fishing boats within the harbor.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. MEAD. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 57, after line 4, it is proposed to insert the following:

SEC. 8. The Secretary of War is hereby authorized and directed to ascertain as nearly as can be estimated the amounts of damages resulting to manufacturers on the Oswego River by the improvement of the Oswego and Erie Canals by the State of New York in accordance with the project adopted by the River and Harbor Act, approved August 30, 1935.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. MEAD. I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 40, after line 10, it is proposed to insert:

Nissequogue River, N. Y.
St. James Harbor, N. Y.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. MEAD. The amendments I have offered merely provide for surveys, and are agreeable to the chairman of the subcommittee. I now offer an amendment which is contentious, and I should like to ask the Senator in charge of the bill if he will agree to take the amendment to conference.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 22, line 11, before the semicolon, it is proposed to insert a colon and the following: "*Provided*, The United States shall bear the entire cost of dredging and construction of piers at Oak Orchard, N. Y."

Mr. OVERTON. Mr. President, I regret very much that I cannot agree to take that amendment to conference. There has been no hearing at all on it. It relates to a certain harbor of refuge on the Great Lakes. There are a number of them, and all of them are required to pay rather substantial sums by way of local contributions because private interests, private docks, and other things are very much benefited by the construction of these harbors.

The purpose of this amendment is to select a particular harbor and strike out all local contributions in connection with it. The amendment was never offered before the committee; no hearings were held on it, and if we should strike out local contributions in respect to this particular harbor we would have to strike out local contributions in respect to other harbors.

Mr. MEAD. Mr. President, if my colleague from Louisiana will yield, I should like to ask him if he would agree to the introduction of a bill and the reference of it to the committee and perhaps ultimately to a subcommittee and later a hearing on the bill at some future time.

Mr. OVERTON. That would be very satisfactory, and I should be very glad to do that.

Mr. MEAD. Very well, I shall withdraw the amendment and offer it as a separate bill.

I now offer another amendment, Mr. President, on behalf of the senior Senator from Massachusetts [Mr. WALSH].

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 39, after line 18, it is proposed to insert the following:

Channel from Buzzards Bay to Buttermilk Bay, Mass.

Mr. OVERTON. There is no objection to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York on behalf of the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. BURTON. Mr. President, I offer and send to the desk a noncontroversial amendment for a survey dealing with Lake Erie and Lake Huron.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 54, between lines 13 and 14, it is proposed to insert the following:

The south shores of Lake Erie and of Lake Huron, with a view to the establishment of harbors and harbors of refuge for light draft commercial and fishing vessels and for recreational craft.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. OVERTON. I send to the desk an amendment providing for a survey and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 51, after line 3, it is proposed to insert:

North Prong, Schooner Bayou, Vermilion Parish, La.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was agreed to.

Mr. OVERTON. On behalf of the distinguished Senator from Alabama [Mr. BANKHEAD], who is unavoidably detained from the Chamber, I offer another amendment providing for a survey. I

wish to say that it relates to the Tombigbee River and the project which the Senate declined to authorize. Now it comes up in the form of authorizing a survey in reference to the Tombigbee River. I do not conceive that there will be any objection to it.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 49, after line 25, it is proposed to insert the following:

Tombigbee River, Ala. and Miss., and canal connecting the Tombigbee and Tennessee Rivers.

Mr. HILL. Mr. President, if this amendment were adopted, does the Senator think it would provide the best way to obtain a restudy of the project? Would it be better than a resolution adopted by his committee? They would both involve the same thing; but the Senator can speak with better authority on it than I can.

Mr. OVERTON. One would be as satisfactory as the other.

Mr. HILL. Would the Senator think one would be as expeditious as the other?

Mr. OVERTON. I think so.

Mr. HILL. The question in my mind is whether one would be more expeditious than the other.

Mr. OVERTON. I think I can speak for the committee, and if this amendment meets with any difficulty in conference or if there should be no conference at all on the bill—we may never reach that stage; I do not know—I should be glad to aid in getting a resolution for a review through the Commerce Committee.

Mr. HILL. But the Senator thinks we will get a report just as quickly by putting this amendment on the bill as we would as a result of a resolution of the committee asking for a resurvey.

Mr. OVERTON. I think so; that is my opinion.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

The amendment was agreed to.

Mr. OVERTON. Mr. President, on behalf of the senior Senator from Florida [Mr. ANDREWS] I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 13, line 23, strike out the semicolon immediately after "1944" and insert in lieu thereof a comma and the following: "and plans for the alteration of channel alignment on file in the Office of the Chief of Engineers, with such modifications as he may deem advisable."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana on behalf of the Senator from Florida.

The amendment was agreed to.

Mr. HILL. Mr. President, on behalf of the junior Senator from Florida [Mr. PEPPER] I offer what my colleague from Ohio describes as a noncontroversial amendment. It merely asks for a preliminary examination and survey.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 49, after line 19, it is proposed to insert the following:

Pensacola Harbor, Fla.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama in behalf of the junior Senator from Florida.

The amendment was agreed to.

Mr. HILL. On behalf of the junior Senator from Florida [Mr. PEPPER] I offer another amendment asking merely for a survey.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 49, after line 19, it is proposed to insert the following:

East Pass from the Gulf of Mexico into Choctawhatchee Bay, Fla.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama on behalf of the Senator from Florida [Mr. PEPPER].

The amendment was agreed to.

Mr. HILL. On behalf of the junior Senator from Florida [Mr. PEPPER], I offer another survey amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 48, after line 25, it is proposed to insert the following:

Crystal River, Fla.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama on behalf of the Senator from Florida [Mr. PEPPER].

The amendment was agreed to.

Mr. HILL. On behalf of the junior Senator from Florida I offer another survey amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 45, between lines 22 and 23, it is proposed to insert the following:

St. Johns River, Fla., Palatka to Lake Harney.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama on behalf of the Senator from Florida [Mr. PEPPER].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. AIKEN. Mr. President, 2 or 3 days ago I heard someone say that this very carefully considered bill, the river and harbor bill, which had been the subject of hearings which lasted over a 3 or 4 weeks' period, was not a "pork-barrel" bill. But after listening to the chairman of the subcommittee accept approximately, I should say, 60 or 70 amendments providing for work or studies in as many different parts of the country, without any Member of the Senate excepting the one who was interested knowing what these projects were, I began to wonder if this was not a good-sized "bacon-barrel" instead of just a "pork barrel."

The Senator from Louisiana has been so kind in accepting the 60 or 70 projects to benefit as many different parts of the country that I hope he will, before I conclude the discussion of the subject which I shall take up, be perfectly willing to accept the amendment which I shall offer, and which might be considered as a good contribution from that "pork barrel" to 135,000,000 people in the United States, and not merely those residing at the mouth of some cove or river.

Mr. President, I shall speak on the river and harbor bill, and particularly on what is commonly known as the Great Lakes-St. Lawrence seaway project, for the construction of which I shall offer an amendment before we conclude the debate on this subject.

I ask that at the beginning of my remarks the amendment which I propose to offer later be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill insert a new section as follows:

"SEC. 8. (a) For the purpose of promoting interstate and foreign commerce and the national defense, and providing an improved waterway through the Great Lakes, the St. Lawrence River, and connecting waters reaching to the Atlantic Ocean, and for the generating of electric energy as a means of financing, aiding, and assisting such undertaking, the agreement made by and between the Governments of the United States and Canada, published in House Document No. 153, Seventy-seventh Congress, first session, providing for the construction of dams and power works in the International Rapids section of the St. Lawrence River, and the completion of the St. Lawrence deep waterway, is hereby approved; and the President is authorized and empowered to fulfill the undertakings made in said agreement on behalf of the United States, and to delegate any of the powers and duties vested in him by this section to such officers, departments, agents, or agencies of the United States as he may designate or appoint. The works allocated for construction by the United States under said agreement shall be undertaken under the direction of the Secretary of War and the supervision of the Chief of Engineers in accordance with the laws, regulations, and procedures applicable to rivers and harbors projects, subject, however, to the terms and conditions of said agreement.

"(b) The President is hereby authorized and directed to negotiate an arrangement with the Power Authority of the State of New York for the transfer to said Power Authority of the power facilities constructed pursuant to this authorization and the right to use the United States share of the waters at the project for hydroelectric power purposes upon such terms and conditions as may be agreed upon, including provision for payment of $93,375,000, which represents the cost allocated to power in accordance with the method of allocation included in the joint recommendation of the Corps of Engineers, United States Army, and the Power Authority of the State of New York dated February 7, 1933, such payment to be made by the Power Authority over a period of 50 years with interest at the rate of 3 percent compounded annually. In addition, the arrangement shall include provisions protecting the interests of the United States and assuring a widespread

equitable disposition of the power to public agencies in other States, including counties, municipalities, public-power districts, and rural electric cooperatives within economic transmission distances, and provisions for the prior use of such water for the purposes of navigation and the delivery, without charge to the War Department, of so much power as said Department shall need for the operation of navigation facilities. The arrangement negotiated pursuant to this section shall not be subject to the provisions of any other section of this act but shall be reported to Congress during its next session, and shall become effective when ratified by Congress and the State of New York.

"(c) When the Secretary of War deems it necessary for the purpose of expediting the construction of this project he may enter into contracts without advertising or competitive bidding: Provided, That the cost-plus system of contracting shall not be used. The authority to contract contained in this subsection may be exercised through such officer or officers as the Secretary of War may designate. The prior use of all waters of the St. Lawrence River within the boundaries of the United States and all lands, dam sites, and easements required for the purposes of this section are hereby declared to be necessary for the regulation of interstate and foreign commerce."

Mr. AIKEN. Mr. President, in 1941 the river and harbor bill, which was approved by the House committee, approved the agreement which had been entered into by the United States and Canada on March 19, 1941, for the development of the Great Lakes-St. Lawrence seaway.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHITE. I wish to ask, so that I may be advised of the situation, whether the Senator has offered the St. Lawrence seaway amendment?

Mr. AIKEN. The amendment has not as yet been offered, and will not be offered until I conclude speaking. I wish to say before I start my remarks, Mr. President, that the proponents of the amendment hope to reach a vote on it as early as we can. There positively will be no attempt to delay the river and harbor bill because of this amendment. I cannot say how long it will take to present our side of the case. I understand there are six or seven Members of the Senate who will desire to speak in favor of it before the debate shall be concluded, but there will be no effort to delay a vote on the river and harbor bill, and we hope to have a vote on the amendment itself just as soon as we can. I make that as a promise now. I say that, because I saw in a news item a few days ago that we would attempt to filibuster. That is not so. I wish further to say for myself personally that if the amendment shall be defeated, there will be no attempt at retribution against any other section of the country on my part, because this is all my country. If we can develop wealth in any part of it, I know it helps my part, too.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. OVERTON. My attention was diverted when the Senator began his remarks, and I could not very well understand what he said. He made some reference to the senior Senator from Louisiana accepting some 60 or 70 projects.

Mr. AIKEN. Projects or studies, and I remarked that in view of the acceptance of those proposals, I hoped that before we concluded the debate on the St. Lawrence project the Senator from Louisiana would be willing to accept that also.

Mr. OVERTON. I will do so in the same form in which I accepted the others, for a preliminary examination and survey. Ever since I have been in the Senate there has been no objection to an amendment preferred by a Senator with respect to a preliminary examination and survey. It was such amendments that I accepted. They were not project amendments, with the exception of one offered by the Senator from Michigan, which I am going to take to conference, and which is very emergent. There was another which contemplated some modification of an existing project, but that was not a new project.

Mr. AIKEN. I accept the explanation of the Senator from Louisiana. As a matter of fact, the Senator knows that most of the time a Senator sitting on this side of the aisle cannot possibly hear what is being said on the other side.

Mr. OVERTON. The Senator is correct.

Mr. AIKEN. However, I shall not ask for a survey of the project at this time, because it has been surveyed and resurveyed, investigated and reinvestigated, for the last 20 years.

As I was stating, the agreement which was entered into by the United States and Canada on March 19, 1941, represented the culmination of 10 years of earnest endeavor on the part of our great Secretary of State, Cordell Hull. After the very kind words which have been said about Mr. Hull on the floor of the Senate, I hope no one will be in a mood to tear down the work which he has been doing and the structure which he has been building over this period.

Mr. President, this is not the first time the St. Lawrence project has been brought before the Congress in connection with the development of the rivers and harbors of our country. In fact, in presenting this project as an amendment to the rivers and harbors bill, which I shall do later, I am merely following the procedure which has been followed for the past 40 years. All the works for the improvement of navigation which have involved Canada and the United States, so far as I know, with one or two exceptions, have been authorized through rivers and harbors bills. All the dams across the international boundary waters which have been constructed by private utilities have been constructed in accordance with the provisions of the treaty of 1909.

I would have preferred to have a development of such great importance to the entire Nation come before the Congress as a separate measure. Some time ago, however, I came to the conclusion that such a procedure was without the realm of possibility at this session of the Congress.

I introduced Senate bill 1385 on September 28, 1943, and after giving the Committee on Commerce the full benefit of all doubts which I may have had, I was very reluctantly forced to the conclusion that it would be impossible to obtain a report from that committee in time for any action at this session. The chairman of the full committee and the chairman of the subcommittee have both given reasons to this body for the delay in taking action on that bill. No doubt these reasons seemed plausible to them, and perhaps might have been accepted by me except for certain incidents which have occurred, and which have been discussed at some length on this floor.

I shall not discuss further, unless it is the desire of members of the committee that I do so, the campaign of the chairman of the subcommittee, the Senator from Louisiana, nor shall I discuss further, unless requested, the explanation of the Senator from North Carolina relating to the delay in requesting reports from various departments of the Government which might conceivably be interested in the bill.

I simply call the attention of this body to the fact that on November 21, 1944, the subcommittee of the Committee on Commerce handling S. 1385 started hearings purporting to determine whether it had jurisdiction or not over the bill introduced by me September 28, 1943.

Accepting all other excuses for the delay at face value, the fact remains that it was not necessary for this committee to await the reports of any Government departments before calling hearings to determine whether or not the committee to which the bill was referred had jurisdiction over it. I personally believe that the Committee on Commerce has far outstepped its jurisdiction in undertaking to determine whether the St. Lawrence development is a proper subject for a treaty or an agreement. That, Mr. President, seems to me to be a matter which should be determined by the Senate itself, if at this late date we propose to challenge the form of the instrument negotiated in 1941 by Secretary of State Hull.

I did not testify at these hearings, although invited to do so by both the chairman of the full committee and the chairman of the subcommittee, for the reasons that—

First, I make no pretense of being a constitutional lawyer;

Secondly, three members of the committee expressed their decision, according to the press, before any of the testimony was heard;

Thirdly, it was the State Department and not the proponents of the St. Lawrence seaway whose right to submit the subject as an agreement was challenged; and

Lastly, I felt that the Committee on Commerce was entirely without jurisdiction to hold such hearings. I understand that the chairman of the Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY], was not consulted before these hearings were held.

It is doubly unfortunate that these hearings, called for the purpose of challenging the methods of Secretary Hull

and the State Department, were called at the very time when Secretary Hull was ill in the hospital and when Assistant Secretary Adolf Berle, who had assisted Secretary Hull in the St. Lawrence negotiations, was necessarily absent conducting the International Aviation Conference now being held in Chicago.

Therefore, in the light of this most unusual procedure on the part of the Committee on Commerce, it has appeared to the proponents of the St. Lawrence seaway development that the only way to secure a vote on this great project, which will directly benefit 50,000,000 people and indirectly benefit every man, woman, and child in the whole United States, is to offer it as an amendment to the rivers and harbors bill now under consideration, which we propose to do at the proper time.

Mr. WHITE. Mr. President, will the Senator from Vermont yield so that I may suggest the absence of a quorum?

Mr. AIKEN. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOLMAN in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hall	Revercomb
Bankhead	Hatch	Reynolds
Bilbo	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kilgore	Thomas, Okla.
Capper	La Follette	Thomas, Utah
Caraway	Langer	Tunnell
Chandler	Lucas	Tydings
Clark, Mo.	McClellan	Vandenberg
Connally	McFarland	Wagner
Cordon	McKellar	Walsh, Mass.
Danaher	Maloney	Walsh, N. J.
Davis	Maybank	Weeks
Downey	Mead	Wheeler
Eastland	Millikin	Wherry
Ellender	Murray	White
Ferguson	Nye	Wiley
Gerry	O'Daniel	Willis
Gillette	O'Mahoney	Wilson

The PRESIDING OFFICER. Seventy-five Senators have answered to their names. A quorum is present.

Mr. AIKEN. Mr. President, as I stated before I suspended for a quorum call, I should have preferred to offer this bill as a separate measure; but inasmuch as it appeared to be impossible to get a report from the committee in time to obtain any action at this session of Congress, the only recourse seemed to be to offer it as an amendment to the rivers and harbors bill, now under consideration, which I propose to do at the proper time.

The action of this Congress in approving or disapproving the Great Lakes-St. Lawrence seaway and power development will have a far-reaching effect on the position which America will hold in the post-war world. It will be an important factor in determining the extent of the security, the prosperity, and the happiness which the people of this Nation will possess in the future.

It will play an important part in insuring the men in our armed services against the specter of unemployment when they return to their native land. Those 6,000,000 boys of ours now overseas and the millions who are preparing to follow them are relying upon us to build in this country during their absence the foundation for an era of prosperity and security; and in this we must not fail. We will not fail.

They are doing their part in this war. They are offering all they have. They have left their homes, their parents, their wives, and sweethearts and their children and have gone forward to offer their lives, if necessary, fighting under the American flag in every corner of this earth.

The least we can do is to construct the foundation on which they may build—a foundation which will provide happiness and security for 135,000,000 people, not just for small groups of people presently remaining at home, who do not have to go forth to war, perhaps to nameless graves thousands of miles from their homes.

We have recently authorized tremendous public works in the flood-control bill. We will authorize more in the rivers and harbors bill now before us.

We of the Senate have refused, by defeating certain amendments offered to the flood-control bill, to turn over the heritage of our boys to certain special interests while their backs were turned. I say we can take just pride in the action of this Senate in insisting on holding the remaining natural resources of America in trust for the men and women of our armed services, their families, and their descendants.

Now, Mr. President, I am going to appeal to the members of this body to do one thing more for those who are fighting our battles in foreign lands for us, and that is to authorize the great development which, more than any other, will bring happiness, security, and prosperity to all our people.

Senate bill 1385 approves the agreement entered into between the United States and Canadian Governments on March 19, 1941. That agreement provides for the construction of such works as will furnish a 27-foot waterway all the way from Chicago, Duluth, and other points on the Great Lakes to the Atlantic Ocean.

Such a waterway would accommodate all but the largest ships of our Navy and our merchant marine, bringing to realization the hopes of the people living in the industrial and agricultural regions of the Great Lakes and the West that some day they will have free access to the seas and their rightful place in the commerce of the world.

In that respect, Mr. President, I should like to call attention to the fact that the great industrial cities of almost all other countries of the world are located upon waterways—either inland waterways or natural waterways—so that the goods produced in those industrial centers can be shipped to other parts of the world without the necessity of paying expensive transshipment charges which manufacturers located in the central part of our country must bear.

Since the agreement was signed in March 1941, considerable work, including the reconstruction of the locks at Sault Ste. Marie, has been completed as a war necessity.

The principal obstacle now remaining in the 2,700-mile waterway reaching from the Atlantic Ocean to the ports of Chicago and Duluth, in the heart of our continent, is a 48-mile stretch of rocky channel which is known as the International Rapids. It lies between the State of New York and the Province of Ontario.

While there are other lesser improvements to be made, the construction of dams, locks, and canals at the International Rapids is by far the major portion of the work remaining to be done. This work is almost wholly on the American side of the St. Lawrence River. The great dam will be entirely within our borders. The canals and locks will be entirely within our borders. Only some of the canal houses and some of the control dams will be in Canada. The work will be done under the direction of the United States Army engineers, and no one questions their ability to do the work.

The total cost of all the work remaining to be done to complete a 27-foot waterway is estimated by the Army engineers to be $421,000,000. Of this sum, the United States will pay $277,000,000 and the Dominion of Canada $144,000,000.

The difference in the amount to be paid by the two countries is due to the fact that Canada has to date spent approximately $133,000,000, while we have spent only about $17,000,000, exclusive of certain improvements made since the war started, on this international waterway.

I understand, Mr. President, that this great expenditure on the part of Canada is due to the fact that in 1928 or early 1929, an exchange of notes was made between the Canadian and American Governments, whereby it was agreed—under what authority, I do not know—that if one country spent money in developing the common waterway of value to both countries, the other country would match the expenditure. Canada went ahead on the strength of that agreement, and spent $133,000,000, principally in reconstructing the Welland Canal so that it has a depth of water of 30 feet over the sills. Therefore, Canada is credited with the amount of $133,000,000, which has been spent principally in the reconstruction of the Welland Canal, as I have said.

Of the $277,000,000 to be paid by the United States, $93,375,000 will be repaid by the State of New York over a 50-year period, to cover the part of the cost properly allocable to the power development which will be constructed in connection with the seaway.

In arriving at the sum of $93,375,000 which is to be paid by the State of New York, the Army engineers estimated the cost of the construction, then added an allowance of 25 percent for contingencies, and then—on top of that—added 12½ percent more for good measure. This contribution to the cost of the total development by the State of New York is undoubtedly adequate fully to reimburse the Federal Government for all expenditures connected with the power development.

Deducting this contribution from the total estimated cost to the United States, we find a net cost amounting to $184,000,-

000, plus interest during the construction period. Those two amounts will probably make a total of approximately $190,000,000.

There is no telling how many days the present war might have been shortened if the St. Lawrence development had been constructed before we became involved in the hostilities.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DAVIS. If our ships are able to go from ports on the Great Lakes, in the central part of the United States, directly to foreign ports, the result will also be that ships will be able to travel from the industrial centers of other countries to our industrial centers on the Great Lakes, merely upon the payment of the regular fees.

Mr. AIKEN. That is absolutely correct. Any ship will be able to travel from any part of the world to our ports in those areas. A ship will be able to bring rubber from the East Indies or gold from Africa or hides from South America directly to ports on the Great Lakes, without having to unload at the Atlantic ports. Today the cargoes must be transported overland by rail from the Atlantic ports.

In that connection, Mr. President, let me say that at the present time there is a 14-foot canal around the International Rapids, and during this year some 4,000 cargo ships have used that canal. I think the cargoes they have carried have amounted to a total of approximately 9,000,000 tons. I never have reduced that figure to the impressive figures for ton-miles which have been used so freely here, but I think approximately 9,000,000 tons of cargo have been carried this year through the 14-foot canal.

The total cost to the United States of this great development, which will permit ships from the Great Lakes to sail fully loaded to any port on the seven seas, will be less than the cost of waging war for a single day. It will be considerably less than the ultimate cost of many of the projects already approved by the Senate in the flood-control bill and favorably reported by the committee in the rivers and harbors bill.

Previous to the war there was a fleet of Norwegian ships which used the canal to which I have referred. I believe they started with one ship. They were short, shallow-draft ships. The locks of the present canal are only 260 feet in length. Those Norwegian ships had built up a sizable business in carrying freight to Chicago, Detroit, and other ports, reloading at those cities, taking the cargoes to European markets, and selling them in competition with the rest of the world. They were handling manufactured goods largely, as I understand, but just before the war they were carrying considerable quantities of manufactured steel to European markets and selling them there in competition with the world.

Mr. DAVIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Pennsylvania?

Mr. AIKEN. I yield.

Mr. DAVIS. Does the Senator know the nature of the cargo which was brought into the United States in exchange, so to speak, for our own?

Mr. AIKEN. I cannot state. I understand that the ships brought in considerable quantities of pulpwood and other products which we bought from foreign countries. In that connection I believe that if we are to export all over the world we must expect to have cargoes returning to this country. That is one of the things we hope will take place after the war. We hope to have a great increase in world trade.

Mr. DAVIS. The Senator has called attention to the amount of money which the State of New York would pay into the fund from which we had invested United States money in the power plants along the river. Can he tell us how much power would be generated in those plants?

Mr. AIKEN. As I have already said to the Senator from Pennsylvania, I will come to that point a little later and go into it in some detail. I am glad, however, that he has raised the question. Incidentally, it might be interesting to know that the total increased capacity of American shipping through the St. Lawrence seaway would be about 10,000,000 tons.

The question of States' rights does not become involved in this bill. The right of the power authority of the State of New York to take over the power development and to sell power therefrom is clearly recognized.

Some years ago I believe it was in either 1933 or 1934—an accord was reached between the Federal Government and the State of New York. It was at the time the great St. Lawrence treaty was before the Congress. The accord was reached and was accepted by the House of Representatives. I believe it was reported favorably by the Committee on Foreign Relations of the Senate, and when the treaty failed to receive the necessary two-thirds vote, the matter was dropped. But an accord has been reached recognizing the right of the State of New York to take control over the power development and to sell power therefrom.

The bill provides that New York will make available St. Lawrence River power to other States within economical transmission distances. Within 200 miles from where the great dam would be located is an area including the State of Vermont, most of the State of New Hampshire, a part of western Massachusetts, Connecticut, most of New York, and I believe a small portion of northern Pennsylvania. Within the 300-mile transmission distance will be included most of the great industrial regions of the Northeast.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DAVIS. Is it contemplated that any other power plants will be erected along the route to which the Senator refers?

Mr. AIKEN. Not at the International Rapids. The agreement, which would have to be approved under the bill, also provides "for the preservation and enhancement of the scenic beauty of the Niagara Falls and River and for the most beneficial use of the waters of that river."

At the present time some of the water which is used at Niagara Falls for generating electric power is very wastefully used. The contract provides that the situation shall be studied, and that experimental construction work may be done in order to determine just how the water from Niagara Falls can be best used. It is estimated that if the water were used efficiently it would result in generating about 700,000 additional horsepower on the American side. I believe the increase on the Canadian side would be about the same, but I am not sure as to that. The power would, of course, be of great benefit to the people living in Buffalo and in other sections of Erie County, N. Y.

That the Great Lakes-St. Lawrence seaway and power project has not been constructed long before this time is due to the fact that at every turn special interests have sought to delay and obstruct the improvement, while in certain sections the people have not fully realized what tremendous benefits would be provided by cheap power and reduced transportation costs.

In many instances, franchises were given for the construction by private power interests of dams across rivers lying between the United States and Canada, and the question of constitutionality was never once raised. Now, when it is proposed to construct a dam to be owned by and wholly for the benefit of the public—although I am sure that private power interests would share greatly in the benefits, and probably distribute most of the power generated—questions of constitutionality and other technical questions are raised which were never raised when private companies constructed dams across international boundaries.

The people have been bombarded by propaganda based on absolute falsehoods and half truths telling them that the St. Lawrence development would harm them and attempting to fill them with fear and doubt.

A generation ago a western railroad printed a pamphlet setting forth the savings which would result to consumers on the eastern seaboard through the construction of the St. Lawrence seaway. I have recently been advised by a friend of the president of that railroad that no sooner had the pamphlet been issued than the president of the road received peremptory orders from Wall Street to gather up and destroy every one of those pamphlets, and under no circumstances to have any more of them printed. I could give the name of the railroad, the name of the president of the road, and the name of the person who ordered the pamphlets to be destroyed; but I do not see that any public advantage would be gained by doing so. We all know that it might be one of a dozen men. We know who those groups are.

For 50 years or more private interests have coveted the mighty water power of the St. Lawrence. In the early days of the development of giant power the generation of public power was almost unknown. Groups of men organized, took

risks, failed in some cases, and made enormous profits in others. Therefore, it was only natural that the St. Lawrence, capable of developing the greatest power on earth, should be the object of many ambitious schemes for private exploitation.

I do not think we can criticize too much the speculative profits made by the privately owned utilities during the early part of this century. The commercial power industry was comparatively new. Many engineering problems were still to be overcome. Those who invested took risks and, as I have said, some lost and others grew rich.

In 1921, a group of the most powerful interests in the United States comprised of the Aluminum Co. of America, the General Electric Co., and the du Pont Co. united under the name of the Frontier Corporation for the purpose of acquiring and developing the power of the St. Lawrence River.

Through Hugh L. Cooper & Co. they made an offer to the United States and Canada that they would construct the seaway without cost to either country in return for the power which could be developed on this great river. The estimated cost of the construction at that time was $1,350,000,000. This plan of development, however, included that part of the St. Lawrence River which lies wholly in Canada, as well as the International Rapids development which would be authorized by the 1941 agreement.

Some 4,000,000 horsepower of electricity would have been generated on that part of the river which lies wholly within Canada. A portion of it has been developed by private interests. I think the Montreal Light & Power Co. owns it now or did own it a year ago. Last spring the Quebec Parliament enacted legislation authorizing the purchase of the private power plants on the St. Lawrence River and making them into public power plants. But the attempt of the General Electric Co., the Aluminum Co., and the du Pont Co. in 1921 to acquire the title to the St. Lawrence project was the last serious effort by private interests to acquire for themselves in their own name the world's greatest potential source of electric energy.

The offer of these corporations was not accepted, for by that time public opinion was aroused to the point where government could no longer afford to turn over to private interests natural resources properly belonging to all the people.

These efforts to acquire the water resources of New York were first made when Theodore Roosevelt was Governor, and he fought the private interests who tried to acquire them; then Charles Evans Hughes fought them, and finally Al. Smith had to fight them. I think almost every Governor of New York State has had to fight to preserve those resources for the people of New York.

Since that time there has been conducted a campaign by private interests forever to prevent the development of the energy of this great river unless the benefits of such development are turned over to private interests for private profit.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Missouri?

Mr. AIKEN. I yield.

Mr. CLARK of Missouri. There is another project, is there not, for an all-American waterway from the Great Lakes to the ocean?

Mr. AIKEN. I think there were some early investigations that provided surveys for an all-American route, in fact two or three of them, but it was decided that the one now being considered was the only one which was feasible.

Mr. CLARK of Missouri. Such a route has been very strongly advocated by such organizations as the State Chamber of Commerce of New York, the New York Waterway Association, which was formerly headed for many years by Mr. Peter G. Ten Eyck, formerly mayor of Albany and a former Member of the House of Representatives from the State of New York, and by a great many other American organizations, in contrast to the theory of having a waterway through Canada to be constructed very largely by American funds and employing Canadian materials and labor.

I recall a 5-hour speech made on this floor when the St. Lawrence Treaty, which is really what it should be, was before the Senate in 1933 by the then senior Senator from New York [Mr. COPELAND], in which he pointed out the advantages, the many advantages, of the all-American route over the Canadian route.

Mr. AIKEN. What the Senator from Missouri says is perfectly true; such recommendations have been made, and they have been made, as I understand, by those to whom he has referred; but the investigation made by the committee of which Secretary of Commerce Hoover was the head recommended the St. Lawrence as being the most feasible route. The all-American routes were recommended, I think, for two reasons, the first being that the people of Albany would like to turn all the traffic from the Great Lakes past the port of Albany. That is only natural. The other reason was that the power development would be relatively small and negligible on an all-American route and some of those the Senator has named, as we all know, are very much interested in power development, and I am sorry to say that they have been interested in high prices and scarcity rather than in plenty and low prices.

Mr. CLARK of Missouri. If the Senator will permit me a further observation, I hold no brief on the face of the earth for the port of Albany; I do not care anything whatever about the port of Albany; but, as between the port of Albany in the United States and Montreal and Quebec, I stand very strongly on the side of the port of Albany.

So far as power is concerned, that seems to me to be a negligible matter. My primary objection to this whole scheme is that it puts a limitation in perpetuity on the diversion of water from Lake Michigan, a lake lying wholly within the United States, which diversion is absolutely necessary for the Lakes to the Gulf waterway, which I regard as absolutely essential to the inland waterway development of the United States. It seems to me that power development is an entirely negligible element in this equation.

Mr. AIKEN. I do not desire to enter into a discussion with the very able Senator from Missouri concerning the diversion of water from Lake Michigan, but I understand that the document submitted as a treaty in 1934 absolutely prohibited further diversion of water from Lake Michigan, and it thereby incurred the wholehearted hostility of both Senators from Illinois, whereas the present agreement does not prohibit further diversion from Lake Michigan, but provides a means of settling damages in case it ever is diverted. The Senator's quarrel as I understand is with the States of Michigan and Wisconsin and the United States Supreme Court rather than with this project.

Mr. CLARK of Missouri. I am perfectly willing to rest that settlement with the States involved. I think that has been a matter that has been pending before the Supreme Court of the United States for a number of years. What this proposal amounts to is a treaty, and I may say that when the Senator offers his amendment, if he does, I propose to move to refer it to the Committee on Foreign Relations to be dealt with as a treaty. My objection is to an international agreement—a treaty, or whatever one may please to call it, which, second only to the Constitution, is the law of the land—limiting in any degree whatsoever our right to take whatever water we please from Lake Michigan.

So far as the suits between the various States of the Union are concerned, that is a matter which can be properly settled by the Supreme Court of the United States. They may settle it wrong, but whatever decision they make, of course, will be binding on all of us.

Mr. AIKEN. As I understand, the contract is now before us. It provides that if water shall be diverted, arbitration will be necessary in settling the amount of damage to injured parties on the river.

Mr. CLARK of Missouri. What is the Senator's reason for asserting that this is now to be treated as an executive agreement, when it has been recognized for many years as being a treaty?

Mr. AIKEN. The discussion of that matter at this time would be a little premature on my part. I should like to discuss the merits of the seaway and power development itself before engaging with the Senator from Missouri in the discussion of that question.

Mr. CLARK of Missouri. I shall be very glad to wait and discuss that question on my motion to refer, which I shall make as soon as the Senator offers his amendment.

Mr. AIKEN. Opponents of the St. Lawrence seaway, when they found they could not get it in their own name to develop the power for themselves, have resorted to all the tricks of the propaganda world, and apparently have been backed by unlimited funds.

The sordid and ofttimes speculative era of the twenties resulted in gross inflation in the financial structure of so many utility corporations that the term "power companies" was frequently used as synonymous with "crooked business" and "rotten politics."

Holding companies were organized for the purpose of exploiting the public and acquiring unearned profits which ran into astronomical figures. It was not unusual for utility companies to use valuations for rate-making which ran from 10 to 25 times the valuations of the same property for purposes of taxation.

Under such conditions it was naturally impossible, and particularly after the crash of 1929, for utility companies to extend their lines into the rural areas of America because the income from such lines could not pay dividends on the inflated valuations of the capital structure. Only the cream of the market could be served.

Such a condition provided the ground work for the establishment of the R. E. A. and the spread of municipal and public electric systems. Such a condition also provided the incentive for the obstructionist tactics used against the St. Lawrence and other undeveloped natural resources.

If the private utilities could not serve 5,000,000 rural homes themselves, they were apparently determined that no one else should do it. I would except some of the companies from that statement, but there were so many which took that attitude that the public generally applied that state of mind to all.

To my recollection, I have never made a public statement setting forth my views on the public distribution of power. I am usually referred to in the press and otherwise as a public-power advocate. As a matter of fact, I have never at any time advocated the distribution of power to the consumer through publicly owned systems except where it has been impossible to get adequate distribution or fair rates otherwise.

I have most earnestly urged the formation of rural electric associations to serve the millions of rural homes in America which the private utilities either could not or would not serve.

I have fought the private utilities with all the force I had when they have attempted to prevent the transmission of electric light and power to these farms and rural homes, as they have done through tactics which they know only too well how to use.

I shall continue to fight them, if necessary, along this line until every farm home in America receives these benefits to which it is justly entitled.

The utter ruthlessness with which some private utilities have attempted to keep from the farm people of America the ordinary comforts of life have made it difficult at times for me to be fair to the industry as a whole. There are a million farm homes—yes, probably twice that number—that private utilities never intended to serve, which are getting electricity today because of the competition created by the R. E. A.

Since the St. Lawrence development has again been attracting public attention, I have been told by some private utility operators that if they could be sure that St. Lawrence power would not be used for an expansion of public power lines they would not oppose the project.

I daresay that if we guaranteed that private utility companies could have that power to distribute over their own lines, the St. Lawrence project would go through in short order. The experts whom the opponents hire would be telling a different story when they came before the committee.

My answer to them is that the extent to which public power and cooperative power-distribution system are expanded depends entirely upon the private utility operators themselves. If they are willing, and I know some of them are, to distribute power generated at public plants at a price commensurate with its cost and will be satisfied with normal profits on their business based on fair valuations, they need have no fear of the expansion of public power.

If, however, certain great utility companies and holding companies persist in the obstructionist tactics, the reactionary policies and the ruthless methods for which they have been noted to date, the people of America will have only one recourse, and that is the expansion of public systems for power distribution direct to the consumer.

If they continue with their policy of opposing the construction of plants or the generating of power at public dams or the sale of power at low prices, when that is possible, or if they continue the policy of scarcity and high prices rather than a policy of plenty and low prices, which will mean more jobs, more wealth, more comforts for humanity, they will have forfeited every right to favorable consideration by the American people. So far as I am concerned, the test is here now.

But, it may be said, if I do not advocate the public distribution of power to the consumer, how does it happen I am advocating public ownership of the St. Lawrence and other great sources of power which would supply the low-cost electric current for retail distribution?

My answer is this: God never meant the Niagara Falls or the St. Lawrence rapids, or the rivers of the Tennessee Valley, or Grand Coulee, or Bonneville to be placed here on earth for the benefit of small groups of men. These great natural resources were placed on earth for the benefit of all the people to be held in trust by each succeeding generation for those who will follow. For the highest legislative body in the United States to turn over the water power of any one of these great natural resources to a small group would be nothing less than a betrayal of that trust.

As I have said, the opponents of the St. Lawrence project have resorted to all the tricks of the propaganda world. They have told the coal miners that the development of power on the St. Lawrence would ruin the coal industry.

I think it was John L. Lewis who went before the Committee on Rivers and Harbors of the House of Representatives 3 years ago and argued against the St. Lawrence seaway, because, he said, the ships which took our industrial goods overseas would bring back coal as ballast, and the more ships we sent overseas with our industrial output the more coal they would bring back. It was an absolutely ridiculous assertion to be made by anyone claiming to represent the coal miners that we should not do more foreign business because we might import more coal. As a matter of fact, if every ton of American traffic which would come through the St. Lawrence Canal were coal and nothing else, I believe it would amount to one-fiftieth of 1 percent of the output of the coal industry of this country, or some such ridiculously small figure. Such a statement, that the development of the St. Lawrence seaway would be detrimental to the coal miner and the coal operator, is at variance with the facts, as has been amply proved in the case of the Tennessee Valley Authority, where the use of coal increased 1,000 percent following the development of the water resources of that region.

It is true that the use of coal has fallen off nationally during the last two decades, largely due to the increased use of oil. In those areas where cheap electric power has been developed the use of coal has actually increased.

Cheap power means more industry, more jobs, and more wealth. These things mean an increase in the amount of coal consumed. The claim that an increase in industry in any State will reduce the consumption of coal would be so utterly ridiculous as to be unworthy of notice if it were not for the fact that through propaganda methods thousands of coal miners have been led to believe that coal mining really would be injured by the development of the St. Lawrence River and consequent increase in our industrial output. As a matter of fact every reduction in the cost of transportation that brings the coal miner's food to him at less cost means that he is better off, and when in the production of goods which are brought to him at less cost more coal is utilized, his betterment is twofold.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHERRY. I should like to ask the Senator where the coal would come from that would be transported down the St. Lawrence in competition with the coal mining industry of this country. I did not understand what the Senator said about that.

Mr. AIKEN. I think it would come from Britain. Canada imports some coal from Britain, and the Senator from

Pennsylvania [Mr. DAVIS] says also from Russia. I presume he is correct. But if the entire capacity of the St. Lawrence were devoted to the importation of coal it would amount to only a fraction of 1 percent of our total production. In fact the claim is made by proponents of the St. Lawrence seaway that it would permit more of our coal to be sold. I think there is significance in the fact that the city of Lorain, Ohio, which is the largest coal shipping port on the Great Lakes, as I understand, is officially on record as favoring the development of the St. Lawrence seaway.

Mr. WHERRY. I thank the Senator.

Mr. AIKEN. Opponents of the seaway have sought to divide the people of this Nation against themselves. They have told the people of the Atlantic and Gulf coast ports that an increase in agriculture and industry and employment and purchasing power throughout the great central portions of our country would reduce the amount of business done by those ports.

Nothing could be further from the truth. Even now with $10,000,000,000 of lend-lease exports, the total export business of the United States amounts to only 8 percent of our total economy. It may be of interest to note that as far back as 1920 the export business of this country amounted to 12 percent of our total economy, whereas now, including lend-lease and all, it is only 8 percent.

Mr. WHERRY. Mr. President, will the Senator yield.

Mr. AIKEN. I yield.

Mr. WHERRY. Does the Senator state that the entire national volume of export trade decreased from 12 percent in 1920 to 8 percent at present, including lend-lease?

Mr. AIKEN. Yes, but in 1920 our total national economy amounted to $70,000,000,000, compared with one hundred and fifty-eight or one hundred and sixty billion dollars today, so even though there has been a decrease in the percentage of export, there has been an increase in the dollar amount. I simply called attention to the decrease in percentage.

Most of our business is done with ourselves. Yet, the people of Baltimore and Philadelphia and New York and Boston and New Orleans and Mobile are told that the development of the St. Lawrence, which will make it easier for them to do more business with the people of Buffalo and Cleveland and Toledo and Detroit and Milwaukee and Duluth, is going to hurt them. Those people are afraid today. They do not want to change their ways of doing business, but they comprise only a very small segment of our total population, and I maintain that even though a few might have to change their ways, we should consider this subject in the light of what is good for 135,000,000 people rather than what may be good for 135,000.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. VANDENBERG. On the question of the relative value of the St. Lawrence development, and whether the balance sheet finally becomes a liability or an asset, I cannot help but constantly think of what happens in the city of Detroit. When the great automobile industry of Detroit can reach the world with tidewater transportation it is perfectly obvious that the industry of that area and everything related to industry, transportation, and everything else, is certain to be served in a degree which multiplies the total economy of the area and the total economy of the country, and it could not have any other result.

Mr. AIKEN. I thank the Senator from Michigan for his observation, and I will add that when the products of the motorcar companies of Detroit reach the markets of the world in greater quantities there will be an increased benefit to every State in the United States.

Mr. VANDENBERG. Will the Senator yield to permit me to say a word on that point?

Mr. AIKEN. Yes.

Mr. VANDENBERG. Furthermore, since we are constantly warned that the post-war economy of the world has got to produce a freer flow of commodities pro and con, exports and imports, it again, it seems to me, becomes an axiom that the development of a transportation facility of this nature which is so inevitably sure to facilitate exports and imports must be of fundamental service not only to the economy of the United States but to that of the world.

Mr. AIKEN. The Senator is entirely correct.

I readily admit that a few people in this great Nation of ours will have to change their ways of doing business when the St. Lawrence seaway is constructed. But I hold that the easier it is for people of one part of this Nation to do business with the people of every other part of this Nation, the greater wealth and prosperity and security will redound to all.

If the special interests, the apostles of scarcity and high prices, who today are fighting the St. Lawrence seaway would have their way, the United States would soon become a stagnant and decadent nation. As I have said, they fight this proposal because they are afraid of a change.

There are many reasons why we must not permit the selfish interests opposing the St. Lawrence development to delay it any longer. They have done damage enough already.

We have known for 20 years that we needed the St. Lawrence development. We needed it in 1934 when the Senate failed to cast a two-thirds vote in favor of the treaty which was then before the Senate. We needed it just as surely as we should have known that sooner or later we would have to provide for the defense of this Nation, in a world at war, and that we would need battleships and airplanes, power, and aluminum plants for war production.

We knew that the St. Lawrence navigation and power facilities were needed in 1940 and 1941. The supporters of the seaway knew it and the enemies of the seaway knew it.

Those who sought to protect monopoly privileges and profits through postponing its construction knew that it was a vital necessity to this country in the event of war as well as in times of peace. In 1941 the President of the United States, the Secretary of State, the Secretary of War, the Secretary of the Navy, the Chairman of the Maritime Commission, and virtually every high Government official, pleaded with the Congress even while the clouds of war gathered on the horizon, to authorize this development so that its resources would be ready for the defense of America.

Let me quote now from the statements which some high officials made at that time. I have first the testimony of the Secretary of the Navy, Mr. Knox, a member of the War Production Board, who said, on June 18, 1941:

> What a great boon it would have been to national defense now if when this project was first proposed it had been agreed to and put into effect. If that had been done it would not have been only along the 12,000 miles of coastline that we now have scattered our shipyards for building combatant ships, but it would have been along additional thousands of miles of inland waters, completely safe from any dangers from without, where we could be building cruisers, destroyers, submarines right now * * *
>
> It is driven home to me * * * that we are going to live in a disturbed world for a long time, no matter what the outcome of the war may be, and in that world which is out of balance and struggling for a new and secure footing the control of the seas is going to be of immense importance.
>
> Along with the development of modern sea power has come a new power—that of the air. To have a region in a time of turmoil and disturbance and of possible threatened war, where we could proceed with reasonable security in maintaining that predominance in sea power, which such a state of the world might require, would be an immensely invaluable national asset. * * *
>
> The other phase of shipbuilding, which is under pressure, is the construction of merchant vessels. For this type of vessel there are a number of very well organized, efficient yards in the Great Lakes. * * *
>
> If I could be sure, say 2 years hence, that a deep waterway, which would accommodate a vessel 500 or 600 feet in length with a draft of 20 to 25 feet, would be available, the Navy could utilize the Great Lakes yards as well as the coast yards, which would provide a means of promoting ship construction and distributing this work. The work is now confined as you know, to a narrow strip along the coasts. If we could establish this means of communication to salt water we would insure a future means of construction which would be a very marked military advantage to us. (Vol. I, pp. 95, 96, 97, hearings.)

That was testimony given by Secretary Knox on June 18, 1941, before we had entered the war; and even at that time, although there was disagreement in the Congress and very strong disagreement in the country as to what America should do about the war and how she should do it, yet we all knew that we should be preparing for it.

This is the testimony of Mr. Stimson, Secretary of War, on June 17, 1941:

> The engineers inform me that the project can now be built in 4 years, and possibly in 3 working seasons. * * *
>
> So far as the benefits to this country at this time of emergency are concerned, as I

see them in my Department, they are: First, the increase in our shipbuilding capacity by taking in the shipbuilding capacity on the Great Lakes; second, so far as transportation of munitions to Great Britain is concerned, there is a slight improvement, comparatively, in the distance which such munitions could be transported on a protected route. * * *

Third. The great advantage is the fact that this waterway will produce an estimated total horsepower of 2,200,000. Now, that is a very important matter at this time of strain.

This horsepower produced by this proposed project is, I am informed by the engineers, the largest block of undeveloped power at one site in the United States, as well as the cheapest in its operation.

Speaking generally, it takes advantage of this enormous reservoir constituted by the five Great Lakes, of water power, and produces in the St. Lawrence River a flow of water which is steady throughout all seasons and does not have to be supplemented with steam power, and is, therefore, the most cheap to operate. * * *

Benefit in transportation, whatever the immediate disturbance that may be produced, ultimately inures to the benefit of the entire people of the country and to me it seems inconceivable that when we take into consideration the long view, that we should not have the benefit of this great possibility of cheapened transportation and increased power.

That statement by Secretary Stimson will be found in volume I, pages 4 and 5, of the hearings before the House Committee on Rivers and Harbors.

Mr. President, I have read statements by Secretary Knox and Secretary Stimson, statements which came to naught. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement by Admiral Land, Chairman of the United States Maritime Commission. I shall not read all of that statement. I read an excerpt from Admiral Land's statement:

There can be little doubt but that the projected seaway would benefit oceangoing transportation in merchant vessels in both the foreign and domestic trades, since the seaway would open to such vessels thousands of miles of additional coast line and would permit them direct access to one of the most highly industrialized and agriculturally prolific regions in the United States.

The Commission is constantly studying how to use to the maximum for defense the shipbuilding resources of the country. There are many shipbuilding sites and prospective supplies of labor in the Great Lakes area not now fully utilized. Temporary expedients are being devised to utilize some ways on the Lakes to build ships to be floated down the Mississippi River. The construction of the St. Lawrence waterway will make possible a much greater use of the Great Lakes yards and will add to our national shipbuilding resources capacity to build large ships now landlocked from the sea. The sooner the St. Lawrence waterway is built, making the lake yards directly accessible to the sea, the more rapidly can the vast fleet of ships disturbed world conditions make necessary be secured.

That is the statement which Admiral Land made before the House Committee on Rivers and Harbors on August 6, 1941. I ask unanimous consent to have the entire statement printed in the RECORD at this point as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNITED STATES MARITIME COMMISSION,
Washington, August 6, 1941.

Hon. J. J. MANSFIELD,
Chairman, Committee on Rivers and Harbors, House of Representatives.

DEAR CONGRESSMAN MANSFIELD: You have requested the views and recommendations of the Maritime Commission with respect to H. R. 4927, a bill to provide for the improvement of the Great Lakes-St. Lawrence Basin in the interest of national defense, and for other purposes.

Section 1 of the bill would declare the approval of Congress of the agreement made between the Governments of the United States and Canada published in House Document No. 153, Seventy-seventh Congress, providing for the construction of dams and power works in the International Rapids section of the St. Lawrence River, and the completion of the St. Lawrence deep waterway, and would authorize and empower the President to fulfill the undertakings made in that agreement on behalf of the United States. The section would further direct that the work allocated for construction by the United States under the agreement shall be undertaken immediately under the direction of the Secretary of War and the supervision of the Chief of Engineers in accordance with the laws, regulations, and procedures applicable to river and harbor projects, and that such work shall be diligently prosecuted with a view of making essential facilities of the projects available for national defense uses at the earliest possible moment.

Under the terms of section 2 of the bill, the President would be authorized and directed to negotiate an arrangement with the power authority of the State of New York for the transfer to such power authority of the power facilities constructed pursuant to the authorization and the right to use the United States share of the waters at the projects for hydroelectric-power purposes upon such terms and conditions as may be agreed upon. The arrangement would include provisions protecting the interests of the United States and assuring a widespread equitable disposition of the power to domestic and rural consumers within economic transmission distances, and provisions for the prior use of such water for the purposes of navigation and the delivery, without charge to the War Department, of so much power as the War Department shall need for the operation of navigation facilities. The arrangement negotiated pursuant to this section would be reported to Congress upon the convening of its next session, and would become effective when ratified by Congress and the State of New York.

Section 3 would authorize the Secretary of War, when he deems it necessary for the purpose of expediting the construction of the project, to enter into contracts without advertising or competitive bidding. The cost-plus-a-percentage-of-cost system of contracting would be forbidden, but the use of the cost-plus-a-fixed-fee form of contract would be permissible when such use is deemed necessary by the Secretary of War.

The concluding sentence of section 3 declares the prior use of all waters of the St. Lawrence River within the boundaries of the United States and all lands, dam sites, and easements required for the purposes of the act to be necessary for the regulation of interstate and foreign commerce.

The feasibility of a waterway to accommodate oceangoing vessels, plying between midcontinent, Atlantic coast, and world markets has been under consideration by both the United States and Canada at various times during the past half century. Interest in the project has been considerably increased in recent years because of the hydroelectric power potentialities of the St. Lawrence development. The President, in his message of June 5, 1941, recommending authorization of the construction of the St. Lawrence seaway and power project in the interest of national defense, places the generation of electric power on a parity with the transportation facilities of the project.

Extensive surveys have been made over a period of many years by various departments and agencies of the Government to determine the feasibility, potentialities, and cost of the Great Lakes-St. Lawrence waterway and power development. The results of these studies have been reviewed and correlated, and their data brought down to date in the St. Lawrence survey recently undertaken and now nearing completion by the Secretary of Commerce.

The Maritime Commission has reviewed those portions of the St. Lawrence survey that have been published, with particular attention to those phases of the study which pertain to the activities and responsibilities of the Commission under the Merchant Marine Act of 1936 and related authority for emergency maritime programs.

Much of the statistical data contained in part II of the survey, on Shipping Services on the St. Lawrence River, is available to the Maritime Commission by reason of its own studies, and some of the data in that part of the survey was supplied by the Commission, as indicated in the survey.

The conclusions drawn by the survey from its studies on shipping services on the St. Lawrence River are considered by the Commission to be conservative and sound. As set forth on page 6 of the letter of submittal, they are:

"On the basis of all the facts contained in this report, the survey draws the following conclusions from its study of the conditions and limitations of navigation on the St. Lawrence seaway:

"1. The development of the upper St. Lawrence to a depth of initially 27 feet would provide a satisfactory waterway 2,350 miles into the heart of the North American Continent. Over this distance there would be only 67 miles of canals, 8 miles of restricted channels, and 18 locks.

"2. Though by no means as unencumbered as shipping on the high seas, yet the conditions of navigation on the St. Lawrence are not so difficult or hazardous as to make extensive utilization impossible.

"3. The season of navigation, though restricted, is not so short, considering the length of revenue-producing operations permitted, as to make the St. Lawrence route unattractive to shipping lines.

"4. There are, in normal times, enough ships of required draft to navigate a 27-foot channel as proposed. In the light of the factors here cited, it can be confidently expected that there will be enough ships able to navigate from the ocean to the Lakes to take care of available traffic.

"There are, then, no physical or climatic reasons why the St. Lawrence route should be unattractive to shipping lines a good part of each year."

According to the plan, the seaway would have a depth of 27 feet, extending from Montreal through the Great Lakes. The situation with respect to the capacity of the seaway to accommodate oceangoing vessels is summarized below.

On December 31, 1939, the world's oceangoing fleet of merchant vessels of 2,000 gross tons and over comprised 9,161 ships, totaling 52,000,000 gross tons. Of these vessels, 1,296 were under the American flag, a total of 7,800,000 gross tons. The proportions of these vessels (fully loaded), by groups, drawing 25 feet or less appear in the following tables:

Type of vessel	Total number	Total gross tons (millions)	Vessels of 25-foot draft or less	Percent of total vessels	Gross tons, 25-foot draft or less (millions)	Percent of tonnage
WORLD FLEET						
Freighters	6,043	30.0	4,541	71	17.7	59
Combination passenger and freight	1,202	10.8	563	47	2.9	27
Tankers	1,556	11.1	341	22	1.36	12
Total	9,161	51.9	5,445	59	21.96	42
UNITED STATES FLEET						
Freighters	802	4.07	519	65	2.27	56
Combination passenger and freight	141	1.22	76	54	.42	34
Tankers	353	2.59	46	13	.21	8
Total	1,296	7.88	641	49	2.90	37

The foregoing table is based upon the vessels being fully loaded. It has been estimated that the preponderant proportion of vessels transiting the Panama Canal is comprised of vessels loaded only to two-thirds of capacity. Allowing an additional 8 or 9 percent of the total dead-weight capacity for fuel, water, and supplies a load of 75 percent of dead-weight capacity would appear to constitute a reasonably accurate and effective yardstick for practical purposes.

Even allowing for an additional 6 inches, the difference between immersion in salt and fresh water, it is estimated that vessels with loaded drafts up to 27 feet loaded to 75-percent capacity on a weight basis could use the proposed seaway. The table would then read as follows:

Type of vessel	Total number	Total gross tons (millions)	Vessels of 27-foot draft or less	Percent of total vessels	Gross tons, 27-foot draft or less (millions)	Percent of tonnage
WORLD FLEET						
Freighters	6,403	30.0	5,724	89	24.7	82
Combination passenger and freight	1,202	10.8	804	67	5	46
Tankers	1,556	11.1	931	60	5.4	49
Total	9,161	51.9	7,459	81	35.1	68
UNITED STATES FLEET						
Freighters	802	4.07	728	91	3.5	86
Combination passenger and freight	141	1.22	97	69	.6	49
Tankers	353	2.59	220	62	1.4	54
Total	1,296	7.88	1,045	81	5.5	70

On the same basis, the vessels constructed by the Maritime Commission, in both the long-range and emergency programs, with the exception of the *America* and the tankers, would be able to utilize the St. Lawrence seaway.

Part V of the survey is devoted to the St. Lawrence seaway and future transportation requirements. Since this portion of the survey is concerned with the probable effect of the seaway upon other modes of transportation, principally the railroads, no critical comment is offered on the conclusions contained in it. Inasmuch, however, as the progress and development of the American merchant marine are intimately related to the future transportation needs and services of the Nation, the following observations are deemed pertinent:

Twice within 25 years experience has demonstrated that the needs of our national defense for a merchant marine capable of serving as a naval and military auxiliary in time of war or national emergency call for more merchant vessels than have been built by American operators for use in commercial traffic in time of peace.

Present plans for the development of a two-ocean Navy accentuate this problem. An expanded Navy will be severely crippled unless the merchant marine is able to provide it with auxiliaries in time of emergency. This means that a great expansion of the merchant marine is also necessary.

The problem is to maintain, in normal times through the absorption into normal domestic and foreign commerce, a merchant fleet adequate to the needs of national defense.

In 1914 less than 10 percent of the value of our export and import trade was carried in American vessels. The withdrawal of ships from our commerce at the outbreak of World War No. 1 created severe transportation shortages. The entry of the United States into that war brought on a gigantic shipbuilding program—nearly $3,500,000,000, for more than 3,000 ships, of 18,500,000 gross tons.

After the war the effort to assimilate our newly constructed merchant vessels into the commerce of the Nation, and to make an effective merchant marine of them proved difficult and complex in the extreme. Nevertheless, at the end of 10 years, in 1929, 33.4 percent of the value of our foreign commerce was carried in American bottoms.

The long-range replacement program of the Maritime Commission, under the Merchant Marine Act of 1936, got under way in 1937. The program called for the construction of 50 ships a year for 10 years. The outbreak of World War No. 2, and the menacing aspects of that spreading conflagration, have resulted in the acceleration of the long-range shipbuilding program of the Maritime Commission under the 1936 act, and in the inauguration of an additional emergency program for the construction of merchant ships to serve our own commercial needs and national defense and to promote the national defense through aid to nations resisting aggression.

No one can foresee with accuracy the conditions that will exist when the present hostilities cease. World conditions, however, have placed beyond question the importance to the United States of maintaining access to the seas. Such access can only be assured through the maintenance of a powerful navy, served by an adequate merchant marine.

When the present hostilities cease, it will again be necessary to provide for the assimilation of an expanded merchant marine into the normal commerce of the country. Since the ships needed for naval and military auxiliaries in time of war or national emergency can only be maintained in normal times by absorption into the Nation's foreign and domestic commerce, it is evident that any opportunity to provide for the expansion of the use of merchant vessels in normal trades is worthy of serious consideration.

This is particularly true in the domestic trades. Vessels serving coastwise and intercoastal routes accounted for 64 percent of the number and 60 percent of the tonnage of the vessels (1,000 gross tons and over) in our merchant fleet in 1939. Thus, the domestic trades normally represent nearly two-thirds of our water-borne transportation. Sound planning for the expansion of our merchant marine must therefore include the further development of water-borne transportation in the coastwise and intercoastal trades.

Although vessels engaged in the coastwise and intercoastal trades are protected from foreign competition by the coastwise laws (and therefore are not included in the subsidy programs of the Merchant Marine Act of 1936), the operators have had difficulty in maintaining their services in recent years. Virtually all of the vessels engaged in those trades (before the recent withdrawal as well as at the present time) are obsolete or approaching obsolescence. No means are in sight at the moment for the orderly replacement of these vessels by new construction, although such a replacement program should be undertaken as soon as emergency needs will permit.

While the foregoing review sketches the over-all problem of the development of water-borne transportation, it is evident, as heretofore noted, that any opportunity to provide for the expansion of the use of merchant vessels in normal trades is worthy of serious consideration. There can be little doubt but that the projected seaway would benefit oceangoing transportation in merchant vessels in both the foreign and domestic trades, since the seaway would open to such vessels thousands of miles of additional coast line and would permit them direct access to one of the most highly industrialized and agriculturally prolific regions in the United States.

The Commission is constantly studying how to use to the maximum for defense the shipbuilding resources of the country. There are many shipbuilding sites and prospective supplies of labor in the Great Lakes area not now fully utilized. Temporary expedients are being devised to utilize some ways on the Lakes to build ships to be floated down the Mississippi River. The construction of the St. Lawrence waterway will make possible a much greater use of the Great Lakes yards, and will add to our national shipbuilding resources capacity to build large ships now landlocked from the sea. The sooner the St. Lawrence waterway is built, making the lake yards directly accessible to the sea, the more rapidly can the vast fleet of ships disturbed world conditions make necessary be secured.

In the meantime to any extent that the long-range naval construction program permits the use of the lake shipyards, thus freeing coastal facilities, to that extent cargo-ship construction in coastal yards can be accelerated.

In view of these considerations, and in the light of the exhaustive analyses of the St. Lawrence survey, which indicate that the great preponderance of expert opinion attests the feasibility and value of the projected development, the Maritime Commission favors the proposed legislation.

This report has been submitted to the Director of the Bureau of the Budget and the Commission is now advised that there would be no objection to the submission of the report to your committee.

Sincerely yours,

E. S. LAND, *Chairman.*

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. WHERRY. I do not wish to distract the able Senator from his address. However, I am wondering if he has any further comment or observation to make relative to whether this project is to be accomplished by treaty or by agreement. A few moments ago the Senator stated that in 1934 the treaty did not receive a two-thirds vote in the Senate. I am very much interested to know whether the able Senator has any observations to make on the question whether this development can be accomplished by agreement rather than by treaty.

Mr. AIKEN. Personally, I am absolutely satisfied that the agreement is satisfactory. I agree with former Secretary of State Cordell Hull. I do not, however, wish to discuss that matter at this time. I wish to present the merits of the St. Lawrence development itself, and then I rather presume there will be a discussion as to whether it should be done by treaty or agreement. However, I wish to have as many Senators as will listen realize the tremendous benefits of this great project before we take up any other phase of the question.

Mr. WHERRY. I thank the Senator.

Mr. AIKEN. Let me read the statement of William S. Knudsen, lieutenant general, United States Army, Director of War Production, War Department, and member of the War Production Board. This statement was made on July 2, 1941, before the Committee on Rivers and Harbors of the House of Representatives. It is found on pages 813 to 830 of the hearings:

Warfare today is mainly a matter of production of mechanical equipment. No war can be carried on without it, and the power that has the predominance of mechanical equipment has the advantage in the field. So we need production and we need ships to carry the material in. * * *

I believe it is a mistake to have an area like the Great Lakes landlocked, limiting the size of ship you can take out. * * * I believe we should have full access to that great area of skill and material.

When it comes to power, I don't believe we will ever have power enough in the United States.

Hydroelectric power has its advantages. While the first cost is heavy, it is cheaper to produce. Nobody can produce steam power at the cost of hydroelectric power, and wherever it is available, it seems to me, we ought to take advantage of it. There would still be room for the use of all the steam power we could make. * * *

Our defense industries are in constant need of more power. * * * We need power for manufacturing; we need power for domestic use, and wherever we can obtain such power at low cost, I think we should take advantage of the opportunity.

Mr. President, I wish to call attention to the fact that while Mr. Knudsen, who knew what he was talking about, was pleading for the construction of this great development because we did not have power enough, the opponents of the St. Lawrence waterway development were insisting that we did not need more power, and that we had more than we would ever use.

Continuing with the Knudsen statement:

Many of our defense plants are located right around where this power is to be generated. It is no secret that in the last aluminum expansion we had to arrange for a certain amount of power to be piped over from New York City, after we could not get any more from Canada. I tried to inquire in Canada whether we could get more and they said, "No; we have none to spare; it is all allocated." So there is going to be a demand for power in the United States. Even after the emergency is over, I think there is going to be a greater demand for power, and I think that any investment you can make in power for the future is a good investment for the United States and for the future of the United States.

To show how truly Mr. Knudsen knew what he was talking about, I call attention to the fact that the great aluminum plant at Massena, N. Y., employing 3,500 persons, recently closed down because it did not have sufficient power to operate; and yet there is 2,000,000 horsepower running by that plant, absolutely unharnessed except for a small diversion which the aluminum company itself takes out of the river.

After Mr. Knudsen's testimony Mr. CARTER, a Representative in Congress from the State of California, and one of the bitterest opponents of the seaway, for reasons which I do not know, said—

Your contention, then, is that the steam plants could not be built; is that it?

Mr. KNUDSEN. No, sir. A steam plant can be built at any time.

Mr. CARTER. And they can be built quicker than this project can be completed; is that right?

Mr. KNUDSEN. If that amount of steam power was to be generated, I don't believe it could be produced in that time. There are about 1,640,000 kilowatts, I understand.

Mr. CARTER. Is there a shortage of power in that area at the present time?

Mr. KNUDSEN. Yes, sir.

I feel our way of living, our standard of living, demands that we do more and more to have power perform the work now done by manpower. I think power is progress. Power makes for a better standard of living. I am not a power engineer, nor can I pose as a power expert, but I bought a great deal of power during my 20 years with General Motors, and my 10 years with Mr. Ford. Whenever I bought water power I got it cheaper than I could get steam power, even if I generated that steam power myself.

Mr. ANGELL, another member of the committee, then said:

Production of aluminum requires large bodies of electric power?

Mr. KNUDSEN. Yes, sir. In the production of aluminum, the main factor is electric power.

Mr. ANGELL. And this project has your endorsement for one reason, because it does have the possibility of power coming in later?

Mr. KNUDSEN. Yes, sir.

That is what Mr. Knudsen said to the Committee on Rivers and Harbors in 1941.

Mr. President, I have before me testimony from the Secretary of Commerce, Mr. Jesse Jones, before the same committee, in 1941. I will read only an excerpt from his testimony. During the course of his remarks, Mr. Jones said:

We cannot have too many inland waterways, both in the interests of agriculture, trade, and industry, and for national defense. The value of the St. Lawrence project as a defense measure cannot be too strongly stressed, and I am not thinking just of the immediate emergency, although that, of course, is vital. Regrettable as the thought of war is, recent developments make it imperative that we be prepared to meet it on any basis at any time. And no time should be lost.

That is what Jesse Jones told Congress on June 23, 1941. I ask unanimous consent to have his statement printed in full at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Department of Commerce has been engaged for over a year in an extensive study of the St. Lawrence navigation and power project. * * * In conducting this investigation the Department has had the cooperation of many agencies of the Government, among others the United States Maritime Commission, the Board of Engineers for Rivers and Harbors of the War Department, the Bureau of Ships of the Navy Department, the Department of State, the Department of Agriculture, and the Department of Labor. The survey has considered the navigational aspects, the economic and commercial phases, the shipbuilding facilities of the Great Lakes, and the relationship of industrial development to low-cost electric power.

As a result of these studies, the experts of the Department of Commerce have found that extensive commercial navigation through the proposed St. Lawrence route is wholly feasible. * * *

The survey of the power requirements in the New York State area indicates that the power is needed and would in any event soon be absorbed in the industrial progress of this region. Power to meet defense needs at this time and for any possible recurring emergency is of course vital.

As a means of commercial intercourse, just as the Panama Canal linked the east and west coasts, the St. Lawrence route would link the Middle West with the Atlantic, the Gulf, and the west coasts.

This enterprise, in my opinion, should be considered in relation to its importance to the Nation as a whole, just as power dams and other waterways have been considered. We develop and maintain inland waterways and intercoastal canals. * * * While each of these is of importance to its particular locality, they are also important to the Nation as a whole. * * *

We cannot have too many inland waterways, both in the interests of agriculture, trade and industry, and for national defense. The value of the St. Lawrence project as a defense measure cannot be too strongly stressed, and I am not thinking just of the immediate emergency, although that, of course, is vital. Regrettable as the thought of war is, recent developments make it imperative that we be prepared to meet it on any basis at any time. And no time should be lost.

It is the Department's conclusion, therefore, that the project should be undertaken. * * *

Regardless of what happens in the immediate war, it seems if we do not make up our minds that war is apt to recur at any time, then I do not think we are smart. I can see nothing except a future, in the lifetime of those of us who are now living, and probably more further on, than a war-torn country or at least a country in a world susceptible to war at any time. * * *

Mr. CULKIN. From your examination of the bill, Mr. Secretary, you, of course, find that New York State participates in the cost of this project to an amount of $93,375,000. You have viewed the national picture from an economic standpoint more closely, I think, than any man in the country. * * *

What I wish to inquire of you, Mr. Secretary, is as to the present financial status of New York State and its ability to carry out any of its promises.

Secretary JONES. Is that a question?

Mr. CULKIN. Yes.

Secretary JONES. You mean, what do I think of the ability of New York State to carry it out?

Mr. CULKIN. Yes.

Secretary JONES. I think it is ample.

Mr. AIKEN. Mr. President, on December 3, 1943, Mr. Jones appeared before the Committee on Expenditures in the Executive Departments. The following colloquy took place between him and myself.

Senator AIKEN. Mr. Jones, what are the arrangements with the Aluminum Co. of Canada, with regard to the output of the Shipshaw development? Do we have the contract there for over a period of years, and if so, for how long and at what price?

Secretary JONES. Yes; we bought a total of 1,370,000,000 pounds from the Aluminum Co. of Canada—about 600,000,000 pounds have been delivered. It is being delivered at the rate of about 40,000,000 pounds a month, and should be completed in 1944, maybe just a little in 1945.

That was last December.

I continue to read the testimony:

Senator AIKEN. As I understand it, there have been substantial loans made to the Aluminum Co. of Canada. How are they to be paid off?

Secretary JONES. They are paid off at so much a pound out of the purchase price of the aluminum. * * *

Senator AIKEN. What was the amount that was loaned for the Shipshaw development?

Secretary JONES. I think advances were made in the neighborhood of $68,000,000 but I do not think that the money was used to develop the power plant. At least, we are advised by them that it was not. They already had that in contemplation and probably under way.

Senator FERGUSON. Did they get money which they did not use in the development?

Secretary JONES. Not for the power but in building the plants to manufacture the metal.

Senator FERGUSON. They did use it then in the building of the plants?

Secretary JONES. Yes, that is what it was for; otherwise they could not give us the metal. * * *

Senator FERGUSON. The reason I asked, I wondered if this plant in Canada, the Shipshaw, would be able, after the war, to produce aluminum so cheaply that the plants constructed in this country would be unable to compete with it without protection?

Secretary JONES. I do not think it would need any protection, as against our plants in the Tennessee Valley, some on the Canadian border, and the West because we have just as cheap power as anyone else.

Senator FERGUSON. Are those Government plants or privately owned plants that you are speaking of now, that have the cheap power?

Secretary JONES. Both. For instance, in the Tennessee Valley, Reynolds has the principal property.

In Arkansas we have a big plant and about half of that plant—it is a very big one—can be run with cheap power. The other half is high power. We are buying that from the power companies.

In the West, all of those plants are operated with cheap power.

The CHAIRMAN (Senator HILL). They get Bonneville power?

Secretary JONES. They get the Bonneville power.

Then there is some cheap power, as I say, on the Canadian border, so we will have cheap power enough to much more than supply the demands in this country.

Senator FERGUSON. Does this cheap power from Bonneville Dam apply to private industry?

Secretary JONES. Yes.

Senator FERGUSON. Is it in the nature of a subsidy?

Secretary JONES. No.

Senator FERGUSON. Are you selling it, when you say "cheap," under cost of production?

Secretary JONES. Oh, no; it is not sold under cost of production.

The CHAIRMAN. They are paying just what other users would be paying who were using that particular type of manufacture?

Secretary JONES. Alcoa has some cheap power on this side in northern New York State that is as cheap, or a little cheaper probably, than Bonneville, at least just as cheap.

Senator AIKEN. Would not the St. Lawrence power be the cheapest of all if it had been developed?

Secretary JONES. Yes; I think it would.

Mr. President, in spite of the feeling that we had plenty of power, as I have said, the aluminum plant at Massena, N. Y., on the banks of the St. Lawrence River, right on the site of the proposed development, was closed not long ago. As I understand, 3,500 persons have been thrown out of employment there, and some of them will find it difficult to go anywhere else to obtain employment.

Mr. President, I have presented some of the testimony from high officials of the United States, when they pleaded with Congress in 1941 to construct the St. Lawrence seaway because it looked as if we were going to get into war and would need that development to help us win the war.

The opponents killed the seaway at that time. They killed it largely through delaying tactics. They demanded hearings and hearings and hearings, and they used those hearings to put into circulation half-truths and untruths, to put confusion in the minds of the people.

Anything for delay was the objective then, for they knew that when the war clouds broke, the project would have to be postponed.

Their delaying tactics were successful. The House Rivers and Harbors Committee reported the bill on November 21, 1941, and on December 7, 1941, came Pearl Harbor, and the benefits of the St. Lawrence development again were lost to our country for the duration of this war.

In the hearings at that time, they dragged out the same red herring of treaty versus agreement. Those tactics—the treaty versus Executive agreement technicality—were unsuccessful because the House Rivers and Harbors Committee knew that the special privilege interests of this country were raising the issue solely to defeat the St. Lawrence, and not from any high-minded concern for constitutional principles. The House committee turned them down by a vote of 17 to 8. Even Representative CARTER, from California, the leading opponent, I may say, of the St. Lawrence seaway on that committee, readily admitted that a treaty was not necessarily required.

I am proud of the work of the House Committee on Rivers and Harbors in 1941. My feeling of pride for the committee is as keen as is my sense of shame that here in America we had men whose greed outweighed in the balance the needs of their country.

They knew, as everyone familiar with the situation knew, that we as a nation were going to be short of electric energy; that we were going to be short of ships; that we were desperately short of inland transportation and yet they said there would be power enough for all our needs.

They fought against the building of more ships in the Great Lakes and the means by which those ships could be gotten to the sea.

We have been told on this floor time and time again that aluminum is the basic metal of the airplane industry, and that without airplanes a nation cannot wage war.

It takes 10 kilowatt-hours of electricity to produce each pound of aluminum.

The St. Lawrence power development would have generated 2,200,000 horsepower of electricity, half in Canada and half in the United States.

Because this power was not ready we were forced to buy power from Canada on a day-to-day basis, to generate steam power in the face of a coal shortage, and transmit that power hundreds of miles to Massena, N. Y., within sight of the St. Lawrence River where over 2,000,000 horsepower rushes by unharnessed. This power transmitted from a distance was desperately needed for other purposes and cost over three times as much as Bonneville power or as St. Lawrence power would have cost had it been available.

The power transmitted to Massena costs between 6 and 7 mills per kilowatt as compared with between 3 and 4 mills in the Tennessee Valley, and 2.2 mills on the Pacific coast.

All along the Great Lakes were shipyards which could have been expanded to increase our merchant marine. Ships have been built on the Great Lakes—small warships—and many more could have been quickly and readily built had there been easy access to the sea.

As it is, those that have been constructed on the Great Lakes have been taken to Chicago, dismantled, floated down the 9-foot canal to the lower Mississippi River and put together again there.

I was in Chicago in October and I saw two of those ships. I do not know the proper nautical term, but we would say they were "knocked down." Everything above the deck was being taken off. Floats were put under the ships and they were floated down the canal into the Mississippi River, down to New Orleans, and there put together. The ships had to be sent by that route because the locks at the International Rapids are only 260 feet in length. I understand that it costs approximately $250,000 a ship to take them apart, put them together again, in addition to the expense of extra manpower necessary to do the work. I have no figures to prove that statement, but the amount seems reasonable.

Mr. President, had the St. Lawrence seaway been constructed, millions of tons of beef, of grain, of industrial machines, and other essential material for prosecuting this war could have been shipped

directly from Duluth, Chicago, Detroit, Milwaukee, Toledo, Cleveland, or Buffalo to the war areas where our men have heroically waited for it. But this could not be done. Instead, this material has had to be unloaded at terminal ports at the Great Lakes, transported overland by overburdened railroads, reloaded at Atlantic coast ports, incurring the terrible consequence of delay as well as increased cost of shipping.

I cannot understand how men responsible for blocking the construction of the St. Lawrence seaway in 1941—men who themselves may have sons fighting on the Rhine or dying in the jungles of the South Pacific—can ever sleep at night.

We know now that the completion of the Great Lakes-St. Lawrence seaway was a vital war necessity. We know just as well that it is equally vital to our postwar peacetime economy.

The Committee on Commerce, which now questions its own jurisdiction over S. 1385, apparently has not always done so, for it has successively requested some of our most important Government agencies to submit their written opinions on the bill.

It appears to me that had there been any question in the minds of the committee over its jurisdiction, it would have been raised over a year ago. In requesting these reports from Government departments, the committee accepted its jurisdiction over the bill and initiated a study of the bill on the merits of the St. Lawrence project itself.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CLARK of Missouri. The Senator from Vermont certainly must know that the reports requested of various agencies are merely a part of the routine. The matter is generally taken care of by the clerk of the committee upon a reference to the committee of a bill.

As a member of the Committee on Commerce, I can testify that the matter was never submitted in any degree whatever, and whatever records were requested were requested by the clerk in the ordinary course, which certainly would not amount to accepting jurisdiction by the committee.

I have been a regular attendant of the meetings of the Committee on Commerce, one of the great committees of the Senate, for which I have a great deal of respect, and membership on which I am proud to have. I have been a member of the committee for approximately 12 years, and I can assure the Senator that no action of any kind was ever taken looking to the acceptance of jurisdiction by that committee over this particular project. At all times it has been the opinion—I will not say of most members—of a number of the members of the committee, that it was a matter not within the jurisdiction of the Commerce Committee and would not be within its jurisdiction until there had been a treaty which had been considered by the Committee on Foreign Relations, as was previously done.

Mr. AIKEN. Does the Senator from Missouri maintain that this question could not have been raised a year ago just as well as on November 21, 1944?

Mr. CLARK of Missouri. I maintain that the matter has never been before the Commerce Committee. I have always publicly and privately maintained the position that a treaty was involved, as it was when the subject was put before the Senate in 1933, and as it should be at this time, and that the Commerce Committee has no jurisdiction. I intended to raise that point in the form of an objection whenever the matter came before the Committee on Commerce for consideration. The matter has never come before the committee for consideration. That is, it did not come until last week, when a committee was appointed to consider the question of whether the matter involved an Executive agreement or a treaty. But irrespective of what the subcommittee or the full committee might say, I still insist, as a member of the Foreign Relations Committee, that a treaty is involved, and that it should be considered by the Foreign Relations Committee.

Mr. AIKEN. I think the Senator perhaps was not on the floor when I began speaking and invited the attention of the Senate to the fact that an amendment providing for work in the development of waterways on international boundaries, or even in Canada, was nothing new to the Rivers and Harbors Committee, and that, with few exceptions, every single authorization for the development of our water transportation on the Great Lakes and on the St. Lawrence has been made in a river and harbor bill, even though the money was to be spent in Canada or on the international boundary line.

Mr. CLARK of Missouri. Mr. President, if the Senator can show me any constitutional authority for the Congress of the United States appropriating money for the improvement of navigation in any foreign country, I shall be glad to have him show it to me. Many Supreme Court decisions have held that the only justification under the Constitution for flood control, power development, or anything else along that line is on the theory of improving navigation on the navigable streams within the United States. If the Senator can show me any constitutional authority for spending American money for Canadian materials and labor to improve a waterway in Canada, I shall be very glad to have him point it out.

Mr. AIKEN. Mr. President, I think I can show the Senator that it has been done and just how it has been done.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Vermont yield to the Senator from North Carolina?

Mr. AIKEN. I yield.

Mr. BAILEY. I think I should make a statement as to the so-called Aiken bill and the St. Lawrence seaway proposition. When the bill was first referred to the Commerce Committee, it occurred to me at once that, since the matter had come before the Senate in 1934 as a treaty, there was some question as to whether the Commerce Committee should take jurisdiction. I immediately took up the matter with the chairman of the Committee on Foreign Relations, who is now present, and I proposed to come onto the floor of the Senate at that time and ask that the Commerce Committee be discharged from further consideration of the bill and that it be referred to the Committee on Foreign Relations. That would have been the course but for two facts, namely, that the chairman of the Committee on Foreign Relations informed me that I might go ahead; and if the Commerce Committee should reach the conclusion that the matter involved was a treaty, I could then take the action I have indicated. About that time there came about quite an agitation to the effect that the treaty-making power was not involved. So I decided that I would wait until I heard from the State Department. We did not hear from the State Department until about the middle of April. That is the whole situation; but, of course, if the Senator wishes to take the view that we have taken jurisdiction——

Mr. CLARK of Missouri. The committee did not assume jurisdiction.

Mr. BAILEY. I understand; but I am saying that if the Senator from Vermont wishes to take that view I shall not challenge his right to do so, and he can do anything else of that sort he chooses without question from me. I do not want it to appear here, however, that we stepped in and took jurisdiction concerning which we were doubtful. I am saying all this in the presence of the chairman of the Committee on Foreign Relations. I am not calling on him to verify the statement, but I know he will do so in case of necessity. So I am not at all disturbed about the Senator claiming that by some sort of estoppel, I think, we have taken jurisdiction. That is his view.

If the Senate of the United States should take the view that the Commerce Committee has jurisdiction, then the Commerce Committee will go right ahead. At the present time, I will say that we have been having hearings—the Senator from Louisiana [Mr. OVERTON] is chairman of the subcommittee—on the sole question whether the St. Lawrence seaway proposition as referred to in the bill of the Senator from Vermont is a treaty. We have heard the adviser of the State Department, the counsel of the State Department, Mr. Hackworth; we have heard Dr. Borchard, of Yale; and we have received briefs from others.

Mr. AIKEN. I should like to ask the Senator in whose behalf Dr. Borchard appeared before the committee?

Mr. BAILEY. I am sorry to confess my ignorance. He appeared by invitation, but if he represented anybody I do not know it, and, on the other hand, if he did represent someone I think it would appear in the record. My recollection is that the chairman of the subcommittee invited the State Department to send a representative before the committee. I do not know how Dr. Borchard was sent there; I do not know who

sent him; all I know is I heard him with a great deal of delight.

Mr. CLARK of Missouri. Mr. President, if the Senator from Vermont will permit me——

Mr. AIKEN. I do not yield for long speeches but for reasonable explanations, and I do not yield for dual speeches.

Mr. CLARK of Missouri. Since the name of Dr. Borchard has been mentioned, I should like to say, if the Senator from Vermont will permit me, that I have been a Member of several different committees before which Dr. Borchard has appeared, the Committee on Foreign Relations, the Committee on Finance, and the Committee on Commerce, and in every case so far as I know—and I think I am fully advised about the matter—Dr. Borchard appeared at his own expense, as a public-spirited citizen, and not representing anybody except his own view. I have not always agreed with Dr. Borchard's views, but I do not think that anyone until this moment ever questioned the public spiritedness and high intelligence of Dr. Borchard.

Mr. AIKEN. I still have not heard for whom Dr. Borchard appeared. Does the committee say he appeared in his own behalf as a public-spirited citizen?

Mr. CLARK of Missouri. I did not happen to be at the particular hearing the other day, but in my observation—and I have seen him a number of times—Dr. Borchard has always appeared in his own behalf at his own expense as a public-spirited citizen. As I have said, I have not always agreed with Dr. Borchard in his public views but I think it is only fair that I should make the statement I have made.

Mr. BAILEY. Mr. President, I should like to conclude my statement. I certainly do not wish to prolong the discussion; the fact is I should like to see it come to an end and have an end of the bill now pending.

Mr. AIKEN. I should like to see it come to a happy end, too.

Mr. BAILEY. The Senator is pleading in a very unhappy way to bring about a happy ending, I think.

I should merely like to say about the appearance of Dr. Borchard that if I should hear tomorrow that he was paid $10,000 by someone to appear, it would not affect my mind in the slightest degree. It did not occur to me to ask if he had been paid—I would be glad if somebody paid him; we had no money to pay him—but I am capable I hope, and I trust I shall always be capable, just as any judge should be, of hearing a man on the merits regardless of the source of his compensation.

Dr. Borchard's brief is here, and I invite the Senator to study it, and I would ask him not to discount the intellectual honesty or integrity of a professor in Yale University on the ground that he represented somebody or that he received a fee. I am not saying that he did. My impression is he received nothing. But the purport and intent of my statement is that it would not have made the slightest difference to me if he had begun his speech by saying that he had received a fee for it. I would have read the speech and would have read the brief. I am capable of finding the truth, I hope, no matter from what source it may come.

I hope I have cleared that with the Senator as to myself and my relations with this matter. We will take jurisdiction if the Senate thinks we should; but we are going to submit a report, and I think it would be a good thing—I will take the liberty of making the suggestion to the Senator from Vermont—it would be a good thing if he could wait until the report is submitted with the record, and let us go about this matter in an orderly fashion, and ascertain, to begin with, whether it involves a treaty or not. I assure the Senator that he is never going to be able to get anywhere until that question is settled. Why not settle that first?

Mr. AIKEN. Mr. President, I am sorry that, because of the multiplicity of conversations on the floor, I was unable to hear everything the Senator from North Carolina said. However, the Senator from North Carolina and the Senator from Missouri raised a question which caused me to digress very briefly from the discussion of the St. Lawrence seaway.

First, in regard to Mr. Borchard, of Yale, who appeared before the subcommittee of the Committee on Commerce at the hearings on Treaty versus Agreement, I think we are entirely within our rights in assuming that Mr. Borchard appeared in behalf of the opponents of the St. Lawrence seaway; first, because on November 6, 1944, the chairman of the subcommittee advised the members of the subcommittee, as well as Secretary Hull, the Senator from Texas [Mr. CONNALLY], and others, that the opponents would be asked to present their side of the case, which was entirely proper.

Secondly, I hold in my hand a brief which had been prepared by Mr. Borchard for some organization. No name is on it, but I understand it has been incorporated under the name of National St. Lawrence Project Conference.

Mr. MALONEY. Will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONEY. Dr. Borchard is a resident of my State, and I happen to enjoy his friendship. I should like to know whether the Senator thinks there was anything wrong.

Mr. AIKEN. No; and I do not see why anyone should not say right out that he appeared in behalf of utility companies, because I understand they pay the expenses of this organization.

Mr. CLARK of Missouri. Will the Senator yield?

Mr. AIKEN. I yield.

Mr. CLARK of Missouri. The Senator says he thinks he is safe in assuming Dr. Borchard appeared in behalf of somebody. I do not see on what he bases that assumption. In a little less than a month I shall be out of the Senate, but at a hearing on the St. Lawrence waterway project I intend to appear before the appropriate Senate committee in my own behalf, at my own expense, not representing any utility or any other company, and the Senator will have just as much right to say about me that because I happen to oppose his particular view I am appearing in behalf of somebody else as he has to say it about Dr. Borchard. He has not a scintilla of evidence that Dr. Borchard is representing anybody except himself. I can assure the Senator that when this matter comes up in the next Congress—and it will be in the next Congress, without any "ifs" and "ands"—I repeat, I shall appear here before the appropriate senatorial committee in my own behalf, as a citizen of the United States, at my own expense, not representing anybody, and the Senator would have just as much right to say about me as he has about Dr. Borchard now that I was representing some special interest and being paid.

Mr. MALONEY. Mr. President, will the Senator yield to me again?

Mr. AIKEN. I yield.

Mr. MALONEY. I do not think this should be made an issue.

Mr. AIKEN. Absolutely not.

Mr. MALONEY. If Dr. Borchard were chosen by some opponents of the proposal, it would be merely a tribute to their good judgment.

Mr. AIKEN. The Senator from Connecticut is absolutely correct. This is not made an issue. I have Dr. Borchard's brief in my hand, and a statement signed by the National St. Lawrence Project Conference, that they had looked around and decided to get the best man to prepare this statement for them, and engaged him to do it. So I do not see why there should be any criticism at all of Dr. Borchard appearing in behalf of this group, composed mostly of public-utility people, and one business or another.

Mr. CLARK of Missouri. I did not mean to say that there would be any reflection on Dr. Borchard if he did appear representing a group. I know Dr. Borchard well enough to know that if he were employed in the matter, representing a group of any sort, he would frankly state that in the very opening statement of his testimony.

Mr. AIKEN. Mr. President, some time ago the question was raised, I think by the Senator from Missouri, although I am not sure as to that, inviting me to point out any instance in which authorization of work begun in a foreign country had been made in a rivers and harbors bill by the Rivers and Harbors Committee. In response to that invitation, if it may be called an invitation, I wish to submit a report which I have received from the Army engineers naming projects which they have worked on in Canada. I asked them to give the name of the development, the cost of the development, and the authorization under which the work was done. I have here the list, which goes back to June 13, 1902, when there was an authorization involving work on Hay Lake and Neebish Channels, in that section of the river below the locks.

On September 22, 1922, authorization was given for widening the upper approach to the canals through Vidal Shoals.

January 21, 1927, there was authorization for the removal of Round Island, middle ground, extension of northwest canal pier, and widening channels Mid-

dle Neebish route. This is all on the St. Marys River, Mich.

On July 3, 1930, an authorization was given for deepening channels throughout the down-bound route.

August 30, 1935, authorization was given for widening Brush Point turn and the channel from Brush Point to Point Louise.

The cost of this work—all United States work done in Canada—was $1,280,000, the work being on the St. Marys River.

Every one of those projects was authorized after an exchange of notes with Canada, and then it was approved in a river and harbor bill.

Mr. HILL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HILL. I wonder if it is agreeable for the Senator from Vermont to yield the floor at this time, so the Senate may go into executive session and consider executive business?

Mr. AIKEN. Does the Senator anticipate that consideration of executive business will take the remainder of the day?

Mr. HILL. I cannot say. It may take the remainder of the day. Of course, when the Senate goes back into legislative session——

Mr. AIKEN. Because of the discussion which has taken place it has taken me about twice as long as I expected to occupy in speaking in behalf of the St. Lawrence seaway. But, with the understanding that I may have the floor when the Senate reconvenes tomorrow, I gladly yield at this time.

Mr. HILL. I am quite confident that when the Senate resumes consideration of the pending business the Senator from Vermont may obtain the floor to continue his remarks.

Mr. AIKEN. I should like to take about 2 minutes to insert the remainder of the list I have before me at this time.

Mr. HILL. Very well.

Mr. AIKEN. We come to the St. Clair River in Michigan. On July 13, 1892, a 20-foot channel in the river was authorized. On July 3, 1930, authorization was granted for deepening of the channel to 25 and 26 feet, and compensating works. The part of the work which was done in Canada cost $560,000. The authorizations were placed in river and harbor acts after an exchange of notes. The list contains the dates when exchange of notes were had, and the documents referring to them.

We come next to the Detroit River, Mich. Work was authorized in river and harbor acts passed June 13, 1902, March 3, 1905, and June 25, 1910, on the Amherstburg Channel and removal of Grose Isle Shoal.

Authorization was contained in the river and harbor act of March 4, 1913, for work in Fighting Island Channel. All the works to which I now refer are in the Detroit River. Other authorizations for work in the Detroit River are contained in the list. The United States spent $19,290,000 on projects in the Detroit River in Canada, and every dollar of it was spent under authorization contained in river and harbor acts, after exchange of notes between the United States and Canada.

We come then to Niagara River weir above Goat Island. The United States-St. Lawrence Advisory Committee and the Canadian Temporary Great Lakes-St. Lawrence Basin Committee recommended the nature and design of the remedial works and cost allocation, and each country spent $342,000. There was no authorization whatsoever for that. The money was evidently obtained and both countries proceeded and spent it.

That, Mr. President, completes the list. It shows that all these projects and developments in Canadian waters have been authorized in simple river and harbor acts, just as we are asking that the present project be authorized.

Mr. President, I now ask that the table I have just been discussing be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ST. MARYS RIVER, MICH.

River and Harbor acts	Work authorized (existing project involving work in Canada)	Documents	Cost of all United States work in Canada	Date of latest exchanges of notes with Canada
June 13, 1902	Hay Lake and Neebish Channels, work in that section of the river below the locks.	H. Doc. 128, 56th Cong., 2d sess.	$1, 280, 000	July–August 1936; October 1930–February 1931; February–October 1928.
Sept. 22, 1922	Widening upper approach to the canals through Vidal Shoals.	District Engineer Report, Oct. 29, 1920.	----------	
Jan. 21, 1927	Removal of Round Island middle ground, extension of northwest canal pier, and widening channels middle Neebish route.	H. Doc. 270, 69th Cong., 1st sess.	----------	
July 3, 1930	Deepening channels throughout the down-bound route.	H. Doc. 253, 70th Cong., 1st sess.	----------	
Aug. 30, 1935	Widening Brush Point turn and the channel from Brush Point to Point Louise.	Rivers and Harbors Committee Doc. 53, 74th Cong., 1st sess.	----------	

NOTE.—Prior project authorized by acts dating back to July 8, 1856.

ST. CLAIR RIVER, MICH.

July 13, 1892	20-foot channel in the river.	H. Doc. 207, 51st Cong., 2d sess.	$560, 000	March–October 1934; April–August 1941.
July 3, 1930	Deepening of channel to 25 and 26 feet, and compensating works.	H. Doc 253, 70th Cong., 1st sess.	----------	

DETROIT RIVER, MICH.

June 13, 1902 Mar. 3, 1905 June 25, 1910	Amherstburg Channel and removal of Grosse Isle Shoal.	H. Doc. 712, 56th Cong., 1st sess., and H. Doc. 40, 58th Cong., 3d sess.	$19, 290, 000	September 1933 – October 1934; March 1932.
Mar. 4, 1913	Fighting Island Channel..	H. Doc. 17, 62d Cong., 1st sess.	----------	
Mar. 2, 1907 June 25, 1910 Mar. 2, 1919	Livingstone Channel.....	H. Doc. 266, 59th Cong., 2d sess.; H. Doc. 676, 61st Cong., 2d sess., and H. Doc. 322, 65th Cong., 1st sess.	----------	
July 3, 1930	Channel depths of 25 and 26 feet.	H. Doc. 253, 70th Cong., 1st sess.	----------	

NOTE.—Prior project authorized by acts dating back to June 23, 1874.

NIAGARA RIVER WEIR ABOVE GOAT ISLAND

None.....	The United States St. Lawrence Advisory Committee and the Canadian Temporary Great Lakes-St. Lawrence Basin Committee recommended the nature and design of the remedial works and cost allocation.	----------	[1] $342, 000	Oct. 27, 1941.

[1] To June 1944, Canada having spent a like amount.

ST. LAWRENCE RIVER BETWEEN OGDENSBURG, N. Y., AND LAKE ONTARIO

All United States work confined to that in United States waters.

Mr. AIKEN. Mr. President, I now gladly yield the floor with the understanding that I may resume tomorrow where I left off today.

EXECUTIVE SESSION

Mr. HILL. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. LUCAS in the chair) laid before the Senate a message from the President of the United States submitting several nominations—

and withdrawing a nomination—which were referred to the appropriate committee.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Alexander C. Kirk, of Illinois, now United States representative on the Advisory Council for Italy, to be Ambassador Extraordinary and Plenipotentiary to Italy.

By Mr. REYNOLDS, from the Committee on Military Affairs:

Sundry officers of the Army of the United States for appointment in the Regular Army.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Overton
Austin	Gurney	Radcliffe
Bailey	Hall	Reed
Ball	Hatch	Revercomb
Bankhead	Hawkes	Reynolds
Bilbo	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Stewart
Butler	Johnson, Calif.	Taft
Byrd	Johnson, Colo.	Thomas, Okla.
Capper	Kilgore	Thomas, Utah
Caraway	La Follette	Tunnell
Chandler	Langer	Tydings
Clark, Mo.	Lucas	Vandenberg
Connally	McClellan	Wagner
Cordon	McFarland	Walsh, Mass.
Danaher	McKellar	Walsh, N. J.
Davis	Maloney	Weeks
Downey	Maybank	Wheeler
Eastland	Mead	Wherry
Ellender	Millikin	White
Ferguson	Murray	Wiley
Gerry	Nye	Willis
Gillette	O'Daniel	Wilson
Green	O'Mahoney	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

If there be no further reports of committees, the Senate will proceed to consider certain treaties which the Chair is informed are the first business on the calendar.

DOUBLE TAXATION CONVENTION WITH CANADA

The Senate, as in Committee of the Whole, proceeded to consider the Convention, Executive G (Seventy-eighth Congress, second session), a convention between the United States of America and Canada for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties, signed in Ottawa on June 8, 1944, which was read the second time, as follows:

The Government of the United States of America and the Government of Canada, being desirous of avoiding double taxation and of preventing fiscal evasion in the case of estate taxes and succession duties, have decided to conclude a Convention and for that purpose have appointed as their Plenipotentiaries:

Ray Atherton, Ambassador Extraordinary and Plenipotentiary of the United States of America at Ottawa, for the United States of America; and

W. L. Mackenzie King, Secretary of State for External Affairs, and Colin W. G. Gibson, Minister of National Revenue, for Canada.

Who, having communicated to one another their full powers found in good and due form, have agreed upon the following Articles:

ARTICLE I

1. The taxes referred to in this Convention are:

(a) for the United States of America; the Federal estate taxes;

(b) for Canada; the taxes imposed under the Dominion Succession Duty Act.

2. In the event of appreciable changes in the fiscal laws of either contracting State, the competent authorities of the contracting States, will consult together.

ARTICLE II

1. Real property situated in Canada shall be exempt from the application of the taxes imposed by the United States of America.

2. Real property situated in the United States of America shall be exempt from the application of the taxes imposed by Canada.

3. The question whether rights relating to or secured by real property are to be considered as real property for the puposes of this Convention shall be determined in accordance with the laws of the contracting State imposing the tax.

ARTICLE III

1. Shares in a corporation organized in or under the laws of the United States of America, of any of the states or territories of the United States of America, or of the District of Columbia, shall be deemed to be property situated within the United States of America.

2. Shares in a corporation organized in or under the laws of Canada, or of any of the provinces or territories of Canada, shall be deemed to be property situated within Canada.

3. This Article shall not be construed as limiting the liability of the estate of any person not domiciled in Canada or of any citizen of the United States of America, under the estate tax laws of the United States of America.

ARTICLE IV

1. The situs of property shall be determined in accordance with the laws of the contracting State imposing the tax, except as otherwise provided in this Convention.

2. Allowance for debts shall be determined in accordance with the laws of the contracting State imposing the tax.

3. Domicile shall be determined in accordance with the laws of the contracting State imposing the tax.

ARTICLE V

1. In the case of a decedent who at the time of his death was a citizen of, or domiciled in, the United States of America, the United States of America may include in the gross estate any property (other than real property) situated in Canada as though this Convention had not come into effect.

2. In the case of a decedent (other than a citizen of the United States of America) who at the time of his death was domiciled in Canada, the United States of America shall, in imposing the taxes to which this Convention relates:

(a) take into account only property situated in the United States of America; and

(b) allow as an exemption an amount which bears the same ratio to the personal exemption allowed in the case of a decedent who was at the time of his death a citizen of, or domiciled in, the United States of America as the value of the property of such decedent situated in the United States of America bears to the value of the property included in the entire gross estate of the decedent.

3. In the case of a decedent who at the time of his death was domiciled in Canada, Canada may include in the gross estate any property (other than real property) situated in the United States of America as though this Convention had not come into effect.

4. In the case of a decedent who at the time of his death was domiciled in the United States of America, Canada shall, in imposing the taxes to which this Convention relates:

(a) take into account only property situated in Canada; and

(b) allow as an exemption an amount which bears the same ratio to the personal exemption allowed in the case of a decedent who was at the time of his death domiciled in Canada as the value of the property of such decedent situated in Canada bears to the entire value of the property, wherever situated.

ARTICLE VI

1. In the case of a decedent who at the time of his death was a citizen of or domiciled in the United States of America, the United States of America shall impose the estate taxes to which this Convention relates upon the following conditions:

(a) In respect of property situated in Canada which, for the purpose of estate taxes, is included in the gross estate, less such property as is specifically deducted therefrom (either because of transfer for public, charitable, educational, religious or similar uses or because the property has been previously taxed under provisions of law relating to property previously taxed), there shall be allowed against the estate taxes a credit for Canadian succession taxes in respect of the property situated in Canada, the situs of such property being determined in accordance with the laws of Canada, subject to the provisions of this Convention.

(b) The portion of the Canadian succession taxes to be allowed as a credit against United States estate taxes shall be an amount which bears the same ratio to the total Canadian succession taxes as the value of the property situated in Canada and with respect to which estate taxes are imposed by the United States of America bears to the total value of the property with respect to which succession taxes are imposed by Canada.

(c) The credit in any such case shall not exceed an amount which bears the same ratio to such estate taxes, computed without the credit provided for herein, as the value of the property situated in Canada and not excluded or deducted from the gross estate as provided in (a) bears to the value of the entire gross estate.

(d) The values referred to in (c) are the values determined by the United States of America for the purpose of estate taxes.

(e) The credit provided for herein shall apply after the application of section 813 (b) of the Internal Revenue Code, as amended by the Revenue Act of 1942.

2. In the case of a decedent who at the time of his death was domiciled in Canada, Canada shall impose the succession taxes to which this Convention relates upon the following conditions:

(a) In respect of property situated in the United States of America which, for the purpose of succession taxes, is included in the gross estate, less such property as is specifically deducted therefrom (because of transfer for charitable, educational, religious or similar uses), there shall be allowed against the

succession taxes a credit for United States estate taxes in respect of the property situated in the United States of America, the situs of such property being determined in accordance with the laws of the United States of America, subject to the provisions of this Convention.

(b) The portion of the United States estate taxes to be allowed as a credit against Canadian succession taxes shall be an amount which bears the same ratio to the total United States estate taxes as the value of the property situated in the United States of America and with respect to which succession taxes are imposed by Canada bears to the total value of the property with respect to which estate taxes are imposed by the United States of America.

(c) The credit in any such case shall not exceed an amount which bears the same ratio to such succession taxes, computed without the credit provided for herein, as the value of the property situated in the United States of America and not excluded or deducted from the gross estate as provided in (a) bears to the entire value of the property, wherever situated.

(d) The values referred to in (c) are the values determined by Canada for the purpose of succession taxes.

3. (a) The credit referred to in this Article may be allowed by the United States of America if claim therefor is filed within the periods provided in section 813 (b) of the Internal Revenue Code, as amended.

(b) The credit referred to in this Article may be allowed by Canada if claim therefor is filed within the period provided by subsection 4 of section 35 of the Dominion Succession Duty Act relating to refund of overpayment.

(c) A refund based on the credit may be made if a claim therefor is filed within the respective periods above provided.

(d) Any refund based on the provisions of this Article or any other provisions of this Convention shall be made without interest.

ARTICLE VII

1. With a view to the prevention of fiscal evasion each of the contracting States undertakes to furnish to the other contracting State as provided in the succeeding Articles of this Convention, the information which its competent authorities have at their disposal or are in a position to obtain under its revenue laws in so far as such information may be of use to the authorities of the other contracting State in the assessment of the taxes to which this Convention relates.

2. The information to be furnished under this Article, whether in the ordinary course or on request, may be exchanged directly between the competent authorities of the two contracting States.

ARTICLE VIII

1. The Commissioner shall notify the Minister as soon as practicable when the Commissioner ascertains that in the case of:

(a) a decedent, any part of whose estate is subject to the Federal estate tax laws, there is property of such decedent situated in Canada;

(b) a decedent domiciled in Canada, any part of whose estate is subject to the Dominion Succession Duty Act, there is property of such decedent situated in the United States of America.

2. The Minister shall notify the Commissioner as soon as practicable when the Minister ascertains that in the case of:

(a) a decedent, any part of whose estate is subject to the Dominion Succession Duty Act, there is property of such decedent situated in the United States of America;

(b) a decedent domiciled in the United States of America, any part of whose estate is subject to the Federal estate tax laws, there is property of such decedent situated in Canada.

ARTICLE IX

1. If the Minister deems it necessary to obtain the cooperation of the Commissioner in determination of the succession tax liability of any person, the Commissioner may, upon request, furnish the Minister such information bearing upon the matter as the Commissioner is entitled to obtain under the revenue laws of the United States of America.

2. If the Commissioner deems it necessary to obtain the cooperation of the Minister in the determination of the estate tax liability of any person, the Minister may, upon request, furnish the Commissioner such information bearing upon the matter as the Minister is entitled to obtain under the revenue laws of Canada.

ARTICLE X

The competent authorities of the contracting States may:

(a) prescribe regulations to carry into effect this Convention within the respective States and rules with respect to the exchange of information;

(b) if doubt arises, settle questions of interpretation or application of this Convention by mutual agreement;

(c) communicate with each other directly for the purpose of giving effect to the provisions of this Convention.

ARTICLE XI

If any fiduciary or beneficiary can show that double taxation has resulted or may result in respect of the taxes to which this Convention relates, such fiduciary or beneficiary shall be entitled to lodge a claim or protest with the State of citizenship or domicile of such fiduciary or beneficiary, or, if a corporation or other entity, with the State in which created or organized. If the claim or protest should be deemed worthy of consideration, the competent authority of such State may consult with the competent authority of the other State to determine whether the alleged double taxation exists or may occur and if so whether it may be avoided in accordance with the terms of this Convention.

ARTICLE XII

The provisions of this Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance accorded by the laws of one of the contracting States in the determination of the tax imposed by such State.

ARTICLE XIII

1. As used in this Convention:

(a) The term "Minister" means the Minister of National Revenue of Canada or his duly authorized representative.

(b) The term "Commissioner" means the Commissioner of Internal Revenue of the United States of America, or his duly authorized representative.

(c) The term "competent authority" or "competent authorities" means the Commissioner and the Minister and their duly authorized representatives.

2. When used in a geographical sense:

(a) The term "United States of America" includes only the states, the Territory of Alaska, the Territory of Hawaii, and the District of Columbia.

(b) The term "Canada" means the provinces, the territories and Sable Island.

ARTICLE XIV

1. This Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

2. This Convention shall be deemed to have come into effect on the fourteenth day of June, 1941. It shall continue in effect for a period of five years from that date and indefinitely after that period, but may be terminated by either of the contracting States at the end of the five year period or at any time thereafter provided that at least six months prior notice of termination has been given.

Done in duplicate, at Ottawa, this eighth day of June, 1944.

RAY ATHERTON.
W. L. MACKENZIE KING.
COLIN GIBSON.

Mr. BILBO. Mr. President, will the Senator from Texas make a brief explanation of the convention?

Mr. CONNALLY. Mr. President, the treaty relates only to estate taxes, and it deals with the subject of American citizens owning properties in Canada and Canadian citizens owning properties in the United States. Its purpose is to avoid double taxation in both jurisdictions. Under Canadian law, the stock of a corporation in Canada is taxed, even though it may be owned in the United States, and regardless of the residence of the owner. For the United States to assess an inheritance tax would amount to a double burden on that kind of an estate. It is to avoid that situation that this convention has been agreed to.

Mr. CLARK of Missouri. Mr. President, I was a member of the subcommittee which considered this convention. The purpose of it is to grant a credit to citizens of the United States as to the stocks of Canadian corporations, and to citizens of Canada as to the stocks of American corporations, to avoid double taxation on such stocks. I do not think there can be any possible objection to the convention.

The PRESIDING OFFICER. The convention is before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive G, Seventy-eighth Congress, second session, a convention between the United States of America and Canada for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties, signed in Ottawa on June 8, 1944.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

DOUBLE TAXATION CONVENTION WITH FRANCE

The Senate, as in Committee of the Whole, proceeded to consider the convention and protocol, Executive I (Seventy-eighth Congress, second session), a convention and protocol between the United States of America and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of

income and other taxes, which was read the second time, as follows:

CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE ESTABLISHMENT OF RULES OF RECIPROCAL ADMINISTRATIVE ASSISTANCE IN THE CASE OF INCOME AND OTHER TAXES

The President of the United States of America and the President of the French Republic, being desirous of avoiding double taxation and of establishing rules of reciprocal administrative assistance in the case of income and other taxes, have decided to conclude a convention and for that purpose have appointed as their respective Plenipotentiaries:

The President of the United States of America:

Mr. William Christian Bullitt, Ambassador Extraordinary and Plenipotentiary of the United States of America to France;

The President of the French Republic:

M. Georges Bonnet, Member of the Chamber of Deputies, Minister for Foreign Affairs,

who, having communicated to one another their full powers found in good and due form, have agreed upon the following Articles:

TITLE I. DOUBLE TAXATION

Article 1

The taxes referred to in this Convention are:

(a) In the case of the United States of America: The federal income taxes, including surtaxes and excess-profits taxes;

(b) In the case of France:

(1) The real estate tax;

(2) The industrial and commercial profits tax;

(3) The annual tax on undistributed profits;

(4) The agricultural profits tax;

(5) The tax on salaries, allowances and emoluments, wages, pensions and annuities;

(6) The professional profits tax;

(7) The tax on income from securities and movable capital;

(8) The general income tax.

Article 2

Income from real property, including income from agricultural undertakings, shall be taxable only in the State in which such real property is situated.

Article 3

An enterprise of one of the contracting States is not subject to taxation by the other contracting State in respect of its industrial and commercial profits except in respect of such profits allocable to its permanent establishment in the latter State.

No account shall be taken, in determining the tax in one of the contracting States, of the purchase of merchandise effected therein by an enterprise of the other State for the purpose of supplying establishments maintained by such enterprise in the latter State.

The competent authorities of the two contracting States may lay down rules by agreement for the apportionment of industrial and commercial profits.

The term "industrial and commercial profits" shall not include the following:

(a) Income from real property;

(b) Income from mortgages, from public funds, securities (including mortgage bonds), loans, deposits and current accounts;

(c) Dividends and other income from shares in a corporation;

(d) Rentals or royalties arising from leasing personal property or from any interest in such property, including rentals or royalties for the use of, or for the privilege of using, patents, copyrights, secret processes and formulae, goodwill, trade marks, trade brands, franchises and other like property;

(e) Profit or loss from the sale or exchange of capital assets.

Subject to the provisions of this Convention the income referred to in paragraphs (a), (b), (c), (d) and (e) shall be taxed separately or together with industrial and commercial profits in accordance with the laws of the contracting States.

Article 4

American enterprises having permanent establishments in France are required to submit to the French fiscal administration the same declarations and the same justifications, with respect to such establishments, as French enterprises.

The French fiscal administration has the right, within the provisions of its national legislation and subject to the measures of appeal provided in such legislation, to make such corrections in the declaration of profits realized in France as may be necessary to show the exact amount of such profits.

The same principle applies mutatis mutandis to French enterprises having permanent establishments in the United States.

Article 5

When an American enterprise, by reason of its participation in the management or capital of a French enterprise, makes or imposes on the latter, in their commercial or financial relations, conditions different from those which would be made with a third enterprise, any profits which should normally have appeared in the balance sheet of the French enterprise, but which have been in this manner, diverted to the American enterprise, are, subject to the measures of appeal applicable in the case of the tax on industrial and commercial profits, incorporated in the taxable profits of the French enterprise.

The same principle applies mutatis mutandis, in the event that profits are diverted from an American enterprise to a French enterprise.

Article 6

Income derived by navigation enterprises of one of the contracting States from the operation of ships documented under the laws of that State shall continue to benefit in the other State by the reciprocal tax exemptions accorded by the exchange of notes of June 11 and July 8, 1927 between the United States of America and France.

Income which an enterprise of one of the contracting States derives from the operation of aircraft registered in that State shall be exempt from taxation in the other State.

Article 7

Royalties from real property or in respect of the operation of mines, quarries or other natural resources shall be taxable only in the contracting State in which such property, mines, quarries or other natural resources are situated.

Royalties derived from within one of the contracting States by a resident or by a corporation or other entity of the other contracting State as consideration for the right to use copyrights, patents, secret processes and formulae, trademarks and other analogous rights shall be exempt from taxation in the former State, provided such resident, corporation or other entity does not have a permanent establishment there.

Article 8

Wages, salaries and similar compensation and pensions paid by one of the contracting States or by a political subdivision thereof to individuals residing in the other State shall be exempt from taxation in the latter State.

Private pensions and life annuities derived from within one of the contracting States and paid to individuals residing in the other contracting State shall be exempt from taxation in the former State.

Article 9

Income from labor or personal services shall be taxable only in the State in which the taxpayer carries on his personal activity.

This provision does not apply to the income referred to in Article 8.

Article 10

Income from the exercise of a liberal profession shall be taxable only in the State in which the professional activity is exercised.

There is the exercise of a liberal profession in one of the two contracting States only when the professional activity has a fixed center in that country.

Article 11

Gains derived in one of the contracting States from the sale or exchange of stocks, securities or commodities by a resident or a corporation or other entity of the other contracting State shall be exempt from taxation in the former State, provided such resident or corporation or other entity has no permanent establishment in the former State.

Article 12

Students from one of the contracting States residing in the other contracting State exclusively for the purpose of study shall not be taxable by the latter State in respect of remittances received from within the former State for the purpose of their maintenance or studies.

Article 13

In the calculation of taxes established in one of the contracting States on the use of property or increment of property of an enterprise of the other State, account shall be taken only of that portion of the capital situated or employed and allocable to a permanent establishment within the former State.

The foregoing provision shall apply to the French "patent" tax and the United States capital stock tax even though these two taxes have not been referred to in Article 1 of the present Convention.

In the application of the present Article navigation enterprises of one of the contracting States, enjoying in the other State the benefits of Article 6 of the present Convention, shall not be considered as having a permanent establishment in the latter State insofar as shipping activities are concerned.

Article 14

It is agreed that double taxation shall be avoided in the following manner:

A. As regards the United States of America:

Notwithstanding any other provision of this Convention, the United States of America in determining the income and excess-profits taxes, including all surtaxes, of its citizens, or residents, or corporations, may include in the basis upon which such taxes are imposed, all items of income taxable under the Revenue Laws of the United States of America, as though this Convention had not come into effect. The United States of America shall, however, deduct from the taxes thus computed the amount of French income tax paid. This deduction shall be made in accordance with the benefits and limitations of Section 131 of the United States Internal Revenue Code relating to credit for foreign taxes.

B. As regards France:

(a) Schedular taxes: Income from securities, debts and trusts having its source in the United States of America shall be subject in France to the tax on income from securities; but this tax shall be reduced by the amount of the tax already paid in the United States of America on the same income. In consideration of the fiscal regime to which the legislation of the United States of America subjects the income of nonresident aliens and foreign corporations or other entities, the deduction of the tax paid in the United States of America shall be effected in a lump sum through a reduction of 12 in the rate of the tax established by the French law.

The income other than that indicated in the preceding paragraph shall not be subject to any schedular tax in France when, accord-

ing to this Convention, it is taxable in the United States of America.

(b) General tax on revenue: Notwithstanding any other provision of the present Convention, the general income tax can be determined according to all the elements of taxable income as imposed by French fiscal legislation.

However, the provisions of the first paragraph of Article 114 of the French Code on direct taxation relative to the taxation of aliens domiciled or resident in France shall continue to be applied.

Article 15

In derogation of Article 3 of the Decree of December 6, 1872, American corporations which maintain in France permanent establishments shall be liable to the tax on income from securities on three-fourths of the profits actually derived from such establishments, the industrial and commercial profits being determined in accordance with Articles 3 and 4 of this Convention.

The remaining one-fourth shall, in all cases, be taken as the basis of the annual tax on undistributed profits applicable to the same corporations.

Article 16

An American corporation shall not be subject to the obligations prescribed by Article 3 of the Decree of December 6, 1872, by reason of any participation in the management or in the capital of, or any other relations with, a French corporation. In such case, the tax on income from securities continues to be levied, in conformity with French legislation, on the dividends, interest and all other distributions made by the French enterprise; but it is moreover collectible, if the occasion arises, and subject to the measures of appeal applicable in the case of the tax on income from securities, with respect to the profits which the American corporation derives from the French corporation under the conditions prescribed in Article 5.

Article 17

The American corporations subject to the provisions of Article 3 of the Decree of December 6, 1872, who were not placed under the special regime established by Articles 5 and 6 of the Convention for the avoidance of double income taxation between the United States of America and France, signed April 27, 1932, may, during a new period of six months from the date of the entry into force of the present Convention, exercise with reference to past years, the option provided in those two articles under the conditions which they prescribe.

Moreover, the American corporations contemplated in the third paragraph of Article 10 of the Convention of April 27, 1932, may be admitted to benefit from the provisions of that paragraph, when the tax has not yet been paid, if the latter was not found to be payable, prior to May 1, 1930, by a definitive judicial decision or if such decision has been the subject of an appeal in cassation.

Article 18

Any United States income tax liability remaining unpaid as at the effective date of this Convention for years beginning prior to January 1, 1936 of any individual resident of France (other than a citizen of the United States of America) or of a French corporation may be adjusted by the Commissioner of Internal Revenue of the United States of America, on the basis of the provisions of the United States Revenue Act of 1936. However, no adjustment will be made more than two years subsequent to the effective date of this Convention unless the taxpayer files a request with the Commissioner of Internal Revenue prior to such date.

Article 19

Notwithstanding any other provision of this Convention, in order to avoid double taxation on public servants, employees of one of the contracting States being citizens of that State and remunerated by it, who have been received by the other State to perform services in such State shall be exempt in their principal places of residence from direct and personal taxes whether national, state or local.

Such employees who own real property in the State in which they perform services shall not benefit from the above exemptions with respect to the taxes levied on such real property. Employees who engage in any private gainful occupation in such State shall not be entitled to any exemption under this Article.

TITLE II. FISCAL ASSISTANCE

Article 20

With a view to the more effective imposition of the taxes to which the present Convention relates, the contracting States undertake, on condition of reciprocity, to furnish information of a fiscal nature which the authorities of each State concerned have at their disposal, or are in a position to obtain under their own laws, that may be of use to the authorities of the other State in the assessment of the said taxes.

Such information shall be exchanged between the competent authorities of the contracting States in the ordinary course or on request.

Article 21

In accordance with the preceding Article, the competent authorities of the United States of America will transmit to the competent authorities of France, as regards any person, corporation or other entity (other than a citizen, corporation or other entity of the United States of America) having an address in France and deriving from sources within the United States of America rents, dividends, interest, royalties, income from trusts, wages, salaries, pensions, annuities, or other fixed or determinable periodical income, the name and address of such person, corporation or other entity as well as the amount of such income.

The competent authorities of France will transmit to the competent authorities of the United States of America, as regards any person, corporation or other entity (other than a citizen, corporation or other entity of France) having an address in the United States of America and deriving from sources within France rents, dividends, interest, royalties, income from trusts, wages, salaries, pensions, annuities, or other fixed or determinable periodical income, the name and address of such person, corporation or other entity as well as the amount of such income.

The information relating to each year will be transmitted as soon as possible after December 31.

Article 22

The competent authorities of each of the contracting States shall be entitled to obtain, through diplomatic channels, from the competent authorities of the other contracting States, except with respect to citizens, corporations or other entities of the State to which application is made, particulars in concrete cases necessary for the establishment of the taxes to which the present Convention relates.

However, the competent authorities of each State shall not be prevented from transmitting to the competent authorities of the other State information relating to their own nationals (citizens, corporations or other entities) if they deem it opportune for the prevention of fiscal evasion.

Article 23

Each contracting State undertakes to lend assistance and support in the collection of the taxes to which the present Convention relates, together with interest, costs, and additions to the taxes and fines not being of a penal character according to the laws of the State requested, in the cases where the taxes are definitively due according to the laws of the State making the application.

In the case of an application for enforcement of taxes, revenue claims of each of the contracting States which have been finally determined shall be accepted for enforcement by the State to which application is made and collected in that State in accordance with the laws applicable to the enforcement and collection of its own taxes.

The application shall be accompanied by such documents as are required by the laws of the State making the application, to establish that the taxes have been finally determined.

If the revenue claim has not been finally determined, the State to which application is made may, at the request of the State making the application, take such measures of conservancy as are authorized by the laws of the former State for the enforcement of its own taxes.

The assistance provided for in this Article shall not be accorded with respect to the citizens, corporations or other entities of the State to which application is made.

Article 24

In no case shall the provisions of Article 22 relating to particulars in concrete cases, or of Article 23 relating to mutual assistance in the collection of taxes, be construed so as to impose upon either of the contracting States the obligation to carry out administrative measures at variance with the regulations and practice of either contracting State, or to supply particulars which are not procurable under the law of the State to which application is made, or that of the State making application.

The State to which application is made for information or assistance shall comply as soon as possible with the request addressed to it. Nevertheless, such State may refuse to comply with the request for reasons of public policy or if compliance would involve violation of a business, industrial, or trade secret. In such case it shall inform, as soon as possible, the State making the application.

Article 25

Any taxpayer who shows proof that the action of the revenue authorities of the contracting States has resulted in double taxation in his case in respect of any of the taxes to which the present Convention relates, shall be entitled to lodge a claim with the State of which he is a citizen or, if the taxpayer is a corporation or other entity, with the State in which it is created or organized. Should the claim be upheld, the competent authority of such States may come to an agreement with the competent authority of the other State with a view to equitable avoidance of the double taxation in question.

Article 26

The competent authorities of the two contracting States may prescribe regulations necessary to interpret and carry out the provisions of this Convention. With respect to the provisions of this Convention relating to exchange of information and mutual assistance in the collection of taxes, such authorities may, by common agreement, prescribe rules concerning matters of procedure, forms of application and replies thereto, rates of conversion of currencies, transfer of sums collected, minimum amounts subject to collection, payment of costs of collection, and related matters.

TITLE III. GENERAL PROVISIONS

Article 27

The present Convention shall be ratified, in the case of the United States of America by the President, by and with the advice and consent of the Senate, and in the case of France, by the President of the French Republic with the consent of the Parliament.

This Convention shall become effective on the first day of January following the exchange of the instruments of ratification.

The Convention shall remain in force for a period of five years and indefinitely thereafter but may be terminated by either contracting State at the end of the five-year period or at any time thereafter, provided six months' prior notice of termination has been given, the termination to become effective on the first day of January following the expiration of the six-month period.

Upon the coming into effect of this Convention, the Convention for the avoidance of double income taxation between the United States of America and France, signed April 27, 1932 shall terminate.

Done at Paris, in duplicate, in the English and French languages, this 25th day of July, 1939.

[SEAL] WILLIAM C. BULLITT
[SEAL] GEORGES BONNET

PROTOCOL

At the moment of signing the present Convention for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes, the undersigned Plenipotentiaries have agreed that the following provisions shall form an integral part of the Convention:

I

The present Convention is concluded with reference to American and French law in force on the day of its signature.

Accordingly, if these laws are appreciably modified the competent authorities of the two States will consult together.

II

The income from real property referred to in Article 2 of the present Convention shall include profits from the sale or exchange of the said property, but shall not include interest on mortgages or obligations secured by the said property.

III

As used in this Convention:

(a) The term "permanent establishment" includes branches, mines and oil wells, plantations, factories, workshops, stores, purchasing and selling and other offices, agencies, warehouses, and other fixed places of business but does not include a subsidiary corporation.

When an enterprise of one of the contracting States carries on business in the other State through an employee or agent, established there, who has general authority to negotiate and conclude contracts or has a stock of merchandise from which he regularly fills orders which he receives, this enterprise shall be deemed to have a permanent establishment in the latter State. But the fact that an enterprise of one of the contracting States has business dealings in the other State through a bona fide commission agent or broker shall not be held to mean that such enterprise has a permanent establishment in the latter State.

Insurance enterprises shall be considered as having a permanent establishment in one of the States as soon as they receive premiums from or insure risks in the territory of that State.

(b) The term "enterprise" includes every form of undertaking whether carried on by an individual, partnership, corporation, or any other entity.

(c) The term "enterprise of one of the contracting States" means, as the case may be, "United States enterprise" or "French enterprise."

(d) The term "United States enterprise" means an enterprise carried on in the United States of America by a resident of the United States of America or by a United States corporation or other entity.

The term "United States corporation or other entity" means a partnership, corporation or other entity created or organized in the United States of America or under the law of the United States of America or of any State or Territory of the United States of America.

(e) The term "French enterprise" is defined in the same manner, mutatis mutandis, as the term "United States enterprise."

IV

The term "life annuities" referred to in Article 8 of this Convention means a stated sum payable periodically at stated times during life, or during a specified number of years to the person who has paid the premiums or a gross sum for such an obligation.

V

Citizens and corporations or other entities of one of the contracting States within the other contracting State shall not be subjected as regards the taxes referred to in the present Convention, to the payment of higher taxes than are imposed upon the citizens or corporations or other entities of such latter State.

VI

The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit, allowance, or other advantage accorded by the laws of one of the contracting States in the determination of the tax imposed by such State.

VII

Documents and information contained therein, transmitted under the provisions of this Convention by one of the contracting States to the other contracting State shall not be published, revealed or disclosed to any person except to the extent permitted under the laws of the latter State with respect to similar documents or information.

VIII

As used in this Convention the terms "competent authority" or "competent authorities" means, in the case of the United States of America, the Secretary of the Treasury and in the case of France, the Minister of Finance.

IX

The term "United States of America" as used in this Convention in a geographic sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

X

The term "France", when used in a geographic sense, indicates continental France, exclusive of Algeria and the Colonies.

XI

Should any difficulty or doubt arise as to the interpretation or application of the present Convention, or its relationship to Conventions between one of the contracting States and any other State, the competent authorities of the contracting States may settle the question by mutual agreement.

Done in duplicate at Paris, this 25th day of July 1939.

WILLIAM C. BULLITT
GEORGES BONNET

The PRESIDING OFFICER. The convention and protocol are before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment to be proposed, the convention and protocol will be reported to the Senate.

The convention and protocol were reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive I, Seventy-eighth Congress, second session, the convention and protocol between the United States of America and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention and protocol are ratified.

PROTOCOL PROLONGING THE INTERNATIONAL AGREEMENT REGARDING THE REGULATION OF PRODUCTION AND MARKETING OF SUGAR

The Senate, as in Committee of the Whole, proceeded to consider the protocol, Executive J (Seventy-eighth Congress, second session), a protocol signed in London, August 31, 1944, prolonging the international agreement regarding the regulation of production and marketing of sugar, which was read the second time, as follows:

Whereas an International Agreement regarding the Regulation of the Production and Marketing of Sugar (hereinafter referred to as "the Agreement") was signed in London on the 6th May, 1937;

And whereas by a Protocol signed in London on the 22nd July, 1942, the Agreement was regarded as having come into force on the 1st September, 1937, in respect of the Governments signatory of the protocol;

And whereas it was provided in the said Protocol that the Agreement should continue in force between the said Governments for a period of two years after the 31st August, 1942;

Now, therefore, the Governments signatory of the present Protocol, considering that it is expedient that the Agreement should be prolonged for a further term as between themselves, subject, in view of the present emergency, to the conditions stated below, have agreed as follows:—

ARTICLE 1

Subject to the provisions of Article 2 hereof, the Agreement shall continue in force between the Governments signatory of this Protocol for a period of one year after the 31st August, 1944.

ARTICLE 2

During the period specified in Article 1 above the provisions of Chapters III, IV and V of the Agreement shall be inoperative.

ARTICLE 3

1. The Governments signatory of the present Protocol recognise that revision of the Agreement is necessary and should be undertaken as soon as the time appears opportune. Discussion of any such revision should take the existing Agreement as the starting point.

2. For the purposes of such revision due account shall be taken of any general principles of commodity policy embodied in any agreements which may be concluded under the auspices of the United Nations.

ARTICLE 4

Before the conclusion of the period of one year specified in Article 1 the contracting Governments, if the steps contemplated in Article 3 have not been taken, will discuss the question of a further renewal of the Agreement.

ARTICLE 5

The present Protocol shall bear the date the 31st August, 1944, and shall remain open for

signature until the 30th September, 1944; provided however that any signatures appended after the 31st August 1944, shall be deemed to have effect as from that date.

In witness whereof the undersigned being duly authorized thereto by their respective Governments have signed the present Protocol.

Done in London on the 31st day of August, 1944, in a single copy which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland, and of which certified copies shall be furnished to the signatory Governments.

For the Government of the Union of South Africa:

DENEYS REITZ.

For the Government of the Commonwealth of Australia:

S. M. BRUCE.

For the Government of Belgium:

VTE DE LANTSHEERE.

For the Government of Brazil:

MONIZ DE ARAGAO.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

ANTHONY EDEN.

For the Government of the Republic of Cuba:

G. DE BLANCK.

For the Government of Czechoslovakia:

DR. V. JANSA.

For the Government of the Dominican Republic:

R. PÉREZ-ALFONSECA.

For the Government of Haiti:

JOHN G. WINANT.

For the Government of the Netherlands:

E. TEIXEIRA DE MATTOS.

For the Government of Peru:

F. BERCKEMEYER.

For the Government of Portugal:

PALMELLA.

For the Government of the Union of Soviet Socialist Republics:

F. GOUSEV.

For the Government of the United States of America:

JOHN G. WINANT.

(Subject to ratification.)

(In respect of the Commonwealth of the Philippines):

JOHN G. WINANT.

For the Government of Poland:

Z. MERDINGER.

Certified a true copy:

[SEAL] J. F. FRENCH.

Acting Librarian and Keeper of the Papers for the Secretary of State for Foreign Affairs.

LONDON, *7 Oct. 1944.*

PROTOCOL TO ENFORCE AND TO PROLONG AFTER AUGUST 31, 1942, THE INTERNATIONAL AGREEMENT REGARDING THE REGULATION OF PRODUCTION AND MARKETING OF SUGAR, SIGNED IN LONDON ON MAY 6, 1937.

Whereas an Agreement regarding the Regulation of Production and Marketing of Sugar (hereafter referred to as the Agreement) was signed in London on the 6th May, 1937; and

Whereas Article 48 of the Agreement provides as follows:

"(a) The present Agreement shall come into force on the 1st September, 1937, if at that date it has been ratified by all the signatory Governments;

"(b) If by the above-mentioned date the instruments of ratification of all the signatories have not been deposited, the Governments which have ratified the Agreement may decide to put it into force among themselves"; and

Whereas the ratifications of all the signatories were not deposited by the 1st September, 1937; and

Whereas the Agreement has been ratified by the Governments of the following countries:

Union of South Africa,
Commonwealth of Australia,
Brazil,
Belgium,
United Kingdom of Great Britain and Northern Ireland,
Cuba,
Czechoslovakia,
Dominican Republic,
Germany,
Haiti,
Hungary,
India,
Netherlands,
Peru,
Poland,
Portugal,
Union of Soviet Socialist Republics,
United States of America;

and

Whereas it seems desirable that the said Agreement should be put in force between those Goverments which have ratified it,

Now, therefore, the undersigned being duly authorised by their respective Governments have agreed as follows:

ARTICLE 1

The Agreement shall be regarded as having come into force in respect of the Governments signatories of the present Protocol, on the 1st September, 1937.

ARTICLE 2

After the 31st August, 1942, the Agreement shall continue in force among the said Governments for a period of two years from that date.

ARTICLE 3

The present Protocol shall bear this day's date and shall remain open for signature until the 31st August, 1942. It shall take effect in respect of each signatory Government on the date of signature.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed the present Protocol.

Done in London on the 22nd day of July 1942, in a single copy which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland, and of which certified copies shall be furnished to the signatory Governments.

For the Government of the Union of South Africa:

SIDNEY F. WATERSON.

For the Government of the Commonwealth of Australia:

S. M. BRUCE.

For the Government of Brazil:

J. C. DE ALENCAR NETTO.

For the Government of Belgium:

P. KRUNACKER.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

ANTHONY EDEN.

For the Government of the Republic of Cuba:

G. DE BLANCK.

For the Government of Czechoslovakia:

V. JANSA.

For the Government of the Dominican Republic:

R. PÉREZ-ALFONSECA.

For the Government of Haiti:

JOHN G. WINANT.

For the Government of the Netherlands:

E. MICHIELS V. VERDUYNEN.

For the Government of Peru:

E. LETTS.

For the Government of Portugal:

ARMINDO MONTEIRO.

For the Government of the Union of Soviet Socialist Republics:

J. MAISKY.

For the Government of the United States of America:

JOHN G. WINANT.

(In respect of the Commonwealth of the Philippines):

JOHN G. WINANT.

Certified a true copy:

[SEAL] STEPHEN GASELEE.

Librarian and Keeper of the Papers at the Foreign Office.

LONDON, *4th Sept. 1942.*

Mr. CONNALLY. Mr. President, Senators are no doubt familiar with the original convention relating to sugar control. It is largely through that authority that we have adopted our own measures of sugar control in this country. The original convention had a vitality of 5 years. Thereafter a protocol was executed extending the period for 2 years. That period of 2 years has expired, and the present protocol is merely an extension for an additional year, from August 31, 1944, to August 31, 1945. The matter was thoroughly considered in the Committee on Foreign Relations, and there was no objection whatever to the extension.

The PRESIDING OFFICER. The protocol is before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J, Seventy-eighth Congress, second session, a protocol, signed in London August 31, 1944, prolonging the international agreement regarding the regulation of production and marketing of sugar.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the protocol is ratified.

The PRESIDING OFFICER. That completes the treaties. The clerk will now proceed to state the nominations on the calendar.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army, which nominations had previously been passed over.

Mr. HILL. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

POSTMASTER—ADVERSE REPORT

The legislative clerk read the nomination of Rachel Elgiva McCracken to be postmaster at Galt, Mo., which had been adversely reported from the Committee on Post Offices and Post Roads, and which had been previously passed over.

Mr. CLARK of Missouri. Mr. President, my colleague, the Vice President-elect [Mr. TRUMAN] objects to the confirmation of this nomination on personal

grounds, and I ask that it go over until his return.

Mr. HILL. Mr. President, I understand that there is no objection to sustaining the action of the committee.

Mr. CLARK of Missouri. If the action of the committee is to be sustained, I have no objection.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. HILL. Mr. President, as I understand, the Senate Committee on Post Offices and Post Roads has reported adversely on the nomination, and has recommended to the Senate that the nomination be not confirmed. That is the action requested by both Senators from Missouri.

Mr. CLARK of Missouri. That is correct.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. CONNALLY. Mr. President, I do not care to take up the time of the Senate on this nomination. I ask that the nomination be confirmed. There was no objection whatever in the committee, and the nomination was unanimously reported by the Committee on Foreign Relations.

Mr. GUFFEY. Mr. President, I should like to read an editorial, before the nomination is voted upon.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. GUFFEY. I yield.

Mr. HILL. I wonder if I may ask that the Senate proceed to consider nominations on the calendar to which there is no objection, and let the other nominations go over for a few minutes, until we can clean up the unobjected to or unquestioned nominations on the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the clerk will proceed to state the nominations on the calendar to which there is no objection.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

Mr. HILL. Mr. President, I ask unanimous consent that the Foreign Service nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Foreign Service nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. HILL. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

That completes consideration of uncontroverted nominations. The clerk will now proceed to state the nominations which have been passed over.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Joseph C. Grew, of New Hampshire, to be Under Secretary of State.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. GUFFEY. Mr. President, I wish to read an editorial appearing in the Philadelphia Record for today, concerning the nomination for Under Secretary and the nominations for Assistant Secretary of State. The editorial is entitled "Four of a Kind Are Three Too Many." After the headline, the editorial reads as follows:

A good many liberals believe that President Roosevelt's appointments to the State Department add up to a national calamity.

The Record doesn't go that far. We are reasonably sure the Republic will survive the shock. But it may never be quite the same.

The appointments of Messrs. Grew, Clayton, and Rockefeller, plus the choice of Edward J. Stettinius as Secretary, form the most discouraging action taken by the President since 1937. That was the year he took the advice of Winthrop Aldrich, chairman of the Chase National Bank, and other Wall Streeters. Listening to them, the President curtailed Government expenditures for public works and took other deflationary steps in conformance with the rules of orthodox finance. And in 1938 the country went into a tailspin which set back recovery for 3 years.

For reasons that are totally obscure, Mr. Roosevelt has again taken advice from the same questionable sources. This time the results may be far worse than they were after 1937, for these State Department appointments give the big-money boys a try at shaping the economy of the entire post-war world.

The Record was not critical of the appointment of Secretary Stettinius last week. We recognized that in private life he was a representative of the House of Morgan, Wall Street's leading bank. But after trial and error in several Federal posts, he had shown some ability as an organizer. He seemed to have a flair for the public service. And we believed the President would continue to direct our foreign policy, leaving Stettinius to execute it with the help of experienced, progressive assistants.

Now come the "experienced, progressive assistants."

Consider Will L. Clayton. He will have the most important job of all the assistant secretaries. He has been designated to take charge of the problems of post-war finance, reconstruction, relief, and international aviation.

He has no diplomatic experience whatever. In 1940 Jesse Jones induced him to resign as a partner in the world's biggest cotton brokerage business with holdings in Paraguay, Brazil, Argentina, Africa, and Asia, areas over which he will now exert vast political influence. He served in the Office of the Coordinator of Inter-American Affairs and on the Export-Import Bank. He is noted as an ultraconservative, Texas brand. It is a joke in Washington that his gift of $6,000 to the du-Pont-dominated, reactionary, Liberty League during Roosevelt's first term was topped by contributions of $7,000 made by his progressive wife to the New Deal.

Nelson A. Rockefeller, grandson of the world's richest man, is probably the hardest worker of all the assistant secretaries. Yet there are a dozen men in Washington better fitted and far more experienced. He has made a good record the last few years as Coordinator of Inter-American Affairs. He brought music, movies, and entertainment of varied kinds to his job of cultivating South American governments. Good fellow Rockefeller has helped to make good neighbors in Latin America, unless we except Argentina.

He made a good neighbor of Franklin Roosevelt by other methods. He and Mrs. Rockefeller contributed $5,000 to the campaign fund of Tom Dewey.

The Record does not impugn the honesty of these three men of great wealth—Stettinius, Clayton, Rockefeller. No doubt they enter upon their new duties with patriotic zeal and a sincere desire to set a sick and shattered world upon its feet.

The hardest part of the task in building world peace and setting the stage for prosperity at home will be to resist the self-seeking, private pressure groups. We mean the international bankers with holdings throughout the world; the brokers with clients in every land; the industrialists whose chief aim is foreign trade, the reopening of their factories in Germany, Italy, and Japan. We don't blame these interests for trying to get the best breaks they can from this and other governments.

But it is the bounden duty of Government officials to say "No" to these men when a "Yes" would even remotely jeopardize the national welfare or set up one hazard to world peace.

The Record hopes these three next-of-kin to America's powerful banking and industrial groups can say "No" when the time comes. But it will be almost a miracle if they can resist the pressure of the institutions from which they graduated.

The Record is not prepared to say that no representative of big business or international finance should have an important post in the State Department. It might be good statesmanship to have all the elements of our national life—banking, labor, industry, the professions—merged into this important branch of government. From the conflicting views of such a cross section there might emerge sound compromises in the public interest.

That is the reason the Record accepted with good grace the appointment of Stettinius, although it was not to our liking. Nomination of any one of the five might be accepted as were the nominations of Knox and Stimson, on the theory that it is the duty of the President in wartime to unite the Nation by giving representation to every element and interest.

But what applies to each one separately does not apply to the five taken as a whole. In fact we cannot take them as a whole without uttering a protest that this series of appointments is neither in the character nor in the spirit of the New Deal. It is an affront to the majority of citizens who voted for Mr. Roosevelt.

To allow the State Department to be dominated by a single ultraconservative element, in this most critical period, is an inexcusably dangerous experiment.

Joseph Grew, the new Under Secretary, is not a Wall Streeter except by family connection. He is a career diplomat who served this country well in the Tokyo Embassy in the years immediately preceding the war. He was sharply criticized as Under Secretary in the Cabinet of Calvin Coolidge. Since Pearl Harbor and his return to the United States, Grew has frequently advocated a policy of doing business with Emperor Hirohito after the war. He says we must preserve the Mikado as a Japanese sym-

bol around which a stable, peaceful government can be built.

The man can't have much imagination when in the midst of global war he suggests a future arrangement with Hirohito. It sounds like an echo from another sphere of diplomacy: The Cliveden set believed Britain could do business with Hitler.

Then there is Librarian of Congress Archibald MacLeish. Mr. Roosevelt appointed him as one of the Assistant Secretaries of State. Mr. MacLeish's liberalism is genuine. But he is totally lacking in experience with foreign affairs. His assignment as head of the Translation Division, Public Liaison, Office of Public Information and Cultural Cooperation will give him about as much chance to develop liberal policies as though he were head office boy.

Stick to your poetry and your library, Mr. MacLeish.

We believe that President Roosevelt was elected to a fourth term because the majority of voters believed he would give liberals—not conservatives and reactionaries—a large share of responsibility for building the peace.

One of the reasons for the defeat of Governor Dewey was that the majority of voters believed he would put the administration of our vital foreign and domestic policies in the hands of the Wall Street interests which supported him so generously.

Wall Street must wonder today why it spent so much money for a futile cause—only to get exactly what it wanted for free.

Yet we are not entirely without hope. Mr. Roosevelt has often admitted and corrected his mistakes.

Every stanch supporter of the New Deal will pray that this mistake be recognized in time to avert a repetition of the blunders which followed World War No. 1.

I wish to say frankly that I am in sympathy with the editorial. Since reading the analysis set forth in the editorial I must say that I am not as enthusiastic about the nominations as I may have been previously.

Mr. CLARK of Missouri. Mr. President, no one in the whole United States has profited as much personally by the good will of the New Deal administration as has Mr. David Stern, the editor of the Philadelphia Record. The Senator from Pennsylvania has a very high opinion of Mr. Stern. I have had a very pleasant relationship with Mr. Stern. But he has profited more, individually, as a supporter of the New Deal than anyone else in the United States. That is my judgment about it. I assert that it comes with very poor judgment and very poor grace for Mr. Stern to oppose these nominations en bloc.

Mr. GUFFEY. Mr. President, will the Senator from Missouri explain in what way Mr. Stern has profited unfairly or illegally?

Mr. CLARK of Missouri. Mr. President, I did not suggest that he had profited illegally. It was all under the law. Unquestionably, Mr. Stern was able to keep his publications floating by the use of the loans which he received under the New Deal. I assert that it comes with very poor grace from him to oppose these nominations en bloc. If he had wanted to oppose some particular nominee on his merits, that would have been a different matter. But I say again that it comes with very poor grace, indeed, for Mr. Dave Stern, who would have been in bankruptcy had it not been for the assistance he received from the New Deal lending agencies, to attack these nominations en bloc.

Mr. GUFFEY. Mr. President, all the loans to which the Senator from Missouri has referred, as well as the interest which fell due from time to time, were paid on time. All requirements under the negotiations were conformed to.

Mr. CLARK of Missouri. Mr. President, I am not suggesting that the publisher of the Philadelphia Record is not honest. I am suggesting that he would have gone into bankruptcy had it not been for certain policies of the New Deal which enabled him to receive loans under the auspices of Harry Hopkins.

Mr. GUFFEY. How many banks, trust companies, and corporations would not have done the same thing that Mr. Stern did?

Mr. CLARK of Missouri. I think many of them would have done the same thing.

Mr. GUFFEY. Then why pick on Mr. Stern?

Mr. CLARK of Missouri. As I have already said, Mr. President, I believe it comes with very poor grace for Mr. Stern to attack these nominations en bloc. If he wishes to make a particular attack on some one of the nominations, I believe that would be proper. But, as I have said, I think it comes with very poor grace for him to attack all of the nominations en bloc. His attack has not been based on anything in connection with the previous service of any of the nominees, but it has been made because Mr. Stern was trying to be a demagog, which he has always been.

Mr. GUFFEY. I am sorry that I cannot agree with the Senator from Missouri.

Mr. CONNALLY. Mr. President, I ask for a vote.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Joseph C. Grew, of New Hampshire, to be Under Secretary of State?

Mr. CHANDLER. Mr. President, before the nomination is confirmed, I wish to say that I have no objection to the confirmation of the nomination of Mr. Grew to be Under Secretary of State. I have not been able to satisfy myself that haste should be exercised in confirming the nominations. If any Senator can give me a good reason for making haste in regard to this matter, I should like to hear what is the reason. For a long time I have heard that the State Department should be reorganized. I have personally believed that Mr. Hull was an understanding Secretary of State. I know that he is honest and patriotic. I know that he is a great American. I also know that he has always tried to the best of his ability to represent the interests of the people of the United States.

Mr. President, I sometimes wonder who won the election which we recently held. I was told that the poor folks would be given opportunities as the result of the election, and it was said that the common man would be given a better chance. I am certain that a great majority of the average citizens of the country voted for the reelection of President Roosevelt. Our Republican brethren told us during the campaign that we would have to clear everything with Sidney. According to my understanding, Sidney has cleared out. He has gone to England, and he is advising everyone there about the standing of politicians, and what it means to take part in a political campaign in this country. Instead of poor folks obtaining jobs, the Wall Street boys are obtaining jobs, and we are clearing everything with Harry Hopkins. That may be the way the people voted, and it may be the way they intended to vote all the time. [Laughter.] Certainly that is the way it is being done.

Mr. President, I have nothing to say against any of the nominees. I have always had the greatest faith and confidence in Mr. Grew's ability as an ambassador. I think he made a fine record as our American Ambassador to Japan. I have read his books and some of his papers. He has appeared before our committee. I was very much impressed with him. The other men whose nominations have been proposed may do just as well as someone else could do. But what is the haste? Why can we not have a hearing and an opportunity to ask them some questions?

Mr. President, in the days ahead the United States Senate will be interested in trying to make arrangements with other nations of the world to answer the supreme question which is today being presented to mankind, namely, how to arrange for the nations of the earth to live together in peace. If we do not provide a correct answer to that important question, it is barely possible that within the next few years civilization may be entirely destroyed.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. CLARK of Missouri. The Senator from Pennsylvania [Mr. GUFFEY], who raised the question, is a member of the Foreign Relations Committee. The nomination of Ambassador Grew was not reported today. It was reported yesterday. The Senator from Pennsylvania was present and voted, as I recall, to report the nomination to the Senate. There was no roll call. But he voted yesterday to report the nomination of Ambassador Grew.

Mr. GUFFEY. Mr. President, will the Senator from Kentucky yield?

Mr. CHANDLER. I yield.

Mr. GUFFEY. I should like to correct the Senator from Missouri in the statement which he made. Were there not five or six members of the Foreign Relations Committee who reserved the right to vote as they pleased on each nomination as it came up on the floor of the Senate?

Mr. CLARK of Missouri. Mr. President, will the Senator from Kentucky yield to me in order that I may reply to the Senator from Pennsylvania?

Mr. CHANDLER. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. As I recall the meeting of the Foreign Relations Committee—and I do not like to detail in public an executive session of any committee, although I reserve the right

to do so—the only question raised had to do with Mr. MacLeish. The nomination of Mr. Grew was approved by unanimous consent in the Foreign Relations Committee.

The Senator from Montana [Mr. MURRAY] objected to the confirmation of Mr. Clayton, and asked to be recorded against it. I objected to the confirmation of Mr. MacLeish, and at the suggestion of the chairman the roll was called, and four votes were recorded against that nomination. The Senator from Pennsylvania was present during a part of the meeting and voted for some of the confirmations, and then left, leaving his votes, with the understanding that they would be voted for all the confirmations.

Mr. President, what I should like to know is as to Mr. Grew, a career diplomat. What happened since yesterday morning, except the editorial of Dave Stern in the Philadelphia Record, to change anyone's opinion about the lifelong career of Ambassador Grew? That is all I want to ask.

Mr. CHANDLER. Mr. President, I have been a strong and stanch supporter of the President's foreign policy. I think he received more support from the American people because of his foreign policy than because of any other policy he advocated as President of the United States.

The men whose nominations we are considering are going to have the difficult task of making vital decisions on the foreign policy of this country during the ensuing important years which are immediately ahead of us, and the United States Senate is called upon to vote on the nominations. If Senators are going to vote knowing as little about these men as I do, then they will have to take the responsibility for the mistakes, if any are made, which these men may make. I confess that except as to Ambassador Grew I know very little about these nominees.

There are some questions I should like to have an opportunity to ask them. I should like to know what their views are on the economic problems of the world, and what sort of an economic policy we are to adopt in our dealings with other countries when the war is over.

I want to see a just peace, and an enduring peace, and I want to know what the ideas of these men are about that. I should like to know what they think about dictatorships. I should like to know how they acted on questions involving the war in Spain, and what their ideas were toward the Vichy Government. I should like to know what their position is with respect to India and the Far East. I should like to know whether they think the Atlantic Charter is dead, or whether or not in the future mankind will have an opportunity to be free because the Allies went to war.

All around the world, in the countries where people are slaves, they are today asking questions. The junior Senator from Georgia [Mr. RUSSELL] will recall people in some countries said, "The United States of America is bound by the Atlantic Charter." We cautioned them that that was a noble declaration of the President of the United States and of the Prime Minister of Great Britain, and not to be too certain, because it was not the law of either country. They said, "Oh, but you are bound; we have a right to be free, and you are going to help make us free." When we asked them "Freedom from whom?" they would say freedom from one of the Allies. How is America to make those people free if Churchill says, "We mean to hold our own, unless you give us something that offers us an equally solid guaranty," when Churchill says, "I did not take this job to preside over the liquidation of the British Empire. If that were ever prescribed, you would have to get somebody else for the job." If we are to say in the future to these people that this was a war between Fascists and imperialist powers, and that all the slaves have to look forward to is a return to slavery and their old masters, we have not done a thing but disillusion hundreds of millions of people throughout the world.

American boys are again fighting and dying on a thousand fronts for democracy, the second time in a generation, and if all they are to accomplish is the securing of possessions all over the world for imperialist powers, and returning the people in those countries to slavery when the war is over, we will not have accomplished anything.

I do not know what the views of these nominees are about these matters. I am not making any attack against any man. I repeat, I do not know what these nominees stand for, but it does not occur to me that the question of confirmation is so important that we must make such haste that the Senate of the United States cannot take just a few hours. The Senate Committee on Foreign Relations holds an executive session—and I do not have the honor of being a member of that committee—but they have one meeting, a closed session, and report these nominations to the Senate in one afternoon, without saying what these men stand for, and we are asked to vote to confirm the nominees to these important positions, and say to the world, "We have reorganized the State Department." There is already a dispatch or two from London stating that the British consider the first utterances of Secretary of State Stettinius insulting to them regarding British policy. I am not pleading for any unrealistic attitude. I do not consider it necessary to insult others, but we have to tell the truth, even if that may be insulting. I do not advocate being insulting to friends or allies, but I do advocate being realistic with them, and telling the truth.

Mr. President, I am not ready to vote today on two of these nominations. I think we would do well to take time. I think we would do well to importune the chairman of the Committee on Foreign Relations, and ask him to call an open hearing of his committee, ask these men to appear, let Senators be present, and let other citizens of the Republic be present. Let us ask questions and ascertain, before we approve them for these important positions, how they stand on world cooperation, and what their ideas are about the world of tomorrow. I confess I do not know.

As quarterback on a football team, when I did not know what to do, I was always told we ought to kick. "When in doubt punt." So, if you are to compel me to vote against someone, I may do so to make a record, but I do not like to do that. I confess I do not know about these men, and I beg Senators to take time, and give us an opportunity to ascertain the facts, and then, when we find that we are ready, we can go ahead.

Mr. O'MAHONEY. Mr. President, I find in the New York Times this morning a report with respect to the reorganization of the State Department in which there appear these two paragraphs:

> In discussing his reorganization plans Mr. Stettinius said that they would include a realinement of functions.
>
> He declined to discuss Mr. Clayton's views on cartels and other economic policies until after he assumed his new post in the State Department.

In the Washington Post this morning there was also a story about the same press conference, from which I read the following:

> At Stettinius' news conference he was confronted with many questions on possible conflict between the views of Clayton on cartels in relation to those of President Roosevelt and former Secretary of State Cordell Hull.
>
> It was that question which arose in the Foreign Relations Committee when MURRAY opposed recommendation of Clayton.
>
> Stettinius, however, declined to speak for Clayton and said he would present him to the press at the first news conference after he takes office and let him speak for himself on the subject.

Mr. President, I am impressed by the assumption that information to the people of the United States with respect to the views of the nominee for this most important position, having to do with the economic relations of this Government to the rest of the world, will be postponed until after the Senate has acted upon the nomination, the assumption being that the Senate is willing to act without information.

Are we to have the people of the country understand that while newspaper correspondents may confront the Secretary of State at his press conference and ask him for the views and opinions of a subordinate—about-to-be—with respect to this most serious of all economic problems, Members of the Senate are asked to hold their curiosity in leash until Mr. Clayton appears at a State Department press conference after he has been confirmed?

Mr. President, I cannot believe that the Foreign Relations Committee is going to ask the Senate to vote blindly about so important a matter, and I say this without the slightest reflection upon Mr. Clayton, the nominee. I have a great deal of respect for Mr. Clayton's ability. I have seen him in action before committees of the Senate. I admire his poise, I admire his patience, I admire his competence, but I know nothing whatsoever about his views on international trade, and I know, Mr. President, that we are engaged in this war because political leadership and business leadership have been incompetent to deal with the question of international cartels. We are in this war, Mr. President, precisely be-

cause opportunity to make a living has not been granted to the masses of the people of the world because the control of economics has been held in the hands of a few leaders.

We had the German cartels, we had the British cartels, we had American participation in cartels. We know that the handling of the cartels is a major part of post-war policy; but we know nothing about what this reorganization of the State Department means with respect to any phase of international policy. Every Member of the Senate had a very good notion of what Secretary Cordell Hull's policy was. We were never in any doubt about that, nor was the world in doubt about it. But since the change in the Department of State, no word has issued from any quarter telling the Members of the Senate, or the people of the United States, or the people of the world, what the policy of the reorganized State Department will be with respect to these fundamental problems of how to enable the nations and the peoples of the world to live together.

There was presented to the Senate some time before the election a treaty having to do with petroleum and petroleum resources. My own opinion with respect to that agreement was that it was not a treaty but an agreement to make an agreement. I felt sure that it dealt solely with foreign oil. But it was not altogether clear.

Mr. President, I wrote a letter to the Secretary of State with respect to that treaty, and I received a response from him. I did not make my letter public nor his response. Since that time, however, there has been a great change. I did not make the exchange public because I felt that further negotiations were to take place and I knew how Secretary Hull thinks. Now he has retired and the State Department is being reorganized to what end?

Last Sunday the newspapers carried the announcement that the chairman of the Foreign Relations Committee did not feel that the oil treaty with Great Britain should be ratified. I gained the impression that perhaps there may be a new agreement, a new treaty. I do not know what the terms of the new negotiation will be. If we act today upon these nominees we know that the framing of those terms will be in the hands of these gentlemen whose nominations we are now asked to confirm, but whose views are not revealed to us.

It seems to me, Mr. President, that we are dealing here with one of the very basic questions of the war and of the peace, and I feel very, very deeply that the Senate should not act until its Committee on Foreign Relations has brought these men before it so that we may know what policies they intend to follow, and whether there is to be any change.

We hear a great deal about the desirability of cooperation between the executive and the legislative branches of the Government. We hear a great deal of criticism of the executive branch for taking things into his own hands. But is this not an example of how the legislative body turns responsibility over to the Executive and makes it impossible for the Executive to do anything but act? If the Senate does not exercise the responsibility which the Constitution gives it to advise and consent by confirming appointees who are to occupy positions of the gravest responsibility by acquainting itself with the policies of policy-making officers, then surely we cannot avoid the charge of having failed to do our full duty.

Mr. President, I certainly hope that there will be no action upon any of these nominees until the Foreign Relations Committee can give us more information with respect to what their views are.

We should not be made dependent upon some future press conference for information which it is our constitutional right, and I think duty, to secure before we act.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CLARK of Missouri. Does the Senator apply that to the nomination of Ambassador Grew?

Mr. O'MAHONEY. I see no reason why there should be any exception. Personally I have the greatest confidence in Mr. Grew. I have listened to him before committees.

Mr. CLARK of Missouri. Mr. President, since the Under Secretary of State has been promoted to the position of Secretary of State, there is a very great necessity for having an experienced diplomat who would be in a position to run the ordinary business of the State Department, and I see a very great difference between the situation of Ambassador Grew, who has been nominated to be Under Secretary of State, and the nomination of others to be Assistant Secretaries. In other words, if the confirmation of Ambassador Grew as Under Secretary could be brought about so that he could immediately begin to regulate the affairs of the Department—and I think there is no one on either side of this body who questions his ability to do that—then I am prepared to offer a motion to refer the nominations of the others to be Assistant Secretaries back to the Foreign Relations Committee for the purpose of holding hearings. But I do not see how the Department can possibly function without the confirmation of the nomination of the Under Secretary.

Mr. O'MAHONEY. Mr. President, the Department has functioned without an Under Secretary until today, and I think it may very well function until next week if that necessity arises. The question involved would be merely that of administration. Mr. President, I am talking about questions of the very highest possible international policy.

Mr. CLARK of Missouri. I entirely agree with the Senator from Wyoming. As I said, I am prepared to offer a motion to recommit the nominations of Assistant Secretaries of State to the Committee on Foreign Relations. But I do think that the new Secretary of State is entitled to have an experienced diplomat at his right hand to conduct the affairs of the Department, and I do not think there is anyone on either side of this Chamber who is prepared to oppose confirmation of Ambassador Grew.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Alabama.

Mr. BANKHEAD. Does the Secretary have authority to designate someone in the Department to act temporarily as Under Secretary of State?

Mr. O'MAHONEY. I would assume that that Department is not different from other departments, and that such authority does exist.

Mr. President, I was about to call attention to the Atlantic Charter. I have sent this charter to innumerable constituents because I have felt it to be a declaration of American policy, I have felt it to be a declaration of American ideals, I have felt it to be a declaration of meaning; and yet we all know that all through the world today doubts are being cast upon the principles which were outlined in that charter, signed in the Atlantic by Winston Churchill, Prime Minister of Great Britain, and the President of the United States.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CHANDLER. Are there not doubts in the minds of some persons that there ever was any such thing? A search has recently been made, and the so-called document known as the Atlantic Charter cannot be found.

Mr. O'MAHONEY. I hold in my hand House Document No. 358 of the Seventy-seventh Congress, first session. It is a message of the President of the United States to the Congress, and it transmits the Atlantic Charter. If there be any doubt about the existence of this document, Mr. President, I ask that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

Over a week ago I held several important conferences at sea with the British Prime Minister. Because of the factor of safety to British, Canadian, and American ships, and their personnel, no prior announcement of these meetings could properly be made.

At the close, a public statement by the Prime Minister and the President was made. I quote it for the information of the Congress and for the record:

"The President of the United States and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, have met at sea.

"They have been accompanied by officials of their two Governments, including high-ranking officers of their military, naval, and air services.

"The whole problem of the supply of munitions of war, as provided by the Lease-Lend Act, for the armed forces of the United States, and for those countries actively engaged in resisting aggression, has been further examined.

"Lord Beaverbrook, the Minister of Supply of the British Government, has joined in these conferences. He is going to proceed to Washington to discuss further details with appropriate officials of the United States Government. These conferences will also cover the supply problems of the Soviet Union.

"The President and the Prime Minister have had several conferences. They have considered the dangers to world civilization arising from the policies of military domination by conquest upon which the Hitlerite government of Germany and other governments associated therewith have embarked, and have made clear the steps which their countries are respectively taking for their safety in the face of these dangers.

"They have agreed upon the following joint declaration:

"Joint declaration of the President of the United States of America and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together, deem it right to make known certain common principles in the national policies of their respective countries on which they base their hopes for a better future for the world.

"First, their countries seek no aggrandizement, territorial or other;

"Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned;

"Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them;

"Fourth, they will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity;

"Fifth, they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement, and social security;

"Sixth, after the final destruction of the Nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want;

"Seventh, such a peace should enable all men to traverse the high seas and oceans without hindrance;

"Eighth, they believe that all of the nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea, or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments.

"(Signed) FRANKLIN D. ROOSEVELT.
"(Signed) WINSTON S. CHURCHILL."

The Congress and the President having heretofore determined, through the Lend-Lease Act, on the national policy of American aid to the democracies, which east and west are waging war against dictatorships, the military and naval conversations at these meetings made clear gains in furthering the effectiveness of this aid.

Furthermore, the Prime Minister and I are arranging for conferences with the Soviet Union to aid it in its defense against the attack made by the principal aggressor of the modern world—Germany.

Finally, the declaration of principles at this time presents a goal which is worth while for our type of civilization to seek. It is so clear-cut that it is difficult to oppose in any major particular without automatically admitting a willingness to accept compromise with nazi-ism; or to agree to a world peace which would give to nazi-ism domination over large numbers of conquered nations. Inevitably such a peace would be a gift to nazi-ism to take breath—armed breath—for a second war to extend the control over Europe and Asia, to the American Hemisphere itself.

It is perhaps unnecessary for me to call attention once more to the utter lack of validity of the spoken or written word of the Nazi government.

It is also unnecessary for me to point out that the declaration of principles includes, of necessity, the world need for freedom of religion and freedom of information. No society of the world organized under the announced principles could survive without these freedoms which are a part of the whole freedom for which we strive.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1941.*

Mr. CHANDLER. Mr. President, will the Senator permit another question?

Mr. O'MAHONEY. Certainly.

Mr. CHANDLER. Does the Senator have any information as to whether or not there ever was any Atlantic Charter drawn up and signed by the President and Mr. Churchill?

Mr. O'MAHONEY. The statement in the President's message, after the preliminaries, is as follows:

They have agreed—

"They" being the President and the Prime Minister—

upon the following joint declaration—

Then follows the text of the Atlantic Charter, and beneath that text appear the names of Franklin D. Roosevelt and Winston Churchill, with the word "signed" in parentheses before each name. I regard this as substantial evidence that there is such a document.

Mr. CHANDLER. Has the Senator ever seen any signed document, or has he ever seen anyone who claims to have seen it? I never have. I have made inquiry. I am asking only for information.

Mr. O'MAHONEY. I have never made any inquiry. I have never attempted to see the original document.

Mr. CHANDLER. The Senator has never seen any original document?

Mr. O'MAHONEY. I assume there is one, but I do not know.

Mr. CHANDLER. Has the Senator ever seen anyone else who has seen it?

Mr. O'MAHONEY. I have never inquired.

Mr. CHANDLER. Let me say to the Senator that I have made inquiry. I have never seen it, and I have never seen any living human who has seen it. Some day I should like to find out whether it was merely words, or whether it was a signed document. If anyone has such information, I wish he would give it to me.

Mr. O'MAHONEY. Mr. President, I wish to add a few words.

Among the principles enunciated in the Atlantic Charter was the following; namely, the first declaration of the Atlantic Charter:

Their countries seek no aggrandizement, territorial or other.

That was a noble declaration. We hear reports, however, that some of the nations involved in this war are seeking territorial aggrandizement.

I shall not attempt to read all these items. I shall be content to have the document printed at large in the RECORD. I cite it, Mr. President, only as additional evidence that the Senate, before it acts on the confirmation of any of these nominations, should at least have additional evidence with respect to the point of view of these gentlemen on the problems with which they will have to deal on behalf of all the people of the United States. I therefore hope that the chairman of the Committee on Foreign Relations will be willing to sustain a motion to return all these nominations to the Committee on Foreign Relations for further consideration.

Mr. CONNALLY. Mr. President, the Senator from Wyoming makes a rather unusual request. The Committee on Foreign Relations has had these nominations before it for consideration. We considered them yesterday. Any Senator was welcome to come before the committee and file objections against any of these nominees. The Senator from Texas, as chairman of the committee, will not assume the responsibility of vetoing the action of his committee and saying, "We will consider them again." The Senator from Missouri [Mr. CLARK] was present and participated in the deliberations of the committee.

The Senator from Wyoming says that he does not know how Mr. Clayton stands with respect to cartels. That is a very simple matter. The Senator can call him on the telephone in about a minute, and he can say "Yes" or "No."

We have not yet reached Mr. Clayton's name, but he has been in the Government service for some time. He has been before congressional committees repeatedly. His background and history are well known to everyone who wishes to know about him.

Let me ask the Senator from Wyoming if Mr. Clayton did not appear before his committee, the Temporary National Economic Committee, which held hearings awhile ago?

Mr. O'MAHONEY. He may have been a witness before that committee. I do not recall that he appeared with respect to any important study. He has appeared very recently before other committees of the Senate, including the Committee on Military Affairs. Inasmuch as the Senator has addressed the inquiry to me, let me point out to him again that it is not a question of what I know about Mr. Clayton's policies with respect to cartels. It is a question of what the Secretary of State, Mr. Stettinius, does not know, if he is correctly quoted in this morning's newspapers.

Mr. CONNALLY. Mr. Clayton will be an Assistant Secretary. Over him will be the Under Secretary. Over the Under Secretary will be the Secretary, and over him will be the President of the United States. So Mr. Clayton will have to be a powerful man to control the policies of the Department with regard to cartels. Of course, we are not in favor of cartels; and I do not suppose that Mr. Clayton is in favor of cartels. I think it is an unfair

assumption to believe that he is in favor of cartels because he has not said that he is against them.

Personally I am not in favor of returning these nominations to the committee. We acted on information which we thought was sufficient. If the Senate wishes to send the nominations back to the committee, of course it can do so, and we shall have a hearing; and aside from the membership of the committee, not three Senators will be present to hear all the information which the Senator from Wyoming is so anxious to secure at the present time.

Mr. O'MAHONEY. Mr. President, I move that these four nominations be recommitted to the Committee on Foreign Relations for further consideration, and for the presentation of testimony by these four gentlemen.

Mr. CLARK of Missouri. Mr. President, I ask to modify the motion of the Senator from Wyoming. I realize that it is a violation of the rules, except by unanimous consent. I ask unanimous consent that the nominations of Joseph C. Grew, of New Hampshire; W. L. Clayton, of Texas; Nelson A. Rockefeller, of New York; and Archibald MacLeish, of Virginia, be considered together, and be subject to the motion of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I regret that I cannot give my consent to the request of the Senator.

Mr. CLARK of Missouri. It seems to me that if the nominations are to be sent back to the committee, which I favor, they should be sent back together.

Mr. CONNALLY. All of them?

Mr. CLARK of Missouri. All of them. I believe that is the intention of the Senator from Wyoming. Is not that true?

Mr. O'MAHONEY. That all should be sent back?

Mr. CLARK of Missouri. That all should be sent back for further consideration. Is that the intention of the Senator from Wyoming?

Mr. O'MAHONEY. Precisely.

Mr. CLARK of Missouri. I ask to modify the motion of the Senator from Wyoming, which could apply at the moment only to the nomination of Ambassador Grew, so as to apply to all four nominations. Otherwise it will be my intention to make a separate motion as to each nomination as it comes up. It seems to me that we might save a great deal of time by sending them back en bloc, rather than waiting for a separate motion on each nomination.

Mr. CONNALLY. As I understand, the motion now is that they all be sent back.

Mr. CLARK of Missouri. Of course, I have no right to modify the motion of the Senator from Wyoming.

Mr. CONNALLY. He included them all.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri to modify the motion of the Senator from Wyoming?

Mr. O'MAHONEY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CONNALLY. Mr. President, the Senator from Wyoming had already made substantially the same motion.

Mr. President, the Senate Committee on Foreign Relations has worked very diligently and carefully, not only in this matter, but in other matters. For more than 2 years that committee and its subcommittees have been unusually active and attentive to their duties.

We have done the best we know how on these nominations. If the Senate thinks we have been remiss, that we have been negligent, that we have not attended to our functions, that it has no confidence in what we do, then let the Senate recommit the nominations to the committee.

The Senator from Kentucky [Mr. CHANDLER] has said, "Oh, why the hurry about it?" Mr. President, we are not in a hurry. But the Committee on Foreign Relations undertakes, when business is submitted to it, to give it attention and to act. There are a considerable number of trash cans around the Capitol, where things can be put and where they will stay forever. The Committee on Foreign Relations is not such a receptacle. We try to do business.

If the Senate wishes to send the nominations back to the committee, I do not know when we will be able to report them again. But if everyone wishes to know what all the nominees think about everything on earth, Mr. President, the nominations very likely will be in the committee a good while.

So I hope the Senate will not recommit the nominations to the committee.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LA FOLLETTE. In case the motion made by the Senator from Wyoming should be defeated, would it be in order to make a separate motion concerning the nominations as they were presented, seriatim?

The PRESIDING OFFICER. It would be. The Chair will state that the motion of the Senator from Wyoming is hardly in order, because only one nomination is before the Senate at this time, namely, the nomination of Joseph C. Grew.

Mr. CLARK of Missouri. Mr. President, I thought the pending question was the one I presented as a unanimous-consent request, namely, that the four nominations be joined into one for the purpose of the motion of the Senator from Wyoming. That certainly was my intention.

I now ask unanimous consent that the nominations of the four nominees for positions in the State Department be joined into one for the purpose of the motion of the Senator from Wyoming. That was the purpose of the suggestion I made a while ago.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHITE. Mr. President, I desire to say a few words about the present situation. I wish to have it known that I am not in favor of recommitting the nominations to the Committee on Foreign Relations. So far as I am concerned I know enough about these men to determine my attitude toward them and toward their nominations as sent to the Senate by the President of the United States.

First of all, let me emphasize that, as the Senator from Texas has already said, these nominees will not be the men who will determine the foreign policy of the United States. They will be subordinates who will carry out the policies determined by the President of the United States. They will speak for him. They will speak in behalf of the policies upon which he determines, and which he seeks to effectuate.

Mr. President, I know something about at least two of the nominees. I know Joseph Grew. He has lived in the white light of publicity for a quarter of a century in the Foreign Service of the United States. He has builded his life and his character in this period of time, and today he stands before the American people subject to no legitimate attack from any source.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHITE. I hope the Senator will not interrupt me.

Mr. President, I do not care very much about what Joseph Grew may now think about some policy or some perplexing question which may arise for decision in the future. I do know Joseph Grew. I am more interested in the fact that the President has named a man of ability, a man of character, than I am in what he might decide about some question which might arise in the 2 or 3 or 4 years ahead of us.

And I know Nelson Rockefeller. He is a young man who has lived all his life under the shadow of a great name. His grandfather was one of the greatest industrialists of the Nation and of the world, and his father has been a great philanthropist, a man of culture, a man of education, a man who has lived in the best traditions of our country, who has poured out his money in an almost inexhaustible stream for the welfare of the manhood and the youth and the traditions of this Nation. Nelson Rockefeller has lived a life of effort and achievement. He has my respect and my confidence.

So far as I am concerned—I have said this before, but I wish to repeat it—I am more interested in the character of the nominees than I am in anything they may think about some problem which may hereafter arise.

In the committee I voted on the nominations. I believe I voted as I should have voted. I stand on what I have done. I personally do not welcome a return of the nominations to the Committee on Foreign Relations.

Mr. O'MAHONEY. Mr. President, I rise only to make it perfectly plain that nothing I have said should be interpreted by anyone as in any degree critical of the character or ability of any of the nominees. I will echo everything the Senator from Maine has said with respect to the character of Mr. Grew. I will say

the same with respect to each of the other nominees.

But the pending question is not a question of character, Mr. President. The pending question is a question of the public policy of the United States. When we discharge our constitutional duty of confirming the nominations sent to us by the President—in the present case, nominations for positions in the Department of State—we share a public responsibility in determining what the policy is to be. It is only upon the ground of policy, Mr. President, that I have made the motion to send the nominations back to the Committee on Foreign Relations.

Mr. CONNALLY. Mr. President, every Senator who knows the President of the United States must realize that he is going to dominate the foreign policy of this Government. We already have a Secretary of State who, of course, will be the representative of the President. But it is peculiarly the function of the President of the United States to deal with our foreign relations. It is a long stretch of the imagination for anyone to think that an Assistant Secretary of State will be more than an administrative officer in carrying out the policies which will be announced and adopted by those in higher positions.

If the Senate recommits the nominations to the Committee on Foreign Relations, all it will do will be simply to delay matters for a few days.

Mr. HATCH. Mr. President, will the Senator yield for a moment?

Mr. CONNALLY. I yield.

Mr. HATCH. In thinking about the position of the committee of which the Senator is the chairman, I now ask him this question: If the Senate should recommit the nominations to the committee, in the light of the discussion which has occurred in the Senate would not the chairman of the committee practically feel instructed to call the nominees before the committee and hold an open hearing on the subject of the nominations?

Mr. CONNALLY. I would not consider it an instruction; but, as the Senator has suggested, I would feel that the Senate wished to hear from these gentleman, and we would have to call them before the committee and interrogate them and have their testimony taken down, and then call the other Senators down there and tell them what the nominees had said.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CHANDLER. In case anyone has doubt about that, let me say that is precisely what I had in mind. I had expected that, if the motion prevailed, the committee would call the nominees before it for a public hearing and would ask everyone to be present.

Of course, if they are going to be stooges—and the Senator has made the statement that they will not do anything—I would hate to be a party to advising and consenting to the nomination of a stooge who would not do anything when he assumed the office.

Mr. CONNALLY. Oh, well, Mr. President, I suppose the Senator has some stooges in his office or around somewhere.

Mr. CHANDLER. Mr. President, the Senator from Texas probably knows more about stooges than I would know.

Mr. CONNALLY. Well, Mr. President, the Senator brought up that subject.

Of course, if the Senate recommits the nominations to the committee, the committee will call the nominees before it. But I do not believe many Senators will be present in the committee to question them.

Mr. BANKHEAD. Mr. President, a record of what is said in the committee, would be made, would it not?

Mr. CONNALLY. Oh, yes; a record could be taken down.

Mr. BANKHEAD. A record is made of the proceedings of almost all committee hearings, of course.

Mr. CONNALLY. Yes.

Mr. President, in that event, we would have a hearing and we would have the proceedings printed in English. [Laughter.]

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. CONNALLY. I shall yield in a moment.

Mr. President, first, I will respond to the remarks of the Senator from Kentucky. The proceeding which has been suggested is an unusual one. I do not know of any committee which has ever been told by the Senate, "We are going to send these nominations back to you, and we are going to tell you in detail what you are to do. You must bring the nominees before you, and you must ask them these questions: 'Where do you reside? What is your name? What are you doing? What are you going to do?'"

Now I yield to the Senator from Kentucky.

Mr. CHANDLER. Mr. President, I do not know what the men would do, but I know that the Senate would be responsible for their conduct if it should vote to approve them. If within the next few months the policy of the United States is changed because of what may be done by some of these nominees about whom we do not now know, we shall be responsible for it, and no one will be on hand to hold our heads when they start aching. I do not intend to allow mine to ache.

Mr. CONNALLY. I am sure the Senator's head will not have any cause to ache, because he does not worry about anything.

Mr. CHANDLER. I will say to the Senator that if a meeting of the Committee on Foreign Relations is held I shall be glad to appear at the committee.

Mr. CONNALLY. I am sure that the Senator is in a position to leave the Military Affairs Committee at any time and take over the functions of the Committee on Foreign Relations.

Mr. CHANDLER. I do not wish to take over the functions of the Committee on Foreign Relations, but I could protest regarding the diligence of the Senator's committee. Recently I submitted a resolution asking that Secretary of State Hull be given an honorary medal. I do not know what the committee did with the resolution. I do not know where the resolution is now resting.

Mr. CONNALLY. Mr. President, I assume that the Senator can come to the committee and get the resolution at any time he so desires.

Mr. CHANDLER. If the Senator from Kentucky comes for it, he will ask for it, but he may not get it.

Mr. CONNALLY. Mr. President, I know the Senator will do whatever he thinks best. It is true that a resolution was submitted by the Senator from Kentucky to honor former Secretary of State Hull by giving him a medal. It would be a Congressional Medal of Honor.

Mr. CHANDLER. The resolution does not contain anything about the medal being a Congressional Medal of Honor. It merely refers to it as a medal of honor. I assume that if the resolution were agreed to, the medal would contain some reference to its being a Congressional Medal of Honor. However, I believe that Mr. Cordell Hull would be entitled to a military medal if it were possible to give him one.

Mr. CONNALLY. Mr. President, I believe the Senator from Texas knows something about the record of Cordell Hull. He served in the House of Representatives with him for 10 years, and for a number of years he served with him in the Senate. As chairman of the Committee on Foreign Relations, I had dealings with Mr. Hull two or three times a week for a long while. I am not exaggerating when I say that I believe I know as much about the former Secretary of State as does the Senator from Kentucky, who has been a Member of the Senate for only a short time. I do not question the Senator's knowledge regarding all those matters, but I do not want him to reflect on the Senator from Texas.

Mr. CHANDLER. I do not intend to reflect on the Senator from Texas, because he is as smart as any man can be. If I had served as long as Cordell Hull has served, I might know as much as he knows. I regret that I have not had the opportunity to serve as long as he has served.

Mr. CONNALLY. I am sure the Senator from Kentucky would have learned considerable. I know that in any intellectual contest I would not be able to compete with the Senator from Kentucky.

Mr. President, I regard this as a very unusual proceeding, without any consideration being given for the time of the Senate. We considered these nominations promptly. We thought the Senate wanted promptness. I ask the Senate not to return the nominations to the committee.

Mr. MURRAY. Mr. President, I was in attendance at the meeting of the Foreign Relations Committee at the time this matter was being considered. My objection to the action of the committee as to the confirmation of Mr. Clayton was based on the fact that I had no knowledge or information regarding his views on the subject of international cartels. I have no personal objections to Mr. Clayton. I regard him as a man of high integrity and unusual ability. It seems to me, however, that when his nomination comes before us for appointment to a position of the character in-

volved, the Members of the Senate should know what his attitude is on such an important question as international cartels. Mr. Clayton has come to be recognized as one of the outstanding businessmen of the United States. The general impression is that because of his international interests he would be in favor of international cartels. The reason I voted against his confirmation——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. CONNALLY. What did the Senator just say? Did he say the presumption is that Mr. Clayton favors international cartels?

Mr. MURRAY. No. I stated that it was the general impression that because of his interests in international trade he might favor international cartels.

Mr. CONNALLY. The Senator just said that he had no knowledge about it.

Mr. MURRAY. Yes. That is the reason I voted against the nomination, because I did not know what the attitude of Mr. Clayton was on that subject.

Mr. CONNALLY. Merely because the Senator did not know, then he thinks Mr. Clayton must be in favor of cartels. Is that correct?

Mr. MURRAY. No; not at all. I opposed the nomination because I had no knowledge or information with reference to what his attitude may be on these public questions. I think we should know exactly how he stands on these matters.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. CLARK of Missouri. Does the Senator think that the attitudes of the persons whose nominations the Senate has been asked to confirm should be developed before we confirm them?

Mr. MURRAY. I think we should have some understanding of what their attitude may be. I do not agree with the chairman of the Foreign Relations Committee in his statement that the entire international program is to be placed in the hands of the President, that he will direct everything, and that these men will be acting merely in the capacity of carrying out his directions. I assume that they will be persons of importance in formulating policies, and that they will act as his advisers on matters pertaining to international affairs.

Mr. CLARK of Missouri. Is the Senator from Montana in favor of international cartels?

Mr. MURRAY. No; I am not.

Mr. CLARK of Missouri. Neither am I.

Mr. MURRAY. That is the reason I voted against the recommendation of the committee in this matter.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. WHEELER. If these men were only to carry out the wishes of the President of the United States, then certainly he would not need as many persons in the Department of State as there now are. The men whose nominations we are asked to confirm are supposed to be experts and advisers of the President on foreign policy.

Mr. MURRAY. The Senator from Montana is exactly correct.

Mr. WHEELER. I do not know what the practice of the Foreign Relations Committee is, and I do not want to try to tell the committee what it should do, but certainly when a nomination comes before the Interstate Commerce Committee for consideration, we ask the person to come before the committee and subject himself to questions, and we endeavor to find out something about him. I know Mr. Grew, and I have a high regard for him. I have known him for a long time. But I certainly do not know anything about the views of some of the men whose nominations have been sent to the Senate.

Reference has been made to the Democrats. Suppose we had a Republican administration, and the name of Mr. Stettinius was sent to us for confirmation. The administration might send the nomination of Mr. Rockefeller, or the nomination of Mr. Clayton. What would we Democrats do? I have been a Member of the Senate for more than 20 years. When Mr. Hoover sent up to the Senate a nomination in the way in which these nominations have been sent, the Democrats seriously questioned the appointments.

We now have what is supposed to be a great liberal administration. Someone has said that it was an administration of the common people, or of the poor people. Yet, we know that the heads of all the various departments are representatives of the big business interests of the country. They represent the Morgan interests, the Rockefeller interests, the Dillon-Reed interests, and all the big corporations of the country at the present time. We are not to question the nominations which have been sent to us. As to what the views of the nominees may be, or their sentiments with regard to various matters, we are to know nothing. I submit that we should know something about them before we vote on them, and I shall not vote for them until I do know something about them.

Mr. MURRAY. Mr. President, I fully agree with the observations of my colleague and the considerations he has stated were what influenced me at the time this matter was before the Committee on Foreign Relations. If we are to have a reorganization of the State Department, I cannot understand why we should not know who the people are who are to be placed in control of that Department, and who are to formulate and carry out the policies of the Department. It seems to me we should have a full hearing in this matter, and that the public should have an opportunity to know who these nominees are, and their opinions with reference to foreign questions.

Mr. MALONEY. Mr. President, if the Senate compels me to vote on these nominations this afternoon, I shall support all of them, because I know of no reason for not giving them support, but I shall take a minute or two of the Senate's time to express the hope that the motion of the Senator from Wyoming will be agreed to.

I think the Committee on Foreign Relations of the Senate has not quite met its responsibility in reporting the nominations of four men who did not appear before the committee. There may not be any brighter or better men than these. On the other hand, there might be men who are a little better fitted for these particular assignments.

I have not been able to arouse much enthusiasm within myself over the appointments for the State Department which have come to the Senate.

Perhaps that mere sentence is an injustice to the nominees, but I think we are entitled to a little more than we have received. I think the Committee on Foreign Relations should be willing to have these nominations go back, and at least an opportunity given to doubtful Senators to interrogate the nominees as to their views on the very important matters with which they will deal in these very unusual and dangerous times. I do not think there should be any reluctance on the part of any member of the committee to take a little more time in dealing with this important matter.

The PRESIDING OFFICER. The question is on agreeing to the motion offered by the Senator from Wyoming [Mr. O'MAHONEY].

Mr. CONNALLY. I ask for the yeas and nays.

Mr. DANAHER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. Will the Chair please state the motion of the Senator from Wyoming?

The PRESIDING OFFICER. The Senator from Wyoming has moved that the nominations, all four of them, be recommitted to the Committee on Foreign Relations for further study and consideration.

Mr. DANAHER. Will the Senator from Wyoming accept a modification of his motion, to sever the name of Mr. Grew?

Mr. O'MAHONEY. That question has already been decided in the negative by the author of the motion.

Mr. DANAHER. Mr. President, it seemed to me that there might be much merit in severing Mr. Grew's name from the motion of the Senator from Wyoming, if for no other reason than on the ground that for 11 months he was warning the entire country, including the State Department, of the impending possibility of war with Japan. It would be a novelty to have a man like that in the State Department.

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The junior Senator from New Jersey [Mr. WALSH] is necessarily detained from the Senate. If present, he would vote "nay" on the pending motion.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. PEPPER] is absent on important public business. I am advised that if present and voting, he would vote "nay."

The Senator from Kentucky [Mr. BARKLEY], the Senator from Arizona [Mr. HAYDEN], and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained. I am advised that if present and voting, the Senator from Kentucky [Mr. BARKLEY] and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Delaware [Mr. TUNNELL], the Senator from Washington [Mr. WALLGREN], and the Senator from New Jersey [Mr. WALSH] are necessarily absent.

The Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from Washington [Mr. WALLGREN]. I am not advised how either Senator would vote, if present and voting.

Mr. WHERRY. The Senator from Minnesota [Mr. SHIPSTEAD] is necessarily absent. If present he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Illinois [Mr. BROOKS], the Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], the Senator from Idaho [Mr. THOMAS], the Senator from New Hampshire [Mr. TOBEY], the Senator from Iowa [Mr. WILSON], and the Senator from Kansas [Mr. REED] are necessarily absent.

The yeas and nays resulted—yeas 37, nays 27, as follows:

YEAS—37

Aiken	Holman	O'Mahoney
Bankhead	Jenner	Overton
Bilbo	Johnson, Calif.	Robertson
Buck	Johnson, Colo.	Russell
Bushfield	Kilgore	Stewart
Butler	La Follette	Taft
Chandler	Langer	Wagner
Clark, Mo.	McFarland	Walsh, Mass.
Cordon	Maloney	Wheeler
Danaher	Maybank	Wherry
Ferguson	Mead	Willis
Guffey	Millikin	
Hall	Murray	

NAYS—27

Austin	Caraway	Gerry
Bailey	Connally	Green
Ball	Davis	Gurney
Burton	Eastland	Hatch
Capper	Ellender	Hawkes
Hill	O'Daniel	Tydings
Lucas	Radcliffe	Vandenberg
McClellan	Revercomb	Weeks
McKellar	Thomas, Okla.	White

NOT VOTING—31

Andrews	Glass	Thomas, Idaho
Barkley	Hayden	Thomas, Utah
Brewster	McCarran	Tobey
Bridges	Moore	Truman
Brooks	Murdock	Tunnell
Byrd	Nye	Wallgren
Chavez	Pepper	Walsh, N. J.
Clark, Idaho	Reed	Wiley
Downey	Reynolds	Wilson
George	Scrugham	
Gillette	Shipstead	

The PRESIDING OFFICER. On this question the yeas are 37——

Mr. CONNALLY. Before the result is announced I should like to ask, Did the senior Senator from New York understand the question?

Mr. CHANDLER. A point of order.

Mr. CONNALLY. That it was to send all these nominations back to the committee?

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. CLARK of Missouri. The Chair had started to announce the result, and he should proceed with the announcement.

The PRESIDING OFFICER. On this vote the yeas are 37 and the nays are 27; and the motion is agreed to.

Mr. HILL. Mr. President, I ask that the President be notified forthwith of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Thursday, December 7, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 6 (legislative day of November 21), 1944:

IN THE NAVY

Vice Admiral Samuel M. Robinson, United States Navy, to be a vice admiral in the Navy, for temporary service, to rank from the 31st day of January 1942.

Vice Admiral Willis A. Lee, Jr., United States Navy, to be a vice admiral in the Navy, for temporary service, to rank from the 21st day of March 1944.

Vice Admiral Theodore S. Wilkinson, United States Navy, to be a vice admiral in the Navy, for temporary service, to rank from the 12th day of August 1944.

Capt. Ralph S. Riggs, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 16th day of June 1943.

Capt. Bernard L. Austin, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as Assistant Chief of Staff, to the Commander in Chief, United States Pacific Fleet and Pacific Ocean Areas.

Commodore Ellery W. Stone, United States Naval Reserve, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as Chief Commissioner of the Allied Mediterranean Commission.

Rear Admiral Wilson Brown, United States Navy, when retired on December 1, 1944, to be placed on the retired list of the Navy with the rank of vice admiral pursuant to an act of Congress approved June 16, 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 6 (legislative day of November 21), 1944:

FOREIGN SERVICE

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

James Hugh Kelley, Jr.
William E. DeCourcy

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Hartwell Johnson
Harry M. Donaldson

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

Alb..t M. Doyle
Paul P. Steintorf
Lewis Clark
William M. Gwynn
Paul C. Squire
James R. Wilkinson

TO BE FOREIGN SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

A. John Cope, Jr.
J. Ramon Solana

TO BE A CONSUL OF THE UNITED STATES OF AMERICA

Robert M. Taylor

IN THE ARMY

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be lieutenant general

Wilhelm Delp Styer

To be major generals

James Maurice Gavin
Clarence Ames Martin
Orvil Arson Anderson
John Y. York, Jr.
Robert Morris Webster
Kenneth Bonner Wolfe
Leo Donovan
Harry Briggs Vaughan
Arthur Arnim White
Willard Gordon Wyman
Wilton Burton Persons
James Edmund Parker
Frank Emil Stoner
Russel Burton Reynolds
Julian Sommerville Hatcher
Clyde Lloyd Hyssong
William Howard Arnold
Royal Bertrand Lord
James Alward Van Fleet
Carl Adolphus Hardigg
William Richard Arnold
Otto Lauren Nelson, Jr.

To be brigadier generals

William Thaddeus Sexton
Josiah Toney Dalbey
Francis Kosier Newcomer
Robert Reese Neyland, Jr.
Clyde Davis Eddleman
Walter Edwin Todd
Robert Ward Berry
Morrill Watson Marston
Hugh Bryan Hester
Matthew John Gunner
John Andrews Rogers
Jack Weston Wood
Walter Joseph Muller
Fenton Stratton Jacobs
Herbert Bernard Loper
James Michael Fitzmaurice
Carroll Arthur Powell
Roy William Grower
William Joseph Morrissey
Joseph James O'Hare

William Lecel Lee
John Moore Thompson
Kendall Jordan Fielder
Francis Andrew March
Lewis Tenney Ross
Charles Frederick Colson
Halley Grey Maddox
Edmund Clayton Lynch
Neal Henry McKay
John Howell Collier
Ralph Julian Canine
Wayne Carleton Smith
Clyde Massey
John Paul Doyle
Francis Augustus Englehart
Bruce Cooper Clarke
Emil Lenzner
Leroy Hugh Watson
James Creel Marshall
Robinson Earl Duff
William Albert Collier
Sumner Waite
Julian Merritt Chappell
William Franklin Campbell
John Ter Bush Bissell
Carter Weldon Clarke
Ford Larimore Fair
George Foreman Rixey
Urban Niblo
Crump Garvin
Harry Howard Baird
James Stevenson Rodwell
Emery Scott Wetzel
Harold Loring Mace
Harold Alling McGinnis
Harold Eugene Eastwood
Hammond McDougal Monroe
Francis Gerard Brink
Samuel Davis Sturgis, Jr.
Ernest Aaron Bixby
John Harold Wilson
Charles Heyward Barnwell, Jr.
Ralph Adel Snavely

To be a major general

William Joseph Donovan

To be brigadier generals

Robert Wilbar Wilson
L. Kemper Williams
Frederick Walker Castle
Archie J. Old, Jr.
David Sarnoff
Timothy James Manning
William Andros Barron, Jr.
Oscar Nathaniel Solbert
John Adams Appleton
Rudolph Charles Kuldell

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Stanley Lonzo Scott, Corps of Engineers.
Henry Crampton Jones, Field Artillery.
Carl Lee Marriott, Chemical Warfare Service, subject to examination required by law.
James Arthur Pickering, Field Artillery.
James Knox Cockrell, Cavalry.
William Spence, Field Artillery.
Willis McDonald Chapin, Coast Artillery Corps.
Fred Beeler Inglis, Field Artillery.
Robert Bruce McBride, Jr., Field Artillery.
Paul Vincent Kane, Field Artillery.
DeRosey Carroll Cabell, Ordnance Department.
William Ewen Shipp, Cavalry.

To be lieutenant colonels

John James Baker, Infantry.
George Louis Boyle, Finance Department.
Robert Brice Johnston, Quartermaster Corps.
Paul Ainsworth Berkey, Field Artillery, subject to examination required by law.
Dana Gray McBride, Cavalry.
Donald Boyer Phillips, Air Corps.
William Wallace Robertson, Infantry.
William Peyton Campbell, Finance Department.
Harry Starkey Aldrich, Coast Artillery Corps.
Hugh Perry Adams, Field Artillery.
Cecil Elmore Archer, Air Corps.
Thomas Edward Moore, Field Artillery.
Stephen Yates McGiffert, Field Artillery.
John Otis Hyatt, Quartermaster Corps.
Louis Meline Merrick, Air Corps.
Lee Roy Woods, Jr., Finance Department.
Rox Hunter Donaldson, Field Artillery.
Dudley Warren Watkins, Air Corps.
Arthur Nathaniel Willis, Cavalry.
Lyman Perley Whitten, Air Corps.
Ray Henry Clark, Air Corps.
Homer Wilbur Ferguson, Air Corps.
James Richmond Simpson, Infantry.
Philip Schwartz, Ordnance Department.
Richard Brown Thornton, Quartermaster Corps.
Pacifico Castor Sevilla, Philippine Scouts, subject to examination required by law.
Charles Nicholas Senn Ballou, Infantry.
Samuel Rubin, Coast Artillery Corps.
Walden Sharp Lewis, Infantry.
Andrew Julius Evans, Infantry.
Donald McKechnie Ashton, Infantry.
Edward Alfred Mueller, Quartermaster Corps.
Robert William Calvert Wimsatt, Air Corps.
Amado Martelino, Philippine Scouts, subject to examination required by law.
Victor Zalamea Gomez, Philippine Scouts, subject to examination required by law.
Clayton Huddle Studebaker, Field Artillery.
Albert James Wick, Quartermaster Corps.
Raymond Taylor Tompkins, Field Artillery, subject to examination required by law.
George Alfred Arnold Jones, Field Artillery.
George Evans Burritt, Field Artillery.
William Madison Mack, Signal Corps.
Walter Jesse Klepinger, Field Artillery
Frank Charles McConnell, Coast Artillery Corps.
Donald Fowler Fritch, Air Corps.
James Madison Callicutt, Field Artillery.
Reginald Pond Lyman, Signal Corps.
John Sharpe Griffith, Air Corps, subject to examination required by law.
Pio Quevedo Caluya, Philippine Scouts, subject to examination required by law.
George Work Marvin, Corps of Engineers.

To be first lieutenants

Charles Adam Ott, Jr., Field Artillery.
Richard Gates Davis, Corps of Engineers.

To be colonels

David Loran Robeson, Medical Corps.
Joseph Ignatius Martin, Medical Corps.
Thomas Randolph McCarley, Medical Corps.
Lester Eastwood Beringer, Medical Corps.
John Moorhaj Tamraz, Medical Corps.

To be lieutenant colonels

John Morris Hargreaves, Medical Corps.
Don Longfellow, Medical Corps.
William Frank DeWitt, Medical Corps.

To be majors

Max Naimark, Medical Corps.
Vernon James Erkenbeck, Medical Corps, subject to examination required by law.
Arthur Herbert Thompson, Medical Corps.
Wilson Theodore Smith, Medical Corps.
Clarendon Barron Woods, Medical Corps.
Joe Alexander Bain, Medical Corps.
Cecil Spencer Mollohan, Medical Corps.
Francis Whitney Hall, Medical Corps.

To be captains

Todd Merriam Mulford, Medical Corps.
Joseph Edward Walther, Medical Corps.
Fred Ries Sloan, Medical Corps.
Colin Francis Vorder Bruegge, Medical Corps.
Hamilton Boyd, Jr., Medical Corps.
John Sidney Clapp, Medical Corps.
Emil Joseph Genetti, Medical Corps.
Vernon Charles Kelly, Medical Corps.
Robert Richard Jones, Medical Corps.
Augustus Lynn Baker, Jr., Medical Corps.
Thompson Eldridge Potter, Medical Corps.
Herman Saul Wigodsky, Medical Corps.
Camp Stanley Huntington, Medical Corps.

To be colonels

Vivian Z. Brown, Dental Corps.
Clarence Roy Benney, Dental Corps.
Nathan Menzo Neate, Veterinary Corps.
John MacWilliams (chaplain), United States Army.
Roy Hartford Parker (chaplain), United States Army.

To be a lieutenant colonel

Walter Edwin Chase, Dental Corps.

To be captains

Randolph Lynn Gregory (chaplain), United States Army.
Arthur Henry Marsh (chaplain), United States Army.

To be a first lieutenant

Kenneth Oswald Due, Quartermaster Corps, subject to examination required by law.

To be majors

Joseph Sibley Cirlot, Medical Corps.
Richard Howard Eckhardt, Medical Corps.
John Mars Caldwell, Jr., Medical Corps.
Charles Parmalee Ward, Medical Corps.
Elmer Arthur Lodmell, Medical Corps.
Lester Paul Veigel, Medical Corps.
George Lewis Beatty, Medical Corps.
Harold Irvin Amory, Medical Corps.
John Albert Egan, Medical Corps.
George Gustavo Guiteras, Medical Corps.
Edgar Louis Olson, Medical Corps.
Charles Edwards Spellman, Medical Corps.
Joe Harrell, Medical Corps.

To be a captain

Bruce Hardy Bennett, Medical Corps.

To be a lieutenant colonel

Edward Martin Wones, Pharmacy Corps.

To be a colonel

Willis Timmons Howard (chaplain), United States Army

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

To Quartermaster Corps

Capt. John Francis Farra, Jr.

To Ordnance Department

First Lt. Harry Paller
First Lt. Frank George White

To Signal Corps

First Lt. Donald Read Bodine
First Lt. George William Rhyne

To Field Artillery

Second Lt. Jack Teague

To Infantry

First Lt. John Joseph Favick

To Air Corps

First Lt. Andrew D'Elia
Second Lt. Donald Hepburn Bruner

POSTMASTERS

ARKANSAS

Elmer Freas Crutchfield, Batesville.
Sara M. Higginbottom, Wickes.
Simon O. Norris, Williford.

INDIANA

Wanda R. Barnett, Michigantown.
Vern Hahn, Wakarusa.

LOUISIANA

Edward P. Terrell, Jr., Avery Island.
Cleora W. Charleville, Cloutierville.
Adina M. Edwards, Noble.
Monroe Erskins, Sikes.
Carl E. Blackwell, Simpson.

WISCONSIN

Jules G. Pierre, Brussels.
George V. Carolan, Glenbeulah.

WITHDRAWAL

Executive nomination withdrawn from the Senate December 6 (legislative day of November 21), 1944:

IN THE NAVY

Capt. Ellery W. Stone, United States Naval Reserve, to be a rear admiral in the Naval Reserve, for temporary service.

REJECTION

Executive nomination rejected by the Senate December 6 (legislative day of November 21), 1944:

POSTMASTER

MISSOURI

Rachel Elgiva McCracken to be postmaster at Galt, Mo.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 6, 1944

The House met at 11 o'clock a. m., and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, out of Thy infinite fountain of mercy, opened by Thy loving heart and brought near to us by the sacrificial death of our Saviour, grant us the treasures of wisdom, righteousness, and self-control. Bring our hearts under the influence of the Divine Presence, hallowing our affections and sanctifying our responsibilities. Keep our minds in unshaken faith, in the wonder of Thy Fatherhood, and under the calming rest of that spirit that bids the troubled waters die. "Be not afraid, lo, it is I."

Brighten all our course that we may irradiate the lives of the lowly and comfort the sorrowing; with Thine own consolations do Thou give them the garment of praise for the spirit of heaviness that cares and anxieties may cease to gnaw. O Son of Man, whose message is to those who bleed and suffer and most assuredly for our wounded soldiers, may they never hunger nor yield to despair because of us. O walk the battlefields, through the hospitals, and in the homes; with Thy presence give them new wills, fresh visions, and the blessing of a new-found joy. By the countless crosses and stars round which the winds sigh and moan and by the eternal law of love by which the world alone can be saved, O summon us to a deeper self-effacement. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 218. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge; and

S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

The message also announced that the Vice President has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agency:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of Labor.
4. Department of the Navy.
5. Post Office Department.
6. Department of the Treasury.
7. Department of War.
8. Government Printing Office.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2185) entitled "An act to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. THOMAS of Oklahoma, Mr. WHEELER, Mr. LA FOLLETTE, and Mr. SHIPSTEAD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4311. An act to authorize the appointment of two additional Assistant Secretaries of State.

GRANTING RIGHTS-OF-WAY FOR PETROLEUM PIPE LINES, TELEPHONE AND TELEGRAPH LINES WITHIN AREA OF INDIAN ROCK DAM, YORK COUNTY, PA.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5219) to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa., and its immediate consideration. I may say that I have discussed this matter with the majority leaders. The bill has a favorable report from the War Department, from the Petroleum Administrator for War, and from the Interstate and Foreign Commerce Committee of the House.

The SPEAKER. The gentleman has consulted with the Members who may be interested?

Mr. DISNEY. Mr. Speaker, I have written letters to all of the official objectors.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman please explain the legislation requested?

Mr. DISNEY. The Sinclair Pipe Line Co. was acquiring and had acquired a large amount of right-of-way for the building of a war pipe line from Steubenville, Ohio, to Marcus Hook, N. J., and thence down to Baltimore. During that process the Government started to condemn lands in this Indian reservation for a reservoir in Pennsylvania. The Sinclair Co. then disclaimed and deeded their rights-of-way to the Government. The Secretary of War granted one of these 5-year easements, which is nonextendable. The only way in which they can continue is to have action by Congress.

Mr. MARTIN of Massachusetts. And the War Department is agreeable to the legislation.

Mr. DISNEY. Yes.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, to grant to Sinclair Refining Co., a Maine corporation, its successors and assigns, an easement for rights-of-way for pipe lines for the transportation of crude petroleum and/or the products and/or byproducts thereof, and also for telegraph and/or telephone lines, for use in connection with the operation of such pipe line or pipe lines, over, through, under, and across all those certain lands of the United States embraced in what is known as Indian Rock Dam and Reservoir Area in the county of York, Commonwealth of Pennsylvania: *Provided*, That such easement shall be granted only upon a finding by the Secretary of War that the same will not substantially injure the interests of the United States in the property affected thereby, and will not be incompatible with the public interest: *And provided further*, That all or any part of such easement may be annulled and forfeited by the Secretary of War after reasonable notice (a) for failure of said Sinclair Refining Co., or its successors or assigns, to comply with the terms or conditions of any grant made hereunder or (b) for abandonment of such easement: *And provided further*, That all moneys which may accrue to the United States under the provisions of this act shall be deposited in the Treasury as miscellaneous receipts.

With the following committee amendment:

Page 1, line 4, after the comma, insert "under such terms and conditions as are deemed advisable by him."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BYRNE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BYRNE. Mr. Speaker, yesterday I was visiting some of my constituents at Walter Reed Hospital when the record vote on H. R. 5564, pursuant to House

Resolution 667, was taken on roll call No. 120, and if I had been present I would have voted with my 72 colleagues who voted against this proposal.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Gov. Leverett Saltonstall, of Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENDING CERTAIN PROVISIONS OF THE INTERNAL REVENUE CODE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5543) extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 403 (d) (3) of the Revenue Act of 1942 (relating to the release of certain powers of appointment) is amended by striking out "January 1, 1945" wherever it appears and inserting in lieu thereof "July 1, 1945"; and section 452 (c) of the Revenue Act of 1942 is amended to read as follows:

"(c) Release before July 1, 1945:

"(1) A release of a power to appoint before July 1, 1945, shall not be deemed a transfer of property by the individual possessing such power.

"(2) This subsection shall apply to all calendar years prior to 1945 and to that part of the calendar year 1945 prior to July 1, 1945."

SEC. 2. (a) Section 162 (d) (1) (B) of the Revenue Act of 1942 (relating to employees' trusts) is amended to read as follows:

"(B) such a plan shall be considered as satisfying the requirements of section 165 (a) (3), (4), (5), and (6) for the period beginning with the beginning of the first taxable year following December 31, 1942, and ending March 15, 1945, if the provisions thereof satisfy such requirements by March 15, 1945, and if by that time all provisions of such plan which are necessary to satisfy such requirements are in effect and have been made effective for all purposes with respect to the portion of such period after December 31, 1943."

(b) Section 162 (d) (2) of the Revenue Act of 1942 (relating to employees' trusts) is amended to read as follows:

"(2) A stock bonus, pension, profit-sharing, or annuity plan—

"(A) put into effect after September 1, 1942, and prior to January 1, 1945, shall be considered as satisfying the requirements of section 165 (a) (3), (4), (5), and (6) for the period beginning with the date on which it was put into effect and ending with March 15, 1945, if all provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes with respect to the portion of such period after December 31, 1943;

"(M) put into effect after December 31, 1944, shall be considered as satisfying the requirements of section 165 (a) (3), (4), (5), and (6) for the period beginning with the date on which it was put into effect and ending with the 15th day of the third month following the close of the taxable year of the employer in which the plan was put in effect, if all provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes with respect to the whole of such period."

SEC. 3. If a claim for credit or refund under the internal revenue laws relates to an overpayment on account of the deductibility by the taxpayer of a loss in respect of property considered destroyed or seized under section 127 (a) of the Internal Revenue Code (relating to war losses) for a taxable year beginning in 1941, the 3-year period of limitation prescribed in section 322 (b) (1) of the Internal Revenue Code shall in no event expire prior to December 31, 1945. In the case of such a claim filed on or before December 31, 1945, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in section 322 (b) (2) or (3) of such code, whichever is applicable, to the extent of the amount of the overpayment attributable to the deductibility of the loss described in this section.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, the purpose of this bill H. R. 5543 is merely to give additional time for taxpayers to comply with certain provisions of the internal revenue laws. It does not in any way change the substantive provisions of existing law. It was unanimously reported by our committee and has the approval of the staff of the Joint Committee on Internal Revenue Taxation and the Treasury Department. The bill is in the interest of the taxpayers. The bill makes the following extensions:

First. It extends the time to June 30, 1945, for the release of powers of appointment without incurring liability under the estate and gift tax provisions.

Second. It provides additional time for taxpayers to make amendments to employers' pension plans in order to meet the requirements of the statute. As to pension plans put into effect prior to January 1, 1945, an extension is granted up to March 15, 1945. As to employer pension plans put into effect after January 1, 1945, a continuing system is adopted allowing 2½ months after the close of the employer's taxable year.

Third. An extension of time for filing claims for credit or refund in the case of war losses sustained in 1941 is provided up to December 31, 1945. These claims would ordinarily have to be filed on or before March 15, 1945.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF TAXES BY CHECK AND MONEY ORDER

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5565) to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. DOUGHTON of North Carolina. Mr. Speaker, the purpose of H. R. 5565 is to permit the collectors of internal revenue to accept cashiers' and treasurers' checks, as well as postal, express, bank, and telegraph money orders in payment for internal-revenue stamps. Under existing law, collectors can only accept cash or certified checks in payment for internal-revenue stamps. This bill was unanimously reported and has the aproval of the staff of the joint committee and the Treasury Department. It is simply for the convenience of the taxpayers in enabling them to use these checks and money orders.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3656 of the Internal Revenue Code (relating to payment of taxes by check) is amended to read as follows:

"SEC. 3656. Payment by Check and Money Orders.

"(a) Certified, cashiers', and treasurers' checks and money orders:

"(1) Authority to receive: It shall be lawful for collectors to receive for internal revenue taxes or in payment of stamps to be used in payment of internal revenue taxes certified, cashiers', and treasurers' checks drawn on National and State banks and trust companies, and United States postal, bank, express, and telegraph money orders, during such time and under such regulations as the Commissioner, with the approval of the Secretary, may prescribe.

"(2) Discharge of liability:

"(A) Check duly paid: No person who may be indebted to the United States on account of internal revenue taxes or stamps used or to be used in payment of internal revenue taxes who shall have tendered a certified, cashier's, or treasurer's check or money order as provisional payment therefor, in accordance with the terms of this subsection, shall be released from the obligation to make ultimate payment thereof until such certified, cashier's, or treasurer's check or money order so received has been duly paid.

"(B) Check unpaid: If any such check or money order so received is not duly paid the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for the amount of such check upon all the assets of the bank on which drawn or for the amount of such money order upon all the assets of the issuer thereof; and such amount shall be paid out of its assets in preference to any or all other claims whatsoever against said bank or issuer except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such bank.

"(b) Other checks:

"(1) Authority to receive: Collectors may receive checks in addition to those specified in subsection (a) in payment of taxes other than those payable by stamp during such time and under such rules and regulations as

the Commissioner, with the approval of the Secretary, shall prescribe.

"(2) Ultimate liability: If a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions to the same extent as if such check had not been tendered."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WASHINGTON VERSUS HILLMAN

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

Mr. SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the man who was first in peace, first in war and first in the hearts of his countrymen, when in a position to become king or dictator; when he was taken "up into an exceedingly high mountain" and shown all the kingdoms of the world and the glory of them, turned his back upon ambition, and solemnly warned our people to avoid entanglement in foreign affairs.

Under the system of government which he established, we have, in the opinion of Churchill, one of the greatest empire builders in the modern world, "in 3 or 4 years, in sober fact, become the greatest military, naval, and air power in the world."

Now we are told by the Russian-born Hillman, who claims to have controlled, in the recent election, the decisive votes which will place the President in the White House for a fourth term, referring to his organization, that—

It's a good thing for America and the world at large to have a force inside the United States fighting for proper international cooperation.

Washington was the personification of honor, of honesty, of Christianity. Hillman unblushingly, on December 5 in London, told the press, knowing his statement would be broadcast throughout the world, that no one takes party platforms seriously.

Hillman not only presumes to repudiate the sound doctrine of our first and greatest President, but so sure is he of his power that, after claiming here in America the allegiance of more than a hundred of the people's representatives, he brazenly endorses falsehood, subterfuge, the repudiation of one's word and honor.

Those who, during the last campaign, assisted Hillman by money, work, or vote, now know from his own lips that he neither believes in honor or in honesty, in our form of government, in our way of life, and that, by his acceptance of the Communists and their support, he denies the existence of God, the efficacy of Christianity.

Let his supporters and his political allies cheer while other citizens hang their heads in shame.

EXTENSION OF REMARKS

Mr. BENNETT of Missouri. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Missouri [Mr. PLOESER] be permitted to extend his remarks in the RECORD and include a brief editorial.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects and to include in one a resolution and in another a brief editorial.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SELF-DETERMINATION BY NATIONS OF THEIR FORM OF GOVERNMENT

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, as one Member of the House I want to commend without reservation the statement of our State Department which was carried in this morning's press to the effect that our Government stands foursquare for the right of the people of every nation in this world to choose democratically and freely their own government without interference on the part of any other power. I am glad the statement was made to apply specifically to Italy in view of a recent statement by the British Foreign Minister regarding the personnel of the Italian Cabinet. To my mind, it is entirely timely that this announcement should have been made and this position taken by our State Department. Indeed I believe such a statement of this country's position is overdue. I believe it will increase that reservoir of good will among the smaller nations of the world which our country enjoys and upon which alone we can hope to build the future peace of the world.

CATHOLIC BISHOPS' DUMBARTON OAKS STATEMENT ENTITLED TO WIDESPREAD APPROVAL

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include the Catholic bishops' Dumbarton Oaks statement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. CELLER addressed the House. His remarks appear in the Appendix.]

EXTENDING THE STATUTE OF LIMITATION IN CERTAIN CASES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 156) to extend the statute of limitation in certain cases.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SHORT. Reserving the right to object, Mr. Speaker, and I am not going to object, due to the briefness of time, we all realize that the statute of limitations, if it is to be extended, must be acted upon by tomorrow. However, in order to keep the record straight and make it absolutely clear to the Members of Congress and particularly to the American people, I want to say that our willingness to allow this Senate joint resolution to be brought up under unanimous consent should not be interpreted as giving our stamp of approval to it. If we had our way, the resolution I introduced in the House on November 28, House Joint Resolution 319, and which was referred to the Committee on the Judiciary, would be carried out, because it simply orders the War and Navy Departments to carry out the provisions of Public Law 339 of the Seventy-eighth Congress, which we passed last June. When one cannot get a whole loaf, he must take a half loaf. With some difficulty Senate Joint Resolution 156 passed that body and though the resolution is unsatisfactory, it is better than nothing. The statute of limitations should not be allowed to expire and for this reason I do not object.

Mr. McCORMACK. Mr. Speaker, might I state that the present consideration of the resolution in no way is to be construed, following what the gentleman said, as a disposition on the part of the leadership on the majority side of opposition to the gentleman's resolution. But in view of the shortness of time it is considered wise and advisable and practical to pass the Senate resolution. It is for the purpose of preserving whatever legal rights exist under the law so that no one can claim the statute of limitations as a defense, and the Senate resolution is put through in order to insure that. It is because of the time element involved that we do so.

Mr. SHORT. Mr. Speaker, I am very glad that the majority leader has made that statement. Of course, the Army and Navy boards of investigation, in making their reports, very clearly stated that not only Admiral Kimmel and General Short but other persons likewise made grave errors, not only at Pearl Harbor but also here in the United States, though we have not yet been told who those persons are or why action has not been taken against them.

Of course, we must accept the reports of the Secretary of War and Secretary of the Navy that the trials cannot be held at this particular time because of security reasons. It is difficult for our lay minds to figure out just how a frank and full revelation of all the facts surrounding Pearl Harbor could now endanger our national security or seriously interfere with our war efforts. Still the Army and Navy undoubtedly have secrets that the public should not know. But some day the whole story will be told; truth cannot always be hidden from the people.

It will be remembered that the Roberts commission's report found both Kimmel and Short guilty of "dereliction of duty." The investigating committees of the War and Navy Departments, while finding Kimmel and Short made mistakes and errors, declared that "on the basis of present evidence" the facts and findings do not warrant their courts martial. Both Secretaries of War and Navy expressed their desire and intention to continue their investigations. Evidently tney are not fully satisfied with the findings of their own committees. If Kimmel and Short are innocent, why not restore them to the active list? Somebody was certainly to blame for Pearl Harbor. If Kimmel and Short were not to blame, then who is to blame? The American people want to know; they are entitled to know.

Mr. Speaker, the Pearl Harbor disaster is largely if not wholly a matter to be dealt with by the Executive. The President has the authority and the responsibility to act.

However, since the Commander in Chief of our armed forces has shown little or no inclination to dispose finally of the matter it has devolved upon the Congress of the United States to take action.

On two occasions we have extended for 6 months the statute of limitations. We acted on our own initiative. We were forced to do so because the War and Navy Departments were about to permit the statutory period to expire with no action taken.

Last June the limit of legislative patience in this matter was reached. At hearings upon legislation to extend the statutory period, and to direct the War and Navy Departments to institute court-martial proceedings forthwith, representatives of those departments indicated that they were not in position to act, because they had not even commenced investigations into the matter. Imagine such a thing. No information 2½ years after Pearl Harbor. Why? As a consequence, Congress again extended the statutory period. The act also directed the Secretaries of War and Navy to investigate the circumstances surrounding the Japanese attack and to take appropriate action—to take such action as was justified by the results of these investigations.

The President signed this bill.

It was the sentiment of Congress and the country that further procrastination in regard to the Pearl Harbor incident was not in the national interest.

The fathers and mothers of those who died in Hawaii that Sunday were anxious for the truth.

The people of the Nation who have never recovered from or forgotten the dastardly attack on the flag, or the terrible damage to the fleet, were anxious for the truth.

There was, and is, a strong conviction among our people, regardless of party, that the two officers who have borne for this long period the stigma of Pearl Harbor should have their day in court.

These, in brief, were the considerations that prompted the legislation of last June with its positive direction to the War and Navy Departments to investigate and to take appropriate action.

What has been the intervening history? The War and Navy Departments ordered and conducted through duly constituted tribunals independent investigations.

Naturally, any Army board of investigation or Navy court of inquiry would be reluctant to issue any report critical of its Commander in Chief—especially in time of war.

Nevertheless, the officers who presided were of the highest rank and must have possessed character and intelligence.

Their hearings were lengthy. Both the Army board and the Navy court journeyed to the scene of the disaster.

Over a month ago they submitted their reports and recommendations to the Secretary of War and the Secretary of the Navy.

Then silence followed—a silence explained by the alleged necessity of studying the reports or classifying them.

At this time, Congress has a right to expect from the War and Navy Departments a clear-cut explanation of the results of these investigations and an official statement of their position with regard to the necessity of further congressional action.

We ought not to have to act blindly and in the dark.

We gave these Departments a directive to take appropriate action by December 7, 1944, on the basis of their investigations.

There can be no further excuse offered that the War and Navy Departments do not have the facts.

They owe it to Congress and to the country to make clear before the expiration of the present extension on December 7 what their investigations show the facts to be, and what action they have taken or propose to take against any individuals as a result of those investigations.

They cannot expect Congress, from whom these facts have thus far been withheld, to bear the brunt of public indignation over more delays and mystery in this matter.

If these investigations have cleared Admiral Kimmel and General Short, then fair play to those officers and the American people requires a clear official statement to that effect.

If these investigations have indicated that other individuals, and not Kimmel and Short, were responsible for Pearl Harbor, then the American people have a right to know who these individuals are and what action is to be taken against them.

Kimmel and Short have been publicly disgraced. They have paid for that fatal day with the wreckage of their careers. But they have never been tried and convicted. For 3 years they have been denied the right of every American to a public hearing and a verdict as to whether they are guilty or innocent.

The suggestion has been made that the American people are more interested in winning the war than in knowing the truth of Pearl Harbor. This argument is advanced in favor of further mystery and delay. There is no logic in such a position.

There is no reason to believe that our people lack the capacity to win the war and face the truth about a 3-year-old tragedy.

We can win the war without violating the decencies of our civilization. We can win the war and not keep men condemned without a hearing. We can win the war and not shelter guilt or delay the exoneration of the guiltless. We can win the war and not compromise our national honor by sacrificing the honor of innocent men. We can win the war without keeping a perpetual skeleton in the closet. We can win the war without jeopardizing our ability to win future wars by planting in the hearts of our present and future Army and Navy officers the fear that they have no way in America to protect and defend their good names.

We of this Congress, the Secretaries of War and the Navy reckon ill if we count out the historian of tomorrow. No man should dare act on the premise that we can delay revelations about Pearl Harbor until Kimmel and Short die, and the truth perishes with them. Unfortunately, Frank Knox is now dead. Others, too, will die. History will record the truth for tomorrow, even though the relentless search has to ferret out many dark and buried secrets. The story of the tragedy of Pearl Harbor is bound to be fully told. Future generations will scorn and despise those who tried to suppress it.

This Congress may grant any further extension of time the War and Navy Departments in good faith need and request.

But this Congress should not condone any failure by them to reveal the facts their investigations have recorded and to indicate the action they propose to take.

We have directed them to act.

We have expected them to act.

Before we proceed further on our own course we should have the benefit of the facts they have available and enlightenment as to their proposed course of action.

If the rumors current throughout the country can be given even the slightest credence the responsibility for the catastrophe at Pearl Harbor will be found to rest on shoulders other than those of Kimmel and Short. This matter has already assumed the proportions of the Dreyfus case in France. We cannot afford to have such a stain on the reputation of Congress. The failure to act is not the fault of Congress. We cannot, we must not, we will not make a farce of this great tragedy.

Mr. VINSON of Georgia. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman from Massachusetts [Mr. McCORMACK] whether the resolution carries the second paragraph that was carried in the former resolution, with reference to the Department continuing an investigation. I may say that the Navy Department is very anxious that the language be contained in the resolution directing the Secretary of the Navy, in accordance with the

statement he made, to continue to make an investigation.

Mr. McCORMACK. Mr. Speaker, the resolution extends the existing law in toto.

Mr. VINSON of Georgia. Has the gentleman any objection to the resolution being amended by this language:

SEC. 2. The Secretary of War and the Secretary of the Navy are severally directed to continue their investigations into the facts surrounding the catastrophe described in section 1 above, and to commence such proceedings against such persons as the facts may justify.

Mr. Speaker, I may state that the Secretary of the Navy asked me today to present this matter to the House, because they want that language in whatever resolution is agreed to.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield with pleasure.

Mr. MARTIN of Massachusetts. Does the gentleman think that there has been plenty of investigation and that what the people want are some facts?

Mr. VINSON of Georgia. In view of the statement of the Secretary of War and the Secretary of the Navy, that they are continuing an investigation, we should at least concur in their desire to do so by authorizing them to do it.

Mr. MARTIN of Massachusetts. I agree with that, but I think the people want some information.

Mr. VINSON of Georgia. Mr. Speaker, I also think so.

Mr. McCORMACK. Mr. Speaker, may I say to the gentleman from Missouri [Mr. SHORT] that, in my opinion, the present resolution extends what is contained in the resolutions we have previously passed.

Mr. SHORT. That is, it extends the time for 6 months, in addition to the two previous extensions?

Mr. McCORMACK. Yes; the language as contained in the previous resolution is extended by this resolution.

Mr. VINSON of Georgia. Mr. Speaker, with that understanding, I withdraw my reservation of objection and interpose no objection.

Mr. McCORMACK. Mr. Speaker, certainly it is the intent to extend the present law which the Congress has heretofore passed in the nature of resolutions, and on which we have acted upon in the past.

Mr. VINSON of Georgia. Mr. Speaker, that clears it up.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved, etc., That effective as of December 7, 1943, all statutes, resolutions, laws, articles, and regulations, affecting the possible prosecution of any person or persons, military or civil, connected with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, or crime or offense against the United States, that operate to prevent the court martial, prosecution, trial, or punishment of any person or persons in military or civil capacity, involved in any matter in connection with the Pearl Harbor catastrophe of December 7, 1941, or involved in any other possible or apparent dereliction of duty, or crime or offense against the United States, are hereby extended for a further period of 6 months, in addition to the extensions provided for in Public Law 208, Seventy-eighth Congress, and Public Law 339, Seventy-eighth Congress.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRST SUPPLEMENTAL APPROPRIATION BILL, 1945

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the bill (H. R. 5587, Rept. No. 2023) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes, which was read a first and second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. TABER reserved all points of order.

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

Pending that motion, I would ask the gentleman from New York if he is prepared to proceed without an agreement as to time for general debate.

Mr. TABER. I think we might better fix the time.

Mr. CANNON of Missouri. Then Mr. Speaker, I ask unanimous consent that general debate be limited to 4 hours, one-half the time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5587, the first supplemental appropriation bill, 1945, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, we submit herewith the last appropriation bill of the session. It comprises all of the undisposed-of items which it is necessary to handle before the expiration of the session and the Congress.

The estimates as submitted to the committee amounted to $587,049,607.12. We recommend to the Congress provision for $478,524,712.12, in appropriations, in reappropriations, and in contract authority. In other words we recommend a decrease of $161,000,000 in the estimates, a saving of about 28 percent.

This bill is made necessary largely by acts of Congress which were enacted subsequent to the passage of the annual appropriation acts. For example, the Penalty Mail Act, under which departments were required to pay postage on outgoing mail, and section 213 of the independent offices appropriation bill, discontinuing agencies of the Government which have been in operation for longer than 1 year without direct appropriations or other authorization from Congress.

The largest part of the bill is, of course, for the Naval Establishment, which takes up 59 percent of the entire amount which we are recommending and which is largely a liquidation of public works contracts entered into under contractual authority. We have today the largest and most powerful Navy in the world, and its maintenance is naturally a matter of correspondingly increased expenditure.

Another item on which a good deal of interest has been evinced is the collection of statistics needed for reconversion. Under the bill provision is made for the collection of statistics we expect to be needed for the post-war and reconversion peroid.

National housing and community facilities recommendations submitted by the Bureau of the Budget have been reduced. The Budget recommended $20,000,000; the committee submits a proposal for $10,000,000. Fifteen million was estimated for community facilities and the committee recommends a reduction to seven and one-half million.

Another item which received as much attention as any in the bill, so far as testimony presented before the committee was concerned, was the item for the supply and distribution of farm labor. The testimony before the committee indicated that the system now in operation has worked with such efficiency that there is widespread demand for its continuation; and the committee recommends, in excess of the Budget estimates, that the date of expiration be extended from June 30, the end of the fiscal year, to December 31, the end of the calendar year, in order to permit full seasonal contracts; and also recommends $10,000,000 additional contractual authority to insure prompt provision for foreign labor needed in the agricultural sections where local labor is insufficient to supply the demands for wartime production.

Mr. Chairman, as this bill concludes the appropriation program for the session, it may be fitting at this point briefly to review the work of the committee for the session, the Congress, and the two war Congresses.

In the last two Congresses the Committee on Appropriations has handled more business, been in more continuous sessions, and disposed of more work than any Committee on Appropriations in the history of the Congress in any like period

of time. We have reported out more money and more appropriation bills than any previous committee of this or any other country in the history of the world.

We have reported out—and I should like to emphasize this point—a more drastic reduction, both in amounts and by percentages, in nonwar appropriations than any previous committee. And we have devoted more time, more work, more detailed and painstaking research into the budgetary needs of the Government than any previous committee.

These are not idle statements. The work of the committee has not been done in a corner. The record speaks for itself. It is written in documents that all may read. A complete record is found in the printed hearings and in the debate on the floor as reported in the CONGRESSIONAL RECORD and is available to all. At the most critical time in the history of the Nation, the committee has met every emergency and supplied every need effectively, efficiently, and expeditiously. No department of the Government has found occasion for complaint. In one of the most searching political campaigns ever conducted, there has been no criticism, either direct or implied, of the work of the Appropriations Committee. It has done its work to the entire satisfaction not only of the press and the Congress, but of every governmental agency.

The highest officers of the Army and Navy—and their testimony is in the printed hearings—have said that the committee has done everything that could be done in the prosecution of the war and in supporting the war program. Representatives of the War Department and Navy Department assured the committee that there was nothing that they could suggest which the committee might do which had not been done.

Mr. Chairman, at a time when it is the vogue to criticize congressional procedure, when there is frequent insistence that the procedure of the House is inadequate, antiquated, and inefficient, we submit, in answer to that criticism, the record of the Committee on Appropriations through this critical period, in which the committee has supplied every fiscal need, in which it has met every budgetary emergency, to the complete satisfaction of every branch of every editorial and administrative agency which might be in position to bring legitimate criticism to bear.

Likewise, the committee has introduced, as it has been continuously introducing since its establishment, various administrative improvements.

One of the principle criticisms, made in the resolutions now pending before the Committee on Rules, to renovate, recondition, and regenerate the House, is that we do not have the machinery to provide the committees and the Members of the House with sufficient data and information and that the Committee on Appropriations in particular is without means of securing information other than that supplied by the agencies seeking appropriations.

Such statements ignore the system of investigation which has been in use by the Committee on Appropriations during the entire session and under which we have investigated every mooted point which has come before us, and under which we have secured all the information that any member of the committee or any Member of the House might desire. Invariably these resolutions which come before the Committee on Rules provide for the establishment of some permanent agency, usually a joint agency of the House and the Senate, which will secure information for the Members of the House which they are not at present able to get.

May we earnestly invite anyone interested in any such proposition to investigate the method used by the Committee on Appropriations. Under our method we draw from any department of the Government the best men they have.

We use them as long as they are required, at the same salary which they are now receiving in the departments, and when their work is done, we return them.

Let me call attention to the advantage of this system over the establishment of any permanent agency in the House or elsewhere.

We have, for example, 10 subcommittees in the Committee on Appropriations. If all 10 subcommittees happen to desire to conduct an investigation simultaneously, this elastic system provides the men to make the investigation for all 10 of them. If only 1 committee desires to conduct an investigation, the men who are not needed return to their work. We use them only as long as they are needed, and we use only the number needed. If you had a permanent agency, either one of two things would be constantly in effect; either you would have men sitting around doing nothing a very large part of the time at Government expense when investigations were slack or you would not have enough men to meet the peak needs when investigations were in demand. Under this system we have at any time all the men needed to meet any emergency, and under this system we have only the men needed when investigations are necessary; or, if there are no investigations, we have none at all. That one thing alone would condemn the establishment of a permanent agency.

There are numerous other decisive advantages, but I will mention only one more. A second advantage over a permanent establishment here in the House or anywhere else is that we provide exactly the character of men and the qualification needed for the occasion. No two of these investigations are exactly alike. Each one has its individual phase. Some of them need an accountant, some need an auditor, some a detective, some a chemist, and some a lawyer. This system provides exactly the character of operative needed.

They can produce at any time a lawyer or a physician or a chemist or an accountant, where any permanent system could not provide always the wide range of qualifications needed for specific investigations. That in itself would be sufficient to condemn any permanent establishment.

May I mention just one more, of many others. That is the matter of economy. This committee was given $100,000, which is a very small amount compared to what has been given other investigating committees. As much as $500,000 have been spent on congressional investigations, and nothing practical to show for it. But this committee had only $100,000, and spent only a little more than half of that, and we have secured all data any member of the committee or Member of the House indicated his desire to have. It has been done efficiently and it has been done economically. We call the proper operative from the department, we put him on the job, a new face, a new man, a new enthusiasm, and when the job is done we send him back. If you had a permanent establishment you would have the same old fellows on there growing old and careless and inefficient, and becoming so familiar with the people in the departments and through long association reaching such terms of camaraderie with them that you could not hope to get the results to be secured by a new operative on each new investigation.

If you will but examine the system which has been in effect in our committee for a year and which has answered every need, you will understand how we have been able to save so much money this session. None of the proponents of the proposition before the Committee on Rules seems to have taken that trouble.

Incidentally, the House now has at hand every agency needed for the improvement of any procedure which may not be adapted to our needs. Numerous changes have been made in the rules from year to year over the last century. All have been made through the agency of the Committee on Rules. Anyone who wants to make a change has but to introduce a resolution. The Committee on Rules, which has shown its capacity and ability and readiness to meet every requirement for changes in procedure, is authorized to meet the situation.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. I agree with what the gentleman from Missouri is saying about changes in the rules of the House. I do not believe I have ever heard a man advocate a wholesale reorganization of the rules of the House whom I have ever known to argue successfully a sharply contested point of order. It seems to me that before they undertake to revolutionize the rules of the House they had better learn what the rules are and how they are applied.

Mr. CANNON of Missouri. But to show the need for this proposition invariably the great point that was emphasized in all of these propositions to revise the procedure is that they want information; that they cannot get information. Gentlemen, what information do they want? Have any of those men ever mentioned any information that they wanted that they could not get? No, nobody has done so. Why, on my committee there was one man who kept filling the newspapers continually with

complaints that we ought to have some sort of agency that would give us information. When his attention was called to the fact that although we had the most efficient system of investigating that has ever been devised and that never at any time had he applied to it for information or made any attempt to use it, he said, "You know, it goes well in the newspapers up in my district." Nobody in this House, even a Member who is not on the Committee on Appropriations, who may want information pertaining to appropriations or the departments for which the appropriations are provided, but what can get it immediately. We can get it economically. We can get it from men who are the highest trained men in the world. We can call to our committee men trained by the Treasury Department, men trained by the Department of Justice, men trained by the F. B. I., men trained by the Secret Service, than whom there are no better qualified investigators upon the face of the earth.

Mr. COCHRAN. Mr. Chairman, my contention is that Congress saw fit to include in the Budget and Accounting Act an authorization for a Congressional Investigation Division, under the Comptroller General. It is in the law and an appropriation for that purpose is not subject to a point of order. I contend that if you set up that investigation division under the Comptroller General, who is answerable solely to Congress and not to the executive branch of the Government, and give him sufficient funds for a permanent organization, that the results of the investigations which he will make independently and at the request of every committee of Congress will save hundreds of millions of dollars and also do away with your special committees, including the one that the gentleman has in his committee and the one in the Senate under the Senate Appropriations Committee. In fact, the amount appropriated for both of those committees would be about one-half of what the Comptroller General said would be necessary at the outset to set up an efficient agency to make investigations for the Congress, and to enable him to go forward.

Mr. CANNON of Missouri. What investigation does the gentleman want made?

Mr. COCHRAN. Any investigation that any committee of Congress thinks should be made, including the Committee on Appropriations.

Mr. CANNON of Missouri. What inquiry would the gentleman suggest? What information is it that we do not have now?

Mr. COCHRAN. I would investigate to determine whether there is waste and extravagance.

Mr. CANNON of Missouri. We are investigating that right now.

Mr. COCHRAN. There is published in the CONGRESSIONAL RECORD, in the Senate proceedings, the names of dozens of employees of the executive branch of the Government that are working in Senate offices. Let me say to the gentleman if those employees can be spared by the executive branch of the Government so that they spend all their time in the offices of committees and in the offices of Senators, then they do not need those employees in the executive branch of the Government and the appropriation should be taken away from them.

Mr. CANNON of Missouri. Of course, the House is not going to investigate the affairs of the Senate, whether the investigating authority is lodged in a permanent agency or in a system such as is employed by the Committee on Appropriations. Intercameral comity would not permit it. So far as the particular agency to which my colleague refers is concerned, the Committee on Appropriations under its authority can call any man from the establishment indicated, if we need him.

It should be added that the Committee on Appropriations has had at all times the warmest cooperation with all the departments. It not infrequently happens that the report of our investigators makes even a stronger case for a department and its activity than the representatives of the department themselves have made in their presentation of their estimates. And at times charges of prodigality against a Government agency, when investigated by our operatives, have proven wholly without foundation.

The system has proven satisfactory to all concerned and especially to the members of the committee desiring to check information supplied by the departments or to secure new information not directly available. If there is any information that the gentleman wants, all that is necessary is for him to indicate it.

Mr. COCHRAN. If I want any information I will get it, and if I cannot get it I do not belong here.

Mr. CANNON of Missouri. Then why spend the enormous amount of money proposed in these resolutions establishing permanent agencies when they are not needed? I must concede that there is one defect in the system used by the Committee on Appropriations. There is one very serious objection to it, and that is that it does not cost enough money. We seem to have got the idea that we have to spend a half million dollars on an investigation before the data are worth anything. Ours is sadly economical. We get the best men in the world. You cannot get better-trained men than we get, and you cannot get them at a smaller salary than that for which we get them, because we get them at the civil-service rating.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from Mississippi.

Mr. COLMER. Unfortunately, I did not hear the preliminary statement of the gentleman, but do I understand that the gentleman would not look with favor upon various congressional standing committees having a proper and adequate staff?

Mr. CANNON of Missouri. No, no. I heartily approve of that. The Committee on Appropriations has just such a situation.

I rather think the gentleman from Mississippi and I are in exact agreement upon the necessity of the committee being adequately staffed.

Mr. COLMER. The gentleman says we are in accord, and I hope we are.

Do I understand he believes that the committee should pick up a man here and there temporarily as it needed his services?

Mr. CANNON of Missouri. That would depend entirely on the purpose for which the man was needed.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. If you are going to give anybody expert assistance it ought to be the individual Member of the House, because there are so many questions he needs to explore. I believe I can say without boasting that there is probably no man in this House who attempts to dig up more facts and statistics and details than I do.

Mr. CANNON of Missouri. I concur in the gentleman's statement.

Mr. RANKIN. I call on the experts. When I want information on rivers and harbors or anything touching their work, I call on the best experts the world has ever seen, the expert engineers in the Corps of Army Engineers.

When I want information on veterans' affairs, I call upon the veterans' organizations or the Veterans' Administration and get that information.

When I want information on power rates, I call the Federal Power Commission, the Tennessee Valley Authority, the Bonneville Administration, or the Rural Electrification Administration, and I get that information.

But when you park these experts on staffs of the various committees, you take from members not on the particular committee the expert serves the opportunity of getting the information they need.

I say if you are going to give anybody any assistance at all you ought to give the individual Member an employee who will aid him in helping to contact these various experts that are already on the pay roll and who are able and willing to dig up the information needed. I think that would be far better than to build up, as the gentleman says, a bureaucracy around the various committees of the House.

Mr. CANNON of Missouri. Mr. Chairman, few Members of the House in their service have rendered a more valuable service to the country than has the gentleman from Mississippi.

Mr. RANKIN. It will be remembered that 17 years ago the gentleman from Georgia [Mr. VINSON] and I were called upon to investigate the Cotton Exchange. That was a big order. We did that in connection with a Senate committee. We got the experts we needed, we investigated what was going on, we exposed the whole situation and cleaned it up. If we had had a committee with a corps of experts around it the chances are they would not have known a thing in the world about the particular subject with which we had to deal.

Mr. CANNON of Missouri. May I say that in addition to the many reliable and

accurate sources of information to which the gentleman refers, and to which he has had access, there is also available to any Member of the House who desires to avail himself of it, the Legislative Reference Service of the Library of Congress. It is one of the most efficient branches of the Government service and one of the best of its kind in the world. Any Member can call them at any time and will find them at his service.

Mr. COLMER. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Chairman, I am in complete accord with the compliment paid my distinguished colleague from Mississippi and his ability to get information. The thing I am objecting to is the necessity of relying upon the departments, the bureaucracies, or whatever you want to call them, in order to get information. In my opinion, the Congress should be able to get that information and get all of it independently of the various bureaus.

Mr. CANNON of Missouri. That is exactly what the Committee on Appropriations is doing at this time.

Mr. COLMER. I think I can go along, too, with the suggestion that if we can get the proper type and quality of assistants, an additional clerk for each Member would be an improvement.

Mr. CANNON of Missouri. If the gentleman will see that we are provided with the requisite legislative authority we will see that he gets that too.

While we are on the subject I may say that I noticed the other day where a columnist suggested that the chairmen of all the legislative committees be made members of the Committee on Appropriations. We have no objection to that. We need all the help we can get. The Committee on Appropriations has worked unreasonably long hours during the war. And it has worked its clerks to the point of exhaustion. The work has been so burdensome that we are now seriously considering restricting each member to one bill, instead of putting him on two subcommittees as heretofore, in order to give him an opportunity to spend more time on the floor of the House and also time to attend to his own office work. The subcommittees of the Committee on Appropriations have been in such continuous session that we have had little time for anything else and our office work has suffered accordingly. I do not know how much work the legislative committees have, but if they work like we do—and I take for granted they have been under the same compulsion during the war—they would be supermen indeed if they could find time to take care of their own duties, and in addition handle the work of the Committee on Appropriations.

In the same paper another columnist suggested that due to the operation of the rule of seniority all of the chairmen of committees have reached an age where they are so decrepit and senile as not to be in position to render service on any committee. Certainly there is incongruous inconsistency somewhere.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Illinois.

Mr. SABATH. May I submit this query? The gentleman will remember that the legislative committees some twenty-odd years ago had jurisdiction over appropriations. We have taken that power away from them and given it to the Committee on Appropriations, which committee we have increased from time to time. May I ask the gentleman, knowing that he is thoroughly familiar with the workings of the committees and of the House, whether perhaps it would not be better if we would go back to the old system and let the legislative committees have some work and relieve the Committee on Appropriations of the tremendous work and responsibility involved; to again place the work and the responsibility of appropriations on the legislative committees, who invariably should be informed as to the need of the appropriations, because originally they have before them the evidence on which these appropriations that are asked for have been obtained by them? What is the gentleman's opinion about that? Would that not relieve that great Committee on Appropriations by giving back to those six or eight major committees jurisdiction over appropriations, with the same power that they possessed before?

Mr. CANNON of Missouri. In answer to that, may I say to the gentleman that if he advocates the dissolution of the Committee on Appropriations, I would have no objection. I would be a good deal better off personally if that were done. But the time to which he refers was when the appropriations of this Congress ran some three hundred or four hundred million dollars a year. They now run, in round figures, $70,000,000,000 a year—an entirely different proposition. At that time departmental estimates were comparatively simple. Departmental estimates have mushroomed and pyramided and skyrocketed and now include every conceivable activity.

Furthermore, we have adopted the Budget system of which the concentration of appropriations in one committee is an essential part.

Mr. SABATH. In that connection, will the gentleman yield for an observation?

Mr. CANNON of Missouri. With pleasure.

Mr. SABATH. Speaking of what the appropriations were years ago and what they are now, I thoroughly realize and appreciate the great difference, because when I came here the cost to run the Government was about $1,000,000,000. Now it costs more than $1,000,000,000 to run one department; for instance, the Department of Agriculture, for which we are obliged to appropriate over $1,000,000,000 more than we expended and appropriated for the entire country when I first came to the House.

Mr. CANNON of Missouri. That is true. We have in the last 4 years appropriated more money for one department than was previously reported to run the entire governmental establishments. And in that connection I would like to call attention to another administrative measure adopted by the committee.

Another innovation which the committee has adopted is the standardization of the qualifications of its staff—to which reference has just been made. At the time to which the gentleman from Illinois refers, when appropriations were small and departmental budgets comparatively simple, you could go out into the chairman's district and pick up a man almost anywhere who would help get votes for the chairman in the next election, and he would come up here and do a very good job. But with the increasing size and complexity of the annual budgets the work requires highly trained men with long experience in key positions in State, Federal, or municipal work of this nature.

When a chairman puts a member on our staff he stays there permanently. Every man appointed is kept by the succeeding chairman, regardless of his party affiliation—and unfortunately in some rare instances—whether he fits into the particular position or not. So in order to insure the selection of competent men for these exacting positions, the committee has adopted certain preliminary minimum requirements as to training, previous service, capacity, and qualification. I have voluntarily relinquished my prerogative of appointing members of the staff and have placed it in a committee consisting of the three ranking majority members and the two ranking minority members of the committee. An appointee must first conform to the specified preliminary requirements, and then must be screened by this committee of the oldest and most experienced members of the committee.

I regret to say that the problems of a permanent staff for the committee has come to an unwelcome crisis with the close of this Congress. A man who has served the committee for 36 years, who came here as a boy, appointed by one of the great chairmen in the history of the committee, Chairman Tawney, of Minnesota, Marc Sheild of Minnesota, has tendered his resignation, and in spite of every inducement we can offer him he adheres to that decision. Marc Sheild came to the service of the committee in 1908. I think probably one of the most fortunate days in the history of this House was the day that Chairman Tawney brought Marc Sheild to Washington. That feeling is shared by all members of the committee and the hundreds of men who have served on the committee in the last 36 years. Judge John J. Fitzgerald, of New York, one of the ablest men who ever sat in the American Congress, who served here for 20 years, one of the noted parliamentarians of his time and one of the leaders of the House in his day, made the statement that perhaps the most valuable service he performed while a Member of the House was the appointment of Marc Sheild as clerk of the committee, and there is general agreement that he was justified in making that statement.

In 1938, when Marc was completing his first 30 years of service, some notice was taken of the occasion here in this Hall. As a member of the committee, I felt justified in saying:

> One of the most efficient members of the staff of the House, one of the ablest, one of the most indefatigable, who has served in that capacity in its history, is the Clerk of the Committee on Appropriations, Marcellus C. Sheild.

And I added, with what today seems almost childish innocence:

> During his service the Government has spent more money than has ever been spent by the United States, or any other nation on earth, in a similar period of time, sums so stupendous as to stagger human comprehension.

Mr. Chairman, all notions of Government spending have gone by the board since those peaceful days. The United States has prepared for war; it has been at war for 3 long years. Congress has appropriated and the Government has spent in the last 6½ years nearly twice as much money as in the first century and a half of the Republic. And Marc Sheild has handled this tremendous increase, with all its staggering responsibility, with the same serene untroubled efficiency that marked his earlier years. The country has been fortunate in having at this vital post during these years of unparalleled activity a man so eminently qualified for that arduous task.

Mr. Sheild is a man of rare ability. I think at this time, and I make the statement advisedly, he has rendered greater service in the budgetary service of the Government than any man, either in the House or out of it today. His ability, his calm poise, his rare judgment, his indefatigable industry have been invaluable to the House, and especially in these latter years when the work of the Committee on Appropriations has grown so rapidly under the impetus of war. In George Eliot's book, Romola, Romola's son asked her, speaking of Savonarola, "How can a man be both great and happy?" and Romola answered, "Fra Giralamo has the greatness of integrity." Marc Sheild has the greatness of integrity. In all the years he has been here, occupying a key position and in intimate touch with the budget officer of every department—in a position to exercise an influence such as nobody else could exercise here, on the Hill—never has he used his position, that great influence, for any personal interest. For neither himself nor his friends has he ever taken advantage of his position to secure place or preferment for anyone. Never has he exerted that influence to mold legislation or affect appropriations. It is easy to understand what pressure is brought to bear upon him here to secure a position for someone, to increase an appropriation for someone, to change the phraseology of a bill for someone. Never yet, in any instance, has Marc Sheild deviated from his adherence to the one principle that has guided him in the 36 years he has been here—the good of the country and the integrity of our legislative processes.

We have done anything we could to keep Marc Sheild with us. We need him. We regret to see him go. But he promised himself, long ago, and he promised Mrs. Sheild that at this anniversary he would retire. He has other work which he wants to do. He has books to write, and I will say that any book he may write would be of such a character that no library in the country would be complete without it.

While I deplore his going, I congratulate him on his adherence to his plans.

It was the custom in ancient Rome that when a young man reached his majority, a great ceremony was held. With pomp and circumstance a toga was conferred upon him as evidence of his Roman citizenship. In that book which has been so much in the public eye in the last 2 years, The Robe, there is a reference to this ancient custom and a suggestion by a character in the book that there should be another occasion; that when a man had reached the zenith of his power, the apex of his achievements, when he had rendered greatest service to the Republic and was at the height of his acclaim by the people of the Republic, another ceremony should be held in which he would resign his toga and walk forth to return at last to that place from which he came. Marc Sheild is at the apex of his career. He is in the prime of life. He is in perfect health. He leaves at a time when there is yet much before him—while the sun is still high—while the evil days come not, nor years when we shall say "I have no pleasure in them." But he would not go if he were not certain there was someone to take his place. Working with him, closely associated with him all these years, Mr. John Pugh is as well prepared to take over this important work as a man could possibly be. We will miss Marc. But his work will go on as he has planned it. I commend to the House as the new clerk of the committee, John C. Pugh, in every way qualified by character and ability and long and distinguished service both in the departments and in the committee to follow his great and lovable predecessor in the arduous duties of this exacting position.

The CHAIRMAN. The Chair would inform the gentleman he has consumed 1 hour.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Massachusetts, the majority leader of the House.

Mr. Chairman, I yield in accordance with the schedule which has been submitted to the Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, our learned fathers, in drafting the Constitution, vested original jurisidiction over revenue and appropriation measures in the House of Representatives.

The control of the purse carries with it the control of Government, and that responsibility, thus vested in us, makes us individually and collectively the directors of the greatest Government in the world, and I shall go further and say the greatest Government of all time.

Like the largest private businesses, though many times magnified in volume and scope, it is essential that we have executive assistants to direct and handle the multiplicity of details inherent in the tasks we must perform.

Despite criticisms to the contrary, the Congress functions with speed and efficiency, having in mind its yearly overall legislative program. I will say that, in my judgment, it has been performed remarkably well, and that much of whatever credit may be due must be shared with the loyal and faithful and diligent public servants who have so ably aided us and counseled us in the formative stages of the legislation which we have enacted.

Marcellus C. Sheild stands to the fore of those loyal men, who, today and in days gone by, have facilitated our work and made practicable its performance.

I have known Marc Sheild personally and well throughout my congressional service. I am proud to call him my friend and to have his friendship. He is a man of very marked ability and possessed of ideal traits and faculties rarely found in a single individual.

His contribution of his great talents and energies to the Congress and to the Nation during his long period of service on the Committee on Appropriations is immeasurable and has been of inestimable value, and there is a debt of gratitude owing to him which I fear never can be adequately paid.

Occupying a key position as he has and does today, a position little known to the general public but a position well known to every Member of the House, everyone who has served in either branch of the Congress, and to everyone who has ever appeared before the Appropriations Committee, in his position he wielded a great influence on the legislative affairs of our country, an influence of which we are aware, we Members, and which we appreciate, and in his case an influence which has always been constructive, actuated by the high ideals that he possesses and actuated by a loyalty to the committee with which he has been associated for many years, and a deep feeling of love and patriotism for his country.

His retirement, which he has so fully earned, will mean a severe loss to each of us and to the people that we serve. I am particularly pleased, however, to hear the remarks of the distinguished chairman of the Committee on Appropriations that Marc Sheild intends to utilize his future time in part at least in writing. I know his great knowledge and experience reduced to writing will make a definite contribution to the knowledge of the people of America as to the workings of the Congress of the United States and as to the workings and efficiency of the great and powerful Committee on Appropriations.

His great knowledge will be missed in this body; his gracious and magnetic personality will leave a vacant space hard to fill.

I wish to record my personal regrets at his retirement and to take this opportunity to extend to "Marc," as I like to call him, my heartiest good wishes for himself and for his family in the years that lie ahead and my sincere best wishes

for every happiness and every success which he has so fully earned.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, it is a privilege to join in this tribute to a faithful, honest, conscientious employee. In more than 37 years, Marc Sheild has worked faithfully and efficiently for our Government. Never a partisan, his efforts were directed to the single purpose of serving faithfully his country. His experience and sound advice have been helpful in determining our fiscal policies. He has helped the Appropriations Committee in its efforts to bring about sanity in our spending.

It is unfortunate in this hour, when so many demands are made upon the public Treasury, in a period when we need expert knowledge of our departments, we should be deprived of his services. We can ill afford his loss. Marc Sheild leaves us with a full appreciation on our part of the fine work he has accomplished for his country. He leaves us all wishing him many years of happiness and prosperity in the rest period he has so richly earned.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, for more than a generation Marc Sheild has been an institution around the Capitol of the United States. He has applied himself diligently to learning the facts about the Government of the United States and the Government's business, and I think it may be truthfully and fairly said that he knows more about the Government of the United States and its business than any other man. In addition to that, he is a skillful legislative draftsman, the kind of a fellow who when a bill is in preparation will spend nights and Sundays working it out, the kind of service that it is necessary for a committee of this House carrying the burden that the Appropriations Committee does, to have.

Mr. Chairman, it is going to be hard for us to lose him at this time. I regret to see him go at a time when we are approaching perhaps the end of the war and are going to be obliged to cut down expenses and to recover into the Treasury enormous sums of money. However, we are fortunate at the present time that we have one of the capacity and ability of John Pugh to take his place. John is especially fortunate in coming to the position of principal clerk because he has had charge of the Army and the Navy bills and he will know the spots where we will have to move when it is time for us to do so.

Mr. Chairman, I have been a member of the Appropriations Committee perhaps longer than anyone else at this time and it is a privilege for me to have spent 22 years working with Marc Sheild and to pay this slight tribute to the work he has done for the United States of America.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Virginia [Mr. WOODRUM] such time as he may desire.

Mr. WOODRUM of Virginia. Mr. Chairman, Marc Sheild is unusually lucky; in fact, more fortunate than the Members of Congress in many ways. Right now particularly he is privileged to sit in an obscure place on the floor and hear the nice things said about him. Usually we Members do not hear those things; they happen after we have shuffled off; they are printed in the RECORD. But I very heartily join in the things that have been said about Marc Sheild, complimentary perhaps, but not one bit exaggerated.

I think I have been a member of the Committee on Appropriations 14 or 16 years. Someone said that every great institution is measured by the length and shadow of a man. The work that the Committee on Appropriations has performed over these years covers an interesting period, because there was a feeling back in the twenties, or maybe it was in the early thirties, that we would have some economy in government. You may remember that period away back in the early history of time. The Committee on Appropriations received the brunt of that. Then came the other period, and the pendulum swung to the other extreme due to the emergency, when we had to come in and appropriate a colossal, stupendous sum of money on the faith almost alone of the departmental heads.

Marc Sheild has been the calm, deliberate, well balanced, and industrious influence that has quietly moved right along through that scene. When those on the committee would get wrought up and emotional, on this side or that side, after the storm and flurry were over usually Marc Sheild would move in.

In addition to what has been said about him I want to make this comment about his very interesting personality and very remarkable character. I think he has perhaps the most judicious temperament of any person that I have ever been closely connected with for he can come nearer seeing a situation move to and fro, and he can come nearer hitting a true balance on the facts and on the law and on what ought to be done. You must remember that the work of the Committee on Appropriations is not just a question of going in there with a chop ax and seeing where you can chop off a few thousand or a few million dollars. There is definitely another side to that operation. The other side is that you have to provide adequately for the institutions of government. It is very easy to take a bill with a few billion dollars in it and say, "Oh, well, that is too much money; cut a billion dollars off of that; that is enough to give them." But are you giving that important war activity the money it ought to have? What is going to be the effect of this indiscriminate use of the chop ax? In a dilemma of that kind you could turn to Marc Sheild. He would turn to the pages of the hearings or turn to this testimony or to that information, and his advice would be safe and conservative and helpful.

We are in somewhat of a crisis, not only in the Committee on Appropriations but in the whole legislative establishment. Maybe it is not inopportune to take just a minute to say something about that. We sit on the committees of the Congress. We pass on important legislative matters involving not only billions of dollars in funds but staggering proposals in a legislative way.

We sit across the table from departments, agencies, and organizations that have brought to their side as advisers and counselors and assistants the very finest talent that American dollars can buy, yet we do not have the courage to provide ourselves individually in our offices and on committees with the kind of talent we should have.

We have been fortunate on this Committee on Appropriations and on many other committees as well that men like Marc Sheild and John Pugh have stayed there through the years, at salaries much less than they could have received in many places in private industry or even in other Government agencies.

We set up an investigating committee of some kind in the House to go out on some investigating scheme, and they can employ a general counsel or they can employ all sorts of analysts, historical researchers, and what have you, and the sky is the limit on what they are paid, but when it comes down to the important, man-killing work our regular committees have to do, we seem to be parsimonious about it.

I talked to a Member of Congress a few moments ago; I had lunch with him. He looked all worn out. He said, "I was in my office last night dictating until 12 o'clock. I have a secretary and two clerks, and still I cannot answer all the mail from my constituents." Yet we haggle here about it; we hesitate about it.

The people of this country who pay the tax bill are not so unreasonable as to demand that Members of Congress and the committees of Congress understaff themselves because perhaps some person is going to make some criticism of them.

One of the first times I took the floor of this House after becoming a member of the Appropriations Committee of the House, back during the days when our Republican friends were in power and Mr. Will Wood, of Indiana, was chairman of the committee, I devoted most of the time that I spoke on the independent offices appropriation bill to commenting upon the fact that the Appropriations Committee of the House ought to have an independent staff of clerical and investigation men who could take the appropriation requests and carefully analyze them, men who would grow up with them from year to year, who could advise the committee and advise the clerks and advise the chairman, sit by their side when we were in court, so to speak, hearing these estimates. But we have never done anything about it. We have now a system of investigation that is working very well, but much more can be done along that line.

Coming back to the point—I do not want to detain the Committee—we are suffering a great loss in Marc Sheild's leaving us. But Marc is not retiring, like

a man who packs up his tools and goes up to his nook in the mountains to sit by the stream. Marc will be a busy man. He is leaving an active life on the Hill, we are happy to say, in strong, vigorous health. Knowing him as I know him, knowing what he has as I know what he possesses, knowing the need for it as I know it to be, I venture the suggestion that perhaps Marc is not retiring as much as he thinks he is going to retire, because there is so much need for him at this critical hour, so much need for the vast store of information he has, for the great assistance he could be to people who badly need him. He is such a fine, sincere, earnest fellow that I think those things are going to mean that he is still going to be a busy man. But we will miss him. We are fortunate to have following in his footsteps John Pugh. You do not see them and you do not hear them making a speech in the well of the House, and you do not see interviews with them in the newspapers, but when Congress takes a recess for Christmas or Thanksgiving or in the summer, these boys are down in the committee room plugging away, day and night, Sundays and holidays and every other time. So I think it is fine to stop a little today to pay tribute to the fellows who do the real work, the men behind the scenes who carry this great burden.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, Marc Sheild is today the most remarkable man in the service of our Government. I will go further and say that he is one of the remarkable men of this century. He knows more about the workings of the United States Government at home and around the earth than any other man alive. He has what I would call a photographic mind. A set of facts makes an impress on his mental equipment that never fades. Years may elapse before he wishes to recall that set of facts, but when he does, lo and behold, the lens is right before him. Knowledge of itself does not make a perfect clerk of the Appropriations Committee but knowledge combined with wisdom does. Mr. Sheild possesses this combination of knowledge and wisdom in a super-superlative degree.

When Mr. Sheild entered the world 60 years ago come next April 13, there was no seer with enough prognosticating ability to prophesy the heights to which he would arise in the service of our country. His father was a railroad man and Marc was born on "the other side" of the railroad tracks. Thus it was demonstrated again, as it so often has been demonstrated in this land of opportunity under the American flag, how genius may flower and bloom from the most unpropitious beginnings. He was determined to get an education and to secure money for that purpose he spent the summer of 1904 pushing a chair at the St. Louis Exposition. He was struggling along at the University of Minnesota when James A. Tawney, the outstanding citizen of Winona, then chairman of the Appropriations Committee, attracted by his pluck and sterling qualities, offered him a subordinate clerkship under his committee at Washington. Tawney knew what sort of appraisement to put on pluck in the human values. He himself had risen from the humble calling of a blacksmith to become one of the leaders of the House of Representatives and a power on the Republican side. A big man with a booming voice, he never failed to attract attention when he spoke and he was a member of the little coterie that ran the House in his day.

Marc was a New Year's gift to the Nation. He began his service as assistant clerk of the Appropriations Committee on January 1, 1908. I am one of the few living antediluvians in these parts who were here when Marc came to Washington. I had then been for more than 7 years a correspondent in the Press Gallery upstairs and I remember as though it were but yesterday the advent of the tall young man from Minnesota. We soon became acquainted and one of my most prized possessions throughout the years has been the fine, sincere, and unfailing friendship of Marc Sheild. I never dreamed in those early days that I would ever fall from grace and run for office or that 22 years later John N. Garner and Joseph W. Byrns would assign me as a member of the Appropriations Committee where for a long period of years I would be destined to circulate in the same orbit with Marc.

When Marc came to town ox teams had disappeared from the streets of Washington but Dobbin was still competing with the horseless carriage. Only a short time before his advent, members of the Appropriations Committee, recalling the miserable failure of "Darius Green and his flying machine," had been seriously debating in executive session whether there was any sense in making appropriations for flying machines or whether aviation was after all only a magnificent pipe dream. Congress was not in session more than 6 months out of the year in those times. America still had a long way to go before it attained the dignity of becoming a "billion dollar" country, speaking in appropriation lingo, and it was some time later when the Democrats had the delicious satisfaction of tearing into the Republicans for their extravagance in appropriating a billion dollars a year to run the Government. To show how Government expenditures have grown like the proverbial rolling snowball, it may be cited that the appropriations for the fiscal year 1908, the first year of Marc's service with the committee, were $919,163,823.18, while the appropriations for the fiscal year 1945, including the bill now before the House, total $61,198,413,854.84.

When Mr. Sheild retires on December 31, he will have served just 37 years with the Appropriations Committee, which includes 29 years in the capacity of clerk of the committee, as distinguished from a subordinate clerkship. During this long service he has saved the taxpayers of this country billions upon billions of dollars. He became clerk of the committee on October 1, 1916, 6 months before our entrance into World War No. 1. His first colossal achievement in behalf of the taxpayers followed the close of that war when Representative Swagar Sherley, of Louisville, the brilliant and able chairman of the Appropriations Committee, undertook to recapture for the Treasury the vast expended appropriations and unexecuted contract authorizations which could be recovered. It was one of the most peculiar tasks ever undertaken —a task not of appropriating but of unappropriating, as it were, colossal sums already appropriated. It was not a spectacular job that had to be done, but one of infinite grueling details that required a keen analytical mind, a courageous determination, and an inflexible patriotic purpose. The unexpended balances in the hands of department heads, bureau chiefs, and various independent activities when the war ended amounted in sum total to the total property values of many sovereign States.

Naturally Chairman Sherley's recovery efforts met with strong and even bitter resistance. Bureau chiefs had their clutches on the money Congress had appropriated, and in many instances they did not propose to release it without a fight.

It was a gigantic undertaking and success was made possible only by the efforts of Mr. Sheild. He knew all of the infinite details of where this appropriated money was to be found and how it could be recovered and on the basis of the factual information which he furnished Mr. Sherley was able to get through Congress a bill which recaptured the stupendous sum of $15,411,000,000, including $7,190,000,000 of appropriations and $8,221,000,000 of contract authorizations.

Mr. Sheild was clerk of the Appropriations Committee when the budget system was instituted and in those days he was freely consulted in connection with the framing of the Budget and Accounting Act of 1921, and much of the success and value of this sound system of appropriations and Government financing is due to the wisdom of his counsel.

Although Mr. Sheild's work has been unseen and unknown outside the confines of the committee room his imprimatur has been written all over the appropriation laws of these epochal times of national emergency. Since Pearl Harbor our subcommittee on deficiencies, comprised of 12 of the ranking members of the Appropriations Committee, has drafted bills appropriating $101,963,487,593.51, including the bill now before the House. This is a prodigious sum, over one hundred thousand million dollars, the equivalent of one-third of the total wealth of the United States as shown by the last census of national wealth. It is the equivalent of $52,235,000 for every year since the birth of Christ and $143,000 for every day since the beginning of the Christian era.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I fear that I already have taken too much time, but I yield.

Mr. WHITE. The gentleman is speaking of deficiencies; he speaks of billion-dollar deficiencies. When the regular appropriations fall that much short, or exceed their budget that much, does the gentleman feel it is good business?

Mr. LUDLOW. I may say that the deficiency subcommittee has original jurisdiction over many of these large amounts, relating to national defense. They were not deficiencies, generally speaking, although they were handled by the subcommittee on deficiencies.

Mr. WHITE. Under any logical arrangement the appropriation bill would cover the particular departments. If they exceed their budget by a billion dollars it shows poor business somewhere, does it not?

Mr. LUDLOW. I will discuss that with the gentleman later.

Mr. Chairman, this staggering amount illustrates the inevitable cost of war. It has been a most familiar occurrence to hear some Member say in the course of consideration of a perplexing item: "Let us hear what Marc has to say about it."

Marc's exposition of the subject has invariably been most clarifying and illuminating and more often than I can say it has determined the decision.

While Marc has been ever mindful of those whose sweat and toil must pay the bills he has never subordinated the progress of our country to a policy of rigid economy. He has been very broad in his views and progressive in his ideas. He has a pioneering mind which envisions the unseen possibilities of progress in every field of human endeavor and he has steadfastly given encouragement to ideas that offer promise of fruitful fulfillment.

Service as clerk of the Appropriations Committee, arduous as its duties are, seems to be conducive to longevity. The committee was created in 1865, 80 years ago, and during that time it has had only three clerks, whose periods of service were as follows: Robert J. Stevens, 19 years; James C. Courts, 32 years; Marcellus C. Sheild, 29 years.

Mr. Sheild, in his long span of public service, has served under seven Presidents: Theodore Roosevelt, Taft, Wilson, Harding, Coolidge, Hoover, and Franklin D. Roosevelt. He has served under nine Speakers: Cannon, Clark, Gillett, Longworth, Garner, Rainey, Byrns, Bankhead, and Rayburn. There has been no partisanship in recognizing Mr. Sheild's talents. He was first appointed as assistant clerk by a Republican, Chairman Tawney, and was promoted to be clerk by a Democrat, Chairman Fitzgerald.

Administrations have come and administrations have gone, political parties have risen to the zenith and descended to the nadir, but Mr. Sheild has gone serenely on his way, unruffled by political winds and undisturbed by the vicissitudes of politics.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I will yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I have been struck always with Marc Sheild's fine honor and his splendid integrity in answering every question, fairly and squarely. His high ability, his energy, his wide information are outstanding and all through these years with the hundreds and hundreds of Congressmen with whom he has worked, everyone has respected him and he has pleased us all. He is a truly remarkable man.

Mr. LUDLOW. I thank the gentlewoman for that well-deserved tribute. I am happy to have it included in my discussion.

The importance of the clerkship of the Appropriations Committee once created a fiery exchange of compliments on the floor of the House when Uncle Joe Cannon was chairman of the committee and James C. Courts was its clerk. David DeArmond, of Missouri, a master of sarcasm, punctured a speech of Uncle Joe's by saying that he need not preen himself on his achievements as everybody knew that the clerk of the Committee on Appropriations had made the reputation of every chairman of the committee, whether he was a Democrat or a Republican. To this Uncle Joe retorted: "That is so. The clerk is efficient. I wish to God somebody would hire an equally efficient clerk for the gentleman who has just made the attack on me."

It has been the custom of Appropriations Committee chairmen and subchairmen since time runneth not to the contrary to shower praise on Mr. Sheild and the presentation of an appropriation bill to the House would seem altogether incomplete without that pleasant diversion. Mr. Sheild's ears must have burned on many occasions when exalted tribute was paid to him on the floor of this House. On May 5, 1921, Uncle Joe Cannon told the House:

> I want to say that there never was a more valuable clerk or a more valuable public official than the present clerk of the Committee on Appropriations, Mr. Marcellus C. Sheild.

On June 23, 1922, Martin Madden, then chairman of the committee, said in presenting an amendment increasing Mr. Sheild's salary:

> I have never known a man in all the history of my experience so well qualified, with so comprehensive a knowledge of Government matters as Mr. Sheild. He really is worth anything the Government might be called upon to pay him and it would be a serious loss to the Government if by any chance he should separate himself from it. Every member of the Committee on Appropriations loves and trusts the man as they love and trust nobody else. He is worthy of the love and confidence of the country and particularly of those who come in daily contact with him. If I were to say all that I would like to say about him he would probably blush.

In presenting the Interior Department appropriation bill to the House on December 9, 1930, Representative Louis C. Cramton, of Michigan, said:

> There is no man in the whole organization of government who understands the business of the United States as well as he does.

One of the characteristics of our friend is his modesty. I have no doubt that if he could have his way he would prefer to drop out of sight unhonored and unsung, but his friends will not have it that way. On the completion of his thirty-fifth anniversary with the committee I proposed to describe his virtues in a speech in the House as I am attempting today but he got wind of what was going on and requested me to desist. This time I have got the drop on him and I intend to say what is in my heart.

Mr. Sheild's faithfulness to the Appropriations Committee will always remain a charming chapter in his personal history. Many a time business concerns, recognizing his extraordinary qualifications, have offered him salaries far in excess of his salary as clerk of the Appropriations Committee, and key positions in various branches of the Government have been dangled before him, but he has remained steadfast and true in the position that has claimed so much of his life's efforts.

And now, as the shades begin to lengthen, he is to have a deserved rest. With sad hearts we bid him farewell. He leaves behind him a host of friends, for he himself has always possessed in fullest measure the gracious gift of friendliness. Unlike many geniuses he has never succumbed to cynicism and his attitude toward life has been sweet and wholesome. The Capitol is never going to seem the same without him. He now has two objects in view, viz:

First. To locate on a farm.

Second. To write a book.

We can envision Marc in the future seated in the shade of an apple tree on his farm, with meadowlarks singing all around and perhaps with a jug of cider by his side, while he writes his book, and for prudential reasons some of us will be hoping that he won't tell all he knows in that book. Playing at his feet is his one and only grandchild, Marc Rhinehart, and we can hear little Marc say: "Grandpa, I want $25 to buy a bicycle."

And we can hear Marc, Sr., thrown off of his balance by the interruption, ask absentmindedly: "Have you got a budget estimate for the amount?"

And then we can see him recover his poise and hand his grandson $25 quicker than snowflakes melt in the nether region.

Deeply regretful as we are of the severance of the ties that bind us to Mr. Sheild, we say to him as he passes from the stage of action: "Good-bye, old friend! With loving hearts we will be thinking of you and wishing for you what you so richly deserve—success and happiness."

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, if I possessed great literary ability, like the gentleman from Indiana [Mr. LUDLOW], which I do not, and if I had the time to prepare an eulogy of the splendid record of Mr. Marc Sheild, which I have not, I could not add in any degree, however minuscule, to what has been so truthfully and beautifully said.

I think I am the only Member of the House who was here when Mr. Sheild began his long career under the then chairman of the Committee on Appropriations, Mr. Tawney.

We who know him so well and value his character and ability so highly have come to lean heavily upon this prominent authority in all mattters affecting Government appropriations.

He has demonstrated that rigid honesty and faithful and selfless application to onerous and important duties do break down many invidious bars and

lead to reward and renown. When he became an employee of this House the appropriations of the entire country, as I stated before, were not nearly so great as they are today in any one department alone. I was present and voted at the time we created the enlarged Committee on Appropriations, about 1923, which creation gave the sole power of appropriating to one committee of the House, instead of having it done by several legislative committees. When these enlarged committees in the Senate and the House were created Mr. Sheild was made clerk of our Committee on Appropriations, and he has faithfully served in that capacity ever since.

We all fully appreciate the task of that committee and the service of this faithful gentleman. I frequently think of the work of our Committee on Appropriations and wonder whether that great committee should continue to be burdened by that tremendous task or whether we should again return to the legislative committees the jurisdiction we took from them.

However, I am not going into that controversial matter fully, appreciating that there are several other gentlemen who are desirous to add to what has been stated about the gentleman who is about to leave us with our very best wishes.

I exceedingly regret that the House, and especially the Committee on Appropriations, should lose such a valuable, efficient, and dependable man.

Fortunately it is understood that our friend proposes to continue to give his country the result of his vast erudition in connection with governmental appropriations, which means that his services will still be devoted to the welfare of our country. For this we shall be grateful. I wish Mr. Sheild well, because he is undoubtedly a gentleman of singular worth of mind and character.

Before concluding I want to say that I think it is a good practice to assess and evaluate the services of successful public servants while they live, so as to encourage them and others to even a more earnest endeavor, if possible, rather than postpone our appreciative words till their objects are dead.

I do not desire to take any further time, because I see about me many gentlemen who are waiting for me to give way so that they, too, may have an opportunity to voice their appreciation of the very useful service this outstanding servant has rendered the House and the whole country.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Georgia [Mr. VINSON] such time as he may desire.

Mr. VINSON of Georgia. Mr. Chairman, I came to Congress 30 years ago last Saturday, somewhat of a neophyte as regards the Federal Legislature but ready and eager to learn.

As I look about this Hall I can see or recall but five men whose service here today antedates my own. I am, in other words, one of the old men—maybe I should say "tired old men"—of the Congress.

Like most Members, it was not long before I found the folks back home urging me to seek an appropriation for a project. For the benefit of the newer Members, I am frank to say that was not uncommon as far back as 30 years ago.

When I received this request from home, I hied myself over to the Committee on Appropriations, and I there met for the first time Marc Sheild, the man for whom we have set aside a part of today's session to pay homage.

I met on that day a man. From that hour, I am happy and proud to say that he and I have been stanch friends, and from that hour, I freely acknowledge, I have worn a path to his office, and, as an aside, I might remind you that since then I have been reelected 16 times. I will not give Marc all of the credit, but I am willing to share a great deal of it with him.

Marc Sheild possesses all of the qualities men admire in their kind. The four most important are intelligence, sympathy, forthrightness, and, as men say, if I may use the term, "he-manness." He is not lacking in a single one.

As every Member can well appreciate, since I have been chairman of the Naval Affairs Committee, dating back to December 1931, I have been confronted with procedural problems which called for the wisest counsel I could get. Time and again I have turned to this exceptionally learned and wise counselor for advice and guidance, and never left him without profit.

Mr. Chairman, the House can ill afford to lose the services and counsel of this truly great man and public servant.

Unquestionably he has earned a surcease from the arduous labors his position for so many years have forced him to perform, and I, because of my great esteem and affection for him, would be the last one in the world to propose any course contrary to his wishes, but, in all sincerity and with every sense of appreciation of his right to the rest he has so completely earned, I earnestly urge, should he be willing to accept, that the House create a special position commensurate with Marc's great capacity and dignity, in which, without the long hours and tax upon physical endurance such as he experienced in the position he is about to vacate, he would be available to the Speaker, the floor leaders of both parties, and committee chairmen generally upon the problems of a nonpolitical character with which all are daily confronted.

Marc Sheild has the confidence and respect of every man who knows him—and the number is legion—and all would profit, and the country as a whole would profit, if he were available, even periodically, or, upon call, to give us the benefit of his counsel made so valuable through his long years of service, enhanced by his inherent good judgment and sound common sense.

Whatever the course may be as to his future, I am proud to acknowledge my great respect and admiration and esteem for this truly great man and I know I am unanimously joined by my colleagues in wishing him and those dear to him every good and kind blessing under the sun.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, Congress will not be the same to me when Mr. Marcellus Sheild leaves. It has been an outstanding privilege for me for the past 30 years to be able to call him my close personal friend. My contact with him has been almost daily. When I had a difficult problem I would always consult Marc. His counsel and advice have been extremely beneficial to me.

I do not feel that anyone who knows him will challenge the statement that he is as well informed on the fiscal affairs of the Government as any individual. Aside from that, his knowledge of the workings of the various departments and independent agencies of the Government is not surpassed by anyone. This, together with his personality, outstanding character, and integrity, has made him a most important part of the legislative establishment. If the people were aware of how the Appropriations Committee functions and the part the clerk of the committee takes, they would better understand how indispensable Mr. Sheild has been to the members of that committee. Take the bill now before the House. Deficiency and supplemental appropriation requests are messaged to the House by the President. Each item is separate and is printed. The clerk is charged with putting the requests in bill form. Mr. Sheild, having a thorough knowledge of parliamentary law, is capable of preparing a tentative bill, the legality of which cannot be questioned. The tentative bill ready, the clerk then arranges a calendar, notifies the heads of the departments or agencies concerned when to appear to justify their requests for additional money. For 2 weeks or more members of the committee question the officials as to previous appropriations and how they were spent.

When the hearings are over the permanent bill is then prepared. When agreed upon by the subcommittee, it is presented to the full committee and then to the House. The Members, I am sure, have noticed the many books on the committee table when the bill is under consideration. Whenever a Member raises a point of order you will find Mr. Sheild reaching for a book and then pointing out the authority to the member of the committee in charge. When Members question the advisability of an appropriation again you will find Mr. Sheild pointing out to members of the subcommittee the hearings marked with additional information, to answer the attack on the appropriation.

After the House acts on the bill the clerk follows it to the Senate and when passed by the Senate prepares it for conference. He sits with the conferees and finally writes the conference report. It is a job that one cannot learn overnight.

I know that Mr. Sheild did not come to a final decision in regard to leaving the Congress, taking his own welfare solely into consideration. He had told me that as long as he remained as clerk of the committee his loyal associates on the committee had no opportunity for advancement. He was thinking of his subordinates and it was not until he was assured that if he left the committee the other clerks would be promoted

before he announced to the chairman his determination to retire.

We are going to miss Mr. Sheild, and I am sure that he leaves with the best wishes of every Member of this House. He is not the type of man that can be inactive, and I understand he is going to do some writing. For this I know he is well qualified due to his command of the English language.

I am not going to say good-bye to him because the contact I have had with him during a long period of years will be continued.

Mr. Chairman, I am sure Mr. Sheild will be pleased at the discussion concerning employees of the Congress.

The gentleman from Virginia [Mr. WOODRUM] spoke with reference to the faithful employees of the House. We have long disregarded taking proper care of our employees. There is a movement on foot now, through the efforts of Senator MALONEY and the gentleman from Oklahoma [Mr. MONRONEY], to reorganize the House and Senate. In that reorganization it is intended to recognize these faithful employees so that we will not be losing them. In my capacity as chairman of the Committee on Accounts, I know there were 175 turn-overs in the personnel in the offices of the Members of Congress in 1 month. Why? Because those employees could secure more money downtown. They secured more benefits. They received overtime. They received 30 days' leave. They received 30 days' sick leave. We provided that for the employees in the executive branch of the Government, but we did not provide for our own employees.

When we passed the Federal Employees' Retirement Act it was for those in the executive branch of the Government, but we did not provide for our own employees nor for the judicial branch. I can tell you now that one of the men in this House who joined with me in my efforts to include the legislative employees and judicial employees in the Retirement Act was Mr. Sheild.

I referred a few minutes ago to the limitations on legislative provisions in this bill. The gentleman from Virginia said:

> The first thing we should do is provide an additional clerk for Members of this House.

I agree with the gentleman. Over half the Members of this House since we came here on November 14 have petitioned me and other members of the Committee on Accounts to do something to assist them so that they can properly handle their mail. I have prepared an amendment that will take care of that. It will provide for an additional clerk at $3,000, and it places the limitation by which you can pay one clerk in your office $5,000 instead of $4,500. That amendment is subject to a point of order. I have been informed that if I offer the amendment a point of order will be made. What I want to show here now is that it seems all right to put a limitation and legislative provisions in this bill for the benefit of the executive departments, although those legislative provisions are subject to a point of order. If you are going to make a point of order against one, why not against all? Or if we can do it for the executive branch of the Government, why can we not do it for the legislative branch? The slogan seems to be "Take care of the others, but do not take care of yourself." No Member is having anything put over on him. If my amendment is offered, every Member of this House will know what he is voting on. Let their conscience be their guide. If they want to support it, well and good. If they do not want to support it, they do not have to support it. If it passes and they do not need the extra clerk hire, then let them not accept it.

A great majority of the Members of this House say they need help. The postmaster tells me the mail has more than doubled. As I said before the Committee on Rules the other day, the lights are burning every night in almost every other office in the two office buildings. They are working at night and a great number of the Members of this House are paying out of their own pocket for additional clerical assistance.

As I say, nobody is trying to put anything over on any other Member. They would not be justified in coming in here and saying: "I did not know anything about it." That is what they did when we provided for putting the Members of Congress under the Retirement Act. That passed and then one Member in the other body said that for 1 day's pay a Member could get under the Retirement Act under that provision. I know what it would have cost me to get under the Retirement Act. Under that provision when that bill passed the House I contacted the Retirement Division of the Civil Service Commission to find out what it would cost me to benefit under it. The man came down to my office, prepared the statement and gave it to me. Do you know what it would have cost me to get under the Retirement Act? Not 1 day's pay but $8,900 and $51 a month as long as I was in the Congress of the United States. I could have benefited by it because I had passed the age limit. The Speaker of the House, who would have had to pay close to $15,000 to get in under that act, could not have benefited because he had not reached the age limit as provided by the bill. That was the most unfair criticism ever directed at a law passed by the Congress. It resulted in repeal. Since then newspaper men and women will tell you that the criticism directed at that act was not justified. Now, as I say, if the Members of the House want to help themselves it is up to them to do it. You can be sure it will be done in the next Congress, a general reorganization. As I said, I know it is legislation on an appropriation bill, but this change can be made only by law. If it could be made by a House resolution I would bring the resolution on the floor of the House immediately from my committee. I am authorized by the committee to do it. Last Friday I called a meeting of my committee. Every member of the committee but one is in favor of the amendment. That one said he preferred that it go over until after January. Two members of the committee were out of the city. The others all favored it and directed me to ask the Appropriations Committee to put the provision in this bill, which I did. I ask that if you can put legislative provisions in this bill for the executive branch of the Government why can we not put a legislative provision in the bill for the legislative branch of the Government?

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, it is entirely fitting and proper that we should pause in our deliberations for a few moments to pay tribute to one of the distinguished employees of this House, who has rendered to the Congress of the United States and to the American people most faithful and effective service for a period of 36 years.

Marc Sheild comes from the great State of Minnesota that I have the honor to represent in part. Naturally, we who come from the great North Star State take a pardonable pride in his outstanding accomplishments and brilliant record.

Mr. Sheild was brought to Washington by the late James A Tawney, then chairman of the Appropriations Committee of the House, in January 1908. Since that time he has served under 11 chairmen, all of them men of outstanding ability. They were Tawney, of Minnesota, who appointed him as assistant clerk; Fitzgerald, of New York; Sherley, of Kentucky; Good, of Iowa; Madden, of Illinois; Anthony, of Kansas; Wood, of Indiana; Byrns, of Tennessee; Buchanan, of Texas; Taylor, of Colorado; and the present able and distinguished chairman, Mr. Cannon of Missouri.

In addition to his arduous and responsible duties as clerk of the Appropriations Committee, Mr. Sheild has also served as clerk of a select committee on the Budget, appointed to frame the original legislation establishing the present budgetary system in the Federal Government. In addition, he has served as clerk to other special committees having to do with financial legislation, including several subcommittees of the Appropriations Committee.

We who come from Minnesota take particular pride in the splendid service that Mr. Marc Sheild has rendered to the American people and to the Congress of the United States. I am almost at a loss for words to express my regret at his leaving the Congress. His severance from the service will be a serious and a heavy loss to the great Appropriations Committee, and I can speak from personal knowledge because the minority of the Ways and Means Committee sustained a similar loss last April; but, unlike the Ways and Means Committee, the Appropriations Committee already has a very able man to take Mr. Sheild's place, and in that they are to be congratulated.

I do not know what Mr. Sheild's plans may be for the future, but I am sure that I echo the sentiment of every Member of this House on both sides of the aisle when I say that we wish for him length of years, good health, and contentment in his retirement and well-earned rest.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. KNUTSON. I yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. I desire to join with my colleague from Minnesota and other Members of the House by expressing my sincere felicitations and best wishes to our very good friend, Marc Sheild. He was reared and educated in Winona, Minn., which is in the congressional district that I have had the honor of representing in Congress for the past 10 years. During my years of service in the House, I have always felt that I was the personal representative of Marc Sheild. Not only has he been my friend, but his advice and assistance have been of great value to me in my work as a Representative. I want to personally thank him for all that he has done to help me. I hope that he will decide to return to my district in Minnesota, for he will have a royal welcome from his many friends in Winona, who join with me in wishing him and his family the best of health and many years of happiness in his retirement from his present post. We regret to see Marc Sheild leave our company, but when he retires at the end of this year, with him will go the good wishes of a host of friends who respect him for his many fine qualities and the outstanding service he has rendered to his country during the past 36 years.

Mr. KNUTSON. Mr. Chairman, I can well understand the pardonable pride that my colleague, the gentleman from Minnesota, Mr. ANDRESEN, takes in Mr. Sheild. The gentleman represents the district which was formerly represented by Mr. Tawney, who brought Mr. Sheild down here. I congratulate the gentleman on having such a distinguished and outstanding American as a constituent.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from New York [Mr. BLOOM] such time as he may desire.

Mr. BLOOM. Mr. Chairman, I have listened this afternoon with great attention to all of the words spoken with reference to Mr. Sheild. I was very much concerned about Mr. Sheild so I went over and felt his pulse and looked at him. He is all right up to the present time, and I hope he continues that way.

May I say, Mr. Chairman, that I doubt if any Member of this House is able to find words to adequately express the feeling not only of the Members of the House, but of the press and of all the people who came in contact with Mr. Sheild during his service on the Committee on Appropriations. The other day I figured that the appropriations made by the Committee during Mr. Sheild's term in office as assistant clerk and clerk were about $580,000,000,000. That, Mr. Chairman, is calculated to be twice the amount of the wealth of the United States from the last census figures. Of all of the appropriations that were made and passed through Mr. Sheild's hands, that amount is twice the estimated wealth of this country. That will show, Mr. Chairman, the terrific amount of work that has passed through the Committee on Appropriations, with the assistance of Mr. Sheild.

There was a remark made the other day by one of the men in the office, which remark I wrote down at that time. I would like to read it so as to give a real picture of the Mr. Sheild we are talking about today. The gentleman told me that in more than a quarter of a century during which he had worked with Mr. Sheild that he never saw a frown on his face; never heard him raise his voice to any employee in the office, and he deemed it a favor to have worked with what he termed a real man in all that word implies.

Mr. Chairman, I think that really expresses the views and the opinions and the sentiments of all the Members of this House.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Georgia [Mr. RAMSPECK] such time as he may desire.

Mr. RAMSPECK. Mr. Chairman, there is an old saying that the way to have friends is to be one. Judged by that saying, the gentleman about whom we are speaking today should have as many friends as he has acquaintances, because he has always been friendly and helpful to everyone with whom he comes in contact.

I esteem it a privilege to join my colleagues here today in paying tribute to Marcellus C. Sheild, who has for so many years faithfully and efficiently served the people of the Nation as a clerk in the Appropriations Committee.

Listening to the other speakers here, I find that he has served under six Democratic chairmen and five Republican chairmen. I dare say he has served as faithfully and as impartially the Democrats as he has the Republicans, and the Republicans as he has the Democrats.

To me he epitomizes more than any man I have ever known the ideal career public servant, a man of ability, of character, of integrity, and most important, perhaps of all in that type of service, a man who serves impartially whoever may be directing the policies of the work in which he is engaged.

I shall use him in years to come as I have in years which have passed as an argument for the selection of Government personnel on the basis of merit and their retention upon the basis of efficiency and faithful service, because he is a living argument for that principle, in which I believe.

I am glad he is able to retire, although I am sorry to see him leave the service of the Congress. I take some pride in the fact that it was my privilege to sponsor the legislative provision under which he finds it possible to retire on a reasonable annuity before reaching the age in life where he cannot enjoy it.

I wish for Marc Sheild, as we affectionately refer to him, happiness and many years of enjoyment in the retirement he has so richly earned and which comes to him as a merited reward for his faithful, efficient, and impartial service to Democrats and Republicans alike.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. I commend and indorse the high tribute paid Marc Sheild by the distinguished gentleman from Georgia, the whip of the House, who is now speaking. I take this occasion to observe that during all my service in the House I have come to know and value Marc Sheild. I heard when I came here a good many years ago and I believe it to be true that no man in the Government of the United States knows more about its fiscal affairs than Marc Sheild. His going will be a distinct loss to the Congress.

Mr. RAMSPECK. The gentleman from Texas is eminently correct. It will be a distinct loss not only to the Congress but to the taxpayers of the country. Thanks to the policy the Appropriations Committee has followed, and which I thoroughly approve, we have already trained a successor who is eminently qualified to step into that position.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I concur in the very high esteem in which Mr. Sheild is held by the Members of the House, and I join in expressing my personal appreciation of his splendid service.

Mr. RAMSPECK. I thank the gentleman from Mississippi.

In conclusion, Mr. Chairman, I can only wish that other committees in this body would follow the policy which has been adopted by the Appropriations Committee of selecting for members of its staff young men of good character, reasonable intelligence and education, and keeping those who render efficient and faithful service, without regard to any political affiliation or without regard to political control of the committee. If we did that, we would not hear so much of a cry as to the inadequacy of the staffs of our committees as we do at the present time.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from South Dakota.

Mr. MUNDT. Mr. Chairman, I just want to say that I heartily second everything that the gentleman from Georgia has said about Marc Sheild. It happens that Marc Sheild lives in my congressional district in South Dakota, about 30 miles from my home town. He comes from a fine family, and the very long and creditable career he has had in Washington as a congressional clerk has done much out in South Dakota to enhance the reputation of Congress and the reputation of good government. I want to join with the gentleman from Georgia in everything that he has said about Marc Sheild.

Mr. RAMSPECK. Mr. Chairman, there is no doubt that his service here has reflected credit, not only upon himself and upon the Committee on Appropriations, but on the House in general. I wish him every possible happiness in the years to come. I hope he will come back to see us and that his years may be many.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Texas, the Speaker of the House [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I am both glad and sorry as these exercises

are being held. I am sorry to see Marc Sheild leave us and glad to have a part in wishing him well upon his leaving the service of the Government.

I do not think that a heavier stroke could have been dealt to the House of Representatives, and especially to the great Committee on Appropriations, than the retirement of Marc Sheild. While I am on my feet, I am going to take a moment to say something that is very close to my heart. That is, I think each and every major committee in the House of Representatives is understaffed. If I can have my way in the next Congress, we are going to do something about it. Further than that, I feel that the office of each and every Member of the House of Representatives is understaffed, and if we cannot do anything about that today, I hope we will do something about it in the near future.

In my opinion, a better man, a more able man, and more gentle man never served the House of Representatives or served with it, than Marc Sheild. I deeply regret that he is leaving us, because it touches me deeply, personally. I have known this splendid man for more than 30 years. I have watched his actions. I have noted his great ability and his fine talents. I am of the opinion that after he has been able to rest for a few months, he will be called back into public service. In other words, that he may be drafted to come back, because there is not a job that I know of, in the public service, which Marc Sheild could not do in an outstanding way. I wish him health and a reasonable degree of prosperity in the years that lie ahead of him.

Mr. POWERS. Mr. Chairman, in the few minutes allotted to me I, too, would like to pay my tribute and my respects to a gentleman who, in my opinion, has rendered a magnificent and signal service to the Government of the United States over a period of a third of a century, an entire generation.

It has been my happy privilege to serve as a member of the Appropriations Committee for the past 12 years and, during that time, I have had innumerable opportunities to observe the splendid work of Marc Sheild. No man in the United States Government knows more of the inner workings of the Government than Marc. The advice and wise counsel during the trying years behind us has been highly appreciated by all.

Although we members of the Appropriations Committee regret Marc's retirement we all wish him well and wish him Godspeed, knowing that in leaving the Appropriations Committee we can all say, "Well done, good and faithful servant."

Mr. WIGGLESWORTH. Mr. Chairman, the decision of Marc Sheild to retire as chief clerk of the Appropriations Committee means a very great loss to the committee, to the Congress, and to the Nation.

For 29 years he has filled the position of clerk of the committee and for 8 years before that the position of its assistant clerk, a total of 37 years.

His period of service has included the difficult years of World War No. 1 and World War No. 2 and the trying years between them.

He has served under 11 chairmen of the committee: Chairman Tawney, of Minnesota; Chairman Fitzgerald, of New York; Chairman Sherley, of Kentucky; Chairman Good, of Iowa; Chairman Madden, of Illinois; Chairman Anthony, of Kansas; Chairman Wood, of Indiana; Chairman Byrns, of Tennessee; Chairman Buchanan, of Texas; Chairman Taylor, of Colorado; and Chairman Cannon, of Missouri.

He has the distinction of being one of three persons who have held the position of clerk of the committee since the committee was created, 80 years ago.

Few men in America have the comprehensive grasp of the organization and financial operations of the Federal Government which he possesses.

He has served with integrity, fidelity, and conspicuous ability.

He will be greatly missed by those now in the Congress with whom he has worked on the tremendous problems which have confronted the Appropriations Committee in recent years.

He carries with him the best wishes of all for many happy years in the consciousness of 37 years of outstanding public service to the Congress and to the Nation.

Mr. TABER. Mr. Chairman, I yield the gentleman from Missouri 15 minutes that he may yield to others.

I yield myself 20 minutes.

Mr. Chairman, there has been very considerable talk about the staffing of our committees, the staffing of the House and the staffing of our offices. It seems to me that is an item which should be taken up on a legislative bill and legislation passed covering anything of that character before action is taken.

With reference to all of the committees that need help to do the work that has been thrown upon them, that should be considered very carefully and it should be on the basis of what they need, and not on any snap judgment. Likewise, whatever is considered for the offices of the Members should be after very careful consideration by a legislative committee. I do not believe it should be handled on a deficiency appropriation bill here on the floor.

I am making that statement because I believe I should make it at this time. I am serving notice that I do not intend to have legislation of that kind written into an appropriation bill.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. COCHRAN. Will the gentleman justify why his committee will bring in a deficiency appropriation bill containing legislation applying to the executive branch of the Government and decline to do the same thing for the legislative branch of the Government?

Mr. TABER. We have only done that with reference to other matters where it has been absolutely necessary that we take up that jurisdiction. That is not a welcome jurisdiction to any member of the Appropriations Committee. We only do it in emergencies. This other situation is a situation that can be handled very promptly and very quickly by joint resolution or by action of the Committee on Accounts.

Mr. COCHRAN. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. COCHRAN. The gentleman certainly is too well informed on parliamentary law to know that you cannot amend a law by concurrent resolution.

Mr. TABER. Oh, I never said anything of the kind and the gentleman could not infer anything of the kind from what I said. I do not think I will yield further, because I do not care to get into a discussion of that type with the gentleman. I have stated my position on the situation. That position is perfectly proper and perfectly clear, and I intend to stick to it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. HOFFMAN. Are there not provisions in this bill relating to the executive departments which are legislative, and subject to a point of order?

Mr. TABER. There are some that we had to put in, yes; but there was no other way of handling the matter at this time. There are not many. This bill is as clear of legislation as the committee could make it.

There are a great many cuts under budget estimates in this bill. Some of those cuts came from items that have been heretofore submitted and denied by regular committees. Some of them came from new budget estimates that have been submitted. For instance, there was a cut of $75,900,000 in connection with the Federal Works Administration where a budget estimate was submitted with the view of setting up upward of 520 positions in the Federal Works Administration to regiment absolutely and control the plans and the types of plans that States and municipalities might have for their own public works to be paid for by themselves. The impetus for that was the legislation that was passed here relating to post-war reconversion. In my opinion the estimate was entirely unjustified. If there was to be a distribution among the States of funds it only required 10 or 12 people, and neither the legislation itself nor anything connected with it permited the regimentation of the States and the States' activities.

Then there was a cut in housing appropriations from $20,000,000 to $10,000,000, so-called war housing. There are some people who feel that we should spend more money on that. I am not one of them. This proposed war housing was, in cost at least, 80 percent of the type which would take until the 1st of July to build and to put into commission. I do not believe we ought to go ahead with permanent family dwellings in so-called war housing that will take that long; nor do I believe they will be of any use in connection with the war effort.

Another amount of $15,000,000 was recommended for so-called community facilities. The committee allowed half of this. In my opinion they allowed too

much, because I do not believe that proper operation of the outfit would result in the expenditure of so much money.

There are some items in here to which I shall not offer an amendment because they are for some of our allies in the war with reference to cultural relations. But frankly I cannot pass that item without expressing the keenest disappointment in the fact that Mr. MacLeish, who is head of the Congressional Library, who has made a failure of that job, who made a failure of the Office of Facts and Figures, has been drafted into the State Department to make a failure of this job. I do not like to see a mess made of our administrative governmental relationships, and that is what this activity is headed for with Mr. MacLeish administering it. I am in hopes the other body may take care of that situation when it comes to confirmation. A proven failure is not the kind of fellow to start off to do a good job with.

There are estimates in the bill involving a lot of statistical work. I am not going to offer amendments to them at this time because I do not believe I will succeed.

There are $12,000,000 in here, and at least $5,000,000 of it relates to studies such as on consumers' income and that sort of thing involved in three or four different items, which are going to be of no value whatever. I am sure that will be a waste of money because it is going to be done at a time of peak war employment and is going to be of little value in connection with reconversion that is to come.

There were estimates submitted to us with reference to Alaska along lines that did not sound intelligent, and the committee cut out about $5,000,000 for that purpose.

Mr. Chairman, there was an item submitted for the Navy of nearly $350,000,000, and we have allowed with reappropriation all of it that could be used. We believe that it is necessary to supply the armed forces at this time with everything that they can possibly need in connection with the war effort. The activity that they are engaging in beyond the Budget estimate with this money is a new activity which was not in full blast and was not planned to be so at the time the Navy bill was up for consideration last spring; therefore, there is a legitimate reason for a deficiency along this line.

Another item that we have allowed has been for a continuation of war labor importation under the War Food Administration. That is continued until the 31st of December 1945. The funds that will be unexpended, which, in my opinion, will run somewhere around $10,000,000 based upon past experience, and a contract authorization for $10,000,000 more to be entered into before the 1st of July 1945, is provided. This will, in my opinion, permit importation of the necessary Mexican labor to take care of the California fruit and vegetable crop situation, and it will take care of the importation of Bahamian and Jamaican labor insofar as necessary to take care of the crop situation in the South and the East. It will also provide for a continuance of the cooperation between the Extension Service in Washington and the Extension Service in the States, to recruit local labor for the farms. I believe this is a necessary activity and we have provided for it in such manner that it can go on as it did last year, and perhaps a little better, because it will permit the representatives of the War Food Administration to immediately go down into Mexico and begin to recruit labor.

I think that that is about all I care to say about the bill. There have been cuts of nearly 25 percent in the Budget estimates that were submitted to us. I am in hopes that the committee will continue that kind of a record all the way through the next 2 years. I know that I shall give the best that I have to try to bring that about.

That is about all I care to say about the bill at this time unless there are some questions.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. With reference to the item for continuing the importation of foreign labor, as I understand the program will be carried on practically the same as it has been during the current year?

Mr. TABER. Except that we will permit them to start recruiting a little earlier than they did before. This will permit them to go to Mexico, the Bahamas, and Jamaica and make their arrangements right away so that there will be no delay in having these laborers available for work when they are needed.

Mr. AUGUST H. ANDRESEN. And they are also permitted to make contracts for the whole crop year instead of just up to June 30?

Mr. TABER. Yes; that is correct. I hope it will work a little better.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I notice the appropriation for the Veterans' Administration. What is that amount for?

Mr. TABER. That is for additional facilities. Some of it will be in the nature of office buildings and fixing up office space so that we may take care of the needs of the servicemen as they come back. There is $7,085,000 for that purpose. They are going to decentralize the activities of the loaning agencies, and they will have to do the same thing with the claims agencies on more of a scale than they have before.

Mrs. ROGERS of Massachusetts. Under the G. I. bill they are opening up new offices?

Mr. TABER. Yes; they have to. There are some new offices, and then there are enlargements of other offices insofar as possible at the same place that some other facility already exists. Then there is $750,000 for modification of one of the hospital facilities in Pennsylvania; a reconditioning of some reservations that are being transferred by the Army, like Fort Meade, S. Dak., and Fort Washington, Md.; temporary housing facilities for limited service Army enlisted men; temporary construction for regional office expansion pending permanent construction, $750,000. There is an emergency bed expansion item, $624,000; dental expansion of about $84,000.

Mrs. ROGERS of Massachusetts. I am not at all satisfied with the progress of the construction for the hospitals. I am very sure that both the Army and the Navy will have to keep patients in the hospital longer than if they had the beds ready. They are very short of nurses as well as doctors in the Veterans' Administration. They are not opening wards even though they have some of the facilities. It is a very bad situation.

Mr. TABER. I understand that is so.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 5 additional minutes.

Mrs. ROGERS of Massachusetts. The effort certainly ought to be made. There is no excuse for not having their own nursing service. They would have had a good nursing service if they had had their own corps a long time ago.

Mr. TABER. I hope they will follow it up and get it straightened out.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I find $17,559,000 for collection of statistics needed for reconversion, and on page 5 of the report the departments involved in appropriations proposed for this program are listed, and they include Agriculture, Commerce, and Labor. This involves a whole lot of statistics that I had assumed they have collected every year as a matter of course, because we have been appropriating rather substantially for statistical work in each of those departments. This $17,000,000 would provide 500 or 1,000 more people, and it is said that this expenditure is to be mostly for personnel. I wondered what the justification for the expenditures in those departments would be. We are all for having the data needed for reconversion, but I do not see why we do not get it out of our regular departments.

Mr. TABER. There is $5,500,000 for completing the agricultural census, for which we have already provided a little more than $7,000,000, if I recall correctly. Then there is $2,400,000 for the census of manufactures, which unquestionably is desirable.

Mr. VORYS of Ohio. Have we never done that.

Mr. TABER. There has been no census of manufactures since 1939 and the manufacturers were very anxious that this be done, because it is absolutely necessary that there be a complete picture of just what there is and what there is to do with if there is to be any kind of successful working out of this situation with reference to manufacturing and employment in the days following the

war. But there are in there items with reference to consumers' income investigations in the Department of Agriculture and the Department of Labor, studies which are utterly worthless, because this means determining those facts with regard to places where there is temporary high employment and high income, and giving us figures that can be of no value except on an immediate, temporary basis. About $5,000,000 of that money is absolutely to be wasted, there is no question about that.

Mr. VORYS of Ohio. I understood that very exhaustive studies on consumer income, as far as present wartime income is concerned, were presented to the President and the War Labor Board within the past few months.

Mr. TABER. We have had considerable of that. It is probably as accurate as what we will get under this item. As I said, I believe about $5,000,000 of that expenditure, coming under the Departments of Agriculture and Labor, and the Census, with reference to that item, is a total waste.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Are not those appropriations subject to the objection that they are legislation on an appropriation bill?

Mr. TABER. They might be. I will not say that they are.

Mr. HOFFMAN. I am asking the gentleman about that so that I may be guided accordingly.

Mr. TABER. I would not be surprised if they were.

Mr. HOFFMAN. Is the gentleman going to make that objection? He says the item is a waste of money.

Mr. TABER. I would be very much inclined to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I notice there is an item in connection with foreign service pay relating to an adjustment because of appreciation of foreign currencies. What has been done for our military and naval forces abroad in that connection?

Mr. TABER. I do not believe I could answer that question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, I yield myself 1 additional minute.

Mrs. ROGERS of Massachusetts. I note there is certain additional pay for certain of our men who are in active combat attacking duties, but very unfortunately the stretcher bearers are not included. The stretcher bearers are more out in the open than some of the men doing the actual attacking, besides being unarmed; and a good many of them are injured or killed.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CANNON of Missouri. They have a special arrangement with regard to the Army and Navy, about the foreign service.

Mrs. ROGERS of Massachusetts. I notice there was an additional pay there of 20 percent.

Mr. CANNON of Missouri. They have special arrangement with regard to the Army and Navy.

Mrs. ROGERS of Massachusetts. That was taken up by me last September and October and I do not think it is entirely meeting the situation.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. TABER. Mr. Chairman, I yield myself 1 additional minute to yield to the gentleman from South Dakota.

Mr. CASE. I notice that of the funds recommended in the bill for penalty mail cost, the largest single item is for the War Manpower Commission, an item of $525,300. The only thing that approaches that is the Veterans' Administration, which is for $446 000. Was there any special justification given to the committee for this large expenditure for mail by the War Manpower Commission?

Mr. TABER. The items that have to be paid for under this, are those over 4 pounds and there were a lot of things that we sent out from here to the regional offices which have to be sent in that way. That is the reason for that being a large item.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, as chairman of the Subcommittee on Agriculture Appropriations, I conceive it my duty to call to the attention of the Committee of the Whole, the very distressful situation, which exists by reason of the denial by the subcommittee which prepared and brought in the pending bill, of Budget estimates, shown in House Document No. 793, Seventy-eighth Congress, second session, intended to take care of earned soil- and water-conservation payments, which will not be paid in full unless that estimate is approved. The matter, I may say, is of no more interest to me than it is or ought to be to the Representatives from a very considerable number of States, particularly of the Southeast and in the West. In many of those States, the farmers have participated in the soil- and water-conservation program to an extent which had not been anticipated by the authorities of the Agricultural Adjustment Administration who formulated the program, and as a result the amounts, which have been promised to those farmers for carrying out these practices, many of which have been carried out at considerable expense to them, will not be paid in full, but will be reduced in amount and only a part of the obligation of the Government to these farmers discharged, unless this Budget estimate which has been disallowed by the committee is approved by the Congress during their consideration of the pending bill.

I insert here the Budget estimate and extracts from the hearings and from the report of the committee:

DRAFT OF PROPOSED PROVISION FOR AN APPROPRIATION FOR THE DEPARTMENT OF AGRICULTURE

(Communication from the President of the United States, transmitting draft of a proposed provision pertaining to an appropriation for the Department of Agriculture for the fiscal years 1944 and 1945, November 30, 1944. Referred to the Committee on Appropriations and ordered to be printed)

THE WHITE HOUSE,
Washington, November 29, 1944.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a draft of a proposed provision pertaining to an appropriation for the Department of Agriculture for the fiscal years 1944 and 1945.

The details of the proposed provision, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., November 25, 1944.

The PRESIDENT,
The White House,

SIR: I have the honor to submit herewith for your consideration a draft of a proposed provision pertaining to an appropriation for the Department of Agriculture for the fiscal years 1944 and 1945, as follows:

"CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

"The limitation on expenditures under the 1944 program of soil-building practices and soil- and water-conservation practices established in the fourth proviso clause of the appropriation 'Conservation and Use of Agricultural Land Resources,' in the Department of Agriculture Appropriation Act, 1944, is hereby increased from $300,000,000 to $313,000,000 (exclusive of the $12,500,000 provided in the Department of Agriculture Appropriation Act, 1945, for additional seed payments)."

The Department of Agriculture Appropriation Act, 1944, under the item "Conservation and Use of Agricultural Land Resources," authorized the Department to formulate 1944 programs of soil-building and soil- and water-conservation practices under the act of February 29, 1936, as amended, and programs under the Agricultural Adjustment Act of 1938, as amended, the total expenditures of which, including administration, should not exceed $300,000,000. Thus for the first time Congress eliminated production adjustment payments, and established a limitation on the agricultural conservation program other than that provided in the Soil Conservation and Domestic Allotment Act, as amended.

Pursuant to this authorization, the Agricultural Adjustment Agency formulated a 1944 agricultural conservation program, the total expenditures in connection with which were within the $300,000,000 limitation established by Congress, and announced such programs to the farmers of the country on February 9, 1944. In formulating that program, approximately $263,000,000 was apportioned among the States for payments to farmers, and approximately $10,000,000 was reserved against the contingency of possible overparticipation in the program. While no production adjustment payments were provided in the 1944 program, the available funds were apportioned to the States in the same

general way as the distribution made under previous programs, so that each region would get an equitable share of the total available funds. In every case it was estimated, on the basis of past experience, that the recommended program would come within the amount allocated to each State and region. Increased participation is such, however, that the total cost of the program, if payments are made on the basis of announced rates, will exceed the limitation of $300,000,000 by approximately $13,000,000.

Unless an increase in the over-all limitation on the 1944 program is granted, it will be necessary to reduce substantially all payments to farmers in the southern region, and, to a lesser extent, similar payments in the western region. Without such an increase, the Agricultural Adjustment Agency has no choice under existing law but to order rates of payments reduced so that expenditures will not exceed the $300,000,000 limitation. Since the 1944 program is the first program under which emphasis has been on conservation practices, and since the unprecedented participation in that program could not be estimated accurately, it is recommended that the over-all limitation of $300,000,000 be increased to $313,000,000. Such action would prevent reductions in rates of payment for practices already carried out and earned at announced rates, and would not involve the appropriation of any additional funds, since the amount required to make the payments at the originally scheduled rates can be financed by a corresponding reduction in the amount to be expended for the purpose of conservation materials and services in connection with subsequent programs. In future program years, the increased participation experienced this year would, of course, be taken into account in apportioning the available funds among the regions and the States, and in determining the rates of payment applicable to the various practices.

The foregoing proposed provision is made necessary by reason of contingencies which have arisen since the transmission of the Budgets for the fiscal years 1944 and 1945. I recommend that it be submitted to Congress.

Very respectfully,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

(Statements of N. E. Dodd, Chief, and D. J. Scruggs, Budget Officer, Agricultural Adjustment Agency; Robert Shields, Solicitor, Department of Agriculture; and W. A. Jump, Budget Officer, Department of Agriculture, Wednesday, November 29, 1944)

OVERPARTICIPATION AND RESULTING DEFICIENCY IN FUND AVAILABLE FOR PAYMENTS

The CHAIRMAN. Mr. Dodd, we have an estimate in House Document No. 793 from the Bureau of the Budget proposing to increase from $300,000,000 to $313,000,000 the limitation on expenditures contained in the 1944 appropriation act, as follows:

"The limitation on expenditures under the 1944 program of soil-building practices and soil-and-water-conservation practices established in the fourth proviso clause of the appropriation 'Conservation and use of agricultural land resources' in the Department of Agriculture Appropriation Act, 1944, is hereby increased from $300,000,000 to $313,000,000 (exclusive of the $12,500,000 provided in the Department of Agriculture Appropriation Act, 1945, for additional seed payments)."

Mr. DODD. Yes, sir. I have a statement explaining the estimate, Mr. Chairman, which I should like to submit for the record.

(The statement follows:)

"CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

"The Department of Agriculture Appropriation Act, 1944, under the item 'Conservation and use of agricultural land resources,' authorized the Department to formulate 1944 programs of soil-building and soil-and-water-conservation practices under the act of February 29, 1936, as amended, and programs under the Agricultural Adjustment Act of 1938, as amended, the total expenditures of which, including administration, should not exceed $300,000,000. Thus, for the first time Congress eliminated production adjustment payments and established a limitation on the agricultural conservation program other than that provided in the Soil Conservation and Domestic Allotment Act, as amended.

"Pursuant to this authorization, the Agricultural Adjustment Agency formulated a 1944 agricultural conservation program, the total expenditures in connection with which were within the $300,000,000 limitation established by the Congress and announced such program to the farmers of the country on February 9, 1944. In formulating the 1944 program, approximately $263,000,000 was apportioned among the States for payments to farmers and approximately $10,000,000 was reserved against the contingency of possible overparticipation in the program. While no production adjustment payments were provided in the 1944 program, the available funds were apportioned to the States in the same general way as the distribution made under previous programs so that each region would get an equitable share of the total available funds. After establishing allocations for the States, each State committee, with the assistance of a State technical committee, recommended a program to make the most effective use of the funds available for the State. In every case it was estimated, on the basis of past experience, that the recommended program would come within the amount allocated to each State and region. Increased participation is such, however, that the total cost of the program, if payments are made on the basis of the announced rates, will exceed the limitation of $300,000,000 by approximately $13,000,000.

"The major portion of this increase in participation has occurred in the southern region, where farmers carried out practices in excess of the estimate made prior to the announcement of the program. A review of the practices carried out by farmers in 1944 in comparison with those carried out in previous years indicates that the increases are much greater than could have reasonably been anticipated even though the original estimates, based on past experience, were well within the range of expectation. It was not believed that farmers, under the pressure of wartime production, could step up their conservation practices so rapidly. However, the need for these practices is generally recognized, and the response of farmers is a highly gratifying development from the standpoint of the national soil-conservation objective.

"The following table summarizes these data for several of the more important practices in the southern region:

Practices carried out under agricultural conservation program, southern region

Practice	Unit	1942	1943	1944	
				First estimate [1]	Present estimate
Superphosphates	Tons	246,109	263,676	222,500	322,941
Limestone	Tons	316,379	546,264	824,500	2,132,122
Lespedeza and other summer green manure and cover crops.	Acres	4,404,001	3,570,346	2,807,500	3,279,295
Ponds and dams	Cubic yards	11,653,898	12,339,752	43,400,000	47,073,147
Seeding pastures	Pounds	5,759,617	9,532,589	6,878,386	19,378,483
Terracing	Linear feet	80,950,491	268,196,867	348,000,000	409,212,898
Total of above practice	Percent	100	123	131	213

[1] Estimate made prior to announcement of 1944 program.

"In certain cases it will be noted that the amounts originally estimated were below the amounts performed under previous programs. In the case of superphosphate, this underestimate was due largely to uncertainty as to the supply which would be available. In the case of summer green manure and cover crops, the practice was greatly restricted as to crops and areas which would qualify for payment in 1944 as compared with earlier years, and it was estimated this would result in a lesser performance of the practice. In the case of pasture seeding, the extent to which farmers had used this practice in 1943 was underestimated at the time the original estimates of 1944 performance were prepared. On the whole, however, it is clearly evident that 1944 performance is much higher than could reasonably have been hoped for at the time the original estimates were made.

"It happens that the two practices which showed the greatest increases in 1944—that is, the seeding of permanent pastures and the use of limestone—are practices the need for which is generally recognized throughout the South. The soils of the South need far greater amounts of limestone annually than are being applied even at the 1944 rate, and the acreage of improved pasture now existing is only a fraction of that needed for a sound agricultural economy.

"In order to meet this situation, it will be necessary to reduce substantially all payments in the southern region, as set forth and provided in our 1944 Agricultural Conservation Bulletin. (See p. 917, House hearings, 1945 agricultural appropriation bill.) This will be true of payments to farmers in the western region also, but to a much less extent. The Agricultural Adjustment Agency has no choice under existing law but to order rates of payment reduced so that expenditures will not exceed the $300,000,000 limitation. However, since the 1944 program is the first program the total emphasis of which has been on conservation practices, and the unprecedented participation therein could not be accurately estimated, the Congress might desire to make an adjustment in the over-all limitation on the 1944 program (from $300,000,000 to $313,000,000) rather than to have reductions made in rates of payment covering practices already carried out and earned at announced rates. This would not involve the appropriation of any additional funds since the amount required to make the payments at the originally scheduled rates could be financed by a corresponding reduction in the amount to be expended for the purchase of conservation materials and services in connection with the 1945 program. In subsequent program years the increased participation experienced this year will of course be taken into account in apportioning the available funds among the regions and the States and in

determining the rates of payment applicable to the various practices.

"As a result of the increase in performance, farmers participating in the 1944 program have earned more than the amounts originally allocated to the States by $21,764,685, as follows:

"Original estimates of payments to be paid from State allocations (exclusive of $12,500,000 provided for additional seed payments in the 1945 act)	$266,120,315
"Revised estimate of payment earned to be paid from State allocations	287,885,000
"Payments earned in excess of allocation to States	21,764,685

"The 1944 program as planned contemplated expenditures, including administration, of $291,152,432, or $8,847,568 less than the limitation set by Congress of $300,000,000. Therefore, this sum of $8,847,568 may be applied against the sum of $21,764,685 earned in excess of the original allocations to the States, thereby reducing the estimated amount by which the limitation of $300,000,000 would be exceeded and the estimated payments earned by farmers reduced to $12,917,117. Rather than reduce payments which have already been earned by the farmers to this extent, the limitation on the 1944 program could be increased to $313,000,000 if the Congress so determines."

INCREASED PARTICIPATION IN SOUTHERN STATES

The CHAIRMAN. This estimate indicates, Mr. Dodd, that increased participation has rendered the presently fixed amount inadequate to pay the announced rates.

Mr. DODD. That is correct.

The CHAIRMAN. Let us have a statement on that, Mr. Dodd.

Mr. DODD. I think it would be best, perhaps, if I referred you to page 916 of the House hearings on the 1945 agricultural appropriation bill where the A. C. P. Bulletin is set forth, and to the break-down of available funds by States on pages 923 and 924 of the 1945 hearings.

We had anticipated that all States would live within their allocation, but in the Southern States and in one or two other States, a greater number of farmers participated in the program and carried out more conservation practices than ever before.

The CHAIRMAN. Why was not that foreseen?

Mr. DODD. There was no way for us, Mr. CANNON, to foresee it. We have to use past participation in the program as the basis of estimating what the participation will be in any given year, and since we had an even larger program for 1944 than in any other year, it was anticipated that those States would be well within it. The 1944 program was the first program the total emphasis of which was placed on conservation practices, making it extremely difficult to estimate participation.

The CHAIRMAN. In making your agreements with the farmers, or in making your announcements to the farmers, did you indicate that in the event of the appropriation being insufficient to meet the situation that they would be paid pro rata?

Mr. DODD. Yes, sir; that the cuts would be made in rates.

The CHAIRMAN. Then we are not under any contract to pay.

DIFFICULTY OF ESTIMATING PARTICIPATION

Mr. JUMP. If I may, Mr. Chairman, I would like to emphasize two points.

One of them is the question as to why we could not estimate the participation more accurately. This is the first year we have had conservation payments without production adjustment payments, and while we made what we thought would be adequate allowance for increased participation, because we knew there would be some increase in conservation practices, we were very much surprised at the amount of the increased participation in the conservation program when it was the only program carried on. That is one point.

CHOICE BETWEEN INCREASING THE FUND AND REDUCTION OF PAYMENTS BELOW AMOUNTS ANNOUNCED

The second point is that we are not asking for an additional appropriation. The question that we are really submitting for decision is whether or not Congress would prefer to consider raising the limitation in the 1944 Appropriation Act, which prevents us from spending more than $300,000,000 on the program, or whether we should reduce the payments below the announced rates in the areas where actual participation considerably exceeded our estimates. Neither Congress nor the Department, without some experience, could make as good an estimate of participation on this first year as they could after some experience.

The CHAIRMAN. There would be no requirement for additional funds?

Mr. JUMP. No, sir; this is just a change of limitation.

Mr. DODD. That is right; but if the limitation of $300,000,000 is raised it would involve, of course, a reduction in funds in subsequent programs to those areas where we have overpaid this year.

The CHAIRMAN. Will there be a surplus in the appropriation of some of the States where those funds may be used to meet this deficit?

Mr. DODD. Yes, sir.

The CHAIRMAN. I do not see why that adjustment should not be made.

Mr. LUDLOW. Will this be the amount required, $313,000,000?

Mr. DODD. Yes, sir.

Mr. LUDLOW. The elements in that situation do not indicate that this will continue to grow?

Mr. DODD. No; I think this is the best estimate that it will be possible for us to make until we have made the last payment.

Mr. TABER. What is in Mr. LUDLOW's mind is next year will it not be bigger, and the year after will it not be bigger than ever?

Mr. DODD. I doubt that very much, particularly since four regions were able to estimate their participation in the 1944 program so close that they do not need any more funds.

Mr. LUDLOW. Are you taking precautions so that this situation will not recur?

Mr. DODD. As far as we are concerned we could stop this now by making substantial reductions in payments in the States that are over. However, since the 1944 program is the first program limited to conservation practices only, and in view of the unprecedented participation therein, it was thought that the Congress might desire to consider adjusting the limitation on the 1944 program rather than have reductions made in rates of payment covering practices already carried out and earned at announced rates when no increase in appropriation was involved.

Mr. JUMP. We have taken the precaution that when overparticipation of this kind does occur we can reduce the rates of payment. In the normal situation that would be possible without any difficulty. But here you have two regions, the southern and the western, where they went so far over the estimated participation, and we would have to cut the rates so sharply in those areas, that we thought Congress should be advised of the situation.

Mr. LUDLOW. That was a dire penalty that was suggested by the chairman, and we would not want to see you penalized that way.

APPORTIONMENT OF FUNDS BY REGIONS

Mr. TARVER. Mr. Dodd, you apportion these funds, after they are appropriated, between the different areas in the United States?

Mr. DODD. That is correct.

Mr. TARVER. Between how many different areas?

Mr. DODD. Five different areas, but it is built up first on a State to State basis.

Mr. TARVER. What is the basis of apportionment?

Mr. DODD. While no production adjustment payments were provided in the 1944 program, the available funds were apportioned to the States in the same general way as distributed under previous programs in accordance with section 15 of the act of February 29, 1936, as amended.

Mr. TARVER. So that where you have apportioned to a particular area a certain sum of money, and one State in that area does not use all of the money apportioned to it, but another State in that area uses more than the amount of money apportioned to it, you can take the surplus from the State which has not used all of its money and use that surplus to pay up the claims in the State where the farmers have participated to a greater extent than had been estimated?

Mr. DODD. That is correct.

MISSOURI AND GEORGIA APPORTIONMENTS COMPARED

Mr. TARVER. For example, in the State of Missouri, Mr. Dodd, the farmers earned 18 percent more than had been allotted to that State.

Mr. DODD. That is correct.

Mr. TARVER. And yet the State of Missouri was located in a region where other States had not utilized all of their funds, so that it was possible to get funds from the amounts apportioned to the other States and pay Missouri farmers in full, notwithstanding the fact that they exceeded by 18 percent the amount of money allocated to them.

Mr. DODD. Iowa earned 82 percent, and Missouri earned 118 percent, so that the two of them would balance.

Mr. TARVER. But another State, the State of Georgia, which has also earned 18 percent more than the amount allotted to it, cannot have its farmers paid in full by reason of the fact that there are no other States in the same region which have failed to utilize the total of the funds allocated to them.

Mr. DODD. That is correct.

Mr. TARVER. So that under the existing situation, unless remedied, the State of Missouri's farmers who have exceeded their apportionment by exactly the same percentage as those in the State of Georgia, would be paid in full, and those in the State of Georgia would be reduced.

Mr. DODD. That is correct.

The amount of increase in conservation practices is a most amazing thing, not only in the southern region, but in all other regions, although the southern region did make a bigger percentage of increase this year than in any other year.

Mr. JOHNSON of Oklahoma. Although they were short of labor they produced a whole lot more than had been anticipated. Of course, the rain did not have anything to do with it?

Mr. DODD. I think it did.

Mr. TABER. Was the rain the reason these folks earned more money?

Mr. DODD. No.

Mr. TABER. What was the reason?

Mr. DODD. We have had an educational campaign on down there for many years, for better use of land, more terracing and more winter cover crops, to put that land under protection in the winter.

Mr. TABER. Some of these people found it more profitable to indulge in these practices than to raise crops?

Mr. DODD. No; if they had not used these practices they could not have raised the crops they did, Mr. TABER.

Mr. TABER. Well, maybe they could have.

Mr. DODD. I believe not.

Mr. TARVER. These are the practices which have enabled them to increase production.

Mr. DODD. That is right. If you plant legumes, and the next spring you plow under a big growth of leguminous matter you have a much better chance of raising a good crop in the spring. The same thing is true of your big terracing program in the South.

LACK OF UNDERSTANDING BY FARMERS THAT ANNOUNCED PAYMENTS MAY BE REDUCED

Mr. TARVER. Of course, you pointed out that in this contract, that requires a lawyer to understand it thoroughly, you have a provision by which, in case Congress does not appropriate adequate funds, or they are not made available, that you can cut down the amount of benefits which you have promised the farmers. As a matter of fact, 99 percent of the farmers do not understand that there is any chance of their benefits being reduced below the amount estimated at the time of the execution of their farm plans.

Mr. DODD. I do not know what the percentage is, but most of them do not so understand.

Mr. TARVER. And if in the carrying out of the soil-conservation practices according to their plan they are to be paid only 80 percent of what has been promised to them there would be great disappointment, and, perhaps, a lack of cooperation in the program hereafter.

Mr. DODD. Yes, there would be a reduction in participation in the program in the years that are to come.

EXTRACT FROM COMMITTEE REPORT ON FIRST SUPPLEMENTAL APPROPRIATION BILL, 1945

CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

The committee has passed over without prejudice a Budget proposal to increase from $300,000,000 to $313,000,000 the limitation upon expenditures contained in the 1944 Agricultural Appropriation Act for effecting payments at announced rates for compliance with the 1944 programs of soil building and soil- and water-conservation practices.

Increased participation, not anticipated when funds were allocated, has brought about a situation where payment of the announced rates cannot be made to many participants. This would extend to all farmers in the southern region, and, to a lesser extent, to farmers in the western region.

More is involved than the inequity pointed out. There should be some change in procedure to avoid a repetition thereof, and, possibly, to control the measure of participation. These are questions which the committee did not have the time properly to consider. The whole subject can be thoroughly canvassed by the regular subcommittee later and provision then made to increase payments to those farmers who now cannot be paid in full the announced rates for participation in the 1944 program.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I would prefer to wait until I have completed my presentation of the matter, at which time I will be glad to yield to the gentleman from Texas.

The Budget estimate in question does not involve the appropriation of any additional funds by the Congress. However, it involves the granting of authority to the Department of Agriculture and the Agricultural Adjustment Administration to utilize funds which have already been appropriated in the 1945 Department of Agriculture Appropriation Act, in order to discharge obligations of the Government to farmers. In some States the farmers have carried on soil- and water-conservation practices by which they have earned as much as 18 percent in excess of the funds which have been allocated by the Agricultural Adjustment Administration for use in those States. Some States, such as the State of Missouri, from which the chairman of this subcommittee comes, are in a more fortunate situation than States such as my own State of Georgia, by reason of the fact that these funds have been allocated to regions—to five different regions in the Unied States. Whenever in a region one State has exceeded the funds which were allocated to that State, and there are other States in the region which have failed to earn the amount of funds allocated to them, the funds may be taken from the States which have failed to make use of their funds used to pay the obligations of the Government in those States which have exceeded the amounts of their allocations.

That is the fortunate situation of the farmers in the gentleman's State of Missouri. Those farmers exceeded the amount of funds allocated to Missouri by 18 percent, but one State in that region, the State of Iowa, failed by 18 percent to utilize the funds allocated to that State. So the farmers in the State of Missouri, although they exceeded the estimates for that State by 18 percent, may be paid and will be paid in full.

However, in my own State of Georgia, which is only an example of States which are similarly situated, the farmers also exceeded by 18 percent earning the amount of funds allocated to that State. But Georgia happens to be situated in a region where other States in that region made use of all the funds allocated to them, and therefore there are no surplus funds recoverable from the other States in the region which can be utilized to pay the claims of the Georgia farmers. So while they are in exactly the same situation as the farmers in Missouri, having earned more than 18 percent in excess of the amount of funds allocated to the State, under the situation as it exists, and unless corrected, the farmers in the State of Missouri will be paid in full, but the farmers in the State of Georgia will have their payments reduced by approximately 20 percent.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. LUTHER A. JOHNSON. What the gentleman has said is true. Some of the Members may not appreciate the importance of this matter, because they have not yet heard from the farmers, because the farmers do not yet know what the situation is that confronts them.

Mr. TARVER. The farmer takes it for granted that the Government is going to keep its promise.

Mr. LUTHER A. JOHNSON. He assumes that the Government will pay its promise, 100 cents on the dollar. The State of Texas is one of those States which is going to be discounted 18 percent, and the farmers, instead of getting the 100 percent promised, are going to get a reduction of 18 percent.

Mr. TARVER. Now, it is true, there is incorporated in the contract between the Government and the farmer a provision to the effect that if the Congress fails to make available sufficient funds with which to meet the obligations of the Government, the farmer must anticipate a reduction of his benefits in proportion.

But that is not a thing which has been impressed upon the farmers of the country when the Government has promised them so much for carrying on conservation practices, terracing, planting legumes, lespedeza, and carrying out other practices which have occasioned the expenditure of considerable amounts of funds, and cooperation of farmers has been more than anticipated. The Government should pay them. They have fulfilled their part of the contract.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Texas [Mr. MAHON]. But with his permission, let me say, first, that there are sufficient funds to discharge this obligation. The trouble arises by reason of a limitation placed in the 1944 Agricultural Appropriation Act limiting to $300,000,000 amounts which could be expended in the program for 1944, the over-all expenditures. If you will examine the hearings, on page 529 and following, you will find that the budget officer of the Department of Agriculture testified that no additional money is necessary. What they desire is to have authority to take funds which have been allocated to the fertilizer, seed, and materials program, that is the program for the furnishing of seed, fertilizer, and materials to farmers during the years 1945 and 1946 as advances and which will not be needed for those purposes, and use them to discharge in full these obligations which have been assumed to the farmers of the various States which have participated in this program to a far greater degree than was anticipated and who, on that account, have earned more money than it had been expected would be earned in those States.

I now yield to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I should like for the gentleman from Georgia to emphasize that this is not a sectional matter applying only to the South. All the Southern States have overearned except Florida, and of the Western States the following: Arizona, Colorado, Idaho, Kansas, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming have also overearned to a greater extent than many of the Southern States.

Mr. TARVER. And the State of Missouri.

Mr. MAHON. Yes; we can also point this out, that even in States like Vermont, Rhode Island, Connecticut, New York, Missouri, Ohio, Wisconsin, Kentucky, and Virginia, these payments have been overearned but by reason of the fact that some of the States in those areas

have underearned, most of this burden will fall on the South and the West.

Mr. TARVER. The gentleman is exactly correct.

I have undertaken to point out that unless corrected it will result in the most unreasonable and unjust discrimination against farmers in the States who have cooperated most actively in the soil- and water-conservation programs. They will not receive the amounts which the Government has promised them; whereas in other areas where the farmers also have cooperated to a greater extent than had been anticipated because of their regional situation and the availability of funds from other States which did not use all of the funds allocated to them, the farmers will be paid in full. The effect will be that the Congress of the United States will pay some at the expense of others. The Government's promise to these farmers should be carried out.

Now, they say that the Agricultural Adjustment Administration ought not to have been mistaken in the estimates which it made as the basis for this program in 1944. This is the first year in which they have carried on a purely soil- and water-conservation program. Heretofore we have had a crop-adjustment program as well. This year they did underestimate the participation of the farmers in some areas, but they have promised in the future to endeavor to correct their estimates so as to come within the amounts made available for these purposes by Congress. But now the situation simply is that if anybody made a mistake it was the administrative officials of the Government, not the farmers; and good faith with the farmers requires that the Government meet its obligation to them.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. As I understand the situation, the Government underestimated the amount that would be required to carry out this program, but the farmers were invited to participate in this program.

Mr. TARVER. And promised certain amounts for carrying out certain things.

Mr. ZIMMERMAN. And acting upon that invitation to participate the farmers went out and in good faith cooperated and participated in this program, a thing that the country has been trying to get them to do all the way along.

Mr. TARVER. That is true; and if the Government fails to meet its obligation it will do more to destroy the program, in my judgment, than any one thing. Whenever a farmer becomes convinced that the promises of the Government are not going to be kept, he is not going to be as enthusiastic about cooperating in any program as he has been heretofore.

Mr. ZIMMERMAN. If we do not provide the funds to carry out this invitation of the Government to participate, it will be cause for the farmers of this country to cease to respect the obligations that the Government has indulged in.

Mr. TARVER. Yes. If any corporation should have a contract with an agency of the Government and it should be set aside as illegal on account of an agent of the Government having exceeded his authority, your Claims Committee would bring in a bill for its relief, and it has done so in thousands of cases. If anybody exceeded his authority in the Department of Agriculture it should not be charged up to the farmers of the country who have incurred expense in endeavoring to go along with this program which they were invited to join.

Mr. MILLS. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Arkansas.

Mr. MILLS. I appreciate the gentleman from Georgia bringing this matter to the attention of the House. The same situation exists in my own State of Arkansas where the farmers have already earned an amount in excess of that which has been allocated to the State. It is not taking money into our State to pay them for something they will do in the future but for that which they have already earned.

Mr. TARVER. Yes; and if you will examine the report of the committee you will find the committee said it passed this over without prejudice to the subcommittee of which I am chairman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TARVER. Will the gentleman yield me more time?

Mr. CANNON of Missouri. I have no time left.

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. POAGE. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Texas.

Mr. POAGE. I want to call attention to one fact. Many of these States—Texas is one—have for a number of years failed to use the amount of money allocated to them. In each instance that money has been allocated to other States. Now, then, beginning this year with the limitation that is now imposed, when a State like Texas, and I presume like the gentleman's State of Georgia, finds it has used all of the money allocated to it, we find even though our average over 5 years has been less than the amount allocated, we are not to be paid the full amount.

Mr. TARVER. The gentleman is quite correct. There is one statement I must make within the time allotted me. The reason assigned by the subcommittee for passing the buck to the Subcommittee on Agricultural Appropriations was that this committee did not have sufficient time to investigate the matter. It did have hearings which appear to be full and complete.

The regular Agricultural Appropriation Act for 1946 will not probably be passed until the latter part of June 1945. These soil-conservation checks are going to be sent out in the early part of 1945. If you do not act on it now you are going to be in the attitude of having the payments to these farmers reduced by about 20 percent, the first payments, and if the Agricultural Appropriations Subcommittee makes provision in the regular bill for completing the payments, of having additional checks for the last 20 percent sent out to the same hundreds of thousands of farmers throughout the country later on in the year, thus doubling the administrative expense and at the same time interfering with participation in the program for the year 1945.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Arkansas.

Mr. NORRELL. May I ask the gentleman from Georgia if there is not a tendency now, when the allocation under this appropriation is made to the several States, each State realizing that unless it spends the money it will lose the funds at the end of the fiscal year, to make other commitments for all the money that has been allocated, and that that has a tendency to cause more money to be spent than actually is appropriated.

Mr. TARVER. No. I do not think, may I say to my colleague, that that observation is soundly based. I think the Department of Agriculture made estimates as to the expected participation in this program by the farmers of the different States, which were inaccurate estimates, but they went to the farmers and offered them certain sums for following certain practices, and the farmers participated in this very fine program to a far greater extent than was anticipated, thereby earning more money than was expected, and the Department, from the allocated funds, is without means to discharge its obligations.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. FOLGER. May I ask the gentleman if he proposes to offer an amendment to cure this?

Mr. TARVER. I do. Of course, there is some question as to whether or not the amendment will be in order under the rules, but I intend to offer one amendment which, if it should not be held in order, I will supplement by offering another dealing with that situation in the hope that the House will take action to remedy what would otherwise be a very grave injustice.

Mr. FOLGER. May I say to the gentleman that I do not know whether my State is affected but I am going to vote for his amendment because I think it is eminently fair and right.

Mr. TARVER. I thank the gentleman.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Chairman, I would like to have the attention of the gentleman from Georgia. With reference to the item discussed by the gentleman from Georgia, I note that in the hearings the chairman asked this question of Mr. Jump, the budget officer for the Department of Agriculture:

The CHAIRMAN. There would be no requirement for additional funds?

Mr. JUMP. No, sir; this is just a change of limitation.

Mr. DODD. That is right, but if the limitation of $300,000,000 is raised it would involve, of course, a reduction in funds in subsequent programs to those areas where we have overpaid this year.

Does that mean that a reduction would be made next year in the amount that was advanced to take up the contracts for this year?

Mr. TARVER. As I understand the evidence it is to the effect that the funds needed for completing this year's program would be taken from funds which had been allocated under the materials program to be advanced to farmers on account of the 1945 and 1946 farm operations, and that it would not involve reductions in any way of payments which may be provided by Congress for the 1945 soil and water conservation programs. Those funds have not yet been appropriated.

Mr. CASE. Let me put the question in another way. If this does not involve any additional money, what farmers then will supply the $13,000,000?

Mr. TARVER. No farmers. It will be supplied from the funds which are not needed for the fertilizer, seed, and other agricultural materials program. The making available of this money to pay these obligations of the Government would not be decreasing the amounts of any benefits pledged to any farmers by 1 cent.

Mr. CASE. It would use $13,000,000 that would revert to the Treasury from another fund?

Mr. TARVER. That is right.

Mr. CASE. What was the reason for making this allocation by regions? Why was it not prorated over the whole United States?

Mr. TARVER. It was the duty of the Agricultural Adjustment Agency to apportion equitably the amount as between the different regions of the country, taking into consideration their needs for soil conservation and probable or anticipated participation of their farmers in the program which had been projected. They simply made an error in the allocation of the funds. The law does not, in my judgment, require the allocation of the funds between regions, but it permits it, and that allocation has been made.

Mr. CASE. Is it true, then, that if the funds had not been allocated by regions the thing would automatically have taken care of itself and the reduction would automatically have been adjusted over the entire United States?

Mr. TARVER. That may possibly be true, but the fact remains that it has been allocated by regions and that the result will ensue which I outlined a while ago, that in some States which have exceeded their quota by as much as my own State of Georgia the farmers will be paid in full, whereas in my State and many other States farmers who have exceeded their quotas by the same or similar percentages will not be paid in full, which I think the gentleman will agree with me is a very substantial injustice.

Mr. ANDERSON of New Mexico. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. I think the gentleman from South Dakota has put his finger on the very heart of this matter. The truth of the situation is that certain States, because of favorable allocations, are being taken care of in full, but States like Louisiana, where they have cooperated in the war effort in response to appeals from the War Food Administrator, are going to be penalized badly. There is nothing in the law whatever that states that the Department of Agriculture shall be allowed to withhold funds from one region and give those funds to another region. If you took this matter into court, of course, you would tie up every agricultural payment in this country. It makes it very difficult on those people who do not enjoy the situation. I think the gentleman put his finger on it when he asked by what authority they allocated these things by regions.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield to the gentleman from Texas.

Mr. MAHON. It is true that the Department has traditionally apportioned these funds out to the States by regions. In previous years the payments have been based on commodities, like so much per pound of cotton, and on soil conservation. This is the first year that the complete payment was based on soil conservation. Even as between the areas, though, we could not solve the problem, because the law specifically prohibits the expenditure of more than $300,000,000 on this program in any one year, whereas $313,000,000 is needed this year. That is the reason it is absolutely essential to get this amendment adopted.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. TABER. Mr. Chairman, I yield 2 additional minutes to the gentleman from South Dakota.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield to the gentleman from Arkansas.

Mr. NORRELL. This is exactly what I had in mind a while ago when I asked the gentleman from Georgia a question. I voted for this amendment in the committee, and I am in favor of its adoption on the floor of the House, but I do believe that the method of allocation ought to be changed.

Mr. CASE. It seems to me something ought to be done about the method of allocation. I have considerable sympathy for the farmer who in good faith engaged in the practices and went to the expense of compliance in anticipation of getting a certain payment, but it seems to me there ought to be some way of stopping the Department of Agriculture officials from allocating by regions and engaging in a representation or practice that gets us into this kind of a jackpot.

Mr. NORRELL. The money could remain to the credit of the State until it was used by the State.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I think this is an appropriate time to bring up a question that has caused me considerable concern in the last 2 or 3 years. That is the matter of the fiscal policy of the Congress. I think this is especially true since we have so much agitation for more experts for the various committees. The thought that I will try to leave here today is this, and I will give an example later of what I mean. I realize that the Committee on Appropriations work very hard. They are a group of splendid men, as is every other committee, and for every one of which I have a high regard. I know the hours that they put in on the hearings and hearing justifications for appropriations. I have followed them rather closely as I presume each and every one of us has, especially those that have a Member from their State on the committee. I will say that the Member from Wisconsin on the Committee on Appropriations has been very helpful to the other Members of the Wisconsin delegation, advising them as to exactly what is taking place in the Committee on Appropriations. But it seems that during the last 2 or 3 years we have another kind of Committee on Appropriations. I have not been able to exactly figure out how it functions and how it works. I am referring to the Committee on Banking and Currency. While it is necessary to go to the regular Committee on Appropriations with all the justifications and so forth, it seems that through the Committee on Banking and Currency we make funds available, public funds, that seem to be handled in a much different way than they are handled when they go through the Committee on Appropriations. I will just give this one example I referred to before. You all remember when we had the Cannon amendment up here, to appropriate funds for incentive payments. Now, I happened to be one of the 90 who voted in favor of incentive payments, so that I have not any personal sore spot as a result of that. However, the Congress expressed itself and voted it down. But it was only shortly after that, through the Committee on Banking and Currency, we had legislation that provided several millions of dollars for doing this same thing on which the Congress supported the Committee on Appropriations in their contention, and would not appropriate money for the purpose. The reason I bring it up at this time is because, according to the press, we are soon to be faced with a more extensive use of public funds, whereby we are going to be required or are going to be asked, either through the Committee on Appropriations or by some other device like the C. C. C., to issue debentures or some other way through the Reconstruction Finance Corporation and provide some $2,000,000 for exporting agricultural surpluses. I wish someone who is familiar with the fiscal policy of

this administration would try to coordinate these activities so that at least the members of the Committee on Appropriations will not ask me where these C. C. Corporation people get the money to carry on their activities.

Mr. Chairman, I yield back the balance of my time.

Mr. LANHAM. Mr. Chairman, there are two items of appropriation in this bill which are based on the authorization in the so-called Lanham Act with reference to defense community facilities and with reference to wartime housing. In my judgment, they are inadequate to meet the situation which confronts us in the prosecution of this war, and I hope they will be reinforced by further appropriation under the authorization mentioned.

The time of the end of this war cannot be definitely foreseen or determined. The purposes for which this legislation was enacted remain an important consideration and will continue to engage our attention until the end of this war. The call is now being made for increased production in several phases of our program, and it behooves us to do what is necessary to assure the manufacture and delivery of all necessary supplies to our armed forces.

It is worthy of note in this connection that in the construction of our various war plants practically all of the necessary funds have come from the Public Treasury. On the contrary, in the carrying out of the necessary wartime housing and facilities for the immigrant workers to make those plants operative, a very great part of the funds has come from private capital and through private enterprise. It must be borne in mind that the Lanham Act is a war emergency measure which is in no way intended to limit or restrict private enterprise in the fields in which it can operate advantageously under the existing war conditions.

In terms of the total war-housing program, the reliance which has been placed upon the initiative, capital resources, and productive capacity of private enterprise to supply by far the larger part of the necessary war housing is evident. Of the total war-housing program of 3,964,764 units, 79 percent—3,138,545 units—is being supplied by private enterprise and private capital, while 21 percent—826,219 units—is being supplied with public funds. The 79 percent—3,138,545 units—of the total war-housing program being supplied by private enterprise and private capital is made up as follows: 53 percent—2,094,000 units—through the use of existing private structures, 5 percent—209,182 units—through conversions of existing structures, and 21 percent—835,363 units—through new construction of permanent family dwelling units. By far the greater part of these permanent units has come through the terms and provisions of the F. H. A. legislation. Of the 826,219 units—21 percent—of the total war-housing program supplied with public funds, more than 75 percent are trailers, portable units, dormitories, and temporary family dwelling units which, under the express terms of the Lanham Act, are required to be removed after the war.

Of course, there has been criticism of some of the particular projects, and that is natural in an undertaking of such colossal magnitude, but I think the figures I have recited reflect very creditable administration of the housing feature of this act.

The community facilities have been an essential and a vital part of the administration of this act, and our record of production for war purposes is largely due to this feature of this legislation. The success of the plants must depend upon the morale of the workers. The reports which have come to me of the impetus which has been given our effort through the community facilities which have been provided are indeed gratifying. The strength of America is its family life. Immigrant workers naturally realize that the temporary construction which has been made available and such community facilities as have been reasonably possible and practical do not always afford all the comforts of home, but the difficult job has been accomplished in such an acceptable way that the workers have gone about their daily tasks with relative freedom from worry and care.

This emergency act was absolutely essential to the prosecution of our war program, and what is necessary to keep it effective until the victory is won is a matter of the utmost importance.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. ANDERSON].

Mr. ANDERSON of New Mexico. Mr. Chairman, I appreciate the kindness of the gentleman from New York [Mr. TABER] in granting me this time, because I want an opportunity to discuss this matter of these A. A. A. payments with you for a minute or two.

I think the great difficulty is that the money is not being spread around evenly, and that if the money was spread around evenly over the whole country, this complaint would quickly disappear.

It requires $313,000,000 to meet the A. A. A. payments nationally this year. The Congress appropriated $300,000,000. You may ask why the money was not sufficient to go around. The simple answer is that every year there have been sufficient farmers who did not meet their quotas so that these lapses from parts of the State or the regions would take care of those who overearned. Every year there has been money turned back to the Federal Treasury. This is the first year that has not been true. Why is this the first year? Because there have been unusual pressures put upon the farmers asking them to give to the Government correct crop practices which will produce the world's record supply of food. It is only because the farmer has patriotically tried to meet what his local war-food committees have asked him to do that he is in trouble today. Every State in the southern region is in trouble, with the one exception of the State of Florida. For instance, a State like Louisiana had a quota of $3,606,000, but the farmers have earned $5,019,000, or 166 percent. They should not be penalized for doing a patriotic job. Members of the Louisiana delegation have protested a reduction of their triple A payments. One of them, the gentleman from Louisiana [Mr. DOMENGEAUX], has just been showing me some of his files bearing on that subject. That reduction is what this Congress is about to make necessary. If the Department of Agriculture would cut everybody down equally it would only take a Nation-wide reduction of about 4 percent, but because the Department is not cutting everybody down, one certain farmer in one certain State may face a penalty running as high as 40 percent. On this point, in the State of Mississippi the quota was $5,253,000 but the farmers patriotically have already earned $7,582,000 or 144 percent of what was allowed to them.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield.

Mr. COLMER. And when it comes to telling these farmers that they have actually got to pay back into the fund it is going to raise considerable trouble. I think the whole situation is improper and unjust and I am going to vote for the Tarver amendment.

Mr. ANDERSON of New Mexico. The farmers will not understand it when they are given a check which is not for the full amount of what is due them, but is 40 percent less than that. In the State of Texas they had an allotment of $19,215,000, but on a patriotic basis they have earned $24,843,000, or 129 percent.

The whole of the Western States as a group are entitled to $46,000,000. They need $48,000,000; and those farmers out there are facing the same problems faced by farmers in the South. The answer is that when the farmer has complied with his part of the contract the Government should comply with its part. Take the case of a contractor. Would we treat a contractor this way? A contractor making tanks, we will say, who has done a superlative job under his contract and carried it out to and beyond the letter, would we go to him and say we could pay him for only a lesser number of tanks? The money is there to pay these farmers. Every year, for year after year after year, money has been turned back from this fund to the Treasury, and here for the first time under the stimulation of war the farmer has come through with the things the Government wanted him to do. And now somebody says we cannot pay him. The farmers in an area that has earned $19,000,000 are to be paid $13,000,000. That is to be done by chiseling $25, $50, or $100 from each of the farmers in that area. I say it is wrong. It is going to do more to destroy the whole system of A. A. A. payments than anything else you could do.

By coincidence, there are other sections of the country that are going to come out all right. The North Central region has $75,460,000 allotted to it. They need only $74,769,000. The Northwest region has $15,974,000; the farmers will earn only $15,712,000. So those farmers are not going to be penalized.

When you penalize one section of the country and do not penalize the other, then you do have injustice, and then you do have complaints, and then you do have trouble when you face those farmers and try to explain it to them. I say to you, this thing is absolutely wrong, and we are just making a mistake if we go ahead and do not correct it by adopting the amendment which the gentleman from Georgia, Judge TARVER, will offer.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. TAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, in the newspapers and also in the magazines recently we have noticed a disposition to approve the proposition that Congressmen should provide themselves with additional assistants so that they will be able to serve their constituents promptly and adequately. It is not quite accurate to say that we need help, that is, that Members of Congress need help. If we are given additional money for clerk hire—for the employment of another assistant in the office—the benefit is not to the Congressman but to the people of the district he represents.

One of the most severe of my critics has charged that I devoted too much of my time to answering the letters of the people of my district. He said I spent too much time trying to get priorities for some farmer who wanted either a tire or gasoline or some farm tool in order to carry on production. He said that what I should do was to devote my efforts to curing the cause that brought forth the complaint.

I presume he meant what I should do was to repeal the legislation, like that which created the O. P. A. or the War Labor Board or any of those Federal agencies—which gave the opportunity to some agency to impose an unjust restriction. Well, that was all right, but I told him I was only 1 of 435 Members of the House and that for some reason or other, I did not know why, the majority would not listen to me to the extent of following my suggestion and that I could not remove those causes, the legislation that brought about the complaints. I told him I could not repeal all of those laws which enabled the various boards to make the orders.

Then, too, he suggested that I spent too much time answering the blood relatives of those who were in the service, the mothers, fathers, wives, sweethearts, brothers and sisters, who wrote me or wired me or called me over the phone wanting to know something about insurance, something with reference to the whereabouts, something about the condition of a loved one who was in the service of his country.

This critic made another complaint. I do not know whether he wanted me to end the war or win the war or what he did want me to do. But he said I was wasting my time with the individual citizens of my district. Back here a moment ago on the floor I was talking to one of my Republican brethren for whom I have the greatest respect, although I do not agree with him on much of anything except perhaps that he ought to be here as a Representative. He said, "You should not have your people writing you so many letters." The substance of his argument was that I was to blame because I had tried to extend help to those who called upon me for assistance as, for instance, last night when I received two long-distance telephone calls. One was about a passport for someone going down into South America to see a relative in the service, and the other wanting to know the whereabouts of a soldier who had been returned from abroad wounded and who was to report to The Pentagon. The family had moved and they did not want the boy to go to his old home. They wanted him to come directly to the new home.

I ask you, what should a Congressman do? Should I tell him it is not any of my business, "You will have to look it up yourself, call up somebody and find out"?

Now, this Republican friend of mine is a fine gentleman and I love him for his learning, his ability, and all that, but he said to me, "You are thinking too much about little things." He did not say so, but I gathered by implication that he was thinking, "You ought to be a statesman." He did not say that. He thought it. I said, "Now, listen, while you are thinking of all your foreign constituents, all these folks that come under U. N. R. R. A. over across the seas, while you are worried about whether they shall get a tractor, cultivator, clothing, food, or something else, I am compelled to think of the folks here at home first."

I cannot answer the letters, and I know there are other Members in this House who cannot answer the letters, and the phone calls and the wires they get from their constituents. Try to aid all here at home who are in trouble because of some administrative order without additional assistance. As the days go on, more and more boys will return from abroad and more of their relatives and the boys themselves will be seeking our aid. I ask you in all candor, is there anyone who is more entitled to the service of his Representative in Congress than those boys and their relatives? As far as I am concerned, I am going to pay attention first to the people back home, to the needs of the people who hired me, to the needs and the welfare of the people whom I represent. Upon their welfare depends the welfare of the Nation as a whole and incidentally the well-being of the world as a whole.

A number of gentlemen on the minority side have said, "Oh, well; we don't need extra." All right; if they do not need another clerk they do not have to employ one. They do not have to collect the money. They can just let it stay in the Federal Treasury. But as for me—and I know the majority of the Members, on both sides, feel the same way—two-thirds need this additional help in order, in the days to come, they may adequately serve their constituents. While we are providing practically all of the money that is asked for by the executive department, the Judicial Department and all of the other departments, we stint ourselves and make it impossible to do the jobs some of us would like to do.

Let me ask you one more question and I am through. Why do we do it? Is it because—and I am not insinuating that it is—but is it because we fear that some one will vote against us in the coming election if we venture to give ourselves a part of the assistance which so many of us know we need?

I intend to support the amendment offered by the gentleman from Missouri [Mr. COCHRAN]. We heard the Speaker here today make a statement on the floor which indicates to me that those two gentlemen—the gentleman from Missouri [Mr. COCHRAN], and the Speaker [Mr. RAYBURN]—and they ought to know if anybody does know, and they do know—that those two gentlemen are in favor of this proposition to give us at least some of the help we should have.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF of Michigan. Mr. Chairman, for the past 12 years, particularly for the past 5 or 6 years preceding the war, there has been a very great deal of general talk about freedom of speech and freedom of press. These discussions have been more or less academic. Unfortunately, it has been assumed by most people that while freedom of speech and freedom of press have been suppressed in other countries it could not happen here. The sinister fact is, Mr. Speaker, it is happening here, and the fact that it is happening here is definitely a sinister threat to all the liberties of our people, to our constitutional form of government, to our free enterprise system, and to our free society.

Most of our people have been accustomed to associating the destruction of freedom of speech and press with the known activities of bright-eyed, long-haired apostles of radicalism or some bewhiskered dictator wearing boots and carrying a whip. But the fact is there are many ways in which to destroy freedom of speech and freedom of press, and many of those ways are at work, mostly under cover, in this Nation right now.

Newspapers which can be terrorized by union racketeers—and I want it distinctly understood that I mean only racketeers and not legitimate patriotic union leaders who give thought only to the genuine welfare of their followers—may be compelled, through sheer necessity of self-preservation, to alter their editorial policies, or to avoid printing facts which the people ought to be permitted to know.

The power of the bureaus in the executive department of the Government has grown to such a vast extent that the newspaper correspondent in Washington who incurs the displeasure of the administration may find himself confronted with tremendous difficulties in getting news which can be and is made easily accessible to those correspondents who will carry administration propaganda or who are in favor with the bureaucrats.

Another method by which the freedom of the press can be destroyed is by pres-

sure from big advertisers who can be organized and can bluntly serve notice on whole blocks of newspapers or magazines that if they do not alter their editorial policies and practices to suit the administration, hundreds of thousands or millions of dollars' worth of advertising can and will be summarily canceled cut of their columns.

So then, freedom of speech and freedom of press are not safe in America merely because there is not as yet any bewhiskered dictator issuing orders under which suppression of free speech and a free press is accomplished.

I am reminded of a warning once issued to the Nation by Dorothy Thompson, the columnist. Let me quote her observations in the New York Herald Tribune on February 17, 1937, when she was seeing clearly the trend of affairs. Said Miss Thompson then:

> No people ever recognize their dictator in advance. He never stands for election on the platform of dictatorship. He always represents himself as the instrument for expressing the incorporated national will. When Americans think of dictators they always think of some foreign model. If anyone turned up here in a fur hat, boots, and a grim look, he would be recognized and shunned. Likewise anyone resembling six Roman emperors; or someone you must greet with a stiff arm and a "Heil." But when our dictator turns up, you can depend on it that he will be one of the boys, and he will stand for everything traditionally American. Since the great American tradition is freedom and democracy, you can bet that our dictator—God help us—will be a great democrat, through whose leadership alone democracy can be realized.

We are failing to recognize the destruction of free speech and a free press as it creeps upon us.

From time to time incidents arise which show to where we are drifting, and nowhere is it more clearly shown than on the radio. Radio commentators combine in themselves both the rights of free press and free speech. Presumably the air belongs to the American people. Presumably the wavelengths belong to the American people. Presumably no administration, no party, or no group has a right to preempt the airways and say they will control the spoken word or the music which goes out over those airways. Mr. Caesar Petrillo does control the music that goes out over the airways, and he has defied both the President of the United States and the War Labor Board in order to do it. He seems to have gotten away with it. But, on the other side, we must look at the case of the well-known commentator, Boake Carter, recently deceased, who was driven from the air because the administration, or somebody in the administration, did not like his broadcasts.

The latest case and the one I will discuss today, Mr. Chairman, is that of Upton Close, veteran radio news commentator and analyst of public affairs, who has been driven off the air by the National Broadcasting Co. because, so Close asserts—and I believe his assertions—certain radical communistic elements found his broadcasts to be objectionable because he was warning the Nation of the danger of communism in America.

The brief facts are that the National Broadcasting Co. served notice on Mr. Close's radio sponsor, the Shaeffer Pen Co., that "it no longer will sell its time on the air" if Close was not dropped.

Close has stated unequivocally that certain radical and communistic elements were responsible for the action of the National Broadcasting Co. He was found objectionable, he said, because of his discussion of the danger of communism during the Sunday afternoon commentaries he has been broadcasting for 27 months. In Fort Madison, Iowa, the home of the Shaeffer Pen Co., C. R. Shaeffer, president, said:

> N. B. C. notified us it wouldn't sell Close after December 10. We aren't in a position to state the reasons, because we don't know them. (Washington Times-Herald, November 15, 1944.)

From the main offices of the radio chain in New York there was the terse statement that N. B. C. "had no comment on the matter."

Close has explained to the public that his contract is with the National Broadcasting Co. and that the network contracted to sell his services to the pen company, which has sponsored his Sunday program during the more than 2 years it has been on the air. Close revealed that this has been a most unusual procedure. Said he:

> I have been with N. B. C. 4 years and it has been my sales agent, but while it is supposed to be selling me, it proceeds to unsell me to my sponsor without consulting or notifying me. So far as notice to me is concerned, N. B. C. is still my agent.
>
> My program had a top Sunday rating, an audience of about 9,000,000 listeners, and N. B. C. had so advertised it. Only 2 weeks ago my contract was renewed for 52 weeks with, incidentally, a raise in pay. The fact that N. B. C. would jeopardize one of its top programs indicates the pressure and the importance of this matter to the Nation.
>
> I am perfectly willing to be a guinea pig to determine whether freedom of the air can be maintained in the face of un-American pressure to destroy American principles.
>
> Incidentally, N. B. C. has censored and approved every script I've used in my broadcasts.

Evidently what Mr. Close said over that station was not offensive to N. B. C. It is pertinent to ask at this point who it is that it was offensive to and who is powerful enough to compel N. B. C. to repudiate the man with whom it had just renewed a contract and to whom that company had just given a raise in salary. The individual or individuals who issued the orders to N. B. C. must be powerful indeed with the present administration.

Mr. Close continues:

> It seems to me my sponsor was most improperly and unpleasantly put in the middle in this matter and that N. B. C. took a most injudicious method of compromising the situation.
>
> But more important than my personal fortunes is whether these pressure groups can establish such control over opinions. If they can, then we are in the midst of totalitarianism.

Mr. Chairman, I agree with every part of that statement. If such pressure groups can drive men like Upton Close from the airways, we are, indeed, in the midst of totalitarianism.

I want to say to you, sir, that even though someone may rise and say the American people in the last election chose that kind of government, there are 22,000,000 voters who did not want that kind of government, who do not want that kind of government, and who do not intend to accept that kind of government if they can avoid it, and it is those more than 22,000,000 people for whom I speak here today.

The very evidence that such a terrorism is in effect over the air waves of America is to be found in the fact that every broadcasting company, big and little, in this Nation, must go back to the Federal Communications Commission every 6 months, hat in hand, humbly to seek a renewal of its license. This means that this arbitrary Commission—and there is no question but that the F. C. C. has been arbitrary—could deny any broadcasting company in this Nation its license and in 2 weeks' time ruin it by putting it off the air even temporarily.

Mr. Chairman, this is altogether too much power. It is too dangerous a power to be vested in any board which has shown the disposition toward an independent radio that the present Federal Communications Commission has shown.

Within the last few days, a committee of Congress has heard testimony that the owner of a station on a Nation-wide network was compelled, through a conspiracy in which some highly placed confidants of the administration were involved, to sell his station at something like a half million dollars less than it was worth.

Strangely enough this same committee, after "jumping the rabbit," for some unexplained reason, suddenly decided to call off the hounds and permit no further open hearings on this shady deal. The committee which previously had voted for open hearings suddenly reversed itself. Apparently the public is not to be permitted further enlightenment on a subject charged with political dynamite for people high in official circles. It is, indeed, a powerful hand that can reach out and squelch investigations which appear leading directly toward administrative unfaithfulness or something infinitely worse—suppression of the proper functioning even of the Congress itself.

It is a historical fact, so thoroughly established that no one even attempts to refute it or deny it, that the very first step toward the enslavement of any nation is the suppression of free speech, free press, and, in this modern day, free radio.

Throughout the history of the United States, and in the histories of all other countries, there has not been an honest statesman, no matter what his political faith, who has not stated over and over again that the suppression of free press and free speech leads directly to suppression of all the other liberties of the people, and, finally, to the destruction of their total freedom.

I do not believe the American people who voted for Mr. Roosevelt for a fourth term want totalitarianism in this country. I do not believe they, any more

than the more than 22,000,000 people who voted against Mr. Roosevelt, want freedom of speech and freedom of press destroyed in this country.

There are some misguided people in this Nation who believe they can maintain freedom of speech and freedom of press for themselves while destroying that freedom for others. I say to you, Mr. Chairman, that no more stupid, wicked, traitorous, and utterly insane policy could be followed than that. The very people who are today seeking to curb free speech and free press are the very people—and I refer to the Communists—who in times past, and up to this good hour, have yelled the loudest for freedom of speech and freedom of press, but only when it came to their speech and their press.

Just as oppression of any minority, no matter what minority or how small a minority, opens the way for the oppression of all minorities, and the destruction of free government and free society, so the suppression of free speech or free press—of any free speech or any free press—is a long step toward the total destruction of freedom of speech and freedom of the press and the whole train of dreadful and disastrous consequences which inevitably would follow.

Mr. Chairman, I believe it is time for the Congress of the United States to investigate this whole question of terrorism on the radio, and of persecution of writers and commentators, both press and radio, who will not bend the knee to the administration. I suggest this not because of Mr. Upton Close's personal fortunes—I suggest this because Mr. Close and this N. B. C. action, like the previous action which drove Boake Carter off the airways, is a matter which interests every man, woman, and child, every lover of freedom in the United States of America.

I suggest this investigation because just such things as this business of trying to drive Mr. Close off the air are the very things that our heroic men and women are fighting on battlefields across the seven seas to prevent. Hitler kept people off the air and suppressed newspapers when he did not like them. Mussolini did that. Mr. Stalin can and does do that. But our boys who are so bravely fighting today in Italy and in Germany, and in other parts of the world are over there fighting because they want free press and free speech to live at home.

I believe, Mr. Chairman, it is the duty of this Congress, as a measure of fairness and justice to our fighting forces, as well as to all the rest of us, to see to it that free speech and free press are not destroyed in this great country.

I agree wholly with Thomas Jefferson when he said:

> I know of no safe depository of the ultimate powers of the society but the people themselves. * * * Whenever the people are well informed, they can be trusted with their own government. * * * When the press is free, and every man able to read, all is safe. * * * The liberty of speaking and writing guards our other liberties. * * * The only security of all is in a free press. The force of public opinion cannot be resisted when permitted freely to be expressed. The agitation it produces must be submitted to. It is necessary to keep the waters pure. * * * If virtuous, the Government need not fear the fair operation of attack and defense. * * *
>
> The basis of our Government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers or newspapers without a government, should not hesitate a moment to prefer the latter. * * * No government ought to be without censors; and where the press is free, no one ever will. * * * Our liberty depends on the freedom of the press, and that cannot be limited without being lost. (Source: Jeffersonian Cyclopedia.)

Mr. Chairman, the fundamental truth voiced by Thomas Jefferson has changed not a whit in the years which have intervened since he was with us. His warnings are just as significant and just as important today as they were in his day—and more so, because the radio has now been added to the press.

If one party, or one group, or one clique can take possession of the airways of this country and can drive the truth-tellers away from the microphones and away from the typewriters, then those propagandists can mislead our people, as they will, and they will destroy free government just as surely as the sun rises and sets. Why is that so? It is so because no human being who loves freedom, who loves free constitutional government, free private enterprise, and free society could for a moment want to suppress freedom of speech or freedom of press. It, therefore, follows logically that anyone who does want to suppress or destroy freedom of the press and freedom of speech does not want free constitutional government, free private enterprise, and free society.

Mr. Chairman, there has been nothing, not even the election of an individual to the Presidency for a fourth term, that holds any greater import for the American people than this attempt to drive Upton Close from the airways because some Communists somewhere, or somebody in the State Department, or in some other branch of the executive department of the Government, does not agree with his comments and wants to suppress them. I hope one of the resolutions of investigation which have been introduced will be reported by the committee, and if it is I shall support it.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

LEGISLATIVE

HOUSE OF REPRESENTATIVES

For payment to the widow of Hampton P. Fulmer, late a Representative from the State of South Carolina, $10,000 to be disbursed by the Sergeant at Arms of the House.

Mr. CELLER. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER, of New York: On page 2, after line 6, insert a new paragraph as follows:

"For additional salaries at the additional rate of $2,500 per annum, from January 1, 1945, to June 30, 1945, of Senators, Representatives in Congress, Delegates from Territories, the Resident Commissioner of Puerto Rico, and the Resident Commissioner from the Philippine Islands, $668,750."

Mr. CANNON of Missouri. Mr. Chairman, I regret to have to make a point of order against the amendment, that there is no legislation authorizing such an appropriation.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. CELLER. Mr. Chairman, I do not desire to be heard on the point of order but I ask unanimous consent to proceed for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Chairman, I regret that the gentleman from Missouri has made a point of order against this advance in our own salaries. The time must necessarily come when our salaries must be made consistent with rising living costs and the extraordinary expenses to which every Member of the House and Senate has been put and will increasingly be put. It does not take, I am sure, much eloquence or factual statement to make anyone realize that the $10,000 which we receive are woefully insufficient. Of course, we are going to be criticized if we advance our own salaries. We are going to be damned if we do, and we are going to be damned if we do not. It is going to be charged that it is a salary grab and it may be offered as an excuse that if we attempt to elevate our own salaries, other pressure groups will be in here, also asking for increases.

The only answer to that is every case must stand on its own bottom. We never take our shoes off, as the East Indians say, until we come to the river. If some pressure group comes here and wants an increase, we must consider that increase on its merits.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. CELLER. I yield to the distinguished chairman of the Committee on Appropriations.

Mr. CANNON of Missouri. The gentleman has his remedy. Under the rules of the House, the Committee on the Judiciary can present a resolution authorizing this increase.

Mr. CELLER. I am aware of that.

Mr. CANNON of Missouri. What the gentleman is asking is a violation of the rules of the House. The Committee on Appropriations has been repeatedly criticized for bringing in legislation on an appropriation bill.

Mr. CELLER. I understand that. But the gentleman's committee violated that very rule in the instant bill. It contains numerous legislative riders. I appreciate the gentleman's position. I regret that he made the point of order. In the other Chamber they could readily offer an amendment of the type I have offered, as they do constantly, and we have to accept their amendments which, if offered here, would be declared out of order.

Mr. Chairman, wartime stress has caused all kinds of expense to you and to me. We have to grin and bear it. When I first came to Congress the salary was $7,500. In 1925, almost 20 years ago, we elevated the salary to $10,000. There was a yell all over the land that we had no right to do it, but we did do it. It was a sort of 7-day wonder. Some editors shrieked objection. But the storm passed. Nothing is deader than last week's newspapers. Some of the columnists and editorial writers might advance all sorts of animadversions against it, but it will have been forgotten in a short while, primarily because it would be right and just to increase the salaries. I hope that in the not far distant future wisdom will prevail and that we will get the increase to which we are entitled.

In 1907 our salaries were increased from $5,000 to $7,500, and in 1925 they were increased from $7,500 to $10,000. In these 20 years much water has gone over the dam. Indeed the dollar went much further in 1925 than it can stretch in 1944. A Member of Congress can only, with great difficulty, make both ends meet—live in the style befitting his station, send his children to school and college, and endeavor to lay by a small competence for the future. Many States provide no pension system. Fortunately, my own State of New York does provide a pension system to which I contribute yearly. That is not the situation in most States.

I would be willing to go back to the $10,000 if, and when, taxes are lowered, the emergency is over, and the cost of living is reduced.

We jumped up the salaries of Government employees by increasing the workweek from 39 to 48 hours, with overtime pay. In fact, we jumped the Government employees 20 percent on the first $2,900. But we fear to advance our own cause.

A Congressman knows no hours. There is no ceiling on his time. A 15-hour working day is quite common. Furthermore, campaigns must be made every 2 years. It is difficult to make them in most districts at a cost of less than $1,500 to $2,000. A campaign often consumes 3 months' time during which congressional activity continues. The time for campaigning must be taken out of whatever business or profession the Congressman is engaged in.

A Congressman's job is now a full-time job. There are no long adjournments, no long recesses. Formerly, we used to have "lame duck" sessions from December to March, and then did nothing from March to December. That was called the short session. Then there was the long session, which was from December to about June. Thus during the short session year, we were practically free from activities from March to December, and in the year of the long session we were free from June to December.

The constant attendance in Washington and the time expended at home—whenever one can get home—affords little or no opportunity to practice a profession or to conduct a business. Thus opportunities for earning extra compensation are at a minimum.

Every Congressman maintains two homes—one in Washington and one in his district. We are only allowed mileage covering transportation once to and from Washington each session. I make the trek to Washington and back to New York every week. Most Congressmen within say 750 miles of Washington do likewise. The cost of these repeated journeys is considerable. A deficit at the end of the year is usual.

Of course, we will be castigated if we would fight for the increase. We should be used to this. We should be hard-boiled in this regard. Frankly, if the facts were made known to the rank and file of the citizenry in every Congressman's district I am sure the response would be in our favor.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair sustains the point of order made by the gentleman from Missouri [Mr. CANNON].

Mr. COCHRAN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: On page 2, after line 9, insert the following:

"ADDITIONAL CLERK HIRE

"Effective January 1, 1945, the clerk hire of each Member, Delegate, and Resident Commissioner shall be at the rate of $9,500 per annum, and such officials and chairmen of standing committees (other than the Committee on Appropriations, which is governed by other law) may rearrange or change the schedules or salaries and the number of employees in their respective offices or committees: *Provided*, That no salary shall be fixed hereunder at a rate in excess of $5,000 per annum, and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than $5,000 per annum: *Provided further*, That such changes as may be made in consequence hereof shall not increase the aggregate of the salaries provided for such offices or committees for the fiscal year ending June 30, 1945, or thereafter, beyond the additional amount herein authorized for clerk hire for Representatives, Delegates, and the Resident Commissioner from Puerto Rico, and an amount equivalent to the difference between the aggregate amount appropriated for salaries of a standing committee for the fiscal year 1945 and the amount required to increase the compensation rate prevailing on December 6, 1944 (in case of a vacancy, the rate last paid), to the clerk of a standing committee to a rate not in excess of $5,000 per annum: *Provided further*, That no compensation rate shall be established in pursuance hereof which is not a multiple of five: *Provided further*, That Representatives, Delegates, the Resident Commissioner from Puerto Rico, and committee chairmen, on or before the 10th day of the month in which rearrangements or changes of salary schedules are to become effective, shall certify in writing such rearrangements or changes to the disbursing office, which shall thereafter pay such employees in accordance with such rearrangements or changes: *Provided further*, That the provisions of this paragraph shall supersede any law in conflict therewith.

"For an additional amount, fiscal year 1945, for committee employees, to be available solely for expenditure for additional compensation for clerks to standing committees, as authorized in the preceding paragraph, $42,630.

"For an additional amount, fiscal year 1945, for clerk hire, Members and Delegates, $657,000."

Mr. TABER. Mr. Chairman, I make a point of order against the amendment that it is legislation on an appropriation bill and provides funds not authorized by law.

Mr. COCHRAN. Will the gentleman reserve his point of order?

Mr. TABER. I will not object to the gentleman's proceeding as the gentleman from New York [Mr. CELLER] did, and asking for 5 minutes to speak or 10 if he wishes.

Mr. COCHRAN. I should like to say to the gentleman now that I am going to accept the explanation he made to the House a few minutes ago, that it was absolutely necessary for the committee to put legislative riders on this bill; and I am not going to be so mean in view of his explanation and what I think about his views in reference to appropriations to make points of order against those legislative provisions. I think the gentleman can withhold his point of order just a minute until I say what I desire to. It might be—I cannot tell but I hope and pray—that after I get through he will withdraw his point of order.

Mr. TABER. Mr. Chairman, I will reserve the point of order.

Mr. COCHRAN. I thank the gentleman.

The CHAIRMAN. The gentleman from Missouri is recognized for 5 minutes.

Mr. COCHRAN. Mr. Chairman, in offering this amendment I am discharging my responsibility as the chairman of the Committee on Accounts. I was directed by the Committee on Accounts to ask the Appropriations Committee to place this amendment in the deficiency bill. It is existing law with two changes: One is to add $3,000 for additional clerical hire for each Member; the other change is to strike out the $4,500, which is now the limit, and increase to $5,000 the amount which can be paid one employee. Those are the only changes.

This amendment results from appeals from more than a majority of this House to me as chairman of the Committee on Accounts and to members of the Committee on Accounts.

While the gentleman from New York was speaking—and I read from the transcript—he said:

This other situation—

Speaking of the one that is before us now—

is a situation that can be handled very promptly and very quickly by concurrent resolution or by action by the Committee on Accounts.

I asked the gentleman to yield and he very kindly yielded and I said:

The gentleman certainly is too well informed on parliamentary law to know that he cannot amend the law by concurrent resolution.

Then the gentleman from New York [Mr. TABER] follows with the statement:

Oh, I never said anything of the kind, and the gentleman could not infer anything of the kind from what I said. I do not think I will yield further because I do not care to go into a discussion of that type with the gentleman.

Now, the gentleman did say a "concurrent resolution."

Mr. TABER. Mr. Chairman, if the gentleman will yield.

Mr. COCHRAN. I yield.

Mr. TABER. My recollection is that I said "joint resolution."

Mr. COCHRAN. The transcript says "concurrent" and I distinctly heard him say it.

Mr. TABER. I am satisfied it is wrong.

Mr. COCHRAN. All right. As to the action of the Committee on Accounts, it has already been taken. No member of the Committee on Accounts is opposed to this proposal, but one member has stated he believes this should go over to the next Congress.

One member is absent from the city, and I do not know his views. Every other member of the committee approves the amendment and directed me to follow this procedure.

There are legislative proposals in this bill, as I stated before, and no legislative committee in any instance has approved these legislative proposals. This is for the legislative branch of the Government, and your Committee on Accounts, which has jurisdiction, has approved the proposal. It seems to me if the Appropriations Committee is going to bring in these legislative proposals for the executive branch of the Government, that we ought to be able to present one for the legislative branch, and I may say that I follow the gentleman from New York [Mr. TABER] when he states that these legislative proposals for the executive branch are absolutely essential. I am not going to make a point of order against any one of them, in view of what the gentleman has stated. I, therefore, appeal to the gentleman and to other members of the committee to let this matter go before the Committee and let the Members decide for themselves whether or not they want to agree to this amendment.

Mr. CASE. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from South Dakota.

Mr. CASE. The question I would like to ask the gentleman is why the Committee on Accounts did not follow the regular procedure and report a resolution on this subject in the regular legislative way?

Mr. COCHRAN. I may say that the agitation for this started after we came back here on November 14. It takes a bill, not a resolution, because you are amending existing law. It has to pass this body; it has to pass the Senate; and it has to be signed by the President. We have carried legislative riders on appropriation bills time and time again. Everyone understands what the proposal is. If the Members want it, let them vote for it. If they do not want it, let them vote it down. I have discharged my duty as chairman of the Committee on Accounts by following out the instructions of the committee.

Mr. BATES of Massachusetts. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Massachusetts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BATES of Massachusetts. Will the gentleman inform the House whether there is a precedent in connection with this bill now before the Committee for the insertion of legislation on an appropriation bill such as the gentleman has offered?

Mr. COCHRAN. Why certainly. It has been done time and again, and there are legislative proposals in this bill.

Mr. BATES of Massachusetts. I am speaking about the bill before the Committee today.

Mr. COCHRAN. There is no bill before the Committee.

Mr. BATES of Massachusetts. I refer to the appropriation bill now pending before this committee, and I ask whether legislation has been offered to an appropriation bill of this nature before. Has an amendment been offered to this bill before carrying legislation on an appropriation bill?

Mr. COCHRAN. If the gentleman will take the report he will find about 10 or 15 limitations and legislative provisions in this very bill.

Mr. BATES of Massachusetts. Why do we not have the courage to face the situation and provide the help we need?

Mr. COCHRAN. That is the argument I advanced. There might be an amendment in here providing for something for the Navy Department that the gentleman's committee, the Committee on Naval Affairs, has never considered.

Mr. BATES of Massachusetts. There is not a Member of this House who is not completely overwhelmed with mail that comes to his office every day. We ought to have courage enough to vote this.

Mr. CASE. Will the gentleman yield again?

Mr. COCHRAN. I yield to the gentleman from South Dakota.

Mr. CASE. The situation being what it is, that the language the gentleman proposes is subject to a point of order, I do not feel that the Committee on Accounts is discharging its responsibility in the matter if it merely offers an amendment to a bill which is subject to a point of order. I still do not understand why the committee should not report a bill covering the subject which could then receive consideration by the Congress.

Mr. COCHRAN. I may say to the gentleman that one reason why it is presented at this time is because it has been suggested that if the House agreed, it would certainly pass the Senate and I am sure the President would not veto it. If that happened, then when the Members go home for the holidays they could get the extra clerk provided for in this legislation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I call attention to this situation that while the point of order of the gentleman from New York would be sustained, the amendment offered by the gentleman occupies an entirely different position than an amendment offered on the floor. The gentleman's committee has acted upon it. It is true that his committee has not reported out a bill, but his committee has acted upon it. True, the amendment could be ruled out on a point of order, undoubtedly, nevertheless the situation is different than if some Member had offered the amendment without the committee to which it would ordinarily be referred having passed upon it. The Committee on Accounts has passed upon it. It comes before us in an entirely different situation, from a practical angle. The only question the gentleman from Massachusetts [Mr. BATES] raises, is, "Have you got the courage to meet the question?" I hope the gentleman from New York [Mr. TABER] in recognition of the situation that exists, will not insist upon his point of order.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Does the gentleman intend to appeal from the decision of the Chair on this matter?

Mr. COCHRAN. No. I must concede the point of order if it is made. I admit it is subject to a point of order. I think I know enough about the rules to know that. The rules must be obeyed.

I appeal to the gentleman from New York to let the Members decide this question for themselves.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Ohio who represents the whole State of Ohio.

Mr. BENDER. Mr. Chairman, I ask unanimous consent that the gentleman be given 5 additional minutes?

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. May I call attention to this fact, that there are more Members on the floor of the House at this moment than there have been on many occasions when bills were considered. There is no subterfuge about this. All of us are conversant with it. It has been discussed in the public press and the country I am sure approves this proposition. No objection is raised to legislation on this appropriation bill to at least 15 items listed on pages 18, 19, and 20 of this report, and if there should be, I am sure such objection would be withdrawn.

Every Member here, I am certain, is entitled to additional help in order to take care of his constituents promptly and satisfactorily.

I trust that the gentleman will not insist on his point of order.

Mr. COCHRAN. I thank the gentleman for his contribution. Let me again impress on the Members of the House that the legislative committee having jurisdiction under the rule has passed

upon this question in the affirmative and has instructed me, first, to present it to the Committee on Appropriations and urge that it be placed in this bill; second, I have been asked to present the resolution on the floor of the House, which I have done.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. CELLER. If we have to follow the procedure outlined by the gentleman from South Dakota, we will have to introduce a bill, which must be passed by both Houses and signed by the President, then we must go before the Committee on Appropriations again and ask them to appropriate according to that bill.

Mr. COCHRAN. A bill covering this subject is not privileged. The only privileged bills handled by the Committee on Accounts are those affecting the contingent fund. This does not affect the contingent fund. Therefore, we would have to go before the Rules Committee and get a rule.

I again appeal to my friend from New York. I have stood here on the floor of the House with him and fought for reductions in appropriations for many years. I know I would not be here advocating this if I were not firmly convinced that it is an absolute necessity for Members to have additional help in order to handle the business of their office efficiently.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. TABER. I feel that this is not the way to bring it up. Therefore, Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

During the fiscal year 1945, the Civil Service Commission is authorized to pay from available appropriations actual transportation and other necessary expenses, and not to exceed $10 per diem in lieu of subsistence to persons serving while away from their permanent homes or regular places of business in an advisory capacity to the Commission with or without compensation from the United States.

Mr. HOFFMAN. Mr. Chairman, I make the point of order against the paragraph beginning on page 5, line 8, and running down through line 14, that it is legislation on an appropriation bill.

Mr. CANNON of Missouri. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

OFFICE OF WAR MOBILIZATION AND RECONVERSION

OFFICE OF CONTRACT SETTLEMENT

For all necessary expenses, fiscal year 1945, of the Office of Contract Settlement established by the Contract Settlement Act of 1944, including fees and expenses of witnesses; travel expenses, including (1) expenses of attendance at meetings of organizations concerned with the work of said office, (2) actual transportation and other necessary expenses and not to exceed $10 per diem in lieu of subsistence of persons serving while away from their permanent homes or regular places of business in an advisory capacity to or employed by the Office of Contract Settlement without other compensation from the United States, or at $1 per annum, and (3) upon the approval of the Director of Contract Settlement, expenses to and from their homes or regular places of business in accordance with the Standardized Government Travel Regulations, including travel in privately owned automobile (and including per diem in lieu of subsistence at place of employment), of persons employed intermittently away from their homes or regular places of business as consultants and receiving compensation on a per diem when actually employed basis; printing and binding; maintenance, repair, and operation of passenger automobiles; purchase of lawbooks, books of reference, newspapers, and periodicals; contract stenographic reporting services; and personal services in the District of Columbia, $289,700.

Mr. HOFFMAN. Mr. Chairman, I make the point of order against the paragraph beginning on page 5, line 17, and running down to and including line 17 on page 6, that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the point of order?

Mr. CANNON of Missouri. Mr. Chairman, this provision is in order under the new law, that has just been enacted at this session of Congress, the Office of Contract Settlement law, Public Law No. 395, Seventy-eighth Congress, second session.

Mr. HOFFMAN. Mr. Chairman, I call the attention of the Chair to the language on page 6 beginning with "(3)." That is legislation.

Mr. CANNON of Missouri. These are merely expenses incidental to the conduct of any office authorized by law, Mr. Chairman, and unquestionably are in order on the bill as proposed. The law itself imposed no restrictions whatever.

The CHAIRMAN. The Chair calls the gentleman's attention to line 7 on page 6.

Mr. CANNON of Missouri. Mr. Chairman, that is in the nature of a limitation. If that language were not contained in the bill, there would be no limitation whatever.

The CHAIRMAN. The Chair refers to lines 7 to 12.

Mr. CANNON of Missouri. Mr. Chairman, that is with respect to travel. This is in the nature of a limitation, referring to the limitation set by the standardized Government travel regulations. If that was not included here, there would be no limitation. It could not be subject to a point of order.

The CHAIRMAN. Does the gentleman maintain that it is an authorization for travel in privately owned automobiles?

Mr. CANNON of Missouri. Mr. Chairman, this merely provides in the usual way, as in all the departments, the authority to carry out the law as enacted in Public Law No. 395. I do not see how it could be construed in any other way. It is the method and the means ordinarily provided in all the departments for carrying out legislation of this character.

The CHAIRMAN. Will the gentleman from Missouri, referring to line 23 on page 5, state whether there is any authority in law for payment of $10 per diem in lieu of subsistence of persons serving while away from their permanent homes?

Mr. CANNON of Missouri. Mr. Chairman, when a law is enacted by Congress, the authorization provides for the administration of that law, both as to its spirit and its letter. The authorization here involves and includes all the methods ordinarily used by the departments in the administration of such laws. It would be inconsistent to enact a law and then hold there is no authorization to administer it.

These are not extraordinary provisions. These are ordinary provisions under which all laws of this character are enforced. Unquestionably, these details for the administration of the law, which are the ordinary means used by the Government in the administration of law, are authorized at the time the law is enacted.

The law having been passed, Mr. Chairman, the Bureau of the Budget is authorized to bring in here the normal, ordinary, and regular provisions for carrying it into effect.

Mr. HOFFMAN. Mr. Chairman, admitting all that, it does not have anything to do with the objection, because here is a legislative provision which authorizes $10 to be spent in an entirely different way than the other, as provided in the bill to which the gentleman refers.

Mr. CANNON of Missouri. Mr. Chairman, some provision has to be made in the administration of the law, for the necessary travel expenses. Whether you do it in one way or another way, when both ways are recognized as being legitimate and as being common practice under the administration of the departments, it is in order. Laws cannot be administered unless travel expense is taken care of.

The CHAIRMAN (Mr. BONNER). The Chair wishes to call to the attention of the gentleman from Michigan, section 22, "Use of appropriated funds," item (b) of the Contract Settlement Act:

To use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency for the purposes authorized in this act.

Therefore the Chair overrules the point of order.

The Clerk read as follows:

Uniform allowance: On request of the Federal Security Administrator, the Secretary of the Treasury is authorized to transfer such amounts as may be necessary, but not to exceed a total of $300,000, from unexpended balances of appropriations for the Public Health Service, fiscal year 1944, to an appropriation account to be established for the payment of allowances for uniforms to regular and reserve commissioned officers of the Public Health Service pursuant to section 607 of the act of July 1, 1944 (Public Law 410).

Mr. HOFFMAN. Mr. Chairman, I make a point of order on the uniform allowance provision beginning in line 25, page 6, and ending in line 9, on page 7, as legislation on an appropriation bill. It diverts money appropriated for one purpose to an entirely different purpose.

Mr. CANNON of Missouri. Mr. Chairman, this appropriation, $300,000, is a reappropriation; the appropriation of an unexpended balance in lieu of making a

direct appropriation for the purpose. Of course, if it were a direct appropriation for the purpose it would be in order and, therefore, a reappropriation would be in order.

The CHAIRMAN. Does the gentleman from Michigan wish to be heard further on the point of order, or does the gentleman insist on the point of order?

Mr. HOFFMAN. I do not care to be heard, Mr. Chairman, but I insist on the point of order.

The CHAIRMAN. The Chair holds that it is a reappropriation, and therefore the Chair overrules the point of order.

The Clerk read as follows:

PUBLIC BUILDINGS ADMINISTRATION

The words "other services" appearing in the proviso clause under the head "Salaries and expenses, public buildings and grounds in the District of Columbia and adjacent area," fiscal year 1945, shall be deemed to include teletype service and telephone switchboards or equivalent telephone-switching equipment serving one or more governmental activities in buildings operated by the Public Buildings Administration where it is found that such service is economical and in the interest of the Government.

Mr. CASE. Mr. Chairman, I make a point of order against the words "Teletype service and" in the paragraph just read, on the ground that they constitute legislation and would make funds available for projects not authorized by law.

I may say in this connection, Mr. Chairman, that I think there is no objection to the installation of teletype services in certain agencies of the Government, but as provided in this paragraph and in the paragraph immediately following there would be established a broad authorization to install teletype services wherever they could be put in any building administered by the Public Buildings Administration. It seems to me entirely too broad. This question has been discussed before the Independent Offices Committee and the belief there was that teletype installations should be permitted only in specific instances where a definite need is shown.

The CHAIRMAN. The Chair will hear the gentleman from Missouri [Mr. CANNON] on the point of order.

Mr. CANNON of Missouri. Mr. Chairman, there is no ground upon which the point of order against this provision can be sustained. This is a regularly established and recognized means of communication which any department is authorized to use in furtherance of the administration of its duties. There is no law under which it is denied, no provision of law under which it can be excluded. It is merely one of the regularly included provisions for carrying out the law and I see no grounds at all on which the point of order can be sustained.

Mr. CASE. Mr. Chairman, I call the Chair's attention to the following colloquy in the hearings on this item, page 125:

The CHAIRMAN. Why should it be necessary to make this modification?

Mr. CAMERON. That is a change in language for the P. B. A. in order to facilitate the handling of the reimbursable services transferred from O. E. M. Their communication and leasing services were transferred to the Public Buildings Administration as of October 1, 1944.

The CHAIRMAN. You could not handle it under the present limitations?

Mr. CAMERON. That is right.

On the record of the hearings, then, this bill at the point cited is a change of law. It changes existing legislation by providing that the words "'Other services' shall be deemed to include teletype services." On the record of the hearings themselves, as brought out by the chairman, an existing limitation is proposed to be changed. Consequently, it does change existing law.

Mr. CANNON of Missouri. That, of course, is true. Of course, you have to put it in the bill; but there is no law against including it in the bill, the committee having reported it. It does not change existing law.

The CHAIRMAN. On the basis of the statement made by the gentleman from Missouri, the Chair must sustain the point of order.

The Clerk read as follows:

The appropriation "Salaries and expenses, public buildings and grounds outside the District of Columbia," fiscal year 1945, shall also be available for the furnishing of quarters, maintenance, and teletype or other services on a reimbursable basis to any governmental activity and for expenses incident to moving any governmental activity in connection with the assignment, allocation, and transfer of building space.

Mr. CASE. Mr. Chairman, I make the point of order against the words "Teletype or" in line 6 of the paragraph just read for the reasons previously stated in the point of order on the preceding paragraph.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the point of order?

Mr. CANNON of Missouri. It is precisely the same proposition we had in the previous paragraph.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Consumer expenditures and savings study: For all expenses of the Department of Agriculture, independently or in cooperation with public or private agencies, including individuals, necessary to collect, compile, and analyze statistics with respect to the consumer expenditures and savings in predominantly rural areas, and to publish the results thereof, including personal services in the District of Columbia; printing and binding; purchase of books and periodicals; and reimbursement at not to exceed 3 cents per mile of employees for expenses of travel performed by them in privately owned automobiles within the limits of their official stations; fiscal year 1945, $830,000, to remain available until June 30, 1946.

Mr. HOFFMAN. Mr. Chairman, I make a point of order to the language appearing in line 13, page 18, down to and including line 19 on page 18.

The CHAIRMAN. That has not been read.

Mr. TABER. Mr. Chairman, I make the point of order against the paragraph on the ground it is legislation not authorized by law.

Mr. HOFFMAN. Mr. Chairman, was I recognized or not? I do not know.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan.

Mr. TABER. All right. I thought the gentleman was through. I have an additional point of order.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is a member of the Appropriations Committee. The Chair thought the gentleman from Michigan had finished his point of order and recognized the gentleman from New York [Mr. TABER].

Mr. HOFFMAN. Mr. Chairman, I will withdraw it if the gentleman wants to continue his objection. It is all right with me.

Mr. TABER. Mr. Chairman, I make a point of order against the whole paragraph, lines 3 to 15, page 18.

The CHAIRMAN. Does the gentleman from Missouri [Mr. CANNON] desire to be heard.

Mr. CANNON of Missouri. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Consumer income study: For all expenses of the Department of Agriculture, independently or in cooperation with public or private agencies, including individuals, and in collaboration with the Department of Commerce, necessary to collect, compile, and analyze statistics with respect to the consumer income of farm families, and to publish the results thereof, including personal services in the District of Columbia; printing and binding; purchase of books and periodicals; and reimbursement at not to exceed 3 cents per mile of employees for expenses of travel performed by them in privately owned automobiles within the limits of their official stations; fiscal year 1945, $210,000, to remain available until June 30, 1946.

Mr. CASE. Mr. Chairman, I make the point of order that the paragraph just read is legislation on an appropriation bill and proposes an appropriation not authorized by law.

The CHAIRMAN. That is beginning in line 16?

Mr. CASE. Line 16, page 18, to line 3, page 19.

The CHAIRMAN. Does the gentleman from Missouri [Mr. CANNON] desire to be heard?

Mr. CANNON of Missouri. We have the same situation here, Mr. Chairman, as in the preceding paragraph. We concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. TARVER. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 19, line 3, insert a new paragraph, as follows:

"CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

"The limitation on expenditures under the 1944 program of soil-building practices and soil- and water-conservation practices established in the fourth proviso clause of appropriation 'Conservation and use of agricultural land resources,' in the Department of Agriculture Appropriation Act, 1944, is hereby increased from $300,000,000 to $313,000,000 (exclusive of the $12,500,000 provided in the

Department of Agriculture Appropriation Act, 1945, for additional seed payments)."

Mr. TABER. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill. The change of a limitation is a change of existing law, and it has been so held repeatedly.

Mr. TARVER. Mr. Chairman, the Soil Conservation and Domestic Allotment Act authorizes the promulgation of programs to cost not in excess of $500,000,000 annually. In the Agricultural Appropriation Act of 1944 the Congress undertook to impose a limitation of $300,000,000 upon the administrative authorities in the promulgation of the over-all program for the calendar year 1944, which program included not only payments and grants for soil-conservation and water-conservation practices, but the furnishing in advance of seeds, limes, fertilizers, trees and other agricultural materials to be used in soil-conservation work and to be charged against the benefits accruing to the farmers in subsequent crop years.

I think that a correct understanding of the amendment which I have proposed involves reference to the Budget document in which it was submitted to the Congress, House Document 793, Seventy-eighth Congress, second session, in which this identical language was recommended by the Budget, and in the explanation of the language it is clearly pointed out that it does not involve the expenditure of any additional moneys. In other words, this amendment, if adopted, does not appropriate or make available to the administrative authorities one single dollar of moneys which are not already available to them but it simply authorizes the use by them of moneys which have been allocated to the seed, fertilizer, lime, and tree program for the discharge of liabilities incurred under the program for the payments and grants for soil- and water-conservation practices. It is, therefore, in effect a reallocation of the funds which have already been appropriated by Congress.

I may say that that original allocation of funds was not made by the Congress in the enactment of the Agricultural Appropriation Act of 1944, but was made by departmental authorities without mandatory instructions from the Congress to make such allocations, although it probably was a matter within their administrative discretion. So I insist that the Congress by the imposition of the limitation in the Agricultural Appropriation Act of 1944 did not so tie its hands as to make it impossible for the same Congress or for a subsequent Congress to appropriate funds or to review and revise the allocation of funds already appropriated for the purposes outlined in the Soil Conservation and Domestic Allotment Act, so long as it does not exceed the limitation for maximum appropriation provided in that act, which, as I have pointed out, is $500,000,000.

I respectfully insist, Mr. Chairman, that the amendment is in order and the point of order should be overruled.

The CHAIRMAN. Does the gentleman from New York insist on his point of order?

Mr. TABER. I do, Mr. Chairman.

The CHAIRMAN. The point of order raised by the gentleman from New York is correct, and the Chair sustains the point of order.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 19, line, 3 insert:

"CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

"The funds appropriated in the Department of Agriculture Appropriation Act, 1945, under the head 'Conservation and Use of Agricultural Land Resources,' notwithstanding any allocation thereof heretofore made by departmental order, may be used to discharge in full payments and grants earned by farmers in carrying out authorized soil and water conservation practices."

Mr. TABER. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill and that it changes existing law.

It is apparent from the reading of it that if it were not legislation, there would be no occasion for offering it, that if it did not require legislation to permit the reallocation of these funds there is no reason why the Department would not have done it before. There would be nothing to stop it. So it is perfectly apparent that this is legislation.

The CHAIRMAN. Does the gentleman from New York contend that there is not authorization for the appropriation of these funds?

Mr. TABER. No; not that there is not authorization, but that the funds were appropriated. This is the picture. In the act there was a limitation that prohibited more than $300,000,000 from being expended for this purpose, but there is another provision of law that provides for the reallocation of these funds. That allocation has been made. This proposes to permit that allocation to be changed. Therefore, it is legislation on an appropriation bill. It is not that the appropriation in itself is not authorized, it is that this changes existing law. Existing law stated what the practice should be in allocating these funds. That has been done, and no new allocation can be made without new legislation. This is new legislation.

The CHAIRMAN. Is the gentleman contending that where error is found in the allocation, the error cannot be corrected under existing law by an appropriation to carry out the intent of the law?

Mr. TABER. I do not think we can declare what the intent is. If the allocation was made improperly, we can correct it without any legislation at all.

The CHAIRMAN. If the Chair may interrupt the gentleman, if they have the money they could correct it.

Mr. TABER. Yes.

The CHAIRMAN. That is what is being sought to be done now, to correct the allocation.

Mr. TABER. That is, to correct the allocation, to make it different than the way the Department did it. That would not be something we should do here by legislation. That is not an appropriation of funds. It is legislation, rather than appropriation of funds. It is not a matter that is authorized on an appropriation bill.

Mr. CASE. Mr. Chairman, I would like to be heard briefly on the point of order, to state a point for the further consideration of the Chairman.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. CASE. Mr. Chairman, personally, I have considerable sympathy with the purpose of the amendment offered by the gentleman from Georgia, so far as the farmer is concerned, but I do not believe that the adjustment should be made at the expense of the farmers to whom payments or allocations have already been made. If I understand the amendment which is now offered correctly, it will require that allocation heretofore made, and possibly payments heretofore made, be canceled and a new allocation be made. If my interpretation of the amendment is correct, it seems to me it would impose additional duties on Government officials. The amendment refers to allocations heretofore made. As I understand the amendment now offered, it says that, notwithstanding the allocations heretofore made, money which was appropriated by the Agriculture Appropriation Act of 1944–45 shall be available without respect to that allocation. Now, it may constitute a reappropriation, but if that money has already been committed and allocated and, in some instances, paid, it would seem to me to create an impossible administrative situation and be subject to the objection that it imposes additional duties upon administrative officers.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. CASE. I am glad to yield.

Mr. TARVER. Of course, I recognize the fact that the gentleman's argument is addressed to the merits of the proposition and not to the point of order, which is pending. Let me assure him it does not involve canceling of a single application of a farmer for any benefits under the provisions of the appropriation which was made in the 1945 Agriculture Appropriation Act but, on the contrary, the officials who testified before the committee in the hearings before the subcommittee were explicit in their testimony that what is proposed is the utilization of funds for this other program which would not be needed and which might be used in discharging the Government's obligation under the soil-conservation program, without injury to the other features of the program carried on under that item of appropriations. So the gentleman's fears are entirely unfounded. However, I think that question addresses itself to the merits of the proposition and not to the point of order which has been submitted.

Mr. CASE. Mr. Chairman, I do not care to take up the time of the Committee further. My point was that if it imposes additional duties on administrative officials, it might be subject to a point of order.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. TARVER. If the Chair desires to hear argument in opposition to the point

of order, I shall be glad to be heard. It occurs to me, Mr. Chairman, that the point of order advanced is entirely without basis.

The point of order advanced against the preceding amendment, that is, the amendment which I offered just before I offered this one, was that it undertook to raise the limitations provided in the Agriculture Appropriation Act of 1944 from $300,000,000 to $313,000,000. While I do not agree with the logic of the objections which were offered to that amendment, certainly those objections were considerably stronger and had greater basis than the objections heard here, where there is no attempt at all being made to increase the limitations which were provided in the Agriculture Appropriation Act of 1944, but simply to provide for the use of funds already appropriated by Congress in the 1945 Agriculture Appropriation Act, as to the allocation of which Congress made no provisions. It simply authorized their use as a whole for the payment of soil-conservation and water-conservation benefits, and for the carrying on of this seed, fertilizer, lime, and tree program and for the payment of administrative expenses without directing what part of it should be used for the one purpose and what part for the other, and not directing what would be the allocation by administrative authorities of the Department of Agriculture, but as I said a while ago, perhaps making it permissive for regional allocations to be made.

And now it is said that Congress cannot do now what it omitted to do in the passage of the Agricultural Appropriation Act of 1945, and provide that any or all of this fund of $300,000,000 can be used for the purpose of discharging the Government's obligations in the soil-conservation program for soil- and water-conservation payments. To say that Congress by the enactment of legislation in which it made no provision for the allocation of funds had tied its own hands, and that, therefore, during the same session in another bill it could not undertake to make such an allocation, to my mind is absolutely without reason or basis, as a logical argument. I can see no reason why the point of order should be sustained.

Mr. TABER. Mr. Chairman, it seems to me that the statement made by the gentleman from Georgia [Mr. TARVER] is an admission that this is legislation upon an appropriation bill. In other words, the Congress undoubtedly has the right to change a regulation or limitation that it has made, but it can only do it by some other bill than on an appropriation bill. That is the situation that seems to present itself.

The CHAIRMAN. The Chair holds that this is a reappropriation of formerly appropriated money, so as to carry out existing law and, therefore, overrules the point of order. The gentleman from Georgia is recognized.

Mr. TARVER. Mr. Chairman, the hour is late, and I do not intend to impose upon the good nature of the committee, since I discussed this matter at some length in the committee under general debate earlier in the afternoon. This merely involves the carrying out of the obligations of the Government to the farmers of the country, made in an effort to induce those farmers to participate in the soil- and water-conservation program, in good faith, and it does not involve the expenditure of a single dime of the Government's money, in addition to that, which you have already appropriated for this purpose, but merely authorizes a shift in the allocation of funds to purposes for which the funds are now needed, and will not be used, whether you take this action or not, in the payment of grants due under the soil- and water-conservation program. If you do not do this, the result is going to be, as I pointed out earlier in the afternoon, that in some of the States of the Union, where the farmers have exceeded the amounts of money allocated to those States, the farmers will be paid in full because there will be other States in the region where it is not needed, where funds can be diverted to pay contracts of the farmers located in these States which have participated to a degree greater than anticipated by the administrative authorities, whereas in other States located in regions where States utilized all of the funds allocated to them, farmers in exactly the same situation will have their claims reduced by perhaps 20 or 25 percent, and in some instances as in the case of the State of Louisiana by perhaps 44 percent. Now I say that in good faith the Congress of the United States ought not to permit the Government to welsh on its contracts with these farmers. I think it ought to make good and the only way to make good is by the adoption of this amendment which I have submitted.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The amount carried in the appropriation is essential and necessary to enable the payments to be made on the contracts that have been executed by the Government.

Mr. TARVER. Where the farmers have gone to the expense of carrying out their part of the contract.

As I said earlier in the afternoon it is true that there was included in the contracts some provision in fine print to the effect that if the Congress did not make the money available they could cut down on the amounts due the farmers under their contracts. But the farmers of the country had no right to anticipate that Congress would not make the money available to carry out the Government's obligations. They will consider it as I consider it if you fail to make this money available for discharging the Government's obligations that the Government has without cause and without reason welshed on its contracts to the farmers of the country; and I know of nothing you could do that would be more injurious to the soil-conservation program or anything more calculated to destroy participation in the program in those States where the farmers lose out because of this unfortunate situation.

Mr. ANDERSON of New Mexico. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. ANDERSON of New Mexico. May I say that in my State, and I know the same is true in various other States, the farmer did not get his final allotment until after the 1st of July, and by that time he had already carried out the practices requested of him, had bought the sulfur, had bought the things necessary. To come in now and cut them down is rank injustice.

Mr. TARVER. The gentleman is correct.

Mr. JOHNSON of Oklahoma. Mr. Chairman, if the gentleman will yield to me for an observation——

Mr. TARVER. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. It occurs to me that those who are opposing the Tarver amendment would be willing to penalize the farmers, when what they really want to do is to penalize the Department of Agriculture. The fact is the Department had no possible way of knowing how much the American farmer could or would produce. The farmer was called upon to produce more and more for the war effort and he answered that call in a marvelous manner. For this Congress to fail to keep faith with the farmer would be inexcusable and indefensible. As a member of the committee reporting the pending bill I feel that the farmers will be done a rank injustice if the Tarver amendment is not adopted. In Oklahoma his soil-conservation payments would be reduced 18.4 percent. The manufacturer who overproduces for the war is paid in full—cash on the barrelhead. Surely this Congress is not going to reward the farmer for patriotically producing for war by penalizing him to the tune of over 18 percent.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. WHITTEN. The net effect of the gentleman's amendment is to strike out the sectional lines which were drawn in the allocation of these funds, and where a State has funds which it may not use they can be used in another State in the region. The effect would be to strike out the regions and permit funds not used in one place to be used somewhere else.

Mr. TARVER. The effect of the amendment, I may say to my friend from Mississippi—briefly because I have not time to go into it in detail—is to insure that every farmer in this country who signed a contract to carry out certain conservation practices at a stipulated price will be paid whatever the Government promised to pay wherever he lives.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MAHON. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. MAHON. The question pending before the committee at this time is relatively simple and it is tremendously important. There is a provision in the law which provides that in soil conservation payments the Department of Agriculture could not pay out more than $300,000,000 in any one year. The appropriations for 1944, for this crop year,

were not made until June, but the farmers, of course, began this crop long before January, not to speak of June 1944. The Department of Agriculture, as required by law, went out and made detailed arrangements with these farmers long prior to June 1944. We provided for that. It was impossible for the Agricultural Adjustment Administration to know exactly to what extent the farmers would cooperate in earning these payments. Moreover, this is the first year when all of these triple A payments are to be based solely upon soil conservation practices, like terracing and things of that sort. Heretofore the program has to some extent been based upon commodity payments, such as so much per pound for cotton and so forth, and upon soil-conservation practices such as terracing.

The Department of Agriculture made the best arrangement it could. It is amazing to me that they could hold it to within $13,000,000 of what they needed during these days of war and uncertainty. But, of course, no human being knew to what extent our agricultural producers would cooperate until long after the bill had been passed. Now the Department hedged somewhat and saved back a reserve of $8,000,000 which it is in position to use in order to partially right this injustice. They need to draw from other funds available to the Department under appropriations and acts heretofore provided by Congress an additional $13,000,000 to pay everybody what everybody has been promised for cooperating in this war-food program.

The representatives of the Government have gone out all over this Nation and they have told the farmers that we have got to go all-out and produce and produce and produce to win the war; so the farmers went to bat and they exceeded the expectation of the Government and the Department of Agriculture in their enthusiasm to carry out this program to the extent of practices amounting to $13,000,000 more than provided.

For example, in the State of Vermont they exceeded the practices and earned more than 1 percent in addition to what had been anticipated; in the State of Rhode Island 8 percent; in the State of Connecticut they overearned the payment 6.5 percent; in the State of New York it was only eight-tenths of 1 percent; in the State of Missouri, 18 percent; in other words, 27 States of this Union overearned the premiums which had been promised to them, which means that this proposition is not a sectional matter as between the South, on the one hand, and the North on the other hand. This is a proposal involving, as I say, most of the States of the Union in one way or the other.

Mr. LUTHER A. JOHNSON. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. This amendment should be adopted. The producers must receive the payments which they have been led to expect they would receive. Let me ask if the pending amendment is not adopted, it means in those 27 States the farmers will receive less than the amount promised them by their Government?

Mr. MAHON. It does not mean that in all 27 States the farmer will be discriminated against, because there is some leeway. Some States and regions did not earn as much as the others. However, most of these States will be discriminated against unless the amendment is adopted. In a large percentage of those States it would mean that the Government has in the opinion of the farmer broken faith with the farmer who has gone his whole limit to produce food and fiber for victory.

West Virginia has overearned its payment; Kentucky has overearned; Arizona by 43 percent; Colorado, 5 percent. Other States are Idaho, Kansas, Nevada, New Mexico, Oregon, Utah, and Wyoming—Wyoming by 34 percent. Then there are all of the Southern States with the exception of Florida.

Mr. Chairman, it seems to me that there is nothing left for us to do but to make available from funds now available to the Department of Agriculture for other purposes this additional sum of $13,000,000 in order that we may follow through on this program and permit the people who have been producing food for victory to get the amount of money they were led to believe they would get when this program was initiated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, there is some merit in the contention advanced by the gentleman from Texas [Mr. MAHON] and the gentleman from Georgia [Mr. TARVER], but I think also there is an issue involved here that transcends the money consideration. When we passed the agricultural appropriation bill for the fiscal year 1944 we very specifically used the language that the total expenditures were not to exceed the sum of $300,000,000. It occurs to me that was something of a mandate upon the Agricultural Adjustment Agency. It affirmed the intent of Congress which stated that the soil-conservation-practices payments shall not exceed the sum of $300,000,000. It was a mandate to them also to follow out certain alternatives such as reduction in payments, I would say, if they found that the program was oversubscribed. That is a wholly administrative matter. We said, "Do not go beyond the limit of $300,000,000." So the law is extremely specific on that subject. They found that there was an oversubscription to the program. They formulated a program for farmers in certain sections of the country, and they find that they are $30,000,000 short.

Let us carry that theory a little bit further. Suppose they had been $100,000,000 short. Suppose they had been $200,000,000 short. Suppose for the fiscal years 1945, 1946, 1947 they find on administrative experimentation that they are short. I say the Department of Agriculture went over and above the limitation set, and they come back here and say, "We are sorry we misestimated the amount. We had to go over and above the amount allowed, so we need this extra money." This is not the first time this has happened.

Mr. ANDERSON of New Mexico. This is the first time we have been short on soil conservation.

Mr. DIRKSEN. That is right; I agree with the gentleman. But I will say that this is not the first time this has happened in the Department itself. When the Farm Security Administration undertook to buy $16,000,000 worth of land for which there was no legislative warrant, I remember so well Mr. Baldwin coming before the committee and saying to Judge TARVER, "I am extremely sorry, but the commitments have been made." The tenants and the owners were moved off, and right now there are claims before the Claims Committee against this Government for commitments made by the Farm Security Administration that they had no authority to make, and these people have not yet been paid, and the mortgagees are pressing for the encumbrances that were on the land.

How long will this go on? Can we not write a limit beyond which they must not go?

In these contracts there is print to the effect that if the money is not there it shall be scaled down.

May I say in connection with the observations made by the gentleman from New Mexico [Mr. ANDERSON] as to these obligations to farmers or to the gentleman from Texas [Mr. MAHON], relative to this not coming into effect until July 1, 1944, that it was early in the year when we had Mr. Wickard before the committee and we had a long discussion about making these commitments, when he knew there might not be money for it and we tried to make it so clear to him that he should not commit this Congress over and above the things that we intended in this act. So there is precedent involved here. I say, frankly, I do not know how far they are going to go. Thirteen million dollars is not so important as committing this Congress after we have set a limit for the money that should be used for a part of that function.

Mr. ANDERSON of New Mexico. The gentleman spoke of somebody here in Washington who knew, but the farmer did not know, and he started planting his crop in January and not in July.

Mr. DIRKSEN. I agree with the gentleman. I suppose the farmers do not always read the fine print in these contracts, and I do not suppose that it is always made clear in the press. There is equity on both sides, but there is a principle involved.

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. ANDERSON] for 5 minutes.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Georgia.

Mr. TARVER. I simply wish to point out, when I asked the previous speaker to yield, that this amendment does not involve an appropriation of $13,000,000 additional money or any other amount of additional money.

Mr. DIRKSEN. That is right.

Mr. ANDERSON of New Mexico. Let me say at the very outset we ought to remember the distinction between the case which my good friend the gentleman from Illinois [Mr. DIRKSEN] used about people who went out and spent money without authorization of law. I concede that that sort of thing is wrong, but that is done by the departments here in Washington for which the farmers of the United States should not be penalized.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Right at that point, I am wondering what we can do by way of disciplinary action on some of the agencies of Government to stop the practice.

Mr. ANDERSON of New Mexico. What can we do? I should say the only thing we can do is to warn the farmer in January before he orders his fertilizer, before he orders his sulfur, and before he does all of the things the farmers of this country do in response to the whippings and lashings and appeals of the War Food Administration. Have we not been eating pretty well in this country? And why have we been eating well? Because the farmers of this country have done a magnificent job, and a great deal of it has been done under the stimulus of these triple A payments.

I know how this matter has proceeded, and so do you. In June we passed a bill that said $300,000,000 should be available, but do not forget that months before that the farmer was at work—that was last February—yes; in the fall of 1943, he began doing his fall plowing to get ready for the job of producing this great crop, and he believed, and he had reason to believe, upon the assurance of the Government agents, that he would get his soil-conservation payments.

I have said to you before that if all this were scaled down equally over the United States, there could not be too much complaint, because every farmer would be cut down only 4 percent, but as the matter has been administered, and I criticize the administration of it from that standpoint, certain farmers will be penalized 40 percent, and other farmers will not be penalized at all. Is that fair? If you think it is, then you should vote against the Tarver amendment.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Arizona.

Mr. MURDOCK. If any disciplinary action is to be taken because of this apparent miscalculation, it should be taken on the Department and not on the farmers. Our farmers have a moral claim regardless of the legal question.

Mr. ANDERSON of New Mexico. The gentleman is right.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Mississippi.

Mr. COLMER. Does not the gentleman feel that a more apt illustration than the one used by the gentleman from Illinois would be where we encouraged so much more additional ammunition to be manufactured than was necessary, and then were called upon to pay for it?

Mr. ANDERSON of New Mexico. Yes. We did not refuse to pay for additional things that were produced in the factories. We have not questioned the great amount of money that has gone into the production of the great machines of war. Why do we tell the farmer of the United States that it is not safe to take the word of the United States Government? Thirteen million dollars is involved here, when they can spend $109,000,000,000 within a single year.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from New York.

Mr. TABER. My understanding is that Mr. Dodd's letter to the farmers said that if there was not enough allotted in that territory to take care of them their payments would be reduced pro rata. If we now pass this, we say that Mr. Dodd was not telling the truth.

Mr. ANDERSON of New Mexico. No; that is not the situation at all. Mr. Dodd did not write to the individual farmer and tell him what his allotment was going to be. On the contrary, the people from the Soil Conservation Service and the people from the triple A went all over this country saying to the farmers, "Congress is going to give you what money is necessary to produce food to win the war. You pitch in and do your part and we will take care of you." The production came in. The farmers did their share. Then we say here that Mr. Dodd should have written them a letter telling them that they were not going to get their money. He did not do it.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from North Carolina.

Mr. FOLGER. Was not producing more food the farmers' answer to Congress and the whole country?

Mr. ANDERSON of New Mexico. Certainly. All they did was live up to what we asked them to do. When they did that, then somebody says there was something in the contract that said it was going to be scaled down. It has already been scaled down, but still there remains the fact that definite commitments have been made.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I supported this amendment in the Appropriations Committee hearings this morning. As it appeared then and now from the discussion we have had of this proposition most of the seeming opposition to this amendment comes from the fact that Members hate to let a department tell them what to do. Frankly, one of the chief objections I have found in my service here is the fact that most committees permit and allow the departments to control legislation before the committees. If you cannot get a departmental approval on a bill it is practically impossible to get Members of Congress—those same Members who complain every day about departments running their business—to vote out a legislative bill. But in this particular instance you waited to put this limitation on the amount of money that could be used for soil-conservation payments until June 1944, after the Department, at the urging of Congress and the President, had sent out its plea to the people of the Nation requesting them to produce foodstuffs far beyond anything the farmers of this country had ever undertaken and this Government promised to pay to these farmers certain soil-conservation benefits, as an inducement to plant food crops and in an effort to prevent the depletion or destruction of the soil by this extensive program. As has been repeatedly stated, the farmers of this Nation were patriotic and went into that program wholeheartedly. The Department of Agriculture could not tell how many of them were going into it, or how strong each individual farmer would go into the program. Naturally when the final count was in, the American farmer was on the side of safety and if he made a mistake, he did it on the side of patriotism and on the side of putting additional acreage under the soil-conservation practices and into the Government program.

Mr. ABERNETHY. Will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. ABERNETHY. Is not it a fact that the farmers of the Nation have already earned this additional $13,000,000 and a failure to adopt this amendment means that the Government is violating its own contract?

Mr. WHITTEN. That is the way it will be taken. But in addition to that, I want to call your attention to this fact. This Congress is the one which put the $300,000,000 limitation on soil conservation payments in the original act, and if we had the right to put the limitation in it we certainly have the right, when we see that the American farmer has exceeded the most that we could have expected of him, we, the same Congress, still have the same right to lift that limitation by $13,000,000, and where we have contracted for such payments as we have done here we have the duty to raise such limitation. Under the present set-up there is another inequity unless something is done. For this program the country was divided into regions. If a State in a certain region exceeded the money allotted to it by the A. A. A., as was shown by illustration, the State of Missouri, which exceeded its allotment by 18 percent, then if some other State in that region should fall below the amount of money allocated to it, then the farmers of the State of Missouri could and did collect the full amount of money

due them, though the payments for the State of Missouri exceeded its allotment by 18 percent. This was possible because other States in that region—Iowa, for instance—fell below their allotment.

But in such a State as mine, Mississippi, where we exceeded the program as did all other States in the region, unless this amendment is adopted our farmers will collect only about 60 percent of the payment due them and which they have already earned. Certainly it is unfair for the farmers of Missouri to collect 100 cents on each dollar promised and earned by them and the farmers of Mississippi only 60 cents for the same work. Think how unfair it will appear to the farmers of Mississippi who know the Government contracted to pay the full benefits. Our citizens do not particularize between the Department of Agriculture, the Department of War, the House of Representatives, or the Senate—it is all the Government; they feel that their Government asked them to do a job and they did it. If now they are not paid 100 percent of the amount promised before the work was done but only 60 percent, they certainly have a right to feel they have been misled. I think this Congress, if it wants to take a slap at the Department of Agriculture, can do it, but do not do it by striking at the patriotic American farmer.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. GOSSETT. As I understand, in the last analysis, this is not going to mean any additional appropriation but simply going to mean moving funds in excess from one region to where there is a deficit in another region, and further prevent our Government from violating the promise to the American farmer who has done a magnificent job?

Mr. WHITTEN. That is correct.

Mr. GOSSETT. It is a redistribution, as it were, and certainly there can be no real objection to it. The Government cannot violate its contract and should not. I trust the amendment will be adopted.

Mr. WHITTEN. It is permission to take funds which we have appropriated to the Department of Agriculture and authorizing the Department to take those funds and live up to the contracts which had been signed by the American farmer and the conditions and terms of which he has fully met.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MORRISON of North Carolina. Is this not the situation, that they exceeded the $300,000,000 in one activity and in several other activities they did not expend as much as they were authorized?

Mr. WHITTEN. A total amount of $500,000,000 was authorized for this and kindred programs with a limitation of $300,000,000 for this particular phase of the program.

Mr. MORRISON of North Carolina. Exactly.

Mr. WHITTEN. This program is within the total limits.

Mr. MORRISON of North Carolina. This would simply take money where the Department did a little better, as far as saving was concerned, than was expected of them and where they did not quite do so good in another place, and we permit a shift from where they have a surplus over to where they have a little deficit?

Mr. WHITTEN. That is correct.

Mr. MORRISON of North Carolina. That is all there is in it; is that not correct?

Mr. WHITTEN. That is correct.

Mr. MORRISON of North Carolina. And, not to do it would be merely subterfuge and resorting to technicalities to cheat the farmers of the United States out of their just deserts.

Mr. WHITTEN. I do not believe any Member of the House wants to do that. There are certain Members here who feel that the Department of Agriculture could have probably handled this program without all this trouble and within the limitations, and perhaps they could. At any rate, they did not. Now, the American farmer has earned this $13,000,000. He was assured of payment. Certainly because of technicalities or because the Department of Agriculture underestimated the efforts of American farmers to cooperate in the program, we cannot fail to lift the limitation on this appropriation by $13,000,000 so that these farmers can be paid what they have earned, especially where it means the use of money already appropriated and not needed for other purposes.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MAHON. Is it not true Congress instructed the Department of Agriculture to go out and plan this program and if the Department of Agriculture had waited until July 1, 1944, to try to stimulate production in 1944, it would have been perfectly absurd.

Mr. WHITTEN. Certainly. We asked the Department of Agriculture to stimulate production and to call on the farmers of the Nation to increase production in every way possible. Taking no chances on inadequate production, the Department of Agriculture entered on a large program. The farmers of the Nation cooperated fully, even better than the Department hoped. In so doing they earned under Government contracts $13,000,000 more than even we expected. We can do no less than lift this limitation and pay to the American farmer what his Government promised for work well done.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The question was taken; and on a division (demanded by Mr. TABER) there were—yeas 57, noes 35.

So the amendment was agreed to.

The Clerk read as follows:

Salaries and expenses: For an additional amount, fiscal year 1945, for salaries and expenses, Library, Department of Agriculture, $6,375, including the objects specified under this head in the Department of Agriculture Appropriation Act, 1945.

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 19, after line 14, insert a new paragraph, as follows:

"AGRICULTURAL RESEARCH ADMINISTRATION

"BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING

"Salaries and expenses

"Agricultural engineering investigations: For an additional amount for agricultural engineering investigations, fiscal year 1945, including the objects specified under this head in the Department of Agriculture Appropriation Act, 1945, $61,100, of which sum not to exceed $23,100 may be expended for the construction of a building to replace one destroyed by fire at the United States Cotton Ginning Laboratory, Stoneville, Miss."

Mr. WHITTINGTON. Mr. Chairman, this is to replace one of the buildings and the equipment therein that were destroyed by fire in September 1944.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. CANNON of Missouri. This is the amount required for the original construction.

Mr. WHITTINGTON. This is the amount required according to the testimony in the hearings before the gentleman's committee for the replacement of the building, and is not the amount contained in supplemental estimate, which was about $22,000 more, for a fireproof building. This is the amount required to replace the building according to the testimony before the gentleman's committee.

Mr. CANNON of Missouri. I have no objection.

Mr. WHITTINGTON. I understand also that the gentleman from New York has no objection.

Mr. TABER. No.

Mr. WHITTINGTON. I extend by saying that the Cotton Ginning Laboratory was established at Stoneville, Miss., under the act of April 19, 1930. It consists of a number of buildings and of much valuable equipment. The experiments and the research work have been of great benefit to cotton growers and to manufacturers. The plant represents an investment of several hundred thousand dollars. The hearings disclose that it would take $23,100 to replace the ginning and press building, totally destroyed by fire, and it would take $38,000 to replace the equipment therein that was destroyed by fire. There is a supplemental Budget estimate in House Document No. 756, Seventy-eighth Congress, second session, November 11, 1944, for $83,000. This estimate, which I approve, contemplates $45,000 for replacing the building destroyed by fire. Dr. R. M. Salter, Chief of the Bureau of Plant Industry, Soils, and Agricultural Engineering, testified that it would be difficult to obtain an account of priorities for the material with which to replace the building destroyed and that a fireproof structure could be constructed for $45,000, which he recommended. I concur.

In reporting the bill the committee did not include the project without prejudice and passed it so that the consideration could be given to providing for rebuilding in the next agricultural appropriation bill. I appeared before the Deficiency Committee, and I urged that the matter was an emergency one, that if the construction of the building were delayed for 6 months it would hamper and impair the work of the laboratory. The committee finally agreed that if I offered an amendment to provide for the replacement value of the building rather than for the fireproof structure, the committee would be agreeable to including the item. While I preferred the fireproof structure, I have complied with the request of the committee and have included for the building $23,100. I believe that finally, however, provision should be made for a fireproof structure.

Cotton is not ready for the market when it is harvested or picked. It must then be ginned, and the type of ginning determines the grade and price of the cotton.

The Cotton Ginning Laboratory was not established to design new types of gins nor to duplicate any research work done by gin manufacturers. It is the only cotton ginning laboratory in the United States. It is designed to improve by auxiliary devices cotton ginning and to improve over-all practices of cotton ginning. Improvements in ginning and improved methods of ginning have resulted from the experiments at the laboratory. There is faster ginning with an improved fiber. The value of the cotton has thus been materially increased. The experiments have been so beneficial that the last Agricultural Appropriation Act included $20,000 to the Extension Service to enable representatives of the Extension Service to bring throughout the Cotton Belt the results of the experiments of the laboratory to the thousands of cotton ginners in the South.

There have been improvements in the fans, and there has been a reduction in the cost of operating fans as a result of the experiments at the laboratory.

The quality of the cotton has been preserved. The trash and foreign matter have been eliminated.

The laboratory is largely responsible for the cotton drier. It is now used throughout the Cotton Belt. The drying improves the grades of cotton.

The density of the bales has been made standard. As a result of the experiments of the laboratory, the standard space will be only 50 percent of that previously required for cotton.

The great need now is better cleaning equipment. Air-cuts in compressing must be eliminated. Cotton must be cleaned before it reaches the saws and air-cuts must be eliminated, and there must be further cleaning between the saws and the press.

I sum up by saying that as a result of the experiments the costs of cotton ginning have been materially reduced and the fiber has been preserved.

The mechanical picker is being perfected. The need therefore for better cleaning equipment is more imperative than ever. As a result of mechanical picking there is trash and foreign matter that can only be eliminated by better cleaning equipment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Mississippi?

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had under consideration the bill H. R. 5587, the first supplemental appropriation bill, 1945, and had come to no resolution thereon.

LEAVE TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentlewoman from Illinois [Miss SUMNER] be permitted to address the House for 40 minutes, after any other special orders entered for today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TRANSFERRING PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Also, Mr. Speaker, I ask unanimous consent that the order granted to the gentleman from New York [Mr. FISH] to address the House today be transferred to Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

UINTAH AND OURAY RESERVATION, UTAH

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (H. R. 837) to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Chair appointed the following conferees: Mr. ROBINSON of Utah, Mr. WHITE, Mr. PETERSON of Florida, Mr. MOTT, and Mr. LECOMPTE.

ADDITIONAL ASSISTANT SECRETARIES OF STATE

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4311) to authorize the appointment of two Assistant Secretaries of State, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Senate amendments:

Line 3, after "state" insert "beginning immediately."

Line 4, after "of" where it occurs the first time, insert "the emergency and not to exceed."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman please explain these amendments?

Mr. BLOOM. This is the amendment suggested by the gentleman from New York [Mr. COLE] the other day, but the amendment as adopted in the House was that the bill should take effect 2 years after the war is over.

Mr. MARTIN of Massachusetts. The gentleman means: "Go into effect 2 years after"?

Mr. BLOOM. Yes; that is the way he had it, but the amendment changed it to read that it shall go into effect immediately. I spoke to the gentleman from New York [Mr. COLE] and he agreed to the amendment.

Mr. MARTIN of Massachusetts. What is the other amendment?

Mr. BLOOM. That is the only one.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection.

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, is this to be a permanent arrangement?

Mr. BLOOM. No; it is to last for only 2 years after the war is over.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON FOREIGN AFFAIRS—PERMISSION TO FILE REPORT

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CLERK HIRE BILL—ANNOUNCEMENT OF HEARINGS BY COMMITTEE ON ACCOUNTS

The SPEAKER. The Chair recognizes the gentleman from Missouri.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I have just introduced a bill embodying the language of the amendment I offered to this appropriation bill today in reference

to clerk hire. I have also called a meeting of the Committee on Accounts for 11 o'clock tomorrow morning and I advise any Members wanting to oppose the bill that they can appear before the Committee on Accounts tomorrow morning.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a tribute to the flag by Capt. John W. Cumming.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address entitled "The American Dream" by Dr. Peter Marshall.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. WOODRUFF] may extend his own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Texas [Mr. MANSFIELD] may have permission to extend his remarks in the RECORD and to include a speech by one of the members of the Engineering Corps.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that in connection with certain remarks made by me in the Committee of the Whole this afternoon I may insert certain relevant material and data.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. GORSKI. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD an editorial from the Chicago Sun of December 4 entitled "Protecting the Social Security Fund."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(Mr. DOMENGEAUX, Mr. KING, and Mr. VURSELL asked and were given permission to revise and extend their own remarks in the RECORD.)

(Mr. JARMAN asked and was given permission to extend his own remarks in the RECORD and include an editorial.)

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole this afternoon; and I further ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who spoke today on the bill H. R. 5587 may revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Wisconsin [Mr. MURRAY] is recognized for 10 minutes.

POLICY WITH REFERENCE TO SALARY INCREASES

Mr. MURRAY of Wisconsin. Mr. Speaker, I first wish to call attention to something which happened here today and that will come up again tomorrow, that is, the introduction of legislation to provide an additional $3,000 for clerk hire. This would provide $57.69 per week for an additional clerk. I wish to call your attention to what happened here just a few short weeks ago right here on the floor. We had up for discussion the white-collar amendment, the Andresen amendment. At that time administration leaders appeared on the floor and opposed it. The Andresen amendment would have provided that the employer could raise his employees' wages to $37.50 a week without referring the case to Washington. It seems now, however, that we are not going before the War Labor Board or any other board, and without observing the Little Steel formula or any other formula, fix certain wage scales for certain of our own employees ourselves regardless of what may happen to millions of people who are getting $37.50 a week or less.

Many unnecessary strikes resulted where the employer and the employees had agreed on the salary and when the W. L. B. did not act, these strikes occurred. Now it is suggested that Congress appropriate money for a $57.69 per week clerk for the Members, without thought of the millions in the $37.50 or less bracket.

However, today I wish to speak a few minutes on the subject of increasing congressional salaries.

SALARY INCREASES FOR MEMBERS OF CONGRESS

Mr. Speaker, for several months articles have appeared in various papers suggesting that Members of both Houses of Congress be provided an increase in salary at this time. The suggested increases have been from $2,500 to $10,000 per year.

I am prompted to take this time because of the importance of the proposal. I am ready to accept the criticism that may be involved in discussing this question today.

This proposal to increase congressional salaries at this time is ridiculous, preposterous, and indefensible.

How can anyone propose a $2,500 to $10,000 increase in salary for Members of Congress at the very time that over 10,000,000 American men and women have been provided a base pay rate of $600 per year to preserve our country? This situation in itself is a sufficient reason why no consideration should be given the proposal.

How can this increase be justified in the light of the workings of the unfair Little Steel formula that has frozen the low-income groups with the 15 percent provision? How can anyone justify an increase of $2,500 to $10,000 per year for a group that delegated the power to the President, whose appointed agencies provide that the low-income groups cannot obtain over a 4-cent, 5-cent, or 10-cent-per-hour increase in their salary?

Take the recent telephone operators' strike, for example. The base pay of telephone operators in a large city is shown in the following letter received from the Secretary of Labor:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, December 1, 1944.

Hon. REID F. MURRAY,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN MURRAY: Acknowledgment is made of your letter of November 27, concerning the salaries of telephone operators involved in the recent strike in Dayton and other Ohio cities.

This strike originated in Dayton, the strikes in other cities being of a sympathetic nature. My information is that the following scale of wages for operators prevails in that city:

Wage schedule service (inclusive):	*Rate per week*
1 to 3 months	$21
4 to 6 months	22
7 to 9 months	23
10 to 12 months	24
13 to 24 months	25
25 to 36 months	26
37 to 54 months	27
55 to 72 months	28
73 to 96 months	29
97 to 120 months	30
121 months and over (maximum)	31

The reports of the Conciliation Service indicate that operators transferred to Dayton from other localities were paid a subsistence allowance of $18 per week, in addition to their regular salaries. The issue in dispute between the union and the Ohio Bell Telephone Co. was the demand of the union for the removal of the transferee operators assigned by the company to the Dayton telephone exchange.

I believe this is the information you desire.

Sincerely,

FRANCES PERKINS.

These telephone operators were milled around for a year in their request for consideration of their problem. It was contended by Government agencies that they could not be provided an increase in their small salary because it would cause inflation, although governmental agencies admitted there had been a 29-percent increase in the cost of living. Non-Government agencies claimed there had been a 40-percent increase in the cost of living during this same period.

How can anyone justify this proposed $2,500 to $10,000 increase in congressional salaries when the Congress itself has passed legislation that resulted in the freezing of the income and hourly wage of the producers of the food and fiber of the Nation? This freezing has taken place although there has been an increase of from 20 to 40 percent in the things the farmer buys.

While election-time gratuities have improved the producers' economic situation temporarily, there is nothing permanent or fundamental in connection with these election-influencing proposals.

The congressional salary increases are proposed on a permanent basis.

There have been many edicts, laws, rulings, and Executive orders put into effect to freeze the salaries of most American citizens. The Congress can well afford to freeze the congressional salaries at this time.

In fact we had better drop this increased congressional salary proposal right now and exert our efforts toward more important things.

In addition, no sleight-of-hand performances should be followed. This proposed legislation should not be attached to any deficiency appropriation bill, nor any other regular bill. If this proposal to increase congressional salaries has merit, let its supporters introduce a bill that will provide them. Let the bill go to the proper committee. Let hearings be held. Let advocates of and opponents to the legislation be allowed to give their testimony. If anyone is not sufficiently interested in this legislation to introduce a bill, it cannot be justified by slipping it into some deficiency bill.

The New Deal and its agencies are honeycombed with set-ups that provide cream for the few and skim milk for the many. Let us, as a Congress, avoid being a party to this type of set-up.

Let us not waste any of the time of the Seventy-eighth Congress on this salary-increase proposal. If this new Seventy-ninth Congress, with its large New Deal working majority, wishes to consider and pass such unworthy legislation, let them accept the responsibility for so doing. Let them take the credit or discredit that would result from its passage.

I conclude and repeat that this proposal to increase congressional salaries at this time is ridiculous, preposterous, and indefensible. Consideration of this kind of legislation would have been more appropriate shortly before election time.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentlewoman from Illinois [Miss SUMNER] is recognized for 40 minutes.

Miss SUMNER of Illinois. Mr. Speaker, I have filed a bill intended to prevent United States' participation in violation of principles set forth in the Atlantic Charter. The purpose of this bill is to call a halt to the Government's appeasement policy which is prolonging this war, wasting lives, and building up more wars for America to fight.

Remembering how appeasement built Hitler into a menace we should realize that appeasement is the same as playing with dynamite. Hitler, remember, came to power publicly committed to lead Germany to war. Either France or England alone might have demolished Germany at the time, since Germany had no military strength worth mentioning. Instead, the powers tried appeasement. They refrained from interfering when Hitler repudiated the Versailles Treaty, adopted conscription, started mobilizing, and remilitarized the Rhineland. They did not interfere when Mussolini invaded Ethiopia, jeopardizing their African colonies; nor when Italy and Hitler overthrew the Spanish Government, securing a vital spot on the British Empire life line. They adhered to the appeasement policy when Hitler grabbed control of the Balkan countries one by one, Austria, Hungary, Bulgaria, and Rumania—rich in coal and iron—though these little countries all had armies and were potential allies. At Munich they threw to Hitler Czechoslovakia with its important munitions industry. Appeasement built up the aggressor, Hitler, and created the present war. Now Stalin is being built up by precisely the same appeasement policy which built up Hitler.

The pressure for continuing appeasement comes largely from the so-called internationalists who want the world to be governed by a league of nations. The League of Nations plan is the rich man's Townsend plan. Our country in the years since we refused to join the League of Nations has done about all the foolish things membership in the League of Nations was intended to force us to do. Perhaps it is unfortunate that the United States did not join the League after World War No. 1 so that by this time the American people would know from sad experience that the League of Nations scheme is a will-o'-the-wisp. By refusing to join the League of Nations, we built up overpowering political pressure for it in the same way that repeated stifling of the Townsend plan has built up an effective Townsend organization.

The League of Nations scheme sounds like a bonanza not only to international bankers but also to capitalists, who see in the scheme a dazzling opportunity for making highly profitable investments in cheap labor countries without any more risk than they would incur in peaceful, orderly United States, and without having to pay the taxes to which real and personal property are subject in most States in America. Hence the scheme has become a lucrative political racket. Any artful politician who cares to do so can secure flattering publicity, heavy campaign contributions, and speedy political advancement by conspicuously embracing internationalism. The racket is very profitable for writers, too.

Thus the scheme has achieved a vast following, particularly among the politically naive, since it is seductively advertised as a plan which would keep us out of war. Others have succumbed to the argument that since it is a good idea for Americans to be ruled by a United States of America, it would be a still better idea for Americans to be ruled by a United States of the World. Really, somebody should write a book in words of one syllable with illustrations and diagrams showing why and how a world super government with all sorts of terrorists, communists, and other half-savage people participating in the government would soon level down the average American citizen to a low standard of civilization he would find intolerable. It is not as if our Government had not gone far enough over the hill toward the poorhouse while the management of it is still confined to American citizens only.

The extent to which billions of dollars worth of advertising has lined up public opinion behind this movement would be a titillating, humorous subject to be relished and explored by satirists in the perhaps remote future when liberty of expression again becomes a reality throughout the United States, except for the fact that the consequences have already become deadly serious. The appeasement policy arising from the pressure for this scheme has already made the coming victory in Europe a pyrrhic victory—as in the story of the operation which was considered successful, although the patient died. Stalin's rapid moves toward world domination, which he could not have made without the aid of the appeasement policy, have already reduced the level of United States security in the post-war world below the danger point.

You may wonder why I bother to dissect the internationalist pressure group in the midst of my cry for an end to appeasement. Well, the correlation between the pressure for the League of Nations scheme, the appeasement policy, and the building up of another war for us to fight was well illustrated in the Moscow Conference in the fall of 1943, the story of which leaked out shortly after the conference. The American representative at the conference was the then Secretary of State, Cordell Hull, who is a Wilsonian Democrat. The League of Nations scheme has long been the apple of his eye. Of course, there was no good reason why the U. S. S. R., an erstwhile member of the League of Nations until expelled for aggression against Finland in 1939, should not consent to join a resuscitated version of the League when Mr. Hull requested it at the conference. Mr. Stalin, a gentleman who came up the hardest way, plays his cards for all they are worth to himself even to the extent of trumping his allied partners' aces. His representative at the conference played the coquette. Hour after hour, the Russian representative coyly refused to join the League of Nations, the dream scheme which has been a pet theme of Mr. Hull's orations all through his career in Congress, the Senate, and the Cabinet. Mr. Hull exhorted, pleaded, begged. Frantically, wildly, he said "yes" to every concession, every appeasement asked by the Russians. Finally, after securing everything he had urged, the Russian diplomat graciously agreed that Russia would join the new League of Nations. As a climax Stalin, himself, gave audience to Mr. Hull, shaking hands with him not only once but twice.

Among the concessions granted to Russia was the right of the nation whose army would be first to reach a fallen country to occupy it until after a plebiscite would be held—a concession which, as predicted in Congress at the time, virtually invited Stalin to send his armies to the Balkans in order to hold fake plebiscites and thus gain control of these strategic countries as Hitler did it in Austria, and Stalin himself did it

in the Baltics. The many newspapers that print the internationalist propaganda heralded the Moscow Conference as a great diplomatic triumph. These newspapers praised the Moscow Conference appeasing Stalin almost as enthusiastically as they once praised the Munich Conference appeasing Hitler. But the glory of the Moscow Conference was outshone within a month by the Teheran Conference at which Stalin obtained from President Roosevelt himself still greater appeasements, including the second-front invasion and the promise that the Allies would not invade the Balkans. Stalin's reason given at the time for preventing a British-American invasion via the Balkans—a strategy much easier for America than the western invasion—was that such an invasion in violation of his promise at Teheran that his armies would proceed straight to Berlin, furnishing a nutcracker operation synchronized with the Allied western front invasion, indicates that his real reason was that he wanted no impediment to his later getting the Balkans.

Since Teheran it seems that there is nothing so valuable that the United States is unwilling to concede it in order to keep up the appearances for internationalists who insist that unity must be preserved at any cost. The price the United States has genially paid in order that our President can salute Stalin as a fellow member of the league and say, "Hello, Joe. What else can I do for you?" is beyond the conception of previously recorded history. It is phantasmagorical.

The price has included giving away things which were not ours to give, rights we had already guaranteed to other governments, including Poland and Yugoslavia, and Chiang Kai-shek's government of China. When little nations have requested our State Department to rescue them from extinction by merely saying a good word for them to Stalin, they are advised to see Stalin and get along with him as best they can. They are told that such is the way quarrels are settled in Tennessee, though, under the circumstances, it is as if the Chicago police were to tell a citizen threatened with murder he should get along as best he can with Al Capone's mob. The price has included giving Stalin war supplies that our own American soldiers need. Our President has never insisted that American military attachés be permitted to stay in Russia in the usual way to check up on Stalin's requirements. The fact is that nobody in American Government really has a good idea of what Stalin requires. The policy gives Stalin whatever he asks virtually without question. Stalin's forces are using American equipment to loot and terrorize Yugoslavia and other countries, although since the election Army officials have frankly admitted that our men on the western front are impeded by equipment shortages.

The price of appeasement has already included unnecessary loss on the western front, the recent casualties being so large that apparently the War Department shrinks from revealing the current figures. But now it comes out that, thanks to the appeasement policy, these losses are only a beginning. It is not as if you were not warned. You were told exactly what would happen while there was still time to delay the western front. You were warned that as soon as our armies entered Europe Stalin would leave the Americans to fight his war for him and go looting. He is now looting in the Balkans and up to Norway and promoting internal revolutions against governments all over creation.

Constantine Brown in the Washington Evening Star last Sunday related the whole miserable story in detail for you. Stalin's campaign for world domination has released masses of German troops from the Balkans which are now being flung against our Yanks. To prevent the Germans becoming increasingly powerful during the coming months, another Allied offensive—a risky dangerous midwinter offensive more dangerous than the first one—has been ordered because it is necessary to provide this substitute for Russia's promised cooperation. Remember, all this would not be happening except for the appeasement policy. This policy is sheer murder. Letters home reveal that some of our young men from Illinois, pre-Pearl Harbor fathers, have found themselves fighting in the fox holes in Germany after having received only 13 weeks of training. To think that we are now going to have to throw in another batch of men makes one heartsick. How lucky for the placid persons who govern the United States that here, in America as in Russia and Germany, the people are confined in a world of make-believe, created by the propaganda machine—the comatose Republic.

Since 1914 the United States has had the unavowed policy of guaranteeing the British Empire. The question now is, How much longer the British Empire can survive the appeasement policy. Communist internal revolutions, operated by remote control from Russia, have already given Russia domination over more strategic points upon the British Empire life line than Hitler ever had. British and Communist forces are now participating in a revolution against each other in Greece. A Communist revolution in Spain, a vital spot on the British Empire life line, is brewing. Britain, like the small nations, has been told by the United States that Britain must get along with Stalin as best it can. Mr. Churchill, who once said he did not become the King's First Minister in order to preside over the liquidation of the British Empire, is now presiding over the liquidation of the British Empire and probably nobody knows it better than Mr. Churchill.

British reliance on the ability of the United States to save the British Empire in the event of a war against Stalin is already becoming anachronistic. Stalin's domination of key positions in the United States Government and in some important labor unions makes it questionable whether the United States, after reconverting to civilian production, could successfully reconvert back to war production and produce for war in the event of war against Stalin, because of Stalin's ability to foment strikes in the United States. In other words, it is a great question whether we could win a war against Stalin. If the appeasement policy continues, no mere universal peacetime conscription bill would be enough to give the United States military security. What is an army without equipment and supplies? It may be unsafe during our time to permit industry to reconvert to civilian production. We may have to remain mobilized indefinitely. Our glamour-President, Franklin D. Roosevelt, is likely to go down in history as the man who rescued the world from the frying pan only to throw it into the fire.

Of course, nobody wants war with Stalin. We who try to uphold the traditional American principles are the first to oppose building up wars to fight and the last to cease opposing unnecessary wars. But, unfortunately, if and when the appeasement policy has built up Stalin until he has become master of the world, it may be Russia and not America which decides when and whether the United States goes to war against Russia.

The zealots in the rich man's Townsend movement cling to the appeasement policy until they almost split their own personalities. Stalin, some of these apologists fancifully insist, means no harm. It is just that he considers himself the political reincarnation of Peter the Great—why not Ivan the Terrible?—and seeks to achieve Peter's Napoleonic ambitions—which Peter's contemporaries, you recall, were alert to nip in the bud. Some argue that all we have to do to unravel the hangman's knot which appeasement is enabling Stalin to tie around the neck of the world is wait until we nations all sit down together at the peace table—which is rather like advising you to wait until the child is born before deciding whether you want to mother the offspring of a monster. That argument appeals to what you might call the hard-headed chamber of commerce wing of the internationalist movement. That wing counsels patience, saying the United States is going to be able to handle Stalin after the war because he wants to buy so many things from the United States. As if any totalitarian power dominating the world, using the techniques both Hitler and Stalin use, could not get whatever it wanted from the United States at its own price. The trouble with some of our hard-headed businessmen is that they are just as willing as any despised New Deal professor to kill the goose that lays the golden eggs providing there is a chance for them to get just one of the golden eggs.

If Stalin really wants security for Russia, the best security he could have after Germany is subjugated, would be little, harmless, self-governing neighbors, independent as they were before Hitler gobbled them up—as the Atlantic Charter promises they shall be after the war is won. The more of the world Stalin dominates the more trouble he is going to have putting down anticommunistic movements—except, of course, that under the "Dumbarton hoax" plan, by which internationalists seek to change our Constitution because they doubt they can bludgeon many more than a bare majority of the usually docile Senators into voting for it, the United States will be

committed to fight to put down the revolts against communistic rule for him.

This bill, to prevent our Government's helping other nations violate the Atlantic Charter, should have been passed when we were at the peak of our bargaining position, before we prematurely precipitated American ground armies into western Europe. We should have delayed the invasion until Germany was reduced by bombing so as to be readily taken, and until we had some assurance from Stalin that he would not render our war effort futile. Such a bill, you recall, was introduced by me. Still, our bargaining power is not yet exhausted. We still have great military strength. American industry is not yet reconverted to civilian production. Stalin knows that we are going to vanquish Germany whether or not we get the assistance Stalin has promised, the cooperation he certainly owes us since this is still his war, even though our President has loudly claimed it. Stalin is not yet prepared to make war against the United States.

It is growing very late, but it is not yet too late to abandon our wayward, unprincipled meandering and secure the blessings of common sense to ourselves and our posterity by resolving: From now on the United States shall once more be the good American citizen in the community of nations, the strong character who cannot be cajoled nor intimidated into deviation from the paths of righteousness and justice—justice to himself and his own as well as to all his fellow citizens in the community of nations.

Sooner or later, perhaps too late, it will become clear that simple justice to which all the Allies pledged themselves when they signed the Atlantic Charter, is the only hope in a world rapidly disintegrating into a chaos of revolutions and counterrevolutions. Meanwhile, those who desire to implement their desire for sanity in American foreign policy can devote their efforts to the passage of this resolution. It will be reintroduced in the next Congress.

Bear in mind, it was fear of Stalin that helped Hitler get elected to power and motivated the appeasement policy which built him up just as it is fear of the already doomed Hitler that is building up Stalin now. That fear of Stalin is to some extent responsible for the rapidly increasing German resistance is evidenced by the fact that the Nazis are alert to keep the German people thoroughly informed of every move Stalin makes in his campaign for world domination. The passage of this resolution, yes, even the filing of it, providing it becomes known abroad, should help weaken German resistance and, of course, encourage tremendously those who struggle to regain their pre-Hitler independence.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1744. An act to provide Government protection to widows and children of deceased World War No. 1 veterans, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 218. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge:

S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians;

S. 556. An act for the relief of Pedro Jose Arrecoechea;

S. 616. An act for the relief of Mrs. Mary Vullo;

S. 1002. An act to compensate Roy W. Olsen for the loss of an eye on account of negligence of Work Projects Administration employees September 25, 1938, at Cranston, R. I.;

S. 1274. An act for the relief of Vodie Jackson;

S. 1462. An act for the relief of Solomon and Marie Theriault;

S. 1471. An act for the relief of Mrs. Eugene W. Randall;

S. 1557. An act for the relief of Joel A. Hart;

S. 1590. An act for the relief of the State of Tennessee;

S. 1645. An act relating to the administration of the Glacier National Park Fish Hatchery, at Creston, Mont., and for other purposes;

S. 1710. An act to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian;

S. 1732. An act for the relief of Arthur M. Sellers.;

S. 1740. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini;

S. 1756. An act for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.

S. 1853. An act for the relief of Dr. Frank K. Boland, Sr.;

S. 1869. An act for the relief of Mrs. Mamie Dutch Vaughn;

S. 1877. An act to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the eastern judicial district of South Carolina;

S. 1897. An act for the relief of Mrs. Sophia Tannenbaum;

S. 1899. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files;

S. 1900. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault;

S. 1942. An act for the relief of Dr. E. S. Axtell;

S. 1958. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.;

S. 1960. An act for the relief of Clifford E. Long and Laura C. Long;

S. 1968. An act for the relief of Elizabeth A. Becker;

S. 1987. An act for the relief of Gordon Lewis Coppage;

S. 1993. An act for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen;

S. 1997. An act for the relief of Jack Stowers, B & O Store, and Cotton County Poultry & Egg Co.;

S. 2006. An act for the relief of J. A. Davis;

S. 2008. An act for the relief of Herman Philyaw;

S. 2042. An act for the relief of the legal guardian of Nancy Frassrand, a minor;

S. 2064. An act for the relief of Richard H. Beall; and

S. 2168. An act for the relief of certain disbursing officers of the Army of the United States, and for other purposes.

ADJOURNMENT

Mr. WORLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Thursday, December 7, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2061. A letter from the President, Commission on Licensure, Healing Arts Practice Act, District of Columbia, transmitting its report showing the activities of the Commission for the fiscal year which ended June 30, 1944; to the Committee on the District of Columbia.

2062. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

2063. A letter from the Attorney General, transmitting a report stating all of the facts and pertinent provisions of law in the cases of 313 individuals whose deportation has been suspended for more than 6 months under the authority vested in him, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 5587. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes; without amendment (Rept. No. 2023). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. S. 198. An act to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended; with amendment (Rept. No. 2024). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. S. 1481. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; without amendment (Rept. No. 2025). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H. R. 4709. A bill to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1 to September 30, 1943, inclusive; with amendment (Rept. No. 2026). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H. R. 5571. A bill to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter; without amendment (Rept. No. 2027). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM. Committee on Foreign Affairs. H. R. 5474. A bill to enable the Department of State, pursuant to its responsibilities under the Constitution and statutes of the United States, more effectively to carry out its prescribed and traditional responsibilities in the foreign field; to strengthen the Foreign Service permitting fullest utiliza-

tion of available personnel and facilities of other departments and agencies and coordination of activities abroad of the United States under a Foreign Service for the United States unified under the guidance of the Department of State; without amendment (Rept. No. 2028). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE:

H. R. 5588. A bill to extend the renegotiation Act to December 31, 1945, and to authorize the President to make an additional extension of not more than 6 months after such date; to the Committee on Ways and Means.

By Mr. BLAND:

H. R. 5589. A bill to repeal the act entitled "An act to authorize the conveyance of the old lighthouse keeper's residence in Manitowoc, Wis., to the Otto Oas Post, No. 659, Veterans of Foreign Wars of the United States, Manitowoc, Wis.," approved June 16, 1938; to the Committee on the Merchant Marine and Fisheries.

By Mr. COCHRAN:

H. R. 5590. A bill to increase clerk hire, and for other purposes; to the Committee on Accounts.

By Miss SUMNER of Illinois:

H. R. 5591. A bill to prevent United States participation in violations of the Atlantic Charter; to the Committee on Foreign Affairs.

By Mr. DIMOND:

H. Res. 670. Resolution requesting the Smaller War Plants Corporation to investigate the possibilities for establishing small, independent enterprises in Alaska by veterans, and for other purposes; to the Committee on Banking and Currency.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6233. By Mrs. BOLTON (by request): Petition of 113 citizens of Cleveland, Ohio, protesting against enactment of such legislation as the Bryson bill, H. R. 2082; to the Committee on the Judiciary.

6234. By Mr. WOLFENDEN of Pennsylvania: Resolution of the Pioneer Elders' Association of Chester and Delaware Counties, Pa., endorsing the action of Governor Martin ordering the closing of State liquor stores on Victory Day and recommending that all Presbyterian Churches be kept open to give public thanks therein for this partial victory; to the Committee on the Judiciary.

6235. By the SPEAKER: Petition of the city clerk, Council of the City of Dearborn, Mich., petitioning consideration of their resolution with reference to the proposed Federal housing project to be located in the city of Dearborn; to the Committee on Public Buildings and Grounds.

SENATE

THURSDAY, DECEMBER 7, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Bishop Edwin Holt Hughes, of the Methodist Church, Washington, D. C., offered the following prayer:

Thou, Lord, in the beginning hast laid the foundations of the earth, and the heavens are the work of Thine hands. They shall perish, but Thou remainest: and they all shall wax old as doth a garment: and as a vesture shalt Thou fold them up, and they shall be changed: but Thou art the same, and Thy years shall not fail.

Once again we commit our dear country in the midst of a changing world to the changeless God, asking for Thy guidance for our President, and for all rulers everywhere, and for those associated with them in the governance of the peoples; giving over to Thy merciful protection our sons and daughters in all war places, whether on island, or continent, on sea or in air; and commending to Thy consoling grace all the anxious and sorrowing of our bewildered world.

Above all else, we ask for Thy help and strength that we may serve our generation by the will of God and may be admitted at last to that realm where the will of the Heavenly Father is the law of all his children; through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, December 6, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, its assistant enrolling clerk, announced that the House had passed without amendment the joint resolution (S. J. Res. 156) to extend the statute of limitation in certain cases.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 837) to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ROBINSON of Utah, Mr. WHITE, Mr. PETERSON of Georgia, Mr. MOTT, and Mr. LECOMPTE were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4311) to authorize the appointment of two additional Assistant Secretaries of State.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5219. A bill to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.;

H. R. 5543. A bill extending the time for the release of powers of appointment for the purpose of certain provisions of the Internal Revenue Code, and for other purposes; and

H. R. 5565. A bill to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 218. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge;

S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians;

S. 556. An act for the relief of Pedro Jose Arrecoechea;

S. 616. An act for the relief of Mrs. Mary Vullo;

S. 1002. An act to compensate Roy W. Olsen for the loss of an eye on account of negligence of Works Progress Administration employees September 25, 1938, at Cranston, R. I.;

S. 1274. An act for the relief of Vodie Jackson;

S. 1462. An act for the relief of Solomon and Marie Theriault;

S. 1557. An act for the relief of Joel A. Hart;

S. 1732. An act for the relief of Arthur M. Sellers;

S. 1740. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini;

S. 1756. An act for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.;

S. 1853. An act for the relief of Dr. Frank K. Boland, Sr.;

S. 1869. An act for the relief of Mrs. Mamie Dutch Vaughn;

S. 1897. An act for the relief of Mrs. Sophia Tannenbaum;

S. 1899. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files;

S. 1900. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault;

S. 1942. An act for the relief of Dr. E. S. Axtell;

S. 1958. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.;

S. 1960. An act for the relief of Clifford E. Long and Laura C. Long;

S. 1968. An act for the relief of Elizabeth A. Becker;

S. 1987. An act for the relief of Gordon Lewis Coppage;

S. 1993. An act for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen;

S. 1997. An act for the relief of Jack Stowers, B & O Store, and Cotton County Poultry & Egg Co.;

S. 2006. An act for the relief of J. A. Davis;

S. 2008. An act for the relief of Herman Philyaw;

S. 2042. An act for the relief of the legal guardian of Nancy Frassrand, a minor;

S. 2064. An act for the relief of Richard H. Beall;

S. 2168. An act for the relief of certain disbursing officers of the Army of the United States, and for other purposes;

H. R. 1744. An act to provide Government protection to widows and children of deceased World War No. 1 veterans, and for other purposes; and

H. R. 4311. An act to authorize the appointment of two additional Assistant Secretaries of State.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Daniel
Austin	Gillette	O'Mahoney
Bailey	Green	Overton
Ball	Guffey	Radcliffe
Bankhead	Gurney	Reed
Bilbo	Hall	Revercomb
Brewster	Hatch	Reynolds
Brooks	Hawkes	Robertson
Buck	Hayden	Russell
Burton	Hill	Shipstead
Bushfield	Holman	Stewart
Butler	Jenner	Taft
Byrd	Johnson, Calif.	Thomas, Okla.
Capper	Johnson, Colo.	Tunnell
Caraway	Kilgore	Tydings
Chandler	La Follette	Vandenberg
Clark, Idaho	Langer	Wagner
Clark, Mo.	Lucas	Walsh, Mass.
Connally	McClellan	Weeks
Cordon	McFarland	Wheeler
Danaher	McKellar	Wherry
Davis	Maloney	White
Downey	Maybank	Wiley
Ellender	Millikin	Willis
Ferguson	Murray	Wilson
George	Nye	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. MEAD], and the Senator from Utah [Mr. MURDOCK] are detained on official business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

INVITATIONS TO THE INAUGURAL CEREMONIES—STATEMENT OF JOINT CONGRESSIONAL INAUGURAL COMMITTEE

Mr. BYRD. Mr. President, I present a statement of the Joint Congressional Inaugural Committee, which I ask to have printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE JOINT CONGRESSIONAL INAUGURAL COMMITTEE

Senator BYRD, chairman of the Joint Congressional Inaugural Committee, after a meeting of the committee today, announced that the White House would furnish the list of those to be invited to the inaugural ceremonies and that the Members of Congress would each be provided with two tickets for the ceremonies; that no extra tickets would be provided Members of Congress; that the Joint Congressional Inaugural Committee would issue the tickets only from the list of those names submitted to the Committee by the White House.

DECEMBER 5, 1944.

JOHN C. SHAW, ADMINISTRATOR, ETC., OF THE ESTATE OF SYDNEY C. MCLOUTH, DECEASED—VETO MESSAGE (S. DOC. No. 252)

The VICE PRESIDENT laid before the Senate the following veto message from the President of the United States, which was read by the legislative clerk, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, a bill (S. 1101) to provide for the payment of the claim of John C. Shaw, administrator de bonis non of the estate of Sydney C. McLouth, deceased, arising out of a contract between said deceased and the United States Shipping Board Emergency Fleet Corporation, for the construction of seagoing tugs.

The bill directs the Secretary of the Treasury to pay the administrator of the estate of Sydney C. McLouth $27,467.97 in full satisfaction of its claim against the United States Shipping Board Emergency Fleet Corporation and its successors, including the United States of America, arising out of a contract dated May 24, 1920, between McLouth, the deceased, and the Shipping Board, including particularly the obligation of the Shipping Board to adjust the claim of Ingram-Day Lumber Co., a subcontractor of the deceased.

The history of these claims may be summarized as follows:

The Ingram-Day Lumber Co. recovered a judgment against the estate of McLouth for the sum of $42,789.96 with interest from May 1925, on its subcontract with the decedent.

The United States, as assignee of the Shipping Board, recovered a judgment against the same estate in April 1933, in the sum of $40,165.40, the value of shipbuilding materials purchased or converted by the decedent.

A bill (S. 854) was subsequently enacted in the Seventy-third Congress to pay the Ingram-Day Lumber Co. the sum of $42,789.96 in satisfaction of its claim. On June 18, 1934, I returned the bill without my approval on the ground that no provision was made for the Government's counterclaim.

The sum fixed in the present bill is apparently designed to meet my objection to the previous bill by deducting the amount of the judgment rendered in favor of the United States with interest.

The present bill is objectionable because the amount of interest included in the sum specified therein is out of all proportion to the principal sum involved and apparently is computed on an erroneous basis.

The two judgments which I have mentioned are founded on contracts made with the same principal contractor and on transactions which occurred about the same time. Deducting the judgment of the United States from the judgment of the Ingram-Day Co. leaves a balance in favor of the company of $2,624.56. It is on this sum that, in all fairness, any interest should be computed, and allowing the company 6 percent interest per annum from 1925 to date—a period of 19 years—the interest would approximate $2,992, which, added to the principal, would make the total sum of about $5,610.56.

In my opinion no valid reason exists under the circumstances for allowing the sum of $24,843.41 interest on a principal sum of $2,624.56.

I am constrained, therefore, to return the bill without my approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 6, 1944.*

CITY NATIONAL BANK BUILDING CO.—VETO MESSAGE (S. DOC. NO. 253)

The VICE PRESIDENT laid before the Senate the following veto message from the President of the United States, which was read by the legislative clerk and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed:

To the Senate:

I return herewith, without my approval, S. 1453, entitled "An act for the relief of the City National Bank Building Co."

The bill, is enacted, would authorize and direct the Commissioner of Internal Revenue to consider and act upon a claim of the City National Bank Building Co., Omaha, Nebr., for a refund of income taxes and interest paid as deficiencies with respect to the fiscal years 1933, 1934, 1935, and 1936, and to make any refund found due the said company, in the same manner and to the same extent as if such claim had been filed within 2 years from the time such income taxes and interest were paid and had not heretofore been disallowed.

The deficiencies resulted from the disallowance by the Commissioner of Internal Revenue of claims for depreciation on property which the taxpayer had refinanced by conveying the property to a trustee in fee and taking back a 99-year lease thereon, renewable forever and with an exclusive option to purchase.

The United States Court of Appeals for the District of Columbia held in *City National Bank Building Company* v. *Helvering* ((1938) 98 F. (2d) 216), that under such financing the taxpayer was not entitled to claim a deduction for depreciation for the years 1929, 1930, and 1931. However, in *Helvering* v. *F. and R. Lazarus and Company* ((1939) 308 U. S. 252), the United States Supreme Court held, on comparable facts, that respondent was entitled to depreciation.

The deficiency assessments for the years 1933 through 1936 were paid on September 16, 1938. On September 27, 1940, the taxpayer filed claims for refund, which were rejected on October 29, 1940, by virtue of section 322 (b) (1) of the Revenue Act of 1932 and section 322 (b) (1) of the Revenue Act of 1934.

Congress has determined that it is sound policy to include in all the revenue acts, statutes of limitations, by the operation of which, after a certain period of time, it becomes impossible for the

Government to collect additional taxes or for the taxpayer to obtain a refund of an overpayment of taxes. This bill selects a single taxpayer for special treatment by excepting it from this policy. The whole body of Federal taxpayers is thus discriminated against, and a precedent is established, opening the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

I know of no circumstances which would justify the exception made by S. 1453 to the long-continued policy of Congress, and do not believe that the field of special legislation should be opened to relieve special classes of taxpayers from the consequences of their failure to file claims within the period fixed by law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 6, 1944.*

SECRETARY OF STATE STETTINIUS—STATEMENT BY R. C. LEFFINGWELL IN REPLY TO SPEECH BY SENATOR LANGER

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter written to the senior Senator from Virginia [Mr. GLASS] by Mr. R. C. Leffingwell. This is in correction of certain statements made by the Senator from North Dakota [Mr. LANGER] in his speech opposing the nomination of Mr. Edward R. Stettinius, Jr., to be Secretary of State.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, *December 4, 1944.*

Senator CARTER GLASS,
The United States Senate,
Washington, D. C.

DEAR SENATOR: In the course of his speech opposing the confirmation of Edward R. Stettinius, Jr., as Secretary of State, Senator LANGER, referring to the history of the First World War, said that J. P. Morgan placed Morgan representatives in the War Department and in the Treasury Department and that one of them, Edward R. Stettinius, Sr., was made an Assistant Secretary of War, and the other Russell Leffingwell, the second Morgan partner, was made an Assistant Secretary of the Treasury (CONGRESSIONAL RECORD, November 30, p. 8595).

It should not be necessary for me to say that neither Mr. Stettinius, the elder, nor I was placed in the Government service by J. P. Morgan & Co. Mr. Stettinius the elder was appointed by President Wilson at the desire of Secretary Newton D. Baker and confirmed by the Senate. His great service to his country in wartime needs no defense from me.

I was not a Morgan partner when I was appointed by President Wilson at the desire of Secretary McAdoo, nor was I associated with the Morgan firm in any way. I was a practicing lawyer before the war and I returned to my law practice after I retired from the Treasury in 1920. I did not become a Morgan partner until July 1, 1923, 5 or 6 years after the transactions criticized by Senator LANGER, which took place in 1917 and 1918, and 3 years after I retired from the Treasury.

Senator LANGER said (p. 8597) that "all of the loans advanced by J. P. Morgan to France and England were taken over by the Treasury." That is not so. The fact is that the demand loan, the only loan held by the Morgan bank and associates, was not taken over by the Treasury and the report of the Munitions Committee, presented by Senator CLARK June 1, 1936, so states (p. 70).

The two loans that were taken over by the United States Treasury were held by the public and not by J. P. Morgan & Co.

Senator LANGER states that he does not criticize taking over the loans but criticizes the fact that the "collateral was not transferred to the United States Treasury." The fact is that the United States Treasury was subrogated to the collateral security pledged for the loans that were taken over, and it was not released until June 1923, 3 years after I retired from the Treasury, when Secretary Mellon properly released it in connection with the funding arrangements which he consummated under congressional authority in 1923. The report of the Senate Munitions Committee submitted by Senator CLARK June 1, 1936, reports this without criticism (p. 74):

"After the war was over certain securities to which the United States had been subrogated in connection with the payment of the British maturities of February 1, 1918, and September 1, 1918 (a method followed in order to throw a special sanction about these advances and perhaps to allow of a later refunding of these by the British in the private money market), were returned to the British."

Finally the Senate Munitions Committee approved the action of the Treasury officials. The supplemental report submitted by Senator NYE, June 6, 1936, in conclusion states (p. 124):

"The committee finds that Treasury officials did all in their power to protect the fiscal interests of the United States but that the circumstances of war led to the use of money for ends not considered desirable when the United States entered the war."

As Senator LANGER reflected upon the integrity of the administration of the Treasury in the First World War under President Wilson and you and Mr. McAdoo and Mr. Houston, the three Secretaries of the Treasury under whom I served, I trust that you will think it suitable to have this letter of correction entered in the CONGRESSIONAL RECORD.

I am, my dear Senator, with high regard,
Respectfully and faithfully yours,
R. C. LEFFINGWELL.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Vice President, and referred as indicated:

A resolution adopted by the Rotary Club, of Mayaguez, P. R., protesting against alleged acts and discriminations in connection with the administration of treaties, conventions, etc., effected by the Department of State affecting Puerto Rico, and requesting a better treatment and a stricter defense of the economic interests of Puerto Rico, and also favoring revision of such treaties and agreements so far as they affect the industry and agriculture of Puerto Rico; to the Committee on Finance.

A resolution adopted by the National Council of Administration of the Regular Veterans Association, endorsing the reported selection of the senior Senator from Iowa, Hon. GUY M. GILLETTE, to be a member of the Surplus Property Board, established under the terms of the Surplus Property Disposal Act; to the Committee on Military Affairs.

PROHIBITION OF LIQUOR TRAFFIC DURING THE WAR—PETITIONS

Mr. O'DANIEL. Mr. President, I ask unanimous consent to present petitions for appropriate reference and also to have inserted in the RECORD at this point a tabulation showing 94 petitioners, praying for the enactment of the bill (H. R. 2082) to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war.

There being no objection, the petitions were referred to the Committee on the Judiciary, and the tabulation was ordered to be printed in the RECORD, as follows:

Illinois	67
Pennsylvania	2
South Carolina	25
Total	94

PROHIBITION OF LIQUOR SALES AROUND MILITARY CAMPS—PETITIONS

Mr. O'DANIEL. Mr. President, I also ask unanimous consent to present for appropriate reference and to have inserted in the RECORD at this point a tabulation showing 2,038 petitioners, praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States.

There being no objection, the petitions were referred to the Committee on Military Affairs, and the tabulation was ordered to be printed in the RECORD, as follows:

Alabama	153
California	32
Colorado	1
Delaware	174
District of Columbia	11
Illinois	346
Minnesota	606
New Jersey	303
New York	53
Pennsylvania	123
South Carolina	23
South Dakota	1
Texas	148
Virginia	10
Wisconsin	49
Total	2,038

TRANSPORTATION OF ADVERTISING MATTER TO PROMOTE LIQUOR SALES—PETITIONS

Mr. O'DANIEL. Mr. President, I also ask unanimous consent to present for appropriate reference and also to have inserted in the RECORD at this point a tabulation showing 49 petitioners praying for the enactment of the bill (S. 569) to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes.

There being no objection, the petitions were referred to the Committee on the Judiciary, and the tabulation was ordered to be printed in the RECORD, as follows:

California	18
Minnesota	31
Total	49

ST. LAWRENCE SEAWAY—STATEMENT BY S. R. STEBBINS, SUBLETTE, KANS.

Mr. CAPPER. Mr. President, I have received a very interesting statement from S. R. Stebbins, a prominent farmer and businessman of Sublette, Kans., offering some sensible suggestions with respect to legislation now pending in the Congress. I think his statement will be helpful to many of my colleagues and I ask unanimous consent to have it

printed in the RECORD and appropriately referred.

There being no objection, the statement was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

SUBLETTE, KANS., *November 27, 1944.*

Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR: We are against the St. Lawrence seaway project, the United States of America would furnish the money and Canada own the canal.

Canada would get the large benefit in shipment of agricultural goods by her preferred treatment in buying and prices paid by Britain.

The United States of America will have less and less produce to ship that way.

Canada has no south outlet as do we, therefore has longer shipments by rail than the United States of America, which lessens her competition in produce.

Milled-in-transit grain at Buffalo and other points should be stopped as to foreign shipments.

* * * * *

Also we are opposed to the Tuttle Creek Reservoir on the Big Blue River, as it would destroy the largest part of good farm land in that community, and farm land there is scarce, as possibly 80 to 90 percent of the upland in that part is so badly eroded by water that paying crops cannot be raised.

We have lived in Kansas City and Manhattan, so are not strangers to the flood menace, but one large dam is not the answer.

A number of smaller dams can be built, that will not destroy by flooding the farm lands, yet hold much water to help control run-off.

But as we have written before, the real need of better farming as to plowing around the hills and terracing, also contouring land, then build the many farm ponds so that the water soaking into soil and held by ponds can with the number of smaller dams stop the floods there.

Also the smaller dams higher up can hold water where it may seep down into underground passages to help the diminishing supply for wells and springs, many of which have stopped altogether in the last half century.

As to T. V. A. we understand that the cost has been $765,000,000, over a 10-year period, and the cash returns over the 10-year period $100,000,000.

And that without paying any land tax or interest on the funds, or considering the cost of works in World War No. 1.

We favored selling Muscle Shoals to Henry Ford or other buyer.

Neither would Tuttle Creek pay taxes or interest, but rather call on Congress for more funds, so that much useless lands nearby would bear tax.

As to M. V. A., we have worked many years for improvements for the Missouri River watershed, but feel that the M. V. A. would simply strait-jacket the whole territory by Government control of all the irrigation waters, and every farmer would have to plant, cultivate, and sell as per orders, or water shut off, and loss of water would mean ruin.

Also the plans is for immense dams that could fill with silt and become a real menace in the future, as they do not mention anything about conserving water and soils on the uplands, so that dry farming could be continued and soil kept at home, so that the reservoirs could last indefinitely.

It seems best to us that the appropriation of bulk sum should be held up for a number of years, or until the agricultural population has been fully aroused to the situation as to wind and water erosion, and so get much done on the individual farms toward saving the water and soil right on the land where it belongs, if we are to have a prosperous agriculture, and Nation.

Then try to pick out some of the smaller projects that seem certain to be of real help to the whole people and appropriate sums for those particular projects and get work done as soon as may be.

Then when much water and soil has been stored on the farms, and much more in the smaller dams and reservoirs, it would be the time to make a new survey and find out just what reservoirs would be needed on the larger rivers, and the sizes, and build them.

The saving on the larger unneeded dams, or the cutting down in size would save enough money for all of the smaller projects, and leave some over.

Also it would allow for local and State control, and a general improvement and advancement in agriculture and business.

It is not our wish to put any stumbling block in the way of Missouri Valley improvements, but rather to see that the work done is really improvement.

* * * * *

We say stop the blanket appropriations for billions of dollars, then furnish money for individual projects that seem sure of real benefits, without depriving many other people of their rights.

Respectfully,

S. R. STEBBINS.

RESOLUTION BY PULASKI CLUB OF OMAHA—INTEGRITY OF POLAND

Mr. BUTLER. Mr. President, on October 15 last, I attended and participated in the Pulaski Day program. I have just recently received a copy of the resolution adopted by this well-attended meeting of Nebraska citizens of Polish extraction. This splendid statement reciting Poland's contribution in this war was signed by Dr. Andrew Terry, president; Mr. A. Zaleski, chairman of the meeting; and by the distinguished Rev. John S. Palubicki, proponent of the resolution. I feel, Mr. President, that those who may have a part in establishing a just and permanent peace following this world war should have access to this splendid statement adopted by those in attendance at the Omaha meeting and therefore I ask unanimous consent that the resolution be printed in the CONGRESSIONAL RECORD at this point, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

PULASKI DAY PROGRAM RESOLUTION

Whereas in response to the proclamation of the President of the United States, and the Governor of the State of Nebraska, calling for the fitting observance of Pulaski Day to pay tribute to that gallant Polish and American hero, citizens of Polish descent and their friends have assembled on this 15th day of October, 1944, at the Polish Home, in Omaha, Nebr., and to honor the memory of 31 men of Polish extraction from Omaha, who have died in the service of their country, and to commemorate the fifth anniversary of the invasion of Poland, and mourn the tragic fate of the capital city of Warsaw; and

Whereas Poland was the first to dare to resist by force of arms Nazi tyranny and world aggression, and Great Britain declared war to guarantee the integrity and sovereignty of Poland, and Poland has been assured by both Great Britain and the United States that her efforts and suffering shall not have been made in vain; and

Whereas the Atlantic Charter renounces territorial aggrandizement and provides that no territorial changes shall be made that do not accord with freely expressed wishes of the people concerned; and the signatory powers who signed that great document, including Russia, declared that they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them; and

Whereas it is the declared policy of this Government to oppose any form of intervention on the part of one state, however powerful, in the domestic affairs of any other sovereign state, however weak; and

Whereas Russia's attitude towards Poland has been grossly unfair, unjust, and constitutes a betrayal of all those principles, and her demands on Poland's territorial integrity and meddling into the internal affairs of Poland, is unwarranted, and a negation of sovereign rights of a faithful ally that has sacrificed relatively more than any other nation in this war, and despite suffering untold agonies, she is now asked to surrender far more to Russia than she refused to give to Hitler; and

Whereas today it is no longer a question of only half of Poland, but the whole is involved, and not only of Poland, but of the whole of Europe, and all Americans want this war to justify itself in the fruits of its ultimate and inevitable victory, and in the achievement of a durable peace that shall be permanent because it shall be just; and

Whereas Generals Pulaski and Kosciusko fought for American independence and the Poles have fought for centuries for their freedom and that of others against tyrants and over half a million of men of Polish ancestry are fighting for a just peace in the forces of the United States: Now, therefore, be it

Resolved, That Poland's contribution in this war; her suffering; the cruel atrocities committed on her people be not forgotten; that the blood shed so freely by her heroic sons in the defense of her own country; in France; the Battle of Britain; at Narvik; Tobruk; in Italy; at Monte Cassino; and in the streets of Warsaw, in 1939, and again in 1944, when abandoned to her own fate; all over the world, under all banners against our enemy; be not shed in vain; that it be not spattered on the conscience of the world by any iniquitous and unjust peace that would violate her territorial integrity and her rights as a sovereign, independent nation; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States; the Governor or Nebraska; Secretary of State and to the Congressmen and Senators from the State of Nebraska.

Dr. ANDREW TERRY,
President Pulaski Club,
A. ZALESKI,
Chairman.
REV. JOHN S. PALUBICKI,
Proponent of Resolution.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANAHER, from the Committee on Finance:

H. R. 1033. A bill to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts; without amendment (Rept. No. 1354).

By Mr. ELLENDER, from the Committee on Claims:

S. 1885. A bill for the relief of Oscar Griggs; with amendments (Rept. No. 1358);

S. 2002. A bill for the relief of John T. Cooper; without amendment (Rept. No. 1359);

S. 2123. A bill for the relief of Antonio Ruiz; without amendment (Rept. No. 1360);

H. R. 3250. A bill to confer jurisdiction upon the United States District Court of Maine; without amendment (Rept. No. 1361);

H. R. 3614. A bill for the relief of the Queen City Brewing Co.; without amendment (Rept. No. 1362);

H. R. 3639. A bill for the relief of Herman Weinert, Jr., M. D.; without amendment (Rept. No. 1363); and

H. R. 3709. A bill for the relief of Harley E. Carter; without amendment (Rept. No. 1364).

By Mr. TUNNELL, from the Committee on Claims:

H. R. 2005. A bill for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum; with amendments (Rept. No. 1365).

By Mr. STEWART, from the Committee on Claims:

S. 2189. A bill for the relief of G. F. Allen, chief disbursing officer for the Treasury Department, and for other purposes; without amendment (Rept. No. 1366).

By Mr. BREWSTER, from the Committee on Finance:

S. Res. 341. Resolution calling on the United States Tariff Commission for information concerning certain products and the ratio of imports in relation thereto; with amendments (Rept. No. 1367).

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

H. R. 5551. A bill to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service; without amendment (Rept. No. 1368); and

H. R. 5563. A bill to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.; without amendment (Rept. No. 1369).

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 5219. An act to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.; to the Committee on Interstate Commerce.

H. R. 5543. An act extending the time for the release of powers of appointment for the purpose of certain provisions of the Internal Revenue Code, and for other purposes; and

H. R. 5565. An act to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps; to the Committee on Finance.

REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES — CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, I ask unanimous consent to present for printing in the RECORD a report on civilian employment in the executive branch of the Federal Government for the month of September 1944.

The total number of paid employees for September 1944 is 3,053,347, excluding 262,281 civilian employees of the War Department stationed outside of the continental United States as of June 30, 1944.

Forty-three departments and agencies have decreased 37,459 between August 31, 1944, and September 30, 1944, while only 20 departments and agencies have increased 2,798, making a net decrease of 34,661 for the month.

The greatest reductions were made by the following: War Department, 19,220; Navy Department, 8,637; Tennessee Valley Authority, 1,661; Interior Department, 1,345; and Agriculture Department, 1,341.

Substantial increases were made by the following: Post Office Department, 1,579; and Veterans' Administration, 322.

There has been a net decrease of 34,661 employees for the month of September. This amount is approximately 12,000 more than the reduction effected during the month of August. This reduction is largely due to the War and Navy Departments.

There being no objection, the statement first above referred to was ordered to be printed in the RECORD, as follows:

Civilian employment of the executive branch of the Federal Government, by departments and agencies, for the months of August and September, showing the increases and decreases in number of paid employees

Department or agency	August	September	Increase (+) or decrease (−)
EXECUTIVE OFFICE OF THE PRESIDENT			
Bureau of the Budget	575	567	−8
DEPARTMENTS			
Department of Agriculture	82,689	81,348	−1,341
Department of Commerce	29,570	29,087	−483
Department of the Interior	46,677	45,332	−1,345
Justice Department	29,490	28,919	−571
Labor Department	6,540	6,324	−216
Navy Department	763,996	755,359	−8,637
Post Office Department	365,450	367,029	+1,579
State Department	8,877	8,962	+85
Treasury Department	93,622	92,759	−863
War Department [1]	1,240,253	1,221,033	−19,220
NATIONAL WAR AGENCIES			
Committee on Fair Employment Practice	116	126	+10
Division of Central Administrative Services	3,604	3,321	−283
Foreign Economic Administration	5,919	6,093	+174
National War Labor Board	3,596	3,679	+83
Office of Alien Property Custodian	855	842	−13
Office of Censorship	11,440	10,988	−452
Office of Civilian Defense	131	111	−20
Office of Coordinator of Inter-American Affairs	1,349	1,322	−27
Office of Defense Transportation	5,086	4,853	−233
Office of Economic Stabilization	11	12	+1
Office of Price Administration	61,432	61,638	+206
Office of Scientific Research and Development	1,362	1,354	−8
Office of Strategic Services	2,306	2,313	+7
Office of War Information	8,898	9,001	+103
Office of War Mobilization	67	67	
Petroleum Administration for War	1,230	1,197	−33
Selective Service	22,556	22,097	−459
Smaller War Plants Corporation	1,794	1,786	−8
War Manpower Commission	27,321	27,322	+1
War Production Board	15,880	15,388	−492
War Shipping Administration	4,950	4,876	−74
INDEPENDENT AGENCIES			
American Battle Monuments Commission	1	1	
Board of Investigation and Research—Transportation [2]	20	0	−20
Civil Aeronautics Board	346	348	+2
Civil Service Commission	7,101	7,077	−24
Employees' Compensation Commission	527	509	−18
Export-Import Bank of Washington	59	53	−6
Federal Communications Commission	1,593	1,583	−10
Federal Deposit Insurance Corporation	987	976	−11
Federal Power Commission	673	675	+2
Federal Security Agency	31,400	31,309	−91
Federal Trade Commission	457	451	−6
Federal Works Agency	20,315	20,339	+24
General Accounting Office	12,564	12,499	−65
Government Printing Office	7,176	7,135	−41
Interstate Commerce Commission	2,122	2,074	−48
Maritime Commission	10,852	10,927	+75
National Advisory Committee on Aeronautics	6,365	6,217	−148
National Archives	365	359	−6
National Capital Housing Authority	244	242	−2
National Capital Park and Planning Commission	21	23	+2
National Gallery of Art	265	260	−5
National Housing Agency	17,778	17,463	−315
National Labor Relations Board	741	757	+16
National Mediation Board	84	93	+9
Panama Canal	30,489	30,326	−163
Railroad Retirement Board	1,807	1,787	−20
Reconstruction Finance Corporation	8,682	8,776	+94
Securities and Exchange Commission	1,146	1,140	−6
Smithsonian Institution	433	427	−6
Tariff Commission	295	298	+3
Tax Court of the United States	123	122	−1
Tennessee Valley Authority	20,932	19,271	−1,661
Veterans' Administration	54,403	54,725	+332
Total	[3] 3,088,008	3,053,347	−37,459 +2,798
Net decrease			−34,661
War Department civilian employees stationed outside of continental United States [4]	262,281	262,281	
Total	3,350,289	3,315,628	

[1] Does not include employees outside continental United States.
[2] Terminated on Sept. 18, 1944.
[3] Includes employees outside continental United States reported by the various departments and agencies; totals, August, 12,030 and September, 15,520. September total includes 3,764 employees for Interior previously reported but not designated as outside continental United States.
[4] Reported quarterly as of June 30, 1944.

NOTE.—Employment figures now reported to the committee include dollar per annum, terminal leave, and without-compensation employees of the consultant expert type who are authorized to receive per diem in lieu of subsistence.

ADDRESS BY SENATOR WILEY BEFORE MADISON (WIS.) LEAGUE OF WOMEN VOTERS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him before the Madison League of Women Voters, at Madison, Wis., on October 16, 1944, which appears in the Appendix.]

PROBLEMS OF POST-WAR TRADE—ARTICLE BY SENATOR BREWSTER

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an article entitled "Let's Not Be Suckers Again," written by Senator BREWSTER, and published in the January 1944 issue of the American magazine, which appears in the Appendix.]

NAZI MASS KILLINGS—EDITORIAL FROM THE WASHINGTON POST

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an editorial entitled "Genocide," commenting on the mass

killing of Jews and others in Europe, published in the Washington Post of December 3, 1944, which appears in the Appendix.]

ST. LAWRENCE WATERWAY AND POWER DEVELOPMENT—STATEMENT BY JOHN L. LEWIS

[Mr. DAVIS asked and obtained leave to have printed in the RECORD a statement on the subject of the St. Lawrence waterway and power development, made by John L. Lewis, president, United Mine Workers of America, before the House Rivers and Harbors Committee, July 28, 1941, which appears in the Appendix.]

SUPPLY OF AMMUNITION AND EQUIPMENT FOR FIGHTING FORCES—ARTICLE BY WESTBROOK PEGLER

[Mr. REED asked and obtained leave to have printed in the RECORD an article by Westbrook Pegler concerning the amplitude of the ammunition and equipment being sent to American fighting men overseas, which appears in the Appendix.]

UNITED STATES POLICY TOWARD REACTIONARY REGIMES IN LIBERATED COUNTRIES

[Mr. HATCH asked and obtained leave to have printed in the RECORD a statement by Americans United for World Organization of its approval of the American policy toward reactionary regimes in liberated countries, which appears in the Appendix.]

OUR RUBBER BATTLE IS WON—ARTICLE BY BRADLEY DEWEY

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "Our Rubber Battle Is Won," by Bradley Dewey, published in the December 1944 issue of the American magazine, which appears in the Appendix.]

SENATOR FROM NEW JERSEY

Mr. HAWKES. Mr. President, I present the credentials of my friend, Mr. H. ALEXANDER SMITH, of New Jersey, who has been elected Senator from that State. Mr. SMITH is present and ready to take the oath of office. I have been informed by the Secretary of the Senate that the certificate of election has been examined, found to be in order, and has been properly attested by the secretary of state of New Jersey.

The VICE PRESIDENT. The clerk will read the credentials.

The credentials were read and ordered to be placed on file, as follows:

STATE OF NEW JERSEY—CERTIFICATE OF ELECTION

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This certifies that at a general election held in the said State on the 7th day of November in the year of our Lord one thousand nine hundred and forty-four H. ALEXANDER SMITH was duly chosen by the qualified electors of the State of New Jersey, to be a Senator from the said State, to represent the said State in the Senate of the United States to fill the vacancy caused by the death of the Honorable W. Warren Barbour.

In testimony whereof, are hereunto affixed my hand and the official seal at Trenton this 5th day of December A. D. 1944.

By the president of the senate, Acting Governor:

GEO. H. STANGER,
President of the Senate,
Acting Governor.

Attest:
[SEAL]
J. A. BROPHY,
Secretary of State.

The VICE PRESIDENT. If the Senator-elect will present himself at the desk, the oath will be administered to him.

Mr. SMITH, escorted by Mr. HAWKES, advanced to the Vice President's desk, and the oath prescribed by law was administered to him by the Vice President.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. AIKEN. Mr. President, before I resume my argument in favor of the St. Lawrence seaway from the point where I left off yesterday when I yielded so that other business might come before the Senate in executive session, I wish to discuss briefly a matter which was raised by the Senator from Missouri [Mr. CLARK], and that is this. The Senator from Missouri brought up the fact that certain groups had in past years recommended an all-American waterway from the St. Lawrence to the Atlantic Ocean, that is, canal waterways which would lead from the Great Lakes across northern New York to the Atlantic Ocean, and he called attention to the fact that certain groups who advocated the all-American waterway were opposed to the St. Lawrence seaway, among these groups being certain persons connected with the port of Albany, N. Y.

I did not have opportunity to reach this matter last night because I yielded so the Senate might consider other matters. However, this question of an all-American waterway across northern New York to the Hudson River, and thence to the Atlantic Ocean, has been thoroughly investigated by the United States Army engineers, and they have advised against any such undertaking, and instead have recommended the route through the St. Lawrence River. The reasons for this are manifold, but principally because there is some question as to whether water would be available for an all-American route across northern New York without pumping it from some source at a lower level.

Then there is the matter of bridge clearances. The present Erie Canal, which has a depth of from 12 to 20 feet, has bridge clearance of 20 feet, whereas a canal for deep-draft vessels would require clearance of 120 feet, and that fact alone puts an all-American canal almost out of the question. So far as the St. Lawrence is concerned, the Thousand Islands Bridge, which was completed 5 or 6 years ago, does have a clearance, I think, of 120 or 150 feet, and was given that clearance in anticipation of the construction of the Great Lakes-St. Lawrence seaway and the use of it by the large vessels engaged in oceangoing commerce.

I think one reason for the opposition of certain persons living in Albany and connected with the port authority is that Albany is the eastern terminus of the Erie Canal, and they feel that if freight from the Lakes was enabled to go around through the St. Lawrence River and down the Atlantic coast to Portland, Boston, New York, Philadelphia, and other seaports, it might deprive the port of Albany of some business which it now gets from the Erie Canal. I think that fear is entirely groundless. That was pointed out in 1922, I believe, by the Frontier Corporation, a corporation comprised of the General Electric Co., the Aluminum Co. of America, and the du Pont Co., which sought to obtain a right to develop the St. Lawrence River. It was the claim of these corporations at that time that if the St. Lawrence could be developed and 1,100,000 horsepower of electricity made available to industry on the American side of the river, so much new traffic would be created that the Erie Canal would be taken out of its status as a losing proposition, and be made a paying proposition to the State of New York. It appears to me that the argument set forth by these giant corporations in that year are much more sound and plausible than are any reasons given by members of the port authority of Albany.

Furthermore, there would be bound to be more business for the Erie Canal if the St. Lawrence development goes through, because it would become a feeder line, taking freight from the interior of New York directly to the port of Oswego, and I think it is near Buffalo that the other branch of the Erie Canal comes out.

There is another reason why the port of Albany need have no fear whatsoever of the development of the St. Lawrence seaway, and that is because the development of this great seaway would inevitably be followed by the development of the so-called Champlain cut-off which leads from New York to Montreal by way of the Hudson River and Lake Champlain. There already is a 12-foot waterway from New York City clear to the Canadian border, and by deepening this and improving a few miles on the Canadian side of the river large ships would be able to carry cargo to and from New York and the different cities by way of this cut-off, and save a distance of 1,460 miles on the trip each way. When that comes to pass—and it cannot come to pass until the St. Lawrence seaway is completed—the port of Albany would undoubtedly realize more business than it has ever dreamed of until this time. I make this explanation because the question was raised by the Senator from Missouri yesterday.

Simply because members of the port authority of Albany are opposed to the St. Lawrence seaway does not mean that the people of Albany and Schenectady County and vicinity are opposed to it, because most of the labor unions of that vicinity are on record as favoring the St. Lawrence development, although at least one chamber of commerce is in opposition.

I now wish to proceed from where I left off yesterday. I call attention to the fact that previous to the war, back in 1940 and 1941, officials of our Government had pleaded unsuccessfully with the Congress to start construction of the St. Lawrence seaway because it was held to be absolutely necessary in order successfully to wage the war toward which everyone could see we were drifting. But they were unsuccessful in this; and, of course, after Pearl Harbor, construction of the seaway was given up for the

duration of the war. Now we are asking to have it approved as a post-war project. It appears that the same officials of our Government are equally desirous of having it completed as a post-war project, because they consider it essential to our post-war economy and national welfare.

I wish to present some of the statements from high Government officials who favor the St. Lawrence development as a post-war project; but first I wish to read a letter which was written to me under date of March 3, 1944, by the President of the United States. This letter came to me unsolicited. I had no idea that it was coming, and there certainly was no collusion between the White House and myself in connection with this letter. The letter reads as follows:

THE WHITE HOUSE,
Washington, March 3, 1944.

Hon. GEORGE D. AIKEN,
United States Senate, Washington, D. C.

DEAR SENATOR AIKEN: I am convinced that the time has come for a nonpartisan effort to secure congressional authorization for the St. Lawrence development in order that the project may be available for early post-war construction.

The undertaking will offer such important benefits to many States that I am sure it will provide a desirable stimulus to industrial and business activity which will assist the entire country in its reconversion to a stable peacetime economy on a continued high-production level. Many competent studies have shown that it will not hurt the railroads or ports through which foreign commerce now flows but will ultimately increase their business.

I am advising interested Federal agencies that your bill (S. 1385) modified to provide for construction as a post-war project, has my approval.

I have appreciated your consistent support of this great undertaking.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

As the chairman of the Committee on Commerce has said, from time to time he has requested reports from Government departments which might be interested in the development of the St. Lawrence seaway. I wish to submit those reports.

The first is from the Secretary of State. It will be noticed that four of the departments were asked for reports on October 8, 1943, and I wish to read those reports first. This is from the Department of State, dated April 10, 1944:

DEPARTMENT OF STATE,
Washington, April 10, 1944.

DEAR SENATOR BAILEY: I refer to your letter of October 8, 1943, transmitting a copy of S. 1385, a bill to provide for the improvement of the Great Lakes-St. Lawrence Basin in the interest of national defense, and for other purposes.

The bill would approve the Great Lakes-St. Lawrence agreement between the United States and Canada signed at Ottawa on March 19, 1941, providing for the construction of dams and powerhouses in the International Rapids section of the St. Lawrence River and the completion of the Great Lakes-St. Lawrence deep waterway. The bill would authorize the President to fulfill the undertakings made in that agreement on behalf of the United States. The construction would be undertaken under the direction of the Secretary of War and the supervision of the Chief of Engineers. The bill would provide for an agreement between the Federal Government and the Power Authority of the State of New York for the transfer to the State of the power facilities and the right to use the United States share of the waters at the project for hydroelectric purposes, such arrangement not to become effective until approved by the Congress.

I suggest that S. 1385 be amended to authorize construction as a post-war rather than as a wartime project. This could be done by deleting the word "immediately" in line 12, page 2, of the bill, as well as the phrase "and shall be diligently prosecuted with a view to making essential facilities of said project available for national defense uses at the earliest possible moment" in lines 16 to 19 on the same page. Consideration might well be given to the desirability of describing the terms of the arrangement with the Power Authority of New York by means of a formula rather than the statement of a particular amount.

I understand that since that time that matter has been satisfactorily settled between the State of New York and the Federal Government.

Subject to the foregoing suggestions, I recommend the enactment of S. 1385. I believe that it would be desirable to assure the availability of the Great Lakes-St. Lawrence seaway and power project for early post-war construction. The enactment of this bill now would provide the authorization for undertakings which would make an important contribution to the post-war period in providing for the expansion of water-power development and for greater efficiency in transportation, as well as in providing employment on useful and essential public works during the period immediately following the war.

The Great Lakes-St. Lawrence seaway and power project has been supported by leaders in the United States for many years without regard to political affiliation. It is my earnest hope that Senator AIKEN'S bill authorizing this great project will be enacted into law.

Sincerely yours,

CORDELL HULL.

Thus again the great Secretary of State, Mr. Hull, recorded himself as strongly favoring this project, to which he has given so much of his time and effort during the past 10 years.

The next report is from the War Department. It is similar in text, and I shall not read it. It was sent to the Senator from North Carolina [Mr. BAILEY], chairman of the Committee on Commerce, in response to his request for a report on October 8, 1943. I ask unanimous consent to have the letter from the War Department, signed by Secretary Stimson, to the Senator from North Carolina printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
Washington, April 15, 1944.

Hon. JOSIAH W. BAILEY,
Chairman, Committee on Commerce,
United States Senate.

DEAR SENATOR BAILEY: Reference is made to your letter of October 8, 1943, requesting a report on Senate bill No. 1385, "To provide for the improvement of the Great Lakes-St. Lawrence Basin in the interest of national defense, and for other purposes."

The bill would approve the agreement with Canada, published in House Document No. 153, Seventy-seventh Congress, first session, providing for the construction of dams and power works in the International Rapids section of the St. Lawrence River, and the completion of the St. Lawrence deep waterway, and authorize the President to fulfill the undertakings made in said agreement on behalf of the United States. The construction would be undertaken under the direction of the Secretary of War and the supervision of the Chief of Engineers.

The bill would further authorize and direct the President to negotiate an arrangement with the power authority of the State of New York for the transfer to the State of the power facilities and the right to use the United States' share of the waters at the project for hydroelectric-power purposes upon terms and conditions to be agreed upon, including provision for payment of $83,375,000, with interest. This arrangement is not to become effective until ratified by Congress.

The Corps of Engineers, acting pursuant to Executive Order No. 8563, dated October 18, 1940, has made investigations of sites for the dams, powerhouse, and locks in the International Rapids section of the St. Lawrence River, and prepared plans and specifications for construction of some of these works, made surveys of the lands necessary for such development, and investigated the titles to said lands. Work can be started promptly after authorization and appropriation of funds.

Authorization of the St. Lawrence project at this time would pave the way for the incorporation of this important work in the post-war construction program. The bill S. 1385 provides a satisfactory and effective means of approving the agreement with Canada and authorizing the construction of the works allocated to the United States. It is suggested, however, that the language providing that the work be undertaken immediately and prosecuted diligently with a view to making the facilities available for national defense at the earliest possible moment should now be omitted. The language permitting the use of cost-plus-a-fixed-fee contracts should also be omitted.

The copy of the bill herewith has been amended in accordance with the above suggestions. Some additional minor changes in wording which seem desirable in the interest of clarification have also been indicated. Enactment of the measure as thus amended is recommended.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

HENRY L. STIMSON,
Secretary of War.

Mr. AIKEN. The next letter is from the Federal Power Commission. It is dated April 8, 1944, and reads as follows:

FEDERAL POWER COMMISSION,
April 8, 1944.

Hon. JOSIAH W. BAILEY,
Chairman, Committee on Commerce.

DEAR CHAIRMAN BAILEY: In response to your communication of October 8, 1943, relative to S. 1385, a bill to provide for the improvement of the Great Lakes-St. Lawrence Basin in the interest of national defense, and for other purposes, we are enclosing herewith a report on the bill. This report has been submitted in accordance with Budget Bureau Circular No. 344, as amended, to the Bureau of the Budget, which advises that there would be no objection by that office to the presentation of the report to your committee.

Sincerely yours,

LELAND OLDS,
Chairman.

The report on the bill by the Federal Power Commission is not very long. I shall read it:

S. 1385 would approve the agreement between the Governments of the United States and Canada, published in House Document No. 153, Seventy-seventh Congress, first session, which provides for the construction of dams and power works in the International Rapids section of the St. Lawrence River, for completion of the St. Lawrence deep waterway, and for development of plans for a better use of the resources of the Niagara River, including preservation of the scenic spectacle. The bill would authorize the President of the United States to fulfill the undertakings made in said agreement on behalf of the United States. The works allocated for construction by the United States under said agreement would be undertaken under the direction of the Secretary of War and the supervision of the Chief of Engineers.

The bill would further authorize and direct the President of the United States to negotiate an agreement with the power authority of the State of New York for the transfer to said authority of the power facilities, in connection with the St. Lawrence project, and the right to use the United States' share of the waters of that river for hydroelectric power purposes upon such terms and conditions as may be agreed upon, including provision for payment of $93,375,000 with interest, by the power authority of the State of New York. The agreement is to be reported to Congress and will become effective when ratified by Congress and the State of New York.

Mr. President, at this point I wish to point out that the bill I introduced, and which now is offered as an amendment to the pending rivers and harbors bill, does not make provision for the distribution of any of the electric energy from the International Rapids Dam. That would have to be considered later by the Congress, after the State of New York and the Federal Government had written a contract, and that contract will be subject to approval by the State of New York and the Congress of the United States. Therefore, the matter of the distribution of power does not enter into the amendment which I am offering at the present time.

I now continue to quote from the report of the Federal Power Commission:

The Federal Power Commission is familiar with the proposed power development in the International Rapids section of the St. Lawrence River which S. 1385 would authorize. The Commission participated in the Inter-Departmental Board on the Great Lakes-St. Lawrence project, which prepared an exhaustive economic survey of the entire undertaking, published as Senate Document No. 116, Seventy-third Congress, second session, in 1934. Furthermore, the Chairman of the Commission is serving as Chairman of the United States St. Lawrence Advisory Committee, established by Executive Order No. 8568, dated October 16, 1940, and participated in the negotiation of the agreement with Canada which would be approved by the proposed legislation. On the basis of its studies, the Commission is convinced that the St. Lawrence power project is of outstanding importance in connection with the region's post-war development.

The Commission, under the Federal Power Act, has also had direct responsibilities extending over a period of more than 20 years in connection with the utilization of the power resources of the Niagara River. On the basis of extensive investigations bearing on the comprehensive use of this great resource in terms of scenic beauty as well as power values, we are convinced that early reconsideration of the entire matter by the two Governments, as provided in article IX of the agreement with Canada, is essential to future development of the Niagara area, including the industrial centers of Buffalo, Niagara Falls, and adjacent communities. The great progress in the metallurgical and chemical industries during the war emphasizes the need for additional low-cost power for post-war expansion in the area.

For the above reasons the Commission is convinced that the enactment of S. 1385, at this time, would be in the public interest, providing the necessary authorization for undertakings which would make an important contribution to the country's post-war stability and strength.

The Commission believes that S. 1385 is satisfactory to accomplish this purpose, provided it is amended to authorize the undertaking as part of a program for meeting the country's post-war needs. We recommend deletion of the word "immediately," in line 12, page 2, and the phrase "and shall be diligently prosecuted with a view to making essential facilities of said project available for national defense uses at the earliest possible moment" in lines 16-19 on the same page. We would also direct attention to the provision in lines 18-22 on page 3 for reporting the arrangement with the Power Authority of the State of New York to Congress "upon the convening of its next session." This period may well prove too short and we suggest that this provision be changed so that the arrangement may be reported to Congress "during its next session."

With these changes, the Federal Power Commission recommends adoption of S. 1385.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

FEDERAL POWER COMMISSION,
By LELAND OLDS, *Chairman.*
APRIL 4, 1944.

Mr. President, I will say that the amendment which is now offered has in it the suggested changes, and, of course, it authorizes the development of the St. Lawrence seaway and power project as a post-war project.

I hold in my hand a report from the Acting Director of the Bureau of the Budget, Paul H. Appleby, dated April 7, 1944, addressed to the senior Senator from North Carolina [Mr. BAILEY], chairman of the Committee on Commerce. I ask unanimous consent to have the report printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Without objection, it is so ordered.

The report is as follows:

EXECUTIVE OFFICE
OF THE PRESIDENT,
BUREAU OF THE BUDGET,
April 7, 1944.

Hon. JOSIAH W. BAILEY,
Chairman, Committee on Commerce.

MY DEAR SENATOR BAILEY: Under date of October 8, 1943, you referred to me for such suggestions as I deemed proper touching the merits of the bill, S. 1385, "To provide for the improvement of the Great Lakes-St Lawrence Basin in the interest of national defense and for other purposes."

This bill has been considered by the President, and he believes that the St. Lawrence project should be authorized at this time as a post-war project, through the enactment, modified to accomplish this purpose, of the bill, S. 1385.

I accordingly suggest the following amendments: Delete from the title the words "in the interest of national defense"; page 2, line 12, delete the word "immediately"; page 2, lines 17 to 19, delete the present words and substitute therefor "as expeditiously prosecuted as may be consistent with budgetary requirements."

The War Department recommends, and I would not object to, the following additional amendments: Page 3, line 3, delete the words "revised estimate of"; page 3, line 20, delete the words "upon the convening of" and substitute therefor the word "during"; page 4, lines 1 to 7, change the first sentence of the last proviso so that it reads "That the cost-plus system of contracting shall not be used. This authority to contract may be exercised through such officer or officers as the Secretary of War may designate."

Very truly yours,

PAUL H. APPLEBY,
Acting Director.

Mr. AIKEN. Mr. President, I have two other reports. It will be observed that the four reports which I have already submitted are in response to a request of the chairman of the Committee on Commerce on October 8, 1943. After all those reports were in, the latest of them being under date of April 15, the chairman of the Committee on Commerce requested a report from the Department of Commerce. That request was made on June 23, 1944. That was long after we had expected hearings to be held on the bill by the Committee on Commerce.

I submit the letter from Jesse H. Jones to the Senator from North Carolina [Mr. BAILEY], chairman of the Committee on Commerce, under date of July 13, 1944. It is apparent that Mr. Jones could not have reported earlier on the bill because he had not been requested to do so.

The letter reads as follows:

THE SECRETARY OF COMMERCE,
Washington, July 13, 1944.

Hon. JOSIAH W. BAILEY,
Chairman, Committee on Commerce,
United States Senate,
Washington, D. C.

MY DEAR MR CHAIRMAN. Reference is made to your letter of June 26, 1944, in which you request my comments on S. 1385, a bill to provide for the improvement of the Great Lakes-St. Lawrence Basin in the interest of national defense, and for other purposes.

Based upon the extensive studies that the Department of Commerce has made, the Department has always supported this project, and I personally feel that this undertaking will strengthen our national economy.

Before the Rivers and Harbors Committee of the House of Representatives in 1941 I gave my full support to the project as a national defense undertaking. I am equally convinced that it is an invaluable asset in any program of post-war production and commerce. The enactment of S. 1385 at this time is highly desirable so that we shall be ready to move ahead with construction as soon as conditions permit.

You will probably be interested in the attached copy of a letter that I wrote Judge MANSFIELD, chairman of the House Committee on Rivers and Harbors, on June 23, 1941, regarding H. R. 4297, a similar bill then pending before that committee.

The Bureau of the Budget has advised that there is no objection to the submission of this letter to the committee.

Sincerely yours,

JESSE H. JONES,
Secretary of Commerce.

Mr. President, I ask unanimous consent to have the letter from Jesse H. Jones to Judge MANSFIELD, chairman of

the House Committee on Rivers and Harbors, dated June 23, 1941, printed in the RECORD at this point. In the letter to Judge MANSFIELD Mr. Jones set forth many good and sufficient reasons why the St. Lawrence development should be constructed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 23, 1941.

Hon. J. J. MANSFIELD,
Chairman, Committee on Rivers and Harbors, House of Representatives, Washington, D. C.

DEAR JUDGE MANSFIELD: I have your letter of June 3, enclosing H. R. 4927, a bill to provide for the improvement of the Great Lakes-St. Lawrence Basin in the interest of national defense, and for other purposes, and stating that the Committee on Rivers and Harbors would like to have an expression of the views of the Department of Commerce relative to the advisability of enacting this measure into law.

At the request of the President, the Department of Commerce has been engaged for over a year in an extensive study of the St. Lawrence navigation and power project. The findings of this survey have been issued from time to time. In conducting this investigation the Department has had the cooperation of many agencies of the Government, among others, the United States Maritime Commission, the Board of Engineers for Rivers and Harbors of the War Department, the Bureau of Ships of the Navy Department, the Department of State, the Department of Agriculture, and the Department of Labor. The survey has considered the navigational aspects, the economic and commercial phases, the shipbuilding facilities of the Great Lakes, and the relationship of industrial development to low-cost electric power.

As a result of these studies, the experts of the Department of Commerce have found that extensive commercial navigation through the proposed St. Lawrence route is wholly feasible. The only serious limitation upon free navigation over this channel is the closed season during the winter months, but this condition is no different from that existing in the Great Lakes and the port of Montreal. There is, of course, extensive utilization of the excellent port facilities in these areas.

Studies of the Department show that the canal would reduce transportation costs to the Atlantic Ocean of certain agricultural and other commodities for a substantial section of the country.

The Department's investigation of shipbuilding facilities in the Great Lakes area, which the canal would make accessible to the open seas, shows that there are extensive shipyards, some of which are equipped to construct oceangoing vessels, and some even naval vessels of the cruiser class. These facilities could, with the canal, be utilized in building oceangoing ships, and have the advantage of being far inland.

The survey of the power requirements in the New York State area indicates that the power is needed and would in any event soon be absorbed in the industrial progress of this region. Power to meet defense needs at this time and for any possible recurring emergency is vital.

As a means of commercial intercourse, just as the Panama Canal linked the east and west coasts, the St. Lawrence route would link the Middle West with the Atlantic, the Gulf, and the west coasts.

This enterprise should be considered in relation to its importance to the Nation as a whole, just as power dams and other waterways have been considered. We develop and maintain inland waterways and intercoastal canals. We provide navigation on the Hudson, Potomac, Delaware, James, Savannah, Warrior, Mississippi, Missouri, Illinois, Ohio, Monongahela, Kanawha, Cumberland, San Joaquin, Columbia, and Willamette Rivers, all for the benefit of agriculture and commerce. While each of these is of importance to its particular locality, they are also important to the Nation as a whole.

One development with which I am especially familiar is the Houston Ship Channel, which has been of inestimable benefit to agriculture and industry in the Middle West and Southwest, bringing the sea 50 miles inland, and providing another rail and water connection for intercoastal and foreign shipping.

We cannot have too many inland waterways, both in the interests of agriculture, trade, and industry, and for national defense. The value of the St. Lawrence project as a defense measure cannot be too strongly stressed, and I am not thinking just of the immediate emergency, although that is vital. Regrettable as the thought of war is, recent developments make it imperative that we be prepared to meet it on any basis at any time. And no time should be lost.

It is the Department's conclusion, therefore, that the project should be undertaken. If thought advisable, it could easily be financed through the issuance and sale of revenue bonds payable from toll charges and the sale of power, with no cost to the taxpayers.

Sincerely yours,

JESSE H. JONES,
Secretary of Commerce.

Mr. DAVIS. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. DAVIS. A representative of the United Mine Workers, a Mr. Howell, came to see me and called my attention to a statement which was made yesterday by the Senator in reference to coal. Mr. Howell stated to me that he thought the Senator from Vermont had made a statement which was not based upon fact with reference to Mr. Lewis, president of the United Mine Workers, and in quoting from his testimony in connection with the statement he gave before the House Committee on Rivers and Harbors on July 28, 1941, about the competitive aspects of coal coming into the United States from other countries. He requested that it be called to the Senator's attention. I read from the statement of Mr. John L. Lewis, president of the United Mine Workers of America, before the House Rivers and Harbors Committee, July 28, 1941:

It is with the full realization of the poverty and misery that beset the coal miners of the Nation through the long depression period, and which extended in coal from 1925 until now, that we are prompted to be alert and opposed to any unnecessary displacement of coal for production of power and heat.

What good, what benefits can we hope for, if the Government joins with us on the one hand to stabilize the industry, and then immediately sets about to displace coal for the generation of electricity, and builds a waterway as an inducement to foreign coals? Foreign production enjoys subsidies from European governments, both as regards production and transportation. There can be no question but that the eventualities of this war, as regards international trade and finance, will be such, that bigger and better subventions will be the rule in many foreign coal-producing nations. The Canadian market is made to order for such an economic onslaught.

That is what Mr. Lewis calls attention to. He is not afraid of foreign competition with United States coal.

His statement continues as follows:

Canada is geographically linked to American coal. It is a natural American market. American coals used by Canada are for the most part transported in part, or full, by water transport.

A deepening of the St. Lawrence Channel cannot possibly help American coal in lowered transportation costs. It will help foreign coals deliver to additional Canadian ports and save connecting rail hauls.

Mr. Lewis' statement continues:

I want to point out to the committee that following the last war it was the great hope of the American coal industry that we would be able to develop markets in Central and South America to which we had shipped coal for the first time during the emergency.

What a lesson in coal marketing American coal operators learned?

The discovery was made that British and German diplomacy had in its grip all of the influential business leaders and socialites in these nations. They owned the docks and the lighters, and despite the fact that under normal freight charges American coal could be delivered cheaper, we could not meet the exorbitant docking and lighter charges, commissions of cliques and return loads, all of which spelled finis to American coal selling efforts. These conditions have not been removed, regardless of what our "Pollyanna" trade emissaries report.

I understand that the reason why Mr. Lewis asked that what I have read be shown in the RECORD is the Senator's misquotation of Mr. Lewis' statement with reference to the competitive side of the subject concerning coal coming into this country. Later I shall ask unanimous consent to have printed in the Appendix of the RECORD the complete statement of Mr. Lewis from which I have read.

Mr. AIKEN. Mr. President, I shall be very glad, indeed, to have the Senator from Pennsylvania ask unanimous consent to have printed in the RECORD the statement of Mr. Lewis. If I inadvertently ascribed to Mr. Lewis any statements or arguments which were made by someone else, I shall be very glad to have the correction made in the RECORD.

I am interested in Mr. Lewis' statement that we had hoped to develop the coal industry, and develop business relations along that line with South America. If it can be done, it would seem to be a very logical thing to do. It is also logical that it can be accomplished more easily if we make direct shipments from the Great Lakes to South America instead of having to load the coal on cars, transmit it by rail to water, and then reload it into ships.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter which I received from Secretary of Commerce Jesse H. Jones under date of May 30, 1944, in which Mr. Jones reiterates his support of the St. Lawrence seaway. I shall not read the letter because it is similar to one which was sent to the chairman of the committee.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

THE SECRETARY OF COMMERCE,
Washington, May 30, 1944.

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Receipt is acknowledged of your letter of May 19, 1944, and a copy of S. 1385, which you introduced in the Senate, to provide for the approval of the agreement between Canada and the United States of March 18, 1941, and to authorize the construction of the St. Lawrence seaway and power project. Based upon the extensive studies that the Department of Commerce has made, the Department has always supported this project and I personally feel, as you do, that this undertaking will greatly strengthen our national economy.

You will recall that I appeared before the House Rivers and Harbors Committee in 1941, giving my full support to the project as a national defense undertaking. I am equally convinced that it is an invaluable asset in any program of post-war production and commerce. I am sure that the approval of S. 1385 at this time is highly desirable so that we shall be ready to move ahead with construction as soon as conditions permit.

Sincerely yours,

JESSE H. JONES,
Secretary of Commerce.

Mr. AIKEN. I wish to read a letter which I received under date of November 25, 1944, from Mr. Grover B. Hill, Under Secretary of the Department of Agriculture and Deputy War Food Administrator. His letter is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., November 25, 1944.

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: I am glad to comply with your letter of November 17 by stating my views on the proposed St. Lawrence seaway and power project. As you know this Department is already on record as favoring the project. Secretary Wickard, in a statement before the House Committee on Rivers and Harbors 3 years ago, endorsed both the navigation and power phases of the proposal for developing the St. Lawrence waterway.

As Secretary Wickard pointed out in his statement, we believe that the development of the seaway would benefit American agriculture as a whole by lowering transportation charges on the things farmers sell and the things they buy. It will aid in the restoration of our foreign markets after the war. It will increase our national security in times of crisis.

In the post-war years ahead farmers will need every possible facility for promoting trade both in the markets here at home and in foreign markets. Transportation, always a vital factor in commerce, looms large in that trade. Seaways are of great importance to our agricultural Midwest. This is particularly true of the St. Lawrence project. In addition to providing the States of the Great Lakes Basin with cheaper transportation, the construction of the St. Lawrence seaway would link the people of this area to each other and to the outside world. Any reduction in transportation costs would be an important factor in strengthening the American farmer's competitive position in the world market.

The power possibilities of the St. Lawrence project hold great promise to agriculture in the States where the delivery of cheap hydro power generated on the St. Lawrence would be feasible. In the States of New York, Vermont, and New Hampshire alone, there are still almost 50,000 farms without central-station electric service. In addition, there are more than 85,000 unelectrified nonfarm homes and establishments in the rural areas of these States.

We hope you will call on us any time we can be of assistance to you.

Sincerely yours,

GROVER B. HILL,
Under Secretary.

I consider this a most significant letter because up to date a great part of the demand for the St. Lawrence seaway has come from the American farmer, who realizes the tremendous benefits which would accrue to him when this project is completed and in operation.

It will be observed, Mr. President, that every agency of Government reporting on Senate bill 1385 has recommended the construction of the St. Lawrence seaway and power development as an essential post-war project. They recognize the fact that the years following the war may be no less critical than the years of the war itself.

I call the attention of the Members of the Senate to the fact that it was only after every interested agency of Government had reported favorably on the St. Lawrence seaway development as a post-war project that the committee chairman questioned the jurisdiction of the Commerce Committee over the bill.

The post-war benefits to be derived from the development of the St. Lawrence seaway are threefold:

First, it will provide easy and direct access for the flow of goods to and from the Great Lakes Basin to the markets of the world. It will actually bring Detroit, Toledo, Cleveland, and Buffalo as near, or nearer, to the ports of northern Europe as the ports of New York, Philadelphia, and Baltimore are today.

In actual distance, Detroit is nearer to the markets of Russia and northern Europe than is the port of Baltimore, and yet Detroit, the most important exporting center in the United States in percentage of manufactured products, is cut off from the sea.

The St. Lawrence seaway will cut the cost of transportation from Great Lakes cities to the world markets as much as half on many items of goods and materials. It costs as much today to ship some kinds of freight from Detroit to the ports on the Atlantic seaboard as it does to ship those goods from Atlantic ports to Melbourne, Capetown, or Calcutta.

This is of particular importance to the city of Detroit where previous to the war exports amounted to 15 percent of the total industrial economy of that city. In the highly competitive world market, this saving in transportation costs alone may mean the difference between being able to sell in foreign markets and not being able to do so.

Here I should like to call to the attention of the Senate the fact that on the committee of about 50 who are working to bring about the completion of the St. Lawrence seaway, a national committee recently formed, are many of the industrial leaders of the city of Detroit, including representatives of the Borg-Warner Corporation, the Chrysler Corporation, and the Ford Motor Co., besides others.

To take the narrow provincial view that helping to maintain or improve the economic status of Great Lakes cities and the agriculture of the Plains States is detrimental to any other part of the United States is an absurdity.

The city of Detroit, for instance, buys goods from every State in the Union. The ability of Detroit, therefore, to place its goods upon world markets is of vital importance to every State. With the St. Lawrence seaway completed, lumber from the Pacific coast, sulfur from Texas and Louisiana, cotton from Mississippi and Alabama, resin from Georgia, pulp from South Carolina, manufactured goods and merchandise from the industrial East can be delivered in Detroit, Chicago, or Milwaukee by all-water transportation without unloading at any point and at a lower cost.

The business of the city of Detroit is almost of paramount importance to the machine-tool manufacturers of New England and the East, and yet only a couple of days ago one of the best-known machine-tool manufacturers of New England asked me, "How would it help us if Detroit had free access to the sea?" overlooking the fact that Detroit is the best customer they have.

The economic life of a nation depends upon the adequacy of its transportation. This will be truer than ever at the end of this war.

We have solved production problems, but we have not solved the problem of the distribution of goods and produce to the people who need them at a price which they can pay.

Fully half of the transportation costs of many foods are represented by transportation charges alone, thus contributing to a system of national scarcity and underconsumption. So long as this system of scarcity prevails in our country we will have unemployment and undernourished, underclothed, and underprivileged people. So long as it prevails throughout the world we will have wars.

The greatest step which can be taken toward making this land of ours a land of plenty is the expansion of a coordinated transportation system which will include airways, highways, railways, and waterways.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. VANDENBERG. Before the Senator leaves his discussion of the impact of this project upon Detroit I should like to tell him from my first-hand knowledge how totally the opinion of Detroit sustains his point of view. Many studies have been made which are very specific in their nature, and it is perfectly clear that great commercial benefits, industrial benefits, will accrue from tidewater transportation to and from this great automotive center of the earth. Tidewater connection with the ports of the world is inevitably found to produce an almost inestimable advantage for labor, capital, industry, and society generally in that area.

I wish to amplify that to this extent: We are constantly urged, as I suggested yesterday, that we must move into an era of freer international economy in the post-war period, and that it must be a time of lowering tariffs instead of increasing them.

While the automotive industry is not a tariff-protected industry the fact remains, it seems to me, that if there is any substantial hope of increasing the world's economy through lowered trade barriers between countries, and if under those circumstances we have any hope of maintaining our standard of living and wages, we must have offsetting advantages, and the greatest possible offsetting advantage we can obtain is the natural advantage of the cheapest possible traffic relationship with the other nations of the world. So that from the standpoint of intelligent selfishness, at the same time in connection with our purpose to contribute, so far as possible, to this wider post-war economy, it seems to me what the Senator from Vermont is saying regarding the St. Lawrence project is absolutely indisputable from any standpoint whatsoever.

Mr. AIKEN. I thank the Senator from Michigan for his observation, with which I entirely agree. I think anything that can be done to make the commerce of Detroit with the rest of the world greater is going to have an extremely beneficial effect, as I have said repeatedly, on every other State in the Union, because Detroit is the market for something that is either raised or manufactured in every State in the Union, and the more Detroit sells abroad—and Detroit is our greatest manufacturing export center—the more will every other State prosper.

Mr. VANDENBERG. If the Senator will permit me further, neither the Senator nor I would want to leave the implication that Detroit is to be the only beneficiary of this improvement.

Mr. AIKEN. Certainly not.

Mr. VANDENBERG. On the contrary, Detroit is merely the great assembly point for probably the greatest system of feeder industry in this country, and certainly throughout the remainder of the State of Michigan anything which contributes primarily to the industrial output and outlet of Detroit is a benediction to the entire State. But it goes infinitely beyond that, because, I repeat, the industry of Detroit, concerning which the able Senator from Vermont chiefly speaks, is an industry which ramifies throughout this country in probably the greatest system of interlocking industry in the world. So that the benefits which we have been discussing in relation to Detroit are in reality a benediction upon the entire Nation.

Mr. AIKEN. What the Senator says is entirely true. I was merely using Detroit as an example because it so happens that a larger percentage of Detroit manufactures are exported in normal times than are the manufactures of any other large city in the United States.

The greatest unfinished link in our system of transportation is the International Rapids of the St. Lawrence River, which landlocks the Great Lakes Basin with its population of 45,000,000 and its immense industries.

At this point I wish to read two excerpts from an interesting letter which I read a few days ago in the New York World-Telegram. It is a letter from Mr. Wendell Phelps Dodge, publisher of the Marine News. It is headed "Waterways development for national wealth," and I read from it the following:

> With the greatest American merchant marine in history looming, it would be inexcusable not to make ready the Nation's harbors, channels, and roadsteads, and connecting inland waterways. All important east coast ports will surely have their navigation facilities ready, we are sure.
>
> America will soon be on the march again in peacetime pursuits. Employment will be our most important problem. Further development of our unparalleled natural waterways will provide useful work for thousands, increase local and natural assets, add to our military might.
>
> Distribution, too, is a major problem. Low-cost water transportation is a large part of its solution. Owing to necessity for economy, European nations make every possible use of their waterways. Development is constantly under way.

I quote further from the letter of Mr. Dodge, editor of the Marine News:

> It is indisputable that ores, coal, oil, gasoline, steel, sulfur, grain, and other bulk commodities, heavy manufactured products, can be moved at rock-bottom costs over waterways. We shall be seeking rock-bottom transportation costs during the post-war period—for a long time afterward.
>
> From absurd, prejudiced claims, much of the public has been made to believe that all waterborne commerce is transported only from one waterway terminal to another. Almost all of it is either prehandled or rehandled by other transportation systems, principally railways. The statement that waterway competition is injurious to other transportation systems is false. The opposite is true.
>
> Everyone, with facts and an interest in the country as a whole, knows that the improvement of a natural waterway for the benefit or protection of the people increase the wealth of the Nation.

Mr. President, opponents of the St. Lawrence project try to scare shippers and boat operators on the Great Lakes by telling them that foreign boats will come in and take their commerce. This is nothing but a falsehood. Foreign shipping will not be permitted to engage in coastwise trade on the Great Lakes any more than it can take the business of the boats that ply between Norfolk and Baltimore and New York and Boston today.

Opponents of the seaway have gone so far as to say we should not develop it because it would benefit Canada. What a narrow, selfish view this is.

To be sure Canada would have half of the water power developed, but three-fourths of the shipping on the Lakes today is done by the United States. Why should we not want to help Canada, anyway? Is it not better for us to have a strong neighbor to the north than a weakling? If Canada is strong, she is a better customer for our goods. She is a better protection against foreign enemies.

The economic welfare of our two countries is so closely bound together that, in general, what helps Canada helps us and what helps us helps Canada.

As nations, we should grow stronger together for the day may come when we will need that strength and unity even more than we do in this hour.

The relationship between Canada and the United States has long been the finest example of international amity in the world. Three thousand miles of boundary lines stretch between the two countries without military protection. Anyone who raises his voice against Canada in the matter of the St. Lawrence or in any other matter is doing a disservice to the United States. The present effort by interests opposing the St. Lawrence to repudiate the plain purpose of the United States-Canadian Boundary Waters Treaty of 1909 and the 1941 agreement is an attempt to get the Senate itself to administer a rebuff not only to our great Secretary of State Cordell Hull, but to the best friend we have among the nations of the world as well.

The second great benefit to be derived from the seaway and power project is the great amount of electric energy which will be produced.

Opponents of the St. Lawrence are again raising the time-worn and shabby cry that we will not need the power after this war. They said it a generation ago, they said it after the last war, they are saying it today, and they say it every time anyone mentions development of a great public source of electric energy. They think of nothing new except different ways of confusing with the same old baseless arguments the steps taken to complete this public improvement.

There is bound to be a shortage of power after this war. Of course, rates for electricity can be held so high that there will always be a surplus, or they can be put so low that there will always be a shortage. Do we want the rates held high? Will that make for greater production and greater employment in America? Decidedly not.

Let us now see what happened after the First World War. Even back in those days people were saying we would have a surplus of power when the war ended.

In 1915 the total production of electricity in America amounted to only 16,000,000,000 kilowatt-hours.

In 1918 this had increased to 33,000,000,000 kilowatt-hours.

Then the First World War ended. Let us see what happened to the prediction that we would then have a surplus of power.

In 1920 the consumption of power shot up to 44,000,000,000 kilowatt-hours.

In 1922 it had reached 47,000,000,000 kilowatt-hours.

In 1929 the consumption was 96,000,000,000 kilowatt-hours. That was the year when the financial crash came and the depression started, and one might naturally have assumed that the use of electricity would fall off with the coming of the great depression.

But by 1940, after 10 years of depression, it had reached a total of 144,000,000,000 kilowatt-hours; and this year, 1944, we will consume 240,000,000,000 kilowatt-hours of electric energy, or nearly 10 times as much as we used during the First World War.

There can be no doubt that the 6,600,000,000 kilowatt-hours of electricity which will be generated in New York at the dam at Massena will be necessary to implement our present supply within the

next few years, provided it is made available to the American people at reasonable rates.

We are becoming more and more dependent on electricity with each passing year and there is no indication that the saturation point is yet in sight.

People today would be buying hundreds of millions of dollars' worth of new electrical equipment if they could get it. Over 4,000,000 farms still remain without central station service in our own land. The record of many countries, even those with which we are at war, is much better than our own in this respect.

In the States of New York, Vermont, and New Hampshire, as was pointed out by Mr. Grover B. Hill, Under Secretary of Agriculture, approximately 50,000 farms almost within a stone's throw of the site of the St. Lawrence development are without electricity, and approximately 85,000 other rural homes do not have the blessings of electric current.

As evidence of this I read a short news item which appeared on November 29 of this year in the St. Albans Messenger, St. Albans, Vt. This town is approximately 75 miles from the site of the Massena Dam. The article is headed "Critical need for electric power noted—County's utility prepares to fill post-war want":

Waiting backstage for the curtain to go up on the post-war stage is the electrical power industry—waiting to energize many helping arms such as home appliances and farm devices.

Possibilities for such expanded service in St. Albans and elsewhere throughout Franklin County have been surveyed carefully by the Public Electric Light Co., it was learned today from A. W. Peterson, vice president and general manager.

Mr. President, I wish to say in explanation that the Public Electric Light Co. is not publicly owned. That is the name of this small private utility which is very efficiently managed, and which I am sure is one of the distribution systems which would be prepared to distribute St. Lawrence power at as low a cost as any publicly owned system could properly do it. There are some privately owned systems which cannot properly distribute this power. They are not in condition to distribute it at a low cost because they have not as yet squeezed the water out of their capital structures. The opposition which comes from the electric power industry to the development of the St. Lawrence seaway I am sure comes largely from such companies, and not from companies which are prepared to distribute power at low cost.

I continue to read from the article:

In the countryside the farmer already has attached the power-giving wires to some of his barn equipment; after the war it is expected he will want to do more in this direction and will want to lift some of the burden of his wife's housekeeping routine. Consequently there is expected to be a demand for automatic washing machines, for electric ranges and water heaters. And for the whole family's sake there is expected to be many installations of frozen locker and storage units and much better lighting.

Mr. Peterson's findings, which, incidentally, coincide with those made by 80 other executives throughout the country, indicate city residents also are ready to use many more appliances. And they are going to ask for germicidal lamps for schoolrooms and bedrooms, as protection against colds and other infections, and they will want television sets and other equipment that will add comfort and minimize household drudgery.

Should the war in Europe end early next year, some of the most needed items may begin to appear late in the year, but Mr. Peterson counsels withholding hopes for a dependable flow of such equipment until guns everywhere have been silenced.

His own company has been gearing itself for this much wider range of activity. Pointing to the expansion that took place since 1920—an increase in power production from 2,500,000 kilowatts yearly to 44,000,000—he revealed a chart showing how this capacity is to be boosted 10 percent a year up to 1960.

Today all home and farm needs are being met and besides power is being sent on to industrial centers. After the war considerable of the latter portion probably will be made available to augment that going to home and farm.

"We feel that the power industry and the allied fields of appliances and mechanical equipment will have considerable social significance in making life much more enjoyable," declared Mr. Peterson.

This small company, which now produces 44,000,000 kilowatts of power annually, and which anticipates an increase of 10 percent in demand each year until 1960, is located, as I said about 75 miles from the site of the Massena Dam in the proposed St. Lawrence development.

Mr. President, in view of the fact that there are 4,000,000 unserved farms in this country, and an untold number of unelectrified rural homes, we ought to be ashamed that such a condition has been permitted to exist so long. Of those who already have electric service, every farm, every home, and every industry will use more and more as time goes on.

We have entered the age of nonferrous metal production and use. The production of aluminum is measured in billions of pounds and, as I stated yesterday, it takes 10 kilowatt-hours of electricity to make 1 pound of aluminum. Aluminum is principally electricity when it comes to cost.

Magnesium has entered permanently into the field of commercial-metal production and will be used more and more where the lightness of the metal used is important. Cheap electric power is essential in the manufacture of magnesium. There is plenty of ore in the vicinity of the St. Lawrence development but there is a shortage of power. Therefore magnesium is not manufactured there at the present time.

Our tremendous chemical industry, with gigantic advances necessitated by the war, will continue as a peacetime servant of the people.

Farmers today are using low-cost nitrate fertilizer as a result of new discoveries which can only be utilized if electric energy is plentiful and cheap. The farmers of America can never go back to the days of high-priced nitrogen if they are to produce food and fiber in competition with the rest of the world.

Since this war began, thousands upon thousands of farms in the north country have been equipped with electric milking machines and milk coolers. Only through this increased use of electricity has the American farmer been able to supply the enormous production which has been demanded of him.

During the past year, in spite of the scarcity of material, the emergency has been so great that the War Production Board has authorized the extension of electricity to 78,000 farms on the R. E. A. systems alone. The number of farms connected to private utility systems must also be very great, probably equally great.

There are still millions of rural homes that are not served with electric light and power. We must not be content until every farm home in America is equipped for electricity.

I have already said that the dam at Massena will have an annual output on both sides of the river of 13,200,000,000 kilowatt-hours. This is a greater amount than has been produced in all the Tennessee Valley Authority this year. It is three times as great as the output of the great Dnieper Dam in Russia.

At this point I want particularly to call attention to the fact that plans are already being made in American factories for the restoration at the earliest possible moment of the power plant at the great Dnieper Dam, which was destroyed when the great Russian retreat took place. I thought it was destroyed by the Russians, but I read in the newspapers a couple of days ago that it was probably destroyed by the Germans. It does not matter who destroyed it. It has been destroyed; and the fact remains that our own factories in America are now drawing plans for the restoration of that great dam in Russia. Our factories will obtain business, and will furnish equipment for this dam and others all over the world which have been destroyed during this war.

While Congress quibbles and permits selfish interests to block the construction of the St. Lawrence project right at our front door, American factories are designing and building tremendous turbines and other equipment for shipment abroad and planning the construction of gigantic power developments, not only for the Dnieper River, but for almost every other country on the face of the globe.

St. Lawrence power will be the cheapest power in North America. It will cost about one mill per kilowatt-hour at the dam. It can be delivered within a 200-mile radius for 2½ mills per kilowatt-hour. This 200-mile radius would take in most of New York, all of Vermont, all but a little of New Hampshire, a little of Maine, much of Massachusetts, and part of Connecticut. The 300-mile radius, which is considered an economical transmission distance, would include virtually all of New England except, I believe, a part of Cape Cod and some of Aroostook County, Maine, all of New York, and a large part of Pennsylvania and New Jersey. This power can be delivered anywhere in northern New York, Vermont or New Hampshire for 2½ mills per kilowatt-hour. Contrast this price with the cost of 1.39 cents which the New Hampshire Electric Cooperative now has to pay for power. The price of St. Lawrence power would be less than 20 percent of what the New Hampshire rural electric cooperative now has to pay.

This price of 2½ mills would mean that our farm people in New York and New England and our little industries could enjoy the benefits of cheap light and power which the people of the T. V. A. and Pacific Northwest now have, and which I hope every part of our country will have in the near future.

Mr. President, I hope that everyone will stop and consider the position of the northeastern section of our country at this time. We have been losing industry. We are bound to lose more industry after the war. It is not industry that is going anywhere. It is industry that is dying because it cannot continue with the handicaps under which it must suffer.

In Vermont there is a factory which is owned by a company in Buffalo, N. Y. The factory in Vermont sent me its bill for power for the month of April, as I recall. It appeared to be approximately twice what had to be paid for power at Niagara.

I do not know what good it would do the rest of the country to have the New England States and northern New York lose industry and population. I am told that New York State alone has lost 500,000 population within the past few years. When one section of the country loses its industry, its economy, and its income, there is an adverse effect upon every other section of the country.

Some years ago, I am told, it was planned here in the city of Washington that the great hydroelectric resources of three areas of our country were to be developed. First was the Tennessee Valley; secondly, the Grand Coulee and Bonneville projects of the Pacific Northwest; and third, the St. Lawrence development in the northeast.

The Tennessee Valley Authority was created in 1933. The power developments there are now nearing completion. Even now its erstwhile bitter enemies dare not speak out in public against it, because it has been so successful.

The power from the Grand Coulee and Bonneville developments has brought about a tremendous increase in the productivity of the North Pacific States. But the St. Lawrence still runs unharnessed to the sea.

Utility companies protest, usually privately, that St. Lawrence power would force them to reduce their rates, and that they cannot afford to do so. They are afraid to change their ways of doing business because they think that to do so would be disastrous to them, although the experience of almost every electric distribution system in the country has shown that when rates have been reduced net income has not been reduced, but because of the increased sale a better net income has been enjoyed. I agree that if the St. Lawrence power were developed, most of the private utilities would have to reduce their rates, but I cannot agree that they would lose money if they should do so.

Attempts have been made to spread fear among the stockholders of utility companies that development of St. Lawrence power would jeopardize their investment. The best answer to this is the statement of Hon. Leo T. Crowley, chairman of the board of directors of the Federal Deposit Insurance Corporation, testifying before a House committee on July 3, 1941. At that time Mr. Crowley said:

It has been contended that the opening of this seaway would harm the railroads and public utilities of the northeast section of the country. If this were true in any appreciable degree, the security obligations of these businesses would suffer. Since the banks insured by the Federal Deposit Insurance Corporation hold about $850,000,000 of railroad security obligations and $525,000,000 of public utility security obligations, I could not support this legislation if I thought that the railroads and public utilities would, on the whole, be affected adversely. Fortunately, the evidence indicates that the great advantages of opening up the Great Lakes to ocean traffic will not bring corresponding harm to the railways, and that the energy developed in the St. Lawrence will not hurt the utilities, but will rather fit into the long-term growth of our need for power.

There is, therefore, little possibility that the investment character of railroad and public utility security obligations will be harmed by the legislation under consideration. Indeed, it may well be that their investment quality will be enhanced. * * *

It is entirely reasonable to conclude that the eastern roads will be gainers rather than losers on balance.

Then Mr. Crowley said:

What I have said relative to the effects of the St. Lawrence project on the railroads applies equally well to the public utilities. The power development will not hurt them and may indirectly benefit them. I have already pointed out that according to predefense estimates some $2,500,000 more horsepower of energy will have to be made available to the people of New York State in the next 10 years. Inasmuch as the American share of St. Lawrence power, about 1,100,000 horsepower, would provides less than half of this increase in anticipated demand, it is obvious that the hydroelectric development at the International Rapids constitutes no competitive threat whatever to existing public utilities.

Mr. President, that is the statement of Mr. Crowley, who is known as a hard-headed businessman, and who is responsible for the safety of millions of dollars of bank deposits in this country. Would Mr. Crowley be likely to advocate a development which would impair the value of those deposits?

Inasmuch as his testimony was given 3 years ago, I was interested to learn whether he had changed his position regarding this matter. I wrote to him and asked him whether he had, and what his present attitude is. On September 21, 1944, he wrote me as follows:

FOREIGN ECONOMIC ADMINISTRATION,
Washington, D. C., September 21, 1944.

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: Thank you for your letter of August 31 and the enclosure. I want to take this opportunity to reaffirm my support of the St. Lawrence seaway and power project. Your bill (S. 1385) is identical in all respects to H. R. 4927 which I supported before the House Rivers and Harbors Committee in 1941. As Chairman of the Federal Deposit Insurance Corporation, I stated then that there was no danger of any adverse effect from the construction of this project on the security obligations of railroads and public utilities. With regard to the transportation aspects, our analysis then showed that in the importation of raw materials and the export of agricultural and manufactured products the seaway would give substantial savings in transportation costs both to consumers and producers. The power supply provided by this project is needed in the northeastern section of the United States in an area that contains 20 percent of the population and nearly 25 percent of manufactures in the United States. This power is also among the cheapest new sources of power in continental United States and will, when developed, help bring great prosperity to New York and the New England States.

Coming as I do from Wisconsin, I understand and sympathize with the urge of the people of mid-continental United States to have direct access to the open seas by cheap water transportation. As we return to peacetime commerce we are going to need this facility more than ever before because greater international exchange of goods and services must be one of the foundations of peace. A basic factor in industrial progress and improvement in standards of living is reduced cost of production and transportation. The ability to provide goods at reasonable cost on a commercial basis in international trade is an important element in the maintenance of full employment in the United States and we must do everything within our power to promote such trade.

Let me say in conclusion that I know of no instance where lower power rates have hurt either those providing such services or those receiving them. It is a basic tenet of economics that lower costs stimulate consumption, trade, and employment.

* * * * *

I want you to know that I appreciate the bipartisan support this project is receiving, as it is truly a project for the national welfare.

I have been advised by the Bureau of the Budget that this matter has been considered by the President, and he favors the authorization of the St. Lawrence project at this time as a post-war project.

Sincerely yours,

LEO T. CROWLEY,
Administrator.

This statement and this letter from the man who is responsible for the protection of billions of dollars' worth of bank deposits, a large percentage of which are invested in railroads and public-utility holdings, ought to satisfy even the most skeptical investor in utility stock that his investment would be absolutely safe if the St. Lawrence seaway is constructed.

Mr. President, we have heard a great deal about the opposition of railroads to the St. Lawrence seaway. It is a fact that the Association of American Railroads is formally on record as opposing the development not only of the St. Lawrence seaway but of other waterways as well. I think that is a short-sighted attitude to take. I hope the Association of American Railroads will reconsider and will correct its position at some time in the near future. I know for a fact that many persons engaged in railroading are not only not opposed to the St. Lawrence seaway but are actually in favor of it, and some of them are working for it.

As evidence of the fact that the seaway would not hurt railroads in the Northeast, but actually would benefit them, I read an excerpt from a dispatch which appeared in the Wall Street Journal for November 16, 1944. In the States of New York and Vermont there is a 400-mile railroad, the Rutland Railroad. It was formerly controlled by two larger railroads, and at one time had a nice reserve, which was used up in paying increased stock dividends when the depression struck. Thereafter it was forced

into receivership. Naturally, it has applied for permission to file a reorganization plan. The dispatch in the Wall Street Journal reads as follows:

Rutland Railroad soon will petition the Vermont district court for an extension of time in which to file a plan of reorganization, now due to be filed by December 6, it was reported from Washington.

Prospective developments affecting the road's traffic and earnings, including the possibility that Congress will approve the St. Lawrence seaway project which is paralleled by the Rutland's Ogdensburg branch, will be cited as reasons for the delay. The construction of the seaway project would have a highly beneficial effect on the road's traffic volume, it was said.

That statement appeared in the Wall Street Journal with regard to the Rutland Railroad, which we all know would be tremendously benefited by the construction of the St. Lawrence seaway.

Along the same line of reasoning, I cannot see why the New York Central would not also be greatly benefited, insofar as its lines running through this area would be affected, because it certainly would have a vast increase in the amount of freight it would carry, particularly during the winter months when the seaway could not be used and the additional freight would have to be carried by some other means.

It is estimated that the International Rapids section development would require an average of 11,150 men at the site if built in 4 years and an average of 7,440 at-site employees if built in 6 years. At-site man-hours are estimated at 82,486,000 and off-site man-hours as 140,225,000, the total exceeding 220,000,000 man-hours.

A little figuring will show that the total number of men required for the International Rapids development would be approximately 25,000 at the site and off the site. I assume that the off-site employment would be utilized largely in the manufacture of materials and in transportation. The employment of that number of men over a 4-year period cannot be considered lightly.

During the course of the hearings held by the House committee in 1941, opponents of the seaway maintained that it would require the labor of 100,000 men, 80 percent of them skilled or semiskilled, over a 4-year period. They objected to the great development at that time because, as they said, we could not spare the manpower. It appeared that the estimate of 100,000 was arrived at by including the number of men who would be required for the expansion and development of other facilities in the Great Lakes area, which expansion and development, much of it private, would follow the completion of the seaway.

The very arguments which were used against the construction of the seaway at that time will bear heavily in favor of its construction at the end of this war. The giving of work to 100,000 men in public and private industry means direct support for half a million people. It means more than that. It means business for railroads, business for coal mines, and business for merchants and manufacturers. It means that more shoes, shirts, gloves, tools, and equipment manufactured all over the United States will be sold directly for use on the project itself and for use of the families of the men employed.

It means lightening the fear of returning soldiers that they may have to join the ranks of the unemployed. We do not want any more W. P. A. and relief rolls. We have had enough humiliating makework projects. There is sufficient work to be done to give every returning serviceman an honest job.

If the St. Lawrence seaway development will result in the employment of 100,000 skilled and semi-skilled workmen over a 4-year period, it will stand out as one of the most important public works ever undertaken.

It will be one of the most important for more than the reason that it will provide employment over those years for a hundred thousand men. It will be more important because when its navigation and power facilities are completed, it will contribute directly to the prosperity of the forty-five to fifty million people who live in the Great Lakes Basin, and indirectly to the 135,000,000 who live in the United States. It will create new wealth and its contribution to the battle against unemployment will thereby become permanent. Likewise, it will create permanent facilities of a lasting value to the defense and security of the United States, Canada, and the entire Western Hemisphere.

The opposition to the St. Lawrence development that distresses me most is the opposition which is concentrated in a few sections and localities of our country. It is true that there are few of them. There should be none. I have a strong suspicion that the opposition is fostered and inspired by certain well-organized interests rather than by the people themselves.

When we say that developing the resources and increasing the wealth of one part of our country will be detrimental to other parts of the Nation, we are admitting that we have reached the limit of our economic growth. I shall never concede that to be true. I maintain that we must develop our wealth in whatever part of this Nation we find it, and that in so doing we will benefit the entire Nation.

Ours is not a static economy. The very fact that the electrical output of the United States increased from 14,000,000,000 kilowatt-hours in 1914 to 240,000,000,000 kilowatt-hours in 1944 should convince anyone of the truth of that statement.

The Department of Commerce has made the following statement:

The average tons of freight originating in the decade of 1950 will probably be between 242,000,000 and 374,000,000 greater than the average of 1930–39. The 10,000,000 tons of additional American traffic which may use the St. Lawrence at maximum utilization would be but a fraction of the expected increase in railroad activity.

Assuming 300,000,000 tons to be the average increase for the decade of 1950, the St. Lawrence seaway would carry only 3 percent of it. Railways, highways, airways, and other waterways must be expanded to carry the remaining 97 percent.

We know that after this war we must substantially increase the amount of business done. We know that when we reconvert to peace it must not be to the 1939 or 1940 economy, but to not less than a 50 percent increase over the national economy of those years.

A tremendous increase in shipping and in air transportation will open a new era in world commerce. International commerce can be the world's greatest industry after this war.

The production of American farms and factories will find its way to every country on the globe, and raw materials and goods from those countries will be received by us in return.

The imagination cannot comprehend the extent of the potential increase in world commerce. We must be ready for it. We must work for it.

Much of the commerce of other countries will originate on inland waterways, or be loaded directly on ocean-going vessels. Five-sixths of the earth's area is covered by water. For the most part, the world's commerce will be water-borne.

We face a highly competitive world. If we are to maintain the standard of living which Americans now enjoy, we must meet that competition. We must meet it successfully, or lose business and see American wages and standards beaten down.

Mr. President, about a month ago I spoke to the Detroit Board of Commerce, and I should like to read for about 2 minutes from the address which I delivered at that time, as follows:

A second factor which we must consider in relation to foreign markets is the importance of low prices in international competition. The manufacturing centers of Europe will be under pressure to sell abroad at almost any price in order to secure foreign exchanges for the importation of their food requirements. We must remember that they are finally learning the art of mass production, particularly since the war which has given them knowledge of American methods and access to American equipment under lend-lease and other devices.

They will be able to produce under comparable technological conditions, with the difference of wages as the principal distinguishing factor in the cost of production. We will be unable to compete with these other countries in foreign markets except by lowering the delivered cost of the goods.

We should, therefore, do everything possible to lower the cost of transportation as this is a major cost where the products are manufactured in the midcontinent and have to be shipped several hundred miles by rail to shipside. In the case of many products, the St. Lawrence seaway will make a difference of almost 50 percent in the cost of transportation. European manufacturing centers are largely within easy access of deep sea water transportation.

Although in Russia many of the manufacturing centers are located in the interior of the country, the present Russian Government has foresightedly created a waterway system that connects the Arctic Ocean and the White Sea with the Baltic Sea, the Baltic Sea with the Caspian Sea, and the latter, through a connection between the Volga River and the Don River, with the Black Sea. Hence Russia is able to bring her produce into foreign markets by means of cheap water transportation.

Russia may not wish to export during the reconstruction period of 5 or even 10 years, except enough to import essential products. It is foreseeable, however, that sooner or later Russia will want to enter foreign markets and then we will be up against the most formidable competitor in the world.

What helps the country as a whole helps Detroit and I am sure that the rest of the country realizes that the reverse of this is equally true. Your ability to purchase raw materials and semifinished products from Massachusetts and Connecticut, from New Jersey, Pennsylvania, South Carolina, and Oregon, and from Illinois and Wisconsin, depends upon your ability to sell your products to the rest of the country and abroad.

Mr. President, I think that any high military officer will say that the reason Germany is still in the war is because of her magnificent system of inland waterways which permits her to continue fighting us even after we have blown up her railroads.

It is also true that had it not been for the great inland system of waterways in Russia, Russia would have been put out of the war at the time the Germans advanced into Russia until they were finally held at Stalingrad in 1942.

Low-cost transportation and power will be vital factors in meeting our postwar competitive problems. Transportation and power must be both cheap and adequate. Manpower must be complemented with lost-cost electric power if the high wage level of American industry is to continue. The St. Lawrence seaway will contribute materially to both these factors. It will be almost indispensable and the people of this country have every right to demand authorization for its construction by the Congress now.

Mr. President, before I conclude I ask to have inserted in the RECORD at this point in my remarks a copy of the boundary waters treaty between the United States and Great Britain signed at Washington January 11, 1909, and also a copy of the Great Lakes-St. Lawrence agreement between the United States and Canada, signed March 19, 1941.

The PRESIDING OFFICER (Mr. WHERRY in the chair). Without objection, the request of the Senator from Vermont is granted.

The treaty and agreement are as follows:

BOUNDARY WATERS AND QUESTIONS ARISING ALONG THE BOUNDARY BETWEEN THE UNITED STATES OF AMERICA AND CANADA—TREATY BETWEEN THE UNITED STATES OF AMERICA AND GREAT BRITAIN

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION

Whereas a Treaty between the United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, to prevent disputes regarding the use of boundary waters and to settle all questions which are now pending between the United States and the Dominion of Canada involving the rights, obligation, or interests of either in relation to the other or to the inhabitants of the other, along their common frontier, and to make provision for the adjustment and settlement of all such questions as may hereafter arise, was concluded and signed by their respective Plenipotentiaries at Washington on the eleventh day of January, one thousand nine hundred and nine, the original of which Treaty is word for word as follows:

The United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, being equally desirous to prevent disputes regarding the use of boundary waters and to settle all questions which are now pending between the United States and the Dominion of Canada involving the rights, obligations, or interests of either in relation to the other or to the inhabitants of the other, along their common frontier, and to make provision for the adjustment and settlement of all such question as may hereafter arise, have resolved to conclude a treaty in furtherance of these ends, and for that purpose have appointed as their respective plenipotentiaries:

The President of the United States of America, Elihu Root, Secretary of State of the United States; and

His Britannic Majesty, the Right Honorable James Bryce, O. M., his Ambassador Extraordinary and Plenipotentiary at Washington;

Who, after having communicated to one another their full powers, found in good and due form, have agreed upon the following articles:

Preliminary article

For the purposes of this treaty boundary waters are defined as the waters from main shore to main shore of the lakes and rivers and connecting waterways, or the portions thereof, along which the international boundary between the United States and the Dominion of Canada passes, including all bays, arms, and inlets thereof, but not including tributary waters which in their natural channels would flow into such lakes, rivers, and waterways, or waters flowing from such lakes, rivers, and waterways, or the waters of rivers flowing across the boundary.

Article I

The High Contracting Parties agree that the navigation of all navigable boundary waters shall forever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally, subject, however, to any laws and regulations of either country, within its own territory, not inconsistent with such privilege of free navigation and applying equally and without discrimination to the inhabitants, ships, vessels, and boats of both countries.

It is further agreed that so long as this treaty shall remain in force, this same right of navigation shall extend to the waters of Lake Michigan and to all canals connecting boundary waters, and now existing or which may hereafter be constructed on either side of the line. Either of the High Contracting Parties may adopt rules and regulations governing the use of such canals within its own territory and may charge tolls for the use thereof, but all such rules and regulations and all tolls charged shall apply alike to the subjects or citizens of the High Contracting Parties and the ships, vessels, and boats of both of the High Contracting Parties, and they shall be placed on terms of equality in the use thereof.

Article II

Each of the High Contracting Parties reserves to itself or to the several State Governments on the one side and the Dominion or Provincial Governments on the other as the case may be, subject to any treaty provisions now existing with respect thereto, the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line which in their natural channels would flow across the boundary or into boundary waters; but it is agreed that any interference with or diversion from their natural channel of such waters on either side of the boundary, resulting in any injury on the other side of the boundary, shall give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where such diversion or interference occurs; but this provision shall not apply to cases already existing or to cases expressly covered by special agreement between the parties hereto.

It is understood, however, that neither of the High Contracting Parties intends by the foregoing provision to surrender any right, which it may have, to object to any interference with or diversions of waters on the other side of the boundary the effect of which would be productive of material injury to the navigation interests on its own side of the boundary.

Article III

It is agreed that, in addition to the uses, obstructions, and diversions heretofore permitted or hereafter provided for by special agreement between the Parties hereto, no further or other uses or obstructions or diversions, whether temporary or permanent, of boundary waters on either side of the line, affecting the natural level or flow of boundary waters on the other side of the line, shall be made except by authority of the United States or the Dominion of Canada within their respective jurisdictions and with the approval, as hereinafter provided, of a joint commission, to be known as the International Joint Commission.

The foregoing provisions are not intended to limit or interfere with the existing rights of the Government of the United States on the one side and the Government of the Dominion of Canada on the other, to undertake and carry on governmental works in boundary waters for the deepening of channels, the construction of breakwaters, the improvement of harbors, and other governmental works for the benefit of commerce and navigation, provided that such works are wholly on its own side of the line and do not materially affect the level or flow of the boundary waters on the other, nor are such provisions intended to interfere with the ordinary use of such waters for domestic and sanitary purposes.

Article IV

The High Contracting Parties agree that, except in cases provided for by special agreement between them, they will not permit the construction or maintenance on their respective sides of the boundary of any remedial or protective works or any dams or other obstructions in waters flowing from boundary waters or in waters at a lower level than the boundary in rivers flowing across the boundary, the effect of which is to raise the natural level of waters on the other side of the boundary unless the construction or maintenance thereof is approved by the aforesaid International Joint Commission.

It is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.

Article V

The High Contracting Parties agree that it is expedient to limit the diversion of waters from the Niagara River so that the level of Lake Erie and the flow of the stream shall not be appreciably affected. It is the desire of both Parties to accomplish this object with the least possible injury to investments which have already been made in the construction of power plants on the United States side of the river under grants of authority from the State of New York, and on the Canadian side of the river under licenses authorized by the Dominion of Canada and the Province of Ontario.

So long as this treaty shall remain in force, no diversion of the waters of the Niagara River above the Falls from the natural course and stream thereof shall be permitted except

for the purposes and to the extent hereinafter provided.

The United States may authorize and permit the diversion within the State of New York of the waters of said river above the Falls of Niagara, for power purposes, not exceeding in the aggregate a daily diversion at the rate of twenty thousand cubic feet of water per second.

The United Kingdom, by the Dominion of Canada, or the Province of Ontario, may authorize and permit the diversion within the Province of Ontario of the waters of said river above the Falls of Niagara, for power purposes, not exceeding in the aggregate a daily diversion at the rate of thirty-six thousand cubic feet of water per second.

The prohibitions of this article shall not apply to the diversion of water for sanitary or domestic purposes, or for the service of canals for the purposes of navigation.

Article VI

The High Contracting Parties agree that the St. Mary and Milk Rivers and their tributaries (in the State of Montana and the Provinces of Alberta and Saskatchewan) are to be treated as one stream for the purposes of irrigation and power, and the waters thereof shall be apportioned equally between the two countries, but in making such equal apportionment more than half may be taken from one river and less than half from the other by either country so as to afford a more beneficial use to each. It is further agreed that in the division of such waters during the irrigation season, between the 1st of April and 31st of October, inclusive, annually, the United States is entitled to a prior appropriation of 500 cubic feet per second of the waters of the Milk River, or so much of such amount as constitutes three-fourths of its natural flow, and that Canada is entitled to a prior appropriation of 500 cubic feet per second of the flow of St. Mary River, or so much of such amount as constitutes three-fourths of its natural flow.

The channel of the Milk River in Canada may be used at the convenience of the United States for the conveyance, while passing through Canadian territory, of waters diverted from the St. Mary River. The provisions of Article II of this treaty shall apply to any injury resulting to property in Canada from the conveyance of such waters through the Milk River.

The measurement and apportionment of the water to be used by each country shall from time to time be made jointly by the properly constituted reclamation officers of the United States and the properly constituted irrigation officers of His Majesty under the direction of the International Joint Commission.

Article VII

The High Contracting Parties agree to establish and maintain an International Joint Commission of the United States and Canada composed of six commissioners, three on the part of the United States appointed by the President thereof, and three on the part of the United Kingdom appointed by His Majesty on the recommendation of the Governor in Council of the Dominion of Canada.

Article VIII

This International Joint Commission shall have jurisdiction over and shall pass upon all cases involving the use or obstruction or diversion of the waters with respect to which under Articles III and IV of this treaty the approval of this Commission is required, and in passing upon such cases the Commission shall be governed by the following rules or principles which are adopted by the High Contracting Parties for this purpose:

The High Contracting Parties shall have, each on its own side of the boundary, equal and similar rights in the use of the waters hereinbefore defined as boundary waters.

The following order of precedence shall be observed among the various uses enumerated hereinafter for these waters, and no use shall be permitted which tends materially to conflict with or restrain any other use which is given preference over it in this order of precedence:

(1) Uses for domestic and sanitary purposes;

(2) Uses for navigation, including the service of canals for the purposes of navigation;

(3) Uses for power and for irrigation purposes.

The foregoing provisions shall not apply to or disturb any existing uses of boundary waters on either side of the boundary.

The requirement for an equal division may in the discretion of the Commission be suspended in cases of temporary diversions along boundary waters at points where such equal division can not be made advantageously on account of local conditions, and where such diversion does not diminish elsewhere the amount available for use on the other side.

The Commission in its discretion may make its approval in any case conditional upon the construction of remedial or protective works to compensate so far as possible for the particular use or diversion proposed, and in such cases may require that suitable and adequate provision, approved by the Commission, be made for the protection and indemnity against injury of any interests on either side of the boundary.

In cases involving the elevation of the natural level of waters on either side of the line as a result of the construction or maintenance on the other side of remedial or protective works or dams or other obstructions in boundary waters or in waters flowing therefrom or in waters below the boundary in rivers flowing across the boundary, the Commission shall require, as a condition of its approval thereof, that suitable and adequate provision, approved by it, be made for the protection and indemnity of all interests on the other side of the line which may be injured thereby.

The majority of the Commissioners shall have power to render a decision. In case the Commission is evenly divided upon any question or matter presented to it for decision, separate reports shall be made by the Commissioners on each side to their own Government. The High Contracting Parties shall thereupon endeavor to agree upon an adjustment of the question or matter of difference, and if an agreement is reached between them, it shall be reduced to writing in the form of a protocol, and shall be communicated to the Commissioners, who shall take such further proceedings as may be necessary to carry out such agreement.

Article IX

The High Contracting Parties further agree that any other questions or matters of difference arising between them involving the rights, obligations, or interests of either in relation to the other or to the inhabitants of the other, along the common frontier between the United States and the Dominion of Canada, shall be referred from time to time to the International Joint Commission for examination and report, whenever either the Government of the United States or the Government of the Dominion of Canada shall request that such questions or matters of difference be so referred.

The International Joint Commission is authorized in each case so referred to examine into and report upon the facts and circumstances of the particular questions and matters referred, together with such conclusions and recommendations as may be appropriate, subject, however, to any restrictions or exceptions which may be imposed with respect thereto by the terms of the reference.

Such reports of the Commission shall not be regarded as decisions of the questions or matters so submitted either on the facts or the law, and shall in no way have the character of an arbitral award.

The Commission shall make a joint report to both Governments in all cases in which all or a majority of the Commissioners agree, and in case of disagreement the minority may make a joint report to both Governments, or separate reports to their respective Governments.

In case the Commission is evenly divided upon any question or matter referred to it for report, separate reports shall be made by the Commissioners on each side to their own Government.

Article X

Any questions or matters of difference arising between the High Contracting Parties involving the rights, obligations, or interests of the United States or of the Dominion of Canada either in relation to each other or to their respective inhabitants, may be referred for decision to the International Joint Commission by the consent of the two Parties, it being understood that on the part of the United States any such action will be by and with the advice and consent of the Senate, and on the part of His Majesty's Government with the consent of the Governor General in Council. In each case so referred, the said Commission is authorized to examine into and report upon the facts and circumstances of the particular questions and matters referred, together with such conclusions and recommendations as may be appropriate, subject, however, to any restrictions or exceptions which may be imposed with respect thereto by the terms of the reference.

A majority of the said Commission shall have power to render a decision or finding upon any of the questions or matters so referred.

If the said Commission is equally divided or otherwise unable to render a decision or finding as to any questions or matters so referred, it shall be the duty of the Commissioners to make a joint report to both Governments, or separate reports to their respective Governments, showing the different conclusions arrived at with regard to the matters or questions so referred, which questions or matters shall thereupon be referred for decision by the High Contracting Parties to an umpire chosen in accordance with the procedure prescribed in the fourth, fifth, and sixth paragraphs of Article XLV of The Hague Convention for the pacific settlement of international disputes, dated October 18, 1907. Such umpire shall have power to render a final decision with respect to those matters and questions so referred on which the Commission failed to agree.

Article XI

A duplicate original of all decisions rendered and joint reports made by the Commission shall be transmitted to and filed with the Secretary of State of the United States and the Governor General of the Dominion of Canada, and to them shall be addressed all communications of the Commission.

Article XII

The International Joint Commission shall meet and organize at Washington promptly after the members thereof are appointed, and when organized the Commission may fix such times and places for its meetings as may be necessary, subject at all times to special call or direction by the two Governments. Each Commissioner, upon the first joint meeting of the Commission after his appointment, shall, before proceeding with the work of the Commission, make and subscribe a solemn declaration in writing that he will faithfully and impartially perform the duties imposed upon him under this treaty, and such declaration shall be entered on the records of the proceedings of the Commission.

The United States and Canadian sections of the Commission may each appoint a secretary, and these shall act as joint secre-

taries of the Commission at its joint sessions, and the Commission may employ engineers and clerical assistants from time to time as it may deem advisable. The salaries and personal expenses of the Commission and of the secretaries shall be paid by their respective Governments, and all reasonable and necessary joint expenses of the Commission, incurred by it, shall be paid in equal moieties by the High Contracting Parties.

The Commission shall have power to administer oaths to witnesses, and to take evidence on oath whenever deemed necessary in any proceeding, or inquiry, or matter within its jurisdiction under the treaty, and all parties interested therein shall be given convenient opportunity to be heard, and the High Contracting Parties agree to adopt such legislation as may be appropriate and necessary to give the Commission the powers above mentioned on each side of the boundary, and to provide for the issue of subpoenas and for compelling the attendance of witnesses in proceedings before the Commission. The Commission may adopt such rules of procedure as shall be in accordance with justice and equity, and may make such examination in person and through agents or employees as may be deemed advisable.

Article XIII

In all cases where special agreements between the High Contracting Parties hereto are referred to in the foregoing articles, such agreements are understood and intended to include not only direct agreements between the High Contracting Parties, but also any mutual arrangement between the United States and the Dominion of Canada expressed by concurrent or reciprocal legislation on the part of Congress and the Parliament of the Dominion.

Article XIV

The present treaty shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty. The ratifications shall be exchanged at Washington as soon as possible and the treaty shall take effect on the date of the exchange of its ratifications. It shall remain in force for five years, dating from the day of exchange of ratifications, and thereafter until terminated by twelve months' written notice given by either High Contracting Party to the other.

In faith whereof the respective plenipotentiaries have signed this treaty in duplicate and have hereunto affixed their seals.

Done at Washington the 11th day of January, in the year of our Lord one thousand nine hundred and nine.

ELIHU ROOT [SEAL]
JAMES BRYCE [SEAL]

And whereas the Senate of the United States by their resolution of March 3, 1909, (two-thirds of the Senators present concurring therein) did advise and consent to the ratification of the said Treaty with the following understanding, to wit:

"Resolved further, as a part of this ratification, That the United States approves this treaty with the understanding that nothing in this treaty shall be construed as affecting, or changing, any existing territorial or riparian rights in the water, or rights of the owners of lands under water, on either side of the international boundary at the rapids of the St. Mary's river at Sault Ste. Marie, in the use of the waters flowing over such lands, subject to the requirements of navigation in boundary waters and of navigation canals, and without prejudice to the existing right of the United States and Canada, each to use the waters of the St. Mary's river, within its own territory, and further, that nothing in this treaty shall be construed to interfere with the drainage of wet swamp and overflowed lands into streams flowing into boundary waters, and that this interpretation will be mentioned in the ratification of this treaty as conveying the true meaning of the treaty, and will, in effect, form part of the treaty;"

And whereas the said understanding has been accepted by the Government of Great Britain, and the ratifications of the two Governments of the said treaty were exchanged in the City of Washington, on the 5th day of May, one thousand nine hundred and ten;

Now, therefore, be it known that I, William Howard Taft, President of the United States of America, have caused the said treaty and the said understanding, as forming a part thereof, to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this thirteenth day of May in the year of our Lord one thousand nine hundred and ten, and of the Independence of the United States of America the one hundred and thirty-fourth.

[SEAL] WM H TAFT

By the President:

P C KNOX
Secretary of State.

PROTOCOL OF EXCHANGE[1]

On proceeding to the exchange of the ratifications of the treaty signed at Washington on January 11, 1909, between the United States and Great Britain, relating to boundary waters and questions arising along the boundary between the United States and the Dominion of Canada, the undersigned plenipotentiaries, duly authorized thereto by their respective Governments, hereby declare that nothing in this treaty shall be construed as affecting, or changing, any existing territorial, or riparian rights in the water, or rights of the owners of lands under water, on either side of the international boundary at the rapids of the St. Mary's River at Sault Ste. Marie, in the use of the waters flowing over such lands, subject to the requirements of navigation in boundary waters and of navigation canals, and without prejudice to the existing right of the United States and Canada, each to use the waters of the St. Mary's River, within its own territory; and further, that nothing in this treaty shall be construed to interfere with the drainage of wet, swamp, and overflowed lands into streams flowing into boundary waters, and also that this declaration shall be deemed to have equal force and effect as the treaty itself and to form an integral part thereto.

The exchange of ratifications then took place in the usual form.

In witness whereof, they have signed the present Protocol of Exchange and have affixed their seals thereto.

Done at Washington this 5th day of May, one thousand nine hundred and ten.

PHILANDER C KNOX [SEAL]
JAMES BRYCE [SEAL]

GREAT LAKES-ST. LAWRENCE AGREEMENT, MARCH 19, 1941

DEPARTMENT OF STATE,
March 19, 1941.

The President of the United States of America and His Majesty the King of Great Britain, Ireland, and the British dominions beyond the Seas, Emperor of India, in respect of Canada, have decided to conclude an Agreement in relation to the utilization of the water in the Great Lakes-St. Lawrence Basin and to that end have named as their respective plenipotentiaries:

The President of the United States of America:

His Majesty the King of Great Britain, Ireland, and the British dominions beyonds the Seas, Emperor of India, for Canada:

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:

PRELIMINARY ARTICLE

For the purposes of the present Agreement, unless otherwise expressly provided, the expression—

(a) "Joint Board of Engineers" means the board appointed pursuant to an agreement between the Governments following the recommendation of the International Joint Commission, dated December 19, 1921;

(b) "Great Lakes System" means Lakes Superior, Michigan, Huron (including Georgian Bay), Erie, and Ontario, and the connecting waters, including Lake St. Clair;

(c) "St. Lawrence River" includes the river channels and the lakes forming parts of the river channels from the outlet of Lake Ontario to the sea;

(d) "International Section" means that part of the St. Lawrence River through which the international boundary line runs;

(e) "Canadian Section" means that part of the St. Lawrence River which lies wholly within Canada and which extends from the easterly limit of the International Section of Montreal Harbor;

(f) "International Rapids Section" means that part of the International Section which extends from Chimney Point to the village of St. Regis;

(g) "Governments" means the Government of the United States of America and the Government of Canada;

(h) "countries" mean the United States of America and Canada;

(i) "Special International Niagara Board" means the board appointed by the Governments in 1926 to ascertain and recommend ways and means to preserve the scenic beauty of the Niagara Falls;

(j) "deep waterway" means adequate provision for navigation requiring a controlling channel depth of 27 feet with a depth of 30 feet over lock sills, from the head of the Great Lakes to Montreal Harbor via the Great Lakes System and St. Lawrence River, in general accordance with the specifications set forth in the Report of the Joint Board of Engineers, dated November 16, 1926.

ARTICLE I

1. The Governments agree to establish and maintain a Great Lakes-St. Lawrence Basin Commission, hereinafter referred to as the Commission, consisting of not more than ten members of whom an equal number shall be appointed by each Government. The duties of the Commission shall be—

(a) to prepare and to recommend plans and specifications for the construction of works in the International Rapids Section in accordance with and containing the features described in the Annex attached to and made part of this Agreement, with such modifications as may be agreed upon by the Governments;

(b) upon approval of the plans and specifications by the Governments, to prepare a schedule allocating the construction of the works in the International Rapids Section on such a basis that each Government shall construct the works within its own territory or an equivalent proportion of the works so approved;

(c) to approve all contracts entered into on behalf of either Government for the works in the International Rapids Section;

(d) to supervise the construction of the works and to submit reports to the Governments from time to time, and at least once each calendar year, on the progress of the works;

(e) upon satisfactory completion of the works, to certify to the Governments that they meet the plans and specifications drawn by the Commission and approved by the Governments;

[1] This protocol of exchange was ratified by Great Britain June 4, 1910.

(f) to perform the other duties assigned to it in this Agreement.

2. The Commission shall have the authority to employ such persons and to make such expenditures as may be necessary to carry out the duties set forth in this Agreement. It shall have the authority to avail itself of the services of such governmental agencies, officers and employees of either country as may be made available. The remuneration, general expenses, and all other expenses of its members shall be regulated and paid by their respective Governments; and the other expenses of the Commission, except as provided for under Article III, paragraph (b) of this Agreement, shall be borne by the Governments in equal moieties.

3. The Governments agree to permit the entry into their respective countries, within areas immediately adjacent to the Niagara River and the International Section to be delimited by exchange of notes, of personnel employed by the Commission or employed in the construction of the works, and to exempt such personnel from the operation of their immigration laws and regulations within the areas so delimited. In the event that the Commission, pursuant to the provisions of paragraph 1 (b) of this Article, allocates to either of the Governments the construction of works, any part of which is within the territory of the other Government, the latter Government shall make provision for the according, within the area in which such a part is situated, of such exemption from customs, excises, and other imposts, federal, state, and provincial, as may be reasonably practicable for the effective and economical prosecution of the work. Regulations providing for such exemptions may be settled by the Governments by exchange of notes.

4. The Governments shall, by exchange of notes, prescribe rules and regulations for the conduct of the Commission. They may by the same means extend or abridge its powers and duties; and reduce or after reduction increase the number of members (provided that there must always be an equal number appointed by each Government and that the total number of members shall at no time exceed 10); and upon completion of its duties, the Governments may terminate its existence.

ARTICLE II

The Government of Canada agrees:

(a) in accordance with the plans and specifications prepared by the Commission and approved by the Governments, to construct the works in the International Rapids section allocated to Canada by the Commission; and to operate and maintain or arrange for the operation and maintenance of the works situated in the territory of Canada;

(b) to complete, not later than December 31, 1948, the essential Canadian links in the deep waterway, including the necessary deepening of the new Welland Ship Canal and the construction of canals and other works to provide the necessary depth in the Canadian section of the St. Lawrence River: provided that, if the continuance of war conditions or the requirements of defense justify a modification of the period within which such works shall be completed, the Governments may, by exchange of notes, arrange to defer or expedite their completion as circumstances may require

ARTICLE III

The Government of the United States of America agrees:

(a) in accordance with the plans and specifications prepared by the Commission and approved by the Governments, to construct the works in the International Rapids section allocated to the United States of America by the Commission; and to operate and maintain or arrange for the operation and maintenance of the works situated in the territory of the United States of America;

(b) to provide, as required by the progress of the works, funds for the construction, including design and supervision, of all works in the International Rapids section except (1) machinery and equipment for the development of power, and (2) works required for rehabilitation on the Canadian side of the international boundary;

(c) not later than the date of completion of the essential Canadian links in the deep waterway, to complete the works allocated to it in the International Rapids section and the works in the Great Lakes System above Lake Erie required to create essential links in the deep waterway.

ARTICLE IV

The Governments agree that:

(a) they may, in their respective territories, in conformity with the general plans for the project in the International Rapids Section, install or arrange for the installation of such machinery and equipment as may be desired for the development of power and at such time or times as may be most suitable in terms of their respective power requirements;

(b) in view of the need for coordination of the plans and specifications prepared by the Commission for general works in the International Rapids Section with plans for the development of power in the respective countries, the Commission may arrange for engineering services with any agency in either country, which may be authorized to develop power in the International Rapids Section;

(c) except as modified by the provisions of Article VIII, paragraph (b) of this Agreement, each country shall be entitled to utilize one-half of the water available for power purposes in the International Rapids Section;

(d) during the construction and upon the completion of the works provided for in the International Rapids section, the flow of water out of Lake Ontario into the St. Lawrence River shall be controlled and the flow of water through the International section shall be regulated so that the navigable depths of water for shipping in the harbor of Montreal and throughout the navigable channel of the St. Lawrence River below Montreal, as such depths now exist or may hereafter be increased by dredging or other harbor or channel improvements, shall not be injuriously affected by the construction or operation of such works, and the power developments in the Canadian section of the St. Lawrence River shall not be adversely affected;

(e) upon the completion of the works provided for in the International Rapids section, the power works shall be operated, initially, with the water level at the powerhouses held at a maximum elevation 238.0, sea level datum as defined in the report of the joint board of engineers for a test period of 10 years or such shorter period as may be approved by any board or authority designated or established under the provisions of paragraph (f) of this article; and, in the event that such board or authority considers that operation with the water level at the powerhouses held to a maximum elevation exceeding 238.0 would be practicable and could be made effective within the limitation prescribed by paragraphs (c) and (d) of this article, the Governments may, by exchange of notes, authorize operation, subject to the provisions of this article, and for such times and subject to such terms as may be prescribed in the notes, at a maximum elevation exceeding 238.0.

(f) the Governments may, by exchange of notes, make provision for giving effect to paragraphs (c), (d), and (e) of this article;

(g) during the construction of the works provided for in the International Rapids section, facilities for 14 foot navigation in that section shall be maintained.

ARTICLE V

The Governments agree that nothing done under the authority of this agreement shall confer upon either of them proprietary rights, or legislative, administrative, or other jurisdiction in the territory of the other, and that the works constructed under the provisions of this agreement shall constitute a part of the territory of the country in which they are situated.

ARTICLE VI

The Governments agree that either of them may proceed at any time to construct, within its own territory and at its own cost, alternative canal and channel facilities for navigation in the international section or in waters connecting the Great Lakes and to utilize the water necessary for the operation of such facilities.

ARTICLE VII

The High Contracting Parties agree that the rights of navigation accorded under the provisions of existing treaties between the United States of America and His Majesty shall be maintained notwithstanding the provisions for termination contained in any of such treaties, and declare that these treaties confer upon the citizens or subjects and upon the ships, vessels, and boats of each High Contracting Party, rights of navigation in the St. Lawrence River, and the Great Lake System, including the canals now existing or which may hereafter be constructed.

ARTICLE VIII

The Governments, recognizing their common interest in the preservation of the levels of the Great Lakes System, agree that:

(a) each Government in its own territory shall measure the quantities of water which at any point are diverted from or added to the Great Lake System, and shall place such measurements on record with the other Government semiannually;

(b) in the event of diversions being made into the Great Lakes System from other watersheds lying wholly within the borders of either country, the exclusive rights to the use of waters which are determined by the Governments to be equivalent in quantity to any waters so diverted shall, notwithstanding the provisions of Article IV paragraph (c) of this Agreement, be vested in the country diverting such waters, and the quantity of water so diverted shall be at all times available to that country for use for power below the point of entry, so long as it constitutes a part of boundary waters;

(c) if any diversion of water from the Great Lakes System or the International Section, other or greater in amount than diversions permitted in either of the countries on January 1, 1940, is authorized, the Government of such country agrees to give immediate consideration to any representations respecting the matter which the other Government may make; if it is impossible otherwise to reach a satisfactory settlement, the Government of the country in which the diversion of water has been authorized agrees, on the request of the other Government, to submit the matter to an arbitral tribunal which shall be empowered to direct such compensatory or remedial measures as it may deem just and equitable; the arbitral tribunal shall consist of three members, one to be appointed by each of the Governments, and the third, who will be the chairman, to be selected by the Governments;

(d) the Commission shall report upon the desirability of works for compensation and regulation in the Great Lakes System, and, upon the approval by the Governments of any such works, shall prepare plans and specifications for their construction and recommend to the Governments an equitable allocation of their cost; the Governments shall make arrangements by exchange of notes for the construction of such works as they may agree upon.

ARTICLE IX

The Governments, recognizing their primary obligation to preserve and enhance the scenic beauty of the Niagara Falls and River, and consistent with that obligation, their common interest in providing for the most beneficial use of the waters of that River, as envisaged in the Final Report of the Special International Niagara Board, agree that:

(a) the Commission shall prepare and submit to the Governments plans and specifications for works in the Niagara River designed to distribute and control the waters thereof, to prevent erosion, and to ensure at all seasons unbroken crest lines on both the American Falls and the Canadian Falls, and to preserve and enhance their scenic beauty, taking into account the recommendations of the Special International Niagara Board; the Governments may make arrangements by exchange of notes for the construction of such works in the Niagara River as they may agree upon, including provision for temporary diversions of the waters of the Niagara River for the purpose of facilitating construction of the works; the cost of such works in the Niagara River shall be borne by the Governments in equal moieties;

(b) upon the completion of the works authorized in this Article, diversions of the waters of the Niagara River above the Falls from the natural course and stream thereof additional to the amounts specified in Article 5 of the Boundary Waters Treaty of 1909 may be authorized and permitted by the Governments to the extent and in the manner hereinafter provided:

(1) the United States may authorize and permit additional diversion within the State of New York of the waters of the River above the Falls for power purposes, in excess of the amount specified in Article 5 of the Boundary Waters Treaty of 1909, not to exceed in the aggregate a daily diversion at the rate of five thousand cubic feet of water per second;

(2) Canada may authorize and permit additional diversion within the Province of Ontario, of the Waters of the River above the Falls for power purposes, in excess of the amount specified in Article 5 of the Boundary Waters Treaty of 1909, not to exceed in the aggregate a daily diversion at the rate of five thousand cubic feet of water per second;

(c) upon completion of the works authorized in this Article, the Commission shall proceed immediately to test such works under a wide range of conditions, and to report and certify to the Governments the effect of such works, and to make recommendations respecting diversions of water from Lake Erie and the Niagara River, with particular reference to (1) the perpetual preservation of the scenic beauty of the Falls and Rapids, (2) the requirements of navigation in the Great Lakes System, and (3) the efficient utilization of equitable apportionment of such waters as may be available for power purposes; on the basis of the Commission's reports and recommendations, the Governments may by exchange of notes and concurrent legislation determine the methods by which these purposes may be attained.

ARTICLE X

The Governments agree that:

(a) each Government undertakes to make provision for the disposition of claims and for the satisfaction of any valid claims arising out of damage or injury to persons or property occurring in the territory of the other in the course of and in connection with construction by such Government of any of the works authorized or provided for by this Agreement:

(b) each Government is hereby released from responsibility for any damage or injury to persons or property in the territory of the other, which may be caused by any action authorized or provided for by this Agreement, other than damage or injury covered by the provisions of paragraph (a) of this Article;

(c) each Government will assume the responsibility for and the expense involved in the acquisition of any lands or interests in land in its own territory which may be necessary to give effect to the provisions of this Agreement.

ARTICLE XI

This Agreement shall be subject to approval by the Congress of the United States of America and the Parliament of Canada. Following such approval it shall be proclaimed by the President of the United States of America and ratified by His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada. It shall enter into force on the day of the exchange of the instrument of ratification and a copy of the proclamation which shall take place at Washington.

In witness whereof the respective plenipotentiaries have signed this Agreement in duplicate and have hereunto affixed their seals.

Done at Ottawa, the — day of March in the year of our Lord one thousand nine hundred and forty-one.

Mr. AIKEN. I also ask unanimous consent to have inserted in the RECORD at this point an editorial from the Cleveland Plain Dealer of November 29, 1944, entitled "Support the Agreement."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SUPPORT THE AGREEMENT

Congressional proponents of two great river improvement projects—one involving the establishment of a Missouri Valley Authority similar to the Tennessee Valley Authority and the other the St. Lawrence-Great Lakes Waterway and power development—are seriously considering attempt to get those projects approved as amendments to the pending omnibus $1,000,000 flood-control bill.

This would be a mistake in both instances. Each of these proposals is too far reaching in its effect on the life of the Nation to be allowed to ride through Congress on the coattails of a piece of pork-barrel legislation. Each should be debated on its own merits, and the issues should not be confused by mixing them up with the arguments for or against small flood-control and power dams in widely separated parts of the country.

We must, therefore, join with the opponents of the M. V. A. and the St. Lawrence proposals in urging the Senate to reject either or both as amendments to the omnibus flood-control bill.

In connection with the St. Lawrence development, however, we cannot go along with the opponents in their insistence that this proposal must be presented as a treaty with Canada, requiring a two-thirds vote of the Senate for approval.

Whether United States approval of the project should come in the form of a treaty supported by two-thirds of the Senate or as an agreement backed by a majority of both houses of Congress is, we grant, debatable. But it is a technical debate, involving a search for treaty definitions going way back to the eighteenth century.

The sanctity of the Constitution is not, in our opinion, at stake, as the St. Lawrence opponents would like to have us believe. The difference between a treaty and an international agreement has never in American history been satisfactorily defined. It is reasonable to suppose that the authors of the Constitution, when they gave one-third plus one Member of the Senate the veto power over treaties, had in mind a type of international relation far removed from the joint improvement of a common waterway by two friendly nations which already had settled the issues of the waterway's joint use by formal treaty.

The real issue here is whether an improvement of immense value to the most populous region of the United States shall continue to be held up by a handful of Senators from States which for reasons either of selfish regional interest or just plain disinterest will not support the proposal, or shall be given a fair chance for approval by a simple majority of the American people's representatives in both houses of Congress.

A measure which has been earnestly advocated by every President since Theodore Roosevelt and which has been given the support of both parties in their election year platforms time after time, should not be rejected by a questionable legal technicality.

The Plain Dealer has believed from the time this great project was first proposed that it would prove a tremendous stimulus to industry and trade in this and other regions of the United States. Now more than ever, with hope for a permanent peace depending in part on a free and easy exchange of goods among the nations, this great industrial section of America should be given direct access to the ocean ports of the world by completion of the St. Lawrence-Great Lakes waterway.

Mr. AIKEN. Mr. President, question was raised by the Senior Senator from Pennsylvania [Mr. DAVIS] as to coal, and I ask unanimous consent to have inserted in the RECORD at this point a statement as to the effect of the St. Lawrence waterway on the coal industry of the United States. The statement has already appeared in the CONGRESSIONAL RECORD I think, on Friday, June 23, 1944, but I should like to have it reinserted in connection with the remarks which I have made.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

19. How will the seaway-power project affect coal producers? The National Coal Association, representing bituminous coal producers, fears that the seaway would (1) permit British and Nova Scotian producers to invade the present Canadian market for United States coal and (2) reduce railway coal consumption in the United States. At the same time, the association fears that (3) if power is developed in upper New York State by harnessing the flow of the St. Lawrence and Niagara Rivers, instead of by building steam-generating plants, a potential market for coal will be lost. How do these fears square with the facts?

The United States produced about 450,000,000 tons of coal a year during peacetime. It exported an average of 11,000,000 tons of anthracite and bituminous coal to Ontario and Quebec annually (not 19,000,000 tons as claimed by the coal association). The bulk of our exports to Canada—an average of 8,700,000 tons—consists of bituminous coal shipped to the Province of Ontario. That British producers would not be able to invade this market after construction of the seaway is shown by the fact that we already sell nearly four times as much bituminous coal to the Province of Quebec, east of the International Rapids, as Britain does—during 1935-39 an average of 753,000 tons, as against 193,000 tons—and Quebec is a seaport Province. If Britain cannot outsell us in Quebec now, she certainly cannot outsell us in Ontario after the seaway is built.

The only other possible source of competition for the Ontario bituminous market would be Nova Scotia. United States coal has nothing to fear from the small Nova Scotian mines, however, because the present output of these mines could not be increased more than 2,800,000 tons a year—and this probably at an increased cost.

Construction of the seaway would increase the freight capacity of the St. Lawrence canal system by 16,000,000 tons a year. About 10,000,000 tons of this capacity would be available for United States traffic, so that only 6,000,000 tons would be left for Canadian traffic. Obviously, therefore, it would be a physical impossibility for British and Nova Scotian producers to ship 19,000,000 tons of coal a year through the seaway into Ontario markets, as the coal association asserts they would do if the seaway were completed. There is no such market to invade, and American coal is cheaper in Ontario than either British or Nova Scotian coal.

Construction of the seaway would not reduce the amount of coal now consumed by the railroads. If the seaway is built, however, a smaller amount of new railroad facilities will be needed to provide for future transport needs. Hence, the amount of additional coal which the railroads would otherwise use might be slightly reduced. It is a reduction from an increase.

If, 25 years ago, producers of oats had opposed the manufacture of automobiles on the theory that the new gasoline buggies would displace horses and thereby reduce the market for oats, their position would have been no more absurd than the present position of the coal producers on the St. Lawrence issue. Deep-water transportation is relatively less expensive than rail transportation. Yet the coal association opposes the seaway and advocates the expansion of high-cost rail facilities on the ground that this would increase the market for coal. Most people will be inclined to reject this kind of reasoning. They realize that economic betterment comes from lowering prices, not from raising them.

The coal association contends that the hydroelectric power development contemplated on the St. Lawrence and Niagara Rivers would reduce the future coal market by "between 30,000,000 and 35,000,000 tons of coal annually." The association's arithmetic is bad. According to the best engineering estimates, 5,500,000 tons of coal would be required annually to generate steam power in an amount equal to proposed hydropower production on the St. Lawrence and Niagara Rivers.

It by no means follows, however, that the St. Lawrence-Niagara hydrodevelopment would destroy a potential market for some 5,500,000 additional tons of coal at some future time. Experience in the Southeastern States since the creation of the Tennessee Valley Authority strongly supports the conclusion that the development of cheap water power under public auspices has the effect of increasing the total industrial demand for electrical energy, thus increasing the market for coal for industrial use.

Between 1934, when T. V. A. began operations, and 1940, the amount of coal used in the generation of electric energy in the Southeastern States increased about 250 percent, whereas the increase in the United States as a whole was only 59 percent. The coal association charged in 1934 that T. V. A. was a menace to the coal industry, but whereas only 540,000 tons of coal was used in the T. V. A. area in 1934, 1,891,000 tons was so used in 1940. There is no reason to doubt that the coal industry would be similarly affected by the St. Lawrence-Niagara development.

Far from reducing coal consumption, the St. Lawrence project would increase it. The cheap transportation and the cheap power made available in the Great Lakes Basin would stimulate industrial expansion. Growing industrial activity would mean growing markets for coal. For these reasons, it is clear that in opposing the seaway-power project the National Coal Association is opposing its own best interests

REPORTS FROM FINANCE COMMITTEE

Mr. GEORGE. Mr. President, from the Committee on Finance I report favorably without amendment House bill 5564, to freeze the rate of tax on pay rolls and wages for old-age and survivors benefits on employees and employers at the rate of 1 percent for the year 1945, and I submit a report (No. 1356) thereon.

The PRESIDING OFFICER. Without objection, the report will be received and the bill will be placed on the calendar.

Mr. GEORGE. I also from the Committee on Finance report favorably without amendment House bill 5565, to authorize collectors of internal revenue to accept not only certified checks but also cashiers' and treasurers' checks and certain money orders in payment for internal-revenue stamps and taxes, and I submit a report (No. 1357) thereon.

The PRESIDING OFFICER. Without objection, the report will be received and the bill will be placed on the calendar.

EXTENSION OF TIME FOR RELEASE OF POWERS OF APPOINTMENT

Mr. GEORGE. From the Finance Committee I report favorably with amendments the bill (H. R. 5543) extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes, and I submit a report (No. 1355) thereon. The bill also extends the time for the approval of pension trusts and profit-sharing agreements.

The amendments change the provision of the bill as it passed the House by striking out "March 15, 1945," and inserting "June 30, 1945," so far as the time within which pension trusts which were presented to the Treasury prior to January 1, 1945, are concerned.

Since the bill must go back to the House because of the amendments which were offered in the committee and concurred in by the members of the committee present and by the Senator from Ohio [Mr. TAFT], I ask unanimous consent that, without displacing the unfinished business, the bill may be immediately considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none. The unfinished business will be temporarily laid aside, and the clerk will read the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5543) extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The amendments of the Committee on Finance were, on page 2, line 13, after the word "ending", to strike out "March 15, 1945" and insert "June 30, 1945"; in line 15, after the word "by", to strike out "March 15, 1945" and insert "June 30, 1945"; and on page 3, line 5, after the word "with", to strike out "March 15, 1945" and insert "June 30, 1945."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Perry, one of its clerks, announced that the House insisted upon its amendment to the bill (S. 1827) for the relief of Oliver N. Knight, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCGEHEE, Mr. KEOGH, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 156) to extend the statute of limitation in certain cases, and it was signed by the Vice President.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SHIPSTEAD. Mr. President, this afternoon I wish to state as well as I can, speaking under great difficulty, some of my opinions concerning the merits of the project which has been under discussion. During my service in the Senate I have felt it my duty to support projects for the development of various sections of the country, whether they affected the section where I live or related entirely to some other locality. The development of water power and water transportation, wherever they may have been developed, has vindicated itself far beyond expectations, and I am firmly of the belief that the development of public resources for power and transportation should be carried on to the limit.

On two different occasions I have traveled to Europe to study the water transportation systems there, and it seems an amazing phenomenon when one really sees what has been done for some of the small countries of Europe by the development of trade through low-cost transportation by water. With the tremendous areas of our country and with our great rivers and the Great Lakes on the Canadian border, we may at some time find it necessary to develop the power and the transportation facilities on the Great Lakes, as is proposed in the amendment which is being discussed; and, in my opinion, it can be done, it should be done, and the sooner the better.

Mr. President, on September 21 I joined with the junior Senator from Vermont [Mr. AIKEN] and with the junior Senator from Michigan [Mr. FERGUSON] in offering the amendment to include the

Great Lakes-St. Lawrence seaway and power project among the scores of projects in other sections of the country authorized by the pending river and harbor bill.

The amendment is virtually identical in terms with the St. Lawrence project bill, S. 1385, introduced in the Senate on September 28, 1943, by the junior Senator from Vermont [Mr. AIKEN], and also introduced in the House, as H. R. 2280, by the gentleman from Minnesota, Representative PITTENGER, and by four other Members of the House, from the States of New York, Wisconsin, Texas, and Michigan.

The completion of the St. Lawrence seaway in accordance with the terms of the amendment is, in my judgment, absolutely essential to the balanced post-war development, the healthy growth, and the future prosperity and well-being of our whole Nation, and especially to the immense region which extends from the Great Lakes area westward to the Rocky Mountains.

The project authorized by the amendment now before the Senate cannot rightly be approached from any narrow, selfish, sectional viewpoint. Removal of the last few remaining obstacles in the St. Lawrence River and in the connecting channels of the Great Lakes, as provided by the United States-Canadian agreement of March 19, 1941, and by the terms of the amendment, will give to the people of the great midcontinent area direct access to the sea by the use of ocean cargo vessels and an equal chance to share in our foreign trade and in our expanding intercoastal trade in the period following this war.

Not one dollar of the funds which will be expended for the project authorized by the amendment will be spent for construction work in the State of Minnesota. More than two-thirds of all the United States funds to be expended for completion of this project will, in fact, be spent for construction work in the International Rapids section of the St. Lawrence River. Here, at the frontier of the State of New York and the Province of Ontario, the chief remaining bottleneck which today blocks off deep-draft navigation to and from the Great Lakes will be eliminated. By the way, I was amazed to learn, when on the west coast last summer, that the Grand Coulee Dam has not only been of immense help in the production of materials for war, but that sufficient money is now being made at the dam so that there can be turned back to the Government yearly $20,000,000.

The construction of works in the section drained by the St. Lawrence will simultaneously develop 2,200,000 horsepower of low-cost hydroelectricity This project, therefore, will not only provide post-war employment for construction workers and low-cost power of permanent value in the Northeast, but it will also open up the great interior region to the benefits of low-cost transportation. It will thus supply a stimulus to the post-war development of States, cities, and rural areas, thousands of miles removed from the actual sites of construction of the principal works authorized by the amendment.

I am not unmindful of the fact that the Committee on Commerce, to which Senate bill 1385 was referred on September 28, 1943, has failed for 14 months, up to this hour, to hold hearings on the merits of the St. Lawrence project and the terms of the bill. On May 4, 1944, in company with the junior Senator from Vermont [Mr. AIKEN], I appeared before the subcommittee of the Committee on Commerce, then engaged in the consideration of the river and harbor bill, and joined in the request for public hearings on the merits of the St. Lawrence project. This application for a hearing on the project and the terms of the bill was denied by the chairman of the committee and the chairman of the subcommittee. The printed record of the hearings, as presented to the Senate, does not include the remarks made by the Senator from Vermont [Mr. AIKEN] on that occasion, or any record or notation to indicate that the request for a hearing was made and refused.

I understand that on November 6, 1944, the chairman of the subcommittee of the Committee on Commerce, to which Senate bill 1385 was referred 14 months ago, announced to the press and to his colleagues on the subcommittee a plan for holding hearings on the bill. It was proposed, at such hearings, to exclude any testimony whatsoever on the merits of the project, but to confine the hearings solely to the question of whether the United States-Canadian accord of March 19, 1941, effectuated by the bill, is "of the character of a treaty or of the character of an agreement."

The subcommittee met, according to plan, on November 16, and in executive session adopted the proposal for this type of hearing advanced by the chairman of the subcommittee, the senior Senator from Louisiana [Mr. OVERTON]. On the same date, immediately following the executive session, public statements were made to the press by members of the committee, expressing their settled views, in advance of any hearing, that the accord of 1941 is, in fact, a treaty, and cannot be approved by the usual method of legislation.

The purpose of the limited hearing before the subcommittee is, of course, perfectly clear. The plan for the hearing on its face excluded the merits of the St. Lawrence development from discussion by witnesses or consideration by the subcommittee. On the other hand, the hearing was calculated to raise legal technicalities against the agreement successfully negotiated by Secretary of State Hull and submitted to both branches of Congress more than 3 years ago.

My views on the rights and the prerogatives of the Senate in the matter of ratification of general treaties by a two-thirds vote are well known to every Member of this body. It is understood by every Senator in this Chamber that I would not support any measure that set a precedent which would in any way weaken our constitutional power to ratify treaties that must follow this war. To my mind, it is absurd to argue that an agreement signed on March 19, 1941, after years of negotiation by Secretary Hull, could have been designed as a model for post-war settlements.

When it comes to authorizing a great public improvement and the construction of useful works on our frontier with a friendly nation, in whose canals and existing St. Lawrence channels we already have equal navigation rights, I see no difficulty in proceeding by the method of reciprocal and concurrent legislation. When it is considered that, under simple acts of Congress, we are expending billions in United States funds to build power plants, waterways, highways, and other gigantic projects in the four quarters of the globe, I do not see how it can be seriously contended that the pending agreement sets any new or harmful precedent. In any event, I do not propose to be diverted at this time from a discussion of the merits of this project by extraneous issues and technicalities invoked by those who, like the Senator from North Carolina [Mr. BAILEY] and the Senator from Louisiana [Mr. OVERTON], vigorously opposed the St. Lawrence improvement when it was presented to this body in 1934. We all understand that the purpose of the opposition in raising these issues is to defeat the project itself by every means within their power, whether it be presented in the form of a treaty or in the form of an agreement.

In spite of the fact that the Committee on Commerce has failed to hold hearings on the St. Lawrence project, the Senate is, nevertheless, fortunate in having available printed hearings on this improvement. These are far more extensive and detailed in scope than any hearings which have been presented to us in considering the various projects authorized in the flood-control and river and harbor bills, favorably reported by the committee.

I refer to the hearings of 1,074 printed pages conducted on the St. Lawrence waterway by a subcommittee of the Committee on Foreign Relations, Seventy-second Congress, second session, from November 14, 1932, to February 10, 1933, under the chairmanship of the late Senator from Idaho, Mr. Borah. At the close of these hearings, on the motion of the late Senator from Montana, Mr. Walsh, the full Committee on Foreign Relations approved the project by a vote of 15 to 5 in a report to the Senate.

We also have available the public hearings of the House Committee on Rivers and Harbors on the Mansfield bill, H. R. 4927, identical in terms with the proposed legislation now before us. These hearings include the testimony of more than 100 witnesses, the statements of several hundred organizations and individuals, and cover every phase of the project in 2,284 printed pages of testimony and exhibits. At the conclusion of these hearings, the House committee overwhelmingly approved the St. Lawrence project by a vote of more than 2 to 1, and favorably reported it to the House on November 21, 1941, as a provision of the then pending river and harbor bill. At that time, the attack on Pearl Harbor suspended action by the House or Senate on any river and harbor legislation.

In our consideration of this project, we also have available seven volumes of

serial reports prepared by the St. Lawrence Survey of the Department of Commerce, submitted to Congress at intervals over the period from 1940 to 1942. The Department of Commerce study has been described by the Secretary of Commerce as the most complete and exhaustive survey ever made by any department of the Government on a project for the development of a single watershed.

We also have before us the official reports made by the Corps of Engineers, United States Army, the Departments of State, War, Navy, Agriculture, and Commerce, the Power Authority of the State of New York, the United States Maritime Commission, the Rural Electrification Administration, and many other public agencies, all of which have recommended the enactment of the St. Lawrence project bill in the same form in which it is incorporated in the amendment.

Among the agencies which have strongly recommended the St. Lawrence seaway and power project, under the terms of the amendment now before us, is the Corps of Engineers, United States Army. It will be recalled that the Acting Chief of Engineers, Brig. Gen. George B. Pillsbury, and the Chief of Engineers, Maj. Gen. E. M. Markham, appeared before the Borah subcommittee of the Senate a decade ago and, in prophetic words, urged the need for the improvement to serve the expanding transportation and power requirements of this country in war and in peace.

At the House hearings in the last Congress, the Corps of Engineers again recommended this project in a written statement and in testimony presented by Maj. Gen. Thomas M. Robins, then Acting Chief of Engineers, and later Chief of the Division of Construction, Corps of Engineers. General Robins gave a concise physical description of the project and an excellent engineering analysis of its benefits which I wish to present to the Senate from the printed hearings on a bill identical with the so-called Aiken amendment.

I now quote from General Robins' testimony as it appears in the record of the hearings:

General ROBINS. Mr. Chairman and gentlemen, the St. Lawrence River is a natural transportation route between the Great Lakes and the sea and offers an exceptional opportunity for the production of hydroelectric power.

In the early stages of the commercial development of North America the St. Lawrence River was partially improved for both navigation and power purposes, and for many years plans have been in the making for the complete and full utilization of the resources of this waterway.

It has been generally understood throughout the country that some day these plans would have to be carried out. In my opinion that day has now arrived. The country can no longer afford to be without the transportation facilities and the power which can be made available by full and comprehensive development of the St. Lawrence River, either from the standpoint of national defense or the commercial needs of our great inland empire bordering on the Great Lakes.

The plans for the Great Lakes-St. Lawrence seaway and power project are now complete, having been worked out in detail and agreed upon wholeheartedly by duly accredited representatives of both the countries concerned.

There is no longer any argument as to what should be done and it is possible to make reliable estimates of costs of the undertaking.

This cost is not unreasonable or excessive and under the pending agreement will be divided as equitably as possible between the United States and Canada. The State of New York offers to take over and operate the power facilities that will be built on the American side of the border and to reimburse the United States for the cost of these power facilities.

Under the agreement which is pending between the two countries, the St. Lawrence waterway project covers the Great Lakes and the two sections of the St. Lawrence River, namely, the International Rapids section of the St. Lawrence and the Canadian section of the St. Lawrence.

On the Great Lakes the project begins with a new lock at the Soo and includes a deepening of the connecting channels of the Great Lakes.

The construction of the MacArthur lock at the Soo was commenced in 1942 by the Corps of Engineers, and completed in 1943, and became indescribably valuable for the transportation of iron ore. The transportation of iron ore to the smelters in the eastern part of the United States was tremendously increased in volume due to the war. The completion of the MacArthur lock proved to be one of the most important developments in the carrying on of the war. It provided an extra channel for traffic at Sault Ste. Marie.

General Robins states further:

We then come to the International Rapids section, which is the main one under discussion.

The works in this section consist of a control dam at Iroquois Point, near the town of Iroquois on the Canadian side, a main dam at the head of Barnhart Island, and a powerhouse at the lower end of Barnhart Island; a navigation canal on the American side to get around and up into the pool formed by the Long Sault Dam, a readjustment of the Canadian canal in this stretch of the river so as to continue the 14-foot navigation that the Canadians have at present. Also the necessary highway and railroad relocations and dikes.

Then under the agreement the Canadian Government agrees to complete the navigation features in what is known as the Soulanges reach of the river and the Lachine reach. The Soulanges reach of the river is the reach in which the Beauharnois project is located and the navigation canal is to be built in connection with that project. They already have a power canal there and that will be deepened on one side to carry navigation and the necessary side canal to get into this power canal, and the necessary locks will be built there by the Canadians.

Getting on down to the last section, the Lachine section of the river just above Montreal, the Canadians agree to provide the necessary canal and locks to overcome the navigation difficulties in that section.

The channels in all these improvements are to be 27 feet deep and the locks are all to have 30 feet over the sills, at least, to provide for future deepening of the channel if that is found necessary.

Coming back to the International Rapids section, the powerhouse at the foot of Barnhart Island straddles the international boundary. Half of the powerhouse will be in Canada and the other half in the United States. The Canadians will take over and operate their half of the powerhouse and New York State will take over and operate the American half of the powerhouse.

It must be obvious to all thoughtful people how thankful we would be today if the Great Lakes-St. Lawrence seaway and power project were completed and available for use in the present emergency. No one knows how long the emergency will last or how soon it will occur again. I am convinced that immediate authorization of the St. Lawrence project is essential to all-out defense effort and that it is advisable to proceed with construction at as fast a rate as may be consistent with other pressing needs of national defense.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. AIKEN. Is the Senator reading from General Robins' testimony?

Mr. SHIPSTEAD. Yes.

Mr. AIKEN. Is not General Robins the Army engineer who had charge of the construction of the great dams in the Pacific Northwest?

Mr. SHIPSTEAD. I understand so—the Grand Coulee and Bonneville Dams.

Mr. AIKEN. I bring that out to show that General Robins knows whereof he speaks when he discusses matters such as the proposed St. Lawrence development. As I understand, only a quarter of a century ago it was considered virtually impossible to put a dam across the St. Lawrence at this point. At that time, when the Frontier Corporation made its offer for the resources, it claimed that it would be incurring very large risks in constructing this dam, because no dam of such proportions had ever been constructed before that time, and there was a possibility that it could not be done. However, we now know that it can be done; and if any man can do it, General Robins is the man who can do it.

Mr. SHIPSTEAD. General Robins' eminence as an engineer is so well demonstrated in the large dams which have been built to develop power throughout the West that I did not think it was necessary to call his ability to the attention of the Senate. The works are the greatest testimony to his ability, vision, and foresight.

Continuing with the statement of General Robins:

Canada has spent to date $132,672,000 on the project; the United States has spent to date $17,105,485. The total spent to date by both countries is $149,777,485, leaving the cost to complete for the entire project, $429,474,515, of which $144,418,000 is to be expended by Canada; $285,056,515 by the United States.

New York State offers to pay, under the terms of the bill before the committee, $93,375,000. Subtracting that from the $285,000,000 that the United States still has to spend, makes a net cost to the United States, based on these estimates of $200,000,000.

Mr. CULKIN. May I ask you this broad question, General; and you need not answer unless you want to: Is that power there that will be created by this dam, if Congress sees fit to adopt the project, is that needed now for national defense?

General ROBINS. It is.

Mr. CULKIN. And that will be a continuous need; will it not?

General ROBINS. It will be a continuing need, even leaving national defense out of it. The country will need that power just as sure as the sun rises and sets.

Mr. CULKIN. Yes. It will be just as splendid a contribution to our national economy as Boulder Dam and Grand Coulee and Cen-

tral Valley and all these other projects, will it not?

General ROBINS. Yes, sir; it is a better power proposition than any of them, except Bonneville.

Mr. CULKIN. It is what the engineers call a "natural," is it not?

General ROBINS. It is a "natural" from an engineering standpoint, and it is located in a very densely populated region with an almost unlimited power market.

Mr. CULKIN. Now, all the waters of the Great Lakes—and I have heard the statement that it constitutes half of the fresh water of the globe—flows down through the narrow gorge in the St. Lawrence?

The CHAIRMAN. Chicago gets some of it.

General ROBINS. All of it that does not go down the Illinois.

Mr. CULKIN. What is the cubic second-feet flow there at the St. Lawrence, at that point?

General ROBINS. The mean flow over a period of some 60 years is about 240,000 second-feet. It fluctuates very little comparatively. I think it has got as high at one time as 318,000, and as low at one time as 170,000; but that wide fluctuation is due to ice conditions and not to the water available.

Mr. CULKIN. Yes. There is nothing like it in the world?

General ROBINS. No, sir.

Mr. CULKIN. No place in the world where power, which is now a part of our defense economy in the United States and abroad, can be created at so low a cost; is that correct?

General ROBINS. I think that is correct. I do not know of any other place that can develop that quality of power at such a cost.

Mr. DONDERO. Is it not true that this being an international project, the procedure differs from that of a domestic engineering project?

General ROBINS. Yes, sir; that is true. In this case the economic studies and reports have been made by the Department of Commerce, but the engineering estimates and the plans for this project have been passed on by the Office of the Chief of Engineers in the same way as any other project that is handled and reported upon by the Board of Engineers.

Mr. President, in order to save time, I ask to have the remainder of this cross-examination of General Robins by the House committee members printed in the RECORD without reading.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Mr. DONDERO. And the reports that have been filed have been by really an international board of engineers of the two countries?

General ROBINS. The International Board of Engineers is the agency that reports on the engineering questions, but the men working on the cost estimates and the plans and everything connected with the engineering features of the project are exactly the same men that work on other projects that the Engineer Department has in charge.

Mr. DONDERO. Has the Board of Engineers of this country always been represented on that Board?

General ROBINS. Yes, sir; since the beginning.

Mr. DONDERO. The Board of Engineers has been represented on this Board that has made the reports on the project?

General ROBINS. Yes; either the Chief of Engineers or the Assistant Chief of Engineers has always been on the joint boards considering the St. Lawrence project.

Mr. DONDERO. All of the work that was carried on in 1932 and 1936—was that carried on mainly by American funds and American engineers?

General ROBINS. It was.

Mr. DONDERO. The procedure in making these estimates by the Joint Board of Engineers differed in no manner from the usual procedure employed by the Board of Army Engineers in engineering matters in our own country?

General ROBINS. As soon as this investigation and restudy was ordered by the President in 1940 we established an engineer district at Massena, N. Y., and that district has been staffed by many of our regular employees and has functioned just the same as any other engineering district; and we have in addition to that employed eminent consulting engineers on this work, just the same as we do for all our river and harbor work.

Mr. SHIPSTEAD. I now wish to present for the RECORD, Mr. President, a statement issued November 28, 1944, by the National St. Lawrence Association, headed by an advisory committee of 50 leading businessmen, representatives of State and National farm organizations, editors, and other civic leaders. The president of this association is Hon. Julius H. Barnes, a distinguished citizen of my own State and one of the leading businessmen of the Nation.

I ask unanimous consent that this statement be printed in the RECORD at this point as a part of my remarks, without reading.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE NATIONAL ST. LAWRENCE ASSOCIATION,
Detroit, Mich.

The National St. Lawrence Association appeals to American fair play and American business sense at this timely crisis.

New factors of recent years demand the open seaway to ocean routes.

On the Great Lakes industrial cities have developed amazing growth. Cleveland, Toledo, Detroit, Chicago, Milwaukee, Duluth, typify American labor skills and management genius, applied to large-scale production.

This area of 50,000,000 people, after this striking war service, must reach by water large markets of new earning and buying power. High-wage employment must be thus stabilized.

Twenty agricultural States find in this full labor employment their most secure and ready market.

The problem is simple. Just modernize 50 miles, still with its old-fashioned locks and channels of a half century ago. That is the only block left by American enterprise in an unequaled waterway of 2,400 sheltered miles.

West of that block ships have grown from 2,000 to 20,000 tons. Transport costs prove amazingly low.

In that 50 years the outlet of Lake Superior has been provided with 6 great locks instead of 1. St. Clair channels are now 27 feet deep instead of 15. Around Niagara, at Canada's own expense, the new Welland waits with ocean-size locks of 30 feet depth.

Meantime the St. Lawrence 14-foot channels and 260-foot locks wait, as half a century ago, to serve the small ships that have passed away. Its modernization costs 1 day's expenditure in war.

In this last decade American power requirements have arisen from 90,000,000,000 kilowatt-hours to 190,000,000,000. More is needed for farm and industry. The St. Lawrence flows to the sea unused with power 3 times Russia's famed Dnieper Dam.

This growth in American industry and American power requirements emphasize today's timeliness.

The Senate majority of 1934 should have initiated the construction which, if it had preceded World War No. 2, would have shortened the submarine menace by 1,500 miles. That means thousands of lives and hundreds of ships and months of war which should have been saved. It would have greatly relieved the war strain on our railroads and on Atlantic port labor. With large oil tankers on that route, that precious war material could have followed a safer route, and ahead of the war-constructed long pipe lines from western fields. It would have saved 500 water-miles each way to Britain, France, and Russia. The New World commerce in coming days of peace needs the same economy of distance and costs.

Six last Presidents favored this project. President Roosevelt has our commendation for his steadfast recognition. Senator AIKEN deserves well of America for his vision and steadfast courage. So does Congressman PITTENGER, both sponsors of today's agreement now before Congress. There are many men of proven vision in Congress.

We call on America to value the judgment of responsible public officers, the President, the Secretaries of State, War, Navy, Commerce, and Agriculture, the Army engineers, and the Maritime Commission.

We appeal to Congress to rise above sectional jealousy, single-industry selfishness, and the mistaken attitude of cities, sections, or industries that fear diversion of tonnage when every waterway records commercial growth and volume by its sheer economy. So the Suez and the Panama. The Panama faced the same kind of opposition in its day. The Jap would rejoice today if it had failed.

We urge Governors, legislators, businessmen, labor leaders, and agriculture to realize that here is the greatest unused natural resource of America. We do not exaggerate. The addition of a fourth seacoast in the heart of America added to the three great coasts already developed will strengthen America's leadership in the new day of world peaceful commerce. Have confidence in America's expanding future.

JULIUS H. BARNES,
President.
W. C. COWLING,
Executive Vice President.
ALLEN DEAN,
Secretary-Treasurer.

Mr. SHIPSTEAD. Mr. President, before this debate is concluded, I shall present to the Senate a concise summary of the voluminous hearings and reports of recent years bearing directly upon the merits of the St. Lawrence seaway and power project. I wish to say now that the demonstration which has been made in these hearings and reports is overwhelming in its proof of the soundness and merit of the improvement. The experience of two destructive wars in a single generation has shown to all men that we need to develop our transportation and power facilities, in all sections of our country alike, to strengthen this Nation, to avoid shortages in war, and to maintain and improve our living standards in time of peace. Perhaps it is because the necessity of adequate low-cost transportation and low-cost power and the experiences of this war are so vividly present in the public mind that opponents of the St. Lawrence project in the Senate have refused to conduct hearings on the merits of the St. Lawrence project bill.

Mr. President, the claims which now are advanced to obstruct the St. Lawrence project run directly counter to the facts of the record, facts with which all of us who live in the Great Lakes area and who have watched the development and growth of this natural waterway are

entirely familiar. By succesive steps we have deepened channels, installed new works, and made other improvements to keep pace with the enormous growth in the size of ships now operating on the Great Lakes. The ships which reach 1,500 miles from the Coast to the greatest inland harbor in the world, at Duluth, are larger than the average ocean carrier. These channels today carry a greater annual commerce than the Panama Canal and the Suez Canal combined. This is the case, despite the fact that the mighty commerce of the Great Lakes is bottled up and prevented from sharing in our water-borne intercoastal and foreign trade by the outmoded 14-foot canals and unharnessed rapids of the St. Lawrence River.

It is a fact, Mr. President, borne out by the whole history of the Great Lakes-St. Lawrence system and by the legislative records of the Congress itself, that not a single navigation improvement has ever been made by the Government of the United States or by the Government of Canada in the entire Great Lakes-St. Lawrence system by means of a treaty. It is equally true that this Government has made numerous improvements in United States sections of these boundary waters by simple acts of Congress and that we have repeatedly provided for improvements across the line in Canadian waters, by authorizations carried in river and harbor bills. In the CONGRESSIONAL RECORD of yesterday, on page 8893, appears a list showing in detail the improvements we have carried out in Canadian waters, in the Livingston Channel, and elsewhere, under river and harbor acts authorizing the expenditure of tens of millions of dollars in United States funds.

I, therefore, contend that we are creating no new precedent, that we are violating no provision of the Constitution, when we provide for the completion of the St. Lawrence seaway by an amendment to the same kind of a river and harbor bill under which we have heretofore proceeded.

The improvements in Canadian waters to which I have referred have been carried out by our Corps of Engineers over a period of more than 40 years. The river and harbor bills authorizing these improvements became law when they were approved by Presidents Theodore Roosevelt, William Howard Taft, Calvin Coolidge, and nearly every other Chief Executive who has served since 1902, down to the present time. In some instances notes to make necessary arrangements to facilitate the work were transmitted by Secretaries of State, such as Elihu Root, Philander C. Knox, and Charles Evans Hughes. I do not believe, Mr. President, that the Senate of the United States at this hour is prepared to repudiate the course followed by former Secretary of State Hull and to reject the amendment to effectuate the agreement of 1941, when the record shows that Secretary Hull followed a well-beaten track of precedents.

It was no doubt because of those precedents that Secretary of State Elihu Root, in negotiating the Boundary Waters Treaty of 1909, was careful to make provision that agreements between the United States and Canada "expressed by concurrent or reciprocal legislation on the part of Congress and the Parliament of Canada" should not be subject, like the applications of private corporations for permits, to review and decision by the International Joint Commission set up by the treaty of 1909. I say that when the Senate ratified the treaty of 1909, this body had those precedents clearly in mind, and gave its countenance and approval to the continued improvement of the Great Lakes-St. Lawrence system by acts of Congress such as the amendment now proposed.

I do not propose at this time to deal at more length with the numerous precedents we have before us for dealing with other nations by adoption of reciprocal legislation. On December 4, the senior Senator from New York [Mr. WAGNER] placed an extended but partial list of such acts of Congress in the RECORD. We know that in 1911 President Taft entered into an agreement with Canada for the mutual reduction of tariff duties, and that Congress passed legislation approving that reciprocity agreement.

The St. Lawrence project will remain under the control of the Congress at every stage of its construction and future operation. We are now asked to pass a mere authorization bill. Later Congress will be called upon to make appropriations for the carrying out of the construction of the works specified in the 1941 agreement. At every stage in the progress of this work, Congress will have full opportunity to exercise its power of investigation and review over the acts of the Corps of Engineers, and to do anything required to protect the rights of this Nation and the public interest.

Mr. President, I now return, in conclusion, to the merits of the Great Lakes-St. Lawrence seaway and power project. For more than 20 years I have stood on this floor and battled, in season and out, in session after session, for the balanced development of the river basins and the power and navigation resources of this country. With all my strength, I have fought against the efforts of railroad and utility interests to hold back such developments, to obstruct rural electrification, T. V. A., and our Pacific coast public power projects, to hamstring the use of our inland waterways by cutthroat competition and by various devices of rate juggling.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JENNER in the chair). Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. SHIPSTEAD. I yield.

Mr. AIKEN. I noticed that the Senator from Minnesota called attention to the fact that the United States has spent a great deal of money in improving channels in Canadian waters by reason of authorizations which were approved by the Commerce Committee and passed by the Congress. I wonder if the Senator also realizes that a great many dams have been built across international boundary waters, across streams which form the boundary between the United States and Canada, by the private utilities interests, and never once has a single voice been raised in objection to doing so because the franchises have been granted under the treaty of 1909. Yet, as soon as it is suggested that a dam be put across international boundary waters for the benefit of the public, certain persons suddenly become very righteous in their adherence to the Constitution, and raise the question and draw all kinds of red herrings across the trail. But they were significantly silent when franchises were being given to private utility companies to build dams across international boundary waters and to divert water from the rivers which form our boundaries.

Mr. SHIPSTEAD. That is correct; that was done all the way from Winnipeg.

Mr. AIKEN. It was done all the way from Maine to Vancouver.

Mr. SHIPSTEAD. That is correct. Whenever a dam was wanted, request was made of Congress for that purpose.

Mr. AIKEN. No, Mr. President; the permission of Congress was not asked in that connection. Permission was obtained from the International Joint Commission which was established under the treaty of 1909.

Mr. SHIPSTEAD. Yes.

Mr. AIKEN. That Commission has granted the requests of private utility companies to build dams across the international boundary waters.

It is so surprising that today men who were silent when that was being done suddenly come to life and acquire a great deal of reverence for the Constitution, when it is proposed to build a dam for the benefit of the public.

Mr. SHIPSTEAD. Mr. President, when I said request had been made of Congress, and then the Senator from Vermont referred to the treaty of 1909, I referred to dams which were built prior to 1909. So far as the record shows, many dams were built without consulting any authority. The persons or organizations concerned merely went there and built them. But, of course, under the treaty of 1909, certain jurisdiction was given to the International Joint Commission and about 1923 some amendments were added to that treaty.

Mr. AIKEN. Mr. President, if the Senator will yield further, at this time I should like to refer, for the benefit of the Senate, to a few sample cases which have been considered and acted upon by the International Joint Commission under the treaty of January 11, 1909, and without subsequent agreement between the two governments or action by the Congress of the United States and the Canadian Parliament.

The treaty of 1909 completely covered the case, so far as the private utilities were concerned, but it does not cover it according to some of the opponents of the St. Lawrence seaway, so far as public dams and the public good are concerned.

On January 21, 1914, the Algoma Steel Corporation applied for approval of diversion and use of waters on the St. Marys River at Sault Ste. Marie, Ontario. The application was approved.

On January 29, 1915, the St. Croix River Power Co. made application for the diversion of waters of the St. Croix River. The development required the construction of a dam. The application was approved by the International Joint Commission.

On February 20, 1925, the New Brunswick Electric Power Co. requested the approval of certain works to be constructed on the St. John River. I believe that the location of the work was to be between Maine and New Brunswick. The application was for hydroelectric power development, and was approved by the International Joint Commission.

On June 16, 1926, the St. John River Power Co. made an application for the construction of permanent works in the St. John River for the development of power. The application was approved, and no question was raised at that time as to the constitutionality of the approval.

At various times the Governments of the United States and Canada have made applications to the International Joint Commission either for the construction of dams or the diversion of water. I have been given four instances of such applications having been made to the International Joint Commission.

On April 7, 1937, the Government of Canada asked for the right to make improvements on the Richelieu River which would have raised the waters on the United States side of the boundary line. The application was approved.

On September 16, 1929, the West Kootenay River Power & Light Co. asked for the approval of the construction of a dam of sufficient height to raise the water level of the Kootenay River on the United States side of the boundary. The application was approved.

On October 3, 1940, the Government of the United States made application to the International Joint Commission for permission to raise the water levels on the Canadian side of the boundary resulting from the construction of the Grand Coulee Dam. The application was approved.

On August 22, 1941, the city of Seattle made application to construct a dam on the Skagit River, which would have affected the water level on the Canadian side of the river. The application was approved.

At no time was any question raised that the International Joint Commission did not have authority to grant those applications to which I have referred, and at no time was the question raised that the Constitution of the United States was in peril. It has been only upon the proposal to construct the dam which would provide the greatest benefits for the greatest number of people in North America that the question of constitutionality of the method of granting the approval has been raised.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. FERGUSON. On the question of whether the proposed project could be built between the United States and Canada by contract and not by treaty, I think some statutes can be cited. We can go back as far as 1874, Statutes at Large, volume 18, at page 237. A river and harbor appropriation of $25,000 was made for the removal of boulders and rocks in the Detroit River, partly in Canadian waters. The question has been raised that the St. Lawrence River project would have to be constructed under a treaty. The question has been raised because the work would have to be done, in part at least, in Canadian waters.

There were other statutes of a similar nature enacted following the last date to which I have referred.

On July 3, 1930, Statutes at Large, volume 46, at page 918, in relation to the building of the Livingstone Channel, which was mostly in Canadian waters, an appropriation was made. The amount authorized to be expended upon the channel was $29,266,000.

We find that in those particular cases the work was done not even under an executive agreement or a contract, but under merely an exchange of notes, and an appropriation of money by the United States Congress.

Mr. SHIPSTEAD. I thank the Senator for his contribution.

Mr. FERGUSON. In order that the record may be made clear, I might cite other acts.

Mr. SHIPSTEAD. I wish the Senator would do so.

Mr. FERGUSON. March 7, 1907, Thirty-fourth Statutes at Large, page 1073.

June 25, 1910, Thirty-sixth Statutes at Large, page 655.

March 2, 1919, Fortieth Statutes at Large, page 1286.

Mr. SHIPSTEAD. I thank the Senator. If I may be permitted to do so, I wish to compliment the Senator on the industry which he has shown in having looked up the precedents to which he has referred. I think he deserves much credit.

Mr. President, I have favored the development, not only of the upper Mississippi in my own State, but also of the lower Mississippi, the Tennessee and its tributaries, the Ohio, the Colorado, the Arkansas, the Missouri, and the Columbia. In the past 20 years I have joined with other Senators in voting billions in appropriations for those projects to develop resources outside my own State, just as I have helped to vote billions to improve our seaports and their approaches and a merchant marine which, until the St. Lawrence Rapids are overcome, can never enter Duluth and the other mighty harbors of the Great Lakes.

I believe that as we enter the postwar era the time has come to put forever behind us any policy in respect to the development of our natural resources which can possibly lead to pitting section against section. We now have in conference a flood-control bill which carries more than $200,000,000 for the lower Mississippi, increasing the total authorizations for that area to upward of $800,000,000. We have authorized in that bill improvements on the Missouri River of an initial cost in excess of $200,000,000, and an ultimate cost of more than $400,000,000. The pending river and harbor bill carries several items which would increase the authorizations on the Columbia, the Ohio, and other streams to more than $200,000,000 in the case of each of those river basins.

The Great Lakes-St. Lawrence seaway and power project can be completed at a net cost to the Federal Treasury of well under $200,000,000, with the Power Authority of the State of New York assuming the cost of the power development in that State. No one will deny that considering the developed commerce, population, and industry of the area served, the navigation and power benefits which will flow from the Great Lakes-St. Lawrence improvement far outstrip the benefits to the general public which can be expected from any other project authorized by either the flood-control or the river and harbor bill.

Under the circumstances, Mr. President, I appeal from the Committee on Commerce to the Senate itself to give full consideration to the St. Lawrence project on its merits, on a parity with other projects already authorized by the Senate. The great majority of Senators from States in the Great Lakes-St. Lawrence area, from Vermont to Minnesota and westward to the Pacific coast, have endorsed this project and support it now. We have a right to demand, before the flood-control bill and the river and harbor bill are finally enacted into law at this session of an expiring Congress, that the merits of the St. Lawrence development and the post-war needs of our people shall receive proper consideration at the hands of this body.

Mr. President, the greatest territory in the world which has escaped the devastations of this war lies in the United States and Canada. North America is a tremendous continent, and we are merely in the beginning of its development. There are vast water resources on this continent which have been but barely touched. There are vast areas, particularly in Canada and in the Middle West, which have not been developed. During the next 50 years there will be need for the most extensive development of both the United States and Canada because the probabilities are that we are destined to make provision for a population of 250,000,000 people within the next 50 years.

CONDEMNATION OF BLOCS AND REGIONAL GROUPS AFFECTING INTERNATIONAL SECURITY

Mr. ELLENDER. Mr. President, for the past 2 weeks I have had on my desk for presentation to the Senate a resolution which reads as follows:

Resolved, That it is the sense of the Senate that the formation or existence of any bloc or regional group of nations for military purposes, except in conjunction with and with the approval of a general world security organization, is inimical to international peace and security.

For fear of precipitating a debate which might cause the use of harsh words in the direction of one of our allies, I have hesitated to present the resolution. I for one have always been unwilling to pursue a course that may lead to

disunity among the United Nations. Today, on the eve of victory in Europe over Germany, Great Britain is taking the lead in causing disunity among the Allies, not only by words but by actual deeds. I am not surprised, because Great Britain is running true to form. She is a past master in the art of world politics and she has always been able to make weaker nations bow to her terms and to obtain the help of other nations to maintain her power.

In a speech delivered by me on the floor of the Senate on June 25, 1942, I said then, and I now repeat, that many of the decisions made by the British in the course of this war were based on political issues, rather than upon strategy that would lead to early decision. It will be recalled that on two occasions the British came near clearing north Africa of every vestige of territory held by our enemies. Instead of pursuing the enemy in north Africa when he was on the run, half of the British forces in that area were sent to aid helpless Greece. Churchill and his followers went to the aid of Greece against the advice of Britain's military and naval leaders. What was the reason for that action? It was in order to fulfill a promise made by Churchill to King George of Greece, all to the end that the British could look to the King of Greece for help around the peace table.

Several weeks ago the Russians had virtually driven the enemy from Greece and made that country no longer tenable for the Germans. In spite of that, the British saw fit to send an army to obtain control of that helpless country. Today Great Britain is engaged, by force of arms, in dictating to the Greek people whom they shall select as their leader. She is pursuing a similar course in Italy. She is causing much concern in Ethiopia by refusing to evacuate that country and by proclaiming that she intends not only to occupy a portion of Ethiopia during the war but to retain certain territory there. My belief is that Great Britain will persist in that attitude of seeking to expand her now vast empire and to form blocs of nations here and there all over the world so as to help her to maintain her pre-war world-wide domination, unless we in America take a hand. With a navy larger than the combined navies of all other countries in the world, and with a respectable army, it would seem to me that we should be able to force the British to see the light.

I pose this question: Why should Great Britain maintain armies in reconquered Greece, in reconquered Ethiopia, and in other reconquered territories, when those armies could be used to advantage against the western wall of Germany.

To digress for a moment, Mr. President, I ask Senators to take a look at the map indicating the battle line in western Europe, and they will note that the British occupy a few miles on the northern end of the line, while we are bearing the brunt of this holocaust of war.

Let me repeat, Mr. President, that, while we are shedding our precious blood, while we are dissipating our irreplaceable natural resources, the British are pursuing a course which is diametrically opposed to the objects and purposes for which we in America are fighting. We want to free the peoples of the earth and permit them to govern themselves.

As has been expressed on the floor of the Senate on many occasions, we as a nation do not desire more territory, except that which it may be necessary for us to obtain or control in order to prevent future wars. I shall not now attempt a discussion of that problem, but will reserve it for future debate.

Mr. President, the resolution which I have read is simple in its language and should not require much study to understand. It is simply a warning to Great Britain, and in fact to all other nations, that we as a Nation propose to help formulate a world security organization whose purpose it shall be to maintain peace; that we are desirous of letting the world know that this organization is not to be looked upon with suspicion or as a make-believe organization, but, instead, as an organization upon which every nation, be it large or small, can depend to be the instrumentality by which and through which world peace can be maintained. I do not want any nation, no matter how large or small, to fail to have the utmost confidence in the ability of this organization to maintain the peace of the world. I do not want any nation to feel that it is necessary for it to join in an alliance with the British or to join in an alliance with the Russians or an alliance with us in order to maintain peace. Let us keep the organization open, free, and aboveboard.

Mr. President, a few weeks ago that eminent statesman from Great Britain, David Lloyd George, was asked the question:

> What was the Allies' greatest mistake in dealing with Germany after the last war?

Rather grimly and without hesitation, he replied:

> America. If they had kept to their bargains instead of backing out and leaving the League of Nations, things would have gone differently.

That may be only partially true, but, if the truth were known, President Wilson failed to carry out his 14 points because of the existence of secret treaties, alliances, and agreements among the nations with which he was dealing. In the near future I expect to address myself further to that subject.

Mr. President, my hope is that when the United Nations of the World sit around the peace table for the purpose of working out plans in order to maintain a lasting peace, each can without hesitation state to the world that it has not made any secret treaties, that it has no alliances of any kind, but that the organization in contemplation shall be and will be the instrumentality through which peace throughout the world shall be maintained.

Mr. President, out of order I send the resolution to the desk and ask that it be referred immediately to the Committee on Foreign Relations, and I will also ask that the Committee on Foreign Relations of the Senate consider it without delay.

The PRESIDING OFFICER. Without objection, the resolution will be received and referred to the Committee on Foreign Relations.

The resolution (S. Res. 348) was referred to the Committee on Foreign Relations, as follows:

> *Resolved*, That it is the sense of the Senate that the formation or existence of any bloc or regional group of nations for military purposes, except in conjunction with and with the approval of a general world security organization, is inimical to international peace and security.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. ROBERTSON. Mr. President, I ask consideration of an amendment I send forward regarding the certificate of convenience and necessity.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, line 16, it is proposed to strike out the period and to insert the following: "*And provided further*, That no inland waterway project, the necessity or justification for which depends in whole or in part upon the purposes of navigation and transportation, shall be authorized until the Interstate Commerce Commission, after public hearing, shall have submitted a report to the Congress concerning the public convenience and necessity for the navigation and transportation features of the project."

Mr. ROBERTSON. Mr. President, the keystone of American trade and commerce, and indeed of life itself, is transportation; and the organizations commonly called common carriers constitute the backbone of American transportation. A common carrier is defined as one who holds himself out to transport for public hire.

A common carrier is a servant of the public, of rich and poor, great and small, alike. In order to function properly, common carriers must have highways and terminal facilities. To obtain these it is often necessary to endow the carrier with the power to take private property and exercise the sovereign power of eminent domain. Common carriers are therefore public-service organizations, endowed, by the State or Federal Governments, with certain governmental powers in the shape of exclusive franchise and other things.

It is necessary to protect the public from abuses by the carriers by regulation of the carriers. It is also necessary to restrict the number of carriers and the scope of their operation, in order to protect the carriers from each other. Too many carriers would be the ruination of all. A carrier must make a reasonable profit in order to exist. If the traffic available for movement is divided between too many, some, or all, of the carriers will fail financially.

In 1887, 58 years ago, Congress passed the Interstate Commerce Act. That law was quite simple, and relatively narrow in its jurisdiction, but it has now grown to enormous proportions. The group of laws now referred to as the Interstate Commerce Act fill 210 pages.

Part I of the act now deals with the railroads and general questions of carrier regulations. Part II deals basically with motor carriers. Part III deals with water carriers.

Part I of the Interstate Commerce Act, under section 1, subparagraph 18, provides:

No carrier by railroad subject to this part shall undertake the extension of its line of railroad, or the construction of a new line of railroad, or shall acquire or operate any line of railroad, or extension thereof, or shall engage in transportation under this part over or by means of such additional or extended line of railroad, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, or operation, or construction and operation, of such additional or extended line of railroad, and no carrier by railroad subject to this part shall abandon all or any portion of a line of railroad, or the operation thereof, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity permit of such abandonment.

In addition to this provision, the railroads are also regulated in every detail of their management and operation. Provision has been made in the act for almost every conceivable activity, and Congress is constantly amending and expanding the act.

Part II is equally complete and thorough in providing for regulation of all activities of motor carriers, and this regulation extends to all motor carriers for hire, except some very narrow exemptions which are too small to mention here.

However, when we turn to the most recent part of the Commerce Act, that is, part III, we find a definition under subsection 302 which reads in part, as follows:

The term "common carrier by water" means any person which holds itself out to the general public to engage in the transportation by water in interstate or foreign commerce of passengers or property or any class or classes thereof for compensation, except transportation by water by an express company subject to part I in the conduct of its express business, which shall be considered to be and shall be regulated as transportation subject to part I.

Turning further in the act, we find under section 303 a most extraordinary exemption has been granted to certain carriers, which reads as follows:

Nothing in this part shall apply to the transportation by a water carrier of commodities in bulk when the cargo space of the vessel in which such commodities are transported is being used for the carrying of not more than three such commodities. This subsection shall apply only in the case of commodities in bulk which are (in accordance with the existing custom of the trade in the handling and transportation of such commodities as of June 1, 1939) loaded and carried without wrappers or containers and received and delivered by the carrier without transportation mark or count. For the purposes of this subsection two or more vessels while navigated as a unit shall be considered to be a single vessel.

And further along in the same section we find another exemption which covers all craft of 100 tons or less carrying capacity:

To transportation by small craft of not more than 100 tons carrying capacity or not more than 100 indicated horsepower, or to vessels carrying passengers only and equipped to carry no more than 16 passengers, or to ferries, or to the movement by water carriers of contractors' equipment employed or to be employed in construction or repair for such water carrier, or to the operation of salvors.

This means that vessels can be operated on our inland waterways capable of carrying 10 large truck loads of general freight, or equal to 3 freight carloads, without regulations of any kind under the Commerce Act.

I also find another interesting section under part III of the act, which is section 309 subsection (d), which in substance says that those carriers to which certificates of "public convenience and necessity" have been granted shall, without further authority, have the right to operate immediately over any additional inland waterways authorized by Congress. In other words, the water carriers may expand like an octopus as fast as Congress builds inland waterways at the expense of the taxpayer.

When a public road is to be constructed an elaborate procedure must be followed, as set out by the statutes of the several States. First, to locate the route of the new road; secondly, to publish a notice to the taxpayers that such a highway is contemplated, and then appropriate proceedings must be instituted to see if the property owner objects to such a route.

I wish to call the attention of the Senate to the famous Pennsylvania turnpike, which has been a great boon to motorists. This turnpike is a wonderful public facility, but it is not free. The motorists must pay tolls, and I am informed that heavily laden trucks sometimes pay more than $50 for the privilege of traversing the 160 miles of that highway. I do not advocate that all highways should be toll highways, far from it, for in the final analysis most of these highways are paid for by the car or truck operator in the form of gasoline, license, and franchise taxes. I am informed that the automobile and truck operators of the United States, as a group, pay approximately the same amount of taxes in any given year as do the railroads of the country. Regardless of what the exact figures may be, it is sufficient to say that the taxes collected far exceed the total sums spent upon highways. The railroads, in turn, must build their own tracks and maintain them, and after the tracks have been constructed taxes must be paid.

Under the present set-up, water carriers may extend their operations subject only to the limitation of a water channel upon which to operate. There are no tolls and no gasoline taxes. Indeed, the largest towboats shown in the various marine waterway magazines are coal burners. The extraordinary exemption of carriers of bulk cargoes and the exemption of vessels of 100 tons carrying capacity, creates a most dangerous threat to the stability of the carriers of the United States.

I am informed, and so advised the Senate, during the Beaver-Mahoning debate, that in the year 1942 more than 800,000 tons of coal moved into the Youngstown, Ohio, district by motortrucks alone. Millions of tons moved in by railroad and part of that railroad movement was over the rails of a so-called private railroad and a few miles of an electric railroad, which undoubtedly is a carrier built without any authority from the Interstate Commerce Commission or the State of Ohio. However, this situation developed upon the ownership and control of a large coal company and not in conjunction with any legitimate motor or rail carrier system operating in interstate commerce. This story of disregard and disrespect for law can be found in volume 150 of the I. C. C. reports on pages 43 and 619, in connection with the application made to the Commission by the Pittsburgh, Lisbon & Western Railroad.

The amendment which I have proposed is direct, simple, and essential to the welfare of the transportation industry of the United States. There must be some definite and impartial control set up to determine just what inland waterways built at public expense are justified, and are really in the public interest.

It is certainly not within the province of the United States Army engineers to determine this question. It is unfair to place this burden upon the engineers. They are a group of highly trained technicians, men who have shown that they are competent to build anything at any time at any place, whenever our Government so directs.

The Interstate Commerce Commission is the best qualified and equipped Government organization, available at this time, to consider and recommend action upon new inland waterways. The Commission has vast resources in the shape of statistical records; it has experience and, above all, it is honest and its motives are unselfish. The integrity of the Interstate Commerce Commissioners, as a group, is beyond question. From time to time criticisms have been leveled at certain Commissioners, but when there is a group of 11 men it is almost impossible for all 11 to be blameless in the eyes of all persons at the same time. It is enough to say that the great majority of these 11 men are able, honest, and sincere. I hope the Senate will agree with me that Congress must have some impartial and competent advice on the question of constructing new inland waterways, because these waterways not only create substantial barriers to other and existing inland transportation, but they also carry the potential threat of destruction to other qualified carriers.

Last, but not least, I want to say to the Senate that I have yet to see a substantial demonstration of the financial feasibility of any of our recent inland waterways projects. I think that even the Army engineers would agree that if these works were properly capitalized and if a proper amount of taxes were included in the operating costs, not one of them would be worthy of serious consideration.

I am not proposing, and the amendment does not propose, to shut the door on any worthy project. I think that Congress should proceed as it has in the

past to investigate thoroughly and determine each particular case as it arises, but in the future let us have the impartial and helpful recommendation of the Interstate Commerce Commission concerning the economic status of projects under existing circumstances and their probable results as well.

Mr. President, I believe that the amendment I have proposed will achieve these results, and I ask most careful and favorable consideration of it by the Senate.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. Yes.

Mr. VANDENBERG. Before the Senator takes his seat, I should like to ask him to comment on one phase of the matter which disturbs me. I entirely agree with the Senator's basic theme that we ought to have coordinated judgments in the development of our total transportation facilities. But, since the Interstate Commerce Commission historically has dealt almost exclusively with railroads, since its function primarily is to create adequate railroad rates, and to maintain them against exploitation, what has the Senator to say to the suggestion that the Interstate Commerce Commission might not be the independent judicial body which ought to be chosen to exercise this over-all control, because it might be very definitely weighted. I do not mean in any improper sense, but by historical character and by tradition and by habit it might be weighted in favor of railroad transportation as against water transportation.

Mr. ROBERTSON. Mr. President, I am glad the distinguished Senator from Michigan has asked that question. The railroads were the first and only consideration of the Interstate Commerce Commission. When the trucking companies began to operate on the highways of the Nation it was the Interstate Commerce Commission which supplied the certificates of convenience and necessity. I do not think there has been any undue favoring of the railroads against the trucking interests of the Nation, and I feel that the same situation would apply in consideration of the inland waterways. I see no reason why we should feel that the Interstate Commerce Commission would in any way favor either the railroads or the truckers as against the inland waterways.

Mr. OVERTON. Mr. President, the purpose of the amendment offered by the junior Senator from Wyoming is that no navigation project shall hereafter be authorized by the Congress until after it has been submitted to the Interstate Commerce Commission and the Interstate Commerce Commission has conducted public hearings thereon and made a report as to public convenience and necessity.

I believe that a mere statement of the amendment is sufficient to carry the conviction that it should not be adopted. I know of no amendment which would more thoroughly clog the wheels of progress of navigation and the authorization of navigation projects than such an amendment as this.

The Senate is well aware of the infinite care with which these projects are investigated by the Army engineers. They have a division which looks into all the economics of a navigation project and its effect on navigation before it is reported upon. The Army engineers make a thorough and comprehensive study of each project and much more quickly than the Interstate Commerce Commission could do under the procedure suggested by the amendment.

It is well known that the Interstate Commerce Commission is far behind in its work. Under the Transportation Act of 1940 the inland waterway carriers now have at least 100 applications pending before the Interstate Commerce Commission, which have not been acted upon.

That overloaded and overburdened Commission could not possibly consider these projects and report upon them within any reasonable length of time. Take the projects in this bill. There are approximately 288 of them. They would have to be submitted to the Interstate Commerce Commission, and we would have to wait until it had determined whether or not there was public convenience and necessity. I am quite sure that Congress would not be able to act for a number of years, possibly 10 or 15 years. I hope that I have not fallen into a gross exaggeration in making that statement.

The Interstate Commerce Commission is a very slow-moving body. Furthermore, I do not believe that its approach to the subject would be from the proper angle. I think it would be thoroughly imbued with the thought of protecting the interests, or supposed interests, of the railroads, as against water-borne commerce. I am wondering why the able junior Senator from Wyoming did not suggest that no project be acted upon by Congress until it had been approved by the American Association of Railroads. The purpose of the amendment is simply to thwart and impede congressional action in respect to these projects. I ask that the amendment be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. ROBERTSON].

Mr. ROBERTSON. I ask for the yeas and nays.

Mr. AIKEN and Mr. WHITE suggested the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cordon	Johnson, Calif.
Austin	Danaher	Johnson, Colo.
Bailey	Davis	Kilgore
Ball	Downey	La Follette
Bankhead	Ellender	Langer
Bilbo	Ferguson	Lucas
Brewster	George	McClellan
Brooks	Gerry	McFarland
Buck	Gillette	McKellar
Burton	Green	Maloney
Bushfield	Guffey	Maybank
Butler	Gurney	Millikin
Byrd	Hall	Murray
Capper	Hatch	Nye
Caraway	Hawkes	O'Daniel
Chandler	Hayden	O'Mahoney
Clark, Idaho	Hill	Overton
Clark, Mo.	Holman	Radcliffe
Connally	Jenner	Reed
Revercomb	Taft	Weeks
Reynolds	Thomas, Okla.	Wheeler
Robertson	Tunnell	Wherry
Russell	Tydings	White
Shipstead	Vandenberg	Wiley
Smith	Wagner	Willis
Stewart	Walsh	Wilson

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Wyoming on page 2, in line 16.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MAYBANK. Mr. President, I offer the amendment, which I send to the desk, and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 45, after line 16, it is proposed to insert:

Santee-Congaree Buckingham Landing Site, S. C.

Mr. OVERTON. Mr. President, I accept the amendment. There is no objection.

Mr. WHITE. Mr. President, I ask the Senator from South Carolina whether the amendment provides for a survey.

Mr. MAYBANK. That is correct.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from South Carolina is agreed to.

Mr. OVERTON. Mr. President, I offer the amendment which I send to the desk. It is a survey item.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 50, between lines 23 and 24, it is proposed to insert "with a view to the protection of the shore line and repairs to the existing protective works on Lake Pontchartrain at Mandeville, La."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. RADCLIFFE. Mr. President, I offer the amendment to page 41 of the bill, which lies on the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 41, after line 25, it is proposed to add the following:

Ocean City Harbor and Inlet, and Sinepuxent Bay, Md.

The amendment was agreed to.

Mr. RADCLIFFE. Mr. President, on page 42 I offer the amendment which lies on the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 42, line 11, after the word "Creek", it is proposed to insert "and Fresh Water Pond."

The amendment was agreed to.

ADDITION OF CERTAIN LANDS TO UINTAH AND OURAY RESERVATIONS, UTAH

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 837) to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes, and requesting a con-

ference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HATCH. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HATCH, Mr. O'MAHONEY, and Mr. GURNEY conferees on the part of the Senate.

PLACING OF PORTION OF STATE OF IDAHO IN THIRD TIME ZONE

Mr. STEWART. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1326, House bill 1997, to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone.

Mr. OVERTON. Mr. President, reserving the right to object, let me say I understand there is no controversy at all in reference to the bill, and that it will be passed without debate.

Mr. STEWART. That is my understanding. I make the request in behalf of the junior Senator from Idaho [Mr. THOMAS], who is ill. I have understood that there would be no controversy about it. The bill would affect only a portion of Idaho, and would move it into the third time zone. I had charge of the matter in the subcommittee, and the amendment to the bill was agreed to by both Senators from Idaho. They have telephoned me and asked that I request that the bill be considered and disposed of.

Mr. President, I ask for immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate Commerce with an amendment, on page 1, after line 2, to strike out:

That section 3 of the act entitled "An act to save daylight and to provide standard time for the United States," approved March 19, 1918, as amended (U. S. C., 1940 ed., title 15, sec. 264), which provides for placing a certain portion of the State of Idaho in the third time zone, is hereby repealed.

And insert:

That beginning with the effective date of this act and for the duration of the period during which daylight saving time is in effect pursuant to the act entitled "An act to promote the national security and defense by establishing daylight saving time," approved January 20, 1942, so much of the State of Idaho as is now within the United States standard mountain time zone shall be part of the United States standard Pacific time zone. Upon the termination of such period such part of the State of Idaho shall again be within the United States standard mountain time zone.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill establishing Pacific standard time for that part of the State of Idaho now on mountain standard time, for the period during which daylight saving time is in effect."

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. AIKEN. Mr. President, as stated yesterday, it is the desire of the proponents of the St. Lawrence seaway to reach a vote on the amendment at the earliest possible date. I do not desire on the part of the proponents of the amendment to delay the Senate in reaching a vote on the amendment and a final vote on the bill itself. Four Members of the Senate have expressed a desire to speak on the river and harbor bill, with particular reference to the inclusion in it of the St. Lawrence seaway amendment. I expected that one of them would be ready to make his speech at this time. However, I find that all four of them expect to speak tomorrow.

Therefore, Mr. President, I believe that now is a good time to ask unanimous consent to have printed in the RECORD some material which I had expected to ask to have printed in the RECORD later as the debate drew near to a close. I know that when a project of the magnitude of the one proposed is suggested, people naturally want to know who is endorsing it. I had intended to ask unanimous consent to have printed in the RECORD a list of the names of some of the persons who are proponents of the St. Lawrence seaway and power development. I expect that the opponents of the project will ask unanimous consent to have printed in the RECORD lists of their own, because I realize that there are opponents of this great and worthy project, just as there are opponents of every worthy project which has ever been proposed. We know that when the Panama Canal was proposed opponents of the Canal successfully fought it for more than 30 years. We know that when the Suez Canal was proposed opponents of that canal opposed for 80 years its construction. We do not expect the opposition to the St. Lawrence seaway to last for 30 years or 80 years, but we realize that there are those who oppose its construction. We know that they represent a group of people similar in character to the group which opposed the extension of the railroads across the Plains and also the group which opposed the Sault Ste. Marie Canal being constructed in northern Michigan. Through that canal shipping has moved at the rate of 100,000,000 tons a year, even though the water there is frozen over for 4 or 5 months of the year.

The current interest in the St. Lawrence seaway began approximately 25 years ago. Between the early twenties and the early thirties various States of the Union began to promote jointly the construction of the St. Lawrence seaway and power project. I believe it would be interesting to the Senate to have printed in the RECORD the names of the States of the United States which made appropriations for the purpose of furthering the construction of the St. Lawrence seaway. I believe that 21 States have taken such legislative action, and that 2 others have joined in the movement by executive action. The States which have supported the St. Lawrence seaway by legislative action are Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Montana, North Dakota, Nebraska, Kansas, Colorado, Wyoming, California, Idaho, Utah, Oregon, and West Virginia, where a great deal of coal is mined; Kentucky, where a great deal of coal also is mined, as well as Washington, a State in which a great deal of lumber is produced, the shippers of which would like the opportunity of shipping it directly to the cities of Chicago, Milwaukee, Detroit, and other eastern and Middle West cities. I must also include the State of South Dakota. Two States joined in the movement in the late 1920's by executive action. They were Missouri and South Carolina. Some of the States which I have named are continuing their appropriations even to this day for the purpose of promoting the St. Lawrence seaway. I believe the States which are continuing their appropriations are largely Western Plains States. A few years ago Vermont, my own State, organized the St. Lawrence Commission. It has not, however, functioned during recent years.

Recently, a great revival has taken place in public sentiment in favor of the St. Lawrence seaway and power development. During the past 15 or 20 years various organizations have kept alive the movement. During the depression there was very little activity on the part of those organizations, but this year there has been a substantial and determined movement to organize for the purpose of putting through this tremendous project, the development of the greatest natural resource in the world. Only last month, in November, about the time Congress convened, or shortly thereafter, there was organized in Detroit a committee of 49 men, as I recall the number, representing different trades, industries, and professions, from various parts of the country for the purpose of bringing about the St. Lawrence seaway development. I should like to read to the Senate at this time the names of the men who have organized for this purpose, because when I read them, every Senator will recognize the high caliber of those who are now asking Congress to authorize the St. Lawrence River development.

The name of the association is the National St. Lawrence Association. The officers are as follows:

Julius H. Barnes, president, of Duluth, Minn. Mr. Barnes will be remembered as the world wheat coordinator in World War No. 1, and as the close associate of President Hoover in a great many of his activities. Mr. Barnes was three times elected president of the United States Chamber of Commerce.

The executive vice president is William C. Cowling, of Detroit, Mich.

The secretary and treasurer is Mr. Allen Dean, of Detroit, Mich., the transportation manager of the Detroit Board of Commerce.

The other members of the committee are as follows:

Henry J. Allen, of Wichita, Kans., ex-Governor of Kansas.

Mr. F. A. Augsbury, president of the George Hall Corporation, Ogdensburg, N. Y.

Mr. H. E. Babcock, of Ithaca, N. Y. Perhaps H. E. Babcock does not mean so much as it would mean to say "Ed" Babcock, who was president of the Council of Farmer Cooperatives only 3 years ago, and has been one of the leading advocates of cooperation among farmers all over the United States. Mr. Babcock's name is known to every farmer in the whole United States, and he is a member of this committee organized to promote the St. Lawrence seaway.

Mr. John C. Beukema, of the Muskegon Chamber of Commerce, Muskegon, Mich.

Mr. H. E. Brockel, who is secretary of the Great Lakes Harbors Association, of Milwaukee.

Mr. Manferd Burleigh, president of the Great Lakes Greyhound Corporation, Detroit, Mich.

Mr. E. B. Crosby, president of the Northern Federation of Chambers of Commerce, Massena, N. Y.

Then we come to a publisher, Mr. John Cowles, publisher of the Des Moines Register-Tribune, Look Magazine, and other publications, of Des Moines, Iowa.

Mr. James E. Davidson, a shipbuilder, of Bay City, Mich.

Mr. Cyrus Eaton, well known in steel and railroad circles, and president of Otis & Co., Cleveland, Ohio.

Mr. Marshall Field III, owner of the Chicago Sun, Chicago, Ill.

Mr. Henry Ford II, executive vice president of the Ford Motor Co., Detroit, Mich.

Mr. Julius Frank, president, Frank's Department Store, Ogdensburg, N. Y.

Mr. F. J. Freestone, ex-chairman of the executive committee of the National Grange, and a member of the New York State Power Authority, Syracuse, N. Y.

Mr. Roy W. Gifford, who is vice president of the Norge Division of the Borg-Warner Corporation, of Detroit, Mich.

Mr. George E. Hardy, of the Ohio Waterways Commission, Toledo, Ohio.

Mr. Walter Havighurst, of Miami University, and author of Long Ships Passings, of Oxford, Ohio.

Mr. Daniel W. Hoan, president of the Great Lakes Harbors Association, and many times mayor of the city of Milwaukee, Wis.

Mr. Rollo F. Hunt, chairman of the Minnesota Tidewater Commission, Duluth, Minn.

Mr. Perry W. Jenkins, Wyoming director of the National Reclamation Association, Salt Lake City, Utah.

Mr. Harold B. Johnson, publisher of the Watertown Times, Watertown, N. Y.

Mr. D. S. Kiskadden, vice president and manager of the Buhl Land Co., Detroit, Mich.

Mr. Arnold Leraan, president of the Marine Iron & Shipbuilding Co., Duluth, Minn.

Mr. Murray D. Lincoln, secretary of the Ohio State Farm Bureau, Columbus, Ohio. Mr. Lincoln is one of the best-known men in farm-cooperative circles today, if not the best known. It was through Mr. Lincoln's efforts that the Ohio Mutual Farm Bureau Automobile Insurance Co. was built up until it is, I think, the fourth or fifth in size among all the mutual automobile insurance companies in the country today. Certainly Mr. Lincoln is known the world over for his work with cooperatives, and now he is working just as hard to get the St. Lawrence seaway developed, because he knows the tremendous benefits which will flow to the farmers of all the central part of the United States.

Mr. William Loeb, publisher of the Burlington Daily News, Burlington, Vt.

Mr. A. L. Lott, president of the Motor Products Corporation, of Detroit, Mich.

Mr. Seth Marshall, president of Marshall-Wells Co., Duluth, Minn.

Mr. P. R. Moore, president of Klearflax Linen Looms, Inc., Duluth, Minn.

Mr. Albert P. Newell, president of the Newell Manufacturing Co., Ogdensburg, N. Y.

Mr. Edward J. Noble, chairman of the Blue Network, New York City.

Mr. C. J. Reese, president of Continental Motors, Detroit, Mich.

Then there is another publisher, Mr. Bernard Ridder, publisher of the Pioneer Press, St. Paul, Minn.

Mr. T. Mel Rinehart, president of the Highland Oil Corporation, of Detroit.

Another publisher, Gideon Seymour, vice president and executive director, Star Journal and Tribune, Minneapolis, Minn.

George R. Shafer, ex-Governor of the State of North Dakota, Bismarck, N. Dak.

Sydney Smith, president, Anchor Storage Co., Chicago, Ill.

P. H. Stevens, president, Commercial Securities Co., Gary, Ind.

In passing, let me remark that the city of Gary, Ind., is officially on record as requesting the Congress to authorize the construction of the St. Lawrence seaway. The nearby city of Valparaiso, Ind., is also on record as approving the seaway.

Mr. W. A. Stinchcomb, director of the Cleveland Metropolitan Park District, Cleveland, Ohio.

Mr. C. B. Thomas, president, Chrysler Export Co., Highland Park, Mich.

Another ex-Governor, Mr. Murray D. Van Waggoner, ex-Governor of the State of Michigan, Detroit.

Mr. Oscar Webber, vice president and general manager, J. L. Hudson Co., Detroit, Mich.

Another publisher, Mr. William L. White, publisher of the Emporia Gazette, Emporia, Kans.

Also Mr. Harold Wilde, editor of the Great Lakes Outlook, Milwaukee, Wis.

Mr. N. A. Woodworth, president of the N. A. Woodworth Co., Ferndale, Mich.

Mr. Fred M. Young, president, Young Radiator Co., Racine, Wis.

And, finally, Mr. Frank A. Seiberling, of the Seiberling Rubber Co., Akron, Ohio.

Certainly, Mr. President, no one who reads this list of 49 men who have joined together in a concerted effort to secure the approval of the St. Lawrence seaway and power development by the Congress, can say that the proposal emanates from the lunatic fringe, because every one of them is a substantial and successful man in his own business. In fact, they are among the most successful of the businessmen of this whole country.

I read in that list the names of two ex-Governors, one from North Dakota and one from Michigan. I wish to say that there are many Governors of the States at the present time who are actively supporting the seaway. Perhaps the best known of these is Gov. Thomas E. Dewey, of New York, the titular head of the Republican Party, so that the heads of both the Republican and the Democratic Parties of this country are very definitely in favor of the St. Lawrence seaway and power development. Both Mr. Roosevelt and Mr. Dewey have reiterated their support of this project time and time and time again. When I spoke in Detroit in late October I received messages from both of them to be delivered to members of the Adcraft Club and the board of commerce before whom I spoke, again reiterating their support of the St. Lawrence seaway and power project.

Mr. President, I have with me two letters from Governors. I have others at my office, but not with me on the floor. I should have inserted these two letters in the RECORD some time ago but did not do so. They are both dated June 10, 1944, and both Governors had thought that hearings on the St. Lawrence bill would be held before the Committee on Commerce about that time. It seems they were in error in that respect. The first letter which I wish to read into the RECORD is from Gov. Edward J. Thye, of the State of Minnesota. Governor Thye wrote me on June 10, 1944, as follows:

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: On behalf of the State of Minnesota, I strongly support Senator GEORGE D. AIKEN'S bill (S. 1385) for legislation approving the agreement reached between our Government and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence power and navigation project.

Minnesota has officially supported this project for 25 years.

In 1941, when hearings were had on similar legislation before the Rivers and Harbors Committee of the House, Gov. Harold E. Stassen, of Minnesota, appeared and testified, as appears in the record of those hearings. I heartily endorse everything that Governor Stassen said at those hearings.

We believe that this project is comparable to the Panama Canal in economic importance to this Nation. It is hard to believe, that with a natural waterway from the Atlantic seaboard to the heart of this continent, which, with the improvement of a comparatively small section of 48 miles in length, would make it navigable for 80 percent or more of all oceangoing shipping, we have not yet removed this barrier. Water transportation is and will always be the cheapest transportation. In our great area of wheat producing, and dairy and farm products, with a population of some 40,000,000 people, the economic development of this Nation makes it imperative that we have the full advantage of the water transportation

which nature has provided. To deprive the great section of this Nation tributary to the Great Lakes of the fullest development of this natural watercourse is to deprive it of its natural right to development and progress. The importance of this development is emphasized by conditions brought about by the present war, when railroad facilities are taxed to the utmost. It would enable us to lay down the products of this great area on the Atlantic seaboard at a great saving in cost to the people living in the congested areas of the eastern portion of this Nation, and also furnish us with cheaper transportation to the markets of the world. While we know that it would greatly benefit the area in which we live, we know that it would also benefit the entire country.

As a part of the war effort, Great Lakes shipyards have contributed substantially to the urgency of increasing our shipping facilities. We have been building oceangoing vessels in the heart of this continent, in an area most secure of any from coastal war danger and attack. If the St. Lawrence waterway were completed, we could build in this haven of comparative safety all warships short of battleship size. With the congestion of coastal shipyards, the advantages of the full use of this waterway would have been of vast consequence in the war effort.

It is my sincere hope that the Congress of the United States, looking at this great project from its national aspect and importance, will no longer permit any delay in its development.

Sincerely yours,

EDWARD J. THYE,
Governor.

Mr. President, I wish to read a letter from Hon. John Moses, Governor of North Dakota. The letter is dated Bismarck, N. Dak., June 7, 1944. At that time Governor Moses was in this city to attend hearings of the Rivers and Harbors Committee. The letter is as follows:

STATE OF NORTH DAKOTA,
OFFICE OF THE GOVERNOR,
June 7, 1944.

Hon. GEORGE D. AIKEN,
United States Senator,
Washington, D. C.

Re: St. Lawrence waterway project.

DEAR SENATOR AIKEN: I understand that S. 1385, relating to the St. Lawrence waterway project, is due to be considered by the subcommittee of the Senate Commerce Committee on June 12.

That assumption on his part was wrong. It appears that the chairman of the Commerce Committee was still asking for reports from departments on June 26.

On July 3, 1941, the writer had occasion to appear before the Rivers and Harbors Committee of the House of Representatives, in support of this project, speaking in behalf of the State of North Dakota, which has constantly advocated this development for more than 20 years. I should like to reiterate my unqualified endorsement of this measure at this time, and to recommend its prompt adoption by the Congress.

An early completion of this waterway development would not only bring ocean commerce into the heart of America, which is now landlocked, but it would provide much needed power for industrial purposes in the East. In order to fully utilize the agricultural, industrial, and water resources of the great midwestern area of the United States in the post-war period, and to speed the economic rehabilitation of the Nation, it is essential, in my judgment, that this project be included in the Government's post-war waterway-development program.

Sincerely yours,

JOHN MOSES, *Governor.*

I have received letters from the Governor of North Dakota and the Governor of Minnesota. I also have favorable letters from Gov. E. P. Carville, of Nevada, as well as from the Governors of several of our Southern States, who do not take the selfish attitude that in order to build up the South they must tear down the North. I am very glad that these southern Governors from whom I have heard take that attitude. It is certainly fair of them to do so.

Besides the governors, we have endorsements from innumerable mayors of cities. I have a strong letter of endorsement of this project from Mayor Jeffries, of Detroit, and from the mayors of many of the cities of Michigan, Wisconsin, and Minnesota. One of the strongest advocates of the St. Lawrence seaway and power development is Mayor LaGuardia, of New York. Mayor Kelly, of Chicago, has also been a strong advocate of the St. Lawrence seaway and power project.

Chambers of commerce all over the North Central part of the United States are on record as favoring the development of the seaway. Notable among them is the Chamber of Commerce of the city of Toledo, Ohio. It seems that the attitude of the officials of that city was somewhat questioned as to whether the city favored the seaway or not, so a poll was taken of the members of the chamber of commerce. Several hundred responded to the poll, and there was a decisive vote in favor of the development of the seaway. Other Ohio cities have also endorsed the seaway, notably the city of Lorain, Ohio, the largest coal-shipping city on the Great Lakes.

Mr. President, besides the support of civic bodies, mayors, Governors, chambers of commerce, and others who have favored the seaway as individuals, as groups, or as businessmen, it has the unqualified support of most of the farm interests of the country. Time and again the National Grange has adopted resolutions favoring the construction of the St. Lawrence development. At Grand Rapids last year it adopted a very strong resolution. At Winston-Salem this year it reiterated the resolution which it adopted in 1943. That resolution was inserted in the RECORD by the senior Senator from Kansas [Mr. CAPPER] day before yesterday, I believe.

The Farmers' Union has consistently favored the St. Lawrence seaway development. So far as I know, the Farm Bureau Federation has never taken action on it as a national organization; but in a great many cases State organizations of farm bureaus have adopted resolutions favoring the St. Lawrence seaway. I do not remember offhand the names of all the farm organizations in the various States which have taken this position, but I know that there are a great many of them. Iowa has been particularly insistent on the part of its farm bureaus. The Kansas Farm Bureau supports the seaway. Farm Bureau organizations in South Dakota, Minnesota, Wyoming, and, I believe, Utah, also favor it. I know that my own Farm Bureau in Vermont very strongly supports the seaway, as does the Vermont State Grange. Cooperatives all over the United States are supporting the seaway project.

I have before me a list of labor unions which are supporting the great St. Lawrence seaway and power development. Before I go into that, let me say that additional letters from governors have just been handed to me. I should like to insert those in the RECORD before I come to the labor unions. More than 700 labor unions in the United States, from almost every State in the Union, including Louisiana, have endorsed the St. Lawrence seaway and power project. Before I begin with that list, I should like to read additional letters from prominent citizens.

I hold in my hand a letter from Hon. Walter S. Goodland, Acting Governor of Wisconsin. I wrote to him asking his attitude. The first two letters which I read were written voluntarily, without solicitation. However, I wrote to several other governors asking what their position was. I read the letter from Acting Governor Goodland of Wisconsin:

STATE OF WISCONSIN,
EXECUTIVE OFFICE,
MADISON, *October 10, 1944.*

Hon. GEORGE D. AIKEN,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR AIKEN: I am in receipt of your letter of September 15, together with materials concerning the Great Lakes-St. Lawrence seaway and power project.

As you know, the record and history of Wisconsin with respect to the project has been favorable. The State, by legislative enactment and the appropriation of funds with which to promote acceptance of the project, is on record as being favorable.

A deep waterways commission was created by legislative enactment to cooperate with other States in promoting the Great Lakes-St. Lawrence waterway. The commission, until recently, maintained a paid representative in Washington. Personally, I have always looked with favor on the movement to link the Great Lakes with the ocean.

In order that we here in Wisconsin may be better informed, I am taking steps to secure the services of a competent man to serve ex officio on the deep waterways commission as consultant, in addition to studies already made by the Department of Agriculture. I am asking that careful surveys be made of the possible future effect on Wisconsin industries and economy in order that we can act more intelligently on the matter.

Sincerely yours,

WALTER S. GOODLAND,
Acting Governor.

Mr. President, I now hold in my hand a letter from Hon. Sidney P. Osborn, Governor of Arizona, dated September 23, 1944. His letter reads as follows:

EXECUTIVE OFFICE, STATEHOUSE,
Phoenix, Ariz., September 23, 1944.

Hon. GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR AIKEN: I wish to thank you for your letter of September 15 and for the material which you dispatched to me under separate cover dealing with the St. Lawrence project.

Geographic remoteness and relative unfamiliarity with the Great Lakes-St. Lawrence seaway and power project preclude my adding any useful comment to your coverage of the matter. I am, however, well aware that Arizona's senior Senator, CARL HAYDEN, has endorsed the project and I have every confidence in his judgment on the matter.

We in this State are notably interested in our own problems of water and power from the Colorado River. As you know, we have recently completed the contract with the Secretary of the Interior for the delivery of all the water from the Colorado available to us under the law and are informed that the United States Reclamation Service has made substantial progress in its surveys which will result in the setting up of projects to bring that water onto our desert acres. Arizona's future development is dependent upon the successful conclusion of these matters, although we are fully aware that prosperity, like peace, is indivisible, and consequently we are ever interested in such projects as that about which you write.

Thank you again for your letter and with every good wish, I am,

Sincerely yours,

SIDNEY P. OSBORN,
Governor.

Mr. President, I think it is fine to receive a letter from the Governor of Arizona expressing appreciation of the fact that what concerns the welfare of the part of the United States farthest from his State also concerns the welfare of Arizona itself.

I now hold in my hand a letter from the Governor of Georgia, Hon. Ellis Arnall, dated September 19, 1944. It reads as follows:

EXECUTIVE DEPARTMENT,
Atlanta, September 19, 1944.

Senator GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR AIKEN: Acknowledgment is made with thanks for your good letter of September 15 relative to the Great Lakes-St. Lawrence seaway and power project.

While I am not familiar with the details and plans of this project, information which I have received indicates to me that this is a very worth-while post-war project.

The T. V. A. in the South has certainly meant much to this section of the Union.

With highest regards and best wishes, I am,

Sincerely yours,

ELLIS ARNALL,
Governor.

I now have before me a letter, which I mentioned previously, from the Governor of Nevada. It reads, in part, as follows:

THE STATE OF NEVADA,
EXECUTIVE CHAMBER,
Carson City, October 2, 1944.

Hon. GEORGE D. AIKEN,
United States Senator,
Washington, D. C.

DEAR SENATOR: I have your letter of September 15, together with a copy of S. 1385, introduced by you, authorizing the construction of the Great Lakes-St. Lawrence seaway and power projects.

I am in accord with this legislation but there is one matter with which I am particularly concerned. I do not know whether this would come up in connection with your bill, but I am very anxious that no legislation be passed that would in any way affect the vested water rights of the Western States and the ownership of the water by the States. Of course, we do not have a great many navigable rivers, but by a recent United States Supreme Court decision it might be construed that any river that would float the smallest boat would be a navigable stream.

Further on in the letter he states, in discussing another matter:

I am sure that the St. Lawrence development would be of unlimited value to the Southern States, and I shall be pleased to help in connection with this matter if I am assured that the western water rights will not be affected in any way.

With my best wishes, I am,

Sincerely yours,

E. P. CARVILLE,
Governor.

Mr. President, it seems to me that in the closing paragraph of Governor Carville's letter he means to refer to the fact that the St. Lawrence development will be of unlimited value to the Northern States. Perhaps the use of the words "Southern States" is a typographical error.

Let me say in connection with the letter that western water rights will not be affected in any way. I think western water rights have been satisfactorily protected under the provisions of the flood-control bill which the Senate has passed, and that they will be protected in the pending river and harbor bill.

I now come to a list of approximately 700 labor unions which have endorsed the St. Lawrence seaway and power project. Some of them are international unions. Some are State organizations. Many of them are local labor unions. It is interesting to note that 62 labor unions in the city of Buffalo, which is supposed to be opposed to the St. Lawrence seaway, have endorsed it; 62 labor unions in that one city have endorsed the seaway.

Furthermore, it is interesting to note that, although the Chamber of Commerce of Schenectady, N. Y., has gone on record as being opposed to the seaway, the United Electrical, Radio and Machine Workers Union of Schenectady, with a membership of 22,000 workers—a very large percentage of the workingmen of Schenectady—and many other unions in Schenectady are on record as approving the seaway. There seems to be a difference of opinion between management and employees in that case, because I assume the members of the chamber of commerce are employers, to a great extent.

The following unions have endorsed the project between 1941 and the present time and, as I have said, they represent almost every State in the Union:

Name	Membership	Local	Affiliation
Aluminum Workers of America	1,500	26	Congress of Industrial Organizations, Chicago, Ill.
Do	7,500	2	Congress of Industrial Organizations, New Kensington, Pa.
Do		10	Congress of Industrial Organizations, Cincinnati, Ohio.
United Automobile, Aircraft, Agricultural Implement Workers		(1)	Congress of Industrial Organizations, Detroit, Mich.

[1] International.

As we all know, that is one of the largest unions in the United States, if not the largest. I do not know what its relative rank is.

I continue to read from the list:

Name	Membership	Local	Affiliation
United Auto Workers	40	864	Congress of Industrial Organizations, Medina, N. Y.
United Automobile Workers of America	200	364	American Federation of Labor, Milwaukee, Wis.
Awning, Canvas, and Display Decorators	150	34	American Federation of Labor, Detroit, Mich.
Bakery and Confectionery Workers (joint executive board of Greater New York and vicinity)	25,000	(1)	American Federation of Labor, New York City.

[1] 49 locals.

Incidentally, I should like to say, and I am sure the Senate will be interested in this matter, that the largest number of labor unions in any State which have endorsed the St. Lawrence seaway is found in the State of Massachusetts. Included in the list from which I am reading are the names of approximately 117 labor unions in the State of Massachusetts which have endorsed the St. Lawrence project. Somewhat less than 100 labor unions in New York and a similar number in Wisconsin have also endorsed the project. The other unions which have endorsed the project are scattered among the other States. Some of the unions, such as those in Colorado, Iowa, and Vermont, have endorsed it on a State-wide scale, not by locals.

I continue to read from the list:

Name	Membership	Local	Affiliation
Bakery and Confectionery Workers	1,500	348	American Federation of Labor, Cambridge, Mass.
Do	83	339	American Federation of Labor, Green Bay, Wis.
Do	400	165	American Federation of Labor, Paterson, N. J.
Barbers and Beauty Culturists		1	Congress of Industrial Organizations, New York City.
Barbers Union	200	894	American Federation of Labor, Chelsea, Mass.
Journeymen Barbers	55	331	American Federation of Labor, Fall River, Mass.
Do	225	224	American Federation of Labor, Providence, R. I.
Bartenders Union	63	114	American Federation of Labor, Pittsfield, Mass.
Do	32	275	American Federation of Labor, Gardner, Mass.
Do	31	463	American Federation of Labor, Hibbing, Minn.
Do	43	231	International Falls, Minn.
Blacksmiths, Drop Forgers and Helpers	26		American Federation of Labor, Duluth, Minn.
Blue Island Central Labor Union			
Boilermakers	200	304	American Federation of Labor, Boston, Mass.
Do	16		American Federation of Labor, Kaukauna, Wis.
Bookbinders	150	16	American Federation of Labor, Boston, Mass.
Do	75		American Federation of Labor, New Orleans, La.
Bindery Workers	500	20	American Federation of Labor, Detroit, Mich.
Brewery Workers	420	59	American Federation of Labor, New York City.
Bricklayers, Masons and Plasterers	30	11	American Federation of Labor, Sheboygan, Wis.
Bricklayers, Masons, Marble Masons	700	8	American Federation of Labor, Milwaukee, Wis.
Bricklayers, Masons, Tile Layers and Block Layers	75	3	American Federation of Labor, Duluth, Minn.
United Brick and Clay Workers	60	778	American Federation of Labor, Dearborn, Mich.
Do	25,000		American Federation of Labor, Chicago, Ill.
International Association of Bridge, Structural and Ornamental Iron Workers		455	American Federation of Labor, New York City.
Do	900	25	American Federation of Labor, Detroit, Mich.
Do	200	563	American Federation of Labor, Duluth, Minn.
Building Service Employees International Union	1,000	150	American Federation of Labor, Milwaukee, Wis.
Calumet Joint Labor Council			American Federation of Labor, Chicago, Ill.
Cambridge Central Labor Union		(1)	American Federation of Labor, Cambridge, Mass.
United Brotherhood of Carpenters	82	926	American Federation of Labor, Beloit, Wis.
Do	2,000	314	American Federation of Labor, Madison, Wis.
Do	16	2994	American Federation of Labor, Plymouth, Wis.
Do	2,800	55	American Federation of Labor, Denver, Colo.
Carpenters Union	730	787	American Federation of Labor, Brooklyn, N. Y.
Do	978	488	American Federation of Labor, New York City.
Carpenters and Joiners	436		American Federation of Labor, East Weymouth, Mass.
Do	260	1550	American Federation of Labor, South Weymouth, Mass.
Do	510	1433	American Federation of Labor, Detroit, Mich.
Do	27	2351	American Federation of Labor, Rhinelander, Wis.
Do	60	1246	American Federation of Labor, Marinette, Wis.
Do	799	1053	American Federation of Labor, Milwaukee, Wis.
Do	150	1488	American Federation of Labor, Merrill, Wis.
Do	275	1594	American Federation of Labor, Wausau, Wis.
Do	118	1521	American Federation of Labor, Algoma, Wis.
Do	275	1074	American Federation of Labor, Eau Claire, Wis.
Do	175	161	American Federation of Labor, Kenosha, Wis.
Do	306	1577	American Federation of Labor, West Allis, Wis.
Do	88	1900	American Federation of Labor, Kewaunee, Wis.
Do	160	657	American Federation of Labor, Sheboygan, Wis.
Do	160	1382	American Federation of Labor, Rochester, Minn.
Do	1,500	87	American Federation of Labor, St. Paul, Minn.
Carpenters, North Shore	1,500		American Federation of Labor, Salem, Mass.
Carpenters		885	American Federation of Labor, Woburn, Mass.
Do	275	778	American Federation of Labor, Fitchburg, Mass.
Do	1,500	176	American Federation of Labor, Newport, R. I.

[1] 54 locals.

The carpenters and builders unions are particularly interested in this development because they realize the tremendous need for new homes which would ensue. They realize that not only would there be town homes to be built where small industries would be maintained or increased, but that thousands upon thousands of homes would be built for persons who live in other States and who maintain summer homes up in the hills, as they very properly should be.

Name	Membership	Local	Affiliation
Shop Carpenters	33	1092	American Federation of Labor, Salem Depot, N. H.
Carpenters' District Council	4,000		American Federation of Labor, Milwaukee, Wis.
Cabinet Makers' and Millmen's Union	135	1284	American Federation of Labor, Duluth, Minn.
United Celotex Workers	2,000	1189	Congress of Industrial Organizations, Marrero, La.
United Cement, Lime, and Gypsum Workers	158	177	American Federation of Labor, Bay Bridge, Ohio.
Do	95	174	American Federation of Labor, Louisville, Nebr.
Do	30,000	(1)	American Federation of Labor, Chicago, Ill.
Do	151	55	American Federation of Labor, West Conshohocken, Pa.
Do	263	19	American Federation of Labor, St. Louis, Mo.
Do	142	165	American Federation of Labor, Coldwater, Mich.
Do	450		American Federation of Labor, St. Louis, Mo.
Do	140	65	American Federation of Labor, Howes Cave, N. Y.
Do	162	25	American Federation of Labor, Concrete, Wash.
Do	423	92	American Federation of Labor, Bellefonte, Pa.
Do	105	101	American Federation of Labor, Devils Slide, Utah.
Do	262	5	American Federation of Labor, Dewey, Okla.
Do	550	8	American Federation of Labor, Bangor, Pa.
Do	728	115	American Federation of Labor, Northampton, Pa.
Do	280	17	American Federation of Labor, Nazareth, Pa.
Do	165	173	American Federation of Labor, Wampum, Pa.
Do	191	30	American Federation of Labor, Mitchell, Ind.
Do	449	107	American Federation of Labor, St. Louis, Mo.
Do	125	190	American Federation of Labor, Fort Collins, Colo.
Do	272	164	American Federation of Labor, Cape Girardeau, Mo.
Do	250	2	American Federation of Labor, Gardendale, Ala.
Do	94	75	American Federation of Labor, Fredonia, Kans.
Do	265	6	American Federation of Labor, Buffalo, Iowa.
Do	135	31	American Federation of Labor, Union Bridge, Md.
Do	165	179	American Federation of Labor, York, Pa.
Do	135	35	American Federation of Labor, Thomaston, Maine.
Central Labor Council of New Haven	15,000		American Federation of Labor, New Haven, Conn.
Central Labor Council of Fort Atkinson, Wis., and vicinity	1,100	(2)	American Federation of Labor, Fort Atkinson, Wis.
Central Labor Union of Wisconsin, Rapids, Wis	3,500		American Federation of Labor, Point Edwards, Wis.

[1] International.
[2] 11 locals.

Name	Membership	Local	Affiliation
Chasers Protective Union	50	17388	American Federation of Labor, New York City.
Chicago Federation of Labor			Chicago, Ill.
Chicago Heights Trades and Labor Assembly			Do.
South Chicago Trades and Labor Assembly			Do.
Citizens Lobby (Boston)		([3] [5])	Boston, Mass.
City and County Public Service Union (Duluth)	600	66	American Federation of Labor, Duluth, Minn.
Retail Clerks	138	27	Superior, Wis.
Do	400	11150	American Federation of Labor, New York City.
Amalgamated Clothing	300,000	([1])	Congress of Industrial Organizations, New York City.
Do		169	Do.
Do	2,100	24	Congress of Industrial Organizations, Newark, N. J.
Do	10,000	([6])	Congress of Industrial Organizations, Boston, Mass.
Do	1,350	280	Congress of Industrial Organizations, New York City.
Do	4,500		Congress of Industrial Organizations, Passaic, N. J.
Do	600	186	Congress of Industrial Organizations, Kingston, N. Y.
International Ladies' Garment Workers Union	250,000	([1])	American Federation of Labor.
Do	425	101	American Federation of Labor, San Francisco, Calif.
Do	85,000	([7])	American Federation of Labor, New York City.
Do	27,000	22	Do.
Do		144	American Federation of Labor, Newark, N. J.
Do		150	American Federation of Labor, South River, N. J.
Do		([8])	American Federation of Labor, Boston, Mass.
Do		([9])	American Federation of Labor, Cleveland, Ohio.
Do		113	American Federation of Labor, Peoria, Ill.
Do		329	American Federation of Labor, St. Louis, Mo.
Do		20	American Federation of Labor, New York City.
Do		323	American Federation of Labor, Richmond, Mo.
Do	3,000	105	American Federation of Labor, New York City.
Do		23	Do.
Do	100	75	American Federation of Labor, Worcester, Mass.
Do	550		American Federation of Labor, Detroit, Mich.

[1] International.
[3] 25 American Federation of Labor unions.
[4] 35 Congress of Industrial Organizations unions.
[5] 60 civic organizations.
[6] Joint board.
[7] Joint board, 32 locals.
[8] Joint board, 7 locals.
[9] Joint board, 11 locals.

The St. Lawrence seaway project seems to be one thing upon which the Amalgamated Clothing Workers and the International Ladies' Garment Workers appear to be absolutely agreed. I continue to read:

Name	Membership	Local	Affiliation
United Garment Workers	391	126	American Federation of Labor, Oshkosh, Wis.
Do	58	148	American Federation of Labor, Green Bay, Wis.
Colorado State Federation	60,000	([1])	American Federation of Labor, Denver, Colo.
American Communications Association	400	2	Congress of Industrial Organizations, New York City.
Riverside Consumers Cooperative			Buffalo, N. Y.
Brookline-Brighton Consumer League	30		Brookline, Mass.
United Construction Workers	798	91	Congress of Industrial Organizations, New York City.
Building and Construction Trades	10,000		American Federation of Labor, Kansas City, Mo.
Building and Construction Trades, Council, LaCrosse and vicinity, Wisconsin	1,000		LaCrosse, Wis.
Building and Construction Trades, Council, Minneapolis, Minn	10,000		American Federation of Labor, Minneapolis, Minn.
Dairy Workers	170	22139	American Federation of Labor, Detroit, Mich.
Dairy and Bakery Workers	335	87	Congress of Industrial Organizations, Saginaw, Mich.
Milk Drivers and Dairy Employees	105	511	American Federation of Labor, Kenosha, Wis.
United Retail, Wholesale and Department Store Employees			Congress of Industrial Organizations, New York City.
Do		104	Do.
Do	2,000	1250	Do.
Do	1,500	2	Do.
Do	400	4	Do.
Do	200	305	Congress of Industrial Organizations, Mount Vernon, N. Y.
Do		18	Congress of Industrial Organizations, Philadelphia, Pa.
Do	123	290	Congress of Industrial Organizations, Newark, N. J.
Do	800	15	Congress of Industrial Organizations, Chicago, Ill.
Do	4,000		Congress of Industrial Organizations, St. Louis, Mo.
Do	700	250	Congress of Industrial Organizations, Long Island City, N. Y.
Do	220	84	Congress of Industrial Organizations, Providence, R. I.
Do	1,000	543	Congress of Industrial Organizations, St. Louis, Mo.
Do	265	310	Do.
United Store Workers	25	152	Congress of Industrial Organizations, Ebensburg, Pa.
Retail Clothing Salesmen	75	1050	American Federation of Labor, Detroit, Mich.
Detroit and Wayne County Federation of Labor			Do.
Duluth school employees	126	956	American Federation of Labor, Duluth, Minn.
International Brotherhood of Electrical Workers	11	1222	American Federation of Labor, Denver, Colo.
Do		3	American Federation of Labor, New York City.
Do		817	Do.
Do	70	B1026	American Federation of Labor, Malden, Mass.
Do	80	764	American Federation of Labor, Keene, N. H.
Do	65	294	American Federation of Labor, Hibbing, Minn.
Do	80	610	American Federation of Labor, Philadelphia, Pa.
Do	1,050	326	American Federation of Labor, Lawrence, Mass.
Do	28	B1046	American Federation of Labor, Bridgeport, Conn.
Do	554	B1063	American Federation of Labor, Detroit, Mich.
Do	160	B1050	Do.
Do	1,100	B160	American Federation of Labor, Minneapolis, Minn.
Do	54	696	American Federation of Labor, New Iberia, La.
Electrical Workers	142	B437	American Federation of Labor, Fall River, Mass.
Do	450	B130	American Federation of Labor, New Orleans, La.
Do	1,500	58	American Federation of Labor, Detroit, Mich.
United Electrical, Radio, and Machine Workers	22,000	301	Congress of Industrial Organizations, Schenectady, N. Y.
Do	6,500	1225	Congress of Industrial Organizations, Brooklyn, N. Y.
Do	5,000	232	Congress of Industrial Organizations, New Britain, Conn.
Do	3,000	203	Congress of Industrial Organizations, Bridgeport, Conn.
Do	700	308	Congress of Industrial Organizations, Tonawanda, N. Y.
Do	1,000	316	Congress of Industrial Organizations, Buffalo, N. Y.
Do	450	307	Congress of Industrial Organizations, Jamestown, N. Y.
Do	10,000	475	Congress of Industrial Organizations, Brooklyn, N. Y.

[1] State federation.

Name	Membership	Local	Affiliation
International Union of Elevator Constructors	150	36	American Federation of Labor, Detroit, Mich.
Do	55	15	American Federation of Labor, Milwaukee, Wis.
International Union of Operating Engineers	40	352	American Federation of Labor, Lowell, Mass.
Do			American Federation of Labor, Washington, D. C.
Do	65	100	American Federation of Labor, Providence, R. I.
Do	2,440	(2)	American Federation of Labor, Milwaukee, Wis.
Do	700	311, 311A	Do.
Do	4,000	150	American Federation of Labor, Chicago, Ill.
Do	300	327	American Federation of Labor, Detroit, Mich.
Do	1,500	15	American Federation of Labor, New York City.
Do	26	336	American Federation of Labor, Battle Creek, Mich.
Do	5,500	18	American Federation of Labor, Cleveland, Ohio.
Do	12	780	American Federation of Labor, Kenosha, Wis.
Do	1,500	49	American Federation of Labor, Minneapolis, Minn.
New York Regional Council of United Federal Workers	5,000	(3)	Congress of Industrial Organizations, New York City.
Federal Labor Union	16	22869	American Federation of Labor, Winona, Minn.
Do	361	18518	American Federation of Labor, Chicopee, Mass.
Do	165	20582	American Federation of Labor, Springfield, Mass.
Do	130	18545	American Federation of Labor, Sheboygan, Wis.
Do	325	20690	American Federation of Labor, Warsaw, Wis.
Uniform Firemen's Association	500	82	American Federation of Labor, Minneapolis, Minn.
International Brotherhood of Firemen and Oilers	85	937	International Falls, Minn.
Mankato Fire Fighters Association	18	579	American Federation of Labor, Mankato, Minn.
Winona Fire Fighters Association	33	575	Winona, Minn.
Red Wing Fire Fighters	11	599	Red Wing, Minn.
United Retail and Wholesale Food	28	315	Congress of Industrial Organizations, Atlanta, Ga.
Fur Dyers Union		80	Congress of Industrial Organizations, New York City.
Fancy Fur Dyers Union		88	Do.
Fur Floor and Shipping Clerks		125	Do.
Fur Merchants Employees		64	Do.
Fur and Leather (leather handlers)	75	308	American Federation of Labor, Boston, Mass.
Lamb and Rabbit Workers		85	Congress of Industrial Organizations, New York City.
Fur Workers	50	94	Congress of Industrial Organizations, Duluth, Minn.
International Fur and Leather Workers			Congress of Industrial Organizations, New York City.
Do	65	89	Congress of Industrial Organizations, St. Louis, Mo.
Do	65	240	Congress of Industrial Organizations, Emporium, Pa.
Do	1,100	201	Congress of Industrial Organizations, Wilmington, Del.
New Haven Fur Workers Union	50	84	Congress of Industrial Organizations, New Haven, Conn.
United Furniture Workers	2,000	154	Congress of Industrial Organizations, Gardner, Mass.
Upholsterers International Union of North America	50,000		American Federation of Labor, Philadelphia, Pa.
Garage Washers and Polishers	5,800	272	American Federation of Labor, New York City.
Glaziers Union	550	1087	Do.
American Federation of Grain Processors	250	19199	American Federation of Labor, Superior, Wis.
Do	1,700	19152	American Federation of Labor, Minneapolis, Minn.
Hat Workers Union	2,500	60	American Federation of Labor, Philadelphia, Pa.
United Hatters	150	29	American Federation of Labor, Fall River, Mass.
United Hatters, Cap, and Millinery	300	11	American Federation of Labor Danbury, Conn.
United Hatters	27	1	Do.
Do	80	100	American Federation of Labor, Michigan City, Ind.
International Hod Carriers and Common Laborers Union	400	363	American Federation of Labor, Minneapolis, Minn.
Do	80	1,107	American Federation of Labor, New London, Wis.
Do	400	317	American Federation of Labor, Eau Clair, Wis.
Do	604	29	American Federation of Labor, New York City.
Laborers District Council of Milwaukee and Vicinity	4,000	(4)	American Federation of Labor, Milwaukee, Wis.
International Laborers Local (Hod Carriers)	5,000	334	American Federation of Labor, Detroit, Mich.
Hotel and Restaurant Waiters and Waitresses Union		2	American Federation of Labor, Brooklyn, N. Y.
Hotel and Restaurant	300	164	American Federation of Labor, Hempstead, L. I.
Waiters Union	3,500	1	American Federation of Labor, New York City.
Chain Service Employees	3,000	42	Do.
Cooks, Countermen, Soda Dispensers	3,000	325	American Federation of Labor, Brooklyn, N. Y.

[2] Wisconsin State.
[3] 16 locals.
[4] District Council B39.

Unions representing practically every line of work in the whole United States have endorsed the seaway. Sometimes I think the members of the unions have a clearer vision of what is ahead of us and what our needs will be than have others who have been very eminently successful in life, and are perfectly satisfied to let things remain as they are. The list continues:

Name	Membership	Local	Affiliation
Culinary Workers	200		American Federation of Labor, Providence, R. I.
Beverage Dispensers		346	American Federation of Labor, Minneapolis, Minn.
Housewives League	100		Boston, Mass.
Bridgeport Industrial Union Council			Congress of Industrial Organizations, Bridgeport, Conn.
Capital District Industrial Union Council	50,000	(1)	Congress of Industrial Organizations, Schenectady, N. Y.
Greater Buffalo Industrial Union Council		(2)	Congress of Industrial Organizations, Buffalo, N. Y.
Minnesota State Industrial Union Council	35,000		Congress of Industrial Organizations, Minneapolis, Minn
Milwaukee County Industrial Union Council	70,000		Congress of Industrial Organizations, Milwaukee, Wis.
Greater Newark Industrial Union Council			Congress of Industrial Organizations, Newark, N. J.
New Jersey State Industrial Union Council	300,000		Congress of Industrial Organizations.
Los Angeles Industrial Union Council			Congress of Industrial Organizations, Los Angeles, Calif.
Rhode Island State Industrial Union Council	40,000		Congress of Industrial Organizations, Providence, R. I.
South Jersey Industrial Union Council	55,000		Congress of Industrial Organizations, Camden, N. J.
Des Moines Industrial Union Council	20,000		Congress of Industrial Organizations, Des Moines, Iowa.
New York State Industrial Union Council			Congress of Industrial Organizations, New York City.
Wisconsin State Industrial Union Council	100,000		Congress of Industrial Organizations, Milwaukee, Wis.
Industrial Insurance Agents Union	1,000	41	Congress of Industrial Organizations, Boston, Mass.
Iowa State Federation of Labor			American Federation of Labor, Des Moines, Iowa.
International Jewelry Workers		1	American Federation of Labor, New York City.
Do	10,000		Do.
Jewelry, Tool Makers, and Die Cutters	400	129	American Federation of Labor, Providence, R. I.
Joan of Arc Victory Committee	125		American Federation of Labor, New York City.
Labor's Non-Partisan League	40,000		Congress of Industrial Organizations, New Haven, Conn.
Lapel Makers and Pairers Union	600	161	Congress of Industrial Organizations, New York City.
Lake County (Independent) Central Labor Union			
United Laundry Workers Union	200	271	Congress of Industrial Organizations, Schenectady, N. Y.
Laundry Workers and Cleaners	1,000	183	Congress of Industrial Organizations, Minneapolis, Minn.
National Association of Letter Carriers	1,250	1	American Federation of Labor, Detroit, Mich.
Do	7	806	American Federation of Labor, Fergus Falls, Minn.
Do	392	28	American Federation of Labor, St. Paul, Minn.

[1] 22 unions.
[2] 60 unions.

Name	Membership	Local	Affiliation
United Leather Workers International Union	350	77	American Federation of Labor, Racine, Wis.
Amalgamated Lithographers of America	350	7	American Federation of Labor, Milwaukee, Wis.
Retail Wine and Liquor Clerks	534		American Federation of Labor, New York City.
International Longshoremen's Association	100	822	American Federation of Labor, East Boston, Mass.
Do	300	815	American Federation of Labor, Milwaukee, Wis.
Seafood Workers Union	1,100	2	American Federation of Labor, Boston, Mass.
United Locomotive Workers Union	6,000	2054	Congress of Industrial Organizations, Schenectady, N. Y.
Luggage and Novelty Workers	400	65	American Federation of Labor, Fall River, Mass.
Lumber and Sawmill Workers	72	2806	American Federation of Labor, Tigerton, Wis.
International Association of Machinists	721	34	American Federation of Labor, Kenosha, Wis.
Do	4,180	66	American Federation of Labor, Milwaukee, Wis.
Do	70	1037	American Federation of Labor, Hopkins, Minn.
Do	14	1198	American Federation of Labor, Mankato, Minn.
Riverside Lodge (machinists)	116	1,415	American Federation of Labor, Fond du Lac, Wis.
Auto Mechanics	75	697	American Federation of Labor, Manville, R. I.
Mailers Union	230	40	American Federation of Labor, Detroit, Mich.
National Maritime Union	400		Congress of Industrial Organizations, Buffalo, N. Y.
Industrial Union of Marine and Shipbuilding Workers		42	Congress of Industrial Organizations, Philadelphia, Pa.
Do			Congress of Industrial Organizations, Camden, N. J.
Union of Marine Draftsmen and Technicians	250	24	Congress of Industrial Organizations, New York City.
Massachusetts State Congress of Industrial Organizations			Congress of Industrial Organizations, Boston, Mass.
Minneapolis City and County Employees	630	9	American Federation of Labor, Oak Terrace, Minn.
Amalgamated Meat Cutters		623	American Federation of Labor, New York City.
Do	35	477	American Federation of Labor, Eveleth, Minn.
Do	1,050	653	American Federation of Labor, Minneapolis, Minn.
Millinery Workers Union	20,000	2, 24, 42, 90	American Federation of Labor, New York City.
Do	300	95	American Federation of Labor, Atlanta, Ga.
Do		41	American Federation of Labor, Los Angeles, Calif.
Do	280	50	American Federation of Labor, Milwaukee, Wis.
United Hatters, Cap and Millinery Workers		(3)	American Federation of Labor, New York City.
International Alliance of Theatrical, Stage and Moving Picture Machine Operators.	19	655	American Federation of Labor, Sheboygan, Wis.
Southbridge Musicians Association	40	494	American Federation of Labor, Southbridge, Mass.
Milwaukee Musicians Association	1,400	8	American Federation of Labor, Milwaukee, Wis.
St. Paul Musicians Association	1,001	30	American Federation of Labor, St. Paul, Minn.
American Federation of Musicians	200	173	American Federation of Labor, Fitchburg, Mass.
Metal Polishers, Buffers, Platers, and Helpers	20,000		American Federation of Labor, Cincinnati, Ohio.
Do		139	American Federation of Labor, Northampton, Mass.
Do	501	66	American Federation of Labor, Louisville, Ky.
Metal Polishers	1,400	1	American Federation of Labor, Detroit, Mich.
Sheet Metal Workers	27	158	American Federation of Labor, Sheboygan, Wis.
Do	250	76	American Federation of Labor, St. Paul, Minn.
Do	50	32	American Federation of Labor, Duluth, Minn.
Fabricated Metal Workers	655	19340	American Federation of Labor, Milwaukee, Wis.
United Office and Professional Workers	5,000	16	Congress of Industrial Organizations, New York City.
Do	1,500	109	Do.
Office Workers' Union	125	21276	Congress of Industrial Organizations, Duluth, Minn.
Do	300	16456	Congress of Industrial Organizations, Milwaukee, Wis.
United Optical Workers Union	2,500	208	Congress of Industrial Organizations, New York City.
United Packinghouse Workers	1,200	11	Congress of Industrial Organizations, Cambridge, Mass.
International Brotherhood of Papermakers	40	149	American Federation of Labor, Sartell, Minn.
Do	254	319	American Federation of Labor, Rothschild, Wis.
Do	186	227	American Federation of Labor, Peshtigo, Wis.
Do	102	159	American Federation of Labor, International Falls, Minn.
Brotherhood of Painters, Decorators, and Paperhangers of America	250	636	American Federation of Labor, Culver City, Calif.
Do	9,000	(4)	American Federation of Labor, New York City.
Do	2,000	(5)	American Federation of Labor, Brooklyn, N. Y.
Do	160,000		American Federation of Labor, Lafayette, Ind.
Do	92	108	American Federation of Labor, Racine, Wis.
Do	38	882	American Federation of Labor, Hibbing, Minn.
Do	60	797	American Federation of Labor, Fredericksburg, Va.
Do	21	667	American Federation of Labor, Titusville, Pa.
Do	10	295	American Federation of Labor, Westville, Ill.
Do	55	393	American Federation of Labor, Wichita Falls, Tex.
Do	40	1205	American Federation of Labor, Bristol, Va.
Do		616	American Federation of Labor, Tucumcari, N. Mex.
Do	65	431	American Federation of Labor, Marion, Ill.

[3] International. [4] 11 locals. [5] 6 locals.

The list gives the membership as 160,000 at Lafayette, Ind., and 2,000 at Brooklyn. I think those figures are reversed. The list continues:

Name	Membership	Local	Affiliation
Painters	130	48	American Federation of Labor, Worcester, Mass.
Do	42	247	American Federation of Labor, Salem, Mass.
Do	72	175	American Federation of Labor, Fitchburg, Mass.
Do	10	771	American Federation of Labor, Gardner, Mass.
Do	1,200	781	American Federation of Labor, Milwaukee, Wis.
Do	70	934	American Federation of Labor, Kenosha, Wis.
Do	65	1077	American Federation of Labor, Johnson City, Tenn.
Do		753	American Federation of Labor, Dothan, Ala.
Do	257	31	American Federation of Labor, Syracuse, N. Y.
Do	300	318	American Federation of Labor, Fort Worth, Tex.
Do	175	90	American Federation of Labor, Springfield, Ill.
Paperhangers	64	258	American Federation of Labor, Everett, Mass.
Plasterers Union	400	10	American Federation of Labor, Boston, Mass.
Do	300	850	American Federation of Labor, Detroit, Mich.
Operative Plasterers and Cement Finishers International Association	310	557	American Federation of Labor, Minneapolis, Minn.
Lynn Association Pattern Makers League	96		American Federation of Labor, West Lynn, Mass.
International Brotherhood of Pulp, Sulphite, and Paper Mill Workers	200	324	American Federation of Labor, Appleton, Wis.
Do	750	107	American Federation of Labor, New York City.
Do	465	158	American Federation of Labor, Cloquet, Minn.
United Association of Journeymen Plumbers and Steamfitters of United States and Canada.	46	589	American Federation of Labor, Hibbing, Minn.
Do	35	401	American Federation of Labor, Sheboygan, Wis.
National Association of Post Office Laborers	350	9	American Federation of Labor, Roxbury, Mass.
National Federation of Post Office Clerks	21	577	American Federation of Labor, Sheboygan, Wis.
Do	677	3	American Federation of Labor, Milwaukee, Wis.
American Federation of Government Employees	24	178	American Federation of Labor, Springfield, Mass.

Name	Membership	Local	Affiliation
Brockton Printing Pressmen	20	102	American Federation of Labor, Brockton, Mass.
Minneapolis Printing Pressmen and Assistants' Union	500	20	American Federation of Labor, Minneapolis, Minn.
Pressmen's Union	36	237	American Federation of Labor, Winona, Minn.
Milwaukee Allied Printing Trades Council	1,500	----------	American Federation of Labor, Milwaukee, Wis.
Brotherhood of Railway Carmen of America	24	685	American Federation of Labor, Ashland, Wis.
Do	156	499	American Federation of Labor, West Allis, Wis.
Amalgamated Association of Street, Electric Railway, and Motor Coach Employees,	36	1310	American Federation of Labor, Eau Claire, Wis.
Sheboygan Central Labor Council	85	----------	American Federation of Labor, Sheboygan, Wis.
Boot and Shoe Workers Union	550	378	American Federation of Labor, Watertown, Wis.
Do	140	686	American Federation of Labor, Wausau, Wis.
Do	58	419	American Federation of Labor, St. Paul, Minn.
Do	160	197	American Federation of Labor, Sheboygan, Wis.
Lasters, Brotherhood of Shoe Allied Craftsmen	1,100	----------	Independent, Brockton, Mass.
Heelers Local, Brotherhood of Shoe Allied Craftsmen	275	----------	Do.
Webster Shoe Workers Independent Union	1,300	----------	Independent, Webster, Mass.
United Shoe Workers of America	250	141	Congress of Industrial Organizations, Binghamton, N. Y.
Do	10,000	(1)	Congress of Industrial Organizations, New York City.
State, county, and municipal workers	(2)	(2)	Do.
Do	----------	80	Congress of Industrial Organizations, Albany, N. Y.
Do	700	----------	Congress of Industrial Organizations, Philadelphia, Pa.
American Federation of State, County, and Municipal Employees	30	426	American Federation of Labor, Milwaukee, Wis.
Do	50	47	Do.
Do	200	151	American Federation of Labor, St. Paul, Minn.
United Steel Workers of America	837	1809	Congress of Industrial Organizations, Worcester, Mass.
Do	250	----------	Congress of Industrial Organizations, Providence, R. I.
Do	900	1561	Do.
Stone Masons and Marble Masons	100	----------	American Federation of Labor, Boston, Mass.
Marble Cutters and Setters Union	800	----------	American Federation of Labor, New York City.
Switchmen's Union	110	107	American Federation of Labor, Superior, Wis.
Work Projects Administration Teachers Union	----------	----------	Independent, New York City.
Teachers Union of the City of New York	----------	----------	Do.
New York College Teachers Union	----------	----------	Do.
Floodwood Federation of Teachers	18	506	American Federation of Labor, Floodwood, Minn.
American Federation of Teachers	----------	567	American Federation of Labor, Pueblo, Colo.
International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers.	700	619	American Federation of Labor, Manitowoc, Wis.
Do	----------	----------	American Federation of Labor, Michigan.
Terrazzo Workers Helpers	36	37	American Federation of Labor, Roxbury, Mass.
Tile Layers Protective Union	41	5	American Federation of Labor, Milwaukee, Wis.
Roofers Local	250	65	Do.
Do	36	73	American Federation of Labor, Duluth, Minn.
United Textile Workers of America	----------	1813	American Federation of Labor, Allston, Mass.
Do	45	2639	American Federation of Labor, Grafton, Wis.
Textile Workers Union of America	7,000	1 and 489	Congress of Industrial Organizations, Amsterdam, N. Y.
Do	25	98	Congress of Industrial Organizations, New York City.
Do	----------	----------	Congress of Industrial Organizations, Utica, N. Y.
Do	700	129	Congress of Industrial Organizations, Oswego, N. Y.
United Paper Novelty and Toy Workers International Union	1,800	61, 59	Congress of Industrial Organizations, Leominster, Mass.
Boston Women's Trade Union League	----------	----------	Consumer, Boston, Mass.
Neenah-Menasha Trades and Labor Council	3,500	(4)	American Federation of Labor, Menasha, Wis.
Federated Trades Council of Milwaukee	----------	----------	American Federation of Labor, Milwaukee, Wis.
Federated Trades Assembly	10,000	----------	American Federation of Labor, Duluth, Minn.
Truck Drivers Union	1,200	653	American Federation of Labor, Brockton, Mass.
Transport Workers Union	90,000	(5)	Congress of Industrial Organizations, New York City.
Do	247	159	Congress of Industrial Organizations, Schenectady, N. Y.
New York Typographical Union	----------	6	American Federation of Labor, New York City.
Canon City Typographical Union	9	425	American Federation of Labor, Canon City, Colo.
Utility Workers Organizing Committee	----------	----------	Congress of Industrial Organizations, New York City.
United Federated War Workers Union	----------	101	Do.
Virginia State Federation of Labor	----------	----------	American Federation of Labor, Richmond, Va.
United Wallpaper Craftsmen	10	9	American Federation of Labor, Shrewsbury, Mass.
United Warehouse Employees	450	676	Congress of Industrial Organizations, St. Louis, Mo.
Wholesale and Warehouse Workers Union	16,000	65	Congress of Industrial Organizations, New York City.
United Wholesale, Warehouse, and Delivery Employees	500	363	Congress of Industrial Organizations, Toledo, Ohio.
Window Trimmers and Displaymen's Union	----------	----------	Congress of Industrial Organizations, New York City.
American Fordrinier Wire Finishers Association	21	21016	American Federation of Labor, Brooklyn, N. Y.
Wood, Wire and Metal Lathers	250	6	American Federation of Labor, Richmond Hill, New York City.
Do	75	10	American Federation of Labor, Milwaukee, Wis.

[1] Joint Council No. 13.
[2] 14,000 to 15,000.
[3] 25 locals.
[4] 24 locals.
[5] International.

I have just a few which have been received recently, within the last 2 or 3 months, as follows:

Building and Construction Trades Council, 85 West Western Avenue, Muskegon, Mich., Henry TerBorg, secretary; Carpenters Local No. 2060, Logansport, Ind., 434 Washington Street, Lambert Halsema, vice president; Basic Building Trades Council, 309 South Franklin Street, Syracuse, N. Y., Arthur Peil, secretary; Toledo Central Labor Union, 912 Adams Street, Toledo 2, Ohio, George J. Englert, executive secretary; Building and Construction Trades Council, 216⅓ East Monroe Street, Springfield, Ill., J. Earl Welch, recording secretary; Federation of Labor, Lancaster, Ohio, Ted Purcell, secretary; Dearborn County Central Labor Union, 408 Shipping Street, Lawrenceburg, Ind., Hobert Autterson, acting recording secretary; Central Labor Union, Marion, Ind., Margaret Barton, secretary; Central Trades and Labor Council, 16 State Street, Rochester 4, N. Y., Arthur Patrick Farren; Building and Construction Trades Council, 317 Cherry Street, Jamestown, N. Y., Murray F. Horn, recording secretary; Ithaca Central Labor Union, 134 East State Street, Ithaca, N. Y., Dorothy Marcuse, secretary; Twin City Federation of Labor, Champaign-Urbana, Ill., W. H. Thompson, secretary; Port Washington Trades and Labor Council, Port Washington, Wis., Edward Fay, secretary.

Building Trades Council, Fitchburg, Mass., Charles E. Hartford, corresponding secretary; Central Labor Union of Indianapolis, 136 East Market Street, Indianapolis, Ind., Clyde McCormack, business manager; Meadville Building and Construction Trades Council, Meadville, Pa., Merle E. Jannot; Federation of Labor, Park and Montcalm, Detroit 1, Mich., Frank X. Martell, president; Building and Construction Trades Council, 401½ Franklin Street, Michigan City, Ind., M. C. Meyn, recording secretary; Carpenters District Council, John G. Ross, secretary, 40 Waverley Street, Waverley 79, Mass.; Central Labor Council, Sheboygan, Wis., Andrews Beimel, secretary, 2206 North Eighteenth Street; Building and Construction Trades Council, 418 Auditorium Street, St. Paul, Minn., Frank J. Thill, secretary; Stamford Structural Building Trades Alliance, 67 Gay Street, Stamford, Conn., Louis H. Hardvall, secretary.

The State Federation of Labor of New York State has for the first time gone on record this year as favoring the St. Lawrence seaway and power project.

The State Federation of Vermont and the State C. I. O. organizations of Vermont have both adopted resolutions favoring the seaway for the first time this year.

Mr. President, I appreciate the indulgence of the Senate in listening to this rather dry presentation of the supporters of the St. Lawrence seaway and power project. As I have said, I understand that there are four Senators who

desire to speak tomorrow on the bill in connection with the St. Lawrence seaway and power development, so far as it affects the river and harbor program.

IMPOSITION OF PENALTIES AND PAYMENT OF DETENTION EXPENSES INCIDENT TO BRINGING ALIENS INTO THE UNITED STATES

During the delivery of Mr. AIKEN'S address:

Mr. RUSSELL. Mr. President, I wonder if the Senator from Vermont would be generous enough to permit the Chair to lay down a message from the House of Representatives on a Senate bill which passed in September, in order that we may take action on certain amendments.

Mr. AIKEN. I shall be glad to yield for that purpose.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 963) relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States, which were:

1. Page 1, line 11, strike out all after "if" over to and including "and" in line 1 of page 2.
2. Page 2, line 2, after "13", insert "(a) (1) or (3)."
3. Page 2, line 14, strike out all after "if" down to and including "and" in line 16.
4. Page 2, line 17, after "13", insert "(a) (1) or (3)."
5. Page 3, line 8, strike out all after "embarkation" down to and including "issued" in line 11.
6. Page 3, strike out all of section 4.

Mr. RUSSELL. I move that the Senate concur in House amendments 1 to 5, inclusive.

The motion was agreed to.

Mr. RUSSELL. I now move that the Senate insist upon its position on amendment No. 6, and reject the amendment of the House.

The motion was agreed to.

INTERNAL DEVELOPMENT OF THE VIRGIN ISLANDS

Mr. ELLENDER. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily and that the Senate proceed to consider House bill 5029, Calendar 1323. I have discussed the matter with the acting majority leader, and I understand the minority leader has been consulted as well, and there is no objection.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5029) to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WHITE. I want to be sure I am correct in my understanding of the proposed legislation. It is my belief that it deals with school facilities, water facilities, sanitation districts, communication facilities, and other public works of that general character.

Mr. ELLENDER. The Senator is correct. It simply authorizes an appropriation for that purpose. The committee has amended the bill by giving preference to certain named projects which are to be undertaken first.

Mr. WHITE. I hope. Mr. President, that the bill will be passed.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. ELLENDER. I yield.

Mr. HILL. I understand the bill has the unanimous approval of the Committee on Territories and Insular Affairs.

Mr. ELLENDER. The Senator is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisana.

There being no objection, the Senate proceeded to consider the bill (H. R. 5029) to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes, which had been reported from the Committee on Territories and Insular Affairs, with amendments.

The first amendment was, on page 2, line 7, after the word "project", to insert *Provided further*, That items 2, 3, 4, 7, 8, 9, 14, 16, and 17 shall have priority over others of the projects on the islands of St. Thomas and St. John, and items 19, 20, 22, 27, and 29 shall have priority over others of the projects on the island of St. Croix: *Provided further*, That funds shall be available for the purposes specified in section 2 on other projects without regard to the priorties so established."

The amendment was agreed to.

The next amendment was, on page 7, line 20, after "$10,028,420", to strike out "to be immediately available and to remain available until expended", and insert "$2,028,420 to be available in 1945, and $2,000,000 in each of the following 4 years, each yearly sum to remain available until expended."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

STATEMENT BY SECRETARY OF STATE STETTINIUS ON THE SITUATION IN GREECE

Mr. HILL. Mr. President, this morning at his press conference the Secretary of State, Mr. Stettinius, was asked this question:

Is there anything which you can tell us about the situation in Greece?

Mr. Stettinius' answer to the question was:

I was interested to note that in his statement on the subject on December 5, Prime Minister Churchill told the House of Commons the following: "Our own position, as I have said, is extremely clear. Whether the Greek people form themselves into a monarchy or republic is for their decision. Whether they form a government of the right or left is for their decision. These are entirely matters for them." With this statement, I am in full agreement. It is also our earnest hope that the people and authorities of Greece and our British allies will work together in rebuilding that ravished country.

Mr. President, I want to express my agreement with Secretary Stettinius. I am sure that the American people strongly feel that the people of Greece have the right to choose their own form of government without interference or dictation from any other government. Any such interference or dictation would be contrary to and in violation of one of the fundamental rights for which we are carrying on the present war.

BILLS AFFECTING THE DISTRICT OF COLUMBIA

Mr. BILBO. Mr. President, I want to ask permission to call up the bills on the calendar affecting the District of Columbia. I wish to say that they are largely House bills which have been on the calendar for some time. The Senate committee, after a thorough reading and understanding of them, has reported the bills unanimously.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. WHITE. Reserving the right to object, I wish to say that I talked with the Senator from Mississippi about these bills a few days ago. There are 17 of them on the calendar, as I recall.

Mr. BILBO. Yes.

Mr. WHITE. Fourteen of them are House bills and three are Senate bills.

Mr. BILBO. Yes.

Mr. WHITE. I have made as careful a canvass as I could of the minority members of the Committee on the District of Columbia which reported the bills. I have found no objection on the part of the committee members to the consideration of or to the passage of these bills. I have not, however, had any opportunity to talk with the membership generally, and I hope the Senator from Mississippi, at this time, with simply a handful of Senators on the floor, will not ask for consideration of the bills, but that he will do so at some time during the earlier part of a day when there is present a substantial number of Senators, at which time I will give the Senator from Mississippi as much aid as I can in securing consideration and passage of the bills. I do not feel that we ought to attempt to take action on them now.

Mr. BILBO. I am in thorough sympathy with the feeling which the Senator from Maine has expressed, but I do not have any chance to call up the bills for consideration when there is a fuller attendance of Members. I have pleaded with my friend the Senator from Louisiana [Mr. OVERTON] to request that the pending bill be laid aside so action can be had on the District of Columbia bills. Discussion of the bill now under consideration seems to have no end. The Senator from Louisiana suggested that I wait until the close of the day and then make my request. That is why I made the request now. I have no desire, however, to press unduly for the passage of the bills.

Mr. WHITE. Mr. President, I repeat what I said, that in justice to Senators who are absent, I do not feel that I can now consent to the request made by the

Senator from Mississippi, but I hope that an appropriate time will soon be found for consideration of the District of Columbia bills.

Mr. BILBO. May I ask the Senator from Louisiana when he thinks we might have action on the bills?

Mr. OVERTON. Mr. President, I propound a unanimous-consent request, so as to put all Senators on notice, that tomorrow afternoon at the hour of 5 the unfinished business be temporarily laid aside in order that the District of Columbia bills may be brought up for consideration and passage, with the understanding that they will be disposed of entirely tomorrow.

Mr. HILL. Mr. President, let me ask the Senator from Louisiana a question. Would it not serve his purpose just as well not to make the unanimous-consent request tonight, but rather to serve notice now that the request will be made at 5 o'clock tomorrow afternoon, or approximately that time? It might be that some very important matter will be under consideration at 5 o'clock tomorrow, and, if agreeable to the Senator's unanimous-consent request, the order were entered now, it would mean that when the hands of the clock came to 5 o'clock tomorrow afternoon, at exactly that hour the Chair would have to proceed to lay aside the then pending business, and permit the Senator from Mississippi to call up the District of Columbia bills. It seems to me, Mr. President, it would serve the purpose just as well if the Senator from Louisiana were now to give notice that it is his intention to yield tomorrow so the Senator from Mississippi may call up these bills, and that it is the intention of the Senator from Mississippi to call them up at about 5 o'clock tomorrow afternoon.

Mr. OVERTON. That will be satisfactory, if it meets with the approval of the minority leader.

Mr. WHITE. That is agreeable to me. I simply wanted to have notice given to absent Senators that District of Columbia bills were coming up for consideration.

Mr. BILBO. That is perfectly satisfactory to me. Some of the bills are really emergency measures, and I should be glad to have them passed.

Mr. WHITE. I said a moment ago that I have talked with various minority Members. In particular I asked the Senator from Ohio [Mr. BURTON] to give them study, and he, with his usual painstaking care, has gone through each and every bill and, I understand, has indicated to me his approval of them. I think that is partially true, at least to some extent, of all the minority members of the District of Columbia Committee with whom I came in contact. I think there will be no opposition to the bills on this side of the Chamber. At least, I hope not.

Mr. BILBO. I know of no opposition, Mr. President, to any of these bills, either among the members of the committee or on the part of Members of the Senate outside the committee. The only measure concerning which there was very much controversy we promptly killed, so that measure is not before us.

Mr. ELLENDER. Mr. President, has the distinguished acting majority leader any idea when the calendar will be called?

Mr. HILL. I will say to the distinguished Senator from Louisiana that we hope to call the calendar very shortly, at which time we hope to take up all unobjected-to bills on the calendar.

Mr. ELLENDER. My reason for asking that question is that the Committee on Claims has made a diligent effort to report all bills which have come before it, and unless something is done soon they may die on the calendar.

Mr. HILL. I will say to the Senator from Louisiana that I do not know of a more diligent, a more conscientious, or a more devoted chairman of a committee than is the distinguished chairman of the Claims Committee, the Senator from Louisiana [Mr. ELLENDER]. He has worked well and hard to have the bills reported from the committee. It is the intention to call the calendar just as soon as we can so as to have an opportunity to consider unobjected-to bills.

Mr. ELLENDER. I thank the Senator.

Mr. OVERTON. Mr. President, may I inquire of the acting majority leader whether he contemplates that there shall be a session of the Senate on Saturday if we do not dispose of the pending bill by that time?

Mr. HILL. Of course, the desire is to finish the pending bill as soon as possible. I will say to the Senator that I shall be glad to confer with him tomorrow, when we see what progress we shall have made on the bill, as to the possibility of a session on Saturday. The idea is to make as much progress as possible on the bill.

Mr. OVERTON. I thank the Senator.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Finance:

Charles F. Murphy, of Jamaica Plain, Mass., to be comptroller of customs in customs collection district No. 4, with headquarters at Boston, Mass., to fill an existing vacancy; and

Victor Russell, of Port Arthur, Tex., to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex. (reappointment).

By Mr. WALSH, from the Committee on Naval Affairs:

Commodore Ellery W. Stone, United States Naval Reserve, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as Chief Commissioner of the Allied Mediterranean Commission.

The PRESIDING OFFICER (Mr. WEEKS in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of Alexander C. Kirk to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. HILL. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

That completes the calendar.

Mr. HILL. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 11 minutes p. m.) the Senate took a recess until tomorrow, Friday, December 8, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 7 (legislative day of November 21), 1944:

FOREIGN SERVICE

Alexander C. Kirk, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY

To be second lieutenants, Infantry

Douglas Monroe Benbrook
Joseph Anthony Bohnak
Edgar Nicholas Glotzbach
Leroy Arthur Guest
Wilford LeRoy Harrelson, Jr.
Jules Ord Hendricks
Dallas Wilkinson Hoadley
John Merlin Hunter
Clifford Joseph Kalista
Maurice Wesley Kendall
Jonathan Frederic Ladd
John Browder Longley
Ben Hugh Lowry
George Horace Ried
William Bruce Robertson
Edward Ellis Smith
Robert Orion Smythe
Thomas Elton Terry
James Vardaman Thompson
Frederick Alven Wells

To be second lieutenants, Cavalry

William Francis Callahan, Jr.
John Hamilton Irving, Jr.

To be second lieutenants, Field Artillery

Philip Myers Chamberlain, Jr.
Ralph William Deuster
William Jefferson Galloway
James Marion Kidd, Jr.
Charles Ledyard McCord
Billy Murray McCormac
William Charles McKamy
Robert Louis Perdue
Lawrence Harrison Rogers 2d

Carroll Hamilton Wood
E. T. York, Jr.

To be second lieutenants, Coast Artillery Corps

Aaron George Amacher
Spencer Roe Baen
Stanley Marlin Block
John William McConnell, Jr.
Frank Watt Rose, Jr.
Vernon Roberts Widerquist

To be second lieutenants, Corps of Engineers

Edsel Jay Burkhart
William George Donaldson
John Irwin Dye
Stephen Charles Kaffer

To be second lieutenants, Signal Corps

Daniel Overton
George Murrell Snead, Jr.

To be second lieutenants, Ordnance Department

George Henry Childers
Walter Edward Rafert

To be second lieutenant, Chemical Warfare Service

David Mortimer Falk

To be second lieutenants, Quartermaster Corps

William Wooldridge Dillard
Robert Bruce Stiles

To be first lieutenants, Medical Corps

William Karl Barton
Wayne Peter Beardsley
John Joseph Graff
Hal Bruce Jennings, Jr.
Voris Francis McFall
Wayne Creekmore Pittman
Joseph Gilbert Rogers
Carlton Willard Sargent
Walter Frank Smejkal

To be second lieutenant, Pharmacy Corps

Jack Williamson McNamara

POSTMASTERS

CALIFORNIA

Catherine V. Andrews, Los Nietos.
Charles K. James, Robbins.
Perry M. Hawkins, Tionesta.

COLORADO

Floyd L. Templeton, Derby.

CONNECTICUT

James M. Abbott, Gales Ferry.
Marion B. Foster, South Glastonbury.

MARYLAND

James A. Hayman, Fruitland.
Gilbert F. Murphy, Laurel.

MISSISSIPPI

Horace H. McRae, Laurel.
Thomas S. Doty, Lucedale.
Carey G. Raborn, Magnolia.

MISSOURI

Roger M. Roy, Dora.
Paul Harrison Burns, Gobler.
Paul M. Blanchard, Warsaw.

NEBRASKA

Frances L. Mooberry, Dorchester.
John A. Graf, Talmage.

NORTH CAROLINA

Roland A. Brooks, Midland.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 7, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord and Saviour of us all, whether dim or clear, Thou art the way, the truth, and the life. We pray for an undefiled conscience, for lips never benumbed by silence when they should speak, nor ever violated by words that should not be spoken. We would follow the example and attitude of Jesus, who was far from hatred and hostility and never sought to please the clamor of the crowds, though assailed with cruel mockeries and false accusations. O God, let us learn with all our soul to do His will and walk in His way like a river set toward the boundless sea.

Grant that we may be able to blend humility with dignity, strength with gentleness, and passion with repose. In all our labors make us deeply sincere, removed from all guile. Enable us to join hands with all remedial forces—religious, social, and political—which are working for the preservation and salvation of our free, national life. We bless Thee for Thy compassion; behind its great heart is Thy forgiveness and love touched with pity: "I am among you as One who serves." Forgive us if we should wrap ourselves with slothful selfishness and bury ourselves in the cares of the moment, for whosoever shall seek to save his life shall lose it. Nourish us with all goodness and make us to love that which Thou dost command, and Thine shall be the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION FROM THE SEVENTY-EIGHTH CONGRESS

The SPEAKER laid before the House the following communication:

DECEMBER 7, 1944.

Hon. SAM RAYBURN,
The Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I beg leave to inform you that I have this day transmitted to the Governor of Rhode Island my resignation as a Representative in the Seventy-eighth Congress of the United States from the Second District of Rhode Island.

With assurance of my high esteem, I am,
Respectfully yours,

JOHN E. FOGARTY.

OLIVER N. KNIGHT

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1827) for the relief of Oliver N. Knight, with a House amendment thereto to which the Senate has disagreed, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MCGEHEE, KEOGH, and JENNINGS.

KATHERINE SCHERER

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3929) for the relief of Katherine Scherer, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill and the Senate amendment as follows:

Page 1, line 5, strike out "$5,215" and insert "$2,200.85."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

CONRAD H. CLARK

Mr. KEOGH. I ask unanimous consent to take from the Speaker's desk the bill (H. R. 933) for the relief of Conrad H. Clark, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill and the Senate amendment as follows:

Amend the title so as to read: "An act for the relief of Conrad H. Clark and Rocco Cellette."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two newspaper clippings.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

SELECT COMMITTEE TO INVESTIGATE CONDITIONS OF AMERICAN INDIANS—PERMISSION TO FILE REPORT

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Select Committee to Investigate Conditions of American Indians be permitted to file a report at any time during the present month of this year.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will there be more than one report from the committee?

Mr. O'CONNOR. No.

Mr. MARTIN of Massachusetts. Just one?

Mr. O'CONNOR. Just one.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein proclamations issued by the Governor of Indiana and the mayor of Indianapolis proclaiming Hoosier Sons' and Daughters' Day.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a statement I made before the Committee on Rules.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a telegram sent to the President of the United States by the distinguished newspaper editor, Frank Gannett, of Rochester, N. Y.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. REES of Kansas asked and was given permission to extend his own remarks in the RECORD and to include an editorial.)

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Fort Wayne News-Sentinel.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent that I may address the House for 10 minutes after the disposition of the business on the Speaker's table and other special orders.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INCREASE OF CONGRESSIONAL SALARIES AND CLERK HIRE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I want to go on record as being opposed to the movement that is under way to increase the salaries of Members of Congress. I am also opposed to the proposal that is being made by the Committee on Accounts to provide additional clerk hire for Congressmen.

Should the Congress vote to raise the salaries of its own Members it would open the floodgates to an avalanche of demands from about 3,000,000 people on the Federal pay roll, not only to make permanent the temporary salaries provided them during the war emergency but to further raise them.

The Federal annual pay roll is already upward of $8,000,000,000 or somewhere around eight times more than the total annual cost of the Federal Government before World War No. 1.

By an almost unanimous vote the Congress of the United States commanded our young men to be sent to the four corners of the earth to bleed and die for their country. What sacrifices are Congressmen, as a whole, in their capacity as Representatives, making in this war? Practically none that I can see.

If I were to vote to increase my salary of $10,000 a year now, while the flower of our young manhood is making the supreme sacrifice for our homeland on the many battle fronts of the world—for $55 per month—I would be so ashamed of myself that I would never again wish to look into the face of any returning soldier.

SPECIAL ORDER

The SPEAKER. Under previous special order of the House, the Resident Commissioner of the Philippines [Mr. ROMULO] is recognized for 20 minutes.

(At the request of Mr. MCCORMACK, Mr. ROMULO was granted permission during the course of his address to proceed for 15 additional minutes.)

THE LIBERATION OF THE PHILIPPINES—A REPORT TO CONGRESS FROM THE FRONT LINES OF DEMOCRACY

Mr. ROMULO. Mr. Speaker, I have come to make a report from the front lines of democracy. I have just returned from Leyte, Philippines.

More than 2 months have passed since I said au revoir to you upon this floor before rejoining Gen. Douglas MacArthur in the Southwest Pacific. Today it is my privilege to inform you that within that time I have seen the start of the liberation of my country, and I have returned to America and to this floor to bring to you, the American Congress, representing the American people, the gratitude of the people of the Philippines.

Within these past weeks we have stood upon Philippine soil; we have seen the American flag and the Filipino flag flying over that land again; we have talked with people who, since December 7, 1941, 3 full years, have fought, waited, and prayed with America. They are my people, and I speak to you now with their voice, and it is their story I have to tell.

It is a story not for America alone but for the entire world.

It is the story of a people's unwavering faith in America, unshaken by the bestiality of a brutal enemy during the long night of humiliation and defeat. It is the story of the redemption of a pledge in honor given by an American and in honor fulfilled in the truest American tradition. It is the story of Filipino civilian resistance that started without military leadership and grew from day to day and from island to island into one of the most spectacular underground movements in the world. It is the story of a government in exile returning to the homeland and taking over the civil government from the military without undergoing the throes of internecine warfare such as we see in many of the liberated countries in Europe today. It is the story of the blood brotherhood of two peoples of two different races and one human standard. It is the story of democracy at its best.

First of all, I want to report that we met with victory on Leyte and that our hold there is secure. It is our first step toward inevitable, final victory. Only one difference makes it unlike other victories.

That difference is Bataan.

Since Bataan, General MacArthur has been fighting for an idea. It was the American idea of freedom and democracy. He had seen his faith in the Filipino Nation upheld by Filipino loyalty to American ideals. His faith had been justified in the fox holes of Bataan. He was forced from the Philippines, but for 2½ years he held to that single purpose expressed in the pledge made then: "I will return."

He kept that pledge on Leyte Beach in words that are now part of our known history: "I have returned."

My story really begins with October 20 of this year, which for our forces was A-day, the day of our first attack on the Philippines, which will serve as our springboard to Manila. It is not for me to tell you now how A-day was advanced by General MacArthur, nor of the weeks chopped off our schedule and the American lives saved by that priceless salvage in time, nor of the concentrated power expressed that morning in the numbers of men and ships and planes. Our front lines are long in the Pacific, and the action is terrible and swift. I shall speak only of the comparatively small sector before my eyes that morning as the troopship *John Land* moved up on the strip of shore objective that was Leyte.

Around us in Leyte Bay were 600 other ships—troop carriers, battleships, destroyers, cruisers, rocket ships—a massed unit that at one time, on its way to this place had covered nearly a thousand miles of sea. The sky overhead was blanketed with American planes, pouring down hell over the Japanese installations. The naval bombardment was sonorous as an organ. It was one solid deafening roar, and the rocket ships were laying lines of explosions like embroidery along the shore, blasting everything in their way. There would be the roar of explosion and the puff of smoke and the fires starting in the Japanese fortifications and the coconut palms. Among the Japanese hiding in there were the Sixteenth Division, who had beaten us on Bataan. They had been responsible for the nightmare "March of Death" after Bataan fell.

All this time we were milling around on deck among swarms of the heartiest, finest men on earth, the American soldiers. Life or death was a split second away, but they were jostling and kidding and pushing around getting autographs on their short-snorter bills. Every man seemed to have a gun in one hand and a fountain pen in the other while moving up on Leyte in the concentrated might and fury of American vengeance written before us in smoke and in fire on earth and sea and sky. Never in my maddest dreams in Bataan could I have hoped for this—to see America on its way back—so surely armed with such indescribable power.

It was 10 o'clock in the morning, October 20, 1944.

The landing barges were on the water; the rope ladders were slapping against the ship's side; the boys began piling overboard. These were your boys—healthy, strong, clean, well equipped—everything to fight with, everything to protect them, everything to fight for. The last night on board I had addressed them over the loud speaker. I had told them to remember those who had died on Bataan. Now, going over the side, they grinned their clean, young grins and flipped thumbs up, and they said to me as I looked at them from the bridge, "Sir, for Bataan."

Wave after wave of them went ashore. We watched them through glasses and mine blurred because I knew that many of them would not come back. The waters of Leyte Bay were aswarm with barges. Some were hit by Japanese mortar shells and went under. From those barges which sank only a few of the boys made shore. We saw the first casualties, piled on barges, brought back to the ships. On land our boys were ready with flame throwers and tanks and every manner of armament—they had everything. Waves of men kept pressing on between the palms and flames and

blasted rubble that had been the Japanese barricades, and they were not being thrown back anywhere as far as our glasses could see. Only those were left on the beach and in the water who could not go on.

Red Beach, Palo, Leyte. Remember that landing place—the first step back; the first erasure against Corregidor and Bataan.

We waded ashore. Under my feet I felt the crunch of my land, my country again, the earth of the Philippines. After 2½ years of forced absence—my native land. The landscape around us was raging with fires set by our rockets and flame throwers, and the rubble of Japanese installations was before us, and all around us on the beach were our dead. But this was it. The answer to millions of anguished prayers. Once more, a portion of our soil set free. In that moment on the beach there flashed through my mind a picture I had vowed never to forget, the picture of our dead who had been piled to the water's edge on Bataan, and I thought to myself, how much easier they will rest tonight.

There were Japanese dead on Leyte, but while I felt no exultation over their strewn bodies I could not pity them. These were the men who had dealt out flame and death to our forces when we were helpless on Bataan. These were the bestial Japanese who had marched our naked and defenseless boys over those cruel miles and into the barbed-wire traps they called prisons. They had tied our men back to back and had bayoneted them. They had done unmentionable things. They had defiled an emblem never before dishonored. But not for long. Because the first thing I saw on Leyte was the American flag hoisted to a coconut tree, and beside it was our Filipino flag, both flying together again over the Philippines.

Under those united flags our soldiers were spread out in fox holes forming a wide guarding phalanx to protect General MacArthur and President Osmeña from the Japanese snipers. The crack of Japanese rifles answered by American guns interrupted all that followed. President Osmeña and General MacArthur sat down on a fallen tree trunk under a coconut palm and held the first conference on liberated Philippine soil, while all around them the soldiers watched from their fox holes, and beyond lay those who would not watch again.

It is the story of these men on Leyte beach that I have returned to tell you today, but it is also the story of other men who fought—in the beginning without uniforms or shoes or guns or food or hope. Their courage helped us on A-day at Leyte.

They are the Filipino guerrillas whose story can at last be told. The fall of Bataan has become a datemark: "Before Bataan fell," or "after Bataan fell." But an accuracy of date is a fallacy of fact. To the Filipinos Bataan never really fell. It spread. The Japanese hordes crushed it, then scattered the fragments, and like seeds sown afar, Bataan has spread throughout the Philippines, new crops in new earth. This was the civilian resistance against the enemy, that no Japanese terrorism could stop. This was the Filipino underground movement that inspired General MacArthur to issue a special release upon landing on Leyte, praising their loyalty to America, their valor, and their tenacity.

For 2½ years we had been obliged to conceal their living story. How I longed to tell it. How I wanted the American people and all people everywhere to know that a captive nation had united under bondage to fight in support of the Americans who had once been their conquerors. No longer can we look to the Philippines and say: "This is Philippine earth, or this American." It is Fil-America; it is the new world, the El Dorado of all those who throughout history have dreamed of freedom. It was founded by white and brown brothers who went cold and wet and hungry in tropic mud, who might have given up but did not, who joined forces and grew and survived against incredible opposition, thinking the same thoughts, sharing the same dreams, fighting for the same ideals—equality, fraternity, liberty. These have been fought for before, but never have we seen them so triumphant as we saw them that first day on Leyte.

America's forces and the secret Filipino forces joined for the first time on Leyte. While our armadas of the sea and land and sky were driving the Japanese back, the guerrillas were synchronizing their attacks from the rear, not only on this island but everywhere in the Philippines. Even on Luzon they are fighting now to meet us on our way.

This is no hit-and-miss crusade. It is planned victory. We have been in active communication with the Philippines ever since Bataan. The Filipino guerrillas, motivated by loyalty to America, gave up their homes, their families, and any security that might be left them to live in woods and caves like animals, fighting when they could, facing capture and Japanese atrocities. Many died by torture.

The Filipino guerrillas knew all that America was planning, and they aided and abetted all plans. They were ready to welcome President Osmeña and his civil government. The Free Philippines magazine, printed for the Filipinos by the Office of War Information, was taken by submarine to the Philippines, and every copy delivered there was passed from hand to hand. Thus, every Filipino knew that President Quezon had died in America, that President Osmeña had taken his place in exile, and that America was bringing President Osmeña back to the Philippines. With makeshift radio sets and electric energy generated by hours of effort, they listened to KGEI from San Francisco and the Philippine Hour in Brisbane. During this past year American submarines have landed on Philippine coasts with clothing, guns, ammunition, radio sets, cigarettes, and chewing gum for the guerrilla army until the desperate Japanese overlords were driven to declare the possession of a stick of chewing gum punishable by death. The reports of Tokyo propagandists were futile against the swift and sure communication between the Filipinos who were in captivity and the Americans who were on the way.

Mr. Speaker, consider Leyte beside the scenes that have taken place in Paris, in Rome, and now in Brussels and in Athens. In Europe we have disorders, riots, civil war. There were shaven heads and brandings and the mobs taking justice into their own hands. But the reestablishment of the Commonwealth Government of the Philippines on Philippine soil has been accomplished with a dignity that should make every American proud. Directly after occupying a town or city, General MacArthur, inspired by the spirit of liberalism that has guided American policy since the inception of American rule in the Philippines, turns the liberated city back to the Commonwealth Government.

How I wish the world could have witnessed the ceremony on the capitol steps in Tacloban when, in the presence of the Presidential and military staffs, just 2 days after it was freed from enemy control, General MacArthur delivered in Tacloban when, in the presence of of President Osmeña. In Osmeña's simple words of acknowledgment, the Commonwealth of the Philippines was reestablished on Philippine soil.

During the next days the schools were reopened and mass was said in the churches. Religion and knowledge, God and learning, two matters the Japanese forgot, returned to Leyte together with freedom. During that first week other towns were retaken, and the same procedure was followed.

The transition from military to civil government was as smooth as it was rapid. This smooth transition was due to three factors: First, General MacArthur, as a true American, has faithfully followed the liberal policy set by this Congress in dealing with the Philippines, a policy that has been reaffirmed time and again by that steadfast friend of the Filipino people, President Franklin Delano Roosevelt; second, President Osmeña had a master plan ready, and the blueprints, as prepared by him and his government, had been laid out in advance; and, third, because the Filipino people were prepared for the restoration of their constitutional rights and liberties. To them, Sergio Osmeña is the symbol of Filipino unity, and they rallied to his side when he sounded the clarion call of national oneness and responsibility. He said:

> Ours is a constitutional Government; ours is a community educated in the norms of a Christian civilization. Due respect for the law, rigid adherence to those principles established in civilized countries, complete obedience to the decisions of the courts—all these involve forms of character and high moral attributes that are the possession of enlightened countries like ours. On the threshold of occupying a sovereign place in the concert of free nations, we must live up to our responsibilities. We must prove our ability to maintain domestic peace and our capacity to mete out justice. Precisely when the eyes of the civilized world are focused on our country, we cannot allow acts of personal revenge and misguided zeal to cast a reflection on our civilization and our ability to maintain an orderly government. Ours is a Government by law: the splendor of its majesty must never be dimmed in our land.

This is the story I have come back from the Philippines to tell you. It is of General MacArthur and the idea he has lived and fought for since he left Bataan. It is of President Osmeña and his plan for the future of the Philippines—rehabilitation, relief, early independence—that has fitted together and worked along with all that was planned by America. It is the story of that great Filipino underground army that fought in heart-breaking secrecy for two and a half years and their final triumph in sharing our victory at Leyte. And it is, moreover, each and all of these, American feelings and Filipino feelings, different reasons and different earth, but all stirred by the same impulse that can be summed up in one word—Bataan.

I saw Bataan again on Leyte. Filipinos and Americans there shared understanding of one another, having shared the same hunger for liberty, the same sacrifices and death and glories, and the same God. From this American Congress we obtained political equality; in Bataan we won social equality. That is why it is impossible to encompass in communiqués the way the American G. I. feels toward the Filipino who fought alongside his fellow American in the same fox holes in Bataan and later inside the barricade as his ally and friend; impossible to compress in print the way the Filipino feels toward G. I. Joe, his comrade-in-arms and liberator. This is democracy as we saw it on Bataan. It is on Leyte, set like a torch between East and West.

Between these two places within a space of two and a half years, we have compressed the greatest story in all freedom's history. It did not begin at Leyte, however, or even in Bataan. The first words were written within this Chamber with the passage of the Jones Act in 1916. To it can be dedicated this sacrifice and brotherhood between men of two races and a single human standard. Bataan was the first chapter written in the mingled blood of Filipinos and Americans, and Leyte and every recovered Philippine mile are others, all leading to the final shared exaltation at the fall of imperial Tokyo.

This is democracy's story written by your sons and mine, a story for all the world. I have returned temporarily from the fighting front to bring it to you and to bring you renewed assurance of the pledged gratitude and loyalty of the people of the Philippines.

PERMISSION TO ADDRESS THE HOUSE

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to make a request by direction of the Committee on Accounts.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADDITIONAL CLERK HIRE

Mr. COCHRAN. Mr. Speaker, by unanimous vote of the members of the Committee on Accounts, I am directed to report H. R. 5590, which is a bill that contains the language of the amendment that I offered yesterday relating to clerical hire for the Members of the House. The Committee on Appropriations likewise held a meeting this morning and unanimously agreed that the House act favorably on this bill.

Mr. TARVER. The last statement made by the gentleman with reference to the unanimity of the action of the Committee on Appropriations is inaccurate.

Mr. COCHRAN. The Committee on Appropriations met this morning. I am advised by the chairman that if the House passes this bill, the committee will accept an amendment to the deficiency bill.

Therefore, Mr. Speaker, by direction of the Committee on Accounts, I ask unanimous consent for the immediate consideration of H. R. 5590.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. RANKIN. Mr. Speaker, may we have the bill reported?

The SPEAKER. The Clerk will report the bill.

Mr. COCHRAN. The report was filed this morning.

Mr. RANKIN. We would like to know what the bill is.

The Clerk read the bill, as follows:

Be it enacted, etc., That effective January 1, 1945, the clerk hire of each Member, Delegate, and Resident Commissioner shall be at the rate of $9,500 per annum, and such officials and chairmen of standing committees (other than the Committee on Appropriations, which is governed by other law) may rearrange or change the schedules or salaries and the number of employees in their respective offices or committees: *Provided*, That no salary shall be fixed hereunder at a rate in excess of $5,000 per annum, and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than $5,000 per annum: *Provided further*, That such changes as may be made in consequence hereof shall not increase the aggregate of the salaries provided for such offices or committees for the fiscal year ending June 30, 1945, or thereafter, beyond the additional amount herein authorized for clerk hire for Representatives, Delegates, and the Resident Commissioner from Puerto Rico, and an amount equivalent to the difference between the aggregate amount appropriated for salaries of a standing committee for the fiscal year 1945 and the amount required to increase the compensation rate prevailing on December 6, 1944 (in case of a vacancy, the rate last paid), to the clerk of a standing committee to a rate not in excess of $5,000 per annum: *Provided further*, That no compensation rate shall be established in pursuance hereof which is not a multiple of five: *Provided further*, That Representatives, Delegates, the Resident Commissioner from Puerto Rico, and committee chairmen, on or before the 10th day of the month in which rearrangements or changes of salary schedules are to become effective, shall certify in writing such rearrangements or changes to the disbursing office, which shall thereafter pay such employees in accordance with such rearrangements or changes: *Provided further*, That the provisions of this paragraph shall supersede any law in conflict therewith.

For an additional amount, fiscal year 1945, for committee employees, to be available solely for expenditure for additional compensation for clerks to standing committees, as authorized in the preceding paragraph, $42,630.

For an additional amount, fiscal year 1945, for clerk hire, Members and Delegates, $657,000.

Mr. TARVER. Mr. Speaker, reserving the right to object, I know of no reason why I should object to the consideration by the House of any matter which it desires to consider, and I apprehend that a very large majority of the membership of the House does desire to consider the bill to which the gentleman has referred, provided provision may be made for adequate expression of the views of those who are opposed, as I am, to the enactment of this legislation.

What does the gentleman's request envision as to debate and as to the division of time?

The SPEAKER. The Chair can answer that question. If unanimous consent is granted, consideration will be had under the 5-minute rule.

Mr. TARVER. And there will be no general debate, Mr. Speaker?

The SPEAKER. The bill will be considered under the 5-minute rule.

Mr. TARVER. There would be no time for general debate, as I understand the statement of the Speaker?

Mr. COCHRAN. I do not think anybody will cut any one off who desires to be heard. I know I will not.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from New York.

Mr. TABER. Was this a request that it be considered in the House as in the Committee of the Whole?

Mr. COCHRAN. I asked for recognition to consider it immediately.

Mr. TABER. I think the proper procedure would be to go into the Committee with it, if it is to be done, and have debate on it so that those who are for it and those who are against it may have an opportunity to express their views.

Mr. COCHRAN. I am sure the Speaker will recognize anybody who wants to strike out the last word and make a statement. I know I shall not attempt in any way to cut anyone off from debate.

Mr. SABATH. Mr. Speaker, would it not be in order to ask unanimous consent that there be general debate on the matter for 1 hour or an hour and a half or 2 hours, if any gentlemen desire to speak on it?

The SPEAKER. The Chair will entertain any such request.

Mr. MURRAY of Tennessee. I object, Mr. Speaker.

The SPEAKER. The gentleman from Tennessee objects to the immediate consideration of the bill.

FIRST SUPPLEMENTAL APPROPRIATION BILL, 1945

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. FISH. May I ask the chairman of the Committee on Rules if he could call a meeting of that committee this afternoon to consider a rule on the clerk salary bill?

Mr. SABATH. If it is the desire, and it seems to me it is the desire of a vast majority of the Members, that that be done, naturally the chairman of the Committee on Rules will comply, as he always has, and will call a meeting for 2:30 this afternoon.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5587, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

Mr. SABATH. Mr. Chairman, I ask unanimous consent to address the committee for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Instead of holding the meeting at 2:30, the Committee on Rules will meet immediately. The members of that committee are requested to come up to the committee room right away.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the paragraph of the bill to which I yesterday made a point of order which was sustained may be reinstated in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Salaries and expenses: For an additional amount, fiscal year 1945, for salaries and expenses, $34,000, including the objects specified under this head in the Department of Agriculture Appropriation Act, 1945.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I have been greatly concerned in the past months with the reports that have emanated from the War Production Board, indicating the tremendous shortage in the production of necessary and vital war materials. The statements issued by the present Director of the War Production Board have been supplemented by communications from General Eisenhower and communications from the various Pacific fronts. These reports all indicate a tremendous manpower shortage in the country in vital war production, so vital in fact, that the War Production Board was compelled to cancel the authority for resumption of consumer production in many areas of the country. The War Manpower Commission has been striving night and day to force men and women into war-production activities. As a matter of fact, the word has gone out from General Somervell, just day before yesterday, that they will be here before the Congress, asking for compulsory drafting of civilian employees unless the bottleneck of production is solved and men and women get into active war production. Now, I am interested because in looking through this bill I am utterly amazed to find that we are appropriating money for a large number of activities that are going to require the services of thousands upon thousands of citizens of this country. I do not care whether it is said that they are to be principally women or not. We are going to be engaged in a lot of activities under this appropriation bill which will operate in direct competition with the war industries of this country, for which the Army, Navy and Air Corps are clamoring for help.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. CASE. Yesterday we struck out some of those provisions on a point of order. We hope that a few more may be taken out today. If the gentleman has some suggestions for further taking out, either by amendment or a point of order, I hope he will point them out as the debate proceeds.

Mr. KEEFE. I understand that, and I am very familiar with what took place yesterday. You struck out the first one on page 18 of the bill, providing $830,000 for consumer expenditures and savings study, and the next paragraph providing for consumer income study, $210,000. Then on page 20 of the bill, under the item for the Bureau of the Census we find, census of manufacturers for 1945 and 1946, $2,400,000. The next item is compiling census reports, $990,000.

Consumers' income study, 1945 and 1946, $3,500,000.

Census of agriculture, $5,500,000.

Sample census of business, $1,200,000.

Then we go over into the Labor Department and we find consumers' expenditures and savings study, 1945, $1,532,000.

I have gone through the hearings to find out how many people it will be necessary to place on the pay rolls of this Government in order to carry on all these various studies that are proposed in these various appropriations.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE], has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Chairman, I find on an examination of the hearings on this bill that it is going to run into thousands, and here we are, taking men and women out of essential production and proposing to put them to work on consumers' saving and expenditure studies all over the United States. The justification for every one of these studies, outside of the fact that organic law passed years ago provides for some of these census activities, is that it is going to be valuable information sometime for business for labor, and agriculture in the post-war period. Every one of these activities is predicated upon the assumption that this war is about over, and yet, night after night the voices of people in America who are in a position to know are telling the American people that the war is not over, and that a long, dreary road lies ahead that may take years and years. In the face of this gigantic war effort we are asking the American people to tax themselves millions and millions of dollars to put thousands upon thousands of people on the pay roll to make studies which 2 years from now may be utterly worthless and utterly useless, as have been many of the studies that have been made in the past 4 or 5 years. I want to voice my protest against this procedure, and as these items are reached, if they do not go out on points of order, I propose to offer amendments to strike those items from the bill, as they are in direct interference with the proper and urgent prosecution of this war.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kentucky.

Mr. MAY. I was going to say to the gentleman that I would like to vote for every one of those motions to strike, and I call attention to the fact that there is a farm census being taken now that is unnecessary.

Mr. KEEFE. It seems to me that this is just another proposal to put thousands upon thousands of people on the pay roll, put them to work in activities in direct competition with the necessary war effort in this country. It is no answer for those people to come here and say "Oh, we are going to use women instead of men, generally." Of necessity, there will be thousands upon thousands of men engaged in these activities who should be engaged in essential war work. That will be disclosed by the hearings.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. H. CARL ANDERSEN. I wish to commend the gentleman upon his approach to this particular issue, and to join with him in his effort. In my opinion, the inclusion of many of these items is doing nothing but damage to our war effort at this time.

Mr. KEEFE. I may say further that with respect to some of these items testimony was taken before the regular subcommittee of the Committee on Appropriations, and the regular subcommittee refused to go along and make the appropriation. Yet, as inevitably as the day follows the night, we find that where the regular subcommittee has given consideration to some of these items and when the regular subcommittee has refused to recommend the appropriation, the deficiency committee hears the request and very frequently recommends the same. I cannot see anything in the nature of a deficiency where you are setting up a new activity to engage in an entirely new study under the auspices of the Bureau of Labor Statistics, or set up some new statistical information under the Bureau of the Census. Such appropriations, it seems to me, properly should be presented to the regular subcommittee of the Committee on Appropriations that is charged with appropriating for that particular department, and not slide them in here under the guise of deficiencies when there is nothing of a deficiency character about

them. They propose to set up entirely new activities. I want the Members of the House to know that, as far as I am concerned, I do not, in the face of the emergency facing this country today, propose to vote to put thousands of people on the pay roll of this country in direct competition with the work of the War Manpower Commission which is trying to get the help to carry on this war effort.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just a few minutes ago we heard a very moving, very dramatic story, the true picture of our re-entry into the Philippines, the landing on Leyte, delivered by General ROMULO. I wish it might be printed and that every schoolroom all over this great land of ours would have it framed and hung on the wall.

Mr. Chairman, I agree with the gentleman from Wisconsin that we should eliminate all items which would take away labor from the needed war production. I remember when I was in England and France and Belgium and Italy only last September and October I was told that there was a shortage of war munitions and that war munitions were not being distributed properly and I said there was no excuse for that shortage, that it should be investigated. That our country would produce all needed war munitions for our troops if told the truth. On my return I was told that someone in the United States said that I was a busybody because I made that statement. I wish, Mr. Chairman, there had been more busybodies, so-called, active at that time. No public appeal by the administration was made generally for war munitions, added supplies, added trucks, the needed material of war. There should have been. Now there is general appeal made from General Eisenhower down for supplies. My statement is more than corroborated today.

I am delighted that Mr. Byrnes has appointed Gen. Lucius Clay one of his assistants in speeding up war production. He is able and can do it if he is allowed to. But, Mr. Chairman, we must have the truth and nothing but the truth as to the conditions surrounding the manufacture of war material. I hope that Mr. Byrnes, General Clay, and others will tell us the whole truth, not half the truth. I believe they will. We have already lost many lives because we did not have the supplies in Europe, and because we did not have the supplies in the Pacific. From now on there can be no possible excuse for not telling us the truth. Our enemies, Japan and Germany, have known what our situation was and they have taken advantage of it. General Somervell is now making speeches everywhere as to the need for war material. He did at Boston, he did in New York. I shared that view. It was apparent to him even last summer. He stated that war production should come first. The War Production Board, Mr. Nelson at its head, was talking reconversion but General Somervell stated war production should come first. It must, otherwise the loss of life will be on our souls.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

The Clerk read as follows:

Salaries and expenses: For an additional amount for salaries and expenses, Rural Electrification Administration, fiscal year 1945, including the objects specified under this head in the Department of Agriculture Appropriation Act, 1945, $696,000.

Mr. TABER. Mr. Chairman, in connection with the item on page 20, beginning in line 7, I was wondering if the Clerk is using the latest print of the numbered bill because I did not hear him read all that is in the latest print. If he did, it is all right.

The CHAIRMAN. The Chair will advise the gentleman from New York that the Clerk does have the latest print.

The Clerk read as follows:

Census of manufactures for 1944: For all expenses of the Bureau of the Census necessary to collect, compile, analyze, and publish a census of manufactures for 1944, including the employment by the Director, at rates to be fixed by him, of personnel at the seat of government and elsewhere without regard to the Classification Act; purchase of books of reference, periodicals, maps, and newspapers; construction of tabulating machines; printing and binding; travel expenses, including expenses of attendance at meetings concerned with the collection of statistics when incurred on the written authority of the Secretary of Commerce; reimbursement for actual cost of ferry fares, and bridge, road, and tunnel tolls; and reimbursement at not to exceed 3 cents per mile of employees for expenses of travel performed by them in privately owned automobiles while engaged in census enumeration within the limits of their official stations; fiscal year 1945, $2,400,000, to remain available until June 30, 1946.

Mr. CASE. Mr. Chairman, I rise to make a point of order against the paragraph just read on the ground it contains legislation and is not authorized in an appropriation bill. The paragraph is one of those cited in the report as embodying legislation.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. SNYDER] desire to be heard?

Mr. SNYDER. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order and the Chair sustains the point of order.

The Clerk read as follows:

Compiling census reports, etc.: For an additional amount for compiling census reports, etc., fiscal year 1945, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945, and including expenses incident to preparation for sample surveys throughout the United States for the purpose of estimating the size, characteristics, and distribution of the Nation's population, $990,000.

Mr. TABER. Mr. Chairman, I make the point of order that this is not authorized by law, it is legislation on an appropriation bill, and I make the same statement made before, namely, it is cited in the report.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. SNYDER] desire to be heard?

Mr. SNYDER. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order, and the Chair sustains the point of order.

The Clerk read, as follows:

Consumer income study: For all expenses of the Bureau of the Census necessary to collect, compile, and analyze statistics with respect to the consumer income, and to publish the results thereof, including the employment by the Director, at rates to be fixed by him, of personnel at the seat of government and elsewhere without regard to the Classification Act; purchase of books of reference, periodicals, maps, and newspapers; construction of tabulating machines; printing and binding; travel expenses, including expenses of attendance at meetings concerned with the collection of statistics when incurred on the written authority of the Secretary of Commerce; reimbursement for actual cost of ferry fares, and bridge, road, and tunnel tolls; and reimbursement at not to exceed 3 cents per mile of employees for expenses of travel performed by them in privately owned automobiles while engaged in census enumeration within the limits of their official stations; fiscal year 1945, $3,500,000, to remain available until June 30, 1946.

Mr. H. CARL ANDERSEN. Mr. Chairman, I make the point of order against the paragraph that it is legislation on an appropriation bill and not authorized by law.

The CHAIRMAN. Does the gentleman from Pennsylvania wish to be heard on the point of order?

Mr. SNYDER. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read, as follows:

Census of agriculture: For an additional amount for census of agriculture, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945, $5,500,000, to remain available until December 31, 1946.

Mr. KEEFE. Mr. Chairman, I make the point of order against the paragraph and call attention to the language on page 23, line 3, "$5,500,000 to remain available until December 31, 1946," as not being authorized by law and being legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. SNYDER. The title of the bill provides for just what the gentleman states. This work is under way, and this is just an additional amount to carry on.

The CHAIRMAN. Does the gentleman from Pennsylvania hold that this amount is authorized?

Mr. SNYDER. I do, Mr. Chairman.

The CHAIRMAN. Will the gentleman cite the authorization?

Mr. SNYDER. The authorization is the Agricultural Appropriation Act for the current fiscal year.

The CHAIRMAN. Does the gentleman from Wisconsin further contend that the amount is not authorized?

Mr. KEEFE. I contend, Mr. Chairman, that the provision making the amount available until December 31, 1946, makes it objectionable, as it carries it beyond any authorization.

The CHAIRMAN. Does the gentleman from Pennsylvania wish to be heard further on the point of order?

Mr. SNYDER. Nothing further, Mr. Chairman.

The CHAIRMAN. The Chair sustains the point of order.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 22, line 24, insert:

"Census of agriculture: For an additional amount for census of agriculture, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945, $5,500,000, to remain available until June 30, 1946."

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the first opportunity to pass directly on the question of whether or not this Congress is going to take a step which, in my humble judgment, can have no other effect than to interfere seriously with the manpower situation that confronts the country. It is true that arguments will be made in connection with this situation, as they were made before the deficiency subcommittee, that this $5,500,000 to be spent by the Department of Agriculture over a period which under the amendment will end June 30, 1946, will not have any particular effect on the manpower situation, because those employed will be principally women and principally people that perhaps could not otherwise be used in the war effort.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that all through the country districts—and I know the gentleman has a great agricultural territory himself—women are in great demand to do such things as picking beans and peas and canning them, and all that sort of thing?

Mr. KEEFE. Of course.

The whole situation resolves itself into this, that that contention on the part of the proponents of this proposed appropriation just will not hold water. The point is, are we going to employ thousands of people scattered throughout this country and spend $5,500,000 on a project that has no relation whatever to the war effort except to gather a lot of statistics that, by the time they are gathered, will be worthless and useless? Are we going now, today, to vote to do that very thing, and put the Department of Agriculture in competition with vital war industries in the effort to recruit the people necessary to carry out the project, when those charged with the war effort say the situation is so vital and critical that they are compelled to threaten a labor draft unless it is immediately relieved?

I do not want my vote cast in the face of the critical character of the war effort as it stands today to put to work on this project thousands of people who ought to be in the vital war effort, whether in the canning industry, in the war industries, on the farms, or in the shops. I do not want by my vote to take those people off their necessary jobs and interfere with the war effort by putting them to work on this piddling job of gathering statistics that will not have any value to your constituents or to mine and that will not make any contribution worth while to the war effort.

I think this program can be postponed and I think it ought to be postponed. I think it is contrary to every statement that has emanated from the administration and those in charge of our war effort that we must do nothing to interfere with this manpower and womanpower situation that is so vital in connection with our war industries.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from South Carolina.

Mr. HARE. Will the gentleman state specifically what this $5,500,000 is for? What kind of statistics are they going to gather?

Mr. KEEFE. They are going to gather statistics specified under the Department of Commerce Appropriation Act of 1945. I suppose, according to the information given in the hearings, they are going to gather the same type of information they have always gathered heretofore, and then are going to compile it, and by the time they get it gathered and compiled, and it is covered with dust, the information, except for a few, will be useless and valueless.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield.

Mr. KEEFE. I yield.

Mr. SAUTHOFF. In my district, which adjoins the district of the gentleman from Wisconsin, 4,500 employees have had to be imported from Jamaica and the Barbados; as well as German war prisoners being used to take care of the canning industry. In addition to that, the Hercules Powder Plant is calling for 12,000 employees, including women as well as men. They do not discriminate between them, they can use both men and women. There is no sense to this.

Mr. KEEFE. Mr. Chairman, I am glad that the gentleman has pointed that out. Here Congress is in the position of appropriating money in this very bill to import labor from foreign countries; Mexico, and the islands of Barbados, Jamaica, and so forth, and utilizing every German war prisoner we can, and still we are appropriating money to take our own people out of necessary productive activity in the war effort and putting them out to gather statistics because it is said that some Congress in the past, authorized the census to be taken. Yes, we have authorized it. But there is nothing in the law which says because it is authorized we must make the appropriation to implement that authorization and make it effective. I think the Members of this Congress will be sending a heartening word out to the people of this country if we say we are going to put a stop to this useless activity now.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TARVER. Mr. Chairman, I rise in support of the amendment which I have offered. The amendment which I offered and which at present is being considered by the Committee of the Whole is simply to restore the language carried in the bill when reported by the full Committee on Appropriations, with the change made necessary as to the last date of availability of the appropriation by the ruling made by the Chair on the point of order. The arguments advanced by the gentleman from Wisconsin would have been very appropriate upon the passage of the Department of Commerce Appropriation Act for the fiscal year 1945. In fact, those arguments were advanced in connection with the making of the original appropriation for the quinquennial farm census by the passage of that act through the House of Representatives. We thrashed that out, that is, all of these subject matters to which the gentleman from Wisconsin has made reference, at that time. It was said then that notwithstanding the fact that Congress had authorized and directed the taking of a census of agriculture every 5 years, that it was not mandatory upon the Congress to provide the funds with which to make that authorization effective, and yet you did provide the funds.

You have already appropriated in the Department of Commerce appropriation act for the fiscal year 1945, $7,250,000. A part of that money has been spent, the remainder of it will be spent. The only question now is, whether or not having put your hand to the plow and directed the taking of this census and having provided $7,250,000 for expenditure in that connection, you now propose to deny the remainder of the amount which will be necessary to complete it in an efficient manner. It is not material, as I see it, now, whether or not the taking of the farm census, is essential to agriculture. I conceive it to be essential. The Congress conceived it to be essential when it provided for it originally and you, the Members of this House, conceived it to be essential, or a majority of you did, when you passed the Department of Commerce appropriation bill for the present fiscal year and provided funds for it. So it seems to me to be an entirely unreasonable position to say that because, in the opinion of some Member or Members, you should not have started this thing and that you should not have made the initial appropriation that now you should deny the funds to complete the work, already undertaken by the Bureau of the Census.

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. KERR. As a matter of fact, this provision of the law calling for a census was passed many years ago and has been taken time and time again, and machinery has been set up to complete this census.

Mr. TARVER. The gentleman is exactly correct. Of course, I do not insist

that the mere fact that an authorization was made many years ago for the taking of a census would make it mandatory upon the Congress to appropriate the funds and implement that authorization, but I say that you, the Members of this House, have appropriated the major portion of necessary funds.

You have already appropriated $7,250,000, a part of which has been spent, and the machinery which you authorized has been in large part set up. The question presented to you now is, Are you going to abandon the work which you have not only authorized but appropriated funds to implement?

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the distinguished gentleman from South Carolina.

Mr. HARE. Did not the House by its action last spring, when it passed the original appropriation, say that the collection of agricultural information was indispensable, not only to the war effort but that we might be able to plan the war effort in the future? We had to know what the supply of food would be, how much there would be, and where it would be.

Mr. TARVER. The reasons which actuated individual Members of the House in voting for this appropriation I would not undertake to discuss. I am not in position to speak for them, but I do know that a majority of them voted for this appropriation of $7,250,000 to start this work. Having done so, I do not see how they can take the position now that the work ought to be abandoned and not carried through to consummation for reasons which, if valid at all, should have had more weight when the first appropriation was made.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Yes; I yield to my colleague.

Mr. KEEFE. Does not the gentleman feel that in view of the very critical character of our manpower problem and our war effort, which has developed since the Congress took that action, very definitely developed since then——

Mr. TARVER. No; I cannot agree with the gentleman.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. I take decided issue with the statement of the gentleman from Wisconsin that the shortage of labor has developed since the Congress, in the summer of this year, passed the Department of Commerce appropriation bill for the fiscal year 1945. There has been, during the entire period of the emergency, a very acute shortage of labor, particularly of farm labor. If you will examine the CONGRESSIONAL RECORD, the very argument which the gentleman from Wisconsin makes today was advanced upon the passage of the Department of Commerce appropriation bill for the fiscal year 1945, against this appropriation.

It was said then that the personnel needed in the collection of these statistics could be better used otherwise, in other activities. The very insistences made by the gentleman then were overruled by the House, because you did make the appropriation, notwithstanding the advancement of those arguments.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. DOUGHTON of North Carolina. Has the machinery been set up, and supervisors appointed to take care of this census?

Mr. TARVER. The machinery has been set up and the supervisors have been appointed and selected in all districts of the United States where the census is to be taken. Training has been accorded those who are to participate in the taking of the census. We are a long way down the road toward the completion of the job.

Mr. DOUGHTON of North Carolina. Have we not gone so far that we cannot back out now?

Mr. TARVER. Certainly. A large part of the funds have already been used that were made available by this Congress.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. MORRISON of North Carolina. And if this appropriation is not made, the millions that have been spent in setting up this organization would be wasted?

Mr. TARVER. Absolutely wasted, and we would have reversed our judgment by so doing.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the parliamentary situation before the Committee is that the gentleman from Georgia [Mr. TARVER] has offered an amendment which would restore to the bill that particular paragraph just stricken on a point of order. I hope that the Members present today, who feel that every possible ounce of our energy should be given to the war effort and to the war effort alone, will oppose the amendment offered by the gentleman from Georgia.

I believe it will be admitted that no man has supported agricultural legislation any more faithfully on this floor during the past 6 years than I have, but the further expenditure of $5,500,000 at this time, proposing to keep from 27,000 to 30,000 people in the field taking an agricultural census, is not in keeping with the idea that we do everything we can to back up the boys at the front.

Allow me to call to your attention the testimony on page 194 of the hearings:

> Mr. LUDLOW. What will be the over-all number of employees required to take the census?
>
> Mr. CAPT. Between 27,000, 29,000, and 30,000, including all employees in the field.

Remember that we have already given to this organization $7,200,000 to conduct this census, yet through the extravagance of its operation they come back to us and ask for an additional five and one-half millions to carry on this supposedly necessary work. If any Member can stand up here and prove that the war effort will suffer in the slightest if we knock this work out at the present time, I will be glad to withdraw my opposition to this particular amendment.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield for a question?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Is it not a fact that last fall, shortly before the election, many promises were made in agricultural sections as to who would take this political census?

Mr. H. CARL ANDERSEN. I would rather the gentleman answer that question himself.

Mr. MURRAY of Wisconsin. I will say that it happened in my district. It was passed out as purely political patronage not on the basis of the value to agriculture but purely on the basis of whether they were good party members.

Mr. H. CARL ANDERSEN. Personally I do not care who gets the jobs, but I do not believe these jobs should be made available while your sons are over there in the trenches suffering from lack of heavy shells, as General Eisenhower says, necessary properly to prosecute this war.

The proposed consumers' studies, embodying the proposed employment of thousands of people, seem ridiculous to me at a time like this. Mr. Chairman, if there is anything urgent whatsoever about these studies in relation to consumers' income, why did not the Labor Department, for instance, come before our particular subcommittee and discuss the problem with us, just as the Office of Education recently has done in another matter? There certainly is nothing urgent about it, and I certainly hope and trust that superfluous items of this nature will be put into the discard and kept there. Man-hours today are far too precious to be frittered away in projects of this nature, let alone the millions of dollars required.

Mr. DONDERO and Mr. MORRISON of North Carolina rose.

Mr. H. CARL ANDERSEN. I yield to the gentleman from Michigan.

Mr. DONDERO. Is there anything to show that as the result of the expenditure of this money and the taking of these people out of war employment it will produce an extra pound of cotton or an extra bushel of wheat?

Mr. H. CARL ANDERSEN. The gentleman from Michigan has put his finger right on the spot. What we need on the farms, what I need back on my farm in Minnesota, is an extra man to help put the grain into the ground. That is what every farmer needs this spring and we do not know where we can find these additional men. Yet here it is proposed to have up to near 30,000 Federal employees compiling statistics as to what we have not done on the farms because we have not had the labor available to do so.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. COLE of New York. If the gentleman had not already done so I suggest that he point out the effect of the amendment offered by the gentleman from Georgia as to making available twice as much money for this function.

Mr. H. CARL ANDERSEN. I have already done that, I may say to the gentleman from New York.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

Mr MORRISON of North Carolina. I object.

The CHAIRMAN. Does the gentleman from North Carolina object to the gentleman from Minnesota revising his remarks?

Mr. MORRISON of North Carolina. It is a unanimous-consent request, and I object.

Mr. HARE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment has been referred to as a political census. I thought they took a political census on November 7 and that it is all over.

I want to disabuse the minds of some of my good friends over here. This is not primarily an agricultural bill. It is a bill to assemble agricultural statistics of production throughout the United States and the justification for this is found on page 193 of the hearings of last spring when the appropriation was provided for the year 1945. I desire to quote the justification given by the Director of the Bureau of the Census. Remember, this is not for the Department of Agriculture, this is for the Department of Commerce, and I quote the purpose of this census and grounds upon which the appropriation was made. The Director said in support of his estimate:

> Production and supplying of food have assumed great importance in the prosecution of the war equal to that of guns and shells.

I repeat, "production of foodsuffs is equal to that of guns and shells." Do we know whether we are now producing enough foodstuffs to meet the demands of our armed forces? Do you know whether or not we have been producing enough guns and shells? Certainly we know. It would be tragic if we did not. If we have not been producing enough food we want to know it. This war is not over yet and it will not be over within the next few days or few months, and it is not too soon to find out what is available for our boys this next year. This census will be taken in January.

Let me read further what the Director says:

> The availability of food may be an important determining factor in the future course of the war, especially as the number of men in the armed forces overseas increases, and as more occupied territories are taken over by the United Nations, which, of course, must be supplied with foodstuffs. Accurate and timely statistics on food supplies on hand and of future production possibilities in the United States are necessary for efficient programing and more effective operations in meeting the needs of our armed forces, our civilian population and our allies. Agricultural statistics will be of fundamental importance also in planning the conversion from a war to a peacetime economy, particularly in measuring farm markets, for the guidance of manufacturers and sellers of both durable and consumer goods.

Does anyone here this afternoon want to stand up and vote against a small appropriation which is designed primarily for the prosecution of our war effort and to see that our young men are supplied with food and clothing?

Let me go a little further.

The question was raised as to whether or not the employment of these people would interfere with the production program in industry and in agriculture. Listen to what the Director said:

> We are particularly determined that it be not permitted to interfere insofar as we are able. We have issued instructions to our field force, which is in a formative state at the moment, that we must first look to people who would normally not be available for regular jobs and not take people from the normal labor force.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. SNYDER. Mr. Chairman, I ask unanimous consent that the gentleman be given 1 additional minute.

Mr. GROSS. Mr. Speaker, I object.

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania rise?

Mr. SNYDER. Mr. Chairman, I desire to finish reading this paragraph, that is all. The gentleman from South Caroline [Mr. HARE] was just reading the paragraph at the bottom of page 193 when his time expired.

> We have issued instructions to our field force, which is in a formative state at the moment, that we must first look to people who would normally not be available for regular jobs and not take people from the normal labor force under any circumstances, giving first preference to honorably discharged veterans who are able to do our work, to members of their families, and the families of men still in the services.

There are approximately sufficient men back home who have been rehabilitated, who had slight wounds, to fill these offices, and I think it would be a grand thing if we could give them work of this nature when they come back.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, in up-State New York they have had to bring in a lot of migrant laborers in the past few years to pick peas and beans. They have imported them from points as remote as Jamaica. I am certainly not going to vote $5,000,000 for a census when nobody is worried about how we are going to get those peas and beans picked in up-State New York. Instead of money being appropriated for these purposes, I would like to see a little concentration on the part of those in authority to bring about the harvesting of food for victory. Why not assist the dairy farmers in up-State New York in the production of milk? Heaven only knows there has been little enough done to foster a constructive and tangible occupation such as dairy farming in New York State.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Pennsylvania.

Mr. GROSS. The gentleman is aware that the Department of Agriculture is constantly fathering information through the mail boxes, by putting posters in every farmer's mail box, is he not?

Mr. EDWIN ARTHUR HALL. The gentleman is aware of this much, that there has been a dearth of farm labor in up-State New York. Anybody who is eligible to take a census around these farming areas is certainly able to do some work on the farm.

Mr. GROSS. Is this information that is constantly being gathered and put out monthly to all of the farmers of no value? Why do they not use it? What value will they make of the information they get from this $5,000,000 appropriation?

Mr. EDWIN ARTHUR HALL. No value whatsoever, because all they have to do is to go to up-State New York and see the difficulties that the farmers have been laboring under up there. I will guarantee that unless they wake up to the labor shortage in that region there is going to be a terrible food shortage throughout the entire Nation. They are not going to be able to supply our armed forces unless they realize what we are undergoing up there.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Michigan.

Mr. DONDERO. In addition to what the gentleman has said, in my own State of Michigan peaches by the tens of thousands of bushels rotted on the trees this year because there was no labor to harvest them. They brought in labor from Jamaica, from Haiti, and from the West Indies to harvest the cherry crop in my State. How would this census in any way change that picture?

Mr. EDWIN ARTHUR HALL. The census will not help the situation, it will hinder it, because it will take up a lot of labor which should go to the production and harvesting of crops.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from New York.

Mr. REED of New York. I will tell the gentleman why they are getting no assistance in the dairy regions. It is because they are so busy displacing the dairy products with oleomargarine that they are not interested in anything else.

Mr. EDWIN ARTHUR HALL. The gentleman is right. He and I both come from districts where there are labor shortages. We are not interested in recruiting a lot of people to take an agricultural census. We know how short we

are on labor, we know how short we are on farm help. We know how the farm entrepreneurs are suffering in upstate New York and throughout other portions of the Northeast. What we want today is action and plenty of it on the part of those in the Department of Agriculture and the other agencies of the Government, so that we can get some relief in order that individual farming can survive, because it is well on the way toward its demise.

For that reason, Mr. Chairman, I am in opposition to this amendment and hope something more constructive than this will be proposed.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. KERR].

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. Mr. Chairman, when I objected to the request of the gentleman from Minnesota [Mr. H. CARL ANDERSEN] a while ago, I was merely resenting his refusal to yield to me. I thought he had asked to proceed for 2 additional minutes, and I objected more for mischief than for anything else. I should like to withdraw my objection. I am perfectly willing for him to extend his remarks all he desires to.

Mr. H. CARL ANDERSEN. Mr. Chairman, I renew my request to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KERR. Mr. Chairman, I am more or less familiar with the statute which originally provided for this census. It was passed in 1925, when the Republicans controlled the Congress. At that time they thought it was a great measure, and I think the Democrats concurred with them in that supposition. We have been taking this census every 5 years ever since. It is a census which is most helpful to the business of this country—everybody concedes that. I doubt that anyone who today opposes the continuation of this census will insist that it is not very valuable to the farmers and the businessmen of the country. It gives them statistics with reference to farm products and farm life, and these figures enable the businessmen of the country to determine their business activities sometimes for more than a year ahead and sometimes for as much as 5 years. That is the purpose of this census. The Republicans in 1925, I am sure, thought it was a very beneficial act. I cannot understand why they oppose the continuation of this census today and oppose this amendment to complete the carrying out of a census they themselves inaugurated some years ago.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does my distinguished friend believe that in view of the critical situation facing the country in its war effort we should rely upon the slogan "Business as usual" in order to sustain this proposed amendment?

Mr. KERR. It will not affect the war activity in any way. That is my opinion about it, and I am sincere in believing that this proposed measure will not interfere with the war activity in any way whatsoever. We have already set up the machinery and have selected most of the enumerators to do the work. I cannot understand why distinguished gentlemen of this House should propose practically throwing away the $7,000,000, a great part of which has already been spent in the organization and equipment for this farm census, for the want of the $5,000,000 necessary to complete a good job through a law that has been on the statute books of this country for more than 40 years and has been so beneficial to the business life of our Nation.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. JENSEN. I wonder if the gentleman realizes that this census will take at least 2 hours of every farmer's time and there are 6,000,000 farmers. That means 12,000,000 hours of farm labor lost. I think this is a bad time to spend 12,000,000 hours of farm labor, taking a census which could be taken by the farm extension agent in every county, which would cost nothing except the price of a few stamps and which will be just as accurate as any census that could be taken under this plan.

Mr. KERR. The gentleman is raising a point which I think is inconsequential and which he need not be apprehensive about.

Mr. JENSEN. Certainly, the gentleman will admit that wartime is a bad time to spend 12,000,000 hours of farm labor to take a census.

Mr. KERR. I think the gentleman is mistaken in assuming that that much manpower time would be consumed in this work. I know the Department has set up machinery to take this census and I think it would be unwise and a very foolish thing not to let it complete it in view of the fact that it has already begun this important work.

Mr. JENSEN. But it will take up 2 hours of the time of every farmer.

Mr. KERR. Mr. Chairman, I am sorry I cannot yield to the gentleman further.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill, H. R. 5587, the first supplemental appropriation bill, 1945, and had come to no resolution thereon.

ESTABLISHMENT OF GRADE OF FLEET ADMIRAL IN THE UNITED STATES NAVY

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 671, Rept. No. 2034) on the bill (S. 2019) to establish the grade of Fleet Admiral of the United States Navy and for other purposes, which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2019) to establish the grade of Fleet Admiral of the United States Navy, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order as a substitute amendment for the Senate bill the provisions contained in H. R. 5576. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CLERK HIRE OF MEMBERS OF CONGRESS

Mr. SABATH from the Committee on Rules, submitted the following privileged resolution (H. Res. 672, Rept. No. 2035) on the bill (H. R. 5590) to increase clerk hire and for other purposes, which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5590) to increase clerk hire, and for other purposes, and all points of order against said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Accounts, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. Mr. Speaker, this rule was reported a few minutes ago, but there is no report with it and no hearing on it. Can it be brought up with less than a two-thirds roll-call vote?

The SPEAKER. The question is whether or not the House will consider the resolution.

Mr. MICHENER. Yes; but that requires a two-thirds vote.

The SPEAKER. Yes; that requires a two-thirds vote, either by voice, a standing vote, or a roll-call vote.

The question is, Will the House now consider the resolution?

The question was taken; and on a division (demanded by Mr. MICHENER) there were—yeas 106, nays 32.

Mr. TARVER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 208; nays 90; not voting 130, as follows:

[Roll No. 121]

YEAS—208

Allen, La.	Gamble	May
Anderson, Calif.	Gathings	Merrow
Anderson, N. Mex.	Gerlach	Mills
	Gibson	Monroney
Andresen, August H.	Gifford	Morrison, La.
	Gillespie	Morrison, N. C.
Andrews, Ala.	Goodwin	Mundt
Andrews, N. Y.	Gordon	Murdock
Angell	Gorski	Myers
Arends	Grant, Ala.	Norton
Arnold	Gregory	O'Brien, Ill.
Barrett	Hagen	O'Brien, Mich.
Bates, Ky.	Hale	O'Brien, N. Y.
Bates, Mass.	Hall, Edwin Arthur	O'Connor
Beall		O'Hara
Beckworth	Hall, Leonard W.	O'Konski
Bell		O'Toole
Bender	Hancock	Peterson, Fla.
Bennett, Mich.	Harless, Ariz.	Pittenger
Bennett, Mo.	Harris	Plumley
Bishop	Hart	Poage
Bland	Hays	Priest
Bloom	Hébert	Rabaut
Bonner	Herter	Randolph
Boren	Hess	Rankin
Boykin	Hill	Reed, Ill.
Bradley, Mich.	Hobbs	Richards
Bradley, Pa.	Hoch	Rivers
Brehm	Hoffman	Robinson, Utah
Buck	Holmes, Mass.	Robsion, Ky.
Burchill, N. Y.	Holmes, Wash.	Rogers, Mass.
Butler	Howell	Rolph
Byrne	Hull	Sabath
Cannon, Mo.	Izac	Sadowski
Carson, Ohio	Jackson	Scrivner
Carter	Jarman	Sheppard
Case	Jennings	Slaughter
Celler	Jensen	Smith, Wis.
Chiperfield	Johnson, Anton J.	Snyder
Cochran		Somers, N. Y.
Coffee	Johnson, Calvin D.	Spence
Cole, Mo.		Stanley
Cole, N. Y.	Johnson, Ind.	Starnes, Ala.
Colmer	Johnson, Okla.	Stevenson
Cox	Kearney	Stewart
Cravens	Kee	Stigler
Crawford	Keefe	Sullivan
Crosser	Kefauver	Sumners, Tex.
Curley	Kelley	Talle
Dawson	Keogh	Thomas, Tex.
Day	Kerr	Torrens
Dilweg	King	Vincent, Ky.
Dingell	Kirwan	Vinson, Ga.
Dirksen	Kleberg	Voorhis, Calif.
Dondero	Klein	Wadsworth
Drewry	Landis	Walter
Eberharter	Lane	Wasielewski
Elliott	Larcade	Weaver
Ellis	Lea	Weichel, Ohio
Ellison, Md.	LeFevre	Welch
Ellsworth	Lesinski	West
Engel, Mich.	Lewis	White
Engle, Calif.	Lynch	Whitten
Feighan	McCormack	Wickersham
Fellows	McKenzie	Wigglesworth
Fernandez	McMillan, S. C.	Winter
Fish	McMillen, Ill.	Wolcott
Flannagan	Madden	Woodruff, Mich.
Folger	Manasco	Worley
Forand	Marcantonio	Wright
Fuller	Martin, Iowa	
Gale	Martin, Mass.	

NAYS—90

Abernethy	Carrier	Doughton, N. C.
Andersen, H. Carl	Chapman	Durham
	Church	Dworshak
Bolton	Clason	Elmer
Brown, Ga.	Clevenger	Gavin
Brumbaugh	Compton	Gilchrist
Bryson	Cooper	Gillette
Burch, Va.	Cunningham	Gillie
Burdick	Curtis	Gossett
Camp	D'Alesandro	Graham
Carlson, Kans.	Disney	Gross
Gwynne	Mason	Sauthoff
Hare	Michener	Schwabe
Heidinger	Miller, Conn.	Short
Hoeven	Miller, Mo.	Simpson, Ill.
Hope	Miller, Nebr.	Smith, Ohio
Jenkins	Miller, Pa.	Smith, Va.
Johnson, J. Leroy	Murray, Tenn.	Springer
	Murray, Wis.	Sumner, Ill.
Johnson, Luther A.	Norman	Taber
	Norrell	Tarver
Jones	O'Neal	Thomason
Jonkman	Peterson, Ga.	Tibbott
Kinzer	Pratt, Joseph M.	Troutman
Knutson		Vorys, Ohio
Kunkel	Ramey	Vursell
Lanham	Reed, N. Y.	Whittington
LeCompte	Rees, Kans.	Willey
Lemke	Rockwell	Wilson
Ludlow	Rodgers, Pa.	Zimmerman
McConnell	Rohrbough	
Mahon	Rowe	

NOT VOTING—130

Allen, Ill.	Halleck	Phillips
Auchincloss	Harness, Ind.	Ploeser
Baldwin, Md.	Hartley	Poulson
Baldwin, N. Y.	Heffernan	Powers
Barden	Hendricks	Pracht, C. Frederick
Barry	Hinshaw	
Blackney	Holifield	Price
Brooks	Horan	Ramspeck
Brown, Ohio	Jeffrey	Reece, Tenn.
Buckley	Johnson, Lyndon B.	Rizley
Buffett		Robertson
Bulwinkle	Johnson, Ward	Rooney
Burgin	Judd	Rowan
Busbey	Kean	Russell
Canfield	Kennedy	Sasscer
Cannon, Fla.	Kilburn	Satterfield
Capozzoli	Kilday	Scanlon
Chenoweth	LaFollette	Schiffler
Clark	Lambertson	Scott
Cooley	Luce	Shafer
Costello	McCord	Sheridan
Courtney	McCowen	Simpson, Pa.
Daughton, Va.	McGehee	Smith, Maine
Davis	McGregor	Smith, W. Va.
Delaney	McLean	Sparkman
Dewey	McMurray	Stearns, N. H.
Dickstein	McWilliams	Stefan
Dies	Maas	Stockman
Domengeaux	Magnuson	Sundstrom
Douglas	Maloney	Talbot
Eaton	Mansfield, Mont.	Taylor
Elston, Ohio		Thomas, N. J.
Fay	Mansfield, Tex.	Tolan
Fenton	Merritt	Towe
Fisher	Monkiewicz	Treadway
Fitzpatrick	Mott	Ward
Ford	Mruk	Weiss
Fulbright	Murphy	Wene
Fulmer	Newsome	Whelchel, Ga.
Furlong	Outland	Winstead
Gallagher	Pace	Wolfenden, Pa.
Gearhart	Patman	Wolverton, N. J.
Granger	Patton	Woodrum, Va.
Grant, Ind.	Pfeifer	
Griffiths	Philbin	

So, two-thirds having voted in favor thereof, the House decided to consider the resolution.

The Clerk announced the following pairs:

General pairs:

Mr. Ramspeck with Mr. Halleck.
Mr. Outland with Mr. Shafer.
Mr. Winstead with Mr. Jeffrey.
Mr. Baldwin of Maryland with Mr. Baldwin of New York.
Mr. Pfeifer with Mr. Hartley.
Mr. McGehee with Mr. Brown of Ohio.
Mr. Bulwinkle with Mr. Wolverton of New Jersey.
Mr. Woodrum of Virginia with Mr. Judd.
Mr. Clark with Mr. Eaton.
Mr. Merritt with Mrs. Luce.
Mr. Domengeaux with Mr. Elston of Ohio.
Mr. Courtney with Mr. Kilburn.
Mr. Barry with Mr. Wolfenden of Pennsylvania.
Mr. Smith of West Virginia with Mr. Taylor.
Mr. Weiss with Mr. Stefan.
Mr. Buckley with Mr. Talbot.
Mr. Sasscer with Mrs. Smith of Maine.
Mr. Mansfield of Montana with Mr. Ploeser.
Mr. Heffernan with Mr. Fenton.
Mr. Kilday with Mr. Powers.
Mr. Robertson with Mr. Reece of Tennessee.
Mr. Hendricks with Mr. Simpson of Pennsylvania.
Mr. Delaney with Mr. Rizley.
Mr. Pace with Mr. Stockman.
Mr. Daughton of Virginia with Mr. Thomas of New Jersey.
Mr. Philbin with Mr. Grant of Indiana.
Mr. Rooney with Mr. Harness of Indiana.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized.

Mr. SABATH. Mr. Speaker, having observed that a vast majority of the Members desired action, having requested that the Rules Committee be called to grant a rule to make in order the bill H. R. 5590, the Rules Committee complied with the express wishes of the majority, held a meeting and reported the resolution which you have now made in order by a record vote of 208 to 90.

In that connection I wish to say the resolution which the Committee on Rules has reported is an open rule. It provides for 1 hour general debate, after which the privilege of amendment is provided.

Mr. Speaker, having served longer than any other Member present, finishing my thirty-eighth year, I may enlighten those, especially the new Members, as to the need for this additional clerk hire. When I entered the House, I venture to say we received daily three to six letters and sometimes a telegram. Up to about 34 years ago and before the first office building was constructed and ready for occupancy, Members had desks in the House Chamber, as are still in use in the Senate, and we were obliged to do most of our work in the cloakrooms, in the Members' lobby, and at our hotel rooms or living quarters. Today we receive hundreds of letters and telegrams, resolutions, and demands that were not dreamed of 38 years ago.

I fully appreciate the time that it requires to comply with the many requests of the mothers, fathers, sisters, and brothers of those millions now in the armed forces, to whom we all desire to be of service. This ever-increasing service takes a great deal of time and requires additional help.

Mr. Speaker, this is not a mandatory law. It will not compel any Member to accept the additional allowance. There may be some Members who will not need this additional help. If so, I am sure they will not take advantage of this law, simply to put on additional help in order to spend the money provided for.

My experience goes back many years when we increased the salaries of Members from $5,000 to $7,500. I recall that there were two or three Members who refused to vote for it and who stated they would not accept the additional compensation, but later on they reconsidered and consented, without a great deal of prodding, to take the money.

That happened when we increased the congressional salary from $7,500 to $10,000. Right in this connection, Mr. Speaker, let me say that I believe the salary of $5,000 a year 38 years ago provided better care of Members than the $10,000 they receive now. Due to the

continuous sessions and the extreme additional cost of living in Washington very few Members can get along unless they are extremely careful of their budget. What applies to us with respect to the high cost of living in Washington applies to our secretaries, committee clerks, and stenographers who find their living costs and expenses nearly double that of 4 or 5 years ago. No increases have been provided for them as was accorded other Government employees. I appreciate that there are a large number of underpaid men and women in the United States. You have heard me call attention to them. I refer to the white-collar workers. I have pleaded and urged many times that something should be done for them and I hope this will be an incentive for us to take affirmative and positive action to bring relief to these underpaid men and women who are deserving of our aid and cooperation. With this additional help given to the Members they will be able to devote more time to the study of the needs of these underpaid white-collar workers and something worked out for their relief.

Some Members have told me that this bill would cost a great deal of money. My answer is "Yes" and "No." It will cost $657,000 if all of the Members of the House actually use this additional clerk hire. I was surprised that objection to the consideration of this bill should be raised by one of the Members who appeared before the Committee on Rules yesterday asking for a rule on a bill granting an increase of $400 a year to the postal employees. That rule was granted. It will cost the Government $132,000,000 a year if the bill is passed.

Mr. ROWE rose.

Mr. SABATH. It was not the gentleman from Ohio.

Mr. ROWE. I wish to ask the gentleman if he will yield for a correction.

Mr. SABATH. For a correction? Always.

Mr. ROWE. The gentleman understands that the $132,000,000 figure is the total cost. If it is held to the present $300 it will cost less than $30,000,000.

Mr. SABATH. Just a minute. The other was a temporary proposition, I realize. What the gentleman from Ohio wants to say is that the increase from $300 to $400 makes a difference of only about $36,000,000. That is right, yes; but the appropriation necessary to take care of it, if it is made permanent law, will cost the Government $132,000,000 annually.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BENDER. Did I understand the gentleman to say that the Rules Committee voted out the rule on the bill granting an increase to postal workers?

Mr. SABATH. We have granted the rule.

Mr. BENDER. I commend the gentleman for taking that action.

Mr. SABATH. I thank the gentleman. I always feel, however, the fact that we have been unable to aid others is not always a valid reason why we should restrict ourselves and fail to help those who are also in need of assistance.

In other words, I do not think two wrongs make a right and because we have not been able as yet to act upon relief for the white-collar workers does not indicate we should not relieve our underpaid secretarial and committee clerical forces. It is most difficult for Members to obtain clerks for the salaries that we formerly or at present are paying them. We were able formerly to get a stenographer for $125 or $150, but today you cannot get help for that salary. You cannot get a man who knows anything at all for less than $200, $250, or $300 a month and a good man with legislative experience or college education commands from $400 to $500 a month. Therefore, Mr. Speaker, I have come to the conclusion that the country is entitled to the very best services that the Members can render and that the constituency of the various Members is entitled to the aid and to the assistance and to the service which the Members cannot give with inefficient clerical help or with clerks who cannot perform the work and give the service that you feel and that I feel the people at home are entitled to.

Mr. Speaker, I have therefore upon the request of the Members of the House reported this rule. It has been my policy and the policy of the Committee on Rules to bring to the floor for consideration legislation recommended by the proper committees or upon the urgent request of a majority of the Members of the House. That is the reason I have consented to the immediate call of the Committee on Rules in order to bring in this rule.

The rule is an open one and permits an opportunity to vote for or against the bill. You may reduce the amount provided therein or you may increase it, but I hope that no one will endeavor to increase it, because I believe an additional amount of $3,000 is sufficient to take care of our needs.

Mr. Speaker, I regret that we have not been able also to take care of help for many of the important committees of the House. However, I hope that the committee which we are creating to study and investigate the reorganization of the Congress will make an investigation and report and that relief will be forthcoming to those committees that have been handicapped in the past on account of lack of clerical, stenographic, or other help that they may be in need of, experienced help which they may require to aid the committees in performing their duties upon important legislation they are called upon from time to time to consider and report to the House.

Mr. Speaker, I hope I have made myself clear. I trust the Members will follow their own views and vote according to their good judgment upon this rule. In my opinion, the additional amount is necessary and I hope it will be voted for.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman has me a little confused about the measure. I thought it was merely an increase in the amount of clerk hire or secretarial aid that a Member could employ to the extent of $3,000.

Mr. SABATH. It applies temporarily to committee help as well as to secretarial assistance.

Mr. MAY. May I ask, does it apply to every Member and does it not affect at all the committee work?

Mr. SABATH. It does to a small extent in allowing an increase of about $500 to the clerks of committees for the balance of the fiscal year.

Mr. Speaker, having explained to the best of my ability the provisions of the bill, and having complied with the wishes of the vast majority of the Members on both sides of the House, I shall leave to the distinguished chairman of the Committee on Accounts and to the members of that committee a more detailed explanation of the provisions of the bill.

Mr. Speaker, in closing I wish to point out that the general publicity given to the Maloney-Monroney resolutions to provide for a study and investigation of the reorganization of the Congress, together with the evidence presented today to the Committee on Rules by some of the best-informed men and economists of the country, has made clear that it is absolutely necessary to afford salary increases to our secretarial forces as well as to the personnel of standing committees of the House. The testimony and evidence has also plainly indicated that the salaries of Members of Congress are inadequate in view of the increased cost of living and by reason of the expenditures which are necessary in the maintenance of two homes or living quarters—one in their district and one in Washington—which they are required to maintain the year around. It has been pointed out that Congress for the past 12 years has been continuously in session, unlike in former years when the so-called long session would last 7 months and the so-called short session a period of 3 months, and Members' living expenses have doubled during that time.

Mr. Speaker, I feel that the salary question of Members of Congress will receive due consideration by the joint committee to be named under Senate Concurrent Resolution 23, which was favorably reported by the Committee on Rules and will be filed by me before the adjournment of the House today.

Mr. Speaker, I reserve the remainder of my time.

I now yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this rule waives points of order but permits amendments that are germane to the bill. There has been a hue and cry throughout the United States that the Congress should be streamlined and that there should be more efficiency in the formulation of legislation. Those who have been writing these articles and speaking over the radio have insisted that the Congress be provided with more research clerks and investigators. I believe that this proposal is in line with what the people want back home—to provide the Members of the Congress with additional clerk hire so that they may be

better staffed. If the Members want to give that increase to the clerks that they now have, to some who have been working overtime, of course, that is perfectly all right. If they want to get an additional clerk to do research work or to investigate, I think that would be in accord with public opinion.

Therefore, although none of this money, of course, will come to my clerks as a "lame duck" Member of the Congress, I am in favor of the proposal. Much can be said on the other side, but I think it is more or less a tempest in a teapot, and the public back home will not resent an increase for proper clerk hire in the House of Representatives. When the war is over and the G. I. Joes and and the G. I. Janes come home there will be thousands of cases arising out of the war that will have to be handled in every congressional office, and they will expect prompt and efficient service. That is their right. The war veterans are entitled to expeditious handling of their cases by Members of Congress.

Mr. COMPTON. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Connecticut.

Mr. COMPTON. Does not the gentleman think it would be better to have a comprehensive plan of streamlining Congress than try to do it piecemeal as this attempts to do?

Mr. FISH. The Committee on Rules did report out today a resolution for that purpose, to create a special committee to consider this very proposal, including many others, but as long as it is before the Congress it is a very simple issue and should be considered and adopted. The Members of Congress themselves must know whether they need more clerk hire to conduct the functions of their office efficiently for the public interest and the interest of their constituents. I am informed that the mail has doubled in the last few years for every Member of Congress. Most districts are larger in population than they were 10 years ago. We are now in the midst of the greatest war in history, that will be followed by all kinds of veteran cases and loans and employment that will require additional clerk hire for a number of years.

Mr. Speaker, there is one matter very close to my heart that has been referred to by the chairman of the Committee on Rules. If for no other reason than that I would support the pending bill. I believe if the Members of Congress by their votes vote for an increase in clerk hire, that they will have a moral duty to vote legislation for the benefit of the white-collar class, for those 20,000,000 underpaid men and women in America, who are struggling every day against the high cost of living, yet an employer of labor cannot increase their pay without going to the National War Labor Board if it is above 50 cents an hour.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Did we not on the 19th of June have that very bill here, when we had the Andresen amendment up for consideration?

Mr. FISH. It was defeated by a very small vote, under a time limitation where it was impossible to present the facts to the Congress. I had an amendment similar to the Andresen amendment, and I should like to recall, if I may now, that it was the Andresen-Fish amendment, because the amendments were identical, and because I deferred to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] so he could present his amendment first. He had 5 or 6 minutes to speak on it and I had only 2 or 3 minutes.

I believe that if we had had an opportunity to present the merits of that proposition to Congress it would have gone through by an overwhelming vote. I believe that if we could offer an amendment to this bill so that an employer of labor could increase the pay of his employees up to 75 cents an hour, or $36 a week, without the necessity of going to the National War Labor Board to get permission to do so, it would be adopted overwhelmingly. Now the Board can give permission for only a 15-percent increase up to 50 cents an hour. The amendment I recently proposed would permit an increase to 75 cents an hour or $36 a week, which an employer of labor might award an efficient and hardworking employee without applying to the War Labor Board.

We must all know those facts. We know the little, humble, white-collar workers, clerks in stores, poorly paid factory workers have no lobby, have no spokesmen to come before Congress to plead their case, yet every day millions of these people in the factories and in the stores, both in peace and war, including stenographers and clerical help, are so underpaid that they cannot compete with the withholding taxes and high cost of living and at the same time live according to decent American standards.

Mr. MURRAY of Wisconsin. Does the gentleman feel that possibly that amendment should be raised to the same amount this bill provides for a clerk, $70 a week?

Mr. FISH. No; I do not think it has any direct connection. I think it is a moral issue. If we can do something for our own clerks, at least we of the Congress of the United States can do something that is meritorious and almost necessary for 20,000,000 Americans, who in the midst of plenty and abundance are living on virtually starvation wages. This proposal will not in any way upset the Little Steel formula as that applies to higher wage scale groups.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield. Mr. Speaker, I yield myself 3 additional minutes.

Mr. DONDERO. I do not understand that this bill advances the pay of clerks to $70 a week, but that it allows $3,000 as the maximum, for a Member to divide among his entire staff of clerks.

Mr. FISH. But he may also give the entire $3,000 to a research man. There is no reason why he should not. He may divide it among his entire staff. But if he needs a research man, or an additional clerk, he can give the entire $3,000 to that man or divide it among his secretary and clerks.

Mr. DONDERO. That may be true.

Mr. FISH. It has nothing to do with this question of $70 a week. The gentleman is perfectly correct. I am raising another issue, a moral issue. I am raising it as one who is about to leave the Congress. I am appealing to Democrats and Republicans in the next Congress, in view of the fact that you are going to vote for this bill, at least you should do something, after you have done that, for those 20,000,000 wage earners who are being underpaid and whom the employers of labor want to help, but are helpless; who want to reward their employees for their efficient labor and who are not able to do so. That issue, at least, ought to be one which is nonpartisan. It is one that should appeal to every American. It applies to every congressional district. Therefore, as a concluding word by one who is going to vote for this bill, I do so, believing there is a moral obligation upon you to look after the 20,000,000 Americans who are unable to help themselves, and in the next Congress to pass legislation permitting employers of labor to pay their employees 75 cents an hour without permission of the War Labor Board.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a short question?

Mr. FISH. I yield.

Mr. DONDERO. Do I understand that if the $3,000 additional is voted to the Members that the 15 percent, now allowed, will be wiped out; or will that 15 percent still remain in effect, over and above the basic pay?

Mr. FISH. As I understand it, that is included. The 15 percent is included in the proposal.

Mr. DONDERO. Is it included in the $3,000?

Mr. FISH. So I understand.

Mr. DONDERO. So that the $3,000 is not entirely an increase, but it is $3,000, less the 15 percent that the clerks now receive?

Mr. FISH. I think the gentleman has brought up a very good point, and I think he is correct.

The SPEAKER. The time of the gentleman has again expired.

Mr. FISH. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. MICHENER], a member of the committee.

Mr. MICHENER. Mr. Speaker, I shall not discuss the merits of whether or not Members have all the clerical help they need at this time. I think the question asked by the gentleman from Connecticut a moment ago, just touched the spot. No, this is not the time.

The gentleman from New York said there is a hue and cry throughout the country in behalf of streamlining Congress, making it more workable, consolidating it, and economizing, and expanding where necessary, for the good of the institution. I agree with that. The country wants a real job done. This is piecemeal and may retard the over-all task

Following this philosophy, the Committee on Rules today reported out the Monroney resolution, the very purpose of which is to do that thing and report back to the Congress as to what should be done to accomplish that purpose. A composite picture is to be prepared. Intelligent action can then be taken. That resolution provides that the committee must report by April 1 of next year. It seems to me that we are getting the cart before the horse. We are coming in here today in this unusual way and without adequate consideration; but because, as suggested by the gentleman from New York, there is a "hue and cry" on the floor of the House, among some of our Members to pass this bill immediately, and to rush this through without any consideration.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. No; I am sorry I cannot yield now.

Mr. COCHRAN. Mr. Speaker, the gentleman just made a misstatement.

Mr. MICHENER. I do not yield now. Mr. Speaker, on yesterday, the gentleman from Missouri [Mr. COCHRAN] came to the floor with an amendment which I dare say, not more than 10 men in the House had ever seen.

The House, following the rules of the House, refused to permit the amendment of the gentleman from Missouri to be considered. So this morning he came back with the same amendment in the form of a bill and asked unanimous consent that the bill might be considered, without any further debate, to be read under the 5-minute rule. As soon as the gentleman from Missouri was denied the right to bring the bill up by unanimous consent, the chairman of the Rules Committee forthwith called a meeting of the Rules Committee. Inside of possibly 10 minutes we who are members of that committee were up in the committee room to pass upon this matter. Some of us wanted hearings. Some of us wanted somebody to at least read the bill to us, and explain its implications. There was not any Rules Committee consideration. The bill was just voted out. Within the next few minutes the chairman of the Rules Committee came on the floor and called up this bill, right in the midst of the consideration of a great deficiency appropriation bill, and here we are asked to vote on this rule now.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I do not yield. I do not have the time.

Now, it seems to me if we are setting up a committee to study this whole matter, that committee should report before we take action. Undoubtedly there are Members of Congress who need more clerical help.

Undoubtedly there are Members of Congress who have more clerical help than they now need. But it is said, "Oh, you need not take the money." I am going to vote against this until I know more about it; but if it goes through I am going to take the money for my office help, and I am not going to demagog about it. I believe every Member here will do the same thing. All this speed and excitement is not warranted. It does not inspire confidence in the Congress. This is the wrong time and this is the wrong place to vote additional expense without more information. Our people want us properly staffed. Our people want our offices properly cared for. The chairman of the Rules Committee suggested that this would be an incentive to violate the Little Steel formula. He indicated this would be the opening wedge, in substance; this will be an example to the people of the country. I do not want to commence by breaking the 15-percent formula so far as Congress only is affected. Then the gentleman from New York [Mr. FISH] went further. I understood him to say if he had his way he would include an amendment in this bill changing the Little Steel formula, raising the wages of 20,000,000 people in the country, and I take it, without committee consideration. The very fact that this innovation comes in the closing days of the session is not helpful. Haste often makes waste. Why this hurry? Why not follow regular procedure and let the country know that this legislation is being considered?

I close by saying this: If this is a wise thing, let us do it. Let every man's conscience be his guide. Let us answer on roll call and vote "yes" or "no." Maybe I am wrong but that is the way I feel about this matter.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. FISH. Mr. Speaker, I yield myself 30 seconds.

The SPEAKER. The gentleman from New York is recognized for one-half minute.

Mr. FISH. Mr. Speaker, the gentleman from Michigan who has just spoken put words into my mouth. I never mentioned the Little Steel formula. The proposal I made did not in any way interfere with the Little Steel formula because the underpaid employees about whom I spoke receive wages far below the Little Steel formula. I want to make that very clear.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. If I were in the place of the gentleman from Michigan, after the speech he made, I would let my conscience be my guide; I would vote against this bill and then I would not accept the money. But he says he is going to vote against the bill and then is going to take the money.

My purpose in taking the floor for these 2 minutes is to tell this House that the gentleman from Michigan does not know what he is talking about when he says this matter received no consideration. It has been before the Committee on Accounts for 2 years. The Accounts Committee considered this matter not once but many times. It appointed a special subcommittee headed by the gentleman from California [Mr. ELLIOTT], which made a complete survey. They recommended additional clerk hire and increases for committee clerks. They went before the Committee on Appropriations and the Committee on Appropriations refused to put it in a deficiency bill or in the legislative appropriation bill. So what I want to do now is to make it plain the gentleman from Michigan does not know what has happened when he says this matter has been rushed and has received no consideration.

Mr. Speaker, I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH], a member of the Committee on Rules.

Mr. SMITH of Virginia. Mr. Speaker, I voted against reporting this resolution from the Committee on Rules. I voted against its consideration this morning because I thought it was an unwise thing to consider it. I do not think we ought to be stampeded into this proposal, and that is exactly what is happening here today. This bill, whatever the gentleman from Missouri may say about its consideration by his committee, was introduced on yesterday and reported today. A special meeting of the Rules Committee was called for the purpose of reporting it out and we have then done the very unusual thing of suspending the orderly procedure of the House for the consideration of this measure.

We have also reported out of the Rules Committee a joint resolution to investigate the reorganization and streamlining of Congress. The way this thing is going to look to the people now is that instead of streamlining Congress we are cutting Congressmen a generous slice of cake and letting it go at that. I do not think there is that much haste about this matter. I think it would be much better policy on the part of Congress, it would be much better received by the public if we would just postpone this matter long enough to give it consideration in connection with the Monroney resolution which has been reported out today and which doubtless will be passed by the House tomorrow.

There are a great many things that ought to be done and I am not here to say that we ought not to have a greater amount allotted for clerical expense if the need for it exists. Some Members need it more than others. I think probably I need it more than any because of my close proximity to Washington.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. If the gentleman will give me 1 additional minute I will. I know he will anyway, so I yield.

Mr. SABATH. Does not the gentleman believe that if we act now and the Members know they will have the additional funds for clerk hire that while they are home during Christmas and New Year's they can perhaps find suitable people to engage to do this much-needed work?

Mr. SMITH of Virginia. I do not know. I cannot find any suitable idle people to do anything down in my part of the country. The gentleman may be better off in Chicago.

Mr. Speaker, I want to say further in connection with this proposal that no one has shown more sympathy for the downtrodden white-collar worker than the gentleman from Illinois, chairman

of the Committee on Rules. I do not think we are acting in very good grace if we take care of our own employees on this matter and leave the little folks out who are getting $1,200, $1,500, or $1,800 a year, starvation wages. I am going to propose an amendment to this bill which I know will have the enthusiastic support of the gentleman from Illinois. I shall offer a further proviso in the bill when it comes up for consideration that notwithstanding any other law or any other Executive order, or rule, or regulation of any department, nothing shall prevent an employer from voluntarily paying to his employees a wage not in excess of 75 cents an hour.

Mr. SABATH. I assure the gentleman I will support him.

Mr. SMITH of Virginia. I knew the gentleman would be enthusiastically for it. If we do that we will have done something for the 20,000,000 who are the white-collared workers about which the gentleman from New York has spoken.

Let me give you an example. I am sure a lot of you know about it already.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. SMITH of Virginia. Mr. Speaker, we have this situation with respect to the white-collar workers: If you employ clerks in your bank or in your store and you know they are underpaid, they know they are underpaid, you may know they are on starvation wages, yet the situation is such that you cannot raise them a single nickel unless you ask the War Manpower Commission or the War Labor Board. I have had the experience. The result is you try your best, you put up the very best case you can, you fill out questionnaires until your head grows bald; but the answer is always, "No, you cannot raise this man's wages." That is not right. Why should we have to go through with all that when these people actually need the money and they need it worse than our clerks do?

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I hope the gentleman introduces his amendment because I believe the House will approve such an amendment.

Mr. SMITH of Virginia. I shall offer the amendment, although I question whether it is germane to this bill, but I hope that those who are big-hearted about this will not raise a point of order.

The SPEAKER. The time of the gentleman has again expired.

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, the gentleman from Virginia does not need to worry at all about anyone being stampeded into voting for this bill. The need back of this thing has been dammed up for a good many years by the refusal of the Members to consider the issue. There is not a Member of the Congress here who has not known from the day he came here and assumed his duties and tried to perform them, whether he needed or did not need an additional clerk in order that better service might be given his constituents. Not all of us possess the intelligence, wealth, and experience of the gentleman from Michigan [Mr. MICHENER], who has been here a long, long time. He tells us his conscience will not let him vote for the bill, and with his next breath he says if the appropriation is made he will accept the money. I just do not understand his argument, which is that the passage of this is wrong; we should not do it; but, nevertheless, if a majority does adopt it, he intends to profit by our mistake and by our wrongdoing and give his secretary the additional allowance. That is what the gentleman from Michigan [Mr. MICHENER] said, though I do not know whether it will appear in the RECORD of today. Either he does not pay his clerk enough or he gives his clerk adequate pay. I gather from what he says that he assigns an adequate sum for that purpose. Yet he says he is going to take this money which we mistakenly, in his opinion, make available and turn it over to those in his office. I have no objection to that and that is none of my business, but I cannot figure out his course of reasoning. Maybe he is just talking for home consumption. I do not know from what he said just what point he was trying to make except that he personally did not need additional assistance. We are not all so fortunate.

Then the gentleman from Michigan [Mr. MICHENER] talks about having the courage to stand up and be counted. I am one of a minority of six who, more than once, stood up to be counted. So the challenge to stand up and be counted does not mean anything to me. I have never in my life gone out into the cloakroom when a roll call was about to be had, and I have never gone out when there was a voice vote or a rising vote coming up on any matter. I am sure the gentleman is not talking about me. The gentleman says he is opposed to the bill. If I were merely against this bill, if I thought it was wrong to adopt it, I would not take the money if the bill passed, but that is only my thought. As the gentleman said, each Member must be guided by his own conscience. Let it go at that. I am not criticizing anyone. I know my people need the additional service. I do not need it for my own convenience. My people need the extra service, and while I have voted against billions of dollars being sent across the seas to buy silk stockings and handkerchiefs for some Hottentot, I am going to vote in the interest of the people of my district, and do it right now.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. KNUTSON] 5 minutes.

Mr. KNUTSON. Mr. Speaker, I am sorry that I do not find myself in accord with the majority of the House on this proposition. I think it is wrong. Why do I say so? Of course, I only have my own office to base my opinion upon. I dare say that we receive as many letters at Room 1111, New House Office Building, as the average Member of Congress, and we have plenty of clerk hire to handle the work.

May I say to the gentleman from Michigan [Mr. MICHENER] that if this allowance is made, I shall not accept it, and I am not playing politics. With a national debt that is rapidly approaching $230,000,000,000, with the war going as it is, and with all the other considerations, we should ponder well before we act. I do not feel that I am justified in casting my vote for the resolution. I implore the House that if you are going to vote this extra clerk hire, you add an amendment to it that will provide that no clerk hire will be made to a Member except upon written application which must be accompanied by an affidavit that it will be spent for clerk hire. We have had a lot of disagreeable things said over the country about Congress in years gone by about nepotism and one thing or another in connection with clerk hire. It is unfortunate, most unfortunate, as I see it, that we should have stopped right in the middle of our deliberations of the supplemental appropriation bill that carries $458,000,000 to consider a peanut proposition like this. The way some Members are acting, one would think that somebody was going to grab the Treasury and run away with it before we come back in January.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Illinois [Mr. DIRKSEN] 3 minutes.

Mr. DIRKSEN. Mr. Speaker, it is rather interesting that the poise of this House can be so disturbed by an item that will probably aggregate $150,000, and within a few hours from now we will pass a deficiency bill, perhaps without a record vote, for $438,000,000. I do not understand the skittishness and the fear that somehow creeps into the soul of Congress when it undertakes to make proper provision for itself. If I had my choice, I would have followed the recommendation that was made to consider this as a part of the reorganization studies under the Maloney-Monroney resolution which was reported today by the Committee on Rules.

We are not responsible for its being here. It is here before us now because the Committee on Rules brought it in here, and I am not going to dodge the issue and send it back to the Committee on Rules and let the country feel that I am afraid to make proper provision for my office and for the discharge of the responsibilities that are incident to a constituency of 300,000 people. It is about time that we have just a little more faith in the people back home.

As to this business of talking about "cutting a hunk of pie," if I did not feel that I could sell this to my constituency back home, I would not ask them to send me back to Congress. They expect one to do a job. The fathers and mothers expect one to do a job on casualties. The G. I. Joes are expecting us to do a job in connection with veterans' loans on homes, businesses, and farms. They will expect that, with expedition and dispatch, one will discharge his duties here. It is a matter of individual conscience. Nobody has to implore this body for me

as to what I am going to do. I know the needs of my office. You could have hearings from now until doomsday and it would not add one iota to the information I now have as to the case load of work in my office and what I need. So it is a matter of individual conscience with which we are all familiar in our own offices. If you need the help, vote for it. If you do not need it, you do not need to vote for it. But it is a permissive bill. It says that the rate shall not exceed $9,500. You can vote for it, but no man has to take the money or put on any more clerks than he needs. That is as simple as the issue is today.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, earlier in the day on this third anniversary of the disaster of Pearl Harbor we were privileged to listen to the Resident Commissioner from the Philippines, General ROMULO, as he gave to us an eyewitness story of the landing of the American soldiers on Leyte Island on October 20, 1944. I have heard no more eloquent and informative address delivered during the several years of my service here than was delivered by General ROMULO. I am sure the hearts of all of us were moved when we heard his description of the heroism displayed on that occasion and the sufferings and the hardships which were undergone by those many thousands of American boys who performed those deeds of valor on October 20 and on subsequent days. Most of those boys were fighting on a wage scale of $55 per month.

But perhaps the effect on us was not lasting, because soon after he concluded his address we rose from our duties in the Committee of the Whole, where we were deciding whether or not to appropriate approximately half a billion dollars of the people's money, a large part of which is intended for use by activities relating to the armed services, and decided to suspend action on that bill until we should determine whether or not we should increase our own perquisites by $3,000 each.

I do not want to say anything to give offense to any Member of the House. I think my office is just as busy an office as that of any other Member of the House of Representatives. I know the hardships that are undergone by our clerks in endeavoring to get along on the salary allowances and with the personnel available for each office under present conditions, but if they will start a little earlier in the morning and work a little later in the afternoon, as most of them do and as most of us do, they will be able to do the job. Surely there ought to be some in this country willing to make some little sacrifice in overtime work and in enduring some slight hardships, when we take into consideration the fact that we have about 12,000,000 American boys, a great many of whom are on the firing lines, most of whom on the firing lines are serving at $50 per month plus 10 percent for their service overseas, while our clerks get far larger compensation with no risk involved and no real hardships endured.

This is only a part and parcel of a far greater movement than would appear from a casual consideration of this bill. This morning the Appropriations Committee raised the salaries of all of our clerks in amounts up to increases of $1,400 each. The Post Office Committee has reported a bill here to raise the salaries of all the postal employees in the country by, I think, about $400 each, which will be followed by bills to further increase all Federal salaries. Agitation is going on in the House to increase the salaries of Members of Congress to as much as $15,000 or $20,000 apiece. You do one of these things and it may seem to be a small thing when you do it, but you do one thing and you open a regular Pandora's box that you cannot shut up after you have opened it. Some of these claims for increases are more deserving than others. Perhaps all of them would be justified in normal times. But these are not normal times. We have a national debt of $233,000,000,000 and it is growing like a Chinese baby. Most of us have told our constituents we will try to hold down nonwar expenditures but by this sort of legislation we will vastly increase them, not by this bill alone, but by other bills that will follow.

How can you ask laboring people not to seek higher wages when you are providing greater benefits out of the Public Treasury for yourselves and your employees? The danger of unrestrained inflation in this country is very real. Measures like this will speed the day when all restraint upon that catastrophe will be swept away, both in Government and in the business and commercial world.

I know of no surer way by which you might set aside the Little Steel formula and make it impossible to hold down wages in private industry, than by the enactment of legislation of this kind, giving additional privileges and money for the use of Members of the House of Representatives or their employees. So I hope that in the interest of the national welfare, no matter how much you may feel your clerks are entitled to more money, or that you are entitled to additional personnel for the operation of your offices, you may be willing to undergo, or have your office force undergo some hardship, in view of the existing conditions, and in view of the fact that, after all, few of us in this country have endured any hardships except those who have actually been engaged on the firing line on the battlefields all over the world. Surely, if it requires that you go to your office an hour earlier in the morning or that your clerks go to your office an hour earlier in the morning or stay a half-hour later in the afternoon, in order to discharge your and their duties in this period of emergency, that is not too much of a sacrifice for you and them to make. You get $10,000 a year salary and you already have $6,500 a year for clerk's hire, which has been increased 15 percent, for the salaries of your clerks by recent legislation, so far as salaries up to $2,900 a year are concerned. You ought to be able to struggle along and not stop the consideration, as has been done, of an important appropriation bill, which is material to the welfare of the armed services of the country in some of its provisions, in order to take up a whole afternoon in determining whether you will award yourselves and your offices additional financial benefits.

I hope you will not do it.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield myself 15 seconds. I hope no Member of the House will make a point of order against the proposed amendment of the gentleman from Virginia [Mr. SMITH] to take care of 20,000,000 American wage earners.

Mr. Speaker, I now yield the balance of my time to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Speaker, the Member who has just addressed the House, the gentleman from Georgia [Mr. TARVER], indicated that this bill provided an increase for us. This is not a correct statement. This is an authorization providing for additional clerk hire and nothing else. I am sure that our constituents will appreciate the better service which will be provided for them with this authorization. The volume of work in a congressional office is constantly increasing, and every constituent who calls on his Congressman for service is entitled to get the best. I could enumerate many of the things that we are called upon to do today that we were not required to take care of a few years back. One item, for example, is the serviceman and his family. This will be an ever-increasing problem.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I yield to my distinguished colleague from Ohio.

Mr. BREHM. As time goes on, that burden will increase so far as the widows and orphans and the boys and girls who need help and services are concerned.

Mr. BENDER. You are absolutely correct. This job of being a Congressman is just a little more difficult than it was 6 or 8 years ago and the duties of the average Member are vastly greater than they were at that time. Frankly I am not the least bit hesitant about voting for the bill reported out unanimously by the Accounts Committee because I feel that my constituents are entitled to the best possible service that my office can provide. Of course, this legislation is not in the same category as the so-called congressional pension bill. We are discussing it in the light of day. There is no subterfuge about it. I trust that it will receive a unanimous vote.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. COCHRAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5590) to increase clerk hire, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House

on the state of the Union for the consideration of the bill H. R. 5590, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Missouri [Mr. COCHRAN] is entitled to recognition for 30 minutes and the gentleman from Illinois [Mr. ALLEN] is entitled to recognition for 30 minutes.

The gentleman from Missouri is recognized.

Mr. COCHRAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill comes from the Committee on Accounts. As I said a few minutes ago, the committee has been considering matters of this character for 2 years. The rules cover the jurisdiction of our various committees. The Committee on Accounts has jurisdiction over the contingent fund of the House and over the expenses of the House of Representatives. It has no other jurisdiction.

The gentleman from Virginia [Mr. SMITH] may think he is going to embarrass me when he says he is going to offer his amendment to this bill. When the bill was before the House providing for $37.50 for white-collar workers, the record will show that I not only voted for it, but I spoke for it. I come from a great industrial center, St. Louis. There is no type of people in this country that has been more forgotten than the white-collar workers. Bring in a bill from the proper committee which has jurisdiction, that will do something for the white-collar workers, and I will not only vote for it, but I will speak for it and will do everything I can to have it passed.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Not now. I will yield later.

Now, when it comes to doing something for those in the low brackets, the man and woman down below, I will put my record against the record of the gentleman from Virginia [Mr. SMITH] at any time he desires. The gentleman from Virginia [Mr. SMITH] is author of the most outstanding antilabor law that was ever placed upon the statute books of this country. He is the coauthor of the Smith-Connally bill, the law that was condemned by both political parties in the last election and both candidates for President. Yes; since I referred to the gentleman by name, I yield.

Mr. SMITH of Virginia. Mr. Chairman, I am sorry that the gentleman from Missouri finds it necessary to make a personal attack upon me. It certainly is not warranted by anything I have said. I have debated the question of the Connally-Smith bill, and it passed this House by a vote of 2 to 1.

Mr. COCHRAN. Do not make a speech.

Mr. SMITH of Virginia. All right; will the gentleman let me proceed for just one-half minute?

Mr. COCHRAN. Yes.

Mr. SMITH of Virginia. And I also debated the so-called Smith bill which passed this House by a vote of 2 to 1. So if my action in that respect was reprehensible the gentleman should also indict two-thirds of the Members of the House.

What I wanted to say to the gentleman when he said I was embarrassing him is to assure him that I never considered him in any way, shape, or form about the proposed amendment and certainly I have no desire to embarrass him now or at any other time.

Mr. COCHRAN. I have been around here a little too long not to know what some men have in their minds. I can analyze an amendment and I can analyze a bill.

The gentleman knew that I was chairman of this committee. He knew that the man to make the point of order, if he offered the amendment, was the chairman of the committee, myself; and I will tell him now that when he offers his amendment I will not shirk my duty. I will make the point of order for the reasons I have stated, because if there is one thing I want to do as long as I am a Member of the House, it is to preserve the integrity of the rules of the House.

I was asked yesterday by any number of Members to appeal from the decision of the Chair when the Chair held that my amendment was not germane and sustained the point of order. I told them no, that I would rather sacrifice the legislation than try to destroy the rules of the House when I knew that the amendment was subject to a point of order. As I said a moment ago, I will make a point of order against any amendment offered to the bill that is not germane.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. COCHRAN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, this legislation results from the appeal of men on both sides of the aisle, a great majority of the Members of the House who have complained to me and complained to the members of the committee that they just could not get along without going down into their own pockets and employing additional help to meet the demands of their constituents. The suggestion was made that if this legislation were brought in at this time and it became a law that when the Members were home for the holidays they could take up the question of an additional clerk. I was asked to have this legislation considered. I was asked by the chairman of the Committee on Appropriations on Friday. The gentleman wanted to know whether or not the committee would pass a resolution. I said I could not speak for the committee, but would find out. I got busy and in an hour's time the committee approved the resolution. I then told him and asked him to put it on the appropriation bill. I wrote him a letter and gave him all the information as to what occurred in the committee when it considered the matter. To my surprise he said he thought it should be brought into the House in the form of a resolution rather than be put on an appropriation bill as an amendment. He told me he wanted to get the bill to the Printing Office on Saturday because the Printing Office was closed on Sunday.

If he had that in mind I certainly figured he wanted to put it in the deficiency bill, but that was not the result. It was suggested that if the House would pass this bill the committee would accept the amendment. So, I introduced the bill last night and this morning we had a meeting of the committee. The members of that committee unanimously ordered me to report the bill and at 12 o'clock I brought in the report.

I notified Members of the House last night that if anybody wanted to appear before the committee in opposition to the bill they would be welcome. Two Members appeared before the committee in opposition, the gentleman from Wisconsin [Mr. MURRAY] and the gentleman from Ohio [Mr. SMITH]. Any other Member who desired could have been heard if they had come before the committee. No other witnesses were there. The committee voted unanimously to report the bill and when an attempt was made to get the bill up for consideration this morning by unanimous consent an objection was made. Thereupon the Rules Committee met and brought in a rule and as chairman of the Committee on Accounts it is my duty to handle the bill on the floor of the House. That is what I intend to do.

Mr. Chairman, each and every Member of the House knows what is in the bill, each and every Member of the House knows whether or not he should vote for this bill. There is no need debating it. Everyone present has made up his mind. If the Members who have come to the Committee on Accounts know what they are talking about, then there is need for this legislation.

Mr. KEEFE. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Wisconsin.

Mr. KEEFE. It is true, is it not, that this proposal cannot become effective until it passes the Senate and has been signed into law by the President?

Mr. COCHRAN. That is true.

Mr. KEEFE. And it cannot be made effective until the Appropriations Committee furnishes the money?

Mr. COCHRAN. No. The gentleman is wrong, because this bill is so drawn, and it was drawn purposely, I may say to the gentleman—probably it has not been discovered, but it is in there—so that it is an appropriation, as well as an authorization. That is the reason I asked the Rules Committee when it brought in the rule to provide for waiver of points of order.

Mr. KEEFE. Then if that is the case I think the House should be advised that the gentleman is tying the whole bundle up in one operation. The gentleman is not only providing the authorization, but he is making an appropriation under a rule which waives points of order that might otherwise be raised against it?

Mr. COCHRAN. Which has been done here time and time again, as the gentleman knows.

Mr. KEEFE. By doing it that way the gentleman has prevented the possibility of making a point of order in case an amendment is offered to the deficiency appropriation bill; is that true?

Mr. COCHRAN. No. That is not necessary if this passes. The chairman of the committee tells me if the House passes this bill that committee will not make a point of order.

Mr. KEEFE. I am very happy to learn that because I think most Members of the House were in complete ignorance of that fact.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I yield myself 2 additional minutes.

It has always been the policy of the two bodies, if one body passes legislation desired by that body, the other body will pass it. There is no doubt about action by the Senate in due time. That is a foregone conclusion. The Senate will act and I am sure the President will sign it.

Mr. KEEFE. Is it usual to have an authorization measure also contain provision for making an appropriation?

Mr. COCHRAN. I may say to the gentleman it is not unusual. It has been done by the Appropriations Committee itself. You have direct appropriations in the supplemental bill pending which contains legislation or authorizations that have never been made.

Mr. KEEFE. They are being knocked out by points of order.

Mr. COCHRAN. The gentleman may pick up the report and he will find a dozen of them if he wants to read the report. If he wants to make a point of order, as a member of the committee he may do it. I am not going to do it because that committee says they are essential for war purposes. For that reason I would not make a point of order against it.

Mr. Chairman, I think that the Members of the House should approach this matter in such a way that will leave out some of the stuff that we call demagogery. I am not going to call anybody a demagog, although I would be within the rules of the House if I did, because I remember a decision of the present Speaker when he took the big dictionary and gave the definition of a demagog, which was a political leader. Some of these gentlemen who are today making these speeches are not demagogs; they are political leaders.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Michigan.

Mr. DONDERO. Do I understand from a reading of this bill that an amendment would be in order providing for a smaller amount than that stated in the bill?

Mr. COCHRAN. That is true.

Mr. GILLESPIE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I do not think this is a good time to be raising the salaries of congressional help. I think this is a good time for Congress to help, rather than hinder, the feeble efforts of the administration, hold the line on wartime wages and salaries. All of these clerks are beneficiaries of the so-called cost-of-living increases we have voted for all Federal employees for the duration. Many of them are doubtless worth more than they are now receiving. We should appeal to their patriotism to serve through the war on the present basis, rather than grant them wartime permanent increases while we are asking private employers and employees to hold the line.

Under this bill we are going to increase the numbers in our offices while we urge other Government departments and private employers to get along with less. I do not believe this is setting a very good example.

I have heard Members since the election saying they could not render adequate service to their districts with their present staffs and present pay allowances. I did not hear any such claims during the recent election when we were all fighting to get back here. It is futile to argue that no Member needs to use the increases now being voted. Human nature, being what it is, the maximum pay for a class of employees soon becomes the minimum. I sympathize with those who say they and their staffs are overworked and underpaid. I have a busy office myself. I urge them to urge their constituents, who just reelected them, to bear with their present condition, rather than to vote these blanket increases with so little investigation, in this unusual bill. We ought to determine whether we are really streamlining Congress, or merely feathering our own official nests. I am opposed to this bill.

Mr. GILLESPIE. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, legislation to provide additional allowances for our own membership, for our own offices, should not be brought to the House in this manner. It just does not look so good for the House to stop in the middle of the consideration of an appropriation bill involving hundreds of millions of dollars, and at the last days of the session, and take up legislation for our own benefit without prior notice, and then proceed to vote on it. I just do not see the emergency of it. Mind you, I am only expressing my own views. I have the highest respect for the opinion of those who want this legislation passed immediately.

Mr. Chairman, I am informed legislation is to be considered within the next day or two to study our legislative procedure with a view of streamlining its processes. Why not, at least, let this legislation go over and give it study at the same time?

I realize, Mr. Chairman, the work and the responsibilities in congressional offices are greater than a few years ago. Incidently, I represent one of the larger districts in this country. The growth and expansion of governmental agencies have increased the duties of the Members of Congress. But, let us not forget, the duties and responsibilities of men and women everywhere have also increased tremendously. Look around at the folks in your own community. It is true of those who are carrying on their business affairs, their farm operations. With shortage of help they work harder and for longer hours in order to carry on.

Mr. Chairman, the functions of this Government will not be impaired if this legislation is not passed immediately. It authorizes the additional expenditure of more than a million dollars a year for this House. If, later on, the demand for more assistance becomes greater, we can give consideration to this problem. But now when there is a shortage of manpower, when there is so much discussion of wage stabilization, and when salaries of millions of workers are frozen, I believe we should turn this legislation down and at least go along until such time when the spending of this money and need for additional help is more urgent than it is right now.

I am sure, as other Members have stated, that later on as demobilization takes place and members of the armed forces return to their homes, there will be greater demand upon the services of the Members of Congress. Of course, we are now, and will then, give every assistance possible. If it takes more help in our offices to get it done we will see it is provided.

Mr. GILLESPIE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I have not been here as long as the Chairman of this Committee but I have been here long enough to catch on to some of the things that happen here on the floor of the House. I remember all the stories we heard about Guam, until it kind of blew up in somebody's face. Then I noticed what happened on the Congressmen's pensions, which seemed to blow up in everybody's face. I saw the soldiers' vote bill, wherein according to my humble judgment the soldiers were not given a chance, only a third of their franchise. I then saw people running all over the country pointing fingers at others and claiming they did not want the soldiers to vote.

Anyone, of course, can do as he wants to on this piece of legislation. I represent a district probably a little below average incomes than the average of the United States; just about the average, maybe. I think this is a very inopportune time to bring this legislation in on the floor of the House. It should have been brought in shortly before election. I think we would have had a much different discussion. We went out to our people and told them many things during the last few months, but I doubt if any Member told them he wanted more bureaucrats in Washington or wanted to put anyone else on the pay roll. I doubt if a single Member has done that.

I do not see how in the midst of war anyone who has any respect for the Little Steel formula can vote for this legislation. We cannot vote to give our office help a 46-percent increase in salary at the same time that we tell the rest of the world that they can only have a 15-percent increase. In my district I have thousands of people who are frozen to a 40 or 50 cents hourly wage. In view of that, I shall not say to them, "I voted a 46-percent increase to handle my office in order to write you a letter once in a while."

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I refuse to yield. I do not want to be personal with anyone. That is the reason I did not yield.

Mr. HOFFMAN. There was nothing personal about my remarks.

Mr. MURRAY of Wisconsin. I say to you here today that this is the most inopportune time to do this. As I said, I do not want to be personal, but I know a pretty good way to get work done in an office. At least, I have been able to get along fairly well with the plan in the last 6 years. That is to be in the office. I have found that helps a lot toward tending to your constituents and tending to your mail, if you will just kind of be there.

I have not figured out any schemes for getting on junket trips or running around looking at the world. I saw quite a bit of the world before I got here. I did not figure that Uncle Sam should send me out to look the rest of the world over, because I was sure that, after being a Congressman, I would have the time to get out and look over the rest of the world.

Mr. HOFFMAN. Will the gentleman yield so I can admit he is a model Congressman?

Mr. MURRAY of Wisconsin. I will admit it, so the gentleman will not need to admit it. Think of the legislation we have had here on the floor of the House. Men who may vote for this bill have stood up here and gone through all the agonies in the world because the farmers were going to get 3 or 4 cents more a bushel for their corn. You would think that that would cause every day to be black and the sun was never going to shine again.

When we had the Andresen amendment up here to allow people to get $37.50 a week without taking it up with the War Labor Board, who opposed it here on this floor? I read a column the other day. I am supposed to be a reactionary Republican from Wisconsin. If I am, and if I am supposed to be looking after the common people, as that article said, I should start to work on the majority side. I have to start working with those boys because the leadership here got up on this floor and said that we could not have the $37.50 per week because it would cause inflation. The common people of this country could not be allowed to make $37.50 a week. Then they bring in a bill like this providing for our own offices and raising the expenses of our secretarial staff 46 percent. That is not in keeping with common sense. I hope it will be voted down.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COCHRAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, I am in favor of this bill and intend to vote for it. I think it is about time we gave consideration to this matter. As has been said here so well today, any person who does not want to get this additional help in his office, certainly can vote against it. I believe if the Members really vote the way they feel, and the way they would like to vote, it would be a unanimous vote from this committee. There has been a lot of talk about demagoguery. I am not going to criticize people who are demagogs. That is something that is up to their own conscience, and if they can get away with it, well, that is their business. The debate today brings to my mind the debate on the so-called pension bill before the House a few years ago. I was told by the chairman of the committee having jurisdiction of that legislation that many Members had requested him to bring in that bill. Yet we know what happened and how few supported him in the final vote. When a few people on the outside, who did not really understand the bill, criticized it, many Members seemed to lose their courage and voted against the very thing that they really wanted done. I hope that this is not going to be the case with this bill. As a woman, keeping house here in the District, I find that my bills have increased more than 50 percent in the last few years. These clerks of ours, and mostly they are girls in our offices, are finding it very difficult to get along and pay their bills and live decently in the District, where everything is higher, probably, than it is in any other part of the country. I am hoping that we will be able to give our faithful employees in our offices an advance in salary. They need it very badly. I know girls who find it impossible to go home for a whole year. Many of them find it impossible to go home for Christmas because they really cannot afford to pay the price of the railway ticket. Now, let us be honest with ourselves and kind to them when the vote is taken. They need an advance in salary and we need more help in our offices. I know in my office my work has practically doubled since we have been in the war. I am sure that is true in perhaps the same ratio with all the Members of the House. I sincerely hope, now that we have this opportunity to do a really good deed, advance the salaries of faithful employees, and give more efficient service to our districts, we shall not hesitate to do so because of fear of criticism.

I predict that the people of the country will approve our actions. The bill should be approved unanimously.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. GILLESPIE. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, let us see what we are talking about, and what it is we are proposing to do. We are proposing to allow each Member who considers that he needs clerk hire to employ such help to the extent of an additional sum of $3,000. The burden of the opposition seems to be that this will wreck the economy of the country. Everyone knows that there is almost a universal call and demand on Congress for additional service. They talk about streamlining Congress—and I think that is a catch phrase that may mean much or little; but let us see what it means now in terms of dollars and cents to afford this additional compensation to congressional secretaries or the employment of additional help. I represent a district that now has a population of around 450,000 people. Let us put it on the basis of 400,000 people. If I should decide to hire $3,000 additional clerk help, that would cost each resident of my district three-quarters of a cent a year, or if I did it for 2 years, then each resident of my district would have to pay an extra three-quarters of a cent per year, or a cent and a half for the next 2 years.

My people write me. I get letters from men and women in every walk of life—from bankers, from operators of mines, from miners, from manufacturing establishments, from their employees, from mercantile establishments, from their help—from farmers, from soldiers, from the dependents of veterans, from the fathers and mothers of members of our armed forces, and we are going to get these calls for help and these requests for assistance not in increasing numbers by the score, but by the hundreds and thousands. My people are not a penurious people. They are not penny-pinchers. They are not little folk, nor are yours. They are entitled to the best service we can give them as Members of this House. I have always subscribed to the doctrine that God hates a coward. A coward dies a thousand deaths before he finally "kicks the bucket." Let us just do what is right—go back and face the people and tell them what we have done. My folks believe me, because up to this good moment, I have not ducked or dodged any issue, and I have made it a habit to tell them the truth.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. Yes.

Mr. MURRAY of Wisconsin. Does the gentleman infer that anyone who opposes this bill is a coward?

Mr. JENNINGS. Oh, no. Far be it from me to impute cowardice to anybody, and let me say to my good friend from Wisconsin that I regard him as one of the ablest and most useful Members of this House. He is always alert to the best interests of his constituents and fearless and sincere in his advocacy of what he thinks is to the best interests of the country as a whole.

Mr. COCHRAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Chairman, I was elected to this Congress to represent the 911,000 people of the Eighth Congressional District of the State of New York. They sent me here because they had faith in me. They placed into my mouth the authority to speak for them on all matters governing the welfare of this country both for the present and for the future. They invested me with the right to decide for myself what is essential for the welfare of this land, and when they gave me such broad powers they certainly gave me the right to decide whether I need additional help in my office.

There is no one in my district, and these words will not be stricken from the RECORD, who knows the problems of my office except myself, and I will decide whether I need additional help or not. When the time comes to vote and I cast my vote for the $3,000 additional clerical hire I will apologize to no man or woman in my district.

I was shocked a few moments ago to hear a statement uttered by the gentleman from Minnesota. This gentleman has sat for many years in this House, and for him to say that he would require an affidavit of need from Members of the House before they could take on additional help and take advantage of this resolution was indeed a slap in the face to every Member of Congress. If we who hold the third highest position in this Government and who have been duly elected by the people cannot be trusted to that extent then we are not fit or qualified to write the laws or to govern this country. By the very nature of the position that each Member occupies in this House, I have implicit faith in him regardless of which side of the aisle he sits on. Never in my legislative career do I ever expect to ask any Member of Congress to place either his word or his needs in affidavit form.

Mr. Chairman, this body has been too timid—and that is the word—too timid in the past in those matters affecting ourselves. I saw this body march up the hill on the pension bill and then I saw it march down again within a few weeks. We did not gain the trust or the admiration of the people of this Nation by tactics of that kind. We did not give courage to the Nation itself. If the people are to have courage, they must have faith in us.

To me, the crux of this situation is that each Member, and each Member alone, has the right to answer in this body about the clerk hire that is necessary for his office. No other Member can answer for him. To do otherwise, as many are trying to do today, is sheer demagoguery of the worst type. If the Members know they need additional clerks in their offices, they should vote for this bill and thus extend the services that they can give to their constituency. If they do not need them, then they are not compelled by law or for any other reason to take the money appropriated. But if the people are to be served and they are short of help, it is then a matter of conscience that they vote for this bill.

Regardless of whether we need it or not, let us not put up falacious arguments. Let us face the situation as men. Let us face it in the manner that our constituents desire us to face all questions—courageously.

I believe, Mr. Chairman, that this is a necessary measure for more than 60 percent of the Members of this body, and I do not propose to be frightened by demagoguery or the thought of future elections.

Mr. Chairman, I will yield back the balance of my time.

The CHAIRMAN. The gentleman from New York yields back 1 minute.

Mr. GILLESPIE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it is scarcely necessary to belabor this issue, because I apprehend that every Member has already determined how he is going to respond on the roll call. Probably there are some facts that ought to be adduced if there is to be a foundation that will justify an affirmative vote, if that is of interest to you. First, let us look at the growth of government.

When Washington was presiding over this Nation, the executive branch consisted of 300 people. When Abraham Lincoln was serving as Commander in Chief, there were 49,200 people on the civilian pay roll. When the armistice was signed on November 11, 1918, there were 917,000. There are today, according to the report on the very deficiency bill which will follow this measure, 2,880,000 civilians on the pay roll. The measure of pay-roll growth is also the measure of the growth of the Government in terms of functions; and in proportion as government grows so our business grows. Obviously you cannot discharge these responsibilities if you proceed on the basis of the days of Daniel Webster, 140 years ago, when there were only 203 Members of this body. It is a truism that as government grows so congressional business grows.

Secondly, look at the need for research. I caused the Legislative Reference Service of the Library of Congress to make a little study of the amount of money we appropriate for research in the executive branch. Probably there is not a soul in this body, other than the members of the Rules Committee, who heard me testify the other day, who can determine what it is. I will tell you. For all exploratory and research purposes we are appropriating about $120,000,000 a year for the executive agencies.

Would we be so niggardly then and so out of line to provide additional clerk hire for ourselves? The element of the Little Steel formula comes up. You do not have to violate the Little Steel formula if you do not want to. You are not bound by the Little Steel formula to begin with.

This is a permissive bill. It says "Not to exceed $5,000" may be paid to any individual clerk. You can do as you like about it. You do not have to put on any additional clerks. You may do as you like about that. It is absolutely permissive. So it is your own conscience that determines the matter, your own conscience plus the faith that is evinced in you by the people back home and your faith in them.

Mr. Chairman, I sometimes think we should be a little ashamed of ourselves for the way we let fear cause us to run out on things when the country expects us to do the best kind of a job we know how. Has it ever occurred to you that the clerks to Members of Congress have a wholly insecure position? Their job is dependent upon a fortuity and that fortuity is whether you are reelected or not. I had that situation arise in my office this year. I was about to lose my whole office force. One of my young men came to me and said that he had a chance to get a civil-service rating in one of the agencies of the Government and stated, "I cannot tell how long you are going to be here; so there is a contingency for which I must prepare." He took the job and then I was at pains to persuade him to come back with the promise that I would do better if I could arrange it. After all there is something to be said on that side and on the matter of the insecurity that goes with these clerkships.

Mind you, the average laboring man has the benefit of collective bargaining; the average laboring man has the benefit of seniority; the average laboring man has the benefit of a collective-bargaining agreement and a maintenance-of-membership clause. Look what we have done for them and for the men who are in the armed services today. We set 40 days and later extended it to 90 days, as the time for a veteran to go back and apply for his old job and get it.

I know clerks who are with defeated Members and those clerks are looking for jobs today. Some of them are old. Make no mistake about that. There is a good deal that can be said on their side. So, Mr. Chairman, I am for this resolution. The work load in my office must be the factor for determining whether additional clerks are needed in my office and if so, I want to do what any progressive and well-managed industry would do, and that is to hire such help as is needed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GILLESPIE. Mr. Chairman, I yield the gentleman 7 additional minutes.

Mr. DIRKSEN. Mr. Chairman, a question arose here about diligence and about serving longer hours in your office. I do not believe it is necessary, in all modesty, and I speak impersonally, for me to apologize about my office hours. I used to scare the guards once in a while by showing up at 7 o'clock in the morning. My office force works long and hard. They show up at 8 o'clock in the morning and you can test it out, if you like, by phoning my office. They work late. As a matter of fact, I bought one of my office men a portable typewriter that he could take home so that he could work at home. He works at home on Sundays, and his wife helps him. He is one of these precious fellows in whom I have a tremendous pride and interest. He is thinking about his own security because he is a young man. So I want to do the best by him I know how, and I know my people will want to do likewise. I know when a mother receives one of those grim pieces of yellow paper that says, "We regret to inform you," she wants somebody on this end who can call the War Department and see if there is any shred of information that will bring a little comfort and sustain a slender hope that though he has been reported missing, maybe he is still alive.

Earlier this afternoon it was suggested that since this is the third anniversary

of Pearl Harbor, we should not be thinking about extra clerk hire when the young men of America are sloshing through tropical heat and mud in the cause of freedom. Frankly, I believe that the very thought of what the young men of America are doing sustains the argument in behalf of this measure. They are parts of a highly efficient military force—the best in the world. They want their Government to be equally efficient. They want their Congress to be equally efficient. When they return, they will want service, and it is our responsibility to see that they get it.

The Government of the United States is the biggest corporation on the face of the earth. A new budget is being prepared and we are advised in advance it may a hundred thousand million dollars for the fiscal year 1946. Money is translated into terms of functions that constantly flow across your own desk.

The demands of business as they get into difficulties with O. P. A., O. D. T., and O. W. I. and all the rest; the problems of the farmers as they come under the Soil Conservation Act and as they participate in all these activities that are set cut in the Department of Agriculture; the laboring men who more and more think now in terms of the center of government here in Washington and what the Congress and the executive branch can do by way of security in the days that lie ahead—all those are expressed in terms of functions that constantly flow across your desk, so we have to be staffed for it. You cannot be overworking your people constantly, and I confess publicly here and now that I have done just exactly that thing. I have had them come back to the office on Sundays. The first 4 years, or maybe the first 6 years, that I served in this body, I do not believe there were as many as two Sundays a year when I was not in my office on Sunday. I see the lights burning in congressional offices after nightfall. We need not apologize for the hours we keep. They will compare with the hours of the busiest men in the country. This is the age of efficiency. The people have a right to expect it. They want answers to their letters. They want devotion to the public business. They expect a person to grow in his job as a legislator and public servant. They want the offices where public business is done operated on an efficient basis. After all, we are the liaison officers between hundreds of thousands of people back home and this great labyrinthine structure that we know as the Government of the United States. So it is up to us. Let your own conscience be your guide. You can vote for it and not use the money. You do not have to raise your clerks if you do not want to. I do not do anything in my office that will not stand the light of day. I am willing to go out and tell my people about it.

A question came up here about retirement for Congressmen and about pensions that invoked for us a movement that they called bundles for Congress, when they sent a lot of these worry birds and other things to our offices. I went out home and justified it. I went out and defended it, and I am for it now. When the agitation for retirement pay was at its height a few years ago I went to the Civil Service Commission and said, "How much will this retirement plan cost?" They figured it out and put it on paper for me. In my own case, the provisions of the bill which was passed called for $4,400 in cash and then $500 a year for 17 years, and then I would be the recipient of a munificent retirement pay of $137.50 a month. There is not an old-line life-insurance company in the United States that could not do better than that. The trouble is that we were just too niggardly for ourselves and failed to bring the matter out into the open and to have full and free debate on it so that the whole country might have been apprised of the provisions of that proposal. We are thinking now in terms of more social security, of annual wages for labor, and I am in favor of moving ahead in that field. I am also in favor of telling our story openly and wholeheartedly to the people and say, "Here is the circumstance." Do we take them into our confidence? Do we say, "Look, here is $10,000 a year; it seems like a princely sum that we receive, but here is how it is expended." My telephone bills have often been a hundred dollars a month. I believe in calling people out home when there is a matter that needs expeditious treatment. They withhold $1,900 from your pay check right over here in the Sergeant at Arms office. Living expenses here in Washington are quite high, and I have to keep my home in Illinois. Put it all together, and where are you? There are millions of men carrying dinner buckets today who are infinitely better off than Members of the Congress, and probably the only thing we have to show for it is the exhilaration that goes with public life and the dignity that goes with the title.

Let us go back and tell our constituents: "I want to be a better public servant, and I am going to support those proposals which provide the tools with which to work."

To do less than that and to fail to provide the help and the equipment that is need to dispatch the public business is a derliction to the very cause of efficient Government. I intend to support the bill which is before us.

Mr. COCHRAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Chairman, the statements made by the gentleman from Illinois [Mr. DIRKSEN], the gentleman from New York [Mr. O'TOOLE], and others, have set the issue forth so clearly that obviously there is no need for further comment. I asked for this time primarily to make some comments upon the remarks of the distinguished chairman of the Committee on Accounts, and the fact that he has received information that the gentleman from Virginia [Mr. SMITH] intends to propose an amendment to the bill which on its face would appear to be in the interest of the white-collared workers whose wage scale is in the lower brackets.

I do not question the sincerity of the gentleman from Virginia. Under the rules of the House I could not do that, and I will not. But I want to say to the gentleman from Missouri, as everyone knows, that he must make a point of order on this amendment, and everyone understands his position clearly.

I think we have the right to be apprehensive when the gentleman from Virginia introduces an amendment of this kind, when we recall his vigorous opposition to the wage-and-hour law, his introduction of numerous amendments to emasculate that act, and his rigid opposition continually to everything in the interest of the wage earner. So we do not need to go to a crystal gazer for a determination concerning any amendment he might offer. We need not the services of a soothsayer with respect to his proposals. We know where he stands. We know what the record is. We know that every time a bill comes before the House he comes forward with some complicating amendment. He did it on the G. I. bill, with an amendment that was designed to do nothing for the servicemen but would have complicated the passage of that legislation.

Should someone introduce a bill to provide milk bottles for the starving infants of some State or Territory, certainly we can anticipate that the gentleman from Virginia will propose an amendment designed in some way to get at the glassblowers' union. Should someone present a bill for the protection of the deer up in Alaska, I would expect that the gentleman from Virginia might show up with something designed to take a crack at the teamsters' union.

Mr. Chairman, the gentleman from Missouri needs to make no explanation to this House or to the people of his district. His record has been outstanding with respect to supporting legislation for the wage earner. We have the right to be apprehensive when the gentleman from Virginia suddenly appears sponsoring something which makes him appear as a benefactor of the underprivileged. The point of order not only is necessary, there is no other course for the gentleman from Missouri to take, and everyone in this House and everyone in the country will understand that.

The gentleman from Virginia will have ample opportunity in the next Congress, after January 3, when we can depend on more votes for liberal legislation to support many measures in the interest of those in the lower wage scales. He will have the opportunity to vote for legislation to raise the minimum standards of the wage-and-hour law. We will give him, time and time again, the opportunity to vote for white-collar workers and for all others who are in the low-salary scales. So, the gentleman from Missouri can go ahead with his duty without fear that anyone will misunderstand the position in which he has been placed by any amendment the gentleman from Virginia may offer.

Mr. GILLESPIE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Chairman, I do not think it is very frequent that I address this body, but as I sat here this afternoon I kept thinking about the splendid men and women who are serving the

Members of this Congress as our secretaries. I have a young man working for me. He has been with me for 10 years, a college-bred man. He was graduated years ago from one of the finest schools in America. He was a young newspaper man. He has been here for 10 years. He has worked with no question about when the clock started or when it stopped. Many and many a time when things have been before this House that have been of importance to the people of America, that young man has been over there in that office burning the light long after sundown. Many and many a night he has worked over there until midnight. He has never yet asked me for overtime. I remember during my first term as a Member of this body, I was conducting an important investigation. I think almost every night for a year he was over there. Today, after years of training as a college man and after 10 years of experience on the Hill, all that I am permitted to pay him under the law is a pitiful $3,900 a year. As I sat there a little while ago, I was thinking of another young man whom I have known throughout the years. He lives down in Missouri. He is a fine young man. He went as far as the third grade in school but decided he did not want to go to school any further. He began his career as a farm hand. He worked for quite a number of years. He is a good worker, a fine young man, but when the war broke out he was getting $40 a month and he told me he felt he was doing very well. He was saving some of it. The war came and he went to his employer and said, "I am going to have to quit you. I have been with you a number of years. I love to work with you. You have been kind to me. I have enjoyed my work with you, but I can go over to the munitions plant and I can get $100 a week instead of $40 per month." That young man who can hardly read or write is drawing $100 a week, practically $5,000 a year. In other words, he is getting from $1,000 to $1,200 more per year than the secretaries upon this Hill. Now, some will say, "That is all right. The educated man ought not to get any more than the man who is barely able to read or write." But you do not take into consideration the long years the man on the Hill, who has acted as your secretary, spent in school, earning his living perhaps, by doing chores at night and on Saturdays and Sundays, trying to go through college. You do not take into consideration, the years when he was not laying anything aside and could not earn anything because he was going to college, nor do you consider the years the farm hand was earning his $40 a month, while your secretary was preparing himself to serve you on the Hill.

I think the people of America have a stake in this bill. I have 300,000 people in my district, demanding services. They are daily being faced with problems which tear their hearts in their efforts to know how to solve them. A day never passes but when I get letters, sometimes by the dozens and sometimes by the hundreds, from mothers and fathers who are seeking information about their boys who are fighting the battles of this country, on the far-flung battlefields of this globe. Now, these questions may seem little to some of you folks up here but these problems that are facing your constituents back home, are problems of tremendous importance to them. They are problems of life and death to those people. It is a problem of life and death to that poor gray-haired mother out in Missouri, and out there in Illinois, and down there in Alabama, who wants to find out where her boy is, who has been reported missing in action. Yet some of us would be so niggardly that we will not cast a vote to give a decent salary to the man who spends long hours, digging into the records here in Washington, to get these bits of information to the people back home who need that information so badly. Gentlemen, let us be brave today. You all know that if you do your duty as Members of this House, you have no time to do that important clerical work. Do not get so badly scared for fear that some constituent will vote against you because you are paying your clerk a living wage in Washington. I can remember when I first came to this town 10 years ago, the cost of living was just about 33⅓ percent of what it is today. You gentlemen know that the cost of living has gone up. There is not a man in this body, when you consider the taxes paid to the United States Government and the taxes you pay to your own State, travel back and forth to your district and the rent that you pay here in addition to your house at home and the telegraph and telephone bills, that are purely incidental to your office, there is not a man in this room today, who is making net, more than $2,000 a year. Now, the same things are affecting your secretaries that have affected you. There is not a secretary on this hill that is making a living wage. Let us be fair and decent to our help this once.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I yield the remainder of my time to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, I do not approach this topic with any emotionalism, because I feel it is something that should be considered on its basic equity and that alone. After listening to some of the addresses here this afternoon, I think I am more happy and more responsive to the majority that my constituency gave me in the recent election. I am particularly appreciative of that splendid majority because it was based upon the following philosophy: My opponent, a very splendid gentleman, criticized me, upon the basis of my being a member of the Appropriations Committee and chairman of a subcommittee which presented an appropriation bill to the House for $33,000,000,000 for our Navy. Yet, after all of the vituperous attacks by my opponent, the people of my district had enough confidence in me to send me back here to this body with a splendid majority. I am grateful for that. In fact, I have a very responsive constituency. I have always told them what conditions were as they pertain to my office, and I have consistently tried to render to that constituency a service that has justified confidence. We do not handle our mail in my office as if it were file No. 13, and throw it into the wastebasket, but we answer the mail if it is only a plain postal card written with a stub lead pencil, because to the person who sent that card his or her interest in the matter under consideration is just as great as is the interest of anyone else. Last year it cost me $1,850 of my personal funds to pay for extra help in my office. The year prior to that, it cost me $1,242 to pay for extra help in my office. Much correspondence comes into my office as a result of the chairmanship that I presently occupy, which does not emanate from my congressional district. I have no extra secretarial help to take care of that work.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. Yes.

Mr. MAY. I would like to have the gentleman come around and take a look at the mail that comes into the office of the chairman of the Committee on Military Affairs.

Mr. SHEPPARD. Of course, I have no knowledge of the gentleman's mail, but if he has so much that the regular force cannot take care of it, then I anticipate he will support this legislation.

Mr. MAY. That he will do.

Mr. SHEPPARD. Some gentlemen have brought up the subject of infringing upon the Little Steel formula. I think it might be well if they would read that formula a little more carefully with relation to the proposition under consideration. This legislation, which will give $3,000 of additional clerk hire in an individual office, is no infringement on the Little Steel formula under the existing regulations.

There has been some comment this afternoon about the expediency with which this bill has been presented to the House and the lack of opportunity to survey what this bill means. I, of course, have no way of knowing how my colleagues may analyze their problems, but after several years here I can say to you frankly I do not need any 6 months or any time to analyze the clerical necessities of my office. I need more help, and I am going to support this legislation because I think it is a proper proposal. Furthermore, I am not going to offer any apology to the people of my district, because they would not respect me as their Representative if I were to offer one. My people write to me and ask me if I cannot assist them in getgetting truck priorities, if I cannot help them by going down to many divisions of Government and assist them to acquire some things they think they need. From 28 to 35 percent of my time is spent in direct contact with different departments of the Government in an effort to assist my constituency in the problems they are presently confronted with. Therefore, Mr. Chairman, as far as I am concerned I have no criticism to offer to anyone who is adverse to this bill, but I am supporting it unreservedly and wholeheartedly solely upon my concept of better service to my constituency.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That effective January 1, 1945, the clerk hire of each Member, Delegate, and Resident Commissioner shall be at the rate of $9,500 per annum, and such officials and chairmen of standing committees (other than the Committee on Appropriations, which is governed by other law) may rearrange or change the schedules or salaries and the number of employees in their respective offices or committees: *Provided*, That no salary shall be fixed hereunder at a rate in excess of $5,000 per annum, and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than $5,000 per annum: *Provided further*, That such changes as may be made in consequence hereof shall not increase the aggregate of the salaries provided for such offices or committees for the fiscal year ending June 30, 1945, or thereafter, beyond the additional amount herein authorized for clerk hire for Representatives, Delegates, and the Resident Commissioner from Puerto Rico, and an amount equivalent to the difference between the aggregate amount appropriated for salaries of a standing committee for the fiscal year 1945 and the amount required to increase the compensation rate prevailing on December 6, 1944 (in case of a vacancy, the rate last paid), to the clerk of a standing committee to a rate not in excess of $5,000 per annum: *Provided further*, That no compensation rate shall be established in pursuance hereof which is not a multiple of five: *Provided further*, That Representatives, Delegates, the Resident Commissioner from Puerto Rico, and committee chairmen, on or before the 10th day of the month in which rearrangements or changes of salary schedules are to become effective, shall certify in writing such rearrangements or changes to the disbursing office, which shall thereafter pay such employees in accordance with such rearrangements or changes: *Provided further*, That the provisions of this paragraph shall supersede any law in conflict therewith.

For an additional amount, fiscal year 1945, for committee employees, to be available solely for expenditure for additional compensation for clerks to standing committees, as authorized in the preceding paragraph, $42,630.

For an additional amount, fiscal year 1945, for clerk hire, Members and Delegates, $657,000.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word and ask the gentleman from Missouri [Mr. COCHRAN], author of the pending bill, a question: What is the increase in compensation of the clerks of committees of the House as provided in this bill? I ask that particularly with respect to the language on page 2, commencing in line 8, reading as follows:

An amount equivalent to the difference between the aggregate amount appropriated for salaries of a standing committee for the fiscal year 1945 and the amount required to increase the compensation rate prevailing on December 6, 1944.

Mr. COCHRAN. I may say to the gentleman from Mississippi that section 7 of the Ramspeck Act, so-called, provides a limitation of $4,500 in the payment to any clerk of a committee or to a clerk of a Member. This bill provides for an increase of the limitation of the clerk of $500 or up to $500 provided that the committee chairman wants to pay him that. The same with the $3,000. The Member can raise salaries or hire a new employee.

We wanted to do the same thing for the committee clerks where it is possible for the committee chairman to so arrange the money allowed to his committee. If the clerk is paid $4,500 now he would have the right to pay him $5,000. Of course, the gentleman from Mississippi cannot do it because as I know and the gentleman knows the clerk to his outstanding committee only receives $2,750 under the basic law.

Mr. WHITTINGTON. Let us take that case as an illustration. My question is this: What automatic increase in the salary of that clerk is contained in this bill?

Mr. COCHRAN. Five hundred dollars under the first paragraph, page 3. It amounts to $500 for each committee or $46,000 plus.

Mr. WHITTINGTON. Without further legislation could the Committee on Appropriations provide for a larger amount so as to increase the salaries of those clerks who now receive $3,000 or $3,500?

Mr. COCHRAN. It would be subject to a point of order unless authorized. That is the reason you are considering this bill today.

Mr. WHITTINGTON. Unquestionably. Here is my question: Is an increase in excess of $500 authorized by this legislation?

Mr. COCHRAN. No; if the man is receiving $4,500.

Mr. WHITTINGTON. Then we would have to have further authorization to increase it?

Mr. COCHRAN. That is coming in under what we call the Monroney-Maloney resolution which is expected to go into the various committees of this House and do something for the able clerks of the committees of the House.

Mr. WHITTINGTON. I appreciate that, but I confine my question to this bill purely as a matter of information because frankly I have not been able to ascertain the answer. I am asking now, is there any additional clerk hire authorized in this bill except $500 to each of the clerks of the committees?

Mr. COCHRAN. Yes; $3,000 for each Member.

Mr. WHITTINGTON. Oh, no. I said "clerks to committees."

Mr. COCHRAN. No. Only $500.

Mr. WHITTINGTON. Is there any additional compensation except $500 contemplated for clerks of committees?

Mr. COCHRAN. Not in this bill.

Mr. WHITTINGTON. Does this apply to messengers as well as clerks?

Mr. COCHRAN. Whatever the chairman of the committee desires to do with it he can do it under the Ramspeck Act, which is not touched by this bill.

Mr. WHITTINGTON. You do not affect that at all at the present time?

Mr. COCHRAN. No.

Mr. WHITTINGTON. In the legislative appropriation bill an amount is specified for each clerk, each messenger or janitor.

Mr. COCHRAN. Yes.

Mr. WHITTINGTON. This does not affect that except it provides an increase of $500 for the clerk?

Mr. COCHRAN. We are not bothering the Ramspeck Act at all.

Mr. WHITTINGTON. If the $500 be applied on the clerk is an increase authorized under this bill for the messenger or janitor?

Mr. COCHRAN. Not if he uses the $500 for the clerk. You would not have anything left for the messenger or janitor.

Mr. WHITTINGTON. This $500 is for every committee?

Mr. COCHRAN. Yes.

Mr. WHITTINGTON. And nothing for an assistant clerk or janitor?

Mr. COCHRAN. No; unless you want to do it that way.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: Page 1, strike out lines 4 and 5 and insert "ber, Delegate, and Resident Commissioner who files with the Clerk of the House a statement, verified by his oath or affirmation, that—

"(1) The total amount now provided for clerk hire in his office is being paid to persons regularly employed in his office in the performance of necessary office work;

"(2) The work of his office is of such volume or difficulty that it cannot be efficiently performed by the persons so employed; and

"(3) All of the amounts allowed him for clerk hire, including the additional amounts herein provided, will be paid to persons regularly employed in his office in the performance of necessary office work;

"shall thereafter be at the rate of $9,500 per annum. Effective January 1, 1945, Members, Delegates, and Resident Commissioners, and chairmen of."

Mr. KNUTSON. Mr. Chairman, I freely concede that there are many Members in this body whose volume of work in their offices is of such magnitude that the present clerk hire is not sufficient. But we all know of Members who only have one clerk in the office at the present time, and surely where they only have one, there is no justification for an increase.

This measure merely provides that each Member who files an application for the increase, supported by an affidavit that it is necessary, and that it will be spent for clerk hire, will be given the increase proposed under the bill.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Is the gentleman aware that many of us employ special help temporarily for a week or 2 weeks at a time?

Mr. KNUTSON. Under this provision you would employ regular help.

Mr. HOFFMAN. No; you would call in some extra help for a week or two.

Mr. KNUTSON. Oh, that is the same old thing that we have heard every time there has been a proposal before this body.

Mr. HOFFMAN. Has the gentleman never done that himself?

Mr. KNUTSON. I used to do it back when we were only allowed $1,500, but I have not had occasion to do it since. You do not want to lose sight of the fact that this would be the fourth increase taking place since World War No. 1. When I first came to Congress we were allowed $1,500, which was wholly inadequate. That was increased to $3,200. Later it was further increased to $4,500, and then to $5,000, and then to $6,500. Now you propose to increase it to $9,500. It is all right where you need it, but it is a raid on the Treasury if you do not need it.

The CHAIRMAN. The Chair recognizes the distinguished gentleman from Texas, the Honorable SAM RAYBURN.

Mr. RAYBURN. Mr. Chairman, we have reached the acme. I have heard speeches made here today that, being a lover of this institution known as the House of Representatives, have made me feel very badly. The Members of this House who have been here for years have inferentially convicted this House and its membership of dishonesty. If you are going to adopt amendments like this, you ought to throw this bill out of the window. I am everlastingly tired—and if I speak with some feeling I hope you will pardon me—of some of the statements made here today. You have done me a great honor by making me the head of this House and I am proud of it and proud of you. But if the people of this country thought of me and you as some of our colleagues today have indicated they think of us, I would not be very proud of myself or very proud of you. The people on the outside of Congress who know nothing about the workings of the Congress say enough about us, without our adopting amendments like this and hearing speeches like those just made.

I hope that now, without further debate, you will do with this amendment what ought to be done with it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 2, line 24, after the semicolon, insert *"Provided further*, That nothing in this act or in any Executive order or rule or regulation promulgated by any agency of the United States Government shall prohibit any employer from paying to any employee a wage or salary equivalent to 75 cents per hour, based on a 48-hour week."

Mr. COCHRAN. Mr. Chairman, for the reasons previously mentioned, I make the point of order that the amendment is not germane to this legislation.

Mr. SMITH of Virginia. Will the gentleman reserve his point of order?

Mr. COCHRAN. I reserve the point of order, Mr. Chairman.

Mr. SMITH of Virginia. Mr. Chairman, I appreciate the courtesy of the gentleman from Missouri and his kindness in permitting me to speak on this amendment when he might have insisted on the point of order. I reiterate what I said a while ago, that I have no quarrel with the gentleman from Missouri. When I proposed this amendment I had no idea in the world that it could be regarded by him as embarrassing; as a matter of fact I thought it was going to help him. I thought it would help him to do those things for the working classes of the people that he has so strenuously and ardently and sincerely and honestly fought for all these years. When I hear these speeches urging we must not do it now, we must wait for another time, I say that now is the time to do it if you want to do something for the white-collar workers. You can do it now; why not do it now?

It is said that it is irregular to put it on this bill. Is anything more irregular than this bill itself? Have any of you ever seen anything that came in here under more irregular conditions than the bill which we are today considering? Yet the gentleman says, "No, this is not the right time to do it, we will do it some other time."

Let us do it now. I will cooperate with the gentlemen. They will not cooperate with me. I am just trying to go along with them, yet they jump up here and make all these speeches in the nature of personal attacks on me.

The religion I was raised under said that notwithstanding that a fellow might sin, "as long as the light holds out to burn the vilest sinner might return." I have come to their rescue and tried to help them in this matter. When I do, the gentleman with the bleeding heart from Pennsylvania [Mr. BRADLEY] comes here and rants about what I have done.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I do not yield.

I repeat again for the record that I have introduced three labor measures, and everyone of those three which has been voted on by this House has been passed by a roll-call vote of 2 to 1, and on one occasion of 3 to 1 in this House. When the bleeding-hearted gentleman from Pennsylvania and my good friend from Missouri attack me on the floor of the House on those bills, I want them and the House to know that they are indicting two-thirds of the Members of this House. If they want to let it go at that, they are welcome to do so.

As to the gentleman from Pennsylvania, his heart bleeds when any measure comes up here affecting the highly organized workingmen who can protect themselves and who can protect him in his seat in Congress. They are organized. Oh, the gentleman's heart bleeds copiously for them. But when you bring up the poor little devil who has no organization to support him, who is depending just as a citizen upon the big heart of his Representative in Congress to take care of him and protect him, does the heart of the gentleman from Pennsylvania bleed for that unprotected, helpless citizen who has no great organization back of him with the great finances of the C. I. O.-P. A. C.? Oh, no. That bleeding heart dries up when that poor little fellow comes here.

Is his heart bleeding this evening for those people here in Washington working for wages of $1,200 to $1,500 a year, and trying to raise a family and feed them and support them and educate them under the conditions which you all know and which the bleeding-hearted gentleman from Pennsylvania knows prevail in this city with its high cost of living? Does his heart bleed for those people who need his assistance and his charity? Oh, no; not for them. He will not even join with me in an effort to help those poor citizens. He will not even join with me in an effort to help citizens of like character in his own district when all I ask is that employees may have their wages increased to at least 75 cents per hour, without having to secure Government permission. But my friends, just let the Political Action Committee come forward with some proposal in this House, and then the heart of the gentleman from Pennsylvania bleeds copiously again.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. SMITH of Virginia. Mr. Chairman, I do not.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard?

Mr. COCHRAN. No, Mr. Chairman.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule. The gentleman from Virginia has offered an amendment which has been reported, to which the gentleman from Missouri has made a point of order on the ground that the amendment is not germane to the pending bill. The Chair invites attention to clause 7 of rule 16 which provides—

And no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment.

The Chair likewise invites attention to page 193 of Cannon's Precedents of the House of Representatives, which states under the subject of germaneness:

One individual proposition may not be amended by another individual proposition even though the two may belong to the same class.

The Chair is of the opinion that the amendment presented is clearly in violation of the rule cited by the Chair, and the precedent which has likewise been cited, under which numerous decisions have been made by occupants of the Chair throughout the years of the past. Therefore, the Chair sustains the point of order.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri, the chairman of the committee, is recognized for 5 minutes.

Mr. COCHRAN. Mr. Chairman, I am not going to take the 5 minutes. It is getting late, but I assume I do owe some thanks to my dear friend the gentleman from Virginia [Mr. SMITH]. I was thinking while he was talking, and I recalled my vigorous opposition to many attempts he has made in connection with antilabor legislation on this floor. The reason I feel I owe him some thanks is

because I am quite sure that that vigorous opposition of mine to that legislation was indeed partly responsible for the fact that my Republican opponent withdrew in the election and thus I did not have any opposition at all.

The CHAIRMAN. For what purpose does the gentleman from Wisconsin [Mr. SAUTHOFF] rise?

Mr. SAUTHOFF. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The CHAIRMAN. Permit the Chair to state it is the policy of the Chair to alternate recognition on either side.

The gentleman from Wisconsin [Mr. SAUTHOFF] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: On page 3, line 6, strike out the period, insert a colon and add the following: "*Provided*, That none of these funds shall be used as compensation for clerks who are employed by Members and Delegates to whom they are related."

Mr. SAUTHOFF. Mr. Chairman, I just want to smoke out some of the woodchucks that I think are hiding in the woodpile of this legislation. I am not going to indulge in a lot of emotionalism, and it strikes me that this is not the place for it. What I want to see done and done as speedily as possible is that every office have an adequate staff, but that it be not loaded down with Members of a Congressman's family. That has been an evil practice to which I have always been opposed, and I am still opposed, and I would like to see it done away with. The amendment speaks for itself. It just moves out of anybody's office someone who is related to him. Let the employees of that office be those who are entitled to the positions by virtue of their ability, and not be put on the job as absentee receivers of checks.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Yes.

Mr. RAMEY. Has anybody done that except Mr. TRUMAN'S wife?

Mr. SAUTHOFF. I do not know anything about her, or anything about the matter the gentleman refers to.

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the amendment. I think I can speak impersonally about this amendment, because I have never assumed to put any relative on the pay roll. I think I have bent over backward to keep brothers from getting into any kind of public service, so that the voice of suspicion might not be raised nor the motives impugned. Let us see what the effect would be if this amendment should be passed. We had a very gracious character in this House a few years ago, Governor Pierce, of Oregon. His office was in the same corridor with mine. He was born in Illinois and went to Oregon at a tender age. He held the office of governor of that State with distinction and then was elected to this body. He had a very gracious, gentle wife, who had served as State librarian of the State of Oregon, and without whom he would have had real difficulty in discharging the duties and the responsibilities of his office. If ever there was a kindly, sweet, gracious soul, it was Heneritta Pierce. The Governor was of advanced age. He depended upon her. If we pass this amendment, of course, you would stop that practice. Certainly there have been abuses, but everyone has to be measured by his own conscience, and are we going around impugning each other's motives? If you want to put your kinsfolk on the pay roll, that is your responsibility and your job, and not mine. You must answer for them, and if one of the columnists sometimes carries an item stating that you have a relative on the pay roll when he thinks you ought not to have there, you are the one who is going to suffer. There are cases like the one I cited, and probably others where there is a degree of relationship, but I am not going to be a party to any amendment that will serve as an inflexible restriction because it might in some cases operate most unjustly. It is not for me to sit in judgment.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr SAUTHOFF. Let me ask the gentleman if it is not possible for any Member's wife to go to his office and help him if she wants to, but there is no reason that the taxpayer has to be charged for her?

Mr. DIRKSEN. The point is that I am not going to make it my responsibility to pass on the other fellow, whether he wants to have his wife on the pay roll or not. I do not have my wife or any other relative on the rolls, but you may put your own wife on the pay roll if you want to. I say to you, follow your own conscience in that.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MILLER of Connecticut. I agree with what the gentleman from Illinois said and I say to you right now that for the past 2 years my wife has worked in my office on the pay roll. I wish I had another worker just as good.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am only going to say one word. I am in the same position as the gentleman from Illinois. No member of my family, since I have been here, in any manner, shape, or form, has ever benefited financially as a result of my service. But the amendment offered by the gentleman from Wisconsin will not accomplish what he seeks, for it applies only to the money in this bill. Therefore, if a Member desires to place a relative on the pay roll, he can take it out of the other money and not out of this money. It is easy to see that the amendment does not accomplish what the gentleman desires.

Mr. Chairman, I ask for a vote.

Mr. MORRISON of North Carolina. Mr. Chairman, I move to strike out the last two lines.

Mr. Chairman, what reason is there for a Member of the House of Representatives to deny himself the power of appointment of subordinates that would not apply to any other appointive power in this Republic? Why let a Congressman debase himself by saying that he could not exercise the same power that is exercised by the President of the United States and every officer beneath him clothed with the power to appoint official assistants?

The CHAIRMAN. The question in on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SAUTHOFF) there were—ayes 11, noes 142.

So the amendment was rejected.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I seldom take the floor to occupy your time but on this occasion I would feel derelict to friendships of 16 years or more were I not to rise and lend my voice in support of this bill. It so happens that it was my happy privilege and pleasure to serve as a secretary in this Congress for 16 years to a gentleman of whom I was very fond and who I know was very fond of me. Our friendship grew into something stronger than mere friendship. During that time I made the acquaintance of secretaries of many of the Members of this House. They were people whom I appreciate deeply, whom I know to be competent, strong, fine men and women who have served here at a financial loss, at a loss that prohibited them from living in the many comforts and luxuries they might have lived in had they never come to Washington. They have served faithfully, they have served long, they have carried out every trust imposed on them; and I hope that the many things that have been said here today may be forgotten and that reconsideration will be given by those who seem to oppose this bill.

I can tell you from personal experience that the funds here requested are needed. Tell me, why should we not have as competent office assistants, assistants who are worthy of their hire, as those who sit in the executive offices up Pennsylvania Avenue.

Here is what happened to me since I have been in Congress. Probably I brought too good an office staff to Washington. My office staff has been offered larger compensation by agencies of the Government. My office staff has remained with me because I have tried to be as kind and considerate as I could of their feelings, and I have made every possible effort to permit them to return home whenever possible. I know that they need this increase in compensation. I know my secretary is about to leave me because another branch of the Government offers him $600 a year more. He is really worth $1,500 a year more. He is worth a great deal to me and I hate to lose his service. He has a wife and two small children to take care of. I appreciate the compliment paid my office staff in the various offers—I consider it a compliment to my district and me that my secretary has received an offer to serve in the Senate.

Mr. Chairman, I hope this will be seriously considered today because the people who serve in the offices of the various Members if they are fit to serve at all are entitled to this larger compensation.

Mr. DONDERO. Will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Michigan.

Mr. DONDERO. I may say to the gentleman that the one who is now addressing him also had a similar experience. Part of his staff has already been lost to industry because they offered many hundreds of dollars more than the Government would pay.

Mr. BONNER. And I may say to the gentleman that he was just as much entitled to that service and his district was just as much entitled to that service as the industry that found a way to pay more.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REED of New York. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I voted against consideration of this proposition. It is not often that debate changes my mind very much. But I have had a little personal experience. I know what this Congress is going to face. I was here immediately after the last war and in those days I think I was about as strong physically as any man in this House. I remember the strain that was put upon me and my office staff and Dr. Calver can verify this because he was called to my office on one of his first calls after he became physician to Members of the House. He worked over me for 2 hours and it was nothing else but physical and mental exhaustion. It was a case of working night and day, and sometimes I did work all night long.

A person has got to have help. I have never had a member of my family on the pay roll in 26 years except as some smear artist might pick up the fact that I have a nephew who draws a salary as tail-gunner on a plane in Italy, another nephew who is a junior officer in the merchant marine, and a son of mine who is in the Navy. That ought to be sufficient foundation for a good smear article on having relatives on the pay roll.

The Government is not the only one taking trained clerks. I have had a clerk with me, one of the grandest, finest, and most loyal men who ever lived. He came to me as a boy and has been with me 24 years. The limit that I can pay him, of course, you all know under the law. He has had it. No man ever rendered a greater, finer service to my district and to me than he has. Many of you Members know him. He is a remarkable young man. He studied law since he has been my secretary and he is a good lawyer.

Along comes an association in New York which pays him five or six times anything that the law would allow me to pay him. My district has had the benefit of that young man's ability. He will receive now from $12,000 to $24,000 a year. He is not the only secretary I have trained that has gone to a higher position that I have lost. I say to you without fear, as you will remember, that I voted for the pension for Congressmen, and I so declared on the floor of this House. I make no excuses for it. Since I have heard this debate and what I know from past experience, let me say that if I have a relative in my district who can do this job better than anybody else in my office can do it for me, so help me God, I propose to hire him or her.

Mr. TARVER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish to request the attention of the chairman of the committee, the gentleman from Missouri [Mr. COCHRAN]. If I understood the gentleman from Missouri correctly, in debate earlier this afternoon he took the position that the language on page 3 of the bill constitutes an actual appropriation of the funds necessary to carry out the purposes of the bill, and that further action by the Committee on Appropriations or by the Congress in an appropriation bill will be unnecessary; is that correct?

Mr. COCHRAN. It is my understanding that if this bill passes in its present form, the members of the Committee on Appropriations will not make a point of order if it is offered on the deficiency bill tomorrow.

Mr. TARVER. Then the gentleman does not take the position that this is an actual appropriation of funds?

Mr. COCHRAN. No.

Mr. TARVER. I am very glad to have that additional explanation from the gentleman, because there is no appropriating language used in connection with the two paragraphs on page 3 of the bill and there is no appropriation made by the bill. No funds will be made available by the bill unless further action is taken in connection with an appropriation bill. I was anxious that that fact be made clear for the RECORD.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I am not going to consume 5 minutes, but I cannot leave unanswered in the RECORD the statement of the gentleman from Virginia that he is the champion of the unorganized workers of this country. The wages-and-hours law was designed to benefit the unorganized workers. Those who were in the unions did not need it. There was no more vigorous opponent of that law than the gentleman from Virginia, as every record in this House that had to do with labor legislation will disclose.

I am for the gentleman's amendment. Even though I am a little bit concerned about Greeks bearing gifts, I shall vote for it if it can be brought to a vote. The gentleman from Virginia is one of the best parliamentarians in this House. He is a member of the Committee on Rules and has strangled more progressive legislation in the interest of the unorganized workers of the country than any other Member of this body. He knew before he offered the amendment that it was subject to a point of order, and that it could not be voted upon, so I leave you to draw your own conclusions as to his purpose.

With respect to my bleeding heart, of which he spoke sarcastically at least 10 times, I will say that when that organ of mine does bleed, at least the substance that comes out will be blood, whereas with respect to some others whose names I will not mention, a great many people are of the opinion that the fluid which emanates from their hearts is very chilly ice water.

There are some people, when they speak of labor—and again I will not mention any names, but I will give you one guess to whom I am referring—whose hearts get as big as ice wagons and just as cold.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to get this one thing clear. When the gentleman from Missouri was speaking some time ago, I interrogated him with respect to the question of whether or not this bill was intended to carry an appropriation to implement this so-called authorization. The gentleman indicated to me that that was the purpose and that he so understood it, and the RECORD will so show. He now says, in response to an inquiry from the gentleman from Georgia [Mr. TARVER] that that is not the situation. I cannot conceive how you could have an appropriation of money made by the Congress in a bill of this chartcter, which is a legislative authorization, without any appropriating language being contained in the bill.

The point I think the Members of this House ought to know is that it is not intended that this bill shall carry an appropriation and that action by the Committee on Appropriations to furnish the funds must follow the action of the Congress in passing this authorization.

The question I want to ask the gentleman is this. Suppose this bill passes the House. It must then go to the Senate and be passed by the Senate, and be signed by the President, because that affects organic law and changes it. If that is true, then there can be no appropriation made by the Committee on Appropriations that would not be subject to a point of order until the bill is finally passed and is signed by the President. So, in the event we pass this bill today and an attempt is made to write an amendment into the pending deficiency appropriation bill to provide the funds to implement this bill and make it effective, any Member of the House could block such a move by making a point of order that the proposed appropriation is not authorized yet by law. Is that correct?

Mr. COCHRAN. The gentleman is right. The language in this bill is what the members of the Committee on Appropriations told me would be sufficient. They said that if the Committee on Accounts brought the bill to the floor of the House and it passed, even before the Senate acted they would accept the amendment. In other words, if the House by a majority vote passed the bill, that was sufficient for them to accept the amendment.

Mr. KEEFE. I think it should be perfectly clear, then, that when the Members vote on this bill they should not do so with exultation in their hearts, feeling that they have succeeded in adding $3,000 to the clerical hire in their offices.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Georgia.

Mr. TARVER. The Committee on Appropriations cannot accept the amendment if any Member of the House desires to offer a point of order to it. In that case, it will be rejected no matter what the Committee on Appropriations will be willing to accept.

Mr. KEEFE. That is exactly the point I wanted to make clear. So when this bill is passed it provides an authorization for an appropriation of sufficient funds to implement the pending legislation, but it cannot be effective so as to provide this clerical hire the first of the year unless the Congress, through the action of its Appropriations Committee, can get every Member in this House to waive any point of order that might be raised against the appropriation provided it is submitted before this bill finally becomes law.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. ANDREWS of New York. The increase could be put on in the Senate after this act has been signed by the President.

Mr. KEEFE. That is very true, provided the increase should be put on in the Senate after the President signs the bill, that is, provided this bill becomes law.

Mr. EBERHARTER. Regardless of whether the President signs the bill, the provision could be put in because no point of order can be made against it in the Senate or in the House if it comes back with that provision in it from conference.

The CHAIRMAN. For what purpose does the gentleman from California [Mr. VOORHIS] rise?

Mr. VOORHIS of California. I move to strike out the last word.

Mr. Chairman, before this debate closes and we vote on this bill, I want to see if in just a few words I cannot put this matter in its place where I think it belongs. We are engaged in the greatest war in all history, a war that has its roots largely in the fact that in certain nations of the world, democratic government found it impossible to live and all power was concentrated in the hands of an all-powerful executive clique who took over the complete direction of the destiny of those people and plunged the world into war. In this body and in the other body at the other end of the Capitol, there reposes more than in any other place in this whole world, the future destiny of democratic governments, and personal freedom and individual liberties. Why? Because to the extent this Congress does its job in the future, and does its job in a world most difficult, in a world afflicted by problems far more difficult of solution than any that organized nations have ever faced before, to the extent we do that job effectively we will justify democratic government and build strong and true for a nation governed by three departments of government, each with its coequal field and scope in that government, and with the defense of the liberties of the people secure in the hands of their own representatives. The reason I am for this bill and the reason my vote will be cast for this bill, is briefly this: I want to come as near as I can to doing the job I ought to do on national legislation.

I want enough help in my office and help which is well enough paid, so that all the detailed work that ought to be done by my office, and the many things I am asked to do and which I should properly be asked to do by the people of my district, can be handled efficiently and well and so that I still will have time to inform myself adequately and to study with care the weighty problems before us. Every one of us must be able to come before the House on these national legislative questions that will affect the destiny of millions of people as well prepared as is humanly possible to pass on such questions. That is why I am for this bill.

I hope, Mr. Chairman, that this is but the first step in the action of this Congress to strengthen itself to do this tremendous job. I hope it is not the last step. For in my judgment there are other measures of greater importance. I hope these will follow on the basis of the study and thought of Members of this body. I believe the American Congress is going to equip itself to do its part in governing this democratic Nation so well that by the effectiveness of the job it does, it will justify its own position and put to shame, the people who have questioned the future vigor and strength of the democratic institutions of this great Nation.

The CHAIRMAN. The time of the gentleman has expired.

All pro forma amendments were withdrawn.

Mr. COCHRAN. Mr. Chairman, I move that all debate on the bill close in 10 minutes.

Mr. RANKIN. Mr. Chairman, I offer an amendment to the motion of the gentleman from Missouri [Mr. COCHRAN] to the effect that all debate on this bill and all amendments thereto do now close.

Mr. COCHRAN. That is satisfactory to me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi to the motion of the gentleman from Missouri.

The amendment was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Missouri, as amended.

The motion was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. LANHAM, having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5590, pursuant to House Resolution 672, and reported the same back to the House.

The SPEAKER pro tempore (Mr. LANHAM). Under the rule, the previous question is ordered. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. MURRAY of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 88, not voting 138, as follows:

[Roll No. 122]

YEAS—202

Allen, La.	Gavin	Merrow
Andersen, H. Carl	Gerlach	Miller, Mo.
Anderson, Calif.	Gibson	Mills
Anderson, N. Mex.	Gifford	Monroney
Andresen, August H.	Gillespie	Morrison, La.
Andrews, Ala.	Goodwin	Morrison, N. C.
Andrews, N. Y	Gordon	Mundt
Angell	Gorski	Murdock
Arends	Granger	Myers
Arnold	Grant, Ala.	Norton
Auchincloss	Gregory	O'Brien, Ill.
Barden	Gross	O'Brien, Mich
Barrett	Hagen	O'Brien, N. Y.
Bates, Ky.	Hale	O'Connor
Bates, Mass.	Hall, Edwin Arthur	O'Hara
Beall	Hall, Leonard W.	O'Konski
Beckworth	Halleck	O'Toole
Bell	Hancock	Patton
Bender	Harless, Ariz.	Peterson, Fla.
Bishop	Harris	Peterson, Ga.
Bloom	Hart	Phillips
Bolton	Hébert	Pittenger
Bonner	Herter	Poage
Boren	Hess	Powers
Boykin	Hill	Priest
Bradley, Mich.	Hobbs	Rabaut
Bradley, Pa.	Hoch	Randolph
Brehm	Hoffman	Rankin
Buck	Holmes, Mass.	Reed, Ill.
Burchill, N. Y.	Holmes, Wash.	Reed, N. Y.
Butler	Howell	Rivers
Byrne	Hull	Robsion, Ky.
Canfield	Izac	Rogers, Mass.
Carter	Jackson	Rolph
Case	Jarman	Sabath
Celler	Jennings	Sadowski
Chiperfield	Jensen	Scrivner
Cochran	Johnson, Anton J.	Sheppard
Coffee	Johnson, Ind.	Short
Cole, Mo.	Johnson, Lyndon B.	Slaughter
Cole, N. Y.	Johnson, Okla.	Snyder
Cox	Kean	Somers, N. Y.
Cravens	Kee	Spence
Crawford	Kefauver	Stanley
Crosser	Kelley	Starnes, Ala.
Cunningham	Keogh	Stevenson
Curley	Kerr	Stewart
Day	King	Stigler
Dilweg	Kirwan	Stockman
Dingell	Kleberg	Sumners, Tex.
Dirksen	Landis	Sundstrom
Domengeaux	Larcade	Talle
Dondero	Lea	Thomas, Tex.
Drewry	LeFevre	Torrens
Eberharter	Lesinski	Vinson, Ga.
Elliott	Lewis	Voorhis, Calif.
Ellsworth	Lynch	Walter
Engel, Mich.	McCormack	Wasielewski
Engle, Calif.	McKenzie	Weaver
Feighan	McMillan, S. C.	Welch
Fellows	Madden	White
Fernandez	Manasco	Wickersham
Fish	Marcantonio	Wigglesworth
Forand	Martin, Iowa	Winter
Fuller	Martin, Mass.	Wolcott
Gamble	May	Woodruff, Mich.
Gathings		Woodrum, Va.
		Worley
		Wright

NAYS—88

Abernethy	Clevenger	Gossett
Bennett, Mo.	Colmer	Graham
Bland	Cooper	Gwynne
Brown, Ga.	Curtis	Heidinger
Brumbaugh	D'Alesandro	Hoeven
Bryson	Doughton, N. C.	Hope
Burch, Va.	Durham	Jenkins
Camp	Dworshak	Johnson, J. Leroy
Cannon, Mo.	Ellison, Md.	Johnson, Luther A.
Carlson, Kans.	Elmer	Jonkman
Carrier	Flannagan	Keefe
Chapman	Folger	Kinzer
Church	Gilchrist	
Clason	Gillette	

Kunkel	Pratt,	Sumner, Ill.
Lanham	Joseph M.	Taber
LeCompte	Ramey	Tarver
Lemke	Rees, Kans.	Thomason
Ludlow	Richards	Tibbott
McConnell	Robertson	Vincent, Ky.
Mahon	Rockwell	Vorys, Ohio
Mason	Rodgers, Pa.	Vursell
Michener	Rohrbough	Wadsworth
Miller, Conn.	Rowe	Weichel, Ohio
Miller, Nebr.	Sauthoff	Whitten
Mruk	Schwabe	Whittington
Murray, Tenn.	Simpson, Ill.	Willey
Murray, Wis.	Smith, Ohio	Wilson
Norman	Smith, Va.	Zimmerman
Norrell	Smith, Wis.	
O'Neal	Springer	

NOT VOTING—138

Allen, Ill.	Grant, Ind.	Outland
Baldwin, Md.	Griffiths	Pace
Baldwin, N. Y.	Hare	Patman
Barry	Harness, Ind.	Pfeifer
Bennett, Mich.	Hartley	Philbin
Blackney	Hays	Ploeser
Brooks	Heffernan	Plumley
Brown, Ohio	Hendricks	Poulson
Buckley	Hinshaw	Pracht,
Buffett	Holifield	C. Frederick
Bulwinkle	Horan	Price
Burdick	Jeffrey	Ramspeck
Burgin	Johnson,	Reece, Tenn.
Busbey	Calvin D.	Rizley
Cannon, Fla.	Johnson, Ward	Robinson, Utah
Capozzoli	Jones	Rooney
Carson, Ohio	Judd	Rowan
Chenoweth	Kearney	Russell
Clark	Kennedy	Sasscer
Compton	Kilburn	Satterfield
Cooley	Kilday	Scanlon
Costello	Klein	Schiffler
Courtney	Knutson	Scott
Daughton, Va.	LaFollette	Shafer
Davis	Lambertson	Sheridan
Dawson	Lane	Simpson, Pa.
Delaney	Luce	Smith, Maine
Dewey	McCord	Smith, W. Va.
Dickstein	McCowen	Sparkman
Dies	McGehee	Stearns, N. H.
Disney	McGregor	Stefan
Douglas	McLean	Sullivan
Eaton	McMillen, Ill.	Talbot
Ellis	McMurray	Taylor
Elston, Ohio	McWilliams	Thomas, N. J.
Fay	Maas	Tolan
Fenton	Magnuson	Towe
Fisher	Maloney	Treadway
Fitzpatrick	Mansfield,	Troutman
Ford	Mont.	Ward
Fulbright	Mansfield, Tex.	Weiss
Fulmer	Merritt	Wene
Furlong	Miller, Pa.	West
Gale	Monkiewicz	Whelchel, Ga.
Gallagher	Mott	Winstead
Gearhart	Murphy	Wolfenden, Pa.
Gillie	Newsome	Wolverton, N. J.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hays for, with Mr. Knutson against.

Mr. Carson of Ohio for, with Mr. Jones against.

Mr. Dickstein for, with Mr. Brown of Ohio against.

Until further notice:

Mr. Ramspeck with Mr. Judd.

Mr. Outland with Mr. Shafer.

Mr. Winstead with Mr. Jeffrey.

Mr. Baldwin of Maryland with Mr. Baldwin of New York.

Mr. Pfeifer with Mr. Hartley.

Mr. Bulwinkle with Mr. Wolverton of New Jersey.

Mr. Clark with Mr. Eaton.

Mr. Merritt with Mrs. Luce.

Mr. McGehee with Mr. Elston.

Mr. Courtney with Mr. Kilburn.

Mr. Barry with Mr. Wolfenden of Pennsylvania.

Mr. Smith of West Virginia with Mr. Taylor.

Mr. Weiss with Mr. Stefan.

Mr. Buckley with Mr. Talbot.

Mr. Sasscer with Mr. Smith of Maine.

Mr. Mansfield of Montana with Mr. Ploeser.

Mr. Heffernan with Mr. Fenton.

Mr. Kilday with Mr. Reece of Tennessee.

Mr. Hendricks with Mr. Simpson of Pennsylvania.

Mr. Delaney with Mr. Rizley.

Mr. Pace with Mr. Scott.

Mr. Hare with Mr. Thomas of New Jersey.

Mr. Philbin with Mr. Grant of Indiana.

Mr. Rooney with Mr. Harness of Indiana.

Mr. Maloney with Mr. McGregor.

Mr. Mansfield of Texas with Mr. LaFollette.

Mr. Lane with Mr. Lewis.

Mr. Dawson with Mr. Allen of Illinois.

Mr. Davis with Mr. Chenoweth.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS

Mr. SABATH, from the Committee on Rules, reported the following concurrent resolution (S. Con. Res. 23), which was referred to the House Calendar and ordered printed:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Joint Committee on the Organization of the Congress (hereinafter referred to as the committee), to be composed of six Members of the Senate (not more than three of whom shall be members of the majority party) to be appointed by the President of the Senate, and six Members of the House of Representatives (not more than three of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. No recommendation shall be made by the committee except upon a majority vote of the Members representing each House, taken separately.

SEC. 2. The committee shall make a full and complete study of the organization and operation of the Congress of the United States and shall recommend improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations, improving its relationships with other branches of the United States Government, and enabling it better to meet its responsibilities under the Constitution. This study shall include, but shall not be limited to, the organization and operation of each House of the Congress; the relationship between the two Houses; the relationships between the Congress and other branches of the Government; the employment and remuneration of personnel by the Members and the committees of the Congress; and the structure of, and the relationships between, the various standing, special, and select committees of the Congress: *Provided*, That nothing in this concurrent resolution shall be construed to authorize the committee to recommend any amendment to or change in the parliamentary rules governing proceedings in either House.

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee may utilize such voluntary and uncompensated services as it deems necessary and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government.

(c) The committee shall report to the Senate and the House of Representatives the result of its study, together with its recommendations, not later than April 1, 1945. If the Senate, the House of Representatives, or both, are in recess or have adjourned, the report shall be made to the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

With the following amendments:

On page 3, strike out paragraph (c) up to and including line 2 on page 4.

Page 4, line 3, strike out (d) and insert in lieu thereof (c).

Page 4, line 5, after the word "recommendations", strike out the remainder of the sentence and insert in lieu thereof the following: "not later than April 1, 1945."

UNITED STATES NAVY ADDITIONAL ORDNANCE PRODUCTION FACILITIES

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 664, Rept. No. 2044) on the bill S. 2194, which was referred to the House Calendar and ordered printed.

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2194, a bill authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

RECLAMATION WORK

Mr. WHITE, from the Committee on Irrigation and Reclamation, submitted a conference report and statement on the bill H. R. 3429, for printing under the rule.

EXTENSION OF REMARKS

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix of the RECORD and include therein an editorial from the Oil City Derrick.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SAN FRANCISCO HONORS GREECE

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROLPH. Mr. Speaker, on November 26, 1944, approximately 10,000 people assembled in San Francisco's municipal auditorium to celebrate Greek liberation. A beautiful pageant depicted thrilling episodes in Grecian history.

The hearts and souls not only of those with Hellenic blood in their veins but all liberty-loving Americans are stirred in knowing that the Nazis have been expelled. Greece is free. At the San Francisco gathering, every reference to the 4-year struggle against Hitler was greeted with tremendous applause. No one will ever forget the intense loyalty and devotion of those present.

But deep interest in Greece by Americans is nothing new. In 1821 the brave little country regained its independence from Turkey. James Monroe was President of the United States at the time. Speakers in the Congress expressed satisfaction that Greece had been able to set up her own government. Federal authorities in Washington sent medical supplies and food to the new nation. Our two countries have always been extremely friendly.

Accounts of current Hellenic events are confusing to all Americans. American-Greeks desire to see their mother country restored to order. They want to see it get along and prosper. They do not want any revolution.

Not once since 1821 has Greece been threatened with civil war. Always changes have been accomplished without bloodshed. As in the United States itself, constitutional methods invariably prevail. Americans are confident the present situation will be met in the same statesmanlike manner. We extend greetings and best wishes to a brave people and a gallant nation.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks on two different subjects.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet tomorrow at 11 o'clock.

Mr. FISH. Mr. Speaker, reserving the right to object, and I do not propose to object, I would like to inquire of the distinguished majority leader what will happen to the bill we have just passed; that is, the clerk-hire bill. Can the gentleman tell us what will be the disposition of that legislation?

Mr. McCORMACK. Mr. Speaker, I welcome that inquiry, in a sense. Of course, I have no knowledge of what will take place. But I hope and assume that tomorrow, while the deficiency appropriations bill is pending, an amendment will be offered, having the effect exactly of the bill adopted by the House today. It seems to me it would be unnecessary, in view of the fact that we are now considering the deficiency appropriations bill, to send two bills to the Senate. Assuming a point of order can be made, and I do not undertake to pass upon what any occupant of the chair might rule on a point of order, but assuming that a point of order is made, and assuming under the rules of the House, the point of order would have to be sustained, it seems to me in view of the fact that the House has taken action as it has, and expressed itself as it has, I would hope that no Member would make a point of order. The bill has been debated on its merits and the House has expressed itself, and those who are opposed to it have had an opportunity of placing themselves on record. It would be my hope that the policy of a good sport and good loser would be adopted by anyone who voted against the bill. I do not know if that answers the gentleman's question.

Mr. FISH. Yes; it answers my question completely. I thoroughly agree with the gentleman that the Members who voted against the bill ought to refrain from making a point of order.

Mr. McCORMACK. We will continue with the consideration of the deficiency appropriation bill. Then we will take up probably the admirals bill, which I understand has been more or less ironed out. Then I gave a promise last week that the Jackson Hole would be put on the program for this week. I do not like to break my promise.

Mr. FISH. I hope the gentleman before he makes a definite commitment will remember that some of us have special orders tomorrow, and we would like to address the House before 6 or 7 o'clock at night.

Mr. McCORMACK. The gentleman will remember that a member of the Committee on Rules last week very courteously served notice on me that it is his intention to exercise his right under the rule and have members of the Committee call up the rule on the Jackson Hole bill, it having been reported out of the gentleman's committee for a period longer than 7 legislative days. I placed it on the program and I told him it would be on the program, and be brought up next week, which is this week. Tomorrow is the last day. I gave a promise to the House and I am going to keep my promise if I can. If it cannot be kept, it will be because of circumstances over which I have no control. I prefer not to have the bill up. I would not have such a bill on the program if I had my way, I will be frank to say.

Mr. FISH. Would there be any difference if the bill came up on Monday next.

Mr. McCORMACK. I made a promise that the bill would come up this week. So far as I am concerned, if the House takes a position contrary to my wishes on this bill I would welcome it, but I am going to stick by the commitment that I made.

If the deficiency bill gets through at a reasonable time tomorrow these things can be accomplished, but, of course, if it goes on to 5 o'clock, then I don't think that anyone would think I am violating a promise by not taking up the Jackson Hole bill at that time. I shall keep my promise unless circumstances present a different situation.

Mr. MARTIN of Massachusetts. If the Jackson Hole bill should by any chance not be reached tomorrow, it would be in order for Monday, would it not?

Mr. McCORMACK. I feel the commitment I made would mean that I should have to bring it up as soon as I can. To be absolutely frank, I hope the Jackson Hole bill does not come up tomorrow, though I intend to keep my commitment, if I can.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, so far as the clerical help bill which has just been passed, is concerned, as the gentleman knows, I was opposed to this procedure. I did not like to see it done in this way, to have it taken up in the midst of the consideration of an appropriation bill. However, inasmuch as such a large majority of the House approved of that procedure, I hope that no one will object tomorrow to the interjection and insertion of this important legislative bill in the regular appropriation bill under consideration, in violation of the rules of the House, but in keeping with the sentiments of a majority of the House.

Mr. McCORMACK. If that were done I am sure my friend the gentleman from Michigan would agree that it would be in conformity with the rules of the House, considering the action that has been taken.

Mr. MICHENER. I would take just the opposite view; I would say that the Chairman would hold that any legislative language in an appropriation bill is subject to a point of order unless the appropriation has been authorized by law. This could not be authorized by law until it had passed the Senate and the President signed the bill. I could make a point of order against this tomorrow, or any other Member could make a point of order against it, and the Chair would have to sustain the point of order; but in view of what has happened I hope that will not be done.

Mr. McCORMACK. The gentleman has clarified it in my mind. I agree with the gentleman's statement as to the authority of law and the processes the bill would have to go through.

The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock tomorrow. Is there objection?

There was no objection.

EXTENSION OF REMARKS

(Mr. BENDER asked and was given permission to extend his own remarks in the RECORD.)

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Michigan [Mr. JONKMAN] is recognized for 10 minutes.

SHIPPING FACILITIES FOR OFFSHORE SUGAR

Mr. JONKMAN. Mr. Speaker, last spring I called attention to the neglect of Government agencies charged with administering the supply and distribution of sugar. It was especially emphasized

that trans-Atlantic shipping lying idle in New York Harbor for want of dock-side facilities while waiting to reload, could and should be utilized for bringing in sugar from Caribbean ports. Government agencies took that course and a number of ships were released and assigned to the task of bringing in offshore sugar. Thereupon they immediately restored to commercial users of sugar 80 percent of the 1941 allotment of sugar which had previously been cut to 70 percent of 1941 use.

Notwithstanding the amelioration through this correction there was still an acute and disastrous shortage of sugar throughout the current year. In the fall, sugar for canning was practically unobtainable by housewives. Fruit crops were wasted, destroyed, and dumped, even after going to the trouble and expense of picking them. The tragedy was even worse than that, if I may record a single instance. One fruit grower in my district, a man only 45 years of age, enjoyed the first big peach crop from an orchard that he had nurtured for years. In September, after selling a few loads on the city market for about what it would cost to pick them—although he had picked them himself—he was told by buyers on the market that they did not want his peaches because there was no sugar obtainable for canning purposes. He took his load of peaches back to the farm and in despair he hanged himself beside the load of unwanted peaches. In an adjoining part of his barn, when they found him, were another 80 to 90 half-bushel baskets of peaches, ready for the market. This man, under the slogan that "food will win the war" had done his part toward the winning of the war only to find that the inability of the civilian administration to efficiently back the war effort, brought all his splendid efforts and success to naught.

I am informed that in my district and in that locality 500 bushels of peaches were dumped into one ravine because there was no market, because there was no sugar for canning. All over the district I was confronted with complaints about the acute sugar shortage, alike for commercial consumption or canning purposes.

Mr. Speaker, the American people have always been and still are willing to make any sacrifices and bear any tragedy necessary to win the war and win it quickly, but they are not content to stand by and see our civil administration take away from our military leadership and our fighting forces the credit of winning the war and at the same time excuse their neglect and inefficiency in the handling of the civilian responsibility in the war effort, under the claim that their whole effort is centered on winning the war in the field of battle.

The administration's first and great responsibility is to furnish to our fighting forces everything that is needed for them to win the war and win it quickly, but they cannot thereby avoid the secondary responsibility of furnishing the home front with everything possible, not needed or used by the military, to the end that the home front can back the war effort. To meet this secondary obligation and especially in the matter of our sugar supply for 1945, will require the administration's best efforts.

In the last week I have received letters and telegrams from my State and district expressing apprehension about a more serious sugar shortage in 1945 than was experienced in the current year. And it seems to me that their fears are well grounded, for yesterday I received a report on the sugar situation by the Food Supply and Allocation Committee, being a subcommittee to the Food Industry War Committee, a trade organization, which was shocking to me.

It showed that on October 1, 1940, sugar stocks in the continental United States totaled 1,320,564 short tons raw value; that on October 1, 1943, they totaled 860,944 short tons raw value, and that this year on October 1 they had diminished to 465,000 short tons raw value, the lowest level in more than 10 years.

Think of it, on October 1 of this year, we began facing next year with a little better than half the stock pile we had last year at the same time and a little more than a third what we had in 1940 at the same time. There is indeed cause for alarm.

Sugar—

As is quite well known, and as the report I have referred to states—

is a vital energy food. Its nutritional importance is increased during the strain of a war period when civilian morale must be maintained. About 16 percent of the total food energy requirements of the people of the United States during pre-war years were supplied directly by cane and beet sugar. In addition, sucrose (cane and beet sugar) is an essential ingredient or an integral component part of many major processed food items of bakeries, bottlers of soft drinks, canners and preservers of fruits and vegetables, confectionery and chocolate manufacturers, packers of cereal products, meat packers, milk and milk product processors (like condensed milk, ice cream, frozen confections, etc.), makers of flavoring extracts, of sirups, to mention only a few.

This report further states that the current sugar shortage has been caused chiefly by:

1. Inadequate assignment of ships to bring in raw sugar that is available in the offshore areas.

2. Insufficient continental production of sugar.

These are still the same reasons advanced by me as a member of the Republican Congressional Food Study Committee last spring and it is to be hoped that all the Government agencies responsible will lend every effort to use all available ocean tonnage that can be used without impairing war shipping, to the maximum extent. At the same time they should use every effort possible to increase cane and beet-sugar production in the United States, which, of course, involves no ocean shipping.

The report to the Food Industry War Committee offers a program which I believe will afford substantial relief, in which I concur, and which is as follows:

RECOMMENDATIONS TO IMPROVE CONDITIONS

Unless constructive action is taken quickly by all governmental agencies having any responsibility for formulating sugar policies, we face a particularly difficult situation in distribution of sugar to the consumers in the United States during the first 9 months of 1945.

1. The most vital need is that action be taken at once to provide adequate shipping to bring in raw sugar so that refineries can operate at uninterrupted capacity.

2. All possible steps should be taken to encourage maximum sugar production in the United States in 1945 for which ocean shipping is not required.

3. Increased production in offshore areas should be stimulated to provide increased sugar for 1946.

4. The Government should give domestic refiners assistance on manpower and necessary equipment priorities.

5. The present rationing and allocation program should be revamped so that it can be administered more efficiently, thereby avoiding loose and illegal distribution of sugar.

6. No sugar should be diverted to high-test molasses to make industrial alcohol.

OTHER SUPPLEMENTARY RECOMMENDATIONS OFFERED

Besides the six major recommendations set forth above, the committee makes six additional recommendations that supplement the earlier proposals:

1. Governmental agencies charged with sugar control should measure, as accurately as possible, the over-all supply of sugar for 1945, including the carry-over.

2. Similarly these Government agencies should agree on realistic estimates of our requirements taking into account administrative problems in controlling sugar distribution. For example in 1944 sugar deliveries are running about 750,000 tons above original estimates of requirements.

3. We recommend that the armed forces study their requirements carefully so they will be certain to have a sufficient quantity, but avoid building up a needlessly high stock pile.

4. Government agencies should measure our domestic sugar needs carefully before assigning sugar for distribution to our allies, United Nations Relief and Rehabilitation Administration (U. N. R. R. A.) and Lend-Lease. While the objective of supplying sugar to these groups is commendable, there is no reason why it should be done at too great a sacrifice to the United States consumers of sugar and sweetened products. Domestic consumption, under the rationing systems, already have been drastically curtailed.

5. We should avoid, as much as possible, bringing refined sugar to the United States for trans-shipment abroad. We should utilize the refining capacity in Cuba for direct shipment from Cuba to its final destination for at least a portion of Army, Lend-Lease, and U. N. R. R. A. sugar requirements. Also raw sugar supplies might be sent direct to north Africa, France, or Belgium for refining.

6. We should make certain that every possible pound of European beet sugar production is utilized to lighten the relief load on Western Hemisphere sugar supplies.

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain quotations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUFFET, for this week, on account of personal illness.

To Mr. HORAN, for 3 days, on account of illness.

To Mr. KILDAY (at the request of Mr. LUTHER JOHNSON of Texas), for today, on account of important Government business.

To Mr. DILWEG, for the remainder of the week, on account of important official business.

To Mr. MCCOWEN (at the request of Mr. JENKINS) indefinitely, on account of death in family.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 hour on Monday next after disposition of business on the Speaker's desk and other special orders.

I do this in case the time I have for tomorrow is not available to me. I am rather hopeful I will be reached tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4311. An act to authorize the appointment of two additional Assistant Secretaries of State.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. J. Res. 156. Joint resolution to extend the statute of limitation in certain cases.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1744. An act to provide Government protection to widows and children of deceased World War No. 1 veterans, and for other purposes;

H. R. 4311. An act to authorize the appointment of two additional Assistant Secretaries of State;

H. R. 4366. An act for the relief of Alex Wylie, and the estate of James Evans; and

H. R. 4917. An act conferring upon the State of Montana authority to exchange for other lands certain lands selected by the State of Montana for the use of the University of Montana for biological station purposes pursuant to the act of March 3, 1905 (33 Stat. 1080).

ADJOURNMENT

Mr. D'ALESANDRO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, December 8, 1944, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

2064. Under clause 2 of rule XXIV a letter from the Chairman, United States Tariff Commission, transmitting copy of the estimate of personnel requirements of the United States Tariff Commission for the quarter ending March 31, 1945, was taken from the Speaker's table and referred to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. H. R. 5590. A bill to increase clerk hire, and for other purposes; without amendment (Rept. No. 2029). Referred to the Committee of the Whole House on the state of the Union.

Mr. BONNER: Committee on the Merchant Marine and Fisheries. Interim report pursuant to House Resolution 52. Resolution to continue the investigation by the Committee on the Merchant Marine and Fisheries begun under House Resolution 281, Seventy-seventh Congress (Rept. No. 2030). Referred to the Committee of the Whole House on the state of the Union.

Mr. CAPOZZOLI: Committee on the Merchant Marine and Fisheries. Interim report pursuant to House Resolution 52. Resolution to continue the investigation by the committee on the Merchant Marine and Fisheries begun under House Resolution 281, Seventy-seventh Congress (Rept. No. 2031). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 5387. A bill to amend sections 101 (a) and 212 (b) (2) of the Merchant Marine Act of 1936, as amended; with amendment (Rept. No. 2032). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. S. 1898. An act to amend section 99 of the Judicial Code, as amended, so as to change the term of the District Court for the District of North Dakota at Minot, N. Dak.; without amendment (Rept. No. 2033). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 671. Resolution for the consideration of the bill (S. 2019) to establish the grade of fleet admiral of the United States Navy, and for other purposes; without amendment (Rept. No. 2034). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 672. Resolution for the consideration of H. R. 5590, to increase clerk hire, and for other purposes; without amendment (Rept. No. 2035). Referred to the House Calendar.

Mr. WALTER: Committee on the Judiciary. H. R. 4425. A bill to incorporate the Regular Veterans' Association; without amendment (Rept. No. 2036). Referred to the House Calendar.

Mr. ROCKWELL: Committee on Irrigation and Reclamation. S. 1571. An act to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the "Alva B. Adams Tunnel"; without amendment (Rept. No. 2037). Referred to the House Calendar.

Mr. COLE of New York: Commitee on Insular Affairs. H. R. 5570. A bill to provide that the term of office of the Governor of Puerto Rico shall expire 60 days from the enactment of this act and at the end of each 4-year period thereafter; without amendment (Rept. No. 2038). Referred to the House Calendar.

Mr. RAMSPECK: Committee on the Civil Service. H. R. 4683. A bill to amend the Civil Service Retirement Act approved May 29, 1930, as amended, so as to exempt annuity payments under such act from taxation; with amendment (Rept. No. 2039). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 4988. A bill for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; without amendment (Rept. No. 2040). Referred to the Committee of the Whole House.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5159. A bill to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto; with amendment (Rept. No. 2041). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE: Committee of conference, H. R. 3429. A bill to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406); as amended by the act of April 22, 1940 (54 Stat. 148); with amendment (Rept. No. 2042). And ordered to be printed.

Mr. SABATH: Committee on Rules. Senate Concurrent Resolution 23. Senate concurrent resolution establishing a Joint Committee on the Organization of the Congress; with amendments (Rept. No. 2043). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 664. Resolution providing for the consideration of S. 2194, a bill authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes; without amendment (Rept. No. 2044). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Irrigation and Reclamation. H. R. 4932. A bill to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes; without amendment (Rept. No. 2045). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 5592. A bill to increase compensation of Members of Senate and House, Delegates, and Resident Commissioners; to the Committee on the Judiciary.

By Mr. MAY:

H. R. 5593. A bill to provide that commissioned and warrant officers placed in St. Elizabeths Hospital or certain United States Public Health Service hospitals shall be liable to pay such rate per day as may be prescribed from time to time by the President, and to authorize the heads of the several agencies to deduct such sum from their pay and to transmit it to St. Elizabeths Hospital; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 5594. A bill for the relief of the Fair Haven Yacht Works; to the Committee on Claims.

By Mr. FELLOWS:

H. R. 5595. A bill for the relief of the Mount Desert Boat Yard, Inc.; to the Committee on Claims.

By Mr. FULLER:
H. R. 5596. A bill for the relief of Hutchinson's Boat Works, Inc.; to the Committee on Claims.

By Mr. LEONARD W. HALL:
H. R. 5597. A bill for the relief of the First National Bank, of Merrick, N. Y.; to the Committee on Claims.
H. R. 5598. A bill for the relief of Bruns Kimball & Co.; to the Committee on Claims.

By Mr. KING:
H. R. 5599. A bill for the relief of the San Pedro Boat Works; to the Committee on Claims.

By Mr. PHILLIPS:
H. R. 5600. A bill for the relief of the Channel Boat Co.; to the Committee on Claims.

By Mrs. SMITH of Maine:
H. R. 5601. A bill for the relief of Reed Bros.; to the Committee on Claims.
H. R. 5602. A bill for the relief of S. B. Norton & Son; to the Committee on Claims.

SENATE

FRIDAY, DECEMBER 8, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, whom we seek in vain without unless we first find Thee within, may the hush of Thy presence fall now upon our driven lives. In a time for greatness save us from inner cowardice which makes us unwilling to pay the price of better things. We confess that too often we have desired Thy coming, but not through us; we have sought for a new order that would leave our own lives still unchanged.

By the light of a guiding star, by the song of a heavenly host, by the lure of a lowly manger, by the smile of a little child, reveal to us the false pride that inflates our petty knowledge and grant us the humility that stoops to learn Thy ways. Give us a part in bringing in a world delivered from disorder and aggression a civilization saved from collapse and catastrophe, a humanity redeemed from another and more dreadful dark age:

" 'Til rise at last to span
Its firm foundations broad,
The commonwealth of man,
The city of our God."

Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Secretary, Edwin A. Halsey, read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., December 8, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. KENNETH MCKELLAR, a Senator from the State of Tennessee, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Mr. McKELLAR thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, December 7, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 933. A bill for the relief of Conrad H. Clark; and
H. R. 3929. A bill for the relief of Katherine Scherer.

The message also announced that the House had passed a bill (H. R. 5590) to increase clerk hire, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 933. An act for the relief of Conrad H. Clark and Rocco Cellette; and
H. R. 3929. An act for the relief of Katherine Scherer.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Daniel
Austin	Gillette	O'Mahoney
Bailey	Green	Overton
Ball	Guffey	Radcliffe
Bankhead	Gurney	Reed
Bilbo	Hall	Revercomb
Brewster	Hatch	Reynolds
Brooks	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Smith
Butler	Johnson, Calif.	Stewart
Byrd	Johnson, Colo.	Taft
Capper	Kilgore	Thomas, Okla.
Caraway	La Follette	Tunnell
Chandler	Langer	Vandenberg
Clark, Idaho	Lucas	Wagner
Clark, Mo.	McClellan	Walsh
Connally	McFarland	Weeks
Cordon	McKellar	Wheeler
Danaher	Maloney	Wherry
Davis	Maybank	White
Downey	Mead	Wiley
Ellender	Millikin	Willis
Ferguson	Murray	Wilson
George	Nye	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The ACTING PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

CREDENTIALS

Mr. AUSTIN. Mr. President, I have the honor to send to the desk the certificate of election of my distinguished colleague [Mr. AIKEN] as a Senator from the State of Vermont for a term of 6 years, beginning the 3d day of January 1945. It has been signed by His Excellency the Governor of Vermont, William H. Wills, and countersigned by the secretary of state, Rawson C. Myrick.

The ACTING PRESIDENT pro tempore. The credentials will be read.

The credentials were read and ordered to be filed, as follows:

STATE OF VERMONT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 GEORGE D. AIKEN was duly chosen by the qualified electors of the State of Vermont a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor William H. Wills and our seal hereto affixed at Montpelier this 5th day of December in the year of our Lord 1944.

WM. H. WILLS,
Governor.

By the Governor:
[SEAL] RAWSON C. MYRICK,
Secretary of State.

Mr. MAYBANK. Mr. President, I present the credentials of the distinguished Governor of South Carolina, Hon. OLIN D. JOHNSTON, who has been recently elected for a full 6-year term in the United States Senate commencing in January.

Mr. HALL. Mr. President, the Governor of South Carolina is a native of my home county of Anderson, and I am very happy indeed to join with the distinguished senior Senator from South Carolina in connection with the presentation of his credentials.

The ACTING PRESIDENT pro tempore. The credentials will be read.

The credentials were read and ordered to be filed, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, OLIN D. JOHNSTON was duly chosen by the qualified electors of the State of South Carolina, a Senator from said State to represent the said State in the Senate of the United States for a term of six (6) years, beginning on the 3d day of January 1945.

At an official meeting of the State board of canvassers on December 2, 1944, in the office of the secretary of state, OLIN D. JOHNSTON was officially declared elected to the United States Senate.

Witness: His Excellency our Governor, and our secretary of state, and our seal hereto affixed at Columbia, S. C., this, the 2d day of December 1944.

OLIN D. JOHNSTON,
Governor.

By the Governor:
[SEAL] W. P. BLACKWELL,
Secretary of State.

Mr. CAPPER. Mr. President, I present the certificate of the Governor of Kansas certifying to the reelection of Senator CLYDE M. REED at the election held on November 7, last, and ask that it be read.

The ACTING PRESIDENT pro tempore. The credentials will be read.

The credentials were read and ordered to be filed, as follows:

STATE OF KANSAS,
Executive Department.

CERTIFICATE OF ELECTION

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, CLYDE M. REED was duly chosen by the qualified electors of the State of Kansas as Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, Andrew F. Schoeppel, and our seal hereto affixed at Topeka, Kans., this 5th day of December, in the year of our Lord 1944.

ANDREW F. SCHOEPPEL,
Governor.

By the Governor:
[SEAL] FRANK J. RYAN,
Secretary of State.

FILIPINO REHABILITATION COMMISSION

The ACTING PRESIDENT pro tempore. The Chair has received the resignation of the Senator from Missouri [Mr. CLARK] as a member of the Filipino Rehabilitation Commission, and, under the provisions of Public Law 381, appoints the Senator from Arizona [Mr. HAYDEN] to fill the vacancy.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

FILM SERVICING BUILDING AND VAULTS

A letter from the Administrator of the Federal Works Agency, transmitting a draft of proposed legislation to authorize construction of a film servicing building and vaults (with an accompanying paper); to the Committee on Public Buildings and Grounds.

MERITORIOUS SALARY INCREASES IN GOVERNMENTAL SERVICE

A letter from the President of the United States Civil Service Commission, transmitting, pursuant to law, a consolidated report and supporting data covering especially meritorious salary increases made by the several Government departments and agencies for the fiscal year ended June 30, 1944 (with accompanying papers); to the Committee on Civil Service.

PERSONNEL REQUIREMENTS

Letters from the Chairman of the United States Tariff Commission and the Director, Division of Administrative Management, National War Labor Board, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of War (6), Navy (2), and Agriculture; War Manpower Commission, and Office of Censorship which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

ST. LAWRENCE SEAWAY—STATEMENT BY A. S. GOSS

Mr. CAPPER. Mr. President, I present a statement from A. S. Goss, master of the National Grange, setting forth the views of that organization in favor of the St. Lawrence waterway program and ask that it be printed in the RECORD and appropriately referred.

There being no objection, the statement was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

THE NATIONAL GRANGE,
Washington, D. C., December 7, 1944.

To Members of the Senate:

We have had inquiry as to the position of the National Grange on the St. Lawrence waterway. For your information, the National Grange has approved the development of the St. Lawrence waterway and the development of power connected with it along the general lines of the contract between the United States Government and the Canadian Government, entered into in 1941. With the outbreak of hostilities, the Grange modified its position with reference to the time of development, advocating that development should be undertaken at a time which would fit in best with war needs. The Grange feels that the project should be approved in order that plans might be perfected and work undertaken at a time when, in the judgment of the Congress, it would best meet the needs of war or unemployment conditions as they may develop after the war.

We feel the project should have congressional approval. Had it been completed before hostilities opened, its contribution toward our war effort would have paid a larger part, if not the full cost, of construction. We feel action should be taken without delay to pave the way for the development of this project whenever conditions make it practical.

Sincerely yours,

A. S. GOSS,
Master, the National Grange.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

H. R. 1023. A bill to establish a Chief of Chaplains of the United States Navy; with an amendment (Rept. No. 1370).

By Mr. ROBERTSON, from the Committee on Public Lands and Surveys:

H. R. 4665. A bill authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming; without amendment (Rept. No. 1371).

By Mr. ELLENDER (for Mr. TYDINGS), from the Committee on Territories and Insular Affairs:

H. R. 4502. A bill to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended; without amendment (Rept. No. 1372).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on December 7, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 218. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge;

S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians;

S. 556. An act for the relief of Pedro Jose Arrecoechea;

S. 616. An act for the relief of Mrs. Mary Vullo;

S. 1002. An act to compensate Roy W. Olsen for the loss of an eye on account of negligence of Works Progress Administration employees September 25, 1938, at Cranston, R. I.;

S. 1274. An act for the relief of Vodie Jackson;

S. 1462. An act for the relief of Solomon and Marie Theriault;

S. 1557. An act for the relief of Joel A. Hart;

S. 1732. An act for the relief of Arthur M. Sellers;

S. 1740. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini;

S. 1756. An act for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.;

S. 1853. An act for the relief of Dr. Frank K. Boland, Sr.;

S. 1869. An act for the relief of Mrs. Mamie Dutch Vaughn;

S. 1897. An act for the relief of Mrs. Sophia Tannenbaum;

S. 1899. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files;

S. 1900. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault;

S. 1942. An act for the relief of Dr. E. S. Axtell;

S. 1958. An act for the relief of Fire District No. 1 of the town of Colchester, Vt.;

S. 1960. An act for the relief of Clifford E. Long and Laura C. Long;

S. 1968. An act for the relief of Elizabeth A. Becker;

S. 1987. An act for the relief of Gordon Lewis Coppage;

S. 1993. An act for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen;

S. 1997. An act for the relief of Jack Stowers, B. & O. Store, and Cotton County Poultry & Egg Co.;

S. 2006. An act for the relief of J. A. Davis;

S. 2008. An act for the relief of Herman Philyaw;

S. 2042. An act for the relief of the legal guardian of Nancy Frassrand, a minor;

S. 2064. An act for the relief of Richard H. Beall;

S. 2168. An act for the relief of certain disbursing officers of the Army of the United States, and for other purposes; and

S. J. Res. 156. Joint resolution to extend the statute of limitation in certain cases.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by

unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 2213. A bill to provide for rural telephones and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. DAVIS:

S. 2214. A bill for the relief of Randall A. Kavanaugh; to the Committee on Claims.

S. J. Res. 163. Joint resolution to recognize the services of persons engaged in administration of the Selective Service System; to the Committee on Military Affairs.

HOUSE BILL REFERRED

The bill (H. R. 5590) to increase clerk hire, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT OF TRANSPORTATION ACT OF 1940—AMENDMENT

Mr. BANKHEAD submitted an amendment intended to be proposed by him to the bill (H. R. 4184) to amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic, which was ordered to lie on the table and to be printed.

CONTINUATION OF AUTHORITY TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES

Mr. MURRAY submitted the following resolution (S. Res. 349), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the authority conferred by Senate Resolution 298, Seventy-sixth Congress, third session, as agreed to October 8, 1940 (providing for study and survey of the problems of American small business enterprise), and continued by Senate Resolution 66, Seventy-eighth Congress, first session, as agreed to January 25, 1943, is hereby further continued in full force and effect during the Seventy-ninth Congress.

HEARINGS BEFORE COMMITTEE ON PUBLIC LANDS AND SURVEYS DURING SEVENTY-NINTH CONGRESS

Mr. HATCH submitted the following resolution (S. Res. 350), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Public Lands and Surveys, or any subcommittee thereof, hereby is authorized, during the Seventy-ninth Congress, to send for persons, books, and papers; to administer oaths; and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject referred to said committee, the total expenses pursuant to this resolution (which shall not exceed $5,000) to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

RESTORATION OF PUBLIC LANDS TO UINTAH AND OURAY RESERVATION, UTAH—CONFERENCE REPORT

Mr. HATCH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 837) to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, and 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 6, and 7, and agree to the same.

CARL A. HATCH,
CHAN GURNEY,
Managers on the part of the Senate.

J. W. ROBINSON,
COMPTON I. WHITE,
HUGH PETERSON,
K. M. LECOMPTE,
Managers on the part of the House.

The report was agreed to.

NAVAL DIFFICULTIES AND SUCCESSES IN THE PACIFIC—ADDRESS BY BRIG. GEN. G. C. THOMAS

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address dealing with Naval Difficulties and Successes in the Pacific, delivered by Brig. Gen. G. C. Thomas, United States Marine Corps, in Los Angeles, on Navy Day, October 27, 1944, which appears in the Appendix.]

ANNUAL MESSAGE BY THEODORE W. NOYES TO THE ASSOCIATION OF OLDEST INHABITANTS OF THE DISTRICT OF COLUMBIA

[Mr. CAPPER asked and obtained leave to have printed in the RECORD the annual message of Theodore W. Noyes to the Association of Oldest Inhabitants of the District of Columbia on December 7, 1944, which appears in the Appendix.]

PEARL HARBOR

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial entitled "Three Years Ago Today," from the Washington Times-Herald of December 7, 1944, and an editorial entitled "Lest We Forget," from the Washington Post of December 7, 1944, both relating to the Pearl Harbor attack, which appear in the Appendix.]

ANGLO-AMERICAN COOPERATION IN LIBERATED COUNTRIES

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial entitled "Churchill Blunder," dealing with recent British action in Greece as well as Anglo-American cooperation in liberated countries, published in the Washington (D. C.) News, of December 8, 1944, which appears in the Appendix.]

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

DEFICIENCY JUDGMENTS AND THE FEDERAL LAND BANK

Mr. LANGER. Mr. President, I desire to bring to the attention of the Senate a bill I have introduced, Senate bill 2086, entitled "A bill to amend the Federal Farm Loan Act as amended, so as to prohibit Federal land banks from refusing to make mortgage loans in States, the laws of which prevent the rendering of deficiency judgments." The bill is so short that I wish to read it:

Be it enacted, etc. That section 14 of the Federal Farm Loan Act, as amended, is hereby amended by adding at the end of such section a new paragraph as follows:

"Seventh. To refuse to make mortgage loans under this act in any State for the reason that the laws of such State prohibit the rendering of deficiency judgments in foreclosure proceedings of mortgages or other liens or contracts."

Mr. President, this morning I received a letter from the distinguished senior Senator from New York [Mr. WAGNER] dated December 7. He writes in his capacity as chairman of the Committee on Banking and Currency, to which the bill was referred. His letter is as follows:

DEAR SENATOR LANGER: For your information I am enclosing a copy of a report by the Department of Agriculture on your bill S. 2086.

I wish to give some of the history which lies behind the bill, and the reasons why it was introduced by me. I think Senators are all familiar with the fact that a few years ago we had a great drought in North Dakota, not only in North Dakota, but all over what is known as the Dust Bowl, in some 10 or 11 States. The result was that the farmers of that area, not having any crops, were unable to pay much of their indebtedness.

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. WHITE. Will the Senator identify the bill or resolution to which his remarks are addressed? I did not hear what it was.

Mr. LANGER. I will give the Senator a copy of the bill. It is S. 2086.

Mr. President, that drought started back in the 1930's, 1930, 1931, 1932, and it continued until 1937, 1938 and 1939. As a matter of fact the railroads did not pay their taxes for 1931, 1932, 1933, and 1934, but, on the contrary, as Senators will recollect, they went into court and said, "We cannot pay these taxes. We feel they are unjust. We have not been hauling any crops to market, and our revenues have decreased until they are only about 10 percent of what they were in normal times."

The attorney general of North Dakota fought the action of the railroads, who were seeking to reduce the amount of their taxes, and I am sure all Senators present today who were in the Senate at that time will remember that the Supreme Court of the United States, without one scintilla of evidence, in an opinion written by Mr. Justice Butler, simply arbitrarily reduced the amount of the taxes of the railroads $10,000,000, and the Court said, "We are doing that because everyone knows there has been a great drought in the Northwest."

Mr. President, at that time it chanced that I was Governor of the State, and I said to the people of North Dakota, to the farmers who were owing debts and who were owing taxes, "If the Supreme Court can arbitrarily, without any evidence, reduce the taxes of the railroads $10,000,000, then certainly the farmer, who is taxed upon his farm upon the same basis that he has paid year after year, likewise should have his taxes reduced"; and it was in connection with this matter of taxation that, as Governor of the State, I ran head-on into the Federal land bank head.

The Federal land bank had made loans on real estate all over the State of North

Dakota. They had made them on land at about the same ratio that the insurance companies and private banks had made them. When a farmer could not pay in those days, Mr. President, he could go over to the private bank, to the insurance company, and deal with them. He could say, "I cannot pay this indebtedness in full, but I am willing to pay what I can." In other words, he could compromise his debt. But the Federal land bank took the position that under the law it was unable to compromise, that it was unable to throw off a single dollar of indebtedness.

The result was that there was a refusal to make any reduction in the loans made by the Federal land bank and also in the Commissioner's loans. Further, the Federal land bank refused to make any more loans in North Dakota. The same applied with respect to Commissioner's loans. As a matter of fact, even before I became Governor, under the governorship of my predecessor, Mr. George F. Shafer, the Federal land bank refused to lend a single dollar in North Dakota because of the decision of the supreme court of our State, which said if any farmer who took out hail insurance did not pay his premium that the State had the first lien for that premium, which would be a first lien upon the land and would be superior to the mortgage held by the Federal land bank. So, using that as an excuse, the Federal land bank refused to make any loans in the latter part of 1932.

Mr. President, this was not the first time I had had trouble with the Federal land bank. When I was attorney general of my State, back in 1918, the Legislature of North Dakota passed a law which provided that the counties might furnish seed to the farmers who were broke. The law provided that, if such seed was furnished, the county would have a first lien on the land for that seed. Using that law as a pretext, the Federal land bank in 1918—it may have been the latter part of 1917—arbitrarily refused to loan any money to the farmers of North Dakota.

Mr. WHERRY. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LANGER. I yield.

Mr. WHERRY. I do not want to distract the Senator.

Mr. LANGER. No, Mr. President; I am glad to have the able Senator interrupt me.

Mr. WHERRY. I should like to ask the distinguished Senator from North Dakota if the prohibition contained in the Senator's bill with respect to Federal farm loans extends also to the farm mortgage loan associations which I understand were set up for the very purpose of giving relief loans to farmers, as the Senator from North Dakota has so ably described?

Mr. LANGER. Does the Senator from Nebraska mean the so-called Commissioner's loans?

Mr. WHERRY. Yes. Does that extend also to them?

Mr. LANGER. Yes. They have not made any loans in my State for a great many years, and my bill would prohibit them from refusing to make mortgage loans in spite of the fact that we have in our State an antideficiency judgment law.

Mr. WHERRY. I understand that, but the prohibition in the Federal Farm Loan Act not only extends to the Federal land banks but also extends to the Federal farm-mortgage commission loans which were made as relief loans, and second mortgages by the Federal land banks.

Mr. LANGER. The Senator does not use the right word.

Mr. WHERRY. What is the right word?

Mr. LANGER. The word "prohibit" is not the right word. The Senator from Nebraska has not seen my bill before.

Mr. WHERRY. No.

Mr. LANGER. It provides that in spite of the fact that a State may have a law which would prevent the rendering of deficiency judgments, that shall be no excuse for the Federal land bank not to make loans or from the making of Commissioner's loans.

Mr. WHERRY. I thank the Senator. I understand the language of the measure so far as it provides for the making of loans by Federal land banks. But my understanding is, that at least in our State, when a farmer was in a situation such as the Senator has just so minutely described, and had secured a first-mortgage loan from the Federal land bank, and the amount the farmer then borrowed to relieve him of his financial burden was not sufficient under the first mortgage, he then made an application for a second-mortgage loan to the Federal Farm Mortgage Loan Association—we call it a Farm Commissioner loan. The Federal Farm Commissioner was supposed to make loans which were not acceptable to the Federal land bank, not only in the first instance, but in other circumstances where the first loan was insufficient, or the loan was unacceptable to the Federal land bank. Very often a farmer would get a loan from the Federal Farm Mortgage Commissioner when he could not obtain a Federal land bank loan. What I should like to know is this: Under the Federal Farm Loan Act, about which the Senator is speaking, would this bill bring relief not only in connection with Federal land bank loans, but also in connection with farm-mortgage loans? Is relief also needed in that connection?

Mr. LANGER. Yes.

Mr. WHERRY. That is to say a farmer cannot now borrow from the Federal Farm Mortgage Commissioner because of the Antideficiency Judgment Act in North Dakota.

Mr. LANGER. We do not use the word "prohibit." It is not prohibitive. The Federal land bank will not make either the first-mortgage loan or the Commissioner loan.

Mr. WHERRY. That is the point I make. So the farmers of North Dakota have been restrained—I do not like the word "prohibit"—not only from making loans from the Federal land bank, but also, as a practical matter, from making loans from the Federal Farm Mortgage Commissioner.

Mr. LANGER. Yes.

Mr. WHERRY. Because of the antideficiency judgment law that is on the statute books?

Mr. LANGER. In other words, the Federal land bank has simply refused to make the loans.

Mr. WHERRY. Does the Federal land bank operate the Federal Farm Mortgage Commissioner set-up also?

Mr. LANGER. Yes.

Mr. WHERRY. So it makes both classes of loans?

Mr. LANGER. It makes both classes of loans. As the Senator stated a moment ago, the titles are different, but it is the same organization.

Mr. President, our legislature enacted an antideficiency judgment act, and the insurance companies, the private banks, and the Federal land bank were all placed on a par. The same laws applied to all of them, and to anyone who made a loan to a farmer. After the drought was over—in fact, even before it was over—insurance companies again began to make loans in North Dakota. Today I do not know of a single reputable life insurance company which did business in North Dakota before the drought which is not making loans in North Dakota today.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. On what terms are they making such loans? Are the terms as liberal as they were before the drought, and before the era of foreclosures, or are they making them on a very conservative basis now?

Mr. LANGER. The loans are being made on a conservative basis, but with about the same security, the same interest rate, and the same land valuation as prevailed before the drought.

Mr. AIKEN. As I understand, when the able Senator from North Dakota was elected governor there was a legal rate of interest of 12 percent.

Mr. LANGER. No. It had been 12 percent. It was reduced to 10 percent, then to 9 percent, and then 8 percent. Today the legal rate in North Dakota is 4 percent.

Mr. AIKEN. If I correctly recall, the Senator from North Dakota had something to do with bringing about that reduction in the interest rate.

Mr. LANGER. Yes.

Mr. AIKEN. Which did not make him any more popular in some quarters.

Mr. LANGER. We did that through the establishment of the Bank of North Dakota. Shortly before the Bank of North Dakota was organized, the interest rate had been 12 percent. It went down to 11 and then to 10 percent; and after the Bank of North Dakota went into operation, the interest rate was cut in half. It was reduced to 5½ or 6 percent, on an amortization plan.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. What other States are affected by the provisions of antideficiency judgment laws?

Mr. LANGER. At the present time no State other than the State of North Dakota is affected; but if the distin-

guished Senator's State of Nebraska should tomorrow enact an antideficiency judgment law, of course, the State of Nebraska would be affected.

Back in 1918, when the Federal land bank refused to make loans to the farmers of North Dakota, the moment they refused, the lending agencies got together and promptly raised their rate to 10 percent. They had a meeting at Minot, N. Dak. So after that meeting in 1918, if a farmer wished to make a first mortgage loan on his land, he had to pay 10 percent for a short-term loan.

I came to Washington and spent 6 weeks here with William Gibbs McAdoo, who at that time was Secretary of the Treasury. It was at that time that the distinguished Senator from Ohio [Mr. TAFT] assisted me in getting the Federal land bank to go back into the State of North Dakota and do business. The excuse given at that time was that since the county had furnished seed to the farmers, that represented a first lien, and therefore the Federal land bank could not make loans, because it was claimed that under the law it must have a first mortgage on the land. It was arbitrarily held that such a seed loan would prohibit the Federal land bank from making a loan.

At that time we prepared a brief on the subject. It was shown that in the State of Texas and other States which had irrigation, the irrigation ditches represented a first lien until they were paid for; nevertheless, the Federal Government made loans, and paid no attention to the fact that the irrigation ditch represented a first lien on the land.

Let me explain to the Members of this body how it happened that North Dakota enacted the antideficiency judgment law. The antideficiency judgment law applies not only to real estate, but also to the sale of personal property. It so happened that one of the largest wholesale and retail mail-order houses in the world doing business in North Dakota had sold a washing machine to a woman at Northwood, N. Dak. As I remember, the price of the washing machine was $87.50. That woman made her living by doing washing for her neighbors. She had paid for the machine in full, with the exception of $3.50. That was all she owed. One day a lawyer in Grand Forks sent the sheriff out, on behalf of this great corporation, worth millions of dollars, with replevin papers, to take the washing machine away from this woman, who still owed $3.50 on it.

That meant that the lawyer who drew up the replevin papers could charge a fixed fee of $25. It meant that the sheriff would receive mileage of 10 cents a mile for coming from Grand Forks, N. Dak., to Northwood, N. Dak. In addition to the mileage allowance of 10 cents a mile, he would also receive a fee provided by law.

The result was that the woman, in order to get her washing machine back, would have to pay between $40 and $50. One of the State senators there, Mr. Oliver Bilden, of Northwood, telephoned me, as Governor, and told me the circumstances of the case. I sent a telegram to the sheriff, Oscar Redwing, saying, "Unless you get the washing machine back to that woman by 8 o'clock tonight, I will remove you as sheriff, and we will have a new sheriff in Grand Forks tomorrow morning." I told him that I wanted a telegram from him as to whether or not the washing machine had been returned to the woman at 7 o'clock that night. At 7 o'clock that evening I received a telegram stating that the washing machine had been returned. I may add that later the woman paid the $3.50 which she still owed to the mail order concern, as soon as she earned it.

The members of the legislature and the people of North Dakota became intensely interested, not only in that case, but in hundreds of others. For example, some of the farmers had purchased trucks, and because of the drought, which really was an act of God, they suddenly found themselves unable to pay for the trucks. Some of them had purchased farm machinery, and others had purchased land. Those farmers were perfectly willing to pay just as soon as they got hold of any money with which to pay, but they certainly could not pay until they had crops.

This was about 1933 or 1934. About that time the Federal Government entered the picture, and Mr. HENRY WALLACE, who at that time was Secretary of Agriculture, said that thousands of cattle out there had to be killed. Literally thousands of farmers sold cows for which they had paid $60, $75, or $80, for $17, $18, $19, or $20. I myself owned some cattle which were marched over to a sand pit and shot. Due to the lack of feed, it was felt that they could not be kept, and Mr. WALLACE did not seem to want to ship them to some other State.

The Legislature of North Dakota at that time or shortly thereafter passed an antideficiency judgment bill. I wish to call the attention of the Senate to the fact that even before that bill was passed, in an attempt to coerce the Supreme Court of North Dakota, the Legislature of North Dakota, and the people of North Dakota, because of a decision to the effect that the State would have a first lien on the land because of the payment by the State of the premium for hail insurance, even at that time the Federal land bank was not making loans in the State of North Dakota. Up until that time, Mr. President, it was the matter of State hail insurance, they said, which kept the Federal land bank from operating within the borders of our State. Up until that time—1933—that was its excuse.

Mr. President, after the legislature passed the Antideficiency Judgment Act, and ever since that time, every time we have had a session of the legislature the Federal land bank has been up there trying to get the State of North Dakota to repeal the Antideficiency Judgment Act. Let me say that up to the present time the members of the North Dakota Legislature, regardless of politics, have refused to repeal the Antideficiency Judgment Act. You can readily see how unfair it would be to repeal it.

Let me add that there is another element which entered into the picture. In 1917 and 1918 an outfit which would be selling threshing machines would send an agent to a farmer's place. The situation I am about to describe is not true in all cases; perhaps it is true in only a small percentage of them. But the salesman would be so anxious to sell a $7,000 or $8,000 machine outfit to the farmer that he would talk the farmer into buying the threshing outfit, knowing that the security on the machine itself—the engine and the separator—was not sufficient, and he would not only induce the farmer to give back a mortgage on the threshing machine and the engine but he would also take a mortgage on the farm itself.

I remember one case, Mr. President, the Jacobs case, which was tried in the district court of North Dakota. It involved a farmer named Jacobs, who was living at Flasher, Morton County, N. Dak. He signed a $7,000 mortgage on an engine and separator, and also had a mortgage put on his farm. The engine and separator were sent to the farm. When they arrived, the farmer let them stand in the yard for about a week before he first used them. When he used the machine, he found it had a great many flaws in it, and that it was not as represented. He notified the machine company that he did not want the engine and separator. To his surprise, he found on the back of the purchase agreement which he had signed, set out in very small print, words to the effect that unless within 3 days after he received the engine and separator he notified the machine company by registered mail of any flaws he would have waived all rights on his part in connection with any flaws in that machinery.

So when our legislature met, it passed a law which prohibited the printing in fine type on the back of any form of anything which was to be considered as a part of the agreement. Later on, still in 1933, while I was Governor of the State, the legislature passed another law which provided that a mortgage given by a farmer was not good unless it was also signed by his wife. That is still the law in North Dakota today.

Since 1932 the Federal land bank has not made these loans in the State of North Dakota. It is for that reason that I introduced Senate bill 2086, a bill to amend the Federal Farm Loan Act so as to prohibit the Federal land banks from refusing to make mortgage loans in States the laws of which prevent the rendering of deficiency judgments.

I am sure the Senate will be interested in a letter which I received, which was enclosed in one sent to me this morning by the distinguished chairman of the Committee on Banking and Currency, the Senator from New York [Mr. WAGNER]. I know that the farmers of North Dakota will be interested in it.

The letter is signed by the Assistant Administrator, Charles F. Brannan. The letter is dated December 2. I hope every farmer in the State of North Dakota and every farmer in the entire Northwest will read the letter, because it shows to what extent bureaucracy runs riot and that when we give some of these men a little authority they are perfectly willing to use it even against the farmers, the

people of a State, who, through their representatives, voted to create the Federal land bank itself.

The letter reads as follows:

DEAR SENATOR WAGNER: Further reference is made to your letter of August 25, 1944, requesting a report on S. 2086, a bill to amend the Federal Farm Loan Act, as amended, so as to prohibit Federal land banks from refusing to make mortgage loans in States the laws of which prevent the rendering of deficiency judgments.

The bill would amend section 14 of the Federal Farm Loan Act, as amended (12 U. S. C. 791), by adding a new paragraph to provide that no Federal land bank shall have power to refuse to make loans in any State for the reason that the laws of said State prohibit the rendering of deficiency judgments in foreclosure proceedings of mortgages, liens, or contracts. The effect of the bill would be to require Federal land banks to make loans in any State the laws of which wholly preclude enforcement of the personal liability of borrowers on real estate mortgages.

At the present time the bill would apply only to the State of North Dakota, which is the only State where, because of such laws, Federal land-bank loans now are not being made.

Mr. President, let me digress a moment to say that when the writer of the letter said that North Dakota is the only State in the Union which has this kind of a law, that man, the Assistant Administrator, is paying a splendid compliment to the farmers of the State of North Dakota. I do not know of any other State in the Union where the farmers are so thoroughly organized against unjust legislation as they are in the State of North Dakota. They have spent 27 years in becoming educated. Out there they know when they are robbed; out there they know when they are being discriminated against. So, out there, those farmers, beginning 27 years ago, have taken steps to see to it that the kind of legislation which protects them is enacted.

The distinguished junior Senator from Vermont [Mr. AIKEN] a moment ago mentioned the fact that the interest rates were reduced. That is correct. But that was not done, Mr. President, until the farmers organized. In that State, up until the time when the farmers organized themselves, we were paying all the way from 12 percent to 18 percent interest when land was sold for taxes. In order to redeem the land it was necessary to pay interest of from 12 percent to 18 percent; and I myself have abstracts showing that mortgages on land, made prior to 1916, were drawing interest at the rate of 12 percent

The farmers there organized by establishing the Bank of North Dakota. They appropriated $2,000,000 in order to establish a bank owned by the people of North Dakota. That bank has been so successful that not only has the $2,000,000 been paid back a long, long time ago, but today the bank is, I believe, the largest bank between Minneapolis, Minn., on the one side, and Seattle, Wash., on the other. The last time I saw the footings in that bank they were in the neighborhood of $70,000,000. As far back as I can remember, no matter who was manager of the bank, whether he was known as a reactionary, a liberal, a Republican, or a Democrat, the bank has never made a profit of less than one-half million dollars a year. I understand that this year the profit will be considerably greater. That half million dollars is a direct benefit to the people as the bank is owned by the people of North Dakota.

But in addition, Mr. President, many million dollars of indirect benefits have been received by the people. For example, in selling its bonds a county, which formerly had to pay 6-percent interest, is now enabled to obtain money from the Bank of North Dakota at an interest rate of from 1½ to 2½ percent. Not only is that true, but I remember that one county, when it was unable to sell its bonds to anyone at any price, got the Bank of North Dakota to take the bonds, and they have since been paid off in full.

So in North Dakota, Mr. President, we do not worry any more about whether we shall have a scourge of grasshoppers, or rust, or drought, because the various municipalities of North Dakota know that there is one place to which they can always go to dispose of some of their bonds.

In January of 1935 the Legislature of North Dakota amended the law so that the counties of that State could issue bonds. The legislature safeguarded the people by providing that the bonds could not pay more than 6 percent interest, and if a county exchanged old bonds for new ones, they had to be exchanged on a basis of equality.

I refer again to Mr. Brannan's letter which reads, in part, as follows:

The principles embodied in this bill have been considered by the Farm Credit Administration in previous reports.

I may add that not only did the farmers in North Dakota create the Bank of North Dakota, but after they established the bank they went still further. They said that the farmers of North Dakota might also insure their crops with the State of North Dakota against hail. I am sure that every Senator in this Chamber, especially if he comes from a farming State, will be interested in knowing that by the passage of the law to which I have referred the farmers have been enabled to save between $50,000,000 and $55,000,000 in premiums on hail insurance. They have paid that much less than they would have paid if they had been compelled to insure their crops with companies which were writing hail insurance.

The fight in North Dakota became so bitter that those who were in opposition to the farmers made the mistake of assailing them, with the result that the farmers of North Dakota passed legislation which provided for the insuring of all public buildings against fire and tornado with the State of North Dakota. In that respect the rates were reduced nearly two-thirds. Not only were the rates reduced about two-thirds on fire insurance on every public building in North Dakota, but today there is a fund of between $2,000,000 and $3,000,000 to take care of such insurance. I know that some of the municipalities have not been called upon to pay anything for some years. I believe that legislation was introduced which provided that if the fund should reach $2,000,000 no assessment was to be made for a certain period of time. Moreover, Mr. President, the State issues fiduciary bonds. Those bonds have been issued at a rate of about 33⅓ percent of what was charged before. That department of the State government has also been very successful.

So, I judge, Mr. President, that the Federal land banks are not interested very much in the matter of the anti-deficiency-judgment law. I think that their attitude is camouflaged. As I have already said, they did not make loans in North Dakota because of the pretext that the Supreme Court decision held that the premium on hail insurance should be a first lien upon the land. It was on that pretext that they originally refused to make loans within the State. The matter of the anti-deficiency-judgment law was merely an excuse on their part for not making the loans.

Mr. President, I remember one day when one of their attorneys came to see me. He said, "Governor, we have never sued for a deficiency judgment against any farmer in the State of North Dakota in all our history." I said, "If that is true, what objection have you to the law which has been passed by the legislature and overwhelmingly approved by the people of the State of North Dakota?"

Mr. President, as I proceed to read the letter to which I have already referred, I believe that it will be found to go into considerable detail. The letter states:

The principles involved in this bill have been considered by the Farm Credit Administration in previous reports. On June 1, 1937, a report was submitted by Governor Myers to Hon. Marvin Jones, chairman, Committee on Agriculture, United States House of Representatives, on H. R. 5401 (75th Cong., 1st sess.), a bill prohibiting deficiency judgments in real-estate foreclosure by the Farm Credit Administration, the Federal Land Bank Commissioner, and the Federal land banks, and prohibiting an increased rate of interest after maturity. On April 8, 1939, pursuant to Senate Resolution 89 (76th Cong., 1st sess.), Governor Hill submitted a report to the President of the Senate concerning deficiency judgments which had been obtained by the Federal land banks and the Federal Farm Mortgage Corporation (S. Doc. No. 59). In each of these reports, the view was expressed that nullification of the right to enforce the personal responsibility of borrowers would materially impair the capacity of the Federal land banks to extend credit to farmers and endanger the cooperative principles upon which the Federal farm-loan system is founded.

Mr. President, digressing again, I wish to repeat that, in my opinion, it is not a fact at all that the Federal land bank has refused to make these loans because of the anti-deficiency-judgment law, and it is an attempt to wreck the entire program in the State of North Dakota.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the distinguished Senator from Minnesota.

Mr. SHIPSTEAD. It comes to my mind what was done by the commercial banks throughout the West during the banking crisis. The State banks and the National banks also were permitted to

call their depositors in and say, "We cannot pay our liabilities," and they were permitted to make a deal with the depositors by which the depositors would sign off 30 or 40 or 50 or 60 percent of their deposits. Their deposits were liabilities of the banks just as much as the mortgage on a farm is a liability against the borrower. The banks were permitted to do that, in fact they were induced to have their customers come in and sign off and take the loss which had been sustained by the operators of the banks. The depositors lost as high as 75 percent. That was permitted for the commercial banks, but the Federal land bank could not do that with the farmers.

Mr. LANGER. That is exactly correct, and, in order that there may be no misunderstanding, I may say that the Bank of North Dakota has paid in full every penny it ever owed to anybody together with interest; but some 561 commercial banks in North Dakota which closed, as the distinguished senior Senator from Minnesota has said, sometimes signed agreements whereby the depositor lost 75 percent and even up to 90 percent and in some cases where the bank became insolvent the depositor got practically nothing. The Federal land bank, however, as the distinguished Senator has said, would not throw off one single dollar.

Mr. SHIPSTEAD. I may say for the purpose of illustrating my previous remarks that there was a banker in my State who said that if a farmer could not pay his mortgage he was not entitled to buy it back at a lower price than the mortgage, while speculators could at auction buy it for perhaps two-thirds or half the amount of the mortgage that was due. He said he thought that was all right; that if a man cannot pay his debts he ought to lose his security. I said, "Why do you not apply that to yourself?" He asked, "What do you mean?" I said, "You never paid your debts in the crisis." He said, "What do you mean?" I said, "Like others, you called your depositors in and said to them you were not able to pay your liabilities and that you would have to close the bank unless they would sign off enough of what you owed them so as to leave the bank solvent with what was left." I said further, "I do not see that there is any difference between your taking deposits and a man borrowing money from a bank on security. I know you advertise your total footings as assets and liabilities, but the money you have on deposit in the bank is money you borrowed from your depositors, and you were permitted to say, 'I can pay you 30 cents on the dollar'—or something like that—'and give you a deposit slip for 30 or 40 percent of what I owe.'" I said, "I do not see why you should be entitled to do that when a man who has worked on his farm for 12 or 15 years and has done the best he could but has had poor crops cannot have the benefit of this same washing out as you bankers have." He said, "I never thought of that."

Mr. LANGER. The distinguished Senator from Minnesota is exceedingly well informed.

Mr. President, I have just been informed that the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE] desires to speak upon the St. Lawrence waterway and I shall yield to him, but before doing so I wish to say that one reason why this matter of insurance by the State of North Dakota has been so very successful has been due to the fine men we have been able to attract to the various offices in the insurance department. The present State insurance commissioner, Mr. Oscar E. Erickson, has been insurance commissioner now for going on the tenth year. He has made an outstanding success; he is known as perhaps the ablest State insurance commissioner in the entire United States of America, and I want to make it very plain that with such excellent management, of course, insurance of this kind can be very successful.

I now yield the floor to the Senator from Wisconsin.

Mr. LA FOLLETTE obtained the floor.

Mr. BREWSTER. Mr. President, will the Senator yield for a moment?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Wisconsin yield to the Senator from Maine?

Mr. LA FOLLETTE. I yield.

INFORMATION FROM TARIFF COMMISSION CONCERNING CERTAIN PRODUCTS AND THE RATIO OF IMPORTS IN RELATION THERETO

Mr. BREWSTER. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 341, which is on the calendar with a unanimous report. There are two committee amendments which I shall ask to have adopted.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 341) calling on the United States Tariff Commission for information concerning certain products and the ratio of imports in relation thereto.

Mr. HILL. Mr. President, as I understand, the resolution has been unanimously reported by the Finance Committee, and it is a simple resolution to obtain certain information from the Tariff Commission.

Mr. BREWSTER. That is correct, and there are two committee amendments which have been suggested by the Tariff Commission which I shall ask to have adopted.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 341) submitted by Mr. BREWSTER on November 29, 1944, and reported on December 7, 1944, from the Committee on Finance, with amendments.

The PRESIDING OFFICER. The clerk will state the first amendment reported by the Committee on Finance.

The LEGISLATIVE CLERK. On page 2, line 1, after the word *"Resolved"*, it is proposed to strike out:

That the United States Tariff Commission is hereby directed, under the provisions of section 332 of the Tariff Act of 1930, to examine the dutiable items, the imports of which in 1939 were valued at over $100,000, and to report to the Senate, with respect to each such item or closely related group of items, as follows:

(1) The quantity and value of United States production in 1939 and the ratio of imports to domestic consumption in that year;

(2) The probable long-term annual imports in quantity and value for each of these products in the post-war period.

And insert:

That the United States Tariff Commission is hereby directed, under the provisions of section 332 of the Tariff Act of 1930, to examine articles, dutiable and free, the imports of which in 1939 were valued at over $100,000, or which in the judgment of the Commission might be imported in excess of that amount in the post-war period, and, insofar as it may prove practicable, to report to the Senate, with respect to each such article, as follows:

(1) (a) The quantity and value of imports in 1939;

(b) The quantity and value of United States production, consumption, and exports in 1939 of the like, similar, or competitive article, the ratio of imports to domestic consumption, and the number of persons engaged in the production thereof; and

(2) The probable short- and long-term effects of the changes in conditions which have resulted from the war upon the quantity and value of imports, and upon the production, the number of persons engaged in production, the consumption and the exports of the like, similar, or competitive article.

Mr. BREWSTER. Mr. President, I propose an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Maine to the committee amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 3, line 3, after the word "effects", it is proposed to insert "with specific estimates wherever possible."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 3, after line 15, to strike out section 2, as follows:

SEC. 2. The Commission shall indicate, insofar as statistical data will permit, the number of persons engaged in 1939 in United States industries producing each of the products or groups of products covered by this resolution and the estimated number which would be employed under the assumptions set forth under (2) above.

The amendment was agreed to.

The next amendment was, on page 3, line 22, after "SEC.", to strike out "3" and insert "2."

The amendment was agreed to.

The next amendment was, on page 4, line 3, after the words "later than", to strike out "January 31, 1945" and insert "February 28, 1945."

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the resolution as amended.

The resolution as amended was agreed to, as follows:

Resolved, That the United States Tariff Commission is hereby directed, under the

provisions of section 332 of the Tariff Act of 1930, to examine articles, dutiable and free, the imports of which in 1939 were valued at over $100,000, or which in the judgment of the Commission might be imported in excess of that amount in the post-war period, and, insofar as it may prove practicable, to report to the Senate, with respect to each such article, as follows:

(1) (a) The quantity and value of imports in 1939;

(b) The quantity and value of United States production, consumption, and exports in 1939 of the like, similar, or competitive article, the ratio of imports to domestic consumption, and the number of persons engaged in the production thereof; and

(2) The probable short- and long-term effects with specific estimates wherever possible of the changes in conditions which have resulted from the war upon the quantity and value of imports, and upon the production, the number of persons engaged in production, the consumption and the exports of the like, similar, or competitive article, if the duties in effect on July 1, 1939, were to (a) remain in effect, (b) be reduced by 50 percent, and (c) be increased by 50 percent: *Provided*, That such estimates shall be based upon two assumptions: First, that the national annual income in the post-war period is approximately that which prevailed in 1939; and, second, that the national annual income in the post-war period will be 75 percent greater than in 1939.

SEC. 2. (a) The Commission shall undertake these projects, so far as practical according to the schedules in the Tariff Act of 1930, or, if preferred, according to the import classes used by the Department of Commerce. The report on each group shall be submitted to the Senate as it is completed and all reports in response to this resolution shall be submitted not later than February 28, 1945.

(b) In the preparation of the report in response to this resolution, the Commission is authorized to secure such information as may be necessary from the Departments of Commerce, State, Agriculture, and such other departments or agencies of the Government as may be necessary, and is directed to give precedence to this work over other work now before the Commission.

The preamble was agreed to.

STATE DEPARTMENT NOMINATIONS—ANNOUNCEMENT OF PUBLIC HEARINGS

Mr. CONNALLY. Mr. President, I regret that so many Senators deeply interested in the recent nominations to positions in the State Department are not present at this time. I merely wish to announce to the Senate and to all interested Senators that the Committee on Foreign Relations has set a meeting for next Tuesday, at 10:30 o'clock a. m., in the caucus room, Senate Office Building, for public hearings on the four nominations which have been heretofore submitted for positions in the Department of State and two additional ones which will probably be sent to the Senate today. I court the attention of all the Senators who are seeking information, so that if they desire they may be present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

PRIVATE INTEREST IN THE ST. LAWRENCE PROJECT

Mr. LA FOLLETTE. Mr. President, when the St. Lawrence seaway project was under consideration in the Senate in 1934, I discussed the project at great length and participated in the debate. It is not my purpose this morning to go into great detail in connection with the various aspects of the project. I do wish to touch upon certain matters which I think are of importance in considering the proposal, and, should there be further debate upon it at this session or at the coming session of Congress, I expect to go into the matter in greater detail.

Mr. President, it is not possible to understand the contentions and maneuvering which have been going on in Washington and throughout the country regarding the St. Lawrence project without reference to the historic background. In the past 10 years a whole series of arguments have been advanced against the project, and each one has proved to be unfounded.

It has been contended that the project is not feasible from an engineering point of view; that it is not desirable from an economic point of view; that it will cost too much and, therefore, will be wasteful; that it will be used too much and, consequently, would hurt existing industries; that we do not need the power because we have plenty of it, but, if we need the power, it is better to get it from more expensive steam-electric stations; and that as a treaty it is not desirable, but as an agreement it is unconstitutional.

In the course of the discussion, I am certain that much of this confusion will be dispelled and the great national benefits of this project will be convincingly presented to the Senate.

There was a time prior to 1932 when there was little confusion and controversy about the advantages of this project. In fact, as early as 1902, when private interests were beginning to show justifiable self-interest in the development of the project for private profit, the advantages of the undertaking as the cheapest source of power were fully recognized. It is only since it has become government policy both in the State of New York and the Federal Government to develop water power resources under government initiative, that the confusion has been wilfully fostered. This will become clear in a brief recitation of the various steps taken by private and public bodies to develop this project. Ever since 1902, first the Aluminum Co. of America, then the General Electric Co., the du Pont Co., and later the Niagara Hudson Power Corporation, have all been successively interested in acquiring power sites and riparian rights, as well as licenses, for the development of the water power on the St. Lawrence River.

In 1907 the Long Sault Development Co. was incorporated as a subsidiary of the Aluminum Co. of America. Under the terms of its incorporation it was granted the right by the New York State Legislature to build a dam and to construct works upon the St. Lawrence River. The company proceeded to acquire title to considerable island and shore property on the St. Lawrence River, and made engineering plans for the development of hydroelectric power near Barnhart Island, where the plant proposed by the amendment of the Senator from Vermont would be built. This subsidiary of the Aluminum Co. claimed, together with its Canadian subsidiary, the St. Lawrence Power Co., the exclusive right to construct works upon the St. Lawrence River in the International Rapids section.

In 1913, however, the act of 1907, which granted permission to construct works upon the St. Lawrence River to the Long Sault Development Co., was repealed by the New York State Legislature. This was followed in 1916 by a decision of the Court of Appeals of New York State, which held that the State could not properly surrender rights which it held in trust for the people. It concluded that the act of 1907 under which the Long Sault Development Co. was incorporated was unconstitutional and void.

Under conditions of war emergency, in 1918, the Aluminum Co. of America applied for authorization and obtained permission from the War Department and the International Joint Commission to build a submerged weir on the St. Lawrence River to increase the supply of power to its plant at Massena, N. Y. In September 1918, the construction of the weir was approved. Thus, on the very river and near the same site where it is proposed to build the river project under the terms of the amendment the same privilege was granted to a private company, without a fight, by the order of executive and administrative agencies.

In 1921 the State of New York created a Water Power Commission with the power to issue 50-year licenses for private development of the State-owned power sites. Immediately the St. Lawrence Transmission Co., again a subsidiary of the Aluminum Co. of America, and the St. Lawrence Power Co., a subsidiary of General Electric Co. and E. I. du Pont de Nemours & Co., Inc., applied for licenses. These two companies were soon merged into one, which came to be known as the Frontier Corporation.

It is well to point out that at this time the International Joint Commission had been holding hearings all over this country and in Canada on the feasibility of a deep waterway from the Great Lakes to the Atlantic Ocean. This interest was aroused and stimulated by the experiences of the last war, when our railroad transportation system was nearly paralyzed and supplies were delayed in reaching ship side.

Now the Frontier Corporation, representing the Aluminum Co. of America, the General Electric Co., and the du Pont Co., was interested in the acquisition and development of the power resources of the St. Lawrence River. They had acquired then title to most of the land in the international boundary where this project is proposed to be constructed. Incidentally, the Frontier Corporation,

now a subsidiary of the Niagara-Hudson Power Corporation, still holds these rights. The first plan for the development of the St. Lawrence seaway and power project was made by a great engineer, Hugh L. Cooper, for and on behalf of this Frontier Corporation. I hold in my hand a report to the International Joint Commission on Navigation and Power in the St. Lawrence River by Hugh L. Cooper & Co. On the cover of the copy I have here is engraved the name of Owen D. Young. Hugh L. Cooper, Senators will recall, is the American engineer who later constructed the Dnieper Dam for the Russian Government. The generating equipment for the Dnieper Dam was built by the General Electric Co. at Schenectady, N. Y. I am mentioning these facts only to point out that this first comprehensive private plan for the development of the St. Lawrence seaway and power project carries the weight of authority and experience behind it.

The private companies that were backing Colonel Cooper's plans for the development of the St. Lawrence seaway and power project are well known throughout the country for their keen eye for profit-making opportunities. In brief, Colonel Cooper proposed to the International Joint Commission for their approval the construction at private expense of all the necessary dams and locks from Lake Ontario to Montreal to create a navigation channel of 30 feet, and power, both at the International Rapids as well as down the river at Soulange and Lachine Rapids, upward of 5,000,000 horsepower. He proposed to undertake this at a total cost of $1,300,000,000 to his private clients. Colonel Cooper's clients would make a gift of the joint costs of navigation and power to the Governments of Canada and the United States in exchange for the right to generate and sell the power on the whole St. Lawrence River.

Colonel Cooper's clients did not rest their case merely by the presentation of this report to the International Joint Commission. On June 11, 1920, they filed an application with the Federal Power Commission for the right to build a dam on the St. Lawrence River under the terms and provisions of the law set forth in Public Act No. 280, Sixty-sixth Congress, H. R. 3184, approved by the President of the United States on June 10, 1920. It must be clear that they did not waste much time before filing an application for the construction of this dam across the international boundary. The State of New York, however, filed an objection with the Federal Power Commission to this application.

In 1926 another report was filed by Colonel Cooper with the New York State Water Power Commission in connection with license application on behalf of the Frontier Corporation. At the same time competing interests entered into the scheme and an application was made to the New York State Water Power Commission on behalf of the American Super Power Corporation. The Commission stated that it was ready to grant permits for the construction of the dams to the Frontier Corporation. Gov. Alfred E. Smith opposed this proposition and made it a campaign issue in that year, and upon reelection of Governor Smith the application was withdrawn.

In 1929 the capital of the Frontier Corporation was acquired by the newly formed Niagara-Hudson Power Corporation. This corporation acquired all private claims to Niagara River power resources and those upon the international section of the St. Lawrence River. Its subsidiary, the Frontier Corporation, continued to purchase substantial tracts of land, including an additional part of Barnhart Island and the whole of Crysler Island.

This effort on the part of the private interests to secure the development of this great natural resource for their own benefit can well be appreciated, and I quote from Colonel Cooper's report:

If afforded the opportunity—

Colonel Cooper's report said—

we will offer to provide without Government aid or guaranties from Canada or the United States, two control dams and two powerhouses and their machinery contents.

Colonel Cooper's report continued:

We believe that the greatest single need for the restoration of the public to normal contentment and happiness is cheap power. The construction of the works here proposed will give to the zone east of Niagara Falls, and for a radius of over 400 miles from the Croil Island site, power advantages at least equal to and probably better than those that now exist, or can be hereafter created at Niagara Falls, for reasons that will be hereinafter set forth.[1]

Colonel Cooper's report was equally eulogistic about the advantages of navigation, and I quote briefly from that section of the report:

It will be seen, therefore, that the zone to be supplied with cheap power will also be aided in its commercial development by the coincident creation of new navigation advantages. These navigation advantages, properly coordinated with water power and the vast railway systems now existing in this territory will give to this zone industrial advantages that cannot be otherwise created or found elsewhere on the American Continent.[2]

Colonel Cooper and his clients, the Aluminum Co. of America, the General Electric Co., and the du Pont Co. were not the only ones interested in the development of the St. Lawrence seaway and power project. This undertaking held equal favor with highly placed New England businessmen. Mr. Henry I. Harriman, twice president of the United States Chamber of Commerce and also president of the Boston Chamber of Commerce and the New England Council, was one of the early proponents of the St. Lawrence power and navigation project. Senators know that Mr. Harriman is as widely experienced in the development of river basins as anyone in the country, since he has been responsible for the development of water power in New England, particularly in the Connecticut Valley, ever since 1907. Concurrently while Mr. Cooper was presenting the engineering plans of the private companies, Mr. Harriman stated in great detail the public benefits of this development. I have in front of me a speech delivered by Mr. Harriman in 1921 in which he had this to say:

The project for the improving of the St. Lawrence River from Lake Ontario to Montreal is of importance to the West in that it will give them direct access to the sea and permit ocean-going vessels to load and discharge at the various ports of the Great Lakes. Its primary import (though not its only advantage) to the New England States, and equally to New York, arises from the fact that the improvement of the river makes possible the largest hydroelectric development in the world.

And again:

Power from the St. Lawrence River will find its natural market in New York State, in New England, and in Canada; and, as both Boston and New York lie within a 300-mile radius, all New England is within feasible transmission distance.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Wisconsin yield to the Senator from Vermont?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. I think it might be well to state at this point that Mr. Harriman is one of the most prominent, if not the most prominent, public-utility executives in all New England.

Mr. LA FOLLETTE. I made that statement. Perhaps the Senator did not hear it.

Mr. AIKEN. I did not hear it; there was so much confusion in the Chamber.

Mr. LA FOLLETTE. I apologize for the state of my voice today.

Mr. AIKEN. It is very unfortunate that Mr. Harriman has not been able to convert all his associates to his way of thinking.

Mr. LA FOLLETTE. I agree with the Senator.

Mr. Harriman further stated:

Undoubtedly the power which the St. Lawrence can produce is two-thirds of the feasible water-power energy which can be developed east of the Mississippi, exclusive of Niagara, which should be largely preserved as a scenic wonder. It is the one huge concentrated source of energy available in the Eastern States.

And speaking of costs, he concluded:

I do not think there is any doubt, however, that when the entire power of the river is developed 1 mill per kilowatt-hour will cover interest and sinking-fund charges on the portion of the work devoted to navigation, and from 2 to 3 mills per kilowatt-hour will cover the same items for the entire project, including both dams and powerhouses. Enough is now known to give assurance that power can certainly be generated on the St. Lawrence River and delivered in wholesale quantities in the New England States and New York for less than 1 cent per kilowatt-hour.

[1] Excerpt from Report to International Joint Commission on Navigation and Power in the St. Lawrence River, by Hugh L. Cooper & Co., p. 9.

[2] Excerpt from Report to International Joint Commission on Navigation and Power in the St. Lawrence River, by Hugh L. Cooper & Co., pp. 9–10.

Mr. Harriman was equally enthusiastic about the transportation features of this project. He said:

To summarize, then, it is fair to assume that a bushel of grain can move by water through the improved St. Lawrence from the western end of the Great Lakes to the ports of New England for 12 cents or less; and the lowest possible rate at which it can now move between these same ports is 18 cents. What is true of wheat would be equally true of flour, and even more true of package freight, which is costly to transfer at Buffalo from boat to train.

Traffic from interior New England points would also benefit by the St. Lawrence route. Today such traffic, moving to its destination via the Great Lakes, must first move 500 miles by rail to Buffalo; but upon the completion of this project it would move 300 miles by rail to Ogdensburg or other St. Lawrence ports, and there be transferred to lake steamers; and this would be an advantage, not only to the shippers, but to the New England railroads which would thereby receive a longer haul over their own rails.

I also believe freight would move more rapidly and more regularly to and from the ports of the Great Lakes by boat than by train. Boats would travel from Boston, Portland, or Providence to Detroit or Cleveland in 7 to 8 days, and to Duluth or Chicago in 10 days, and a shipper could be sure of his time of delivery whereas now he is subject to the rail delays caused at the various crowded gateways through which traffic must pass. (Excerpt from the St. Lawrence Project—Its Meaning to New England, by Henry I. Harriman, former president of the Boston Chamber of Commerce, 1921, p. 11.)

In 1928, Mr. Harriman was still greatly interested in development of the St. Lawrence seaway. He devoted a considerable portion of his presidential address before the Boston Chamber of Commerce to this project. I quote:

May I in closing briefly refer to a project which in my opinion will vitally affect for the better transportation conditions in New England. I refer to the Great Lakes-St. Lawrence seaway project so strongly favored by President Coolidge and by President-elect Hoover.

* * * * *

The opening of the Panama Canal greatly expanded New England's markets on the Pacific coast. Boston is now nearer to Los Angeles and San Francisco, from a rate standpoint, than is Kansas City or Minneapolis, and if the St. Lawrence seaway is built Chicago and Duluth will be as near to Boston, viewed from the standpoint of rates, as Buffalo or Pittsburgh.

* * * * *

The Panama Canal has opened one-fourth of the markets of the United States to the New England manufacturers, markets which were formerly closed to them through high freight rates, and the construction of the St. Lawrence seaway will open to these same manufacturers another vast section of the country, the Middle West, with its 40,000,000 inhabitants. The St. Lawrence seaway means much to the Middle West, but in my opinion it means even more to the people of the New England States.

Mr. Harriman also wrote a book in 1929, fully supporting by factual data his conclusions in favor of the seaway and power project. The private power company officials were not the only ones completely sold on the advantages of the St. Lawrence power development, but even to a larger degree the presidents of the larger railroad companies, with the exception of those in the East, were all in favor of the construction of the seaway. I have here a series of statements by the presidents of various western trunk lines heartily supporting the seaway as a benefit to the western railroads. These statements were given from 1920 to 1929 at the same time as Colonel Cooper, on behalf of his clients, and Mr. Harriman, president of the New England Power Association, were promoting the project as a benefit to the East. Among those who were the supporters, some of whom are still living, were Ralph Budd, then president of the Great Northern Railroad, and since of the Burlington lines; Mr. S. M. Felton, president of the Chicago, Great Western Railroad; Mr. Hale Holden, then president of Chicago, Burlington & Quincy Railroad, and later vice president of the First National Bank of New York; Mr. A. H. Scandrett, president of the Chicago, Milwaukee & St. Paul Railroad; Mr. Howard Elliott, chairman of the Northern Pacific Railroad; Mr. Fred Sargent, president of the Chicago, North Western Railroad Co.

I ask unanimous consent, Mr. President, that these statements may be printed as an appendix to my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LA FOLLETTE. Under the impetus of this great interest in the development of the St. Lawrence seaway, many State legislatures and State Governors officially went on record and contributed State funds for the furtherance of this project through the Great Lakes-St. Lawrence Tidewater Association. In 1929 there were 23 States officially connected with this organization, either by legislative or executive order. With national support, President Coolidge and President Hoover carried through negotiations with Canada which resulted in the treaty of 1932.

By the time the treaty came to a vote in the Senate in 1934, however, there had come over the country a great change, and those very groups which for years had consistently supported the St. Lawrence project suddenly disappeared from the scene. Instead, the Association of Railway Executives, in the person of the general counsel, appeared before the Senate Foreign Relations Committee in 1933 to vigorously oppose the project. Those other interests, the private power companies, which advertised the benefits of the St. Lawrence power throughout the land as the cheapest source of power in the United States, suddenly became silent officially, and through their agents started opposing the construction of this project.

What was the reason for this sudden change in the attitude of those who were principally instrumental in the first place in stimulating public interest all through the first 30 years up to 1932 in the St. Lawrence seaway and power project? The plain reason for this change of attitude on the part of these groups, I believe, was due to the change in governmental policy toward the development of the water resources of the State and Nation. After Gov. Alfred Smith came Gov. Franklin Roosevelt. They believed that the good of the people requires the development of river resources of the country for the benefit of all the people, and they would not relinquish the public heritages for private profit.

When this policy became entrenched in the Federal Government after 1932, it looked pretty hopeless for those who wanted to take the St. Lawrence project for their own. I shall shortly give proof as to the very devious ways in which the private power companies have opposed the St. Lawrence project. First, however, let me explain how it is that the railroads west of Lake Michigan, which up until 1929 were in favor of the St. Lawrence project, suddenly became silent and now are on record in opposition to it through their national railroad organization.

I have before me the official records of the Interstate Commerce Commission, which give figures on the 30 large stockholders of these trunk-line railroads. With few exceptions, in every instance the greatest majority of the individuals and banking and brokerage firms which own the largest blocks of shares are located in New York or Boston. I have here also an analysis of the principal interests and connections of the directors of the western railroads, and in the majority of cases they will be found in the Directory of Directors of New York City.

It is this eastern control of much of the stock ownership and management of the western roads that establishes the connection between the power issue I have just recited and the attitude of the western railroad managements. The issue that is being fought here is not economic, physical, engineering, or international advantages or ramifications of the St. Lawrence project, for those factors were well considered and satisfactorily answered by the private interests 15 years and more ago.

The issue, divested of the welter of confusing contentions, is the public development of the St. Lawrence power project. It is my belief that if that issue were presented squarely before this body there would be no doubt that the Senate of the United States would forthwith approve the amendment of the Senator from Vermont, for it is the national policy, as it is now the policy of the State of New York under both Democratic and Republican administrations, to develop river basins under public control and for the benefit of consumers. The Congress has asserted that principle over and over again. The last time the Senate went on record was only a week ago, in connection with the consideration of the flood-control bill, and in connection with the consideration of the bill which is now before the Senate.

This is a matter of public policy that is well established and has been recognized by both parties. It is today the policy of the State of New York under Governor Dewey, as well as of the Federal Government under President Roosevelt.

The opponents of this project dare not, therefore, put the real issue squarely to the Congress of the United States, because I feel sure they know what would be the overwhelming result. Instead they have conjured all through these

years since 1932 the most fantastic stratagems to deviate public opinion from the real issue. They have done this by going down to Texas and whispering to the people there that their jobs would be taken from them if the St. Lawrence project were passed. They have gone to Kansas, Illinois, and Ohio and told the coal miners that they would be out of work if this project were developed. They have told the railroad workers in New Mexico and Utah that their jobs would be at stake, and the farmers in Kansas, Michigan, and Iowa that foreign agricultural products would swamp the home market. They have gone to Mobile, Ala., and Columbia, S. C., and whispered that their markets and the traffic going through them would be destroyed by the St. Lawrence project. They have gone to Boston, and in the very chamber of which Mr. Harriman was so long and so honorably the head, they have sold the proposition that New England would be economically devastated if this power and seaway project were constructed. In my opinion, it would require the most painstaking investigation and a very large staff of investigators to discover the many and devious ways by which this propaganda has been spread throughout the land. I have before me evidence of two of the methods which may interest the Senate.

I hold in my hand a group of editorials which appeared on August 6 and 8, 1941. Each is entitled "Seaway and Defense." They appeared during the time when this very subject was before the House Committee on Rivers and Harbors. Four of these editorials appeared simultaneously between August 6 and 8 in Johnstown, Pa.; Niagara Falls, N. Y.; Woonsocket, R. I.; and Waterbury, Conn. An examination of the editorials indicates that they are substantially identical, word for word. It is a strange coincidence indeed that the editorial muse should strike the editors of these newspapers, located in four different States, with the same verbal inspiration within 2 days' time.

Further examination indicates that the editorials were not written by the local editors, but were copied word for word from an editorial boiler plate which is daily circulated by a propaganda agency that on the record is known to be financed by the private utilities. The editorials appearing in Johnstown, Niagara Falls, Woonsocket, and Waterbury, attacking the St. Lawrence project, were derived from a service called the Industrial News Review, issue of August 4, 1941. As you see, the editors lost no time in transcribing the propaganda outbursts of this medium for the misguidance of their readers. This Industrial News Review is owned, edited, and published by an outfit called E. Hofer & Sons, 1405 SW. Water Avenue, Portland, Oreg.

What is this outfit that gives such daily editorial service to these newspapers? I read from the heading of the Industrial News Review, which I hold in my hand.

> Its weekly distribution of industrial items and comment herewith is supported financially by basic lines of industry including public service companies, railroads, banks, chain stores, mining, insurance, farm organizations, petroleum, and others who believe in its program that community prosperity and growth, sound government and reasonable taxation, both national and local, must proceed and accompany individual and corporate prosperity. Its findings are not copyrighted and are submitted for consideration or reproduction, in whole or in part, or for any commentary use of statistics, quotations, or opinions contained. Its desire is to encourage constructive comment on basic questions affecting American industries.

Going behind these pious assertions of the owner and publisher of the Hofer service, we find that this outfit was investigated by the Federal Trade Commissior in connection with its investigation of utility corporations, and was found by the Commission to be largely supported by private utility interests.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. Let me ask the Senator from Oregon if the purpose of the organization is very well known throughout his section of the country.

Mr. HOLMAN. During my long political career I have learned to know that that organization writes "canned" editorials for the utilities. It not only writes such editorials, but it also writes news items. It has even gone so far as to sign the names of fictitious persons to fictitious articles.

Mr. LA FOLLETTE. I thank the Senator, his remarks have greatly buttressed the point I desired to make.

Mr. President, I ask unanimous consent to have printed as an appendix to my remarks certain pages from the report of the Federal Trade Commission's investigation, which substantiates the assertion I have made.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. LA FOLLETTE. Although this Federal Trade Commission investigation goes back quite a time, the organization I have mentioned is, according to its own words, which I have quoted, being maintained by private and public service corporations, railways, banks, and insurance companies.

The case I have cited is not an isolated instance, but is one of a great stream of propaganda against this great project. I have before me a tabulation of newspapers which have utilized the services of this utility organization, which have copied verbatim the propaganda given to them, and have passed it on to their readers, to influence them against the St. Lawrence project—and here is the point I wish to emphasize—without disclosing the sources from which these editorial opinions are derived, thus leaving the impression with the readers of the publications that this material attacking the St. Lawrence project was the product of the brain of the editorial writer or the publisher of the respective publications. The list which I have before me includes newspapers in the following cities: Ashland, Ky.; Woonsocket, R. I.; Davenport, Iowa; Johnstown, Pa.; Paterson, N. J.; Niagara Falls, N. Y.; Lynn, Mass.; Terre Haute, Ind.; Waterbury, Conn.; Ottumwa, Iowa; Wheeling, W. Va.; Lowell, Mass.; Washington, Iowa; Salt Lake City, Utah; Lima, Ohio; Port Arthur, Tex.; Clinton, Iowa; and Waterville, Maine. This is only a partial list, since no attempt was made to cover all the newspapers in the country. If any Representatives or Senators wish to see the evidence pertaining to the newspapers in their own locality or State, I shall be glad to show them individually and let them reach their own conclusions.

Mr. HOLMAN rose.

Mr. LA FOLLETTE. I yield to the Senator from Oregon.

Mr. HOLMAN. I hesitate to interrupt the Senator.

Mr. LA FOLLETTE. I am glad to have the Senator do so.

Mr. HOLMAN. The Senator has been dealing with an invisible but effective force which I have battled all through my political career, but it finally got me in the last election.

The fight for Bonneville Dam and its benefits is not yet over. The Senator may understand that if I say that I care not who owns and tends the cherry tree if I can pick the cherries. The private utilities do not care about owning Bonneville Dam, Grand Coulee, and similar Federal projects. They are perfectly willing to have the taxpayers and the Nation construct, at public expense, these great hydroelectric plants; but they will see to it, if possible, that the benefits of those plants accrue to the private utilities, not to the public.

Mr. LA FOLLETTE. I agree with the Senator. While I am not a prophet or the son of a prophet, I venture to make the suggestion that if the State of New York and the Federal Government were willing to provide for the sale of the power at the bus bar to the private utility companies, a substantial part of the opposition against this great national project would disappear.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AIKEN. Let me add that I have first-hand knowledge, direct from the mouths of certain utility operators, that they would not be likely to oppose it if they were assured it would not lead to an expansion of public distribution of power.

Mr. LA FOLLETTE. Mr. President, this indirect and devious method of influencing public opinion is, in my opinion, a violation of editorial trust, and if carried on indiscriminately and unchecked, it would undermine the very foundations upon which democratic government must rest. But more germane to the point at issue is the fact that, whereas the utilities and railroads were in favor of the St. Lawrence project before 1932, at the time when the eastern utilities expected to obtain control of the water resources of the river, the private utilities and the railroads are now opposed to it, and they express their opposition not only publicly but by underground methods.

The river is the same river, and the tremendous potential power and the navigation of the river are unchanged. The only thing that has changed is the

public policy, both in the Federal Government and in the State of New York, that the project should be publicly owned for the benefit of the people. It is this issue, Senators, that leads those utilities and railways to resort to confusion and misrepresentation in order to sidetrack this great project. In 1934, when we had a treaty before the Senate, the greatest lobby in the history of this Nation came to Washington to defeat it. In 1941, when this proposal was before the House Committee on Rivers and Harbors, the principal propaganda weapon then was to promote throughout the country the notion that there was no power shortage and no transportation shortage. The very newspapers that were disseminating some of the propaganda have since learned that we have had a newsprint shortage because of a power shortage.

Another indication of indirect and devious methods employed by the power companies to defeat the St. Lawrence seaway is typified in the activities of the Niagara frontier planning board. The history of that organization goes back 20 years to the days when the private companies were trying to obtain licenses for the development of this resource for their own gain. In 1924, a Niagara Frontier Planning Association was formed, consisting of power, railroad, and banking interests in the Niagara area. One of the first steps this outfit took was to propose to the State legislature the establishment of a Niagara frontier planning board for purposes of regional planning. The newly created board, consisting of county officials, established its headquarters in the same office as that of the Niagara Frontier Planning Association which was, as I have previously stated, supported by power, railroad, and banking interests.

Both organizations signed a joint lease. The board and the association also shared the services of the same secretary and the same chief engineer. In 1925, the board requested the association to cooperate with it, and officially designated the association as its agency to collect and distribute information. The board has continued to be merely a stooge of the association of private interests which brought it to life. The secretary and the chief engineer, jointly employed by the association and the board, have been busily engaged in issuing propaganda against the St. Lawrence project in the holy name of a public body.

I wish to present for printing in the RECORD as an appendix to my remarks a list of members of the association, which seems in all respects to run the activities of the board through the paid chief engineer.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 3.)

Mr. LA FOLLETTE. This list of members is as of February 19, 1940. In the list there will be found such well-known names as Paul A. Schoellkopf, now deceased; Jacob F. Schoellkopf, Jr., president and director of Niagara Share Corporation; Col. William Kelly, president and director, Buffalo, Niagara & Eastern Power Corporation; LeGrand DeGraff, director; L. G. Harriman and Daniel J. Kenefick, both directors of the Buffalo, Niagara & Eastern Power Corporation; and Bob Roy MacLeod, executive vice president, Niagara Falls Power Co. There are also in the group others closely connected with railroad and banking interests.

In that same year, 1940, the board put out a respectable looking book opposing the seaway. Here again we have an instance of opposition to this project by the various interests that used to favor it when they expected to obtain licenses for the development of the St. Lawrence project for their private property, but now oppose it tooth and nail.

Mr. President, the Senate of the United States cannot afford to be fooled by these devices.

It is my firm belief that the sound economic development of the United States, and of all the regions of the United States, requires the construction of the St. Lawrence seaway and power project. Should the question become the subject of debate at some future time when I am not handicapped by such a severe cold as I now have, I hope to have the opportunity of discussing it further.

EXHIBIT 1

In 1920, when the seaway was a new project, Edward Pennington, president of Minneapolis, St. Paul & Sault Ste. Marie Railroad, speaking before the international joint committee then investigating its possibilities, said:

"Water transportation has always been and will always be the cheapest and most reliable transportation of the world at all times, and this Great Lakes-St. Lawrence water project seems to be one that should be encouraged in every possible way. * * * I think it would be a great thing for the Northwest and Canada to shorten the rail haul. It would have the same beneficial effect on the Northwest as the Panama Canal has had on the Pacific coast cities and coast States."

In the same year Ralph Budd, president of the Great Northern, gave it as his opinion that—

"The benefits accruing to the middle and northwest sections of the United States as a result of the Great Lakes-St. Lawrence tidewater project cannot help being apparent to anyone who has given the subject consideration." And in 1923 he added:

"Our trouble is that the West, and especially the Northwest, is sacrificed in order to make an exceptionally favorable showing in the East. Of course, this cannot continue indefinitely."

In 1923, Mr. S. M. Felton, president, Chicago Great Western Railroad, expressed his opinion that—

"I am heartily in accord with the project, but I do not believe it is wise to attempt to carry it out on a 25-foot channel. We must go to 30 feet or not at all, because by the time the canal is completed a 25-foot channel will be out of date. * * * We will need the best possible facilities to make the program a success."

We have compromised with Mr. Felton on his 30-foot channel. We have gone down to 27 feet with the sills placed at 30. All that will be needed to secure the 30-foot channel will be the necessary additional excavation, if and when the time of necessity shall arise. At present the 27-foot channel will amply provide for the vast majority of tonnage that may be expected to use the St. Lawrence-ocean road.

Again, Mr. Felton spikes the guns of those who say the seaway is a seasonal affair by remarking on this point:

"Lines which reach the Gulf from the West naturally would not favor it, but lines that reach Chicago and terminate here certainly should favor it, and I do not see wherein there would be any great opposition on the part of our eastern connections at Chicago. We have always in season worked the lake-and-rail business and the lake-and-canal business, and I do not see why we shouldn't work with the Great Lakes project, where it is for our interest to do so."

Hale Holden, when president of the Chicago, Burlington & Quincy, said:

"I view the Great Lakes-St. Lawrence tidewater project as a matter of the highest interest and importance to the development of the middle and northwestern territory, comparable only to the Panama Canal in its widespread and beneficial results.

A. H. Scandrett, president, Chicago, Milwaukee & St. Paul Railroad, in 1929, after the seaway project had been under consideration for 9 years, said:

"The movement in volume of export and import traffic from and to eastern termini of western railroads would unquestionably be of benefit to those railroads and the territory which they serve."

Howard Elliott, who wrote his name into transportation history, both in the West and in the East as well, said before the Harvard Club, of New York City, when chairman of the Northern Pacific Railway:

"This (the seaway) is a great national project, national in scope and influence. * * * The project will be beneficial to New England and to all the country tributary to the Great Lakes. It will relieve congestion on the railroads reaching the upper Atlantic ports when population and industry are twice what they are today. The project will help coastwise trade, export and import trade between the Middle Western States and foreign countries and give great opportunity to our merchant marine fleet."

Fred Sargent, then president, Chicago North Western Railway Co., held to the view that:

"The Great Lakes-St. Lawrence waterway will help the Middle West. Anything that will help promote the prosperity of the inland empire between the Alleghenies and the Rockies will help the railroads and will be of inestimable value to the entire country."

And, finally, we have the opinion of H. E. Byram, who as president of the then in receivership Chicago, Milwaukee & St. Paul, exercised the option held by that road to purchase from the Northern Pacific Railroad a half interest in its terminals at Duluth and its lines between the head of the Lakes and St. Paul and Minneapolis. A major factor in reaching the conclusion to exercise the option was the belief that lake ports would soon be made ocean ports and the Milwaukee desired an outlet to the sea on Lake Superior as well as on Lake Michigan. Explaining the expenditure involved, Mr. Byram said in a public address in Duluth:

"We are heartily in sympathy with the development of the waterway. We are not afraid of it as competition. We are confident that the waterway will come and that is why we want a foot on the doorstep of Duluth. It was a considerable influence in bringing us to our conclusion. * * * It is useless to fight such an improvement for our country. On the contrary, we expect to share in the great business that will come with the opening of the Great Lakes to the sea. We are desirous of sharing in the traffic that must come through this port and for that reason have decided to cast our lot with

you and share in the prosperity that will be yours." (From the CONGRESSIONAL RECORD, January 19, 1934, p. 923.)

EXHIBIT 2

E. HOFER & SONS

ITS ORGANIZATION

The organization of E. Hofer & Sons, of Portland, Oreg. (the San Francisco office and the Salem (Oreg.) office were closed and combined with the office at Portland), is briefly explained in a letter from E. Hofer & Sons to Mr. A. R. Gwinn, Central Illinois Public Service Co., May 26, 1925, in which it was stated:

The service of the Manufacturer and Industrial News Bureau is an outgrowth of work started in Oregon, largely in the interest of public utilities, 13 years ago, when, as a matter of self-preservation, utility and other industrial companies found it necessary to get facts before the public in order to counteract the destroying influence of proposed destructive legislation.[1]

About 1924 a conference in Mr. C. A. Coffin's apartment in New York, attended by R. M. Hofer and representatives of the utilities, including E. A. Coffin, retired chairman of the board of directors of the General Electric Co.; Randall Morgan, of the United Gas Improvement Co.; C. E. Groesbeck, S. Z. Mitchell, W. E. Breed, and E. K. Hall, of the Electric Bond & Share Co. group, resulted in expanding the Hofer service to the entire country, reaching 14,500 to 15,000 newspapers, particularly country papers, whereas it had formerly reached newspapers in only 15 States in the West.[2]

The annual book gotten out by E. Hofer & Sons for the year 1925 stated:

"The work started by the Manufacturer and Industrial News Bureau in Oregon in 1912 has gradually grown until today, instead of reaching some 200 papers in 1 State with an editorial discussion of subjects as outlined, we are reaching some 14,000 papers in the 48 States.[3]

HOFER SERVICE SUPPORTED BY THE UTILITIES

Before the New York conference referred to above, so close was the relation between the N. E. L. A. and this service, that in at least one instance a geographic division of the N. E. L. A. collected the Hofer subscriptions from its members and paid them over to the Hofer people.[4] Following this conference, the utilities supported the service to the extent of $84,820.80 a year,[5] to have the Hofer aims, shown below, disseminated through the press of America:

"To help counteract conditions that interfere with the lawful development of business and industries.

"To help minimize regulation of industry that is unnecessary or hurtful.

"To discourage radicalism in all its forms.

"To fight for reasonable taxation by city, county, State, and Federal Governments.

"Straight-from-the-shoulder arguments against socialistic propaganda of whatever nature, because socialism does not square with our American industrial system and is contrary to the very foundation principle of our constitutional form of government."[6]

Although the Hofer service was also supported by contributions from other industries in an amount about equal to that of the utility companies, a letter from E. Hofer & Sons, on May 26, 1925, to A. R. Gwinn, manager, industrial department, Central Illinois Public Service Co., stated:

"The leading utilities of the country have made it possible for us to conduct this work."[7]

On May 16, 1927, R. M. Hofer wrote Percy Young, vice president of the Public Service Co., Newark, N. J.:

"It is necessary to depend on those interested in this undertaking to continue subscriptions and to help us get an additional one as opportunity offers.[8] The original subscribers who sponsored this work 4 years ago are still its strongest supporters and have continued subscriptions as in the past, with some substantial increase where new companies have been acquired."

THE POLICY OF THE HOFER SERVICE

Robert M. Hofer testified that the policy pursued by the Hofer service was persistently to oppose municipal operation of utility plants and government participation in business.[9]

Referring to the value of this service in this respect Mr. Coffin's views were:

"The Hofer service has been of especial value to public utilities. Hofer has pointed out in the clearest way and over again the dangers of municipal ownership, and the value of customer ownership; he has fought to a finish the Bone bill in the State of Washington and largely contributed to the defeat of the California power bill. He effectively shows the unwisdom of tax-exempt bonds. The telephone company at first brought this to my attention, with the statement that Hofer had done great service in changing the attitude of the legislatures in the Northwest and North Pacific countries toward the telephone company."[10]

One of the most outstanding articles of this nature appearing in the Manufacturer, the monthly publication, included a map issued by N. E. L. A. showing comparative percentages by States of the generating capacity and population served, between privately owned electric light and power systems and municipally operated electric plants. This map showed that 90 percent of the population was served by private companies which represented 94.5 percent of the total generating capacity of the 48 States. Six hundred newspapers reproduced this story from the Manufacturer.[11]

The Manufacturer from September 1926 to May 1928 contained articles similar to those in the weekly news sheet, relating to socialism, customer ownership, disparagement of the Ontario hydroelectric situation, Government ownership, the Swing-Johnson bill, sale of municipal plants, Muscle Shoals, views of Martin J. Insull on holding companies, views of Samuel Insull on private initiative, and articles in disparagement of municipally owned street railways.

The following captions are illustrative of hundreds of a similar character of material contained in the weekly bulletin:

"Why special legislation."

"A practical answer" (relating to Muscle Shoals).

"Note taxes paid."

"Records speak for themselves."

"Utilities fight for private rights" (statement by George B. Cortelyou, chairman of joint committee).

"Municipal ownership limits service."

"Purchased power cheapest."

"Taxpayer pays for experiments" (statement of Alexander Dow, president of Detroit Edison Co., relating to municipal ownership).

"The socialistic drive in California" (re California Water and Power Act).

"Would destroy industrial opportunity" (relating to socialism).

"Customer ownership increasing."

"Utility securities inspire confidence" (relating to customer ownership).

"The public utilities" (comments of President Sloan of Brooklyn Edison Co., re putting Federal Government into the electric-power business).

"Too many umpires" (statement of Representative CHARLES A. EATON, of New Jersey, re political bureaucracy and Government interference).

"New Profession Develops in Generation" (address of P. H. Gadsden, vice president, United Gas Improvement Co., concerning customer ownership constituting a strong protection against radical and ill-considered changes in policy).

"One hundred and five municipal plants sold during year" (quotation from N. E. L. A. report showing 1,234 municipal plants sold or abandoned).[12]

A large part of the weekly service sent out is editorial in form and has been reproduced as editorials in great numbers of papers throughout the country, without indicating the Hofer source. The following quotation shows Mr. Hofer's claim relative to this editorial achievement:

"Reproduction of our articles appear almost invariably as original editorials, as we ask no credit."[13] A letter from G. W. Curren, secretary, United Gas Improvement Co., to H. S. Whipple, vice president, Rockford Gas Light & Coke Co., June 10, 1927, also makes the claim that—

"The articles are reproduced extensively as original editorial and news."[14]

What their character was and what their appeal was that lured $84,000 per annum from the private-utility groups and companies are thus stated:

"We show the blighting effect government or public ownership has on private initiative and enterprise. We show that drastic and radical rate regulation which kills utility development hurts the community worse than the company; we show that exorbitant taxation of business is simply indirect taxation of the consuming public."[15]

In addition to the service, Mr. Hofer also carried on correspondence with editors giving at some length arguments against municipal ownership of utility plants.[16]

HOFER PUBLICATIONS

E. Hofer & Sons furnished 3 different services or publications. The newspapers receiving these Hofer services did not pay for them, nor was it disclosed to them that the service was paid for by the persons who contributed $170,000 yearly.[17] They published a monthly industrial trade journal magazine known as The Manufacturer, also a weekly mimeographed Industrial News Bureau Bulletin, which consisted of from 2 to 4 sheets of editorial matter discussing problems affecting basic conditions in the country and in each State. The third was a weekly State industrial review, which was sent to the papers of each State, and which accompanied the Industrial News Bureau Bulletin, and

[1] Ex. 3867, Exs. Pts. 7–9, 335; Pt. 7, p. 255; see also statement of P. H. Gadsden, Minutes Management Committee, United Gas Improvement Co., Mar. 31, 1927, ex. 5285.

[2] Pt. 7, pp. 223–225.

[3] Ex. 3849, exs. pts. 7–9, p. 282; pt. 7, p. 233.

[4] Pt. 7, pp. 354–356.

[5] Ex. 3845, exs. pts. 7–9, pp. 276–278; pt. 22, pp. 443, 444; pt. 51, pp. 348, 349; exs. 5282, 5283, pt. 51, pp. 692, 693.

[6] Exs. 3850, 3851, exs. pts. 7–9, pp. 284, 285; ex. 3987, exs. pts. 7–9, p. 501; pt. 7, p. 225; pt. 13, p. 61; ex. 3845, exs. pts. 7–9, p. 276.

[7] Ex. 3867, exs. pts. 7–9, p. 335; pt. 7, pp. 228, 354; pts. 18–19, p. 158.

[8] Ex. 3852, exs. pts. 7–9, p. 294; pt. 7, p. 244.

[9] Pt. 7, pp. 225, 237.

[10] Ex. 5281, pt. 51, p. 691.

[11] Ex. 3849, exs. pts. 7–9, p. 283; pt. 7, p. 235; see also ex. 1182, exs. pt. 3, p. 934; pts. 18–19, p. 153.

[12] Exs. 3862, 3864, exs. pts. 7–9, pp. 303, 323; pt. 7, pp. 253, 254.

[13] Pt. 7, p. 231.

[14] Ex. 5280, pt. 51, p. 689.

[15] Ex. 3847, exs. pts. 7–9, p. 280; pt. 7, p. 232.

[16] Ex. 3852, exs. pts. 7–9, pp. 286, 287, 269; pt. 7, p. 229.

[17] Pt. 7, p. 249.

which amounted to 2,496 original reviews per annum.[18]

In the rural press the reproductions of articles appeared almost invariably as original editorials, and constituted "a vigorous and continuous drive in favor of business and industrial stability, and counteract radicalism in all its forms." [19]

Notwithstanding its 50-percent support by utilities, the Hofer service represented itself to be "an independent publication dissociated from direct connection with any industry," and "doing a highly intensive and scientific line of publicity work which is reaching more people continuously with the industrial idea through the country daily and weekly newspapers of this Nation than are being reached by any other single agency." [20]

The place for and results from such an alleged independent service was expressed in a letter written on September 27, 1926, by R. M. Hofer to J. D. Pettegrew, Nebraska Power Co., Omaha:

"The Nebraska utilities information committee and the information bureau of the N. E. L. A. can give authentic information on statistics, management, operation, etc., of electric light and power companies. These organizations represent the industry and speak with authority on matters of fact. After such information has been issued it is then a question of getting it commented on editorially and thoroughly understood by the general public.

"At this point our organization begins to function. As an independent publication not directly and primarily affiliated with electric-light companies, but discussing various industrial problems we can take up many legislative, political, taxation, and Government ownership questions and discuss them as they affect public utilities. In other words, a third-party opinion is often accepted with less bias in an editorial discussion than a statement from parties directly interested." [21]

And also in a letter of December 9, 1927, from R. M. Hofer to Charles M. Cohn, vice president, Consolidated Gas, Electric Light & Power Co., Baltimore, Md.:

"It is our endeavor to get a third-party discussion of questions of interest to public utilities from a source dissociated from direct control of the utilities.

"The greatest value of our service is, to the utilities, the fact that the people are reading something about public-service companies other than what is sent out directly by such companies. I feel sure that it pleases you to see a good editorial on utility problems, taxation, or public ownership in a rural weekly or daily paper, which has not been dictated by the utility interests but which expresses views which are sound and with which you can agree. Let something be said about utilities which is not controlled lock, stock, and barrel by the utilities. This helps build up a public understanding regarding fundamentals affecting the utility industry which assures a more open-minded hearing on the part of the people when the industry or an individual company has a case to present in its own behalf." [22]

The utility source of some of this "independent" matter appears in a letter of March 5, 1925, which A. W. Flor, publicity man for the Electric Bond & Share Co., wrote C. E. Groesbeck, vice president of the same company and also a member of the 1924 conference in New York, which arranged for expanding the service to cover the entire country. In this letter Mr. Flor stated that he had gotten in touch with Mr. Hofer when he was in town and spent an afternoon with him preparing a story for use in his service which was sent to 14,000 papers. This story was published in the weekly bulletin and bore the caption "Inevitable rate raise occurs in Cleveland," referring to Cleveland's municipal electric plant.[23]

On March 7, 1928, P. H. Gadsden, vice president of the United Gas Co., wrote to P. S. Young, vice president of the Public Service Corporation, Newark, N. J., expressing satisfaction with the results attained, as follows:

"I have kept in close touch with the Hofer Service and have become very much impressed with the value of the publicity work which is being done. We have on several occasions asked Mr Hofer to send us the clippings for various States in which we were interested, and I have been astonished at the volume of it.

"Recently I spent an hour with Mr. Hofer, going over his work, and I am more than ever satisfied that he is performing a very valuable service not only to the public utilities of the country but to business interests generally." [24]

Thus it would appear that utility executives, both preceding and following Mr. Hofer's statement relative to being "disassociated from direct control of the utilities," admitted their personal interest and activity in the Hofer service.

THE HOFER METHODS HAD THE APPROVAL OF THE UTILITIES

Mr. Hofer's own statements in this respect show how highly he was regarded by the utilities.

On September 27, 1926, R. M. Hofer wrote to I. O. Pettegrew, of the Nebraska Power Co., and stated, referring to his service:

"It is hard to go into its many details in a letter. It is rather embarrassing to make what may seem to you like exaggerated statements about our own work. It has borne the closest investigation, however, of such men as the late Charles A. Coffin, E. K. Hall, S. Z. Mitchell, C. E. Groesbeck, Martin Insull, and many others.[25]

N. E. L. A. also approved this work. The association clipped editorial articles, written by the Hofer service, from local papers and credited the local editor. Concerning the effect of this, Mr. Hofer said:

"Such recognition of a local editor, by an organization as well known as the N. E. L. A., encourages newspaper editors to advocate sound and constructive ideas."[26]

RESULTS ACHIEVED BY HOFER SERVICE

Favorable indirect as well as direct results were apparent soon after the 1924 meeting in New York of Mr. Hofer and utility executives, for the 1925 edition of the annual book published by E. Hofer & Sons contained the following statement:

"There is one effect of our service the importance of which cannot be estimated, namely, its influence in causing editors who read it but never use our articles to consider questions from a more conservative viewpoint and refrain from running much radical material which would otherwise appear in their papers. It has had that effect in many instances which have come to our observation." [27]

And reviewing his work 4 years later, Mr. Hofer stated in a letter to A. W. Flor, publicity director for the Electric Bond & Share Co.:

"The results surpass anything I expected or promised when I first discussed this matter with Mr. Coffin, Mr. Hall, Mr. Groesbeck, and Mr. Mitchell 4 years ago this month in Mr. Coffin's apartment. * * * These results could never have been secured except with the wholehearted cooperation of men like yourself, Mr. Hanscom, Mr. Groesbeck, Mr. Hall, the late Mr. Coffin, and others who took a broad-minded attitude on industrial and public-utility problems involving questions of public relations. We are glad that we could help in securing the outcome recorded." [28]

In correspondence at various times, Mr. Hofer stated the quantity of material reproduced in the rural press from 1924 to 1927, and showed that for 17 months ending October 1924, reproduction in all States was estimated to be 27,000,000 lines or about 25,000 pages; for 1926, the amount of publicity obtained was estimated to be 2,318,964 inches, or about 19,325 solid pages, and for 1927, the total estimated inches were 3,111,420.[29]

Inasmuch as Mr. Hofer testified that the policy of the service was persistently to oppose municipal operation of utility plants and Government operation in business, it is safe to assume that a major portion of the reproduced articles carried this viewpoint, and related particularly to the utilities.

The chart following shows, as far as data were available, the amount of publicity reproduced from the Hofer service for the years 1924–27.

Nothing was offered for the record by the utilities in explanation or excuse of their support of E. Hofer & Sons, and their activities.

Data showing newspaper reproduction of articles from the Manufacturer and Industrial News Bureau, publications of E. Hofer & Sons

State	Year	Number of papers	Inches, measured	Total estimated inches	Total number of lines	Solid pages	Record references		
							Volume	Page	Exhibit No.
All States [1]	[2] 1924				27,000,000	25,000			3844, p. 276.
	1926			2,318,964		19,325	7	242	3852, p. 292.
	1927	12,784	518,570	3,111,420	28,002,780		7	232	3848, p. —.
Iowa [3]	1925		51,384						3852, p. 291.
	1926	613	75,630			630	7	239,240	3852, p. 291.
	1927		1,935,792	7,743,168		64,526			3852, p. 288.
Nebraska [4]	1925	435	31,710			264			3855, p. 300.
	1926		45,948			383			
Nevada	1926		20,000			167	7	242	3852, p. 292.
Pennsylvania	1926	525	68,850			574	7	243	3852, p. 292.
Massachusetts [5]	1926	233	33,246			277	7	245	3852, p. 295.
Maryland, Virginia, West Virginia	1925	391	45,690			381			3858, p. 301.

[1] Summary of material from 14,000 country newspapers receiving Hofer Service (ex. 3848, exs. pts. 7–9, p. 280; pt. 7, p. 232).
[2] 17 months.
[3] 1927 data cover a 4-year period for Iowa (ex. 3852, exs. pts. 7–9, p. 288).
[4] The bulk of the material reproduced in Nebraska newspapers appeared as original editorials (ex. 3858, exs. pts. 7–9, p. 300).
[5] The 233 papers in Massachusetts using this service reproduced the articles verbatim (ex. 3852, exs. pts. 7–9, p. 295; pt. 7, p. 245).

[18] Exs. 3487, 3849, 3862, 3863, 3864, 3867, exs. pts. 7–9, pp. 279, 283, 303, 323, 335; pt. 7, pp. 233, 253, 254.
[19] Ex. 3847, exs. pts. 7–9, p. 279; pt. 7, p. 226.
[20] Ex. 3849, exs. pts. 7–9, p. 282.
[21] Ex. 3858, exs. pts. 7–9, p. 300. See also ex. 5281, pt. 51, p. 689.
[22] Ex. 3854, exs. pts. 7–9, p. 296.
[23] Ex. 3861, exs. pts. 7–9, p. 303; ex. 4465, exs. pts. 10–16, p. 971, pt. 7, p. 252.
[24] Ex. 3852, exs. pts. 7–9, pp. 286, 294.
[25] Exs. 3858, 3867, exs. pts. 7–9, 301, 336; pt. 7, p. 256.
[26] Ex. 3849, pts. 7–9, p. 284; pt. 7, p. 236.
[27] Ex. 3849, exs. pts. 7–9, p. 284.
[28] Ex. 3852, exs. pts. 7–9, p. 291; pt. 7, p. 240.
[29] Exs. 3844, 3848, exs. pts. 7–9, pp. 276, 280.

EXHIBIT 3

THE NIAGARA FRONTIER PLANNING BOARD

On September 29, 1924, at the invitation of Gov. Alfred E. Smith and under the auspices of the State commission of housing and regional planning, a preliminary conference on regional planning for the Niagara frontier was called. Representatives of Niagara and Erie Counties, the cities, towns, and villages in those counties, and of parks, recreation and planning commissions were present.

As a result of this conference the Niagara Frontier Planning Association was formed. A board of directors was set up composed of representatives of the local governments of the Niagara frontier, the chambers of commerce and some private corporations. Paul A. Schoellkopf was one of the original directors, representing the city of Niagara Falls. Among the members of the organization was the Niagara Falls Power Co.

The association had as its purpose the formulation and execution of a regional plan for the Niagara frontier. Its first major task was to sponsor legislation creating a governmental planning board for the region. In 1925 the New York State Legislature passed such a bill, establishing the Niagara Frontier Planning Board. The text of this act, chapter 267 of the Laws of 1925, is appended to this report. In 1927 this law was amended so that the board reports annually to the governor instead of the housing commission.

The newly created board established its headquarters in the same office as the association, both organizations signing a joint lease. The board and the association also shared the same chief engineer and secretary.

The first annual report of the board, covering 1925, states that:

"At the meeting of this board held April 30, the Niagara Frontier Planning Association was requested and invited to cooperate with the board and was officially designated as the body or agency, provided by the enabling act, through which this board may collect and distribute information relative to regional and community planning and zoning in Erie and Niagara Counties" (p. 26).

To meet its expenses, the board requested $5,000 annually from Niagara County and $20,000 annually from Erie County.

One of the studies listed in the board's 1925 report and undertaken at the suggestion of the State housing commission dealt with power and covered these topics:

"Origin and use of fuel for power purposes; changes in kind of power; relation of privately owned and rented power with statistics showing trend; merger of power companies and comprehensive plans, if any, for power distribution" (p. 29).

In its 1926 report the board refers to the association as "its advisory and publicity arm" (p. 7).

The only board reports available were for the years 1925–28, inclusive. In each of them the membership of the association was listed, as well as financial statements of both the association and the board. The receipts of the board are from $18,000 to $25,000 annually from Niagara and Erie Counties. The receipts of the association from its members are about $6,000 or $7,000 annually. The Niagara Falls Power Co. is listed as an association member in each of the reports. Paul A. Schoellkopf is representative of the city of Niagara Falls on the board of directors during the same period. Among the contributing members to the association are the following Niagara Hudson officials: Alfred A. Schoellkopf, Paul A. Schoellkopf, William Schoellkopf, De Lancy Rankine, Stephen Piek, Fred D. Corey.

Another contributing member associated with the Schoellkopfs is Robert W. Pomeroy. Hamilton Ward is also listed as a director and a contributing member of the association.

In addition to the Schoellkopfs, whose connections are well known, the following details may be of interest in connection with others mentioned above.

De Lancy Rankine has been associated with the Niagara Falls Power Co. William B. Rankine was one of the original group which built the first power plants at Niagara Falls.

Stephen Piek is a vice president of Niagara Hudson Power and has for many years been an officer of Syracuse Lighting, Mohawk Hudson Power, and many other Niagara Hudson subsidiaries.

Fred D. Corey organized the Niagara, Lockport & Ontario Power Co. and headed it until his death recently. He also served as an officer of many other Niagara Hudson subsidiaries.

Robert W. Pomeroy is a member of Schoellkopf, Hutton & Pomeroy, the brokerage firm.

"THE NIAGARA FRONTIER PLANNING BOARD

"(Laws of New York, 1925, ch. 267)

"An act to establish the Niagara Frontier Planning Board and to authorize local appropriations therefor

"SEC. 1. There is hereby established the Niagara Frontier Planning Board, to consist of 13 members. The mayors of the cities of Buffalo, Lackawanna, Lockport, Niagara Falls, North Tonawanda and Tonawanda, 3 members of the Board of Supervisors of Niagara County and 3 members of the Board of Supervisors of Erie County shall be ex-officio members of such board. The 3 representatives from each board of supervisors shall be appointed annually by the chairman of the respective board of supervisors, subject to the approval of their respective boards. The thirteenth member shall be elected annually by the ex-officio members and shall serve until his successor is elected. He shall be chairman of the board.

"SEC. 2. The county of Erie and the county of Niagara and all cities, towns, and villages in such counties may, in their discretion, expend out of the public moneys funds to defray the expenses of the board and to further its purposes and may raise by taxation such funds so expended.

"SEC. 3. The members of the board shall receive no salary or compensation for their services as members of such board.

"SEC. 4. (1) The board is hereby empowered to and shall study the needs and conditions of regional and community planning in Erie and Niagara Counties and prepare plans adapted to meet such needs and conditions, and shall, through such agencies as it may designate, collect and distribute information relative to regional and community planning and zoning in Erie and Niagara Counties, and the same is hereby declared to be a public purpose and all moneys expended for such purposes are declared to be for municipal use.

"(2) The board shall make a report to the bureau of housing and regional planning on or before January 1 of each year, together with its recommendation for such legislation as it deems appropriate.

"SEC. 5. This act shall take effect immediately."

MEMBERS OF NIAGARA FRONTIER PLANNING ASSOCIATION AND THEIR CORPORATE AFFILIATIONS

I. Direct representatives of the power industry

Paul A. Schoellkopf: President and director, Niagara Falls Power Co; chairman and director, Buffalo Niagara & Eastern Power Corporation; vice chairman and director, Niagara Hudson Power Co.; director, Canadian Niagara Power Co., Ltd., Manufacturers & Traders Trust Co., Power City Trust Co., Niagara Falls Hotel Corporation, Niagara Junction Railroad.

Jacob F. Schoellkopf, Jr.: President and director, Niagara Share Corporation of Maryland; director, Eastern States Corporation, Bell Aircraft Corporation, Marine Midland Corporation; secretary and director, Buffalo Electro Chemical Co.

Col. William Kelly: President and director, Buffalo Niagara & Eastern Power Corporation; vice president and director, Niagara Hudson Power Corporation, Niagara Falls Power Co., Buffalo Niagara Electric Corporation.

LeGrand DeGraff: President, State Trust Co.; director, Buffalo Niagara & Eastern Power Corporation.

L. G. Harriman: (See Railroad Interests); director, Buffalo Niagara & Eastern Power Corporation.

Judge Daniel J. Kenefick: Partner, Kenefick, Cooke, Mitchell, Bass & Letchworth; director, Buffalo Niagara & Eastern Power Corporation, Buffalo Niagara Electric Corporation, Buffalo, Rochester & Pittsburgh Railway.

Bob Roy MacLeod: President, Niagara Junction Railway; executive vice president, Niagara Falls Power Co.; vice president, Buffalo Niagara Electric Corporation; director, Lower Niagara River Power & Water Supply Co.

Fenton Marion Parke: President, Parke-Hall Co; industrial real estate; Niagara Frontier History says, "Serves as representative of large corporations, such as railroads, steamship lines, and public-utility companies. In fact, they represent nearly every public-utility company in Buffalo."

II. Railroad and lakes transportation interests

Chauncey J. Hamlin, Jr.: Partner, Wood Trubee & Co. (son of Chauncey J. Hamlin, director, Baltimore & Ohio Railroad).

Lewis G. Harriman: President, Manufacturers & Traders Trust Co.[1]; director, New York, Lackawanna & Western Railroad, Terminals and Transportation Co. of America, Buffalo Niagara & Eastern Power Corporation.[1]

Judge Daniel J. Kenefick (see power interests)[1]: Director, Buffalo, Rochester & Pittsburgh Ry.

William James Conners, Jr.[1]: President and publisher, Buffalo Courier Express; chairman of board, Great Lakes Transit Corporation; vice president, Lake Erie Ship Building Co.; director, Marine Trust Co.

Adam E. Cornelius: Chairman, American Steam Ship Co.; partner, Boland & Cornelius (lake transportation); president, Lake Erie Ship Building Co.; director, Marine Trust Co.

Burton L. Gale: Vice president, Manufacturers & Traders Trust Co.[1]; director, Terminals & Transportation Co.

Ansley Wilcox Sawyer: Partner, Dudley Stowe & Sawyer; director, Terminals & Transportation Co., Minnesota Atlantic Transit Co., Bell Aircraft Co.,[1] Buffalo Electro Chemical Co.[1]

III. Interlocking directorates

William Wallace Kincaid: Chairman, Spirella Corporation (corsets); (first vice president, Niagara Frontier Planning Association); director, Power City Bank.[1]; Niagara Falls Hotel Corporation.[1]

Max Becker: President, Gurney-Overturf & Becker, Inc.; director, Buffalo Weaving & Belting Co. (J. F. Schoellkopf, formerly a director).

Walter J. Brunmark: President, J. N. Adam & Co. (department store); director, Manufacturers & Traders Trust Co.[1]

Hector Russell Carveth: President, Roessler & Hasslacker Chemical Co.; director, Niagara Electric Chemical Co.; E. I. du Pont de Nemours (formerly holding St. Lawrence property).

Fred Joiner Coe: President, Power City Trust Co.[1]; director, Niagara Falls Hotel Corporation,[1] Marine Midland Group, Inc.[1]

Alanson C. Douel: President, the Niagara Falls Gazette Publishing Co.; director, Power

[1] Interlock with power interests through a Schoellkopf sitting on the same board.

City Trust Co.[3]; vice president, Niagara Hotel Corporation.[2]

Walter A. Yates: President, Yates Lehigh Coal Co.; director, Bell Aircraft Corporation [1]; (his father, Harry Yates, formerly on Board of Planning Association, was president of Buffalo, Rochester & Pittsburgh Ry.).

IV. No connection or connection unknown

Dr J. Albert Hobbie, president, Niagara Frontier Planning Association.

A. Hart Hopkins, second vice president, Niagara Frontier Planning Association.

Henry J. Turner, secretary, Niagara Frontier Planning Association.

Miss T. Sedweck, executive secretary and treasurer, Niagara Frontier Planning Association.

Andrew S. Butler, chairman and president, McDougall Butler Co., Inc.

Dr. Walter C. Behrendt.

Joseph M. Boehm.

Edward R. Butler, editor and publisher, Buffalo Evening News; director, Marine Trust.

Maj. Albert B. Cole.

Edward F. Entwisle.

Eugene P. Forrestel, president, Cold Spring Construction Co., Akron, N. Y.; president, Bank of Akron.

Ray Hoffman.

Evan Hollister, member, Babcock, Hollister, Newbury & Russ (grandfather in lake freighting business).

Reginald P. Long, Insurance Education Service.

Edward P. Lupfer.

Elmer L. Markham.

Daniel H. McCarriagher.

Col. George S. Mimmiff.

Martin F. Murphy.

Harry L. Noyes.

Newell L. Nuffbaumer.

Robert L. Rice, Niagara Falls.

Roswell T. Rosengran.

Edwin J. Schwamhausser.

Elwin G. Speyer.

John T. Symes, president, Niagara County National Bank & Trust Co., Lockport, N. Y.

George F. Unger.

Charles A. Upson, Tonawanda.

Dow Vroman, North Tonawanda.

Ansley Wilcox III, Niagara Falls.

Frederick K. Wing.

Chester W. Wright.

Farney Worlitzer, Tonawanda, president, Rudolph Wurlitzer Co., Cleveland.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFCER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Daniel
Austin	Gillette	O'Mahoney
Bailey	Green	Overton
Ball	Guffey	Radcliffe
Bankhead	Gurney	Reed
Bilbo	Hall	Revercomb
Brewster	Hatch	Reynolds
Brooks	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Smith
Butler	Johnson, Calif.	Stewart
Byrd	Johnson, Colo.	Taft
Capper	Kilgore	Thomas, Okla.
Caraway	La Follette	Tunnell
Chandler	Langer	Vandenberg
Clark, Idaho	Lucas	Wagner
Clark, Mo.	McClellan	Walsh
Connally	McFarland	Weeks
Cordon	McKellar	Wheeler
Danaher	Maloney	Wherry
Davis	Maybank	White
Downey	Mead	Wiley
Ellender	Millikin	Willis
Ferguson	Murray	Wilson
George	Nye	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

House bill 3961 is still before the Senate and open to further amendment.

Mr. REED. Mr. President, I desire to address myself for the next 10 or 15 minutes to a situation which it is hard to understand. Here is a presumably responsible legislative body indulging in a financial orgy which it is difficult to reconcile with the conditions facing the Nation. One would think from the way we are appropriating money that we had an overflowing Treasury, that we were out of debt and were reducing our taxation to the vanishing point. As a matter of fact, at the end of this war we will have a debt so great that nobody yet has been able to present any practicable plan of handling it and keeping the Government solvent on the basis of taxation the people can stand. Yet, in the face of that situation, last week we passed a bill which calls for an expenditure of a billion dollars, which might be extended in the discretion of the Army engineers beyond that amount, and we have under consideration now a bill which on its face calls for an expenditure of about half a billion dollars, and, by the same token, that half billion dollars can be extended under the discretion of the engineers beyond any further approval of the legislative body to a billion dollars. So, here we are in the midst of a great war, spending days and weeks to pass these bills, which shock the sensibilities when we consider the financial condition in which we shall find this country when the war ends.

I desire to refer to a few specific instances. In the bill under consideration there appear several projects certainly of doubtful virtue. Take what is known in the bill as the Santee-Congaree proposal, the Beaver-Mahoning Canal, which was defeated, the Alabama-Coosa proposed water improvement, and the Tennessee-Tombigbee project, which was defeated for the third time. Aggregate those four items, and it will be seen that they represent a total expenditure in excess of $200,000,000, and might run considerably more than that.

Those are mostly transportation projects, and I wish to return to them and discuss them before I conclude. But I am thinking of the state of mind of a legislative body which is willing to spend time in considering and debating and voting upon these projects, some of which have been repeatedly defeated. Three times in my service in this body has the Tennessee-Tombigbee proposition been defeated.

Mr. President, why do we consider these matters? Wholly upon a questionable recommendation of the Army engineers. There was a time when a recommendation of the Army engineers had the hallmark of merit and integrity. There was a time when we could take the recommendation of an Army engineer board almost for granted. That is no longer true. If a private company, promoting the Tennessee-Tombigbee project, were selling stock and using the United States mails in the sale of the stock, based upon the report of the Army engineers, such a company could be prosecuted for using the mails to defraud. That is how bad this gets, and how far it goes.

Far from the Army engineers' reports continuing to be careful, professional, and impartial, Army engineers, as pointed out by the distinguished senior Senator from Michigan, in some specific cases, have become advocates of what I might almost call promoters of these projects, promoting them in order to please certain sectional or regional interests. The same comment could be applied to the Beaver-Mahoning project.

Now I wish to come to a discussion of the Missouri River. The flood-control bill the Senate passed last week contained an appropriation of $200,000,000 for the development of a so-called comprehensive plan for the Missouri River. So far as that actually goes in connection with flood control, I find no fault with it, but the truth is that hidden away in the dealings in regard to the Missouri River is the constant pressure from certain limited but powerful interests in St. Louis, in Kansas City, and in Omaha for navigation. The talk there is for a 9-foot channel in the Missouri River from Sioux City to the mouth. Flood control is a secondary issue.

Mr. President, that is purely a transportation matter. Let me tell my colleague how much traffic moves on the Missouri River. For years there has been a 9-foot channel in that river from the mouth of the Missouri above St. Louis up to Kansas City and on almost to Sioux City. Preceding this period there was a 6-foot channel.

In 1937 there were moved on the Missouri River 43,000 tons of traffic. There was additional movement of sand and materials used for construction. I am now talking about commercial traffic.

In 1938 the movement amounted to 158,613 tons. In 1939 it amounted to 115,838 tons. In 1940 it amounted to 45,834. In 1941 it amounted to 143,835 tons. In 1942 it amounted to 59,151 tons.

In 1936, when Joseph Eastman was Coordinator of Transportation, he made a report which showed that it cost the Government, the taxpayers, 24 cents a ton-mile for every ton of traffic that moved on the Missouri River, while the entire railroad freight rate averaged about 9 mills a ton-mile. There is little of this river transportation that is justified. It is only cheap because it is paid for by the taxpayers.

For years the Army engineers have been pointing out that with a 9-foot channel there would be 8,000,000 tons of traffic a year moving on the Missouri River, and the last year for which I have figures, 1942, there were 59,151 tons, about one-twentieth of what the engineers constantly forecast.

If a private company were promoting the Missouri River, seeking to induce people to invest money based on the report of the Army engineers, they would be subject to prosecution by the Post Office Department for using the mails to defraud, and, if they undertook to float securities, the Securities and Exchange Commission would ban them.

Mr. President, that is the kind of a situation we are in, condoning and ap-

proving such things, and to that extent we are not living up to our full obligation to the people of this country.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. DAVIS. The Senator made a statement as to the tonnage on the Missouri River, and the cost per ton. What was the cost?

Mr. REED. The cost to whom?

Mr. DAVIS. To transport the tonnage from St. Louis to Kansas City.

Mr. REED. The taxpayer was paying 24 cents, money out of the Public Treasury, for every mile that every ton moved on the Missouri River. The shipper himself paid less than a cent a ton-mile. The taxpayer paid the rest.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CLARK of Missouri. The Senator's argument, as I understand it, amounts to this, that he is opposed to any inland-waterway transportation as opposed to the railroads.

Mr. REED. No; I shall discuss that, if the Senator from Missouri will have patience.

Mr. CLARK of Missouri. I have had a great deal of patience, first and last, with the Senator from Kansas, and I intend to have patience with him so long as I shall remain in the Senate, and we will always be friends, whether I am in the Senate or not, but I understand that what is actually happening here is that the Senator from Kansas is making an attack on the whole theory of inland-waterway transportation as opposed to the railroads.

Mr. REED. No; and before I conclude, Mr. President, I hope to enlighten the Senator from Missouri, if the Senator from Missouri can be enlightened upon this subject.

Mr. CLARK of Missouri. If the Senator does, it will be the first time the Senator from Kansas ever enlightened me on that subject, I will say.

Mr. DAVIS. Can the Senator tell me the cost of transporting the same tonnage by rail from Kansas City to St. Louis?

Mr. REED. An average of 9 mills per ton-mile, as against 24 cents per ton-mile paid by the taxpayers. Just as the junior Senator from Wyoming [Mr. ROBERTSON] pointed out in the Beaver-Mahoning case, it would be cheaper to build a railroad and let the Republic Steel Co. and the Youngstown Sheet & Tube Co. use it, rather than build the canal proposed in that case. It would be cheaper for the Government to pay the freight on this commercial tonnage which moves on the Missouri River, and shut the Missouri down. We have spent $100,000,000, in round figures, on the Missouri River in trying to make it navigable from its mouth to Kansas City. We have spent already, in round figures, $1,000,000,000 upon our so-called inland waterway system for navigation purposes. Some of that expenditure is justified.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. Does the Senator's breakdown show where that money has been spent?

Mr. REED. I am unable now to give that information. It can be furnished.

Mr. AIKEN. I think the report of the Army engineers would show that that money has been spent mostly on the lower Mississippi River. I had the breakdown here the other day myself.

Mr. REED. One hundred million dollars, in round figures, has been spent on the Missouri River——

Mr. AIKEN. Well, $100,000,000 is not anything. Does the Senator from Kansas think that $100,000,000 is any amount of money?

Mr. REED. In these days, I fear not. I am trying in my feeble way, and with my humble best, to point out the extravagances which I think are not justified.

Mr. AIKEN. I think the Senator will find that three or four hundred millions dollars have been spent in all the rest of the country.

Mr. CLARK of Missouri. Mr. President, if the Senator from Kansas will permit me to say so—and I do not wish to interrupt the thread of his oratory, because I always enjoy hearing him, whether I agree with him or not—I do not think that the amount expended on the Missouri River from the mouth of the Missouri to Kansas City would exceed $60,000,000. As I have said, I am always reluctant to take issue with my dear friend, the Senator from Kansas, because I know that he usually is right, but I do not believe—and I have examined the figures exhaustively myself—that the amount that has ever been expended on the Missouri River as such between the mouth of the river and Kansas City will exceed $60,000,000 or $65,000,000. The Senator referred a moment ago to $1,000,000,000.

Mr. REED. The total amount I have in mind as having been spent on the Missouri River from the mouth to Kansas City, inclusive, is about $100,000,000, and probably an equivalent amount, or approximately an equivalent amount, has been spent north of Kansas City in order to carry forward the 9-foot channel project as far as Sioux City.

Mr. CLARK of Missouri. Of course, the Senator well knows that there has been an additional amount expended between Kansas City and Sioux City on the Missouri River.

Mr. REED. Yes.

Mr. CLARK of Missouri. As a matter of fact, the total expenditure on Fort Peck might be attributed to navigation on the Missouri River, because it was the avowed intention of Congress when it adopted the Fort Peck project, that that project should have to do with navigation. It not only involves navigation, it involves flood control and a great many other things in which the Senator's people were as much interested as my own people.

Mr. REED. I am trying very hard to separate and keep the flood-control question separated from the awful waste of money on these impossible inland rivers from a navigation standpoint.

Mr. CLARK of Missouri. They cannot be separated.

Mr. REED. Oh, I disagree entirely with the Senator from Missouri on that point. I know that money has been spent for both purposes, but I think we can distinguish between what part of the expenditure is made for navigation and what part for flood control. I went down to the Tennessee Valley about 6 weeks ago and spent 3 or 4 days with David Lilienthal, to study the Tennessee Valley Authority, because a proposal had been made to establish a new T. V. A., or an M. V. A., comparable to the T. V. A., on the Missouri, as the Senator from Missouri well knows, and to which he is opposed. Mr. Lilienthal told me, and I think he printed in his book, that of the expenditure for the T. V. A., which aggregated about $765,000,000 in all, about 65 percent was for power, 20 percent, as I recall, was for flood control, and 15 percent was for navigation. As anyone who undertakes to deal with these things knows, it is necessary to use more or less arbitrary factors in making the allocations. There is no way to escape that. I am quoting that, however, to illustrate that even the T. V. A. makes separation as between power, flood control, and navigation.

Mr. CLARK of Missouri. Mr. President, will the Senator again yield?

Mr. REED. I yield.

Mr. CLARK of Missouri. Of course, I would not question the ability of the Senator from Kansas to put in 3 or 4 days in consultation with Mr. Dave Lilienthal upon the Tennessee Valley and arrive at a complete solution of the Missouri Valley. I myself happen to live in the Missouri Valley, and I am much more interested in the Missouri Valley than probably Mr. Lilienthal is. I live at the place where the Missouri River flows into the Mississippi, and for that reason I am possibly more interested in the Missouri Valley than is the Senator from Kansas. I do not question the ability of Mr. Lilienthal or the Senator from Kansas to have 3 or 4 days' conversation, or for the Senator from Kansas to read Mr. Lilienthal's book. He said he read something in Mr. Lilienthal's book. I happen to live at the confluence of the rivers, and I am much more interested in what actually happens in the Missouri Valley, particularly at the mouth of the Missouri River where it empties into the Mississippi, than I am in Mr. Lilienthal's theories.

The Senator from Kansas has apparently been tremendously impressed, after 3 or 4 days' conversation, with Mr. Lilienthal.

Mr. REED. Mr. President, nothing I have said indicates to the slightest degree any expression of mine or any feeling of mine or any attitude of mine toward the application of a T. V. A. theory to the Missouri Valley. I went down to the T. V. A. to take a look at it to increase my fund of general information upon matters of this kind, because the President and others had suggested the application of the T. V. A. plan of organization to the Missouri Valley. I may say now, to clear that up, that I am presently opposed to it. If

the Senator from Missouri has read the Kansas City papers he would know that.

Mr. CLARK of Missouri. Mr. President, let me again ask the Senator from Kansas a very fair question. Is the Senator opposed to the Missouri River navigation project?

Mr. REED. I am opposed to wasting taxpayers' money on the impossible economic project of trying to make the Missouri River an economic and efficient agency of transportation, yes.

Mr. CLARK of Missouri. Let me ask the Senator more specifically is he opposed to the Missouri River navigation project as a measure of regulation of the railroads of the United States?

Mr. REED. If river navigation can be produced as a byproduct of either power, or irrigation, or flood control, then of course it would be wise to take advantage of navigation to the extent to which it can beneficially be taken advantage of.

Mr. CLARK of Missouri. But the Senator is opposed to Missouri River navigation?

Mr. REED. In and of itself, yes. It represents a waste of money. It always has represented a waste of money. It represents a waste of money now. The Senator will not find any well-informed Army engineer who ever thinks it can be justified. I do not mean to say that Army engineers will not continue to press it, but I do say that no Army engineer with whom I have ever talked—and I have talked with some high ranking ones—ever thinks that the Missouri River can be made a successful and efficient agency of transportation.

Mr. CLARK of Missouri. I was simply trying to develop the Senator's position. If the Senator's position is in absolute opposition to Missouri River navigation——

Mr. REED. I do not need my good friend the Senator from Missouri to state my position.

Mr. CLARK of Missouri. I am not trying to state the Senator's position. I am trying to develop it.

Mr. REED. I will develop my own position. If I have any command of the English language I shall develop my own position. I really do not need the Senator from Missouri to help me in that matter.

Mr. CLARK of Missouri. Mr. President, what I was really trying to do was to find out if I could, whether the Senator from Kansas was in absolute opposition to the Missouri River navigation project, in which case I want to go down and get a shave, because I am sure the Senator will not be able to develop enough votes against it. Otherwise, I want to stay and listen to the Senator's argument.

Mr. REED. Mr. President, I thought that because, as the Senator from Missouri expressed it, of the charm of oratory of the Senator from Kansas, the Senator from Missouri was going to stay for the sheer pleasure of listening. I see that I was mistaken.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator from Montana.

Mr. WHEELER. So long as we are discussing navigation, let me say that I stated on the floor of the Senate the other day that I have always voted for navigation. But those who really get the benefits from navigation are the big oil companies, the big cement companies, and the big lumber companies.

Along that line, let me call attention to some testimony which was given in a hearing before the Interstate Commerce Commission held in Memphis, Tenn., in February 1939, on Fourth Section Application No. 17430, involving rates on gasoline and kerosene from Baton Rouge to Alabama points. A Mr. A. M. Stephens, general traffic manager of the Standard Oil Co. of Kentucky, testified as follows:

We do not take into consideration any evaporation charges in connection with any service we made for any individual terminals, because we find that on all of our inland waterways terminals we amortize this investment; as to our inland-waterways terminals, we usually amortize them within 2 or 3 years. In other words, the money we make on our water terminals, we put in our pocket. We don't pass it on to the consumer. No other oil company does, that I know of, except where there is price competition, and naturally, in that condition, we have a depreciation set-up that may last for 10 years, but in the meantime we have fully amortized the investment shown in our accounting procedure, and the economy that we realize is credited to the profit-and-loss account for margin.

We have such a great savings in our waterways terminals, inland-waterways terminals, that we eliminate entirely evaporation, and insurance, in all of our calculations. That enters into our general account, by reason of the great number of water terminals operating at the present time on the South Atlantic coast, the Gulf coast, and the Ohio River, and the evaporation loss, from our aggregate figures, is less than 40 points; in other words, it is less than one-half of 1 percent. I have the figures here showing our evaporation losses in connection with all of our transportation to these Ohio River points which I have indicated, and I will be glad to file them for the record if they are so desired, because they do bear out my statement that our evaporation losses are less than one-half of 1 percent of the total.

On cross-examination the following occurred:

Question. (By Mr. Beck). Mr. Stephens, with regard to the possibility of imposition of tolls on these rivers, has that received the full consideration of your company in dealing with these matters? That is, do you view things like that for any particular time in future?

Answer. Oh, yes. We exercise our judgment and foresight in the consideration of all of these matters. We have found that none of the other companies are passing any of this money on to the consuming public.

Now, as an instance in mind, I have before me at the present time a statement of the market price delivered to points in northern Georgia, to which you move gas out of Guntersville, for instance, at Dalton when you first began operation the market price at Dalton was 18 cents; that is the posted market on May 8, 1938. In December 1938 it was 17.5 reflecting a reduction in the refined market at Shreveport and the Gulf coast, and it represents a one-half cent reduction entirely in the tank price so far as dollars are concerned. In other words, Mr. Beck, we have not seen any passage of this savings to the consuming public. We have examined the markets at Dalton, Fort Wayne, Cedar Bluff, etc., and we have not found that any of that has been passed on to the consumer.

Question. And there are other cases though where you could find just the opposite conditions?

Answer. No; I have not. I have tried to but I cannot.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. SHIPSTEAD. In view of what the Senator from Montana has said, I should like to call attention to a very important point.

One reason for the fact that no benefit has been passed on to the consumer is that private carriers on the waterways of the Great Lakes and the Mississippi have not been regulated. They have been given the free use of the rivers and lakes. They have not been regulated because they are private and contract carriers. Under the Transportation Act of 1940 we put the common carriers under the Interstate Commerce Commission; and lower rates, and joint rates, rail and water, were arranged for by some of the barge lines.

Mr. CLARK of Missouri. Very much against our protest.

Mr. SHIPSTEAD. That traffic involved carrying grain into the Chicago market by water and east by rail. The railroads went to the Interstate Commerce Commission and had those joint rates wiped out. The shippers appealed to the Supreme Court, and the Supreme Court held that it had no jurisdiction in the matter, because under the system of administrative law the Interstate Commerce Commission had been given full authority, and the Court could not intervene.

Until we have honest regulation of carriers the large corporations which own private carriers will have a monopoly of the use of the waterways on which we have spent hundreds of millions of dollars. That is the answer to the question as to why the public has not benefited from water transportation. It is the fault of the Congress and of the Interstate Commerce Commission that there has not been honest regulation of carriers so as to affect the water rate to the consumer and the producer. Wherever there is competition, of course, the consumer gets the benefit; but private and contract carriers get together and fix their own rates, and usually there is no competition.

Mr. REED. Mr. President, I ask my colleagues to indulge me. If they wish to make speeches, I ask them to do it in their own time. They can obtain the floor, just as I have done. I shall be very happy to answer any question to develop any point which any Senator wishes to develop.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. I call attention to the fact that when submarine warfare caused a cessation of shipments of oil and gasoline by water in early 1942, the Government began paying a subsidy, as I recall, in July of that year. Before we finished paying that subsidy we had

spent $206,000,000 of the taxpayers' money, and had allowed an increase of 1½ cents a gallon in the price of gasoline to make up the difference. That must have amounted to three or four hundred million dollars more. So if the previous saving had not been passed on to the consumer, it means that the $206,000,000, plus the three or four hundred million dollars which was received from the increase in price, must have represented "velvet" to the oil companies.

Mr. WHEELER. I have not the slightest doubt that that is correct. They certainly have not passed on the savings. They put them in their own pockets.

I agree with what the Senator from Minnesota has said with reference to the case he had in mind. Neither the farmers nor the consumers have had the benefit of water transportation. The middleman, the elevator companies, and the big shippers have reaped the benefits; but they have never passed on the savings to the farmers or to the consumers in any instance of which I know.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REED. Mr. President, is the Senator from Montana aware that about 90 percent of the traffic moving on the rivers, consisting of coal, steel, oil, and other products, belongs to the manufacturers or great producers who own the boats?

Mr. WHEELER. Of course.

Mr. REED. Ninety percent of the traffic moving on the inland waterways belongs to the manufacturers or producers, who also transport it.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CLARK of Missouri. Mr. President, of course, the view I take is different from the one taken by the Senator from Vermont or the Senator from Montana. I doubt if the Senator from Vermont has ever been within 600 miles of the Mississippi Valley, and certainly the Senator from Montana passes through it as quickly as he can, and does not care anything about the Mississippi as we know it. But the Senator from Kansas must certainly know that the establishment of even one project on the Missouri River has meant immeasurable advantages to the people of the Missouri Valley in the way of the establishment of water freight rates which are competitive with railroad freight rates, and has meant such advantages not only to the big shippers but to the farmers and industrialists in the Missouri Valley. If the Senator does not know that, he has not taken the trouble to read the testimony of the representatives of the Mississippi Valley Association and of the mayor of Kansas City and of the mayor of Omaha and of other leading citizens before the Committee on Commerce in the recent hearings on this very bill. I would call the attention of the Senator to that testimony on this very question.

Mr. REED. Mr. President, the trouble with the statement of the Senator from Missouri is that although the testimony may show it in some degree, it is not a fact.

Mr. CLARK of Missouri. Mr. President, let me interject that the Senator from Vermont has just told me he once read Tom Sawyer.

Mr. REED. Mr. President, the fact is that 90 percent of the membership of the Missouri Valley Association represents the middlemen, those who are in between, who receive the benefit of such developments. The Missouri Valley Association does not represent the farmers of Kansas or the farmers of any other State or the shippers of any other State.

Let me say to the Senator from Vermont that when it comes to moving gasoline from Gulf ports around to Atlantic ports, of course, the cheapest method of transportation is by tanker, and the tankers moved nearly all of the gasoline. The next cheapest method is by pipe line. The most costly method, both in respect to method and charge, is by railroad.

I do not wish the Senator from Missouri to forget a matter which I think is very much to his credit. When there came up on the floor of the Senate a few years ago the proposition of subsidizing the gasoline users of the East to the extent of the increased cost of transportation of gasoline to the East, there were three Senators who voted against it. One was the Senator from Missouri [Mr. CLARK]. Another was the Senator from Virginia [Mr. BYRD]. I was the third Senator who did so. We were the only three Senators to stand up in this body and to say that because there had come about an increase in the transportation cost of gasoline, due to war conditions, the Government should not step in and subsidize the consumers of gasoline to the extent of paying the difference between the freight rate for transportation by tanker and the freight rate for transportation by railroad. If we are to subsidize one class of consumers or one section of the country because of wartime disturbances, where shall we stop? Soon we would be doing it for everyone.

Mr. CLARK of Missouri. Mr. President, will the Senator yield at that point?

Mr. REED. I yield.

Mr. CLARK of Missouri. I entirely agree with what the Senator has said about the matter of subsidizing consumers in respect to the increased charges for the transportation of gasoline. I take that position for the reason which was assigned at that time. But, Mr. President, it is a well-recognized fact that the establishment of water freight has a regulatory effect on rail freight.

It seems to me that the question we are now determining is whether the great interior section of the country—Kansas, Nebraska, Iowa, Missouri, and the other States which make up the great Missouri Valley—shall be discriminated against by means of the arbitrary power of the railroads to impose any sort of freight rates they please, or whether we shall establish some sort of basis, such as water-freight rates unquestionably do establish, to ameliorate the arbitrariness of the railroads. It seems to me that is the only question which is involved in this whole proposition.

Mr. REED. Mr. President, the Senator from Missouri knows, or should know, that I have tried more freight-rate cases affecting the grain and farm products of the farmers of Missouri and Kansas and the rest of the West than have all the rest of the men in Kansas and Missouri put together.

Mr. CLARK of Missouri. I am entirely acquainted with the experience of the Senator from Kansas, because I have heard him repeat it on numerous occasion in committees of which we were members. It also happens that I have tried a number of cases for railroads, and when I get out of the Senate I may try more cases for railroads; at least, I hope I shall.

Mr. REED. I share the hope that the Senator from Missouri will gather a lot of good clients when he goes back to the practice of law.

Mr. CLARK of Missouri. But, Mr. President, the point is—and this is what the Senator from Kansas cannot deny—that the establishment of water freight rates has an ameliorating influence on rail freight rates to inland points. That has been repeatedly proved. The only argument which has been seriously advanced against the development of an inland-waterway system in this case has been advanced on behalf of the railroads—of course, I do not mean this in any slurring sense—and it has been advanced in the Senate by the Senator from Kansas and the Senator from Montana.

Mr. REED. Mr. President, we have spent a billion dollars on our so-called inland-waterway transportation system. If we were to take the Monongahela around Pittsburgh, part of the Ohio, at least, the lower Mississippi, and perhaps some other selected points, I think we might economically justify the expenditures made upon those rivers. But when we come—and I wish the Senator from Montana were here now—to the matter of ascertaining the real situation, we find that the most important factor in the traffic which moves on the Ohio is the transportation of coal, and the next is the transportation of steel. During the lifetime of the Guffey Coal Commission, it was possible to move coal from Pittsburgh to Cincinnati, let us say, either by water or by rail or by truck, but the price for the coal in Cincinnati was exactly the same. It made no difference how the coal was moved, whether by truck on the highway, or by railroad, or by barge on the river. The consumer in Cincinnati paid exactly the same price for the coal, and he is doing it today. He will do it so long as the large producers of coal, with their facilities, can control that situation.

I desire to proceed now with my statement, Mr. President. I have already consumed considerably more time than I thought I would.

I wish to make this definite statement to the Senator from Missouri. Beginning in 1921, over a period of approximately 12 or 13 years, I managed the presentation of more freight-rate cases affecting grain and hay for all the Western States, all the way from Chicago to the ocean, than did all the other men in my section of the country combined, and in not a single instance was there ever

developed the slightest evidence that the waste of money made in attempting to create a 9-foot channel on the Missouri River affected the freight-rate charges made by the railroads upon grain or hay to the slightest degree. It has never been claimed that it has done so.

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me?

Mr. REED. I am attempting to conclude my speech, but nevertheless, I yield to the Senator.

Mr. CLARK of Missouri. Let me ask the Senator how long the 9-foot channel has been authorized? He has been talking about the millions of dollars which have been wasted on the 9-foot channel. How long has the 9-foot channel been authorized?

Mr. REED. I cannot give the Senator the exact date of authorization.

Mr. CLARK of Missouri. It never has been authorized. That is the particular authorization carried in the pending bill.

Mr. REED. No; the bill provides for the authorization of the channel all the way to Sioux City. A 9-foot channel has been authorized as far as Kansas City.

Mr. President, having spent a billion dollars and having included in these two bills authorizations for the expenditure of another billion dollars which may be spent for transportation on inland waterways, let us see how important they are in the whole transportation picture. In 1943, 2.8 percent of the commercial freight traffic of the United States was handled on the inland waterways. We already have spent a billion dollars. We are making plans to spend another billion dollars—what for? For 2½ percent of the total traffic. Of that 2½ percent, 90 percent is made up of coal or steel or oil which belongs to the large companies, and those companies take or keep whatever so-called savings in transportation are made. The savings do not go to the consumers.

I wish I could have had time yesterday to support the Senator from Wyoming in the statement which he made that before we waste more money we should have some authority more competent than the Army engineers to pass judgment upon the necessity for additional transportation facilities.

Mr. President, under our scheme of things one cannot start operating a commercial truck without first obtaining a certificate of convenience and necessity. If he wishes to start operating a truck for hire, it is necessary that he first obtain authority to do so. One cannot commence operating a radio station without first obtaining authority from the Federal Communications Commission. One cannot build a new railroad, or operate a common carrier boat on a river, without first obtaining a certificate that such operations are necessary. In no direction, except in the present instance, do we run hog wild and spend money by the hundreds of millions of dollars without a check or a determination having first been made by some competent person or competent body that the additional transportation facilities, which would be created by the expenditure sought to be made, are necessary.

Let us leave out of consideration whether the facilities are to be supplied by railroads, highways, the airways, pipe lines, or whatever they may be. If the Public Treasury is to furnish money for the purpose of creating additional transportation facilities, there should be a definite finding by some competent authority that such additional transportation facilities are necessary.

As every student of transportation knows, the fact remains that when the war is over we will have more transportation than we will know how to use. It is proposed to spend as much as a billion dollars upon the least efficient of any form of transportation without any determination having been made by any competent source that the additional transportation facilities sought to be furnished are necessary. That kind of a policy just does not make sense.

I care not whether we look at it from the standpoint of the railroads, from the standpoint of the highways, from the standpoint of the airways, or from what standpoint, it is taking taxpayers' money without due precaution that the expenditure is necessary or even wise.

Mr. President, I make this additional observation: I have heard it said that the proposed inland waterways would be a magnificent aid to the war effort. That is not true. Less traffic is now being handled on the inland waterways than was handled on them at the beginning of the war. I hold in my hand an annual report issued by the Inland Waterways Corporation. It is the last report available. From 1942 to 1943 the total traffic of the Inland Waterways Corporation declined, expressed in tons, 14 percent. In 1943 the Inland Waterways Corporation handled only 1,932,000 tons as compared with 2,213,000 tons in 1942.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. The St. Lawrence River is not included in the list to which the Senator from Kansas has referred.

Mr. REED. It is not included. The Senator is correct.

I make a statement which is true generally, with some exceptions, that during the war river traffic has actually declined. Instead of it being of help to the war effort, instead of it relieving other transportation agencies, the traffic handled on the rivers, generally and broadly speaking, has declined during the war.

Mr. REED subsequently said: Mr. President, it had been my intention, when I addressed the Senate earlier today, to ask permission to insert a table showing the distribution of commercial freight traffic in the United States. I omitted to do so, and I ask unanimous consent now that I be permitted to insert at the close of my remarks the table which I send to the desk.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Distribution of commercial freight traffic in the United States*[1]

[Millions of ton-miles]

Mode of transport	1923	1928	1939	1940	1941	1942	1943[2]
Steam railroads	416,256	436,087	335,375	375,369	477,576	640,992	730,000
Rivers and canals	7,100	9,336	19,937	22,412	26,815	26,398	25,000
Oil pipe lines	16,500	27,500	63,107	67,270	77,818	84,480	100,000
Trucks	10,000	20,000	43,000	51,003	57,123	50,207	47,000
All other[3]	1,200	1,250	736	863	1,022	1,230	1,400
Total	451,056	494,173	462,155	516,917	640,354	803,307	903,400
PERCENTAGE DISTRIBUTION							
Steam railroads	92.3	88.2	72.6	72.6	74.6	79.8	80.8
Rivers and canals	1.6	1.9	4.3	4.3	4.2	3.3	2.8
Oil pipe lines	3.6	5.6	13.6	13.0	12.1	10.5	11.1
Trucks	2.2	4.0	9.3	9.9	8.9	6.2	5.2
All other[3]	0.3	0.3	0.2	0.2	0.2	0.2	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Does not include traffic on Great Lakes or intercoastal and coastwise traffic.
[2] Preliminary; partially estimated.
[3] Interurban electric railways and air carriers.
Source: Compiled from official sources by Bureau of Railway Economics, Association of American Railroads.

FREEZING OF PAY-ROLL TAXES AT 1 PERCENT

Mr. GEORGE. Mr. President, I very much hesitate to ask that the unfinished business be temporarily laid aside. I know how diligently the Senator from Louisiana [Mr. OVERTON] has been in handling the pending bill. I wonder if it would be appropriate to inquire if there are other speeches to be made on the river and harbor bill, or other amendments to be offered. If not, the consideration of the pending bill might be brought to a speedy conclusion.

Mr. AIKEN. Mr. President, I may say that there are other speeches to be made on the river and harbor bill, and at least one other amendment is to be offered. I will state further that the speeches will consume 4 or 5 hours. Several Senators are expected to speak this afternoon. Only one of them, the Senator from Wisconsin [Mr. LA FOLLETTE] has spoken.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. OVERTON. I should like very much to accommodate any Senator, but, as I have said before, time is of the very essence in passing the pending bill, if it is to be passed at all. I hesitate to delay matters until Senators can go away and prepare speeches to be delivered later. I think they should be ready to make any speeches which they desire to make. I should prefer that consid-

eration of the pending bill continue, and that it come to a vote, or that some amendment be offered to it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. AIKEN. The Senators to whom I have referred are ready to speak, and I suggest the absence of a quorum.

Mr. GEORGE. Mr. President, I do not yield for that purpose.

The PRESIDING OFFICER. The Senator from Georgia [Mr. GEORGE] declines to yield.

Mr. GEORGE. Mr. President, in the circumstances, since it is obvious that there can be no conclusion today of the river and harbor bill, I should like to ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1384, House bill 5564, to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia?

Mr. OVERTON. I object temporarily, for I should like to obtain some information. May I ask the acting majority leader whether under these circumstances we cannot hold a session tomorrow?

Mr. HILL. I will say to the distinguished Senator from Louisiana that of course the Senate could meet tomorrow, and I will cooperate with the Senator to the limit of my ability, and if he decides later this afternoon that he feels that the Senate should hold a Saturday session I shall be delighted to cooperate with him in that matter.

Mr. OVERTON. There is no question in view of the declaration made by the Senator from Vermont [Mr. AIKEN] that we should have a session tomorrow, and we ought to continue as late this afternoon as we possibly can.

Mr. HILL. If the Senator from Georgia will yield, I should like to say that I shall cooperate to the fullest with the Senator from Louisiana in complying with his wishes as to the pending bill and as to a session tomorrow and as to a late session this afternoon.

Mr. OVERTON. Mr. President, of course I realize the great importance of the bill the Senator from Georgia desires to have considered. I understand from him that debate on it will not exceed possibly 35 minutes, if that long.

Mr. WAGNER. The debate will take longer than that.

Mr. GEORGE. Not on the part of those who favor the proposal. I do not know how much opposition there may be, but it should not take long because three times the Senate has passed upon this same question.

Mr. OVERTON. I inquire if the bill can be completed this afternoon?

Mr. GEORGE. I should certainly hope so.

Mr. HILL. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. HILL. It would certainly be my thought that the Senate should remain in session at least until it has finished action on the bill the Senator from Georgia now asks to have considered, the so-called social-security bill, and also until the Senate has acted on the bill which the distinguished Senator from New Mexico [Mr. HATCH] desires to call up, namely, the bill extending the Second War Powers Act.

Mr. HATCH. Mr. President, will the Senator from Georgia yield to me?

Mr. GEORGE. I yield.

Mr. HATCH. There is on the calendar a bill extending the Second War Powers Act. There is no more important bill before the Congress than that. I had understood, if the request of the Senator from Georgia were agreed to, that we might immediately, after completion of consideration of his bill, proceed to the consideration of the bill extending the Second War Powers Act. If that is not understood, Mr. President, I shall object to any other bill coming up in preference to it.

Mr. HILL. Mr. President, if the Senator from Georgia will yield, I will say to the Senator from New Mexico that of course the Senate can consider only one bill at a time. It is certainly my intention that immediately after the conclusion of the consideration of the social-security bill the Senate shall then proceed to the consideration of the bill extending the Second War Powers Act, and that the Senate shall remain in session this afternoon until it has acted finally on both those bills.

Mr. GEORGE. I may say that I join with the acting majority leader in that expression.

Mr. HATCH. Does the minority floor leader also join in that understanding?

Mr. WHITE. I most certainly do.

Mr. HATCH. Might it not be in order to amend or modify the unanimous-consent agreement propounded by the Senator from Georgia so as to include the further agreement that immediately upon the completion of the bill to which he has referred the Senate shall proceed to the consideration of the bill extending the Second War Powers Act? Will the Senator from Georgia amend his request to that effect?

Mr. HILL. Mr. President, if the Senator from Georgia will yield, I know of no reason why the Senate should not make such an order. We want to pass both bills this afternoon.

Mr. GEORGE. I have no objection to that being done.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia as modified?

Mr. HATCH. Including the bill extending the Second War Powers Act?

The ACTING PRESIDENT pro tempore. Including the bill to which the Senator from New Mexico has referred.

Mr. DANAHER. Mr. President, I should like to ask the distinguished chairman of the Committee on Finance if he is willing to include also proceeding to the consideration of Calendar No. 1832, House bill 1033, to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts, which was reported from the Committee on Finance yesterday.

Mr. GEORGE. I do not think it is necessary to do that. We certainly will have an opportunity to pass that bill, and but for the peculiar situation confronting us with reference to the so-called freezing of the social-security tax, I would not ask to displace the unfinished business even temporarily. I am sure we can consider and pass the bill to which the Senator from Connecticut refers.

Mr. DANAHER. The assurances of the able chairman of the Committee on Finance are satisfactory, and I thank him.

Mr. GEORGE. I am sure there will be no opposition to the bill referred to by the Senator from Connecticut, and it can be disposed of.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia as modified? The Chair hears none, and it is so ordered.

Mr. HILL. If the Senator from Georgia will yield to me——

Mr. GEORGE. I yield.

Mr. HILL. I merely wish to reiterate what has already been said, to wit, that we propose to stay in session this afternoon until we have completed final action on both these bills.

The ACTING PRESIDENT pro tempore. Is that a part of the request?

Mr. HILL. It is not a part of the request.

Mr. GEORGE. It is a threat.

Mr. HILL. It is an announcement.

The ACTING PRESIDENT pro tempore. The order has been made, and the Senate will proceed to the consideration of the bill.

The Senate proceeded to consider the bill (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945.

Mr. GEORGE. Mr. President, the Committee on Finance, to which was referred House bill 5564, to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945 considered the measure and reported it favorably to the Senate without amendment. The vote was overwhelming, I may say; I do not recall the precise vote, but of those actually represented and who desired to be recorded it was 13 to 2 or perhaps 12 to 2. The bill passed the House earlier this week by a vote of 263 to 72.

The bill provides for the freezing of the rate of tax on employees and employers on pay rolls and wages for old-age and survivors' benefits at the rate of 1 percent for the year 1945, thus postponing for 1 year an increase to 2 percent on employer and employee, as would otherwise result under existing law.

Your committee was of the opinion that the present rate was sufficiently high to protect the reserve fund, and, therefore, believed it wise to freeze again this automatic increase which would become effective on January 1.

Mr. President, when the Social Security Act was originally before the Senate Committee on Finance various estimates were submitted. They were very wide of the mark. I undertake to say

at this late day that the estimates were no substantial guide to the committee, as they subsequently turned out. As late as 1939 it was estimated that by the beginning of the fiscal year on June 30, 1944, the amount of the reserve fund would be a little more than $3,000,000,000, as I recall the figures. Actually the amount in the reserve fund at the beginning of the current fiscal year was $5,450,000,000, and the amount in the reserve fund at the end of December, this current month, will be approximately $6,000,000,000.

It has been recently estimated by the Social Security Board itself that the highest expenditure from this fund, or the highest draft upon the fund, during the next 5 years, would run from four hundred and fifty million to seven hundred million dollars. If we apply the formula suggested by the Secretary of the Treasury in 1939—I will not say that it was a formula in the sense that it was written into the law—the total expenditure for the next 5 years is protected some 10 or 12 times over by the total of the reserve fund as of January 1 next.

Mr. President, I do not pretend to say that there is not an advantage in the contributory social-security system. I do not pretend to say that there is not an advantage in having the fund built up so that the beneficiaries themselves may know that their benefit payments are assured, and also that the present system is entirely without benefit so far as the Treasury is concerned. Yet it is a fact known to all persons, written into the law itself, that the reserve fund about which we are now speaking, is at once covered into the Treasury, after deducting the cost of administration for the current year, and bonds of the Federal Government are passed into that reserve fund as evidencing the amount due by the Treasury to the fund. So it is obvious that the money does go to the general fund.

As a tax for general purposes, the increase to 2 percent on both employers and employees in 1945 cannot be justified. In fact, it cannot be justified at all as a revenue measure. It was never intended as a revenue measure, and as a revenue measure it is the most faulty tax suggestion yet made to any Congress, at any time, by anybody.

In the first place, Mr. President, it is not a tax on the income of a taxpayer; it is a tax on the total pay rolls of the employers and the employees. This is a suitable and appropriate time to illustrate the iniquity of the tax if it be regarded as a tax for revenue.

At the present time the employers of large numbers of people and, therefore, the employers who have large Government contracts are nearly all paying excess-profits taxes. If they are in the 95-percent bracket, those employers would pay, if the increase of 1 percent went into effect January 1, 5 percent; and 95 percent would be paid by the Government itself, because the tax is a credit in computing the normal and excess-profits taxes.

Let us take another example. Those employers, however, who have no contracts, and who are barely breaking even, or who are running in the red, are called upon to pay the same tax, of 1-percent increase, on their total pay rolls, and they are called upon to pay a capital tax if they are actually running in the red.

So that if we regard the social-security tax as a means of getting additional revenue, we are committing ourselves to the most iniquitous and utterly indefensible form of taxation yet devised.

Therefore, Mr. President, for 3 years already this increase has been frozen, and we are still traveling along with the 1-percent initial tax upon employer and employee.

It is a well known fact also at this moment that many of the employees who are in the covered industries are in the so-called white-collar group. Their deductions for one cause or another—taxes, purchases of Federal bonds, and the like—have been estimated to run from 6 to 12 percent of their incomes. To take another 1 percent out of the white-collar class in America at this time is without the slightest justification, so far as the Federal revenue is concerned, and so far as any remote or indirect effect upon inflationary or deflationary forces is concerned.

In other words, Mr. President, the social-security tax—and I am sure those who have for a long time advocated our present social-security system will agree—should be levied only for the purpose of maintaining the integrity of the reserve fund.

The freezing of this tax will not in any sense affect the old-age benefit payments, or any payments to the aged and others under our social-security system who are taken care of by direct appropriations out of the Treasury. If the tax automatically doubles beginning January 1 it will not increase the benefit of a single beneficiary now under the social-security system. In other words, if the tax is permitted to go into effect, it can only increase the amount of the reserve.

Mr. President, the Social Security Board has advised with us regarding this matter, and I personally had hoped we might avoid a freezing of the entire automatic increase, but during the conversations I have had I have been assured that for some 20 years at least the present reserve, plus the annual tax, even at the present rate, would be able to take care of the system, and meet all the obligations under the system.

Therefore, Mr. President, I feel that the House of Representatives was justified in again freezing the tax, and that the Finance Committee was likewise justified in concluding that the tax should be frozen at the present rate of 1 percent.

The bill is therefore before the Senate. I do not care to debate the matter at any great length, because it has been discussed in this body on three previous occasions.

Mr. WAGNER. Mr. President, I wish to express my opposition to the pending bill, and to state as briefly and as simply as I can, the reasons why in my opinion the Senate should not vote to freeze the social-security contributions at the present rate of 1 percent.

Millions of our men and women are today serving in the armed forces of their country. In speaking against the proposed freeze of social-security contributions, I believe that I am expressing the wishes not only of the vast majority of Americans on the home front, but also of those fighting men and women of our armed forces who, when they return home, are entitled to every possible security, including social security.

REPEATED TAMPERING WITH CONTRIBUTION RATES MAY DESTROY PUBLIC CONFIDENCE IN THE INSURANCE SYSTEM

As one who sponsored the original Social Security Act in 1935, I feel it is my duty to warn Senators that a continued freeze of the contributions may seriously impair the financial soundness of our contributory system of social insurance and vitiate the whole idea of contributory social insurance. I believe that the people of America—and the Members of Congress—want the contributory social-insurance system and have no desire to jeopardize it. That is my opinion. But constant tampering by Congress with the premium rates is bound to destroy public confidence in the stability and security of the insurance system.

I am opposed to tampering with the old-age and survivors' insurance contributions because each time we depart from the original schedule of contributions we introduce the evils of uncertainty and confusion into a program which should be definite and clear. An essential value of the old-age and survivors' insurance system is the certainty and security that are embodied in any insurance system. Constant tampering with the contribution rates a few weeks before a new rate is scheduled to go into effect confuses the employers and workers who contribute to the program, and alarms all who look to it for security in their old age.

SCOPE OF INSURANCE SYSTEM

At this time I believe it will be helpful to state some of the most important facts about the insurance system. Even apart from the pending question of the freeze, Senators will be interested, I am sure, in a brief summary of how the insurance system operates, especially since we must soon consider the larger question of broadening the coverage of the system, extending the types of benefits provided, and liberalizing the benefit payments. This will, of course, involve an increase in the contribution rates. Five years have passed since the Senate last reviewed the basic elements of social security—much too long a delay, in my estimation.

The Federal old-age and survivors insurance benefits are only one part of the Social Security Act. The insurance system is composed of two sections—the insurance benefits provided in title II of the Social Security Act and the insurance premiums embodied in the Internal Revenue Code. The Social Security Board administers the insurance benefits. The Collector of Internal Revenue, under the Secretary of the Treasury, collects the insurance premiums.

This insurance program, therefore, is exclusively operated by the Federal Government. I should like to point out that the costs of administering the whole program come out of the insurance premiums paid by employers and employees. The Federal Government does not contribute from general revenues any part of the cost. The total administrative costs of the insurance program are only 2 percent of the premiums collected—a magnificent record.

The insurance system at the present time covers most employees in commerce and industry. It should not be confused with old-age assistance or relief which is administered by the States with the financial aid of the Federal Government through grants-in-aid under title I of the Social Security Act.

Under the insurance system, employees and employers contribute into a joint fund out of which the benefits are paid.

These insurance benefits are paid as a matter of right to persons who have qualified on the basis of their earnings; no question is raised as to what other income or resources a person may have. The purpose of this system, into which 48,000,000 persons last year paid insurance premiums, is to assure every individual that he will receive the benefits for which he has paid when he reaches retirement age, and that his widow and children will receive survivors' benefits if he dies.

MANY PERSONS EXCLUDED FROM INSURANCE SYSTEM

Although 48,000,000 persons paid premiums under the insurance system last year, many of these individuals only contributed for short periods of time while they were working in covered industries. Some 20,000,000 persons who are regularly employed in jobs not covered by the insurance system, nevertheless come under the insurance plan when they work from time to time in covered occupations. Farmers, farm hands, domestic employees, self-employed businessmen and doctors, nurses, lawyers, architects, accountants, and dentists in private practice are all excluded. So are employees in such nonprofit institutions as hospitals, charitable and religious organizations, community chests and private foundations. So are public employees and many other smaller groups.

Many of these groups have appealed to the Congress to be covered under the insurance system. The Social Security Board has recommended that they be covered and stated that the administrative problems involved in this extension of coverage have been worked out. Both major political parties have gone on record in favor of extension of coverage. Under these circumstances, I am confident that the distinguished chairman of the Finance Committee will hold hearings next year on social security with a view to the enactment of needed legislation on the subject.

TYPES OF INSURANCE BENEFITS

Three general types of benefits are provided under the insurance system:

First. Old-age benefits—beginning at age 65—to persons who retire. Additional payments are made on behalf of an aged individual's wife if she is also 65 years of age or over.

Second. Survivors' insurance benefits to the widow, orphans, or dependent parents of deceased persons.

Third. Lump-sum burial benefits to reimburse funeral expenses.

OLD-AGE BENEFITS

The old-age insurance benefits now average about $24 per month for the country as a whole. In those cases where the insured person has a wife 65 years of age and over, the payments average $37 per month. These payments are far too low and they should be increased. When the matter of the amount of these payments comes before the Senate, I believe we will increase them. That is only one of the many reasons why I am opposed to freezing the contributions at their present rates. I know we are going to need every cent we can get to pay adequate benefits to the aged.

SURVIVORS' INSURANCE BENEFITS

Not many people realize that monthly life-insurance benefits are payable to the survivors of insured persons who die. In many cases the survivors' benefits now being paid are equal to $10,000 to $15,000 of face value of a life-insurance policy. The total value of this life-insurance protection for the millions of persons covered under the existing law exceeds $50,000,000,000. That is more than the life insurance in force by any single private insurance company in the country—and equal to about one-third of all private life insurance in the United States. We are not only talking about old-age insurance in this question of the freeze—we are also concerned with the life insurance benefits under the social-security law—$50,000,000,000 of life insurance.

The average life-insurance payments to a widow with two children is about $47 a month. I do not think this amount is sufficient for a widow who must raise two small children and I am confident that we will increase this amount when we consider social-security benefits next year. That is another reason why I am opposed to the freeze now.

NUMBER RECEIVING INSURANCE BENEFITS

A major characteristic of the old-age and survivors' insurance program which in my opinion will make an increase in the contribution rates inevitable is the steady upward trend in costs which will continue for half a century or more. That such a large increase will occur has been disputed by no one. Today, 1,000,000 persons are drawing insurance benefits, but social-security actuaries estimate that within 15 years, this number will have risen to over 3,000,000; and by 1980, there may be 9,000,000 persons receiving benefits. This increase in the number of persons receiving benefits, together with a gradual increase in the average amount of the benefits, will cause the dollar costs of the system to increase by as much as 20 to 25 times over what they were in 1943.

CONTRIBUTION RATES

Today covered workers and their employers are each paying the very low insurance premium of 1 percent of wages—a total of 2 percent. That is far less than the actuarial value of the benefits. It is far less than the true cost of the old-age and survivors' insurance benefits provided under the existing law.

What is the reason for such low rates? Is it that the framers of the original act were not up on their arithmetic? Did they think that a contribution rate of 1 percent was sufficient to keep a contributory system of social security on a going basis?

The premiums today are low because in 1935, when the Social Security Act was passed, this country was just emerging from a depression. Like many others, I felt in sponsoring the social-security law that it was not desirable to levy at once the full amount that was needed. The law was new. Workers and employers needed time to adjust themselves to the payments. It was therefore important to provide for a gradual step-up in the rates. This is exactly what Congress provided.

It enacted in the law the principle of a gradual step-up. The contribution rate was to start at 1 percent, go to 1½ percent in 1940, to 2 percent in 1943, 2½ percent in 1946, and eventually to 3 percent in 1949.

We all know that this plan of a gradual increase in the contribution rates has not been followed.

In 1939 and again in 1942 and 1943, Congress put off the increase in contributions. In my opinion, there was no good reason for failing to increase the rates then. We were no longer in a depression; most employers could have absorbed a contribution increase. Each time the question came up some progressive newspapers and businessmen supported the increase and opposed the freeze. All organized labor opposed the freeze and supported the increase.

On preceding occasions the distinguished senior Senator from Michigan [Mr. VANDENBERG] has led the campaign to stop the scheduled increase in the social-security contribution rate. He recently stated that he has done this on behalf of 48,000,000 workers and their employers. A few days ago he stated with pride that the failure of the Congress to raise the tax as scheduled has resulted in large savings to the 48,000,000 workers and the employers involved. I should like to point out that the workers of this country did not ask for that kind of saving; and I doubt that they are grateful to the able Senator from Michigan for his part in relieving them of an obligation which they are glad to assume. In fact, it is perfectly clear that they are able and willing to pay the scheduled contributions. Labor knows that failure to finance the program soundly will impair the social-security system in the future. We must not take that risk.

As for employers, most of them know that the additional premium will cost them little, since they are permitted to deduct these payments from gross income in computing their normal taxes as well as their excess-profits taxes.

The senior Senator from Michigan has stated that he sees no reason why the social-security rates should be increased. The payment of existing old-age benefits does not require the increase, he

says. He states further that the social-security balance sheet denies any such need for years to come.

Now, it is perfectly true that at present the collections are far in excess of the benefits that are being paid out. But the conclusion I draw from this fact differs sharply from that of the Senator from Michigan. The excess of contributions over benefits does not mean that there is no need to increase the contribution. We are as yet at the very beginning of our social-security program. It is to be expected that the income would now greatly exceed the outgo. But our social-security program is committed to pay, over the years, benefits which will lead to steadily increasing cost for a long period of time.

Most workers in this country are still under retirement age. They are building up their rights now to their future benefits. But as time goes on we must expect that a great many more workers will have attained both retirement age and insured status under which they will be eligible for benefits. The costs of the system must increase greatly as the years go on, and actuaries estimate that the annual expenditure for benefits will increase to as much as 20 to 25 times the amount spent in 1943.

ADDITIONAL RETIREMENTS AFTER THE WAR

There is, moreover, one factor which operates to keep down the present costs. That is the factor of wartime-employment opportunities. At present some 700,000 workers who have already reached retirement age and are eligible for benefits are not drawing benefits. They are working because they have the chance to work. Some of these had already retired and begun to draw benefits; they have given up their benefits in order to earn wages. This situation we cannot, of course, expect to continue. We must expect that these aged workers will retire as soon as employment opportunities decrease. They will draw benefits, and in many cases their wives will also draw benefits. Whenever war activity slows down and young men return to industry, we must expect a sharp and sudden rise in benefit costs.

VALUE OF BENEFITS PROVIDED

To me, it would seem reasonable that all workers pay now and during the years they are employed hereafter a premium rate which more closely approximates the average annual cost of the protection they are getting. That is certainly not the case now. Today young workers who are in covered employment are by their contributions paying for a part—but only a part—of their own old-age and survivors insurance protection. Those who are within 10 or 15 years of retirement age are paying for only a very small part of the insurance protection they get.

One way of checking on values and costs is to compare the old-age-insurance contributions with the benefits. A worker who contributes for 10 years on the basis of an average wage of $150 a month could purchase with his contributions an annuity of only 94 cents a month from a private insurance company. His social-insurance benefit, however, would be $33 a month, with an additional benefit of $16.50 a month for his wife, if she were aged 65 or over—a total of $49.50 a month. It is, of course, right that the social-insurance program should take account of the past years during which older workers have made their contribution to society. It should pay reasonable benefits to persons who have had an opportunity to contribute to the social-insurance system for a short time only. But we do not want to ask the workers who are now young to shoulder in future too great a share of these benefits.

FUTURE COSTS OF INSURANCE BENEFITS

Part of the confusion results from the fact that no one can predict exactly what the cost of the retirement and survivor benefits provided under the act will be. There are many variable factors, such as mortality, life expectancy, and general economic conditions. Ten years from now, or 20 years or 30, will most men choose to retire and start drawing benefits at 65, or will they want—and have the opportunity—to keep on working until they are 67 or 68 years of age? Will we, through the progress of medical science and the adoption of a national health program which makes medical care widely available, succeed in reducing the death rate? Will the expected life span increase, thus adding to the number of years during which old-age benefits are payable? I could mention many other factors, but I think these illustrate the nature of the problem. Actuaries who have studied the question at great length estimate that the average cost of the benefits now provided is likely to be somewhere between 5 and 7 percent. None thinks it can possibly be less than 4 percent.

If the cost proves to be only 4 percent on the average, then workers and employers today are paying for only half the benefit rights which are being built up on the basis of today's wages. That amount will have to be made up by someone in the future if the promised benefits are to be paid. The only other alternative would be for some future Congress to cut the benefits. I do not want that possibility ever to occur. That is one reason why I believe employees and employers should pay higher premiums now, when they can afford it. Adequate payments now are a strong guaranty of full payment of benefits in the future.

GOVERNMENT SUBSIDY LOGICALLY MEANS COMPLETE COVERAGE

Of course, we could go on having workers and their employers contribute at rates less than the cost of the old-age and survivors insurance benefits provided under the existing Social Security Act. We could do that, but only if part of the costs were to be financed out of general revenues raised by progressive taxation.

I, myself, would not be opposed to having a part of the costs so financed. It would, it seems to me, be wholly appropriate and desirable for part of the costs to be financed out of general revenues if all of the population were covered by social insurance—as they should be.

At present, as we all know, that is not so. Since the old age and survivors insurance system operates only for workers in private industry and commerce, some 20,000,000 jobs are excluded. Our three to four million agricultural laborers and our 2,500,000 domestic servants are outside the system. The self-employed are excluded—among them some 6,000,000 farm owners and operators. One million employees of nonprofit charitable and other institutions are not covered. Public employees are excluded, and there are other groups.

If all those groups were covered by old-age and survivors insurance, I should say, "Very well and good; let part of the cost be paid as a subsidy out of general revenues." Despite the fact that many of those who are supporting the freeze state that they favor such a subsidy, I predict that if we continue a limited coverage system the time will come when it will be argued that the excluded groups should not be taxed to provide general revenue that is to be used for the payment of benefits under a system from which they themselves are excluded. In fact, the argument is being made already. That is why I oppose the tax freeze. We ought to settle the question of policy involved in financing the insurance system before we tinker again with the contribution rates.

People just naturally do not like being taxed for benefits from which they themselves are excluded. I have received hundreds of letters from the self-employed, and so have many other Senators. "Why should we help pay for benefits for our employees when we ourselves are excluded?" these people say. "What kind of justice is there in that?" Many of them point to their own great need of old-age and survivors protection, and offer to pay on their own account both the employer and the employee premiums in order to get that protection.

Other Senators also receive many letters from workers who sometimes work in private industry or commerce, but who do not stay under the system long enough to get insured. Some ask to be permitted to continue under the system, even though they are now working in uncovered employment. Like the employers I just mentioned, they offer to pay both the employer and the employee fees.

People want justice in matters of taxation, and my experience has been that they get more impatient about unjust taxes than about many other injustices. It is human nature to want what you pay for. It is also human nature not to want to pay for benefits that go to somebody else.

There would be no injustice in having some of the costs of social insurance paid out of general revenue if all workers were covered by social insurance. But even then I must admit that many people still would not want to see a major part so financed. Most people want to see a reasonable part of the total cost of insurance benefits paid for by direct contributions from insured workers and

their employers. If we retain a contributory system, we preserve the principle that benefits are paid as a matter of right when they fall due.

It is important that the social-insurance system be soundly and securely financed, if it is to bring real security to employees and their families and to our whole economy. I am for preserving the insurance system and strengthening it. I want to see the coverage broadened so we can justify a Government contribution and so future Congresses will adhere to that decision because it is equitable. We cannot properly give unsound reasons here on the floor of the Senate to justify freezing the contributions, and thereby promise a future Government subsidy, if it is doubtful whether future Congresses will believe in the wisdom or equity of our decisions. Since this is an insurance program to operate for years and years, I urge the Senate to consider this question seriously. If Senators are in favor of a Government subsidy to the insurance system, that is fine; but I think that decision logically means that they should immediately support the program for complete coverage of all persons under the insurance plan. That is the only logical and equitable position.

"MORGENTHAU RULE" NOT BINDING

If this bill is enacted into law, 1945 will represent the ninth year during which the 1-percent rates of contribution will have been in effect. During this time, a reserve of nearly $6,000,000,000 has been set up for the future payment of benefits. Those who support the freeze maintain that this reserve, together with expected additions at the 1-percent rate, will be adequate to assure the future payment of benefits. Let me examine some of the more specific arguments used to support this contention. I heard the Senator from Georgia [Mr. GEORGE] make that contention a short time ago.

One argument in support of the freeze is that it is required by the so-called Morgenthau rule embodied in section 201 (b) (3) of the Social Security Act that the reserve fund not exceed three times expected annual disbursements. This so-called rule which is advanced as a primary reason for the freeze is not, in fact, a binding rule at all, and the original suggestion of the Secretary of the Treasury frequently has been grossly twisted and distorted into a meaning which it was never intended to have. A distorted interpretation of a suggestion made by the Secretary of the Treasury in 1939 thus is used to support the freeze.

There is ample evidence in the 1939 testimony before congressional committees that the so-called three-times rule was intended to be applied only in the later years of the system after benefit payments were well along in their long-term rise; and that the suggestion was not intended to be applicable to the very early years of the system. Specifically, the suggestion of the Secretary of the Treasury was in terms of an "eventual" reserve. "Eventual" certainly must have had reference to a period some time after 1949 when the maximum 3-percent rates are scheduled to go into effect. To apply this long-term rule as a basis for financial policy in the very early years of the system, in my opinion, is to make use of a rule which was never intended to be used in that way.

The language now in the Social Security Act with respect to the three-times rule in no way binds Congress to follow this rule automatically. Some persons have endeavored to spread the impression that Congress settled the basic financial policy regarding reserves in 1939 by incorporating in the law a three-times rule, which more or less automatically governs the size of the reserve. All that the provision now in the law does is to specify the occasions under which the board of trustees of the trust fund shall make special reports to Congress in addition to its regular annual report. Since the provision in no way suggests what action Congress shall take at that time, it is a violent distortion of the exact language of the statute to say that a new congressional policy as to the maximum size of the reserve was established in 1939. The actual facts are that Congress establishes a new policy for 1 year in each successive freeze, but instead of justifying such new policy on its merits, refers to a strained interpretation of the statute itself, and of the recommendation made to Congress by the Secretary of the Treasury. In short, the proposed freezing of rates for 1945 cannot be justified by reference to the so-called Morgenthau rule.

FUTURE COSTS TO GENERAL TAXPAYER

Mr. President, a second major argument frequently advanced by those favoring freezing of the taxes is that payment of higher rates of contributions now will not diminish the burden of the progress in later years since a second set of taxes will have to be paid subsequently to finance interest on and amortization of investments held by the old-age trust fund. This argument was given a prominent place in the report of the Senate Finance Committee in January of this year on the freezing of the 1944 rates and also by the senior Senator from Michigan during the debate on that bill. The statement was made at that time that it makes no difference to the taxpayer whether $500,000,000 is appropriated eventually to pay interest on the investments of a reserve fund, or whether $1,500,000,000 is directly appropriated as a Government subsidy to the old-age and survivors insurance system.

This second argument advanced in favor of the freeze is no more accurate than the first argument, and it is amazing to see the extent to which the case for a freezing of rates is rested on this very elementary fiscal error.

So long as there is a public debt it seems likely that we shall have a debt for many years to come, and we shall have very large annual interest charges to pay. Except for possible slight differences in rates, the amount of such interest will be the same whether it is paid entirely to private holders of the debt or whether a part of it is paid to the trust fund on Government obligations held by the fund. Since the interest would be paid in any case, it is not accurate to attribute interest paid on old-age investments as a cost of old-age insurance. Similarly, if no reserve were accumulated under the old-age insurance system and instead a Government subsidy were introduced in later years, general taxpayers would need to raise not only the same amount of interest as they would have had to have raised with a reserve, but in addition would have to pay taxes to finance the Government subsidy.

I have taken some time to discuss this very elementary point, since it has occupied such an important role in the arguments for the freezing of the tax. The enactment of legislation based on such an erroneous interpretation of the facts would be a tragic matter indeed. It should be noted that Mr. M. A. Linton, president of the Provident Mutual Life Insurance Co., who advocates freezing the tax for other reasons, agreed in testifying before the Ways and Means Committee that the amount of taxes to be raised in the future, if there is no reserve fund, will be twice as much as if there is a reserve fund.

PRESENT ECONOMIC CONDITIONS FAVOR INCREASED PREMIUMS

A third argument advanced for freezing the rates for 1945 is that the present is a poor time to raise taxes in view of existing high tax burdens and reconversion problems which may soon confront the Nation. This type of argument has been used almost continuously since 1938 or 1939 when discussions of increasing tax rates began. The exact form of the argument, however, differs, depending upon the economic conditions prevailing at the time. The version of the argument used 4 or 5 years ago was that depressed conditions and unemployment made it inexpedient and deflationary to permit pay-roll-tax rates to increase. During the war when pay rolls and profits have risen to unprecedented levels, this previous argument has been subordinated if not forgotten, and now the argument is that the present is a poor time because of current tax burdens and what may happen 1 or 2 years from now. Surely if depressed conditions were an important consideration in the freezing of rates 3 or 5 years ago, then the present is a very excellent time to increase the rates. Employment and earnings are high and the present would be a most propitious time for workers to absorb an increase in rates. This is confirmed by the actions of both the American Federation of Labor and the Congress of Industrial Organizations in urging an increase in rates. So far as employers are concerned, the war has raised the profits of most of them to a high level and, in addition, the increased 2-percent pay-roll tax they would pay would be offset in large part by the reduction in the excess-profits taxes which they would otherwise be required to pay.

Much effort has been devoted to spreading the impression that the purpose of increasing the pay-roll-tax rates is an ulterior one of controlling inflation

and financing the war. This attack on the increase in rates overlooks the fact, for one thing, that advocates of keeping pay-roll tax rates low advanced economic arguments a few years ago which might have been subjected to the same false criticism, namely, that pay-roll-tax legislation was being influenced by questions other than those inherent in the progress itself.

It has been said repeatedly, and I shall reiterate, that the increase in tax rates is necessary and desirable solely for purposes of the program alone. Whatever assistance the increase in rates may give to inflation control or the financing of the war is an incidental byproduct of the increase and not a primary objective. It is, of course, most fortunate that these incidental byproducts of raising the rates are consistent with the general economic conditions existing at the present. In brief, the increase in rates necessitated by the needs of the old-age program alone would be timely in relation to prevailing economic and fiscal problems.

INCREASED LIABILITIES OF INSURANCE SYSTEM DUE TO THE WAR

I have now discussed three of the main arguments which are made for freezing the rates for 1945 and have demonstrated their weaknesses. I shall now discuss a fourth justification often advanced for maintaining rates at the 1-percent level. Much is made of the fact that collections at the 1-percent rate have been much higher than was estimated in 1939, and that the reserve which has already been accumulated is also larger than originally estimated. It is true that the entrance of the Nation into war, which was unforeseen in 1939, has tremendously increased contributions collected at the 1-percent rate just as it has led to unprecedented increases in most economic indexes.

The basic fallacy of the argument that this fact justifies freezing of rates is that it completely ignores the parallel effects of the war on the benefit liability of the system. Benefits are payable under the old age and survivors insurance program on the basis of wages earned in covered employment. The war has resulted in many more persons earning such wages than had been anticipated, and the war has increased the average amount of wages recorded to the credit of individual workers. In 1938—the last full year preceding enactment of the amendments of 1939—less than 32,000,000 persons earned wages in covered employment during the year. In contrast, 48,000,000 persons earned such wages in 1943, thus exceeding by more than 16,000,000 the number of persons who earned wages in covered employment in 1939. It is very doubtful if this increase of more than 50 percent would have occurred if there had been no war. It obviously results in a tremendous increase in the liability of the system for the payment of benefits. Average annual taxable wages per covered worker similarly increased from $833 in 1938 to $1,300 in 1943. Proponents of the tax freeze lay great stress on the wartime growth in contributions, but pay little or no attention to the effect of the war upon the liabilities of the system. This is a most short-sighted and risky financial procedure.

DOUBLE TAXATION ARGUMENT FALLACIOUS

I must take one moment to discuss one of the most persistently repeated and false arguments used by those who oppose the planned increase in the contribution rate. That is the question of what happens to the money which is put aside for social insurance. The one point on which there is no disagreement is that the cash is invested exclusively in Government bonds. Most of us would consider that an absolutely safe investment for ourselves or for any private insurance company. What happens next? The Treasury uses the proceeds of the bonds just as it uses money you or I pay directly for war bonds we buy. And it pays interest to the Social Insurance Trust Fund and it will eventually repay the principal as it would to any other investor. It is clear that the social-insurance fund has made a wise investment and the impartial advisory council of 1939 representing the employers, employees, and the public, publicly confirmed this conclusion.

But despite this fact various newspapers have spread the story around that the taxpayer must pay twice for social security because in addition to paying social security contributions each person must help to pay the taxes which the Treasury needs to redeem those bonds held by the insurance system. This charge that the taxpayer must pay twice for social security is absolutely and ridiculously false. It is used to confuse people on the whole social security problem. Social-security experts have testified before congressional committees again and again and stated that these charges are untrue. But the lie continues to be spread.

NEWSPAPERS WHICH OPPOSE FREEZE

As at the other times when the question of increasing the social-security contribution rates was raised, a number of progressive newspapers have come out and opposed the freeze—this time more of them than before. The Washington Post, the St. Louis Post-Dispatch, the Milwaukee Journal, the Nashville Tennesseean, the Chicago Sun, the Hartford Times, the St. Petersburg (Fla.) Times, the Wall Street Journal, and the New York Journal of Commerce are all in favor of an increase in the rate.

I ask unanimous consent that five of these editorials be included in the RECORD as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Milwaukee (Wis.) Journal of November 15, 1944]

TWO PERCENT FOR SOCIAL SECURITY

On January 1, unless Congress takes positive action to the contrary, the social-security-tax rate will advance from the present 1 percent to 2 percent. Senator VANDENBERG, who has three times led the successful fight to stay operation of the provision for automatic increase, announces that he will again seek to keep the rate at the 1 percent level for both employers and employees.

This time Congress should refuse to go along with the Michigan Senator. It is time that those who are building up rights under the Social Security Act begin to meet in larger measure the costs which are accruing.

The Social Security Act set a tax rate of 1 percent for the years 1937, 1938, and 1939. For 1940, 1941, and 1942, the rate was to have been 1½ percent. It was to have risen to 2 percent in 1943 and to have remained there for 1944 and 1945.

The fact that it has remained at 1 percent all these years means that the income from the tax, though far in excess of needs so far, has not begun to keep pace with actuarial requirements. These requirements not only demand that the rate eventually go to 3 percent but that, even then, the general taxpayer must contribute a substantial amount through interest payments on the so-called social-security "fund."

If the law had been allowed to take its course, employers and employees by now would have paid altogether 2 percent of pay rolls for 3 years, 3 percent of pay rolls for another 3 years and 4 percent of pay rolls for the last 2 years. Instead of that, they have paid 2 percent of pay rolls for 8 years. The difference is as between 23 and 16. If the old rate is continued another year, it will be as between 27 and 18.

This just cannot go on. The rate for 1946 is scheduled to be 2½ percent. Plain common sense would indicate that the step to 2 percent should be taken now.

We have never believed in the desirability of the fictional fund of interest-bearing Government I O U's which now represent the Government's responsibility for its social-security obligations, but we do believe that employers and employees should each year pay into the Treasury as nearly as possible the cost of the benefits which are being built up.

If that cost will exceed 6 percent of pay rolls, there should be no further delay in taking steps to get the rate up to the 3 percent plus 3 percent maximum now provided in the law and now scheduled to be reached in 1949.

[From the Chicago Sun of November 20, 1944]

FINANCING SOCIAL SECURITY

Congress is about to engage in its annual struggle over freezing the social-security tax at 1 percent. The law calls for an automatic jump to 2 percent, but twice now Congress has stayed execution. Year-by-year improvisations being no substitute for a sound program of social-security financing, the whole question should be reexamined.

There were strong reasons for letting the tax go up both in 1943 and 1944. The Nation then faced an inflationary situation, and the pay-roll deductions for security would have been mildly deflationary. When VE-day comes, however, increased taxes on low incomes may be unwise from a fiscal point of view, though the actuarial reasons for increasing the social-security contributions would remain. The point is that under present conditions we are in constant danger of freezing the tax when for fiscal reasons it should be increased, and increasing it when it should be frozen or even reduced.

Whatever principles may be ultimately adopted, they should be consistent. Perhaps we shall come in the end to a flexible system, under which pay-roll taxes are increased in years of high national income and reduced when wages and income fall off.

[From the New York Journal of Commerce of November 16, 1944]

THE PAY-ROLL-TAX RATE

Senator ARTHUR H. VANDENBERG has proposed that the Federal pay-roll tax for old-age pensions be frozen again at 1 percent for employers and employees, instead of rising to 2 percent on January 1 next as the statute now provides. He recognizes, however, that the social security tax rate should be deter-

mined in accordance with a long-range policy, rather than by annual acts of Congress as has been the case in the past 3 years.

During the war, the great increase in pay rolls has raised tax collections far above original estimates. As a result, the old age and survivors insurance trust fund now amounts to approximately $6,000,000,000. This reserve is ample to pay benefits for some years to come, even though the 1 percent tax rate is continued.

Even with a high level of employment after the war, rising benefit payments over a period of years will result eventually in reserves becoming inadequate during the decade of the fifties. When that occurs, the old age and survivors insurance trust fund would have to turn to the Federal Treasury to supplement its own resources. Any consequent increase in taxes would have to be borne chiefly by business, in all probability. A high pay-roll tax contributed equally by employees and employers, on the other hand, would spread the burden more equally.

The Federal old-age benefit system should be kept on a self-supporting basis. A policy of freezing pay-roll taxes which will involve the Federal Government eventually in the need for making substantial contributions to the old age and survivors trust fund would not be sound. Senator VANDENBERG's suggestion for a thorough reconsideration of the whole Federal old-age pension system is thus quite timely, and should be adopted regardless of whether the 1 percent pay-roll tax rate is frozen for another year.

[From Washington Post of November 17, 1944]

PAY-ROLL TAX

Senator VANDENBERG has introduced a bill calling for a fourth freezing of social security pay-roll taxes at existing levels. We heartily endorse his suggestion that this whole pay-roll question should be referred for study and recommendation to the joint congressional Committee on Internal Revenue with an advisory committee of outside experts. However, we doubt the desirability of again postponing the projected increase in pay-roll levies that is to come into effect January 1.

Senator VANDENBERG says that the Social Security Act apparently looks to limiting the old-age insurance reserve to not more than three times the highest prospective annual benefits in the ensuing 5 years, in accordance with the so-called Morgenthau rule. On that basis it is estimated that the old-age reserve fund is already much larger than it need be. However, these computations fail to take account of the long-run cost of the system. For example, Chairman Altmeyer of the Social Security Board believes that ultimately the disbursements on old-age insurance account may amount to from 15 to 20 times present annual disbursements, owing to sharp increases in costs resulting from the growing percentage of the aged in the population and increasing amounts of benefits payable per person. Consequently the levies currently exacted from employers and employees fall far short of the amounts needed to make the old age insurance system self-sustaining; i. e., to put it in position to meet its obligations to the insured without calling upon the Government for contributions at sometime in the future. Even with a 2 percent pay-roll levy, the long-run costs of the present system will not be covered, if Chairman Altmeyer's estimates are correct. That being the case, the arguments in favor of another postponement of the impending increases seem extremely weak.

Mr. WAGNER. I wish to read a paragraph from the editorial of the Milwaukee Journal, which is included among those I have asked to have printed in the RECORD. The portion to which I refer reads as follows:

On January 1, unless Congress takes positive action to the contrary, the social-security tax rate will advance from the present 1 percent to 2 percent. Senator VANDENBERG, who has three times led the successful fight to stay operation of the provision for automatic increase, announces that he will again seek to keep the rate at the 1-percent level for both employers and employees. This time Congress should refuse to go along with the Michigan Senator. It is time that those who are building up rights under the Social Security Act begin to meet in larger measures the costs which are accruing.

LABOR OPPOSES FREEZE

What exactly does organized labor say? Organized labor strongly favors an increase. The workers of this country place a high value on a sound and stable social-security system; they are willing to pay their fair share of its cost. On this point, there is unanimous agreement in the ranks of labor.

I shall read briefly from the statement issued by the American Federation of Labor, and from one issued by the Congress of Industrial Organizations. I read the following paragraph from a letter sent to all Members of the United States House of Representatives by William Green, president of the American Federation of Labor:

Being informed that H. R. 5564, a bill to fix the rate of tax under the Federal Insurance Contributions Act on employer and employee for the calendar year 1945, has been reported out of committee, I wish to advise that the American Federation of Labor is definitely opposed to its enactment.

That is, they are opposed to the increase.

In a long letter issued by the Congress of Industrial Organizations, they state that they also are opposed to the proposed freeze.

PRESIDENT ROOSEVELT OPPOSES FREEZE

Two years ago the President made known his reasons for opposing the freeze for 1943. The reasons which the President gave then are, in my opinion, even more valid now. This is what the President said:

This amendment, freezing the contributions, is causing considerable concern to many persons insured under the old-age and survivors insurance system. The financial obligations which will have to be met in paying benefits amply justify the increase in rates. A failure to allow the scheduled increase in rates to take place under present favorable circumstances would cause a real and justifiable fear that adequate funds will not be accumulated to meet the heavy obligations of the future and that the claims for benefits accruing under the present law may be jeopardized.

In 1939, in a period of unemployment, we departed temporarily from the original schedule of contributions, with the understanding that the original schedule would be resumed on January 1, 1943. There is certainly no sound reason for departing again under present circumstances. Both employment and the income from which contributions are made are at a very high point—the highest since the inauguration of the system. In fact, the volume of purchasing power is so great that it threatens the stability of the cost of living. * * *

This is the time to strengthen, not to weaken, the social-security system. It is time now to prepare for the security of workers in the post-war years. * * *

This is one case in which social and fiscal objectives, war and post-war aims are in full accord. Expanded social security, together with other fiscal measures, would set up a bulwark of economic security for the people now and after the war and at the same time would provide anti-inflationary sources for financing the war.

In January of this year the President said again:

I earnestly urge the Congress to retain at this time the scheduled increase in rates. High employment and low rates of retirement during the war have added to social-insurance reserves. However, liabilities for future benefits based on the increased wartime employment and wages have risen concurrently. The increase in contributions provided by existing law should now become effective so that contributions provided will be more nearly in accord with the value of the insurance provided and so that reserves may be built up to aid in financing future benefit payments.

In February of this year the President repeated the same views. He said:

The elimination of automatic increases provided in the social-security law comes at a time when industry and labor are best able to adjust themselves to such increases. These automatic increases are required to meet the claims that are being built up against the social-security fund. Such a postponement does not seem wise.

CONGRESS SHOULD HOLD HEARINGS ON SOCIAL SECURITY

I am glad that we have had occasion to discuss this matter of the social-security tax rate at this time. I am glad because this discussion should precipitate another—a reconsideration of our entire social-security system. The degree of interest the press has shown in the question of the social-security tax rate reflects, I believe, a deep interest on the part of the people of this country in an extended and expanded system of social security.

The senior Senator from Michigan and I are in agreement on this. It is high time to reexamine the entire social-security situation.

WAGNER-MURRAY-DINGELL BILL

As Senators know, over a year and a half ago I introduced in the Senate a bill known as the Wagner-Murray-Dingell bill. The bill provides for a truly comprehensive system of social security. The principal features of the measure are old-age and survivors insurance, permanent disability insurance, unemployment insurance, temporary disability insurance, and insurance against the costs of medical and hospital care.

Under this bill the provisions of the Federal old-age and survivors insurance are extended and liberalized. The provision covers the millions now excluded from the program. It includes permanent disability benefits for the insured person, with additional payments for his dependent wife, dependent children, or dependent parents. It increases the benefits, depending on the amount of the insured person's wages. It increases the minimum and the maximum monthly

benefits, and reduces the age of eligibility for women to receive benefit from 65 to 60.

The bill further provides for a Federal unemployment and temporary disability insurance system. Under this provision temporarily disabled workers would be eligible for benefits equal in amount to unemployment benefits. Moreover, benefits are to be increased and to be payable for a longer period of time than at present. Unemployment insurance and temporary disability coverage is to be extended to agricultural workers, domestic servants, and other groups.

Surely, as important as any of these provisions in the bill is the provision for a Federal system of medical and hospitalization insurance for all persons covered under old-age and survivors insurance and for their dependents.

Under this section each insured worker and his dependents would be entitled to services of a physician, and could choose any doctor he wished from among those in the community who had voluntarily agreed to go into the system. Each person would be entitled also, on the doctor's advice, to specialist, consultant, and laboratory service, including X-ray, appliances, eyeglasses, and the like, and necessary hospital care. Doctors would be left free to enter or remain out of the system, to accept or reject patients, and every qualified hospital would be eligible to participate.

The bill calls also for a long-deferred act of justice to those men and women who are now serving their country in the armed forces. It provides for the protection and extension of their social-security rights by giving them wage credits for the entire period of their military service, without deductions from their pay, the cost to be borne by the Federal Government out of general revenue.

I believe that the people of this country want a comprehensive social-security program—a really adequate social-security program. They do not want to wait indefinitely for it. They want it now, so that when the war ends social security may serve to absorb the shocks of readjustment to a peacetime economy. Those shocks cannot be avoided, but they can be minimized. We can forge an instrument to meet the shocks. In the difficult period that lies ahead, a comprehensive system of social security would be a stabilizing factor the importance of which cannot be overemphasized.

Mr. MURRAY. Mr. President, I am opposed this year, as I was last year, to the freezing of the old-age and survivors' insurance tax at the present rate of 1 percent each on employers and employees.

When the amendment to freeze the taxes was under consideration last year, I stated at some length on this floor my reasons for opposing what I regarded then, as I regard now, as irresponsible tinkering with the finances of the social-security system.

I am not going to repeat all that I said last year. Nothing that the proponents of the tax freeze have said since then has met the arguments which I advanced last year in opposition to the tax freeze. It is even more evident today than it was a year ago that the present contribution rates are inadequate to meet the obligations which the insurance system has undertaken. Every expert and every actuary who has studied the problem agrees that the long-run average cost of the benefits promised under the present law will be at least 4 percent of taxable pay rolls. Many would put the figure considerably higher—5 percent or even 6 or 7 percent. The desire of the workers of this country for a sound and stable contributory social insurance program has been, if possible, more strongly affirmed this year than ever before. In no uncertain terms, they have said they want a sound and stable financing for this program.

Mr. President, my honored and distinguished colleague the Senator from New York [Mr. WAGNER] has already made clear why all the real supporters of social security are opposed to the tax freeze. In the time available to me, I want briefly to examine the arguments advanced by the proponents of the freeze. I want to point out to this body how misleading some of those arguments are. I want to make clear how completely incapable of justifying the proposed action those arguments are.

For convenience, I address my remarks to a summary of the arguments which appeared in an editorial in the New York Times of December 5. This editorial is based on a statement by Mr. M. Albert Linton, the president of the Provident Mutual Life Insurance Co. of Philadelphia.

Last year the New York Times opposed the tax freeze and supported the scheduled increase in the tax rate to 2 percent on employers and employees, on the sound ground that this amount would be needed to meet the anticipated liabilities of the insurance system. None of the eight arguments cited in last Tuesday's editorial controverts that point.

What, then, are the eight arguments? Let me first dispose of two of them. They have nothing to do with the real issue we are discussing. These two must, therefore, be regarded as only red herrings, intended to distract attention from the real issues. These two arguments are stated as follows:

> Raising the social-security tax rate to meet war expenses would be unsound. It is dangerous to use these taxes for extraneous purposes.

And, secondly:

> Raising the social-security tax rate as an anti-inflationary measure would also be unsound.

Well, certainly, both those statements are true. But what is their significance? They intend to imply, of course, that social-security taxes are being misused, and that those of us—and the millions of workers who stand with us—who support the scheduled increase in contribution rates do so for ulterior purposes. That is an utterly false implication. The increase in contribution rates is being urged because it is necessary to the long-run stability of the social-insurance system, and for no other reason. The fact that we can move toward the desirable contribution level at this time without undesirable economic consequences is hardly an argument for refusing to take that step.

Of a similar character is another of the arguments which the New York Times regards as making a case for the tax freeze. Again, I quote:

> To increase social-security taxes unnecessarily would impose unjustified burdens on small business and white-collar workers. Big business would not feel the burden to the same extent, because so much of it would be shifted to the Treasury Department.

I hope my championship of small business has been sufficiently well known and consistent so that no one will doubt my motives when I characterize that argument as nothing but crocodile tears. The crux of the argument is in the words "to increase the * * * taxes unnecessarily" and "impose unjustified burdens."

Certainly, unnecessary taxes are unjustified whenever imposed. But the proposed tax increase is necessary to the sound and systematic long-term financing of the social-insurance system. Small business stands to gain as much as big business from a strong and sound social-insurance program. Small business is better able to absorb the tax increase under present conditions than it will be when reconversion gets under way or possibly afterward. So far as the white-collar workers are concerned, they—like other workers—are ready to pay their fair share of the costs of social security. Indeed, the only serious complaints I have heard from white-collar workers and small self-employed businessmen comes from those who are not covered, and the complaint is that they are not permitted to pay contributions. They may well ask who it is that presumes to speak for them and to offer them such false sympathy. Who is it, we might ask, that has been campaigning for the tax freeze? Who has been rousing chambers of commerce and employees to oppose the tax? Small businessmen? White-collar workers? Labor organizations? Nonsense! It is the representatives of certain big business.

Let me turn to another argument in the New York Times that should deeply concern every Member of Congress. The argument starts with the correct statement that ample funds are now available in the old-age and survivors insurance trust fund to meet all requirements for several years to come. What this statement neglects to state is the fact that as time goes on, more and more persons who reach age 65 will qualify for benefits, that most workers now covered by old-age and survivors insurance are still young, and that these young workers at present rates are not paying the full cost of their own future benefits. But it is the related argument to which I want to call particular attention:

> An increase in social-security taxes would increase the already large excess of income over outgo. * * * Especially if continued year after year, this situation would encourage raids on the fund either to be used (borrowed) for extraneous purposes or to

liberalize the benefit formula unwisely. It is unlikely that the actuaries' calculations of liabilities on what may happen in 20 or 30 years hence would deter the raiders.

Mr. President, I believe that represents a grossly unfair judgment on the integrity or the responsibility of the Congress of the United States. In view of the large public debt of the United States for the discernible future, and the legal requirements as to the investment of the insurance reserves, what kind of "raids" could be made on these funds? And as to liberalizing the benefit formula unwisely, I think all reasonable people will agree with me that the best possible protection is to require the beneficiaries of the insurance system to realize the full cost of the benefits by paying their fair share of the costs. The workers of America are ready and willing to do this. It is not they who are asking for a tax freeze. The A. F. of L., the C. I. O., and the railroad brotherhoods have been asking that the taxes should be permitted to step up according to the present law.

Those who favor a tax freeze are apparently more afraid of a small and justifiable immediate burden on employers than they are of however staggering a future burden on the Treasury.

Another argument for the tax freeze cited by the New York Times is this. When, a generation hence, the annual disbursements for old-age benefits exceed the 6-percent pay-roll tax eventually contemplated by the present law, the difference can be made up through a Government subsidy. One might ask how the rate is ever to get to the total 6 percent eventually contemplated by the present law if we continue to postpone any increases above the present total of 2 percent?

But the main issue has to do with the size of the Government subsidy which would be needed. The statement in the New York Times continues:

> Subsidies to the system of a reasonable amount are nothing to become alarmed about.

That is quite true, and I myself favor a reasonable Government contribution to the system when it has been expanded to cover all employments. But the subsidies which would be required if the people who oppose the step-up to a total of 4-percent contributions have their way year after year after year—such subsidies would not be reasonable. The subsidies might have to become so large as to undermine the contributory character of the insurance system. The need for such large annual subsidies would subject the insurance system to all the hazards and uncertainties of annual appropriations. The need for a Government subsidy of such proportions would lead to the constant danger that benefit rights might be reduced or withdrawn, and that instead of insurance we would have the dole.

Last year, when we were debating this same question, I offered and Congress adopted an amendment to the Social Security Act authorizing appropriations from general revenues. I felt that such a provision was absolutely necessary to make clear the intention of Congress to guarantee the promised benefits when it froze the tax rate. At the same time I urged that Congress give full and comprehensive attention during the succeeding months to the need for expanding and strengthening the entire social-security program.

In the year that has elapsed Congress has given no attention whatsoever to these matters. Mere talk about an eventual subsidy—even statutory authorization for appropriations—cannot indefinitely take the place of action. The people of this country will have a right to question the intent of Congress to support social security if its only action is an annual postponement of the scheduled increase in contributions necessary to pay at least the minimum estimated cost.

Therefore, I am especially interested in the two additional reasons for the tax freeze cited by the New York Times editorial. One is as follows:

> The provision in the present law that the current tax yield should be approximately three times the current outgo * * * is at variance with the schedule of the tax rates in the law.

I say without qualification that there is no such provision in the present law. It is bad enough to contend that the reserve even in these early years of the insurance system should not be more than three times the highest expected outgo for the 5 years ahead. It is even worse for anyone to make the inaccurate statement that there is a provision in the law to the effect that the "current tax yield should be approximately three times the current outgo." It is evidence of the weakness of the position of those who support the tax freeze that they lean upon completely unfounded statements.

But what I am more interested in is the conclusion which is drawn from this statement, which is that the present tax rate should be retained until the whole situation can be carefully reviewed. This suggestion is repeated in the eighth and final argument of the New York Times editorial. The rate should be held at 1 percent, the argument goes, "but a comprehensive expert study of the whole financing system should be immediately undertaken."

In the end, therefore, the arguments of those who favor the tax freeze appear as what they are—tactics of delay.

The individuals and groups who advance these arguments opposed the passage of the original Social Security Act in 1935. They have consistently opposed—by their actions if not always by their words—the expansion of our present system to cover presently excluded groups and to provide protection against additional risks. They dare no longer openly oppose social security and so they befuddle the issues and talk about committees of experts. We need no committee of experts to tell us that the present contribution rates for old-age and survivors insurance are too low to support the insurance system. What we need is the courage to act, not more studies by experts to tell us what we already know.

I have shown how little the arguments advanced by the proponents of the tax freeze amount to. I would not want to leave with any of my colleagues the impression that I think the position taken by the New York Times is representative of our leading newspapers. The number of newspapers which have stated clearly their opposition to the tax freeze is larger this year than it was last. I can take time to refer only to a few outstanding editorials. The Tennesseean, for November 20, after pointing out that the present contributions will not cover the costs of the system, had this to say:

> It is hard to see how society can continue to refuse to extend old-age benefits to the millions of domestic, independently employed, and farm workers. Those who will keep on opposing this extension would find comfort, support, and argument in a fund too small to meet the requirements. For these reasons, the tax should be allowed to double January 1, as provided by law.

An editorial in the St. Louis Post-Dispatch of November 14 called for defeat of the effort to freeze the tax, and said:

> It is none too soon * * * to let Congress, the lame ducks and continuing Senators alike, to know that this is bad medicine, to be left severely alone.

The Wall Street Journal has presented a series of editorials in which the case for the scheduled increase in rates has been clearly and forcefully stated. I will not take the time to read from these editorials, but I commend them to the attention of Senators for their presentation of an intelligent conservative point of view.

Mr. President, over a year and a half ago I had the honor to join with my friend, the distinguished Senator from New York [Mr. WAGNER], in introducing a bill establishing a comprehensive and unified social-insurance system. Had the gentlemen who now talk about the need for a careful review of the whole situation as regards social security been willing to accept the consequences of such an investigation, our bill—amended in many particulars as a result of full congressional consideration—would have been enacted long before this, and the people of this country would even now be facing with confidence the difficult years ahead. They would be secure in the knowledge that they were providing for themselves through their insurance system a continuing source of family income in case of old age, disability, unemployment or the death of the worker, and a method of paying for needed medical and hospital care. The people have shown in many ways that they want such security and that they are willing to pay for it.

I intend to do everything in my power to see that the next Congress gives early attention to the social security program. But let us be clear that what we may do in the next Congress to expand and extend the program has no bearing on the arguments today for or against a tax freeze—except as the position each one of us takes now bears witness to the sincerity or lack of sincerity of his support of social insurance.

The increase in the contribution rate to 2 percent on employers and on employees is necessary for the sound financing of the present program. I urge my

colleagues in the Senate to give real service and not lip service to social security for the American people. I ask that we oppose the tax freeze in House bill 5564 and stand by the step-up in the contribution rates properly scheduled in the present law.

Mr. VANDENBERG. Mr. President, the Senate is anxious to vote, and I share that anxiety. I wish briefly to summarize the situation as it appeals to the majority of the Committee on Finance, and to the overwhelming majority of the House of Representatives, so that the RECORD may indicate the justification of Senators who, in my judgment, will render a substantial majority in favor of the pending bill.

Mr. President, I wish to make it clear that the things which have been said in the course of the debate this afternoon regarding the expansion of old-age benefits and the expansion of coverage of old-age benefits, have absolutely nothing to do with the question pending before the Senate. The rate of the pay-roll tax which will be paid in 1945 has no relationship whatever to the schedule of benefits which will be paid under the law.

What I am trying to say is that the existing pay-roll tax pays for existing benefits. When we are proposing to freeze the tax at 1 percent instead of to permit it to increase to 2 percent, we are not affecting the benefits at all. We are simply saying, in behalf of the workers of America, that they shall not confront a doubled pay-roll tax to pay for existing benefits.

When we reach the question of whether or not the coverage of old-age insurance should be expanded, when we reach the question of whether or not the scale of benefit payments under old-age insurance should be expanded in certain categories, when we expand the coverage, and when we increase the benefits, then I agree it will be logical to increase the tax to pay for the expansion. But I submit that the House was everlastingly justified when, by vote of 263 to 72, it passed the bill; and the Senate Committee on Finance was everlastingly justified when, by a vote of 13 to 2, it said that no more taxes shall be collected from the pay rolls of this country in 1945 than are necessary to pay for existing benefits.

The sole question before the Senate is whether or not the existing 1 percent tax on pay rolls for employees and 1 percent for employers will be adequate through 1945 to sustain the payment of existing benefits. That is the only question before us.

Mr. President, I think that question can be rather simply and officially answered. It is to be remembered that in 1939 we consciously changed the character of the old-age and survivors insurance section of the Social Security Act. We took it from a full reserve basis and deliberately put it upon a contingent reserve basis. We did so because it is universally recognized that a public tax-supported insurance system does not require a full reserve, inasmuch as the entire public credit of the whole Nation is its reserve constantly.

I repeat, we transferred from a full reserve to a contingent reserve in 1939. Then the question became, What is the appropriate measure of a contingent reserve? That question also was settled officially in 1939. It was settled when the Secretary of the Treasury, Mr. Morgenthau, who is the chief fiscal officer of the Government, testified before the House Ways and Means Committee on March 24, 1939, and specifically defined what the contingent reserve ought to be. This is what he said:

> Specifically, I would suggest to Congress that it plan the financing of the old-age insurance system with a view to maintaining for use in contingencies an eventual reserve amounting to—

Amounting to what? This is the crux of the whole thing—

> amounting to not more than three times the highest prosepctive annual benefits in the ensuing 5 years.

That is the rule laid down by Secretary Morgenthau. The distinguished Senator from New York [Mr. WAGNER] can discount that rule as he pleases. He can try to indicate that we have distorted its application. The fact remains that the Secretary of the Treasury himself has never repudiated the rule, and we have never heard one single word from him in respect to its withdrawal. According to the Secretary of the Treasury in 1939 the rule, which we wrote by implication into the text of the statute itself, is that under contingent reserves the only reserve required for old age and survivors insurance is a reserve which is three times the highest contemplated annual expenditure in the next 5 years.

There it stands. That is the rule recommended by the Secretary of the Treasury; and he has never taken it back. There it stands by implication in the statute itself. But what are the facts?

The facts are that the old-age reserve on June 30 last was $5,450,000,000. The facts are that the highest expenditure in the next 5 years will be between $450,000,000 and $700,000,000, according to the estimates of the Social Security Board.

Mr. LUCAS. Mr. President, will the Senator yield on that point?

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Michigan yield to the Senator from Illinois?

Mr. VANDENBERG. I yield.

Mr. LUCAS. Will the Senator disclose to me upon what that figure is based?

Mr. VANDENBERG. That figure is the official estimate of the Social Security Board, in contemplation of the expenditures in 1949 for the payment of benefits under the old-age and survivors insurance section of the law.

Mr. LUCAS. In other words, they testified before the committee that during the next 5 years the anticipated expenditure from this fund would be only $500,000,000; is that correct?

Mr. VANDENBERG. It will be between $450,000,000 and $700,000,000. They give that much latitude in the estimate, because it is difficult to make a specific and concrete estimate.

Mr. LUCAS. Then, if any more money is spent out of the fund it will be necessary, will it not, for the Congress, through legislation, to change the rate of employment compensation?

Mr. VANDENBERG. This has nothing to do with unemployment compensation.

Mr. LUCAS. I do not mean that. Of course under the present law payments in a certain amount are provided in the way of benefits.

Mr. VANDENBERG. That is correct.

Mr. LUCAS. Benefits are to be paid in a certain amount. If any more money than the $700,000,000, to which they have testified, would have to come out of the fund, it would be necessary for Congress to raise the amount which is to be paid; is that correct?

Mr. VANDENBERG. No; it is not at all correct. If the Senator will permit me to finish stating the computation, I think perhaps he will find his answer in the final figure I shall reach. If I fail to do so, I ask the Senator to interrupt me again.

Let us start again with the computation. The rule is, according to the Secretary of the Treasury, and by implication in the statute itself, that the reserve is adequate when it is three times the highest contemplated expenditure in the next 5 years. The highest contemplated expenditure will be in 1949, when it will be somewhere between $450,000,000 and $700,000,000. On June 30 the reserve, without any increase by way of new taxation, was $5,450,000,000.

In other words, the existing reserve, without a penny added to it, is from 8 to 12 times the highest contemplated expenditure, instead of only 3 times the highest contemplated expenditure, as recommended as our basic rule by the Secretary of the Treasury.

Does that answer the Senator's question?

Mr. LUCAS. That partially answers my question; but this afternoon I have listened to the distinguished senior Senator from New York [Mr. WAGNER] and the distinguished junior Senator from Montana [Mr. MURRAY], and they have constantly spoken about the economic conditions which will prevail in the country at the end of the present war because of lack of employment; and they have constantly argued, as I have understood their remarks, that the reserve fund can scarcely be too large in the event that we meet certain social and economic conditions which we all know we will eventually meet.

The inquiry I was making was whether the reserve fund, which the Senator has just said is now eight or nine times more than it is estimated will be needed, can be used to take care of persons who will be unemployed at the end of the war.

Mr. VANDENBERG. Mr. President, I must say to the Senator again that this has nothing to do with unemployment. A person qualifies for benefits under the old-age and survivors insurance system only when he has reached the age limit fixed in the statute. It has no relationship to unemployment.

Mr. LUCAS. That was my understanding. Perhaps I misunderstood the

distinguished senior Senator from New York, but I thought he was constantly talking about the question of men being unemployed after the war is over.

Mr. VANDENBERG. I thought the Senator from New York did have a good deal to say about that; but I thought that most of the time while he was speaking—and I regret his absence from the Chamber at this time—the Senator from New York was not discussing the very narrow issue which confronts the Senate today.

Mr. LUCAS. Mr. President, I must confess that I could not quite follow the argument with respect to the basic principles of the Social Security Act, and I rose for the purpose of making inquiry of the Senator.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. CHANDLER. Did I correctly understand the Senator to say that even if the tax were to go up 1 percent, there still would not be any additional benefits collected by the beneficiaries under the act?

Mr. VANDENBERG. That is entirely correct. All the benefits are stated in the law, and the benefits stay at those figures, regardless of what the tax is.

Mr. CHANDLER. There is ample money on hand to meet all the expected benefits; is there?

Mr. VANDENBERG. There is infinitely more money than the Social Security Board ever anticipated would be in the fund at this time. In fact, I will say to the Senator from Kentucky—and I think this is a rather conclusive exhibit—that, under the 1-percent tax, in 1945 we will collect as much money as the Social Security Board contemplated would be collected at 2 percent, when they originally wrote the law.

Mr. CHANDLER. I thank the Senator very much.

Mr. DANAHER and Mr. ELLENDER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield, and if so, to whom?

Mr. VANDENBERG. I will yield first to the Senator from Connecticut; but, if the Senator will permit me, before we leave that point, in order to make it perfectly clear that no question of solvency is involved, I wish to point out the enormous margin existing today in respect to current payments. During the last fiscal year the benefit payments were $185,000,000. To pay $185,000,000 in benefits we collected $1,300,000,000 in taxes. That mere comparison does not for an instant mean that we were not justified in the larger collection, because obviously the major burden of the collection is for the purpose of building up a reserve. But when we have a gap of that size, I can see no remote possibility of worrying about what is going to happen in respect to the post-war era to which the able Senator from Illinois has referred. I think everyone, including the Social Security Board, would freely concede that no remote problem is involved for at least 20 years, even though we keep the rates where they are.

Mr. REVERCOMB. Mr. President, will the Senator yield to me at this point?

Mr. VANDENBERG. I yield first to the Senator from Connecticut.

Mr. DANAHER. Mr. President, I thank the Senator. He has substantially covered the point I was about to emphasize, except that he did it on annual basis, whereas I was going to do it on a monthly basis. Even at present rates the yield is so great and the excess is so great that we are adding to reserves in an amount in excess of $100,000,000 a month.

Mr. VANDENBERG. I thank the Senator. On that proposition and on the proposition of the Senator from New York that we must be sure to maintain this as a contributory system—to which I agree—I wish to read one paragraph from a report made by the Tax Foundation on Social Security, in New York City, released on November 25, 1944, and compiled under the direction of Dr. Harley L. Lutz, professor of public finance at Princeton University. I ask Senators to listen to this paragraph:

> Here is presented a grave issue of public policy. According to the results of this study, if the terms of the present law relative to tax rates and benefits were to operate without change, workers and employers will pay in taxes $37,836,000,000 more, to 1980, than the beneficiaries of old-age and survivors insurance are to receive, after meeting the administrative costs.

Then, says the Tax Foundation, which is an authority which has to be given substantial credence:

> The futility of piling up a so-called reserve as a means of lightening future taxation has already been discussed. Whether workers and employers should be required to pay so heavily toward general Federal purposes under the guise of providing for social-security benefits which are thereafter presumed to be burdenless because of that taxation is a subject which should be frankly faced. This becomes the more important since it is obvious that excess taxation now will not spare future taxpayers from having to pay the full cost of such benefits as may be provided to the aged population of their own generation.

When the able Senator from New York raises the point that we may endanger the solvency of this fund, and that we may endanger public confidence in the solvency of the fund, I wish to submit to the Senate, because it bears directly on the question, that it is absolutely impossible for the fund to become insolvent because last year we adopted the Murray amendment to the bill, which dedicated the entire public credit of the general tax law to any deficit which might ever occur in the operation of the old-age and survivors insurance system. So there can be no misunderstanding about the solvency and sanctity of the trust, so long as there is any solvency and sanctity in the total public credit of the United States.

Furthermore, although this tax is supposed to increase to 2½ percent in 1946 and to 3 percent in 1948—and that is the part of the sacrosanct formula which the Senator from New York has indicated we must preserve lest there be some doubt cast on the solvency of the social-security fund—I call attention to the fact that the Social Security Board itself is now prepared to compromise this entire issue by fixing a permanent 2-percent tax and abandoning the proposed increase subsequently to 2½ percent and to 3 percent.

Mr. President, if it is not sacrosanct to carry the taxes on as required by statute to 2½ percent in 1946 and to 3 percent in 1948, neither is it sacrosanct to be required to pay 2 percent in 1945, when all the figures indicate that 1 percent is all that is needed in order to sustain the system under the fiscal rule recommended by the Secretary of the Treasury himself.

Mr. SHIPSTEAD rose.

Mr. VANDENBERG. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. A question arises in my mind. A surplus now exists which is greater than what it is contemplated will be expended in the next 3 years. Is it not true that that surplus is to be put into a special fund in the Treasury with an I O U placed there, and that subsequently these funds are to be spent for general expenses?

Mr. VANDENBERG. The Senator has asked a very difficult question. I will try to answer the Senator, and I shall ask him to try to follow me carefully as I proceed.

Mr. SHIPSTEAD. I shall be very glad to do so.

Mr. VANDENBERG. When the social-security tax is collected, it goes into the General Treasury and is disbursed against the general expenditures of the Government. The Congress then appropriates to the use of the Social Security Board the amount necessary for its annual administrative costs.

Mr. SHIPSTEAD. The Senator is correct.

Mr. VANDENBERG. And the remainder of the collections is appropriated to reserves.

Mr. SHIPSTEAD. Yes.

Mr. VANDENBERG. Whereupon the Treasury gives the Social Security Board United States bonds covering the latter amount. The Senator has asked if that is not merely an I O U.

Mr. SHIPSTEAD. Yes.

Mr. VANDENBERG. I rather think it is.

Mr. SHIPSTEAD. Yes.

Mr. VANDENBERG. I rather think that when one branch of the Government hands bonds of the Government to another branch of the same Government it is like putting a slip in the cashier's box.

Mr. SHIPSTEAD. The money is spent for general expenditures.

Mr. VANDENBERG. Yes.

Mr. SHIPSTEAD. And when the bonds have to be paid it will be necessary again to tax the people.

Mr. VANDENBERG. We do not tax those same people again, but the people generally.

Mr. SHIPSTEAD. The people who have paid the first tax, being part of the general public, will be taxed again. That is what I wanted to make clear.

Mr. VANDENBERG. The Senator may be correct. I do not wish to leave any unfair implication at that point.

There is no other way in which it is possible to have a reserve in a public-tax-supported institution except in Government bonds, and they will be in the nature of I O U's. That is perfectly inevitable. Precisely the same thing may be said with reference to reserves of the Federal Deposit Insurance Corporation. The reserves consist of Federal bonds. They are I O U's, if we wish to call them that, but there is no other way by which to create a reserve.

Mr. SHIPSTEAD. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. SHIPSTEAD. I agree with what the Senator has said. But that is what I consider to be the most important reason why we should not raise the tax. The more we tax, the more will be put into general expenditures, the greater will be the interest which the bonds will draw, and the more it will become necessary to draw on the general public to replenish the funds which have been expended.

Mr. VANDENBERG. I think the Senator is entirely justified in the statement which he has made. I will go a step further. I think this example will clearly demonstrate the futility of accumulating a large reserve in a public institution of this nature.

It is proposed to have in this reserve fund, under the original prospectus, $50,000,000,000 by 1980. For the sake of calculation, suppose the money were in 3-percent Government bonds. At the rate of 3 percent the interest in 1980 would be $1,500,000,000. Suppose that in 1980 the Social Security Board needs for its operation the billion and a half dollars which it will have collected in interest. Congress must raise that billion and a half dollars by general taxation in order to pay the interest on the bonds.

Mr. SHIPSTEAD. The Senator is correct.

Mr. VANDENBERG. The taxpayers would not pay any more if Congress raised this sum two and one-half billion dollars as a direct contribution to social security. But if we follow the latter course, we shall not have had an accumulation of $50,000,000,000 in the meantime. That is the fundamental reason why the character of the entire system was changed in 1939. We left this gargantuan reserve behind us deliberately and consciously, and turned to a system which contemplates only a contingent reserve in order to take care of contingencies, as the definition of the word itself indicates.

Mr. President, I wish to conclude, but I want the RECORD to be very clear. I believe that the best witness in America on this subject, and the most competent analyst of a subject of this kind, is Mr. M. Albert Linton, of Philadelphia, president of the Provident Mutual Life Insurance Co. of Philadelphia. Mr. Linton has been a constant adviser to the Government with respect to all old-age and social-security matters. He was a member of the advisory council which rendered excellent service in 1939 in the perfection of the law. Mr. Linton appeared as a witness when the bill was before the House Ways and Means Committee. I wish to present a summary of Mr. Linton's reasons why we should vote for another freeze, or why we should vote for the pending bill. Mr. Linton summarized the case as follows:

1. Ample funds are available at the present 2-percent rate to meet all requirements for several years to come. The current tax yield is about seven times the current outgo of around $200,000,000. The O. A. S. I. (old-age and survivors insurance) trust fund is approaching $6,000,000,000 and is growing fast.

In other words, Mr. Linton's point No. 1 is that ample funds are already available.

2. It is obvious that the provision in the present law that the current tax yield should be approximately three times the current outgo, which was adopted at Secretary Morgenthau's suggestion, is at variance with the schedule of tax rates in the law. A careful review of the whole situation needs to be made. Since there is no emergency, the present tax rate should be retained while such a policy is being formulated in the first half of 1945.

3. Raising the social-security tax rate to meet war expenses—

Which is the point, incidentally, raised by the distinguished Senator from Minnesota—

would be unsound.

I should go further than that. The use of the social-security tax trust fund, directly or indirectly, for any purpose on earth except social-security purposes is a violation of a public trust in the rankest possible degree. Says Mr. Linton further:

It is dangerous to use these taxes for extraneous purposes.

But that is what is being done.

It would set a bad precedent for diverting social-security funds later into other channels. They should be applied solely to meet social-security needs.

4. Raising the social-security tax rate as an anti-inflationary measure would also be unsound. Anti-inflationary taxes should be openly and frankly levied for that purpose, and then repealed when no longer needed. To the extent that social-security taxes are anti-inflationary now, they would be deflationary in times of normal and subnormal business when the Government would wish to maintain mass purchasing power.

I submit that section of Mr. Linton's testimony particularly to the able Senator from Illinois, as applying to the inquiry he made of me. In the post-war period, to which the Senator from Illinois referred, when there may be a lag and a point at which there is economic difficulty in the United States, the fundamental need will be to sustain, so far as possible, the mass buying power of the American people, and I know of no poorer way to support the mass buying power of the American people than needlessly to double a pay-roll tax upon the masses of workers of this country.

Mr. SHIPSTEAD. Does not that amount to an income tax, to all intents?

Mr. VANDENBERG. Yes; and on the lowest-income groups in the country. That is exactly what it is, if my contention is correct.

Mr. Linton's fifth reason is:

5. To increase social-security taxes unnecessarily would impose unjustified burdens on small business and white-collar workers. Big business would not feel the burden to the same extent, because so much of it would be shifted to the Treasury Department. Social-security taxes paid by a business are deductible in computing the income that is subject to high wartime income and excess-profits taxes.

We would not be doing anything for big business by freezing this tax, but we would be doing infinitely much for little business, and particularly for the white-collar workers.

Mr. Linton's sixth reason is as follows:

6. An increase in social-security taxes would increase the already large excess of income over outgo in the O. A. S. I. system. Especially if continued year after year, this situation would encourage raids on the fund either to be used (borrowed) for extraneous purposes or to liberalize the benefit formula unwisely. It is unlikely that the actuaries' calculations of liabilities on what may happen in 20 or 30 years hence would deter the raiders. Current conditions would have much more influence.

7. It is true that a generation hence the costs of old-age pensions will probably exceed the 6-percent pay-roll-tax receipts eventually contemplated by the present law, and that a Government subsidy to make up the difference would be needed. But this would be in line with practically all old-age-security systems in other countries. Moreover, as we have in effect adopted a pay-as-you-go system with a contingency reserve, a subsidy to the system would merely mean that another kind of tax would be substituted for a high pay-roll tax—

That is precisely the example I gave to the Senator from Minnesota—

Subsidies to the system of a reasonable amount are nothing to become alarmed about. The chief danger to the system is an unwise increase in the benefit formula which would make the total tax burden excessive. An extension of the coverage of the old-age and survivors insurance system to include other groups of workers would prevent the injustice to these workers that might otherwise come through contributing to benefits in which they do not share.

Eighth, and finally, Mr. Linton says:

8. The old-age and survivors insurance tax rate should be held at this time to 1 percent on the employer and 1 percent on the employee, but a comprehensive expert study of the whole financing system should be immediately undertaken.

Mr. President, I conclude with just this word: I think the case for the maintenance of the 1-percent rate during 1945 is absolutely clear on the basis of the record, on the basis of the law, on the basis of the Morgenthau rule. I freely concede, however, that it is all wrong for this subject to have to come to the floor of Congress every year for shotgun judgment by those of us who cannot possibly have the expert knowledge which is essential to a comprehension of this totally technical problem.

In the bill I introduced in the Senate on this subject there was a second section in which I propose to instruct the Joint Congressional Committee on Internal Revenue Taxation to investigate during the next year, with the aid of an advisory council of experts, the ques-

tion of what permanent pay-roll-tax provision should be written into the statute. The House omitted that section of the proposal, although it promised, unofficially, that the Ways and Means Committee of the House would give it subsequent attention.

I totally agree that we have to find some way out of this annual controversy on the floor of Congress so that there can be a stable consistency over a long-range plan at the base of the old-age and survivors insurance section of the social security law.

I give notice that the first thing in the new Congress I shall introduce a joint resolution seeking not only to instruct the Joint Congressional Committee on Internal Revenue Taxation to investigate and explore this subject itself but also to create another advisory council of experts on the subject, and providing that their studies shall include not only the appropriate tax rate contemplatively involved but also the expansion of coverage and the expansion of benefits under the old-age section of the social security law, so that 12 months from today we may have a concrete, well-justified, wholly sustained program for expanding coverage, and for expanding benefits, in those sections of the law which are at present inequitable, and for permanently financing the entire enterprise.

Mr. President, particularly in view of the fact that in 1945, it is obvious, the entire structure of the Social Security Act is to be rewritten, I submit, finally, that it is the year of years when we should maintain the existing tax rate, and wait for developments to determine what the tax rate of the future shall be.

I submit that the bill which was passed so overwhelmingly by the House should be equally overwhelmingly endorsed by the Senate.

Mr. CHANDLER. Mr. President, will the Senator yield before he takes his seat?

Mr. VANDENBERG. I yield.

Mr. CHANDLER. I think the Senator made it quite clear, but I wish to emphasize this one point, that even if the tax were raised, the beneficiaries under this section of the bill would not get any additional benefits next year.

Mr. VANDENBERG. The Senator is entirely accurate.

Mr. CHANDLER. I do not want anyone to say that if I vote for 1 percent I deny anyone benefits he would have gotten if I had voted for 2 percent.

Mr. VANDENBERG. It is perfectly amazing how that situation has been misrepresented. The Senator is absolutely correct. The benefits are frozen in the law. The benefits will be the same no matter what may be paid next year by the workers of the Nation.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. WHEELER. There is one question which I think possibly the Senator covered, but I did not quite catch his explanation. Suppose, as the Senator from New York has said, there should be great unemployment following the war. How is that to be taken care of? Will there be enough money in the Treasury funds to take care of that, or will we have to raise the amount necessary at that time? How is that to be worked out?

Mr. VANDENBERG. The Senator understands, in the first place, that this has absolutely no relationship to unemployment-benefit payments. It applies solely to old-age pensions.

Mr. WHEELER. I understood the Senator was talking about unemployment.

Mr. VANDENBERG. That is what the Senator from New York was talking about, but I stated a little while ago that that is one of the points which seems to me entirely irrelevant in connection with this discussion, because it is totally unrelated.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LUCAS. Following up the inquiry made by the Senator from Montana [Mr. WHEELER], I want to try to make it clear to my own mind and clear to the minds of other Senators that this reserve fund is definitely for one purpose, and that is for aged persons and their survivors, and nobody else.

Mr. VANDENBERG. That is all; and only for those who have already made the payments and created the contracts.

Mr. LUCAS. Yes, I understand. Now the only way that this reserve fund which the Senator is speaking of, which is so large, can be reached by any group of people, is through the Congress, I take it, increasing the benefit payments to the aged persons and their survivors.

Mr. VANDENBERG. The Senator is correct.

Mr. DANAHER. Mr. President, I want to congratulate those Senators who have found it possible to be present to listen to the splendid presentation just made by the Senator from Michigan. It was a noteworthy exposition of the problem which has confronted the Senate in connection with this legislation.

There was one remark, however, made by the Senator from Michigan, which interested me particularly, and that was his advice that at the opening of the next session of Congress he contemplates asking for a study by the joint staff. That bears, I might say, on his observation that there is no other way—and I think those are his words—no way to invest the proceeds of the old-age and survivors insurance trust fund other than in United States bonds. I think those were his exact words.

Mr. President, I think there may be another way, and I would not wish to have the possibility of another way overlooked at the time of that study. It is entirely possible that with a Government guaranty, the fund can be invested in the obligations of self-liquidating Government projects which will earn their way and pay their interest and carrying charges, and at the same time supply a very real public need, particularly if those obligations be issued only when private lending sources would not advance the capital.

There is a way, therefore, Mr. President, in which it might be decided this reserve can be put to work, and there are instances of it in various States. I will say to the Senator from Michigan, for example, that in the State of Connecticut, since 1795, there has been maintained intact the State school fund, all the proceeds of which were derived from the sale of the Western Reserve. A great part of the State of Ohio, whose junior Senator I see watching me at the moment, came from the property once known as the Connecticut or Western Reserve. When Connecticut sold that territory, Mr. President, there was set up a fund which annually has yielded great income and at the present time it yields a sum equal at least to $2.25 per pupil for every child between the ages of 5 and 16 years, the enumerable school ages in the State of Connecticut. All down through the years those funds have been invested in mortgages in the State of Connecticut, which are given prior status even over taxes of municipalities. Thus the fund is wisely administered and fully protected.

There are many ways, Mr. President, in which this fund could in fact be conserved and still be put to work, but one in particular, to which I shall refer briefly, seems to me worthy of study. I have in mind that when it was contemplated by the Port of New York Authority that they build the Lincoln Tunnel there were no investment sources which would take the obligations of the Port of New York Authority for that purpose. The R. F. C. took the obligations. The R. F. C. found the project was self-liquidating, and when operations were undertaken and the tunnel was successful, there was no trouble whatever in selling the obligations.

So it seems to me, Mr. President, there might be self-liquidating Government projects and other worth-while developments which the Government planning experts might explore and their findings might be considered in the course of the study which the Senator from Michigan contemplates.

The ACTING PRESIDENT pro tempore. The bill is still before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall the bill pass?

Mr. VANDENBERG. I ask for the yeas and nays.

Mr. GUFFEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Eyrd	George
Austin	Capper	Gerry
Bailey	Caraway	Gillette
Ball	Chandler	Guffey
Bilbo	Connally	Gurney
Brewster	Cordon	Hall
Brooks	Danaher	Hatch
Burton	Davis	Hayden
Bushfield	Ellender	Hill
Butler	Ferguson	Holman

Jenner	Mead	Thomas, Okla.
Johnson, Calif.	Millikin	Tunnell
Johnson, Colo.	Murray	Vandenberg
Kilgore	O'Daniel	Wagner
La Follette	Overton	Walsh
Langer	Radcliffe	Weeks
Lucas	Reynolds	Wheeler
McClellan	Robertson	Wherry
McFarland	Russell	White
McKellar	Shipstead	Wiley
Maloney	Smith	Willis
Maybank	Stewart	Wilson

The ACTING PRESIDENT pro tempore. Sixty-six Senators have answered to their names. A quorum is present.

The yeas and nays have been demanded. Is the demand sufficiently seconded?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HILL (when Mr. BANKHEAD'S name was called). My colleague the senior Senator from Alabama [Mr. BANKHEAD] and the senior Senator from Missouri [Mr. CLARK] are necessarily absent. The Senator from Alabama and the Senator from Missouri are paired on this question. I am advised that if present and voting the Senator from Missouri would vote "yea" and the Senator from Alabama would vote "nay."

Mr. WHERRY (when Mr. REVERCOMB'S name was called). The junior Senator from West Virginia is necessarily absent. I am informed that if he were present and voting he would vote "yea."

The roll call was concluded.

Mr. HILL. I further announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. CHAVEZ] are unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN] the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

The Senator from Ohio [Mr. TAFT] is paired with the Senator from Kentucky [Mr. BARKLEY]; the Senator from Florida [Mr. ANDREWS] is paired with the Senator from Rhode Island [Mr. GREEN]; the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Florida [Mr. PEPPER]; and the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Utah [Mr. THOMAS]. I am advised that if present and voting, the Senator from Ohio [Mr. TAFT], the Senator from Florida [Mr. ANDREWS], and the Senators from New Hampshire [Mr. TOBEY and Mr. BRIDGES] would vote "yea." The Senator from Kentucky [Mr. BARKLEY], the Senator from Rhode Island [Mr. GREEN], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from Nevada [Mr. SCRUGHAM]. I am not advised how either Senator would vote if present. I vote "nay."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Utah [Mr. THOMAS]. If present the Senator from New Hampshire would vote "yea," and the Senator from Utah would vote "nay."

The Senator from Ohio [Mr. TAFT] is paired with the Senator from Kentucky [Mr. BARKLEY]. If present the Senator from Ohio would vote "yea," and the Senator from Kentucky would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is paired on this question with the Senator from Florida [Mr. PEPPER]. If present the Senator from New Hampshire would vote "yea," and the Senator from Florida would vote "nay."

The Senator from Delaware [Mr. BUCK], the Senator from West Virginia [Mr. REVERCOMB], the Senator from New Jersey [Mr. HAWKES], and the Senator from Idaho [Mr. THOMAS] are necessarily absent. These four Senators would vote "yea" if present.

The Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], and the Senator from Kansas [Mr. REED] are necessarily absent.

The result was announced—yeas 47, nays 19, as follows:

YEAS—47

Austin	Ferguson	Reynolds
Bailey	George	Robertson
Bilbo	Gerry	Shipstead
Brewster	Gillette	Smith
Brooks	Gurney	Thomas, Okla.
Burton	Hall	Tunnell
Bushfield	Holman	Vandenberg
Butler	Jenner	Walsh
Byrd	Johnson, Calif.	Weeks
Capper	Johnson, Colo.	Wheeler
Chandler	McClellan	Wherry
Connally	Maybank	White
Cordon	Millikin	Wiley
Danaher	O'Daniel	Willis
Davis	Overton	Wilson
Ellender	Radcliffe	

NAYS—19

Aiken	Kilgore	Mead
Ball	La Follette	Murray
Caraway	Langer	Russell
Guffey	Lucas	Stewart
Hatch	McFarland	Wagner
Hayden	McKellar	
Hill	Maloney	

NOT VOTING—29

Andrews	Glass	Revercomb
Bankhead	Green	Scrugham
Barkley	Hawkes	Taft
Bridges	McCarran	Thomas, Idaho
Buck	Moore	Thomas, Utah
Chavez	Murdock	Tobey
Clark, Idaho	Nye	Truman
Clark, Mo.	O'Mahoney	Tydings
Downey	Pepper	Wallgren
Eastland	Reed	

So the bill, H. R. 5564, was passed.

Mr. HILL. Mr. President, I ask unanimous consent that the President of the Senate be authorized to sign the bill which has just been passed during the recess of the Senate.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF SECOND WAR POWERS ACT OF 1942

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement, the next business is House bill 4993, which the Chair lays before the Senate.

The Senate proceeded to consider the bill (H. R. 4993) to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942.

Mr. HATCH. Mr. President, I promise the Senate that I shall not engage in any extended remarks. I wish to say to Senators that they will never be called upon to vote on a more important bill than the one now before the Senate.

This measure extends the powers conferred by the Second War Powers Act. Under that act, Mr. President, all the vast productive machinery of this country has been regulated to produce the magnificent effort and contribution which industry has made to the war effort. Automatically the act expires on the 31st day of this month.

Yesterday, as he appeared before the Mead committee dealing with the national defense, I asked Mr. Krug, Chairman of the War Production Board, what would happen if this act should not be extended. He replied:

> Senator, I was startled when you said the act expired on the 31st day of this month. I had not realized it. I can answer you by saying that if the powers conferred by this act are not extended the entire war effort will collapse.

I say, Mr. President, that there is no doubt as to the correctness of that statement. Of course, I told Mr. Krug, as I have told others, that there was no question about the Congress extending the powers conferred by that act, and that it would be done immediately.

The bill passed the House with an amendment, and it is that amendment with which I should deal, or ought to explain, if Senators are interested. If they are not, I am willing to have a vote at this time. The amendment adopted by the House would simply confer the right of judicial review in cases involving what are called suspension orders. On that point I am sure the Senator from Connecticut [Mr. DANAHER] wishes to make an observation. I yield to the Senator from Connecticut.

Mr. DANAHER. Mr. President, inviting the attention of the Senator from New Mexico to page 2, line 11, we find there the words "any order suspending any priority or allocation."

I point out that this amended section would give the district courts exclusive jurisdiction to enjoin or set aside certain orders which are described in the language which I have just quoted. Since that language was open to very real question as to the exact meaning of what jurisdiction the court would have, and how that jurisdiction would be

exercised, I took the matter up with the Senator from New Mexico, in charge of the bill, to the end that we might establish, if necessary by colloquy, some legislative background as to the meaning of those words. It is my understanding that the words "any order suspending" really should read "any suspension order affecting."

Mr. HATCH. Mr. President, let me say to the Senator that the words which he has just used, "any suspension order," are the words which I have always used.

Mr. DANAHER. And they are the correct words.

Mr. HATCH. That is the correct designation.

Mr. DANAHER. They define the powers which we are authorizing the district courts to exercise if and when some War Production Board commissioner or hearing authority issues a suspension order against a contractor who has violated a previous allocation or priority. Is that the Senator's understanding?

Mr. HATCH. The Senator from Connecticut has correctly stated the situation.

Mr. President, I think Senators understand the bill. I see no reason for prolonging the debate.

Mr. CONNALLY. Mr. President, I wish to ask the Senator from New Mexico whether it is the purpose to make the act terminate on the action of the President or by the adoption by Congress of a concurrent resolution?

Mr. HATCH. I can best answer the Senator from Texas by reading from the bill itself, which provides, first, that the Second War Powers Act "shall remain in force only until December 31, 1945"—an extension for 1 year—"or until such earlier time as the two Houses of Congress by concurrent resolution, or the President may designate."

Mr. CONNALLY. I wish to suggest to the Senator that, according to my mind, legally that is not effective. It is all right to provide that the act shall be terminable when the Congress passes a joint resolution, but Congress cannot by the adoption of a concurrent resolution repeal the act or keep it from continuing in effect.

I think the language should have read, "or until such earlier time as the two Houses of Congress may adopt a concurrent resolution."

Mr. HATCH. I think the Senator from Texas has a very good point there, but I do not think it is one which should be made the subject of an amendment.

Mr. CONNALLY. I shall not offer an amendment and I shall not press the point; but I wish to call the attention of the Senator to the fact that an act can be terminated upon the occurrence of any event, and in order to make this provision legal it is simply necessary to consider the adoption of a concurrent resolution as an event, not as an end, because an act cannot be repealed by a concurrent resolution of the Congress. We could condition it on the occurrence of any event, such as the fall of a star, or anything else.

Mr. HATCH. I understand.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. DANAHER. In the report of the Committee on the Judiciary, commencing two-thirds of the way down the second page, we find the words "Changes in existing law." From that point, down through the remainder of the report, there is set forth "Title III—Priorities powers", together with changes as indicated on page 5. It seems to me, Mr. President, that that portion of the report need not be reprinted, and that no useful purpose would be served by having it set forth in the RECORD. But I think the Senator from New Mexico would be wise to include all of page 1 and all of page 2 of the report of the committee, down to the point I indicated.

Mr. HATCH. Mr. President, does the Senator mean to have that much of the report included as a part of the remarks appearing in the RECORD at this point?

Mr. DANAHER. Yes; I think it would be well to have it included as a part of the remarks.

Mr. HATCH. I shall be very glad to do so. Mr. President, I ask unanimous consent that that be done.

There being no objection, the portion of the report (No. 1301) was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, to whom was referred the bill (H. R. 4993) to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942, having considered the same, do now report the bill to the Senate favorably, without amendment, and recommend that the bill do pass.

STATEMENT

This bill would amend the Second War Powers Act (act approved March 27, 1942, Public Law No. 507, 77th Cong., 56 Stat. 176) in two respects, as follows:

1. Extends the life of titles I to VII, inclusive, and of titles IX, XI, and XIV of the Second War Powers Act, and the amendment to any existing law made by any such title, from December 31, 1944, to December 31, 1945, subject to earlier termination by concurrent resolution of the two Houses of Congress, or by order of the President.

2. Adds a new section (9) to title III of the Second War Powers Act, which section (9) follows:

"(9) The district courts of the United States are hereby given exclusive jurisdiction to enjoin, or set aside, in whole or in part, any order suspending any priority or allocation, or denying a stay of any such suspension, that may have been issued by any person, officer or agency, acting or purporting to act hereunder, or under any other law or authority.

"Any action to enjoin or set aside any such order shall be brought within five days after the service thereof.

"No suspension order shall take effect within five days after it has been served, or, if an application for a stay is made to the issuing authority within such five-day period, until the expiration of five days after service of an order denying the stay.

"The venue of any such suit shall be in the district court of the United States for the district in which the petitioner has his principal place of business; and the respondent shall be subject to the jurisdiction of such court after ten days before the return day of the writ, either when (1) process shall have been served on any district manager or other agent of the respondent of similar or superior status; or (2) notice by registered mail shall have been given to respondent, or to the office of the Attorney General of the United States."

This amendment gives the district courts of the United States exclusive jurisdiction to enjoin or set aside, in whole or in part, any order suspending any priority or allocation, or denying a stay of any such suspension, that may have been issued by any person, officer, or agency acting or purporting to act under that title, or under any other law or authority; fixes the time limit within which any such action must be brought; and fixes the venue of any such suit both as to petitioner and respondent, as well as the modus operandi to render the respondent subject to the jurisdiction of the district court issuing the writ of injunction.

The purpose of this amendment is to assure any holder of a priority or allocation granted by any person, officer, or agency, under title III, or under any other law or authority, whenever the same may have been ordered suspended by the issuing authority the right to invoke the aid of the United States district court for the district in which the petitioner has his principal place of business, to enjoin any such suspension order, and to give that district court jurisdiction both of the subject matter and of the issuing authority.

The amendment applies only to "suspension orders," which are orders withholding or withdrawing priorities or allocations because of violations of the regulations or orders of the agency issuing the suspension order. It is not intended to and does not apply to allocation or priority orders or decisions made by the agency nor to cases where such allocations or priorities must be modified or revoked because of changing supply conditions or changes in war or essential civilian needs. Also the amendment does not affect the provision for judicial review of suspension orders contained in the Stabilization Extension Act of 1944 with respect to the Office of Price Administration suspension orders. Thus, the provision in that Act, conditioning interlocutory relief upon the entry of an order enjoining the applicant for violations pending review, remains in effect as to suspension orders issued by the Office of Price Administration.

The ACTING PRESIDENT pro tempore. If there be no amendments to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill, H. R. 4993, was passed.

BILLS AFFECTING THE DISTRICT OF COLUMBIA

Mr. GEORGE obtained the floor.

Mr. BILBO. Mr. President, will the Senator yield to me?

Mr. GEORGE. Does the Senator wish to move to have the Senate take up certain District of Columbia measures at this time?

Mr. BILBO. Yes; I wish to have certain District of Columbia bills considered at this time.

Mr. GEORGE. I yield to the Senator from Mississippi.

Mr. BILBO. Mr. President, yesterday, by agreement with the majority leader and the minority leader, it was agreed that at 5 o'clock today the Senate would

lay aside the unfinished business for the purpose of considering and passing certain bills for the District of Columbia, some of which relate to matters which are emergencies. Therefore, I wish to ask unanimous consent that certain District of Columbia bills be considered, beginning with Calendar No. 1212, House bill 1951.

Before asking that the Senate consider the bills, I desire to say that the Committee on the District of Columbia considered the various House bills, and, with one or two exceptions, they were approved by the committee without any amendment whatsoever. The bills have met with the approval of the minority leader, who sits on the other side of the aisle, after he had consulted the members of the committee.

There is nothing extraordinary about any of the bills, but they constitute very necessary legislation, and some of them are emergency matters. For instance, one of them relates to the inauguration of the President.

So, Mr. President, I ask unanimous consent that the Senate proceed to consider the bills to which I have referred, beginning with Calendar No. 1212, House bill 1951.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi has asked unanimous consent that the Senate proceed to the consideration of certain measures relating to the District of Columbia, beginning with Calendar No. 1212, House bill 1951. Is there objection?

Mr. WHITE. Mr. President, reserving the right to object, let me say, especially for the information of Senators on this side of the Chamber, that I have consulted, so far as it has been possible to do so, the minority members of the committee, and I know of no objection—I speak for the minority of the committee at the moment—to these bills.

The ACTING PRESIDENT pro tempore. Without objection, the clerk will proceed to state the bills referred to, beginning with Calendar No. 1212, House bill 1951.

AMENDMENT OF DISTRICT OF COLUMBIA MOTOR VEHICLE PARKING FACILITY ACT OF 1942

The bill (H. R. 1951) to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942, was considered, ordered to a third reading, read the third time, and passed.

PREVENTION OF ATTACHMENT OR GARNISHMENT OF SALARY OR WAGES IN THE DISTRICT

The bill (H. R. 2116) to amend the laws of the District of Columbia relating to exemption of property from judicial process, the assignment of salary or wages, and the advance payment of salary or wages for the purpose of preventing attachment or garnishment, was considered, ordered to a third reading, read the third time, and passed.

GRANTING OF ADDITIONAL POWERS TO DISTRICT COMMISSIONERS

The Senate proceeded to consider the bill (H. R. 2644) to grant additional powers to the Commissioners of the District of Columbia, and for other purposes.

Mr. BILBO. Mr. President, Mr. West, the Corporation Counsel for the District of Columbia, has submitted an amendment which would make the bill apply to sureties on the bonds involved. I offer the amendment, and send it to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 4, in line 10, it is proposed to strike out the period, and insert a colon and the following: *"Provided, however,* That nothing in this section shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished by any prior recovery or recoveries, as the case may be."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REGULATION OF PRACTICE OF THE HEALING ART

The bill (H. R. 3150) to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF MOTOR-VEHICLE TRAFFIC AND INCREASE OF NUMBER OF JUDGES OF POLICE COURT

The bill (H. R. 3313) to amend section 10 of the act of March 3, 1925, entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," as amended, was considered, ordered to a third reading, read the third time, and passed.

DISPOSAL OF DEAD HUMAN BODIES IN THE DISTRICT OF COLUMBIA

The bill (H. R. 3619) to amend sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF MOTOR-VEHICLE TRAFFIC AND INCREASE OF NUMBER OF JUDGES OF POLICE COURT

The bill (H. R. 3621) to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," was considered, ordered to a third reading, read the third time, and passed.

APPOINTMENT OF NOTARIES PUBLIC BY DISTRICT COMMISSIONERS

The bill (H. R. 3720) to authorize the Commissioners of the District of Columbia to appoint notaries public was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF DISTRICT HEALTH REGULATIONS TO GOVERNMENT RESTAURANTS

The Senate proceeded to consider the bill (H. R. 4867) to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia.

Mr. BILBO. Mr. President, House bill 4867 is a measure providing for proper sanitary inspection of all restaurants now being conducted by Government agencies in the District of Columbia. After the committee reported the bill, I discovered that it would apply to the House and Senate restaurants, which are under the Rules Committee of the Senate and the House and under Mr. Lynn, the Architect of the Capitol. I wish to have the Capitol restaurants exempted from the provisions of the bill. Therefore, I offer the amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 5, it is proposed to insert:

SEC. 2. This act shall not apply to the United States Senate and House of Representatives restaurants.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. DANAHER. Mr. President, I desire to ask the Senator from Mississippi to please tell us whether any of these bills deal with the subject of the garnishment of salaries of Federal workers.

Mr. BILBO. No, sir.

Mr. DANAHER. Not any of them?

Mr. BILBO. No, sir.

Mr. DANAHER. I thank the Senator.

EDUCATION OF CHILDREN OF DECEASED VETERANS

The bill (H. R. 4916) to amend the act of June 19, 1934 (Public Law 435, 73d Cong.), was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF BOXING CONTESTS AND EXHIBITIONS IN THE DISTRICT

The Senate proceeded to consider the bill (H. R. 4327) to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia, with amendments.

The first amendment was, on page 2, line 20, after the words "shall be", to strike out "entitled to compensation, not to exceed $1,800 each per annum" and insert "paid compensation at the rate of $2,400 each per annum effective July 1, 1944."

The amendment was agreed to.

The next amendment was, on page 4, after line 6, to insert:

The said funds shall be available to pay for boxing equipment, such as gloves, head guards, mouthpieces, trunks, boxing shoes, boxing rings and mats therefor, timekeepers' bells and hammers, and trophies for members of organizations engaged in the promo-

tion and control of amateur and collegiate boxing; and when deemed necessary by the Commission, it may furnish personnel to conduct instruction and boxing contests for such organizations, and pay for same from such funds.

The amendment was agreed to.

The next amendment was, on page 8, in line 5, after the words "equal to", to strike out "6" and insert "10."

The amendment was agreed to.

The next amendment was, on page 9, in line 11, after the words "sum of", to strike out "$10,000" and insert "$15,000."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

VOLUNTARY APPRENTICESHIP IN THE DISTRICT

The bill (S. 1434) to provide for voluntary apprenticeship in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it is the purpose of this act to open to young people in the District of Columbia the opportunity to obtain training that will equip them for profitable employment and citizenship; to set up, as a means to this end, a program of voluntary apprenticeship under approved apprenticeship agreements providing facilities for their training and guidance in the arts and crafts of industry and trade, with parallel instruction in related and supplementary education; to promote employment opportunities for young people under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to establish an apprenticeship council; to provide for the establishment of local joint trade apprenticeship committees to assist in effectuating the purposes of this act; to provide for a director of apprenticeship within the District of Columbia; to provide for reports to the Congress and to the public regarding the status of apprenticeship in the District of Columbia; to establish a procedure for the determination of apprenticeship agreement controversies; and to accomplish related ends.

SEC. 2. Without regard for any other provision of law with respect to the appointment of officers and employees of the United States or the District of Columbia, the Commissioners of the District of Columbia shall appoint an Apprenticeship Council, composed of three representatives each from employer and employee organizations, respectively. The Superintendent of Schools in the District of Columbia or, if he shall so designate, his representative in charge of trade and industrial education, and the Director of the District of Columbia Employment Center shall, ex officio, be members of said council, without vote. The terms of office of the members of the Apprenticeship Council first appointed by the Commissioners shall expire as designated by them at the time of making appointment: One representative each of employers and employees being appointed for 1 year; one representative each of employers and employees being appointed for 2 years; and one representative each of employers and employees for 3 years. Thereafter, each member shall be appointed for a term of 3 years. Any member appointed to fill a vacancy prior to the expiration of the term of his predecessor shall be appointed for the remainder of said term. The compensation of each member may be fixed without regard to the provisions of the Classification Act of 1923, as amended, and each member of the council, not otherwise compensated by public money, shall be paid not more than $10 per day for each day spent in attendance at meetings of the Apprenticeship Council.

SEC. 3. The Secretary of Labor shall appoint a Director of Apprenticeship who shall serve without compensation and who shall have no vote. Without regard for the provisions of any other law with respect to the appointment of officers and employees of the United States or the District of Columbia, the Director of Apprenticeship shall be chosen from among the employees of the Apprentice-Training Service actually engaged in formulating and promoting standards of apprenticeship under the provisions of Public Law No. 308. The Apprentice-Training Service is further authorized to supply the Director or the council with such clerical, technical, and professional assistance as shall be deemed by said Service to be essential to effectuate the purposes of this act.

SEC. 4. The Apprenticeship Council shall meet at the call of the Director, or the chairman thereof, and shall aid in formulating policies for the effective administration of this act. Subject to the approval of the Secretary of Labor, the Apprenticeship Council shall establish standards for apprenticeship agreements in accordance with those prescribed by this act, shall issue such rules and regulations as may be necessary to carry out the intent and purposes of said act, and shall perform such other functions as are necessary to carry out the intent of this act. Not less than once every 2 years the Apprenticeship Council shall make a report through the Commissioners of its activities and findings to the Congress and to the public.

SEC. 5. The Director, under the supervision of the Secretary of Labor and with the advice and guidance of the Apprenticeship Council, is authorized to administer the provisions of this act in cooperation with the Apprenticeship Council and local joint trade apprenticeship committees, to set up conditions and training standards for apprentices, which conditions or standards shall in no case be lower than those prescribed by this act; to act as secretary of the Apprenticeship Council and of joint trade apprenticeship committees; to approve, if, in his opinion, approval is for the best interest of the apprentice, any apprentice agreement which meets the standards established by or in accordance with this act; to terminate or cancel any apprenticeship agreement in accordance with the provisions of such agreement; and to perform such other duties as are necessary to carry out the intent of this act: *Provided,* That the administration and supervision of related and supplemental instruction for apprentices, coordination of the instruction with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the responsibility of the District Board of Education.

SEC. 6. Local joint trade apprenticeship committees in any trade or group of trades may be approved by the Appenticeship Council. Such apprenticeship committees shall be composed of an equal number of employer and employee representatives appointed by the groups or organizations they represent, or the committee may consist of the employer and not less than two representatives from the recognized bargaining agency. In a trade or group of trades in which there is no bona fide employee organization, the Apprenticeship Council may appoint a joint trade apprenticeship committee from persons known to represent the interests of employers and of employees, or the council may act itself as such joint committee. Subject to the review of the council, and in accordance with standards established by or under authority of this act, joint trade apprenticeship committees may set up standards to govern the training of apprentices and give such aid as may be necessary in effectuating such standards.

SEC. 7. The term "apprentice," as used herein, shall mean a person at least 16 years of age who has entered into a written agreement, hereinafter called an apprenticeship agreement, with an employer, an association of employers, or an organization of employees, which apprenticeship agreement provides for not less than 4,000 hours of reasonably continuous employment for such person and for his participation in an approved program of training through employment and through education in related and supplemental subjects.

SEC. 8. Every apprenticeship agreement entered into under this act shall contain—

(1) the names and signatures of the contracting parties, including the apprentice's parent or guardian if he be a minor;

(2) the date of birth of the apprentice;

(3) a statement of the trade, craft, or business which the apprentice is to be taught and the time at which the apprenticeship will begin and end;

(4) a statement showing the number of hours to be spent by the apprentice in work and the number of hours to be spent in related and supplemental instruction, which instruction shall be not less than 144 hours per year;

(5) a statement setting forth a schedule of the processes in the trade or industry divisions in which the apprentice is to be taught and the approximate time to be spent at each process;

(6) a statement of the graduated scale of wages to be paid the apprentice and whether the required school time shall be compensated;

(7) a statement providing for a period of probation during which time the apprenticeship agreement shall be terminated by the Director at the request in writing of either party, and providing that after such probationary period the apprenticeship agreement may be terminated by the Director by mutual agreement of all parties thereto, or canceled by the Director for good and sufficient reasons;

(8) a provision that all controversies or differences concerning the apprenticeship agreement which cannot be adjusted by conference between the apprentice and the employer or under the terms of the apprenticeship standard shall be submitted to the Director for determination as provided for in section 9;

(9) a provision that an employer who is unable to fulfill his obligation under the apprenticeship agreement may, with the approval of the Director or under the direction of the joint trade apprenticeship committee, transfer such contract to any other employer: *Provided,* That the apprentice consents and that such other employer agrees to assume the obligations of said apprenticeship agreement;

(10) such additional terms and conditions as may be prescribed or approved by the council not inconsistent with the provisions of this act.

SEC. 9. No apprenticeship agreement shall be registered or approved by the Director under the provisions of this act unless it conforms with the standards established by or in accordance with this act and is in the best interests of the apprentice. Where a minor enters into an agreement for a period of training extending into his majority, and such agreement has been approved by the Director, then such apprenticeship agreement shall, if the parties therein so provide, have the same force and effect during the period covered by the majority of such minor

as if such agreement were entered into during the majority of such minor.

SEC. 10. (a) Upon the complaint of any interested person or upon his own initiative, the Director may investigate to determine if there has been a violation of the terms of an apprenticeship agreement made under this act, and he may hold hearings, inquiries, and other proceedings necessary to such investigation and determination. The parties to such an agreement shall be given a fair and impartial hearing after reasonable notice thereof. All such hearings, investigations, and determinations shall be made under authority of reasonable rules and procedures prescribed by the Apprenticeship Council, subject to the approval of the Secretary of Labor.

(b) The determination of the Director shall be filed with the council. If no appeal therefrom is filed with the council within 10 days after the date thereof, as herein provided, such determination shall become the order of the council. Any person aggrieved by any determination or action of the Director may appeal therefrom to the council, which shall hold a hearing thereon after due notice to the interested parties. Any person aggrieved or affected by any determination or order of the council may appeal therefrom to the District Court of the United States for the District of Columbia at any time within 30 days after the date of such order, by service of a written notice of appeal on the Director. Upon service of said notice of appeal, said council, by its secretary, shall forthwith file, with the clerk of said district court to which said appeal is taken, a certified copy of the order appealed from, together with findings of fact on which the same is based. The person serving such notice of appeal shall, within 5 days after the service thereof, file a copy of the same, with proof of service, with the clerk of the court to which such appeal is taken; and thereupon said district court shall have jurisdiction over said appeal, and the same shall be entered upon the records of said district court and shall be tried therein de novo according to the rules relating to the trial of civil actions, so far as the same are applicable. Any person aggrieved or affected by any determination, order, or decision of the district court may appeal therefrom to the Court of Appeals for the District of Columbia in the same manner as provided by law for the appeal of civil action.

SEC. 11. The provisions of this act shall apply to any person, firm, corporation, or craft in the District of Columbia which has voluntarily elected to conform with its provisions.

SEC. 12. As used or referred to in this act the term "The Secretary of Labor" shall mean the Administrator of that Department or agency of the United States Government authorized to administer the provisions of Public Law No. 308.

SEC. 13. Sections 13, 14, 15, 17, 18, 20, and 21, chapter 2 of title 15 of the Code of Laws of the District of Columbia are hereby repealed.

SEC. 14. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

REGULATION OF STOCK TRANSFERS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 1979) to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto, which had been reported from the Committee on the District of Columbia, with amendments, on page 2, line 5, after the word "certificate", to strike out "of" and insert "or", and on the same page, line 14, after the word "itself", to strike out "provided" and insert "provide."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc.,

HOW TITLE TO CERTIFICATES AND SHARES MAY BE TRANSFERRED

SECTION 1. That title to a certificate and to the shares represented thereby can be transferred only—

(a) by delivery of the certificate endorsed either in blank or to a specified person by the person appearing by the certificate to be the owner of the shares represented thereby, or

(b) by delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign, or transfer the same or the shares represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specific person.

The provisions of this section shall be applicable although the charter or articles of incorporation or code of regulations or by-laws of the corporation issuing the certificate and the certificate itself provide that the shares represented thereby shall be transferable only on the books of the corporation or shall be registered by a registrar or transferred by a transfer agent.

POWERS OF THOSE LACKING FULL LEGAL CAPACITY AND OF FIDUCIARIES NOT ENLARGED

SEC. 2. Nothing in this act shall be construed as enlarging the powers of an infant or other person lacking full legal capacity, or of a trustee, executor, or administrator, or other fiduciary, to make a valid endorsement, assignment, or power of attorney.

CORPORATION NOT FORBIDDEN TO TREAT REGISTERED HOLDER AS OWNER

SEC. 3. Nothing in this act shall be construed as forbidding a corporation—

(a) to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, or

(b) to hold liable for calls and assessments a person registered on its books as the owner of shares.

TITLE DERIVED FROM CERTIFICATE EXTINGUISHES TITLE DERIVED FROM A SEPARATE DOCUMENT

SEC. 4. The title of a transferee of a certificate under a power of attorney or assignment not written upon the certificate, and the title of any person claiming under such transferee, shall cease and determine if, at any time prior to the surrender of the certificate to the corporation issuing it, another person, for value in good faith, and without notice of the prior transfer, shall purchase and obtain delivery of such certificate with the endorsement of the person appearing by the certificate to be the owner thereof, or shall purchase and obtain delivery of such certificate and the written assignment or power of attorney of such person, though contained in a separate document.

WHO MAY DELIVER A CERTIFICATE

SEC. 5. The delivery of a certificate to transfer title in accordance with the provisions of section 1 is effectual, except as provided in section 7, though made by one having no right of possession and having no authority from the owner of the certificate or from the person purporting to transfer the title.

ENDORSEMENT EFFECTUAL IN SPITE OF FRAUD, DURESS, MISTAKE, REVOCATION, DEATH, INCAPACITY, OR LACK OF CONSIDERATION OR AUTHORITY

SEC. 6. The endorsement of a certificate by the person appearing by the certificate to be the owner of the shares represented thereby is effectual, except as provided in section 7, though the endorser or transferor—

(a) was induced by fraud, duress, or mistake, to make the endorsement or delivery; or

(b) has revoked the delivery of the certificate or the authority given by the endorsement or delivery of the certificate; or

(c) has died or become legally incapacitated after the endorsement, whether before or after the delivery of the certificate; or

(d) has received no consideration.

RESCISSION OF TRANSFER

SEC. 7. If the endorsement or delivery of a certificate—

(a) was procured by fraud or duress; or

(b) was made under such mistake as to make the endorsement or delivery inequitable; or

If the delivery of a certificate was made—

(c) without authority from the owner; or

(d) after the owner's death or legal incapacity, the possession of the certificate may be reclaimed and the transfer thereof rescinded, unless—

(1) the certificate has been transferred to a purchaser for value in good faith without notice of any facts making the transfer wrongful; or

(2) the injured person has elected to waive the injury or has been guilty or laches in endeavoring to enforce his rights.

Any court of appropriate jurisdiction may enforce specifically such right to reclaim the possession of the certificate or to rescind the transfer thereof and, pending litigation, may enjoin the further transfer of the certificate or impound it.

RESCISSION OF TRANSFER OF CERTIFICATE DOES NOT INVALIDATE SUBSEQUENT TRANSFER BY TRANSFEREE IN POSSESSION

SEC. 8. Although the transfer of a certificate or of shares represented thereby has been rescinded or set aside, nevertheless, if the transferee has possession of the certificate or of a new certificate representing part or the whole of the same shares of stock, a subsequent transfer of such certificate by the transferee, mediately or immediately, to a purchaser for value in good faith, without notice of any facts making the transfer wrongful, shall give such purchaser an indefeasible right to the certificate and the shares represented thereby.

DELIVERY OF UNENDORSED CERTIFICATE IMPOSES OBLIGATION TO ENDORSE

SEC. 9. The delivery of a certificate by the person appearing by the certificate to be the owner thereof without the endorsement requisite for the transfer of the certificate and the shares represented thereby, but with intent to transfer such certificate or shares, shall impose an obligation, in the absence of an agreement to the contrary, upon the person so delivering, to complete the transfer by making the necessary endorsement. The transfer shall take effect as of the time when the endorsement is actually made. This obligation may be specifically enforced.

INEFFECTUAL ATTEMPT TO TRANSFER AMOUNTS TO A PROMISE TO TRANSFER

SEC. 10. An attempted transfer of title to a certificate or to the shares represented thereby without delivery of the certificate shall have the effect of a promise to transfer and the obligation, if any, imposed by such promise shall be determined by the law governing the formation and performance of contracts.

WARRANTIES ON SALE OF CERTIFICATE

SEC. 11. A person who for value transfers a certificate, including one who assigns for value a claim secured by a certificate, unless a contrary intention appears, warrants—

(a) that the certificate is genuine;

(b) that he has a legal right to transfer it; and

(c) that he has no knowledge of any fact which would impair the validity of the certificate.

In the case of an assignment of a claim secured by a certificate, the liability of the assignor upon such warranty shall not exceed the amount of the claim.

NO WARRANTY IMPLIED FROM ACCEPTING PAYMENT OF A DEBT

SEC. 12. A mortgagee, pledgee, or other holder for security of a certificate who in good faith demands or receives payment of the debt for which such certificate is security, whether from a party to a draft drawn for such debt, or from any other person, shall not by so doing be deemed to represent or to warrant the genuineness of such certificate, or the value of the shares represented thereby.

NO ATTACHMENT OR LEVY UPON SHARES UNLESS CERTIFICATE SURRENDERED OR TRANSFER ENJOINED

SEC. 13. No attachment or levy upon shares of stock for which a certificate is outstanding shall be valid until such certificate be actually seized by the officer making the attachment or levy, or be surrendered to the corporation which issued it, or its transfer by the holder be enjoined. Except where a certificate is lost or destroyed, such corporation shall not be compelled to issue a new certificate for the stock until the old certificate is surrendered to it.

CREDITOR'S REMEDIES TO REACH CERTIFICATE

SEC. 14. A creditor whose debtor is the owner of a certificate shall be entitled to such aid from courts of appropriate jurisdiction, by injunction and otherwise, in attaching such certificate or in satisfying the claim by means thereof as is allowed at law or in equity, in regard to property which cannot readily be attached or levied upon by ordinary legal process.

THERE SHALL BE NO LIEN OR RESTRICTION UNLESS INDICATED ON CERTIFICATE

SEC. 15. There shall be no lien in favor of a corporation upon the shares represented by a certificate issued by such corporation and there shall be no restriction upon the transfer of shares so represented by virtue of any bylaws of such corporation, or otherwise, unless the right of the corporation to such lien or the restriction is stated upon the certificate.

ALTERATION OF CERTIFICATE DOES NOT DIVEST TITLE TO SHARES

SEC. 16. The alteration of a certificate, whether fraudulent or not and by whomsoever made, shall not deprive the owner of his title to the certificate and the shares originally represented thereby, and the transfer of such a certificate shall convey to the transferee a good title to such certificate and to the shares originally represented thereby.

LOST OR DESTROYED CERTIFICATE

SEC. 17. Where a certificate has been lost or destroyed a court of competent jurisdiction may order the issue of a new certificate therefor on service of process upon the corporation and on reasonable notice by publication, and in any other way which the court may direct, to all persons interested, and upon satisfactory proof of such loss or destruction and upon the giving of a bond with sufficient surety to be approved by the court to protect the corporation or any person injured by the issue of the new certificate from any liability or expense, which it or they may incur by reason of the original certificate remaining outstanding. The court may also in its discretion order the payment of the corporation's reasonable costs and counsel fees.

The issue of a new certificate under an order of the court as provided in this section shall not relieve the corporation from liability in damages to a person to whom the original certificate has been or shall be transferred for value without notice of the proceedings or of the issuance of the new certificate.

RULE FOR CASES NOT PROVIDED FOR BY THIS ACT

SEC. 18. In any case not provided for by this act, the rules of law and equity, including the law merchant, and in particular the rules relating to the law of principal and agent, executors, administrators, and trustees, and to the effect of fraud, misrepresentation, duress, or coercion, mistake, bankruptcy, or other invalidating cause, shall govern.

INTERPRETATION SHALL GIVE EFFECT TO PURPOSE OF UNIFORMITY

SEC. 19. This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those States which enact it.

DEFINITION OF ENDORSEMENT

SEC. 20. A certificate is endorsed when an assignment or a power of attorney to sell, assign, or transfer the certificate or the shares represented thereby is written on the certificate and signed by the person appearing by the certificate to be the owner of the shares represented thereby, or when the signature of such person is written without more upon the back of the certificate. In any of such cases a certificate is endorsed though it has not been delivered.

DEFINITION OF PERSON APPEARING TO BE THE OWNER OF CERTIFICATE

SEC. 21. The person to whom a certificate was originally issued is the person appearing by the certificate to be the owner thereof; and of the shares represented thereby, until and unless he endorses the certificate to another specified person, and thereupon such other specified person is the person appearing by the certificate to be the owner thereof until and unless he also endorses the certificate to another specified person. Subsequent special endorsements may be made with like effect.

OTHER DEFINITIONS

SEC. 22. (1) In this act, unless the context or subject matter otherwise requires—

"Certificate" means a certificate of stock in a corporation organized under the laws of the United States, or of the District of Columbia, or of another State whose laws are consistent with this act.

"Delivery" means voluntary transfer of possession from one person to another.

"Person" includes a corporation or partnership of two or more persons having a joint or common interest.

"To purchase" includes to take as mortgagee or as pledgee.

"Purchaser" includes mortgagee and pledgee.

"Shares" means a share or shares of stock in a corporation organized under the laws of the United States, or of the District of Columbia, or of another State whose laws are consistent with this act.

"State" includes State, Territory, district, and insular possession of the United States.

"Transfer" means transfer of legal title.

"Title" means legal title and does not include a merely equitable or beneficial ownership or interest.

"Value" is any consideration sufficient to support a simple contract. An antecedent or preexisting obligation, whether for money or not, constitutes value where a certificate is taken either in satisfaction thereof or as security therefor.

(2) A thing is done "in good faith" within the meaning of this act, when it is in fact done honestly, whether it be done negligently or not.

ACT DOES NOT APPLY TO EXISTING CERTIFICATES

SEC. 23. The provisions of this act apply only to certificates issued after the taking effect of this act.

INCONSISTENT LEGISLATION REPEALED

SEC. 24. All acts or parts of acts inconsistent with this act are hereby repealed.

TIME WHEN THE ACT TAKES EFFECT

SEC. 25. This act shall take effect on the ——— day of ————, 194–.

NAME OF ACT

SEC. 26. This act may be cited as the "Uniform Stock Transfer Act."

NATIONAL MEMORIAL STADIUM

The Senate proceeded to consider the joint resolution (S. J. Res. 155) establishing a commission to select a site and design for a national memorial stadium to be erected in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, on page 2, in line 6, after the word "as", to strike out "is" and insert "it"; on the same page, line 7, after the word "advisable", to insert "(3) to endeavor particularly to formulate a method of financing the project on a self-liquidating basis;" and on the same page, line 8, to strike out "(3)" and insert "(4)", so as to make the joint resolution read:

Resolved, etc., That there is hereby established a commission to be composed of three Members of the Senate to be appointed by the President of the Senate, three Members of the House of Representatives to be appointed by the Speaker of the House, and three persons to be appointed by the Commissioners of the District of Columbia. Such commission is authorized and directed (1) to consider and select a suitable site for an athletic field and stadium to be constructed in the District of Columbia as a permanent memorial to the men and women who gave their lives while serving as members of the armed forces of the United States during World War No. 1 and World War No. 2; (2) to procure such plans and designs and make such surveys and estimates of the cost thereof as it deems advisable; (3) to endeavor particularly to formulate a method of financing the project on a self-liquidating basis; and (4) to make a report to the Congress, together with its recommendations, at the earliest practicable date.

SEC. 2. (a) The members of the commission shall serve without compensation; but travel, subsistence, and other necessary expenses incurred by them in connection with the work of the commission may be paid from any funds available for expenditure by the commission.

(b) The commission is authorized, within the limits of appropriations made therefor, to employ and fix the compensation of such officers, experts, and other employees as may be necessary to carry out its functions.

SEC. 3. There are hereby authorized to be appropriated such sums, not to exceed $25,000, as may be necessary to carry out the provisions of this joint resolution.

The amendments were agreed to.

Mr. ELLENDER. Mr. President, does the bill provide for any appropriations?

Mr. BILBO. It provides for an authorization to spend not to exceed $25,000.

Mr. ELLENDER. Out of what sum?

Mr. BILBO. Out of District of Columbia funds.

Mr. ELLENDER. Is any method provided for financing the expense of building a stadium?

Mr. BILBO. No. As I have stated in the public press, I claim to know as much about building a stadium, and the size and capacity of a stadium, as any other Member of Congress, and I do not know anything about the subject at all. The purpose of the bill is to appoint a committee of experienced men to investigate and report back to the Congress so that the Congress may know what kind of a bill to write and what to do about it.

Mr. ELLENDER. Would the commission report also the method of financing the structure?

Mr. BILBO. It would.

Mr. ELLENDER. There would be no obligation on Congress to provide the money?

Mr. BILBO. There would be no obligation on earth.

Mr. ELLENDER. I thank the Senator.

The ACTING PRESIDENT pro tempore. The joint resolution is before the Senate and open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

PERMITS FOR COMMITTEE ON INAUGURAL CEREMONIES

The joint resolution (H. J. Res. 289) authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

MAINTENANCE OF ORDER, ETC., IN CONNECTION WITH INAUGURAL CEREMONIES

The joint resolution (H. J. Res. 290) to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945, was considered, ordered to a third reading, read the third time, and passed.

QUARTERING OF TROOPS PARTICIPATING IN THE INAUGURAL CEREMONIES

The joint resolution (H. J. Res. 291) to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies, was considered, ordered to a third reading, read the third time, and passed.

DISSOLUTION OF WOMEN'S CHRISTIAN ASSOCIATION OF THE DISTRICT

Mr. BILBO. Mr. President, I ask that the Senate proceed to the consideration of Senate bill 2205, to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Women's Christian Association of the District of Columbia may by a majority vote of its board of directors deed, transfer, and assign, without consideration, all its assets of whatsoever kind or nature, including property purchased with the appropriation made by chapter 455 of the act of June 23, 1874 (18 Stat. (pt. 3) 216), or any subsequent appropriation, to the Young Women's Christian Association of the District of Columbia. The Young Women's Christian Association of the District of Columbia may by a majority vote of its board of directors deed, transfer, and assign without consideration, to the Phyllis Wheatley Young Women's Christian Association of Washington, District of Columbia, any property received by it from the Women's Christian Association of the District of Columbia under this act. No property of the Women's Christian Association of the District of Columbia shall be held or used for any purpose or purposes other than those stated in the certificate of incorporation of the Young Women's Christian Asscciation of the District of Columbia or the Phyllis Wheatley Young Women's Christian Association of Washington, District of Columbia. Upon deeding, transferring, and assigning all its property under the provisions of this act, the Women's Christian Association of the District of Columbia shall be considered dissolved and its corporate charter surrendered.

Mr. BILBO. Mr. President, I wish to thank the Senators for their kindness.

APPOINTMENT OF UNDER SECRETARY OF WAR DURING NATIONAL EMERGENCIES

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1243, House bill 5494.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5494) to amend the act entitled "An act authorizing the President to appoint an Under Secretary of War during national emergencies, fixing the compensation of the Under Secretary of War, and authorizing the Secretary of War to prescribe duties," approved December 16, 1940.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, will the Senator again identify the measure?

Mr. JOHNSON of Colorado. I have asked unanimous consent that the Senate proceed to the consideration of Calendar No. 1243, House bill 5494, which is identical with Calendar No. 1209, Senate bill 2178, except that one is a Senate bill and the other is a House bill which has already been passed by that body.

Mr. WHITE. Does the bill relate to the appointment of an Under Secretary of War during national emergencies?

Mr. JOHNSON of Colorado. That is correct.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The ACTING PRESIDENT pro tempore. Without objection, Senate bill 2178 will be indefinitely postponed.

CONVEYANCE OF CERTAIN LANDS TO THE UNIVERSITY OF WYOMING

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 4665, which is on the calendar.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4665) authorizing the Secretary of the Interior to convey certain lands in Powell townsite, Wyo., Shoshone reclamation project, Wyoming, to the University of Wyoming.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. DANAHER. Mr. President, what is the nature of the bill?

Mr. HATCH. The bill would authorize the Secretary of the Interior to convey certain lands at Powell town site, Wyo., to the University of Wyoming.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WHITE. It is my understanding—I am not sure that I am correct—that only 24 acres of land are involved.

Mr. HATCH. That is correct.

Mr. WHITE. It is a matter in which the Senator from Wyoming has a very deep interest.

Mr. HATCH. Yes; and I promised him that I would do everything I could to have the bill considered and passed.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4665) was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Sundry officers for promotion for temporary service in the Navy.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The ACTING PRESIDENT pro tempore. If there be no further reports from committees, the clerk will state the nominations on the calendar.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Victor Russell to be collector of customs, customs collection district No. 21, with headquarters at Port Arthur, Tex.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the nomination of Mr. Victor Russell be confirmed. For many years he was secretary to the late Senator Sheppard of Texas.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The clerk will state the next nomination on the calendar.

COMPTROLLER OF CUSTOMS

The legislative clerk read the nomination of Charles F. Murphy to be comptroller of customs in customs collection district No. 4 at Boston, Mass.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE NAVY

The legislative clerk read the nomination of Ellery W. Stone to be rear admiral in the Naval Reserve.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. HILL. Mr. President, I ask unanimous consent that the President be immediately notified of all confirmations of today.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

RECESS TO MONDAY

Mr. HILL. Mr. President, as in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 37 minutes p. m.) the Senate took a recess until Monday, December 11, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 8 (legislative day of November 21), 1944:

DEPARTMENT OF STATE

Brig. Gen. Julius C. Holmes, United States Army, of Kansas, to be an Assistant Secretary of State.

James C. Dunn, of New York, to be an Assistant Secretary of State.

IN THE NAVY

Capt. Ralph E. Jennings, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 5th day of September 1943.

POSTMASTERS

The following-named persons to be postmasters:

ARKANSAS

J. Fred Ball, Newport, Ark., in place of N. C. Wilkerson, resigned.

CALIFORNIA

Vera L. Toleman, Happy Camp, Calif. Office became Presidential July 1, 1943.

CONNECTICUT

Anne V. Kenney, Mechanicsville, Conn. Office became Presidential July 1, 1943.

GEORGIA

Charles A. Randolph, Tucker, Ga. Office became Presidential July 1, 1942.

ILLINOIS

Iva E. Hanson, Itasca, Ill., in place of G. J. Pfaff, resigned.

IOWA

Aloysius J. Hanrahan, Charlotte, Iowa. Office became Presidential July 1, 1944.

KANSAS

Howard R. Ellis, Haviland, Kans., in place of C. M. Asher, transferred.

MAINE

Charles C. Cousins, Brooklin, Maine. Office became Presidential July 1, 1944.

MASSACHUSETTS

Arthur K. Bates, Danvers, Mass., in place of J. D. Sullivan, deceased.

MICHIGAN

Henry J. Stein, Clinton, Mich., in place of Livingstone Latham, resigned.

MINNESOTA

Clyde H. Ferrell, Montrose, Minn. Office became Presidential July 1, 1944.

MISSOURI

Alonzo E. Ellis, Dodson, Mo. Office became Presidential July 1, 1944.

Blanche G. Griffith, Perryville, Mo., in place of A. H. Zoellner, resigned.

NEW YORK

Leon W. Wood, Freehold, N. Y. Office became Presidential July 1, 1944.

Mildred S. Makyes, Onondaga, N. Y. Office became Presidential July 1, 1944.

Edgar K. Warner, Purling, N. Y. Office became Presidential July 1, 1944.

Cyril O. Alberga, Round Top, N. Y. Office became Presidential July 1, 1944.

Anna M. Isbell, Warners, N. Y. Office became Presidential July 1, 1944.

Helen K. Morrison, Westmoreland, N. Y. Office became Presidential July 1, 1944.

NORTH DAKOTA

Myrna M. Sillman, Sawyer, N. Dak. Office became Presidential July 1, 1944.

PENNSYLVANIA

Frank D. Harriger, Leeper, Pa. Office became Presidential July 1, 1944.

George W. Althouse, Mohnton, Pa., in place of L. M. Kachel, resigned.

Reba H. Galley, Perryopolis, Pa., in place of J. A. Byers, removed.

David H. Baughman, Rillton, Pa. Office became Presidential July 1, 1944.

Grethel V. Shawley, Youngstown, Pa. Office became Presidential July 1, 1944.

TEXAS

Alice W. Griffin, Hooks, Tex., in place of J. W. Perry, transferred.

Willie Reagan Martin, Loraine, Tex., in place of R. B. Cope, transferred.

VERMONT

Clarence P. Dudley, East Montpelier, Vt. Office became Presidential July 1, 1944.

Daniel Henley, Richmond, Vt., in place of C. E. Sheehan, resigned.

WISCONSIN

Arthur G. Anderson, Brodhead, Wis., in place of A. N. Lawton, resigned.

Lawrence H. Hardebeck, Lakewood, Wis. Office became Presidential July 1, 1944.

CONFIRMATIONS

Executive nominations received by the Senate, December 8 (legislative day of November 21), 1944:

COLLECTOR OF CUSTOMS

Victor Russell, to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex.

COMPTROLLER OF CUSTOMS

Charles F. Murphy, to be comptroller of customs for customs collection district No. 4, with headquarters at Boston, Mass., to fill an existing vacancy.

IN THE NAVY

TEMPORARY SERVICE

Ellery W. Stone, to be a rear admiral in the Naval Reserve, for temporary service, to continue while serving as Chief Commissioner of the Allied Mediterranean Commission.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 8, 1944

The House met at 11 o'clock a. m., and was called to order by the Speaker.

Dr. Timothy F. O'Leary, Ph. D., department of education, Catholic University of America, Washington, D. C., offered the following prayer:

O Almighty and Eternal God, we are drawing close to that holy feast day on which the Christian world commemorates the coming to earth of Thy Divine Son who became man in order to be "like unto us in all things except sin." Graciously grant, O loving Father, that as Thy Divine Word came to bring peace to a sorry world steeped in the darkness of idolatry and sin, so now again may He come as the Prince of Peace to bring justice and charity to a distracted world, which, in the pursuit of selfish ends and material gains, has plunged us into the horrors of war with all its dreadful burden of suffering, anxiety, and death. For these calamities have weighed heavily upon us all: our President, our leaders of government, our military commanders, our whole Nation, and, indeed, on all peoples everywhere.

We pray that all troubled souls will lift up their hearts in love to Thee, the only source of true and lasting peace, and that they may humbly submit to Thy divine plan for the redemption of man made known to them through the teaching of Thy Son. From these divine teachings may they learn where is wisdom, where is strength, where is understanding, where is length of days and life, where is the light of the eyes and peace.

We pray that a self-sacrificing love of God and of our neighbor be manifest among us all, and that its presence may be demonstrated by our humble obedience to the divine law. May this divinely inspired love be the token by which we shall recognize the true leaders of government at home and abroad. May it be, as it is divinely intended to be, the conqueror of hatred and strife, the bond of unity among the peoples of all nations, and the sure guaranty of peace

with justice. This we ask in the name of the Father, and of the Son, and of the Holy Ghost. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1097. An act to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone;

H. R. 5029. An act to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes; and

H. R. 5543. An act extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 837) entitled "An act to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATCH, Mr. O'MAHONEY, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House of Representatives Nos. 1, 2, 3, 4, and 5 to the bill (S. 963) entitled "An act relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States."

The message also announced that the Senate disagrees to the amendment of the House of Representatives No. 6 to the above-entitled bill.

USE OF GOVERNMENT-OWNED SILVER FOR WAR PURPOSES

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1954) to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. REED of New York. Mr. Speaker, reserving the right to object, this bill extends the act so that they can use the silver for war purposes, and a certain amount of it for domestic purposes; is that right?

Mr. DOUGHTON of North Carolina. The pending bill simply extends the expiration date from December 31, 1944, to December 31, 1945, of legislation enacted in July 1943. The purpose of the original legislation was to authorize the use of Government-owned silver in the war effort. Mr. Donald Nelson, of the War Production Board, very strongly recommended the passage of this legislation. The same or similar reasons exist today, and the Treasury Department, War Department, and War Production Board have submitted favorable reports.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I will not object, this is simply a continuation of the act and has the approval of the various agencies concerned?

Mr. DOUGHTON of North Carolina. That is correct, for another year.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. CELLER. Mr. Speaker, reserving the right to object, and I shall not object, but do I correctly understand that this is a prolongation of the act whereby we appropriated silver not used for monetary purposes to be now used in the war effort?

Mr. DOUGHTON of North Carolina. That is correct.

Mr. FORAND. Mr. Speaker, the bill now before us, S. 1954, amends Public Law 137, passed last year, in only one respect. It extends the life of that law for 1 year, from December 31, 1944, to December 31, 1945, and that is the only change it makes.

Public Law 137 authorizes the President, through the Secretary of the Treasury upon recommendation of the Chairman of the War Production Board, to sell or lease for domestic purposes for a period not longer than 6 months after the cessation of hostilities in the present war, upon such terms as the Secretary of the Treasury shall deem advisable, to any person, partnership, association, or corporation, or any department of the Government, for purposes including but not limited to the making of munitions of war and the supplying of civilian needs and the converting of existing plants to those purposes, any silver held or owned by the United States. The act provides that no silver shall be sold under its authority at less than 71.11 cents per fine troy ounce. The act further provides that at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates issued by the Secretary of the Treasury shall be maintained by the Treasury.

I want to say here for the RECORD what I said in the Ways and Means Committee this morning while this bill was under consideration: that one of the principal purposes of this so-called Green bill was to provide silver for civilian needs—silver that might keep men at work when there is no war work for them to do, and silver to protect that industry. The silver industry has converted to war work by approximately 70 percent, and when a war contract runs out it needs silver to operate until the next contract is received. The industry needs silver to keep its entire force together so that the industry can continue to operate and be ready to do further war work as it comes along.

It has come to my attention that War Production Board officials have been reluctant to recognize this feature of the law and I make this statement for the RECORD now, so that the Congress and the War Production officials will know that it was our intent, and still is, to protect the silver industry. That, of course, comes next to the needs of war which was the primary purpose of this legislation.

The silver industry is in the forefront in the war program and is entitled to every proper protection. The industry will not need much of the silver held by the Treasury, but it will need some.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943 (Public Law 137, 78th Cong.), is amended to read as follows:

"SEC. 2. This act shall expire on December 31, 1945."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, in passing this legislation it is the expectation of Congress that the W. P. B. will sell silver not needed for war purposes in order to keep the silver-manufacturing industry in business and to supply some civilian needs.

These plants will be needed to give employment to many of our people after the war and the Government should be as liberal as possible in keeping these plants supplied with their basic materials insofar as it does not interfere with war needs. It was for this purpose that Congress passed the act in the first place. In renewing it, we should endeavor to make it clearly understood to the W. P. B. that Congress means what it says.

The silver-manufacturing industry should not be penalized because it is a small industry. On the contrary, it should be encouraged, as it is one of the many smaller industries which will be needed to provide jobs for our returning service people and war workers when peace comes.

ARMY HOSPITALS IN ENGLAND AND FRANCE

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I am anticipating giving to the Congress in special orders after the business of this day is concluded something of a report on the survey I was privileged to make of our Army hospitals in England and France

during August and September just passed. Inasmuch as my time will be limited, I am asking the privilege of spreading in the Appendix of the RECORD an address delivered to the graduating class in medicine, dentistry, and nursing at Northwestern University in Chicago on September 4, 1944, by Maj. Gen. George F. Lull, Deputy Surgeon General of the United States Army. In this address General Lull presented some of the detail of Army medical care and responsibility that I have not included in my remarks. The value to the Congress of a more complete picture is my sole reason for asking this privilege.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

PENALTIES INCIDENT TO BRINGING CERTAIN ALIENS INTO THE UNITED STATES

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 963) relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States, with House amendments thereto, and recede from House amendment No. 6.

The Clerk read the title of the bill.

The Clerk read House amendment No. 6 as follows:

Strike out all of section 4, which reads as follows:

"SEC. 4. Subsection (a) of section 20 of the Immigration Act of 1924 (43 Stat. 164; 8 U. S. C. 167 (a)), is amended by adding at the end thereof the following: 'The Attorney General may, upon application in writing therefor, mitigate such penalty to not less than $200 for each seaman in respect of whom such failure occurs, upon such terms as the Attorney General in his discretion shall think proper. This section, as amended, shall apply to all penalties arising subsequent to June 5, 1940.'"

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain section 4?

Mr. LESINSKI. Section 4 of S. 963 gives discretion to the Attorney General to impose a fine on steamship lines that may bring an alien into this country who himself is not responsible for it because that alien may have a visa from a consul of a foreign country.

Mr. MARTIN of Massachusetts. It has been mandatory heretofore?

Mr. LESINSKI. It was mandatory.

Mr. MARTIN of Massachusetts. And this leaves it discretionary?

Mr. LESINSKI. This leaves it to the discretion of the Attorney General.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The House receded from House amendment No. 6.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that on Tuesday next at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

EXTENSION OF REMARKS

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial which appeared a few days ago in the Washington Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

APPLICATION OF ATLANTIC CHARTER TO LIBERATED AREAS—PRAISE TO STETTINIUS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, as refreshing as a cool breeze in the heat of summer is the recent enlightened statement of our distinguished new Secretary of State that the peoples of the liberated areas shall have the right to work out their problems of government along democratic lines without interference from the outside. In other words, our Department of State reaffirms the policy of the Atlantic Charter, that that charter shall apply to Italy, Greece, Belgium, Poland, and other liberated areas. Apparently another government sees contrariwise and feels that the Atlantic Charter in particular should not apply to Greece and Italy. We have the horrible spectacle in the news of the Greeks being machine-gunned and American tanks being used against Greek resistance patriots, because they wish to set up a government of their own choosing.

We must have it out with England now. Delay is fatal. Difficulties in liberated areas will grow increasingly greater unless we effect a show-down now. We must therefore applaud the good beginning made by Mr. Stettinius—more power to him. He is apparently not going to be a lick-spittle for either Mr. Eden or Mr. Churchill and put the label of communism on the opponents of governments they form.

We must demand a role in the Allied commission which administers the armistice in Greece and administers the civilian population. We must demand a greater share in the provisional government of Italy.

Eden put the Indian sign on Count Sforza. It was unpardonable. What is needed in a hurry is a complete understanding on all these matters with the United States, Britain, and Russia.

Furthermore, let me read from a recent report of the overseas news agency:

ATHENS INTERFERENCE

(By Constantine Poulos)

ATHENS, December 5.—American trucks, white star shining coldly and filled with helmeted British troops, are passing through the center of Athens this morning on the way to the workers' sections of Piraeus. American jeeps, towing small howitzers, are bouncing in the same direction. British armored cars and patrol cars are rushing that way, too. Grinding along in the rear are ominous-looking American-made Sherman tanks.

So it has happened, just as the Greek Fascists desired and planned. British troops and British arms are being used in an attempt to put down those Greek people whose ideas differ from those of the British Ambassador to Greece, King George of Greece, and his Fascist supporters.

"Great Britain will pay dearly for this," a former Greek minister told me as we watched British patrols and tanks dashing about. "The Greeks are a very proud people. This show of tanks, which we know are American and which we know came to Greece long after all Germans had withdrawn from our country, will not go down with Greeks. Regardless of whether or not they belong to the left, most Greeks resent interference in their domestic affairs."

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from New York [Mr. CELLER], I wish to say that, of all times for Members of this House to be waving a red flag in the face of Great Britain, our chief ally on every front in this war, it seems to me this is the worst.

There are conditions in Europe with which many of us are not familiar. When Members come here and attack Great Britain, our ally in this war, whose sons are fighting and dying by the side of ours, or attempt to have us intervene in her affairs in Palestine and stir up trouble for her there, in my opinion they are rendering a disservice, not only to Great Britain, but to the cause of the United States and all the rest of our allies in this the greatest conflict of all time.

I sincerely trust that using the floor of this House as a sounding board for that purpose will cease.

EXTENSION OF REMARKS

(Mr. REES of Kansas asked and was given permission to extend his remarks in the RECORD.)

VIRGIN ISLANDS

Mr. BELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5029) to assist in the

internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 6, after "project", insert ": *Provided further*, That items 2, 3, 4, 7, 8, 9, 14, 16, and 17 shall have priority over others of the projects on the islands of St. Thomas and St. John, and items 19, 20, 22, 27, and 29 shall have priority over others of the projects on the island of St. Croix: *Provided further*, That funds shall be available for the purposes specified in section 2 on other projects without regard to the priorities so established."

Page 7, lines 11 and 12, strike out "to be immediately available and to remain available until expended."

Page 7, line 12, after "expended", insert "$2,028,420 to be available in 1945, and $2,000,000 in each of the following 4 years, each yearly sum to remain available until expended."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, as I understand the amendment, it merely distributes over a period of 5 years the money the House made available for the current fiscal year?

Mr. BELL. That is the effect of one amendment.

Mr. MARTIN of Massachusetts. The other amendments merely give priority to projects the committee has approved?

Mr. BELL. That is correct.

Mr. MARTIN of Massachusetts. The gentleman's committee is in favor of these amendments?

Mr. BELL. Our committee had a meeting the other day, and these amendments were agreed to unanimously.

Mr. LECOMPTE. Reserving the right to object, Mr. Speaker, it is true, is it not, that the amendments we considered in our committee were the ones the Senate adopted?

Mr. BELL. That is correct. We had before us the report coming from the Senate committee on H. R. 5029. The amendments now under consideration appeared in that report, and we agreed to them.

Mr. LECOMPTE. We more or less anticipated the action of the Senate and considered those amendments before they were actually in the bill?

Mr. BELL. As I understand, the bill was passed yesterday unchanged from the report that came from the Tydings committee.

Mr. LECOMPTE. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD, and insert two editorials, one from the Cleveland Plain Dealer and one from the Cleveland Press.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FIRST SUPPLEMENTAL APPROPRIATION BILL, 1945

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5587, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday, the amendment offered by the gentleman from Georgia [Mr. TARVER] was pending, and is now under consideration.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there was no provision inserted in this bill which had more careful consideration than the provision which has been stricken out on this technical point of order. I think there was no proposition for which there was more widespread demand than this appropriation. The appropriation provides for the compilation of statistics which will be needed in planning for the postwar period and providing for reconstruction and reconversion. We were in receipt of requests from a large number of industrial, commercial, labor, and other business organizations over the country. The need for this activity was stressed during the recent campaign, in which the candidates for the office of Chief Executive of the United States pointedly called attention to the fact that insufficient provision had been made for planning and post-war organization. It was in response to this practically universal demand that the Bureau of the Budget submitted an estimate which the committee here included in this bill. The proposal is approved also by the various governmental departments affected—the Department of Commerce, the Department of Labor, and the Department of Agriculture, and all are cooperating in the project. It is an integrated program, each part essential to the whole.

It was testified before our committee that it would in no way interfere with manpower problems. Mr. Capt, Director of the Census, charged with the duty of carrying out this provision, said in response to an inquiry:

> We are particularly determined that it be not permitted to interfere. Insofar as we are able, we have issued instructions to our field force, which is in the formative state at the moment, that we first look to people who would normally not be available for regular jobs, and not take people from the normal labor force under any circumstances, giving first preference to honorably discharged veterans who are able to do our work, to members of their families, and the families of men still in the service.

So that this provision will in no way interfere with the war program.

I shall include at this point a partial list of business organizations which have urged this appropriation, indicating the imperative necessity for securing data of this character for use in post-war planning:

The American Management Association.
The National Association of Master Plumbers.
The National Association of Miscellaneous and Ornamental Iron Manufactures.
The National Lumber Manufacturers Association.
The Chamber of Commerce of the United States.
The Model Industry Association.
The National Electrical Manufacturers Association.
The National Boot and Shoe Manufacturers Association.
The American Iron and Steel Institute.
The Toilet Goods Association.
The Aeronautical Chamber of Commerce of America.
The American Newspaper Publishers Association.
The Automotive and Aviation Parts Manufacturers.
The American Paper and Pulp Association.
The Association of American Railroads.
The Brooklyn Chamber of Commerce.
The National Industrial Advertisers Association.
The National Association of Purchasing Agents.
The National Paint, Varnish, and Lacquer Association.
The National Standard Parts Association.
The Society of the Plastics Industry.
The United Typothetae of America.
The Valve Manufacturers Association.
The Structural Clay Products Institute.
The United States Rubber Co.
The Pacific Gas & Electric Co.
The B. F. Goodrich Co. of Akron.
The Lockheed Aircraft Corporation.
The Century Electric Co.
The Cincinnati Gas & Electric Co.
National Retail Dry Goods Association.
National Coffee Association.
The National Association of Retail Druggists.
National-American Wholesale Grocers' Association.
Milk Industry Foundation.
The Jewelers.

Hardware Age.
General Foods Corporation.
The Coca-Cola Co.
California & Hawaiian Sugar Refining Corporation, Ltd.
Associated Credit Bureaus of America.
United Fresh Fruit and Vegetable Association.

In addition, the program has also been endorsed by the Census Advisory Committee of the American Statistical Association, the American Marketing Association, and the American Industry Association. There has been no business objection to, or criticism of, the program on any grounds or from any quarter.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Georgia.

Mr. TARVER. Since the amendment which I have offered merely restores language which the committee had placed in the bill originally, with the change made necessary by the ruling of the Chair on a technical point of order, I assume from the gentleman's remarks that he, as chairman of the committee, is approving the amendment offered?

Mr. CANNON of Missouri. We approve of the amendment in every respect and ask that the amendment be agreed to. There was complete agreement upon the part of the committee as to the program as a whole. The committee reported the proposed appropriations unanimously. There was no objection of any kind, from any source, either in the committee, from representatives of the departments; or upon the part of any Member of the Congress who appeared before the committee. The need of this provision is so well established that beyond peradventure of doubt it will be added by the Senate when it goes to that body.

Attention has been called repeatedly, Mr. Chairman, to the utter futility of raising technical points of order against important provisions of this character. Certainly the House of Representatives should be permitted to pass upon these matters of such import and allowed to legislate, instead of shunting all such legislation against which some technical point of order may be raised, to the other body and then accepting it when it comes back in conference.

Mr. CASE. Mr. Chairman, in order to refresh our memories as to the position in which we find ourselves, let me review briefly the parliamentary situation. Yesterday the gentleman from Wisconsin [Mr. KEEFE] made a point of order against the paragraph which provided $5,500,000 for further prosecution of the agricultural census. The point of order was sustained. The language used would have made that money available until the end of 1946, 6 months beyond the period covered by the bill. The amendment that was then offered by the gentleman from Georgia [Mr. TARVER], now pending, attempts to reinsert the $5,500,000, the same amount of money, to be spent in 6 months' less time. Obviously there is some inconsistency there, because if the money is for 6 months' less time, they should not need as much money, but the money is still in there for the same amount. I was not too sure as to why the urgency for this until I received one of my home State papers this morning, which carried this paragraph:

> The Federal agricultural census of South Dakota will begin January 2, 1945. The State has been divided into four districts, and an enumerator will be appointed for each through the office of the Democratic national committeeman. Davidson County is in the fourth district. Davidson County will have three subenumerators, to be paid $10 a day.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CASE. Sorry, but not now. Is there any urgency that calls for an appropriation of $5,500,000 on a work program of a census which has not yet begun? Originally this program was set up and $600,000 appropriated for setting up the work. Then an appropriation of $7,250,000 was made for carrying on the work after January 1, 1945. How can anybody today say that an emergency exists for appropriating $5,500,000 when $7,250,000 were already available for work yet to begin? Nobody knows yet whether there is an emergency or whether there will be any deficiency unless they want to extend the funds before the work is begun.

This whole question goes back to the manpower problem. This very bill in the preceding paragraph carries $10,000,000 to assist in procuring more labor to meet an emergency in farm labor. In the hearings there is testimony by the head of the Veterans' Administration, General Hines, that there is a critical shortage of nurses. The defenders of this amendment have said it was hoped to use some women employees, and yet General Hines says there is a critical need for more nurses in the Veterans' Administration, in the Army and in the Navy.

As for the statement of the gentleman from Georgia [Mr. TARVER] yesterday that it was important as a matter of food production, the testimony on this item in the hearings was that "one of the primary purposes of this census was to know what the war has done to our farms, and for reconversion." All in the post-war period. Bless you, the papers have been full of stories in the last day or two about the manpower situation in relation to war production. General Somervell, Secretary Patterson, and Mr. Krug have all said that the paramount need is to get ammunition and tires for the front and that more men and women are needed for war production. You have read that ammunition is being rationed at the front now. Therefore, what justification is there for appropriating five and one-half million dollars to expend for hiring 30,000 workers in a farm-census program for post-war use when the important need is to get more production, to get more ammunition for the boys at the front? No man can justify this amendment to the American public today if there is a shortage of manpower in production, as has been stated. I hope you will vote it down.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask to be recognized for 5 minutes in opposition to the gentleman's position.

Mr. CASE. Mr. Chairman, I make the point of order that the gentleman has already spoken on this amendment.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to speak for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. JENNINGS. Mr. Chairman, I object.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. GAVIN. Mr. Chairman, since coming to Congress I have never posed as an agricultural expert other than the time I presented the gigantic string bean for the preview of the Congress—a bean grown by a Victory gardener up in my district.

So I am of the opinion we from the highly industrialized districts that pay the taxes should be more concerned about these various agricultural programs. So it is with reluctance, not being an agriculturist, that I inject myself into a debate of this nature.

However, yesterday afternoon I observed with a great deal of interest the fanatical zeal with which the distinguished Representatives of the farm States hopped to their feet to defend this amendment asking an additional $5,000,000 to an already $7,000,000 allocation to secure statistical information on farm production, or farm census, or whatever you want to call it, which, in my estimation, even after it is compiled will be about as stale and useless as some of the millions of dozens of eggs we now have in storage.

If I heard and understood correctly, it will keep on the pay roll from 28,000 to 30,000 people.

Well, this amendment should be voted down in a very definite manner. The great State of Pennsylvania, which I represent, highly industrialized, with 10,000,000 people, are paying approximately 10 percent of the Federal taxes. The workers of Pennsylvania, who by the sweat of their brow, are producing this tax money, are fed up on this type of spending.

It is about time for the Members of this House to cut out and curtail unnecessary expenditures during this war period and get down to the all-important job of putting people into productive enterprise to turn out the guns, ammunition, and equipment to win the war and not be creating programs that are competitive with war industries.

No greater contribution could be made to the war effort here today than to kill this whole census appropriation rather than increase it by $5,000,000 as the amendment proposes.

Let us take out of the lush pasture of political patronage these 27,000 to 30,000 census takers and permit them to find jobs providing foodstuffs on the farm rather than providing figures on paper that nobody reads or is concerned with to any great extent.

When the boys on the firing line and in the fox holes return and hear about some of this useless spending in census taking they will have plenty to say about it and a lot of other things.

I sincerely hope the membership of this House will vote down this amendment.

Mr. TABER. Mr. Chairman, I move that all debate on this amendment do now close.

Mr. RANKIN. Mr. Chairman, I trust the gentleman will not press that motion.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The question was taken, and the Chair announced that the ayes had it.

Mr. CANNON of Missouri. Mr. Chairman, I ask for a division.

The CHAIRMAN. Those in favor of the motion will rise and be counted.

Mr. RANKIN. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The Chair calls the attention of the gentleman to the fact that we are in the middle of a vote.

Mr. RANKIN. Mr. Chairman, I am offering a preferential motion. I move that the Committee do now rise.

The CHAIRMAN. The Chair will ask the gentleman to reconsider, because we are in the midst of taking a vote on a motion at this time.

Mr. RANKIN. Mr. Chairman, I am offering a preferential motion now.

The CHAIRMAN. The Chair cannot recognize the gentleman at this time for that purpose.

The question is on the motion offered by the gentleman from New York [Mr. TABER].

The question was taken; and there were—yeas 71, nays 18.

Mr. TARVER. Mr. Chairman, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. TABER. Mr. Chairman, I hope the Chair will count those going out on the other side of the aisle.

The CHAIRMAN. One hundred and six Members are present, a quorum.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CANNON of Missouri and Mr. TABER.

The Committee again divided; and the tellers reported that there were—ayes 97, noes 32.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 26, noes 81.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers, and pending that I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 37, noes 98.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CANNON of Missouri and Mr. TABER.

The Committee again divided and the tellers reported there were ayes 46 and noes 104.

So the motion was rejected.

The CHAIRMAN. The gentleman from Missouri [Mr. CANNON] has demanded tellers on the Tarver amendment.

Tellers were ordered, and the Chairman appointed Mr. CANNON of Missouri and Mr. TABER to act as tellers.

The Committee again divided; and the tellers reported there were ayes 48 and noes 109.

So the amendment was rejected.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. As I understand the situation, a motion to close debate on the pending section and all amendments thereto was agreed to.

The CHAIRMAN. The gentleman is mistaken. The motion was only on the amendment.

Mr. KEEFE. So that further debate upon the section is in order?

The CHAIRMAN. It is in order. The gentleman from Missouri will proceed.

Mr. CANNON of Missouri. Mr. Chairman, under the law an agricultural census will begin January 2. This is the customary census always held between the decennial censuses and an appropriation has already been made for that purpose in a previous appropriation bill. It, of course, is particularly important this year because of the unprecedented changes which have taken place, and the critical need for current information. This proposal is merely to supplement the regular agricultural census by broadening the range of inquiry to include certain data needed by business and the Government for post-war planning. Under this additional appropriation, the census enumerator, when he propounds the stereotyped questions required by the agricultural census, will ask the additional questions eliciting the information contemplated in the budget estimate and asked by the various business organizations urging the adoption of the estimate. I do not recall in my service on the Committee on Appropriations any measure on which we have had as many requests from representative business organizations, labor organizations, commercial organizations throughout the country as we have had for this item. Everyone realizes that the European phase of the war will be concluded in 1945, and certainly the Japanese war should be over not later than 1946.

We must not make the mistake this time we made after the last war and find ourselves suddenly confronted by peacetime conditions for which we have made no preparations. As a matter of fact, the need will be greater this time than before, because the war has lasted longer, more men have been enrolled in the armed forces; more men have been recruited for war industries, and business and economic conditions have been more completely disorganized than ever before in modern history.

The need for advance planning has been recognized from the beginning. The President instituted an agency for this purpose which by a vote of the House was discontinued. In the recent campaign one of the issues discussed by every newspaper, over every radio and elsewhere, was the need for planning for the post-war period in order to meet the new and novel conditions which will confront us at the conclusion of the war, and campaign speakers throughout that campaign stressed this need.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, is the gentleman trying to filibuster?

Mr. CANNON of Missouri. Mr. Chairman, I am trying to ask the House to meet one of the greatest needs before the American people today. There is absolutely no partisanship in anything I have said. There can be no partisanship in this proposition.

Mr. MARTIN of Massachusetts. Does the gentleman mean to say that taking a farm census is the greatest need of the American people?

Mr. CANNON of Missouri. This item in the bill has nothing to do with the farm census. That has already been provided for and is now in process of administration. This is for the simultaneous compilation of data requested by the business organizations of the Nation to assist in solving post-war problems and preventing a recurrence of the depression which followed the last war.

Mr. ROWE. Mr. Chairman, I object.

Mr. WILSON. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sample census of business: For all expenses of the Bureau of the Census necessary to collect, compile, analyze, and publish a sample census of business, including the employment by the Director, at rates to be fixed by him, of personnel at the seat of government and elsewhere without regard to the Classification Act; purchase of books of reference, periodicals, maps, and newspapers; construction of tabulating machines; printing and binding; travel expenses, including expenses of attendance at meetings concerned with the collection of statistics when incurred on the written

authority of the Secretary of Commerce; reimbursement for actual cost of ferry fares, and bridge, road, and tunnel tolls; and reimbursement at not to exceed 3 cents per mile of employees for expenses of travel performed by them in privately owned automobiles while engaged in census enumeration within the limits of their official stations; fiscal year 1945, $1,200,000, to remain available until June 30, 1946.

Mr. CASE. Mr. Chairman, I make a point of order against the paragraph just read on the ground it contains legislation unauthorized by law in an appropriation bill. The paragraph is cited in the report of the committee as one of those paragraphs containing legislation.

The CHAIRMAN. Does the gentleman from Missouri [Mr. CANNON] desire to be heard?

Mr. CANNON of Missouri. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentleman from Missouri concedes the point of order and the point of order is sustained.

The Clerk read as follows:

General administration: For an additional amcunt for general administration, fiscal year 1945, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945; and including not to exceed $2,500 for entertainment of officials in the field of aviation of other countries when specifically authorized and approved by the Administrator, $207,718.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, nothing that I have said this morning or at any other time in the discussion of this bill has had any political implication. I have discussed solely and sincerely the economic merits of the bill. But I have been this morning twice refused permission to continue in explanations of the provisions of the bill. It is unprecedented, Mr. Chairman. I do not recall when the Member in charge of a bill was not allowed an additional 5 minutes, if needed to explain the bill, when not discussing partisan matters. I have never injected politics into the discussion of appropriations.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I decline to yield to the gentleman at this time. He objected to my proceeding when I was merely discussing a purely economic question here when, under the long-established procedure of this House, the Member in charge of a bill——

Mr. MARTIN of Massachusetts. The gentleman is wrong. I never objected at all.

Mr. CANNON of Missouri. When I asked to proceed the gentleman reserved the right to object and gratuitously took advantage of the opportunity to make the ridiculous charge that I was filibustering. And under his reservation one of his partisans objected. It is as long as it is short.

Mr. MARTIN of Massachusetts. The gentleman is wrong. I never objected at all.

Mr. CANNON of Missouri. I ask for order.

I do not recall any recent instance, certainly not in my experience in this House, in which a Member in charge of a bill was not allowed an additional 5 minutes to explain an item in the bill, especially when no reason had been given for that exceptional discourtesy.

Mr. Chairman, one reason why I was glad the election was over was that I took for granted we were through with these petty, partisan interruptions which delayed and complicated the consideration of appropriation bills immediately preceding the election. It is discouraging to see the same puerile political tactics resumed in the consideration of the first appropriation bill to be taken up following the election. Certainly there is nothing proposed in this bill that is of a political nature.

The statement read here today from a vicious newspaper article is without any foundation of fact.

There is no provision of law under which the National Democratic Committee could make these appointments and even if there was, there is no occasion for their doing it. As a matter of fact, there is the greatest difficulty in securing enumerators in these farming centers, and the Bureau is restricted largely to women or to returned honorably discharged veterans.

This article is as preposterous as that old canard about "clear everything with Sidney." Everybody knows that was a lie. On the face of it, the only two men involved could not possibly have reported any such conversation, and yet it was repeated and reiterated on this floor every time we brought in an appropriation bill. It is easy to understand how a tale like that would be circulated before an election. It deceived many thoughtless people. But what is to be gained by circulating such a story as this, now that the election is over, and disrupting the deliberations of the House, and especially when all the enumerators have already been appointed. It is not only pointless and as witless, but it has a much more sinister aspect in view of the importance of saving the country from another post-war depression.

If there ever was a time when partisan bickering is out of place on this floor, it is now. American men are dying on a thousand battle fronts this morning. American blood is flowing in rivers this minute. Many of the men who have been sent over there by virtue of the unanimous vote of this House will never come back. Hundreds of thousands of those who do come back will return shattered in health and in limb. And all of them will come back under the pressing necessity of getting back into civil life and getting started all over again. This provision, sought by the business interests of the Nation, is designed to meet that specific need. They must not come back to selling apples on the street. But that is what they will come back to unless this House stops this foolishness and throws politics overboard and gets down to legitimate business. We sent those boys over there. And it is up to us to see that they get a square deal when they get back. And it is just as incumbent on us to see that American business gets a square deal. This spectacle of men here on the floor throwing monkey wrenches into the machinery will not help the boys—it will not help American business in foreign or domestic markets, and it will not help the monkey-wrench throwers. As indicative of the grave situation ahead and the importance of meeting it in a businesslike way, let me give you just a few representative letters from the many received by the Department and filed with the committee on this item.

Here is one typical of a class of inquiries being received every day:

E. PAUL BEHLES & ASSOCIATES, INC.,
Baltimore, Md., June 13, 1938.

BUREAU OF HOME ECONOMICS.
United States Department
of Agriculture, Washington, D. C.

Subject: Department and apparel store statistics.

GENTLEMEN: The Market Research Division of the Department of Commerce has referred us to your office for data which we are anxious to obtain in connection with our department-store planning and merchandise engineering.

We would like to have:

1. Data showing the per capita earning power for different cities and States for different periods.

2. The per capita purchases per annum in department stores, fur stores, men's clothing, etc., for different cities and States.

3. How many shoes are sold? Under $3; between $3 and $5; between $5 and $8.

The same break-down in other classifications such as: Women's dresses, hats, men's clothing, furs, jewelry, etc.

In other words, in merchandising, in various cities, we want to determine what price ranges hold the greatest potential opportunities.

We also want to determine, what cities have reached the saturation point, with present retail set-up to the earning power of the community.

We also want to determine, if possible, what type of city or community contributes most heavily to the volume of mail-order business. We presume that it is the smaller settlements, however, we should like to ascertain the dividing line.

Kindly furnish us with such papers or booklets which you have available on the above subject.

Also kindly place us on your mailing list so that we may receive your material regularly as it is issued. Thanking you, we are,

Sincerely yours,

E. PAUL BEHLES.

Kindly reply to the Baltimore office.

Here is one that touches on a matter of interest to every doughboy who plans to return to farming if he gets back whole—or if he gets back at all:

INTERNATIONAL HARVESTER CO.,
Dallas, Tex., March 9, 1938.

BUREAU OF HOME ECONOMICS,
Department of Agriculture,
Washington, D. C.

GENTLEMEN: Do you have any statistics showing the average income of a Texas farmer? What I would like to have, if possible, is statistics showing the average income of the farmer in the Dairy Belt, the Wheat Belt, the Corn Belt, and the Cotton Belt. If you have this information available, I would certainly appreciate your sending same to me.

Yours very truly,

GRAYSON PHILLIPS,
Correspondent.

Here is one that appeals to all returning soldiers, as well as to business and industry:

THE FIDELITY MUTUAL LIFE INSURANCE CO.,
Philadelphia, Pa., April 27, 1938.
SUPERINTENDENT OF DOCUMENTS,
Washington, D. C.

DEAR SIR: Would you please let me know whether the Government publishes information showing the wealth of the individual States in the country; also, does it publish figures showing the income for individual States, and the average income of the people living in the States? Have there been any figures prepared showing the standard of living as it exists in the individual States?

If these figures are available, will you please let me know how they may be obtained as promptly as possible?

Very truly yours,
GEORGE A. D. MULLER,
Statistician, Securities Department.

Here is one that should have particular consideration. We cannot crowd all the American people into the great centers of population:

NEW JERSEY PRESS ASSOCIATION,
New Brunswick, N. J., January 27, 1938.
BUREAU OF HOME ECONOMICS,
Department of Agriculture,
Washington, D. C.

GENTLEMEN: We are interested in your studies of the income of families in American villages. Please send us any publications of these studies that are available and we shall be glad to pay any cost that is involved.

Sincerely,
CHARLES L. ALLEN,
Executive Secretary.

The need for statistics on individual localities is illustrated in this letter:

FIRST NATIONAL BANK,
Lincoln, Ill., January 7, 1938.
UNITED STATES DEPARTMENT OF AGRICULTURE,
Bureau of Home Economics,
Washington, D. C.

GENTLEMEN: We are writing to ask if you will please send to us copies of the following releases from the Study of Consumer Purchases (A W. P. A. Project):

Distribution of Families by Income and Family Type—1935–36, tables 2002–1.

Median Family Income in Specified Cities, 1935–36, CS 2–1.

We are particularly interested in statistics for the city of Lincoln, Ill.

Thanking you in advance, we are

Yours very truly,
PAUL T. BETZ,
Executive Vice President.

The dependence of business on the accuracy and completeness of these reports is indicated in the following letter:

RICHMOND TIMES-DISPATCH,
Richmond, Va., July 11, 1939.
UNITED STATES DEPARTMENT OF AGRICULTURE,
Bureau of Home Economics, Study of Consumer Purchases,
Washington, D. C.

GENTLEMEN: We have just seen table 16182–1 (preliminary release) showing a study of distribution of families by income and family type, 1935–36, for 33 villages in Georgia, South Carolina, North Carolina, and Mississippi.

If you have a comparable study which covers the State of Virginia we would like very much to receive a copy.

Yours very truly,
FREDERICK SALE,
Local Advertising Manager.

This letter indicates the wide range of business interests applying for information of this character:

MARYLAND STATE PLANNING COMMISSION,
Baltimore, Md., April 21, 1938.
Dr. DAY MONROE,
Bureau of Home Economics, United States Department of Agriculture,
Washington, D. C.

DEAR DR. MONROE: We are making a study of recreational facilities in the State of Maryland in cooperation with the National Park Service. In this connection, we would like to obtain income data for the counties of Maryland and principal cities and towns, if possible, as follows:

1. Number of persons or families, by income groups.
2. Approximate amount of per capita or per family marginal income.
3. Number of persons or families with probable submarginal incomes.

Mr. Harold Merrill, acting counselor, Region No. 2, of the National Resources Committee, has suggested that data on the above subjects might be available from your consumer purchases and real property inventory studies.

If you have available any bulletin material bearing on these subjects, it will be appreciated if you can find it possible to send us copies.

Yours very truly,
FRANCIS D. FRIEDLEIN,
Executive Secretary.

Here is a letter submitting the type of inquiry perhaps most frequently received:

COLE & CO.,
Memphis, Tenn., October 24, 1938.
BUREAU OF ECONOMICS,
Department of Agriculture,
Washington, D. C.

GENTLEMEN: We understand that you have a survey on family incomes in cities, villages, and farms in the various parts of the country.

Will you kindly advise us where we might obtain one of these surveys and its cost?

Cordially,
LESTER W. COLE,
COLE & CO.

This request indicates the failure of general statistics to furnish the detailed data which a survey of the character proposed to be secured through the pending bill will supply:

SYRACUSE CHAMBER OF COMMERCE,
Syracuse, N. Y., December 31, 1937.
DEPARTMENT OF AGRICULTURE,
Washington, D. C.

GENTLEMEN: There appeared in the Syracuse Herald several nights ago an article revealing a Federal survey showing the family earnings in small towns. I understand that the study was requested by the United States Chamber of Commerce, following plans drawn by the Social Science Research Council, and was conducted in cooperation with the Bureau of Labor Statistics.

I would very much like to have a breakdown of this information if it were possible to obtain same.

The article to which I refer said nothing about the situation in New York State. Undoubtedly these figures did appear in the study. I trust it will be possible for you to favor us with a copy of the complete information.

Cordially yours,
FREDERICK E. NORTON,
Secretary.

Mr. Chairman, let me appeal to my friends on both sides of the aisle to support the committee and the pending bill. The bill under discussion was reported out by the unanimous vote of the committee. There was not a dissenting vote. Why not give American business and American armies assurance that while they are united on the military front abroad, and the economic front here at home, we are united on the legislative front here on this floor.

Mr. CASE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in view of the reference which the gentleman from Missouri made to the newspaper article I read, I think I should state a few facts with regard to the newspaper. The implication was that this was a newspaper article from some obscure paper that was interested in putting forth a prejudiced political viewpoint. Actually, the paragraph I read is from the Daily Republic, of Mitchell, S. Dak., which was the most ardent advocate for the New Deal in the recent election that we had in the State of South Dakota. The Daily Republic is one of the principal newspapers in the State, is the only newspaper in the State with full leased-wire services of both the Associated Press and United Press. It has an exceptionally large circulation for a newspaper in its area. The column from which I read the article is a column entitled "The Soap Box," by Jack Bailey, who has been both on the Daily Republic and in his previous connection on the Aberdeen American News, recognized as the most outspoken New Deal columnist in the State of South Dakota.

I did not read quite all of that paragraph and possibly I should read it in full now so that the committee may have the entire text.

A Federal agricultural census of South Dakota will begin January 2, 1945. * * * The State has been divided into four districts, and an enumerator will be appointed for each through the offices of the Democratic national committeeman * * * Davison County is in the fouth district. * * * The enumerator for this division will be A. O. Steensland, of Beresford, former head of the Home Owners' Loan Corporation for South Dakota and an ex-State senator.

I might interpose that Mr. Steensland is a distinguished citizen of the State, a former Democratic Party official in the State of South Dakota, and was the party's candidate for Governor a few years ago. The item concludes with this sentence:

Davison County will have three subenumerators to be paid $10 a day.

So the item is not from Republican authority; it comes as a simple news comment in a column in the most independent newspaper in South Dakota, by the most outspoken New Deal columnist we have in South Dakota. Neither the paper nor the columnist could have had any partisan or prejudiced purpose in carrying the item in the edition which reached Washington this morning.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I wish to say on the most careful consideration that regardless of who this man is or whom he represents or what his political opinions are, there is absolutely no truth in his statement. The law does not provide or permit political consideration in making these appointments. As a matter of fact, as has been said, the Department

is having great difficulty in securing enumerators. As everybody knows, they have had difficulty getting anybody to take these positions. The result is that practically all of the enumerators will be women or honorably discharged veterans. So great has been the difficulty in securing personnel that the State Administrator for the State of Missouri—the State head of the activity—had to be brought in from the outside and is a permanent employee of the Bureau of the Census here in Washington. There is no law, and the gentleman cannot cite any law, under which appointments under the Census would have to be referred to or cleared by any political organization. It is to be regretted that so reprehensible a consideration should be injected into a nonpartisan matter of such vital concern to the entire country.

Mr. TABER. Mr. Chairman, I move that all debate on this paragraph do now close.

The motion was agreed to.

The Clerk read as follows:

Technical development: For an additional amount, fiscal year 1945, for technical development, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945, $62,000.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would not ask for the floor at this time if I were not greatly agitated by some of the remarks that have been made, regarding this farm census. I think it is time that the country woke up to the fact that somebody has to do a little work with their hands. I guarantee that there would be fewer applications for some of these fat jobs if the assignment had been given for them to get out and hoe potatoes or pick peas, or do something else of a manual nature. I am here to say that if the Government is so anxious to give out jobs, it is time that some of the interested parties got a chance to do real manual labor and harvest the crops and produce food for victory that we must have if we expect to win this war. Now there is a serious question in my mind whether, even if this amount of money is appropriated for an agricultural census, you will be able to get enough people to take the census, because you cannot get enough agricultural workers at the present time. They are drafting men into the armed forces by the hundreds from the farms in my district so that there are not enough to do the ordinary farm work.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. I was just curious to inquire, representing a great farming district in the city of Boston, whether or not crops are taken care of, grown, produced and picked during January, February, and March?

Mr. EDWIN ARTHUR HALL. Well, the only answer I can give the gentleman is that about April they will start importing a lot of workers from Jamaica and other points south. They will be brought into my district in up-State New York and put to work. At the same time, they are drafting boys off the farms in my district so that there are not enough farm laborers to even plant the crops, to say nothing of harvesting them. For that reason, I think we should give serious thought to the lack of farm labor before we start wrangling over an item of $5,000,000. As a member of the Committee on Agriculture, I, for one, believe that these funds could be put to better use if they were used for something else besides an agricultural census at this time.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman.

Mr. ROWE. Am I to assume from the statement made by the majority leader, that in the early part of the year, the farmers of this country have nothing to do?

Mr. EDWIN ARTHUR HALL. Apparently. That is what I gathered also. But after all, our distinguished friend is from Boston, from the "agricultural" district of Boston.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. McCORMACK. The gentlemen, of course, stretched the point and drew an inference which was not justified. The gentlemen had talked about utilizing these jobs for picking crops. I was just inquiring what crops are grown during January, February, and March?

Mr. EDWIN ARTHUR HALL. It will not be too long before we will be thinking about these things. I repeat, crops must be planted before they are grown or harvested. I think we ought to forestall any appropriation of $5,000,000 for an agricultural census.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

GENERAL LAND OFFICE

Salaries: For an additional amount for personal services in the District of Columbia, fiscal year 1945, $20,000.

Mr. COLE of New York. Mr. Chairman, I move to strike out the last word and do so for the purpose of inquiring from the chairman of the committee what justification there is for the increase in appropriation to the office of the High Commissioner of the Philippine Islands, which I had understood, was dormant, in view of the existing conditions and relations. While the amount involved is comparatively small, only eighteen or twenty thousand dollars, I am curious to know the justification for any added expense to that office.

Mr. CANNON of Missouri. Mr. Chairman, this is looking forward; it anticipates what might happen or what is expected to happen in the near future.

It was impossible to tell, at the time the Budget estimate was made—and the time it was considered by the committee, just what would develop. We feel certain that within a few months there will be changes over there of great importance. With that in view, the Budget recommended, and the committee unanimously adopted this provision, so as to be in a position to meet any exigencies which might arise.

Mr. COLE of New York. By that does the gentleman mean they anticipate the possibility that the United States High Commissioner of the Philippines would actually move his office back to the Philippine Islands?

Mr. CANNON of Missouri. There is every indication at the present time that it is merely a matter of time before that very happy consummation may be realized.

Mr. COLE of New York. Then it is intended that as soon as the Philippines are liberated, the United States High Commissioner will return to the Philippines?

Mr. CANNON of Missouri. Yes; of course, when that occurs it is necessary for us to be in a position to meet the emergency. There may be some preliminary expenses, also, incident to his return.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

Sun River project, Mont., $110,000.

Mr. O'CONNOR of Montana. Mr. Chairman, I move to strike out the last word.

My purpose is to inquire from the chairman of the subcommittee what prompted the committee to leave out the $400,000 provided for the construction of transmission lines from Fort Peck to Williston, N. Dak., and to Glendive, Mont. They were provided for, for the development of war food products. This amount was cleared by the Bureau of the Budget and was supported by the Bureau of Reclamation. It seems to me that as a war food project, having been sc established already, it should have been included in this bill.

Mr. CANNON of Missouri. I do not think there was any difference of opinion in the committee from that expressed by the gentleman from Montana, but along with other items which needed further investigation and which, in the short time we had to bring this bill to the floor, we were not able to give adequate consideration, and which, in view of the further fact that the need was not a matter of pressing concern, were deferred without prejudice, to the regular committee.

The omission does not mean that there was any doubt on the part of the committee as to the importance and necessity of this provision, but we were not in a position to give this and certain other projects the attention they should have. For that reason we left this item to the regular subcommittee, which has charge of the Interior Department appropriation bill, to be brought up early in the next Congress.

Mr. O'CONNOR. Then as I understand the position of the chairman, it is that the amount will be allowed later on in the regular bill.

Mr. CANNON of Missouri. I do not know as to the amount that can be allowed. That is a matter that will be under consideration when the estimate is taken up in the next session, but attention will be given to the project, and the

omission of the item now in no way militates against its ultimate approval.

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD concerning the Sun River project in Montana, and, likewise, concerning the item of $400,000 with reference to the construction of transmission lines out of Fort Peck.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

SUN RIVER, MONT., PROJECT

Mr. O'CONNOR. Mr. Chairman, what is known as the Sun River project in Montana is one of the first to be established and has been very successful in bringing into production farm products theretofore arid lands. As part of the system of irrigation there was established years ago what might be termed an old wood-stave siphon. It has been in use upward of 30 years, and with the constant use and washing of water debris, and so forth, it is in a state of almost complete dilapidation.

This $110,000 item included in the bill is made necessary to build a concrete siphon that will last for nearly a century. This construction cannot be delayed any longer without endangering the entire irrigation operations. My understanding is that there is $43,000 available to apply on that account now, and according to the best information it will take that sum plus the $110,000 to build the concrete siphon with some small back fills, and so forth.

This item is supported by the Bureau of Reclamation and has been recommended by the Bureau of the Budget.

FORT PECK PROJECT, MONTANA

The $400,000 item mentioned in the Fort Peck project in Montana is to meet the cost of work on two power lines of the Fort Peck power system. One of these power lines runs to Glendive, Mont., and the other runs to Williston, N. Dak. The Glendive line is under construction at the present time to serve irrigation and pumping plants. These projects have been constructed during the war as war-food projects. The estimated total cost of the Glendive line is $1,542,000 of which $717,800 already has been expended.

This is a irrigation item, and it is very important to the production of war foods and, after the war, farm production.

This item is supported by the Bureau of Reclamation and has been recommended by the Bureau of the Budget and should be included in this bill.

The Clerk read as follows:

Gaging streams: For an additional amount for gaging streams, fiscal year 1945, $80,000; and the amount that shall be available only for cooperation with States or municipalities is hereby increased to $1,180,000.

Mr. ELLSWORTH. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: On page 28, after line 26, insert:

"Bureau of Mines: For an additional amount for mining experiment stations, fiscal year 1945, including the objects specified under this head in the Interior Department Appropriation Act, 1945, $160,000."

Mr. ELLSWORTH. Mr. Chairman, this item is one of the small items on the list of deferred items which the chairman mentioned a moment ago, deferred by the committee without prejudice, with the understanding that such items would be regularly considered when the regular appropriation bill came along. This item was deferred, as I understand it, for two principal reasons: One, that it is not urgent at this time and can be handled later when the next regular appropriation bill is considered. The other is that the work specified in these projects listed in the $160,000 request, could be done at other laboratories.

The facts regarding this particular item are these. The laboratory referred to is a new electrometallurgical laboratory at Albany, Oreg., which was completed only 3 or 4 months ago. It was placed in operation shortly after the beginning of the fiscal year. The present appropriation for basic maintenance and operating was set up last year and the Bureau of Mines informs me that the laboratory was completed some 3 months ago and is now ready for operation and that it has a maintenance crew and operating crew on the job. It is a fine laboratory, costing some $500,000, and I feel that the appropriation item for full operation during the coming 6 months should be included in this bill.

As to the second reason, that the work proposed is being done or can be done at other laboratories, in the hearings Dr. Dean, of the Bureau of Mines said that the work proposed to be done at the Albany laboratory could not be done at other plants.

The history of the item is this. The Bureau made a request totaling $365,000, but in listing provisions for this laboratory the Bureau of the Budget eliminated two projects, and submitted a different estimate of $160,000 which sum is included in this amendment.

The basis for making operating appropriations which seems to have been established for the new laboratory, is the same as the basis established for other large laboratories, operated by the Bureau of Mines, with this exception, that the basic appropriation such as was granted this laboratory a year ago calls for a basic maintenance and operation amount which is just enough to keep the doors open.

In the case of the other laboratories, project funds come from other appropriations. In the case of this laboratory, the appropriation has to be made directly for it. So the situation with respect to this new laboratory is different from the other several laboratories that the Bureau operates; hence the urgency of the situation and the reason why I take the time of the House at this point to ask that the amendment appropriating $160,000 to keep this laboratory in operation during the next 6 months be adopted.

The work that will be done bears directly upon the war problem. They are working on the electro development of lead and zinc. Lead, as you know, has been placed on the allocation list as a scarce metal. These metals will be used in making cartridge brass. Another project is for the recovery of nickel and another is for the production of an entirely new rust-resistant metal known as zirconium. This laboratory cannot go to work on these problems until the next fiscal year beginning July 1 unless this amendment is adopted.

The laboratory is a new one. It was authorized by a war Congress. It has been constructed during the war period and it is working on metal matters directly bearing on the conduct of the war. I therefore submit that this is urgent and that the appropriation should be granted.

Mr. JENNINGS. Will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Has the Government invested anything in this laboratory?

Mr. ELLSWORTH. Yes; a half-million dollars.

Mr. JENNINGS. Has the Government the equipment there and the chemists who can carry on this work?

Mr. ELLSWORTH. It would have to employ a few men, I think totaling something under 30 if all these projects are undertaken. They have about 23 employees now. All of the equipment is installed and it is a beautiful plant. I was through it myself about 2 months ago and it is one of the finest plants in the country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Oregon [Mr. ELLSWORTH].

Mr. Chairman, this laboratory is one of the newer laboratories. It has recently been established and is not yet in complete operation. In addition to that it is proposed to initiate there a character of work which is now being handled in various other laboratories in other parts of the country. There is, naturally, a possibility that there may be some duplication if work proceeds immediately before there has been opportunity for correlation of the work of these laboratories. For this reason the project seems to require additional study for which time was not available before this bill came to the floor, and in view of the fact there was no emergency and that certain various phases of this work are already under way in other establishments, it was thought best to defer this proposition for consideration by the regular subcommittee, which will start hearings on the Interior appropriation bill shortly after the beginning of the next session.

Mr. ELLSWORTH. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. I believe in the hearings it was stated, was it not, that the principal project which the Budget allowed in the estimate could not be done at the other laboratories and that the other laboratories were already operating up to capacity? I believe that was stated by Dr. Dean in the hearings?

Mr. CANNON of Missouri. I do not recall the exact statement to which the gentleman refers but on page 297 of the hearings I said to Dr. Dean:

You tell us here on the first page of your section of the justifications that immediately after the renovation period, because of the lack of research facilities and of operating funds, it has been found necessary to utilize other stations of the Bureau, particularly those at Salt Lake City, Boulder City, and Pullman, in carrying out the development work on certain problems of special development to the Pacific Northwest?

Because those stations were available, we thought it best to defer the matter so that it would have sufficient study to insure an integrated plan when the work was finally undertaken.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 31, noes 50.

So the amendment was rejected.

Mr. COCHRAN. Mr. Chairman, in view of the vote taken last night on the bill providing for an additional clerk for the Members of Congress, I ask unanimous consent to return to page 2 in order that I may offer an amendment after line 9.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. CANNON of Missouri. Mr. Chairman, by direction of the Committee on Appropriations I am instructed to say that we have no objection to the inclusion of this amendment.

Mr. TARVER. Mr. Chairman, reserving the right to object, I wish to say that I realize, and every Member of the House realizes, because it was made clear on yesterday, that not only can a Member who desires to do so object to the unanimous-consent request submitted by the gentleman from Missouri, but any Member can, when the amendment is offered, make a point of order against the amendment upon the ground that the appropriation is not authorized by law.

While I am opposed to the enactment of the proposed law, opposed it on its passage yesterday, and opposed to the making of the appropriation which his amendment will propose, and shall not vote for the making of the appropriation, I do not feel it is my duty to place my individual will as one Member of this House against the will of the overwhelming majority of the membership of the House as expressed on yesterday. So far as I am concerned I shall not object to the request made by the gentleman from Missouri, nor shall I submit a point of order against the amendment when it is proposed.

Mr. SMITH of Ohio. Mr. Chairman, reserving the right to object, I should like to ask the gentleman from Missouri [Mr. COCHRAN] whether he feels this is a good way to legislate?

Mr. COCHRAN. May I say to the gentleman from Ohio that I have operated here since last Friday along the lines suggested to me by members of the Committee on Appropriations. I do not think that it is a good way to legislate to put legislative riders on appropriation bills. But you have about 15 in this bill. By reason of the fact that the committee said they are essential, I would be the last one to make a point of order against any of them. The House has spoken on this subject. The Members of this House know that the Senate has never refused a request of this character from the House of Representatives. It will pass the Senate beyond question. The fact of the matter is that your Committee on Accounts unanimously reported this and the House by an overwhelming majority passed it. It belongs here as it is a supplemental appropriation. Therefore, I think it is in a good place.

Mr. SMITH of Ohio. Suppose a point of order is made against this amendment and it is sustained. How long would it be before the Committee on Appropriations could take such action as would put this proposed legislation in proper form to be presented to the House?

Mr. COCHRAN. The Committee on Appropriations can wait 4 or 5 months before it does anything. If the amendment is adopted here, or if the bill is enacted into law, the money to pay this comes out of the fund which we have appropriated for clerk hire to Members. This is an amendment to the basic law. Therefore, it goes into effect and the money is paid out of those funds. In 2, 3, 4, or 5 months it will be necessary to make a supplemental appropriation to cover these expenses.

Mr. SMITH of Ohio. I wish it to be understood distinctly that I do not desire to indulge in any dilatory tactics merely for the purpose of delaying the enactment of this proposed legislation. I realize this legislation will eventually go through in any event. I am just wondering, however, whether it would not be possible for the gentleman to have an understanding with the Committee on Appropriations. He has had an understanding with that committee, or at least with the chairman of that committee, that there will be no objection, no point of order raised from that source, against the amendment the gentleman from Missouri proposes to offer. I am just wondering whether the gentleman could not have some understanding with the Committee on Appropriations to bring in legislation in proper form so that it could be taken care of in the next few days. We have passed the stage in this House where we are truly legislating. We are simply mechanically grinding out laws. I deplore this manner of making laws.

Mr. COCHRAN. When I made my request my colleague from Missouri was recognized, speaking for the Committee on Appropriations and he, being the chairman of that committee, stated that the committee had no objection now that the House had spoken upon the question. He stated that a minute ago.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: On page 2, after line 9, insert the following:

"ADDITIONAL CLERK HIRE

"Effective January 1, 1945, the clerk hire of each Member, Delegate, and Resident Commissioner shall be at the rate of $9,500 per annum, and such officials and chairmen of standing committees (other than the Committee on Appropriations, which is governed by other law) may rearrange or change the schedules or salaries and the number of employees in their respective offices or committees: *Provided*, That no salary shall be fixed hereunder at a rate in excess of $5,000 per annum, and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than $5,000 per annum: *Provided further*, That such changes as may be made in consequence hereof shall not increase the aggregate of the salaries provided for such offices or committees for the fiscal year ending June 30, 1945, or thereafter, beyond the additional amount herein authorized for clerk hire for Representatives, Delegates, and the Resident Commissioner from Puerto Rico, and an amount equivalent to the difference between the aggregate amount appropriated for salaries of a standing committee for the fiscal year 1945 and the amount required to increase the compensation rate prevailing on December 6, 1944 (in case of a vacancy, the rate last paid), to the clerk of a standing committee to a rate not in excess of $5,000 per annum: *Provided further*, That no compensation rate shall be established in pursuance hereof which is not a multiple of five: *Provided further*, That Representatives, Delegates, the Resident Commissioner from Puerto Rico, and committee chairmen, on or before the 10th day of the month in which rearrangements or changes of salary schedules are to become effective, shall certify in writing such rearrangements or changes to the disbursing office, which shall thereafter pay such employees in accordance with such rearrangements or changes: *Provided further*, That the provisions of this paragraph shall supersede any law in conflict therewith.

"For an additional amount, fiscal year 1945, for committee employees, to be available solely for expenditure for additional compensation for clerks to standing committees, as authorized in the preceding paragraph, $42,630.

"For an additional amount, fiscal year 1945, for clerk hire, Members and Delegates, $657,000."

Mr. CANNON of Missouri (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that this amendment was read yesterday and the contents are familiar to all members of the committee, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. ROWE. I object, Mr. Chairman, and make the point of order against the amendment that the appropriation is not authorized by law.

Mr. TABER. Mr. Chairman, I hope the membership understands that the doing away with the reading of this amendment and having it printed in the RECORD does not waive the point of order that may be made against it. It may be printed in the RECORD by unanimous consent and still a point of order may be raised against it after it is so printed. That is correct, is it not?

Mr. CANNON of Missouri. Mr. Chairman, we could not distinctly hear the request of the gentleman from Missouri [Mr. COCHRAN]. Depending upon its phrasing, it may be too late to raise the point of order.

The CHAIRMAN. The Chair will state to the gentleman from Missouri and the gentleman from New York that the Clerk has not finished reading the amendment.

Mr. TABER. Mr. Chairman, I understand that, but a request was made that consent be given that it be printed in the RECORD and that the reading be dispensed with. I want the membership to understand that, if that consent is given, there would still be an opportunity to make a point of order against it if they wished to do so.

Mr. ROWE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROWE. Mr. Chairman, if, as the chairman of the Committee on Appropriations states, it is now too late to raise the point of order, when can it be raised?

Mr. TABER. Mr. Chairman, it is not too late.

The CHAIRMAN. The point of order can be made after the amendment has been read.

The Clerk will continue the reading of the amendment offered by the gentleman from Missouri [Mr. COCHRAN.]

The Clerk concluded the reading of the amendment.

The gentleman from Missouri is recognized for 5 minutes.

Mr. ROWE. Mr. Chairman, I make a point of order that the appropriation is not authorized by law.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard?

Mr. COCHRAN. Mr. Chairman, I always try to abide by the rules of the House. They must be preserved no matter the cost. I think I know the rules of the House. I made it as plain as I possibly could what I desired to do when I stated that in view of the vote taken last night, I asked unanimous consent to return to page 2 that I might offer an amendment following line 9. That unanimous consent was granted. In my opinion, under the rules, that did not waive a point of order. I did not ask for a waiver of a point of order. As much as I would like to see this matter handled in this manner, I will support the rules of the House and therefore, Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am taking this time to ask some questions of the chairman of the subcommittee.

Is adequate appropriation provided for in the bill to take care of getting additional labor for the purpose of assisting the farmers, in areas such as my own in Montana, where there is a keen labor shortage? We have to bring into this country labor, such as Mexican labor, to provide adequate help to take care of our sugar-beet crop, for instance, which requires so much hand work. Does the gentleman feel that adequate appropriation is provided in this bill, so that we will have sufficient help to take care of our crops in ample time?

Mr. CANNON of Missouri. Mr. Chairman, provision for the recruitment and allocation of farm labor is one of the salient features of this bill. The Committee had before it voluntary representatives from all spot crop States, especially those in the West and Northwest. Their testimony was conclusive on two points, first, the need of additional labor, and, second, the success of the system under which it has been provided during the past season.

I do not think any part of the war program which we have initiated has been so successful as the arrangement under which we provided intrastate and interstate and international labor in those sections where there is a peak of need for labor, either at planting or at harvesting. The testimony before the committee was unanimous to the effect that the present system is highly satisfactory and that under it we have broken all records of food production, especially in the sugar-beet industry and the citrus-fruit industry. With that in view, and I think perhaps the only item in the bill in which we went further than the Budget estimates, we went so far as to extend the time in which contracts might be made, and also provided contractual authority for an additional $10,000,000. We will have available for this purpose on the 1st day of next January $8,000,000 from the current appropriation. That will give for this purpose an aggregate of $18,000,000, with the understanding that if additional funds are necessary the committee shall be glad to consider any Budget estimate for such an item in future deficiency appropriation bills.

Mr. O'CONNOR. I want to say to the gentleman that we in Montana, which State ranks third in production of sugar beets now, could not possibly harvest and take care of our crops without the additional help to which the gentleman has referred.

Mr. CANNON of Missouri. That seems to have been the situation in various sections of the country and no doubt accounts for the remarkable record of production both this year and last. Both in 1944, as in 1943, American farmers have broken all-time production records. No substantial losses of crops at harvest time have occurred due to shortage of labor. Again, as in 1943, the Cooperative Extension Service of the State agricultural colleges and the Department of Agriculture has rendered important wartime service in the recruitment and placement of local domestic labor and in facilitating arrangements for foreign and prisoner-of-war labor in areas where the domestic supply of labor was inadequate.

Using funds allocated to State extension services under the provisions of Public Law No. 229, the Extension Service has established and operated 12,000 county and community farm labor offices, about two-thirds of which were handled by volunteer leaders working under the direction of the 3,000 county agricultural agents. County farm labor assistants and other necessary additional personnel have been employed as needed, the number varying from 2,500 on March 1, to 4,600 in August, a peak harvest month.

Basic to any sound farm labor program is the full utilization of the labor and machinery on farms. An intensive program of sharing labor and equipment, of developing ways and means of reducing labor requirements, of eliminating operations not essential to production in wartime, and of training new farm workers to increase their output has reached 1,000,000 during 1944. Special information programs have been conducted to interest nonfarm people in farm work.

The Victory-farm-volunteers program has directly influenced hundreds of thousands of nonfarm youth to work on farms for shorter or longer periods. In a similar way, the women's land army program has been responsible for hundreds of thousands of additional women contributing to agricultural production during the war period.

Some of the 1944 accomplishments may be expressed statistically as follows:

Farm labor placements reported by State extension services—Jan. 1 to Oct. 31, 1944	4,627,000
Of which number there were—	
Men (including families)	2,834,000
Youth	1,196,000
Women	597,000

During the full calendar year of 1944 it is expected that the Extension Service will have supplied farmers with 125,000,000 man-days of labor—not including transported interstate and foreign workers—at a cost of less than 5 cents per man-day. This represents between 22 and 25 percent of all hired labor on farms during 1944.

At the request of Selective Service, the Extension Service has investigated and reported on the production status of 1,100,000 cases of deferment of farm workers.

Cost of the extension farm-labor program

	Minimum	Maximum
Available under Public Law 45 for allocation to State extension services, 1943	$9,000,000	$13,050,000
Expended by States, Apr. 29 to Dec. 31, 1943	4,655,000	4,655,000
Unexpended balance carried into 1944	4,345,000	8,395,000
Increase in funds available for allocation to States in 1944, Public Law 229	5,000,000	5,450,000
Total available for 1944	9,345,000	13,845,000
Expended by State extension services, 1944 (actual, Jan. 1 to Oct. 31; estimated, Nov. 1 to Dec. 31)	8,614,000	8,614,000
Balance available for 1945	731,000	[1] 5,231,000

[1] Assuming no transfer to the foreign and interstate program.

The Extension Service has been able to achieve these outstanding accomplishments at a minimum of expense, as indicated. For example, in 1943, dur-

ing an 8-month period, the Extension Service expended only $4,655,000 of the minimum of $9,000,000 and the maximum of $13,050,000 which was available for expenditure, thus returning to the Treasury unexpended a maximum of $8,395,000. During the entire calendar year 1944 the Extension Service greatly expanded its assistance to meet the needs of farmers for farm labor, yet the total cost of this service was less than the minimum funds allocated for this purpose. The total expenditures are estimated at $8,614,000, compared to a minimum of $9,345,000 and a maximum allocation of $13,845,000. Thus in 1944, the Extension Service has continued this work so as to bring about a total maximum saving of $5,231,000 and $8,395,000 in 1943, as compared with the amounts allocated for the work.

The Clerk read as follows:

Consumer expenditures and savings study: For all expenses of the Department of Labor necessary to collect, compile, and analyze statistics with respect to the consumer expenditures and savings in predominantly nonrural areas, to publish the results thereof, and to compile statistics collected by the Department of Agriculture in other areas, such expenses to include personal services in the District of Columbia and other items properly chargeable to the appropriations for the Department of Labor for contingent expenses, travel, and printing and binding, fiscal year 1945, $1,532,000, to remain available until June 30, 1946.

Mr. H. CARL ANDERSEN. Mr. Chairman, I make the point of order against the paragraph beginning on line 8 and ending in line 18, page 31, on the ground that it is legislation on an appropriation bill, not authorized by law.

Mr. KERR. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order.

Mr. CASE. Mr. Chairman, I move to strike out the last word. I do not care to take the time of the Committee on a technical matter, but in view of a statement made by the chairman of the Committee on Appropriations, with reference to the item for the agricultural census and in order to keep the record straight, I think I should place in the RECORD the pertinent portion of the basic law that would have controlled the appropriation that was attempted to be inserted by the so-called Tarver amendment. The Tarver amendment proposed an additional appropriation of $5,500,000 for the census of agriculture, including objects specified under this act in the Department of Commerce Appropriation Act of 1945. The gentleman from Missouri [Mr. CANNON] in his comment on the newspaper paragraph which I read said that the gentleman from South Dakota [Mr. CASE] could not show any law which would permit the employment of census takers on a political basis. I call the gentleman's attention for the record, to the paragraph on the census of agriculture in the Department of Commerce Appropriation Act for 1945, which I hold here and which reads as follows:

Census of agriculture: For all expenses necessary for preparing, for taking, compiling, and publishing a quintennial census of agriculture of the United States, including the employment by the Director at rates to be fixed by him of personnel at the seat of the Government and elsewhere, without regard to the civil-service classification law.

In other words, Mr. Chairman, the basic law of the Department of Commerce appropriation bill for 1945, which was cited in the Tarver amendment, specifically provides that the Director has the power of employment of personnel at the seat of Government and elsewhere without regard to the civil service and classification law. In other words, he had complete freedom to exercise whatever political and personal preferences he desired.

I yield back the remainder of my time.

Mr. FLANNAGAN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

FACTS WITH REFERENCE TO THE ALLEGED CIGARETTE AND LEAF-TOBACCO SHORTAGE

Mr. FLANNAGAN. Mr. Chairman, on November 28, 1944, I called the House Committee on Agriculture together for the purpose of refuting the propaganda that was being circulated to the effect that the cigarette shortage was due to a shortage in cigarette leaf tobacco. I wanted to develop the facts by witnesses in position to speak so the public would know, once and for all, that the shortage in cigarettes does not stem back to a shortage of cigarette leaf tobacco.

The tobacco program has, in my opinion, been the most successful farm program ever inaugurated in this country. It has simply wrought miracles by holding production and consumption in line and setting up a marketing system that enables the grower to know the grades of tobacco he has to offer for sale and furnishing him, during the marketing season, with daily information as to what prices the respective grades are bringing upon the other tobacco markets. Under the program tobacco prices have gone up, and have now reached a point where the grower is making a reasonable profit for his long, arduous, and expensive effort in producing a crop of tobacco. I do not want to see anything happen that would discredit or break the system down.

Since the program was first inaugurated, from time to time, it seems, studied efforts have been made to destroy the program by increasing production to the point that a surplus would be produced to hammer the price down. Before the program was inaugurated, it was the surplus that determined prices, and everyone knows that a surplus-determined price is always a ruinous price. Recently there has been circulated numerous false and misleading statements with reference to our stocks on hand of cigarette leaf tobacco. Most, if not all, of these statements attribute the cigarette shortage to a shortage in leaf tobacco, and call either for a ruinous increase in production or for the removal of all tobacco acreage allotments. The hearing on the 28th clearly established the facts that the administration of the tobacco program is in safe hands and that the cigarette shortage is not due to a shortage in cigarette leaf tobacco.

Let me give you the facts.

1. AS TO SUPPLY OF LEAF TOBACCO

The principal types of tobacco used in cigarettes are flue-cured and burley. As of July 1, 1944, we had stocks of these two types of tobacco on hand equivalent to the cigarette needs, plus smoking and chewing tobacco needs, for 1½ years. Add to these stocks on hand the poundage of the 1945 crops of these two types of 1,551,000,000 pounds and we have on hand a total supply of these two types of cigarette tobacco equivalent to the cigarette needs, plus smoking and chewing tobacco needs, for 2⅔ years.

In order to show the true picture of these two types of tobacco, I have, with the assistance of those in charge of the tobacco program of the Department of Agriculture, prepared three tables that give the facts. Table No. 1 relates to flue-cured tobacco and gives the record on production, stocks on hand as of July 1 of each year, total supply, and disappearance—domestic and export—for the years 1940 to 1944, inclusive, and also the average production, stocks on hand, total supply, and disappearance—domestic and export—for the years 1935–39. Table No. 2 gives the same information with respect to burley tobacco. Table No. 3 is a combination of tables Nos. 1 and 2 and shows the 5-year average of both burley and flue-cured tobacco for the periods 1934–38 and 1939–43. This table also gives the flue-cured and burley totals for the year 1944.

CIGARETTE TOBACCO SITUATION

[Farm-sales-weight equivalent]

TABLE 1.—*Flue-cured tobacco: Domestic supplies, and disappearances, average 1935–39, annual 1940–44*

[Millions of pounds]

Year	Production	Stocks, July 1	Total supply	Disappearance, including domestic consumption and exports, year beginning July	Domestic consumption	Exports
Average 1935–39	863.6	881.6	1,745.2	732.2	355.7	376.5
1940	759.9	1,409.7	2,169.6	576.7	416.7	160.0
1941	649.5	1,592.9	2,242.4	783.0	492.9	290.1
1942	811.7	1,459.5	2,271.2	877.0	585.0	292.0
1943	788.5	1,378.8	2,167.3	979.7	650.0	329.7
1944	[1] 1,062.5	1,187.6	[1] 2,250.1	[1] 1,025.0	[1] 675.0	[1] 350.0

[1] Estimate.

TABLE 2.—*Burley tobacco: Domestic supplies and domestic disappearance, average 1935–39, annual 1940–44*

Year	Production	Stocks, Oct. 1	Total supply	Disappearance, including domestic consumption and exports, year beginning October	Domestic consumption	Exports
Average 1935-39	315.9	673.6	989.5	317.5	305.5	12.0
1940	375.3	762.3	1,137.6	339.5	334.0	5.5
1941	336.8	798.1	1,134.9	379.6	373.2	6.4
1942	343.5	755.3	1,098.8	412.8	407.0	5.8
1943	390.0	686.0	1,076.0	424.9	416.9	8.0
1944	[1]488.5	651.1	[1]1,139.6	[1]435.0	[1]427.0	[1]8.0

TABLE 3.—*Flue-cured and burley tobacco: Domestic supplies and disappearance, average 1934–38, 1939–43, and 1944*

Year	Production	Stocks	Total supply	Disappearance	Domestic consumption	Exports
Average 1934-38	1,024.6	1,545.7	2,570.3	1,015.2	634.4	380.8
Average 1939-43	1,204.3	2,094.5	3,298.9	1,163.9	876.4	287.5
1944	[1]1,551.0	1,838.7	[1]3,389.7	[1]1,460.0	[1]1,102.0	[1]358.0

[1] Estimate.

Using farm weight, there are about 2.85 pounds of flue-cured and Burley tobacco in each 1,000 cigarettes and 0.30 of a pound of Maryland and Turkish tobacco. Hence, the 308,000,000,000 cigarettes manufactured in 1943 required 877,800,000 pounds of flue-cured and Burley tobacco and the 329,000,000,000 manufactured in 1944, 937,650,000 pounds. The tables just cited show that in 1943 domestic consumption of flue-cured tobacco amounted to 650,000,000 pounds and of burley tobacco 416,900,000 pounds, making a total of 1,067,000,000. The difference between the 1943 cigarette requirements and domestic consumption, namely, 189,200,000 pounds, went into smoking and chewing tobacco. In 1944, the difference between domestic consumption and cigarette requirements is estimated to be 164,350,000 pounds, which is an ample poundage to take care of smoking and chewing tobacco needs. The 1945 cigarette tobacco requirements will be very little, if any, larger than the 1944 requirements.

2. AS TO THE PRODUCTION OF CIGARETTES

The production record of American cigarettes from 1935 to the present is as follows:

Year and production:

1935	140,000,000,000
1936	158,900,000,000
1937	170,000,000,000
1938	171,700,000,000
1939	180,700,000,000
1940	198,400,000,000
1941	217,900,000,000
1942	257,500,000,000
1943	308,800,000,000
1944	329,000,000,000

Overseas shipments of cigarettes to the armed forces since 1941 have been as follows:

Year and number shipped:

1941	11,000,000,000
1942	27,100,000,000
1943	51,100,000,000
1944	91,800,000,000

3. AS TO 1945 FLUE-CURED AND BURLEY PRODUCTION

The War Food Administrator has just announced the production goals for 1945. His aim is to increase the harvested acreage of flue-cured and burley tobacco 3 percent. In order to do this in compliance with the Tobacco Act providing for an acreage equal to not more than 2 percent of the 1940 allotted acreage for adjusting inequalities among old growers, and an acreage equal to not more than 5 percent of the preceding year—1944—for allotment to new growers, the War Food Administrator has given the old growers an increase of 2 percent of the 1940 allotted acreage of 1,035,700 acres, which amounts to 20,700 acres, to be used in adjusting inequitable allotments, and new growers an increase of 5 percent of the 1944 allotted acreage of 1,683,400, which amounts to 84,150 acres, to be allotted by the county committees to new growers, based on the qualifications of farmers who want to plant tobacco in 1945 for the first time. Of course, if all of the percentage increase is used by old and new growers, there will be more than a 3-percent increase over the 1944 harvested acreage. However, war experience clearly shows that the harvested acreage does not come up to the allotted acreage. For instance, in 1944 the allotted acreage of flue-cured tobacco was 1,095,200 acres, while the harvested acreage was 989,300 acres, or a shortage of 105,900 acres. In burley the 1944 allotted acreage was 588,200, while the harvested acreage was 469,500, or a shortage of 118,700 acres.

The allotted and harvested acreages of flue-cured and burley tobaccos since 1940 are as follows:

FLUE-CURED

Year	Allotted acreage	Harvested acreage	Shortage
	Acres	*Acres*	*Acres*
1940	760,600	741,000	19,000
1941	762,100	717,600	44,500
1942	841,200	792,700	48,500
1943	901,200	844,800	56,400
1944	1,095,200	989,300	105,900

BURLEY

1940	375,100	360,200	14,900
1941	380,700	341,100	39,600
1942	383,000	350,200	32,800
1943	470,600	394,700	75,900
1944	588,200	469,500	118,700

4. EXPORTS OF TOBACCO

In order for the public to have a true picture of our exports of flue-cured and burley tobacco before the war, I cite the following figures:

	Flue-cured	Burley	Total
1935	377.4	10.1	387.4
1936	357.6	12.7	370.3
1937	426.0	12.6	438.6
1938	426.7	12.7	439.4
1939	294.9	11.4	306.3

With respect to exports of these two types of tobacco since the war, I cite the following figures:

	Flue-cured	Burley	Total
1940	160.0	5.5	165.5
1941	290.1	6.4	296.5
1942	292.0	5.8	297.8
1943	329.7	8.0	337.7
1944	350.0	8.0	358.0

In order for the public to have a true picture of the Government's activity in buying and exporting tobacco under lend-lease, I cite the following figures:

[Million pounds, farm weight]

Marketing year beginning July 1—	Total quantity purchased for export by the Commodity Credit Corporation	Total quantity exported, including lend-lease	Quantity exported through lend-lease	Quantity exported for cash other than through lend-lease
1939-40	174.0			
1940-41	205.0	[1]291.7	[1]271.9	19.8
1941-42	120.0			
1942-43	249.4	267.3	201.5	65.8
1943-44	271.6	304.2	113.3	190.9
1944-45	[2]324.0	[2]126.9	[3]46.8	80.1

[1] Cumulative total for 1940-41 and 1941-42.
[2] Allocated for purchase from 1944 crop.
[3] For 4 months, July through October 1944.

NOTE.—Lend-lease shipments were authorized in March 1941. Prior to March 1941 small quantities were released for export by Commodity Credit Corporation through cash sale to exporting dealers. Beginning in May 1943, slightly less than two-thirds of releases for export have been paid for in cash.

5. SOME OTHER PERTINENT FACTS

First. The tobacco program only applies to flue-cured and burley tobacco, which are the principal cigarette types of tobacco. It does not now and never has applied to the cigar types of tobacco and yet there is a cigar shortage. Certainly the cigar shortage cannot be attributed to the control program. It is a little strange, to say the least, that these propagandists that attribute the cigarette shortage to the tobacco-control program are as silent as the tomb when it comes to the cigar shortage.

Second. Consumption of smoking and chewing tobacco has decreased about 20 percent during recent years. This decrease amounts to some thirty or thirty-five million pounds each year. Smoking and chewing tobacco comes from the flue-cured and burley types of tobacco; hence this decrease in smoking tobacco has made available to the cigarette manufacturer an additional thirty or thirty-five million pounds per year.

Third. No doubt the cigarette manufacturers would like to have a larger

supply on hand. It is natural that they should. We must remember, however, that we are at war, times are not normal, and we cannot just now satisfy all of our likes and dislikes.

Fourth. We must also remember that when overseas shipments are cut off that our domestic consumption will not take up the slack. Of course, all interested in the growing of cigarette tobacco want to see the American cigarette manufacturers increase their foreign sales of American cigarettes. To this end the growers will cooperate in every way possible.

Fifth. Our tobacco program, which only applies to flue-cured and burley tobacco, has not only worked in times of peace, it has stood up under war conditions and is still working.

Sixth. The growers are satisfied with the program and are deeply interested in seeing that nothing is done to break it down. In the summer and fall of 1943 the tobacco program was last submitted to the flue-cured and burley growers for approval and was approved for a 3-year period by a vote exceeding 90 percent of the total vote cast. And, so far as I know, none of the large manufacturers of cigarettes are asking that the tobacco program be changed in any respect.

In concluding let me apologize to the membership of the House for the length of my statement. I have gone into detail in order to fully answer the many false and misleading statements that are being circulated in an effort, I am afraid, to destroy the tobacco program. The tobacco program means so much to the flue-cured and burley growers that I felt justified in going into detail so the public would have not only a true but a complete statement of the facts.

I know that the flue-cured and burley representatives in the House will see that the program is protected.

The Clerk read as follows:

INCREASE AND REPLACEMENT OF NAVAL VESSELS

Armor, armament, and ammunition: The Secretary of the Navy is authorized, in addition to appropriations hitherto made and contract authorizations provided for such purpose, to enter into contracts for tools, equipment, and facilities in, and land for, public and private plants for the manufacture or production of ordnance materials, munitions, and equipment, in an amount not exceeding $10,000,000, as authorized by Public Law 311, approved May 26, 1944.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: On page 34, lines 5 and 6, strike out "$10,000,000" down to the period at the end of line 6, and insert in lieu thereof the following: "$60,000,000."

Mr. VINSON of Georgia. Mr. Chairman, in accordance with the suggestion set forth in the very fine report of the Appropriations Committee, I am offering an amendment to increase this ordnance item from $10,000,000 to $60,000,000. In Public Law 311, Seventy-eighth Congress, $65,000,000 were made available for the Bureau of Ordnance. The $10,000,000 referred to in this item on page 34 is the remainder of that authorization of $65,000,000.

Mr. Chairman, on November 27 this year the Senate passed Senate bill 2194 authorizing an additional amount for the Bureau of Ordnance in the sum of $50,000,000 for necessary tools, equipment, and facilities for the manufacture or production of ordnance materials, munitions, and equipment, in either private or public plants. The House Naval Affairs Committee has likewise unanimously reported the Senate bill making in order an authorization for an additional $50,000,000.

The Rules Committee has granted a rule which is now pending on the Speaker's desk, making in order for the consideration of the House, Senate bill 2194. This is a very urgent and important item and it is necessary that the money become available at the earliest possible date. Next week the House will have before it the authorization bill. However, as we want to keep the matter straight we desire an authorization, but while the supplemental appropriation bill H. R. 5587 is before the House, following the suggestion of the Appropriations Committee, I am offering the pending amendment.

Mr. SHEPPARD. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from California.

Mr. SHEPPARD. The gentleman's request for additional funds is to cover to a large degree a brand new development in munitions; is it not?

Mr. VINSON of Georgia. That is correct, and may I say, without divulging any secret, that a large portion of this money will probably be used in connection with rockets.

Mr. CANNON of Missouri. Mr. Chairman, the Committee on Appropriations is in complete agreement with the gentleman from Georgia and the very efficient Committee on Naval Affairs, of which he is chairman, in reference to this proposition. We would have included this item in the bill originally at $60,000,000, but, unfortunately, at that time there was no authorization. Since that time the Committee on Naval Affairs has reported an authorization for that amount, and we are therefore glad to accept the amendment and to include the full amount of $60,000,000 in lieu of the ten million proposed.

May I take advantage, Mr. Chairman, of this opportunity to express the appreciation in which I am certain I am joined by all Members of the Congress and the American people in general, of the great service the gentleman from Georgia [Mr. VINSON] has rendered the country in the development of the United States Navy. He has served perhaps longer as a committee chairman than has any other Member of the House. When his predecessor, Hon. Thomas S. Butler, of Pennsylvania, popularly known as Uncle Tom, was chairman and the gentleman from Georgia [Mr. VINSON], a fledgling Congressman just arrived from Georgia, was placed on his committee, the great Pennsylvanian said, "I am glad to have this young fellow from Georgia on my committee. He is an up-and-coming fellow, and he is a little Navy man."

Evidently the gentleman must have been sailing under false colors, or he has materially changed his mind in the intervening years, for under his administration as chairman of the great Committee on Naval Affairs we have projected, built, and commissioned the greatest navy the world has ever seen, and America today rules the waves as the greatest sea power in all the annals of time. Too much cannot be said in appreciation of the dramatic role which the gentleman from Georgia has played in the expansion of the little Navy of a few decades ago to the very efficient status of the American Navy today. And when the history of this epoch-making war is finally written, no name will stand higher on the list of those able and patriotic men who have made victory possible than the name of the alert and far-sighted chairman of this vital committee, the gentleman from Georgia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

The Clerk read as follows:

GENERAL PROVISION

For the fiscal year 1945 and prior years occupancy of emergency housing facilities under the jurisdiction of the Navy Department or the National Housing Agency, on a rental basis, by personnel of the services mentioned in the title of the Pay Readjustment Act of 1942, or by their dependents, shall not deprive such personnel of money allowances for rental of quarters.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, today is the third anniversary of our entrance into this war. Twice, within a generation, nations which subscribe to the belief that might makes right have underestimated the American people. Both the Kaiser and Hitler—and Hitler's satellite, Hirohito—have fallen for the fallacy that Americans were a soft and decadent people who would surrender at the first show of force. Hitler, indeed, said that we were so weak that we would collapse from within—and that the Germans would merely be required to occupy the country.

This is an interesting matter upon which to speculate on the day after the third anniversary of the sneak attack upon Pearl Harbor. The matter came rather unexpectedly to my mind when I read a War Department press release on my desk the other day. And the release said that there were now 359,247 prisoners of war within the continental limits of the United States. I turned then to General Marshall's 1943 report on the Army and discovered that on July 1, 1939, the United States Army had only 174,000 men. It is a little odd—if I may be guilty of understatement—to realize that in 3 years our decadent Nation accumulated twice as many prisoners of war as we had men in our entire Army 5 years ago.

Hitler is probably not too jubilant when he realizes that of this vast number of prisoners here in the United States, exactly 305,247 are his own supposed supermen. We shall have many more before long.

There has been a great deal of discussion, during the past 48 hours, of the stupendous achievement of America in transforming herself from a peace-loving Nation—which we still are—to the most powerful military force in war the world has ever known. But before we glance at that picture, I think it is only just to point out that, first and foremost, our war machine is made up of more than 11,000,000 men and women who, a very short while ago, were shoe salesmen, garage mechanics, school teachers, soda fountain technicians—and representatives of a hundred unmilitary vocations—who have been transformed into the finest fighting men the world has ever known.

We, who remained at home; we military superannuates; we draft deferred—we were the very people who wondered, out loud, because of the boasting before the war of the totalitarian braggarts if it were not true that the modern generation had "gone soft." This generation of youths has lived up to the highest and the finest traditions of any past generation of American youth. We can properly pay them tribute with justifiable pride.

All of us will agree, I am certain, that the emphasis for the military achievements of this Nation belongs first to the fighting men on the battlefields, on the seas, in the air, and under the seas. Our fighting men have done what the Germans and Japanese called the impossible. We here at home—it is only fair to say—have also taken the impossible in our stride. We can take time out only briefly to speculate on the home-front achievements because the war in Europe and in Asia will consume all our energies for many months to come.

But it is true that we boosted our production of munitions from practically zero in 1939 to nearly $50,000,000 a month in 1940; to $1,000,000,000 in 1941; to $4,000,000,000 in 1942; to $5,000,000,000 in 1943; to more than $5,000,000,000 in 1944 although it is leveling off.

Three years ago, most of our fleet was out of action because of Japanese treachery. Today we have the largest Navy the world has ever known.

Three years ago we had exactly 1,157 airplanes suitable for combat. Today we have the largest air fleet the world has ever known—187,000 planes.

Three years ago we had fewer than 1,200 tanks. Since that time we have made 68 000 tanks. We have also made 2,800,000 big and medium guns; 15,000,000 machine guns and rifles; 43,000,000,000 rounds of ammunition; 43,400,000 bombs; 196,000,000 uniforms; 1,800,000 trucks; 98,000,000 pair of shoes.

In brief, we have taken the impossible in stride.

The Germans said we were too interested in our chromium-plated motorcars, in our soft-upholstered furniture, in our wonderful plumbing—ever to be able to snap out of the "expected lethargy" and do a day's fighting, or to engage in all-out warfare. Well, we are still interested in returning to these "softening influences" of our civilization. We are more interested in crushing our enemies as quickly as possible—under terms of unconditional surrender.

To do that we still must accomplish a few more impossible things. We have done so many things so well that we now find it necessary to point out to our countrymen that the jobs which still lie ahead are difficult. We have become accustomed to crises. Every step in the upsweep of production has been dogged by crises. We would lick one problem—and meet another. The expansion of a facility in one place would cause a bottleneck in another place. As soon as machine tools were installed we discovered that they began chewing up more metal than we could produce. So we had to install more capacity for metals. Once we got materials pouring out of our mills, we ran into component problems. Once we solved one component problem, we ran into another on a higher level. If it was not a bearing, it was a valve or a fractional horsepower motor, or a Diesel engine, or a crankshaft. The history of our war production is the history of bottlenecks which we have conquered.

We went about conquering these bottlenecks in the only way they can be broken. We slugged. We poured in materials, machinery, components, manpower, and, above all, imagination and know-how. We built facilities, provided materials, chewed up metals. We did it with General Sherman tanks, destroyer escort vessels, steel plate, aluminum forgings and extrusions, landing craft, Liberty ships, high-octane gasoline, rubber, alloy steel, ground radar, P-38 Lightnings, P-47 Thunderbolts, Flying Fortresses, and Liberators. All these had their day as supercritical must-must items. All these were filled with impossible problems. All these problems were conquered.

Today—the day after the third anniversary of Pearl Harbor—with many grim months of war still ahead, with millions of Americans on the battlefields and on the seas, we have other critical problems. And today we ought to focus our attention on the things we know we still must do to win this war.

Today, we need heavy artillery ammunition, combat loaders, Superfortresses, A-26 Invaders, communication wire, trucks and equipment, ship repair and maintenance crews.

In 1942 and early 1943 we had too little of almost everything. Now we have enough of many weapons and some programs are even being cut back. In 1942 and 1943, the entire program was accelerating rapidly but goals were high and lags behing schedule were large. Indeed, more items missed schedule than were on schedule. Not so now. Today, about 60 percent of production is just about on schedule and only about 40 percent is lagging. But, of that 40 percent, a large part is in the critical programs—the programs in which the climb is especially steep, the programs in which no amount of production for the time being could be enough.

However, there is this difference between critical programs today and the critical programs of 1942. Then, the shortages were in relation to plans for equipping armed forces not yet in battle. Today, the shortages are the result of actual combat operations. Critical production is not going into pipe lines or strategic reserve. It is going directly into battle. When we do not deliver tents or tanks or high-capacity ammunition, it affects soldiers and sailors who are face to face with the enemy, as well as our plans for continuing battle.

We are an adaptable people. That is why we can do impossible things. When our field commanders learn that a 105-mm. howitzer or gun is not powerful enough to destroy German fortifications, they demand 115's and 240's. When we move millions of tons of supplies over rough terrain and discover that we have misjudged the hardiness of synthetic rubber, requirements jump. When scientists and inventors develop new types of radar or jet planes or high-altitude bombing instruments, we try as quickly as possible to translate those developments into battlefield equipment.

All this effort comes under the head of saving lives, of ending the war more speedily than would be possible without the introduction of new weapons, without the rapid rearrangement of production lines to triple, quadruple, and octuple production of these new items. The point is that once we run into the unexpected and prepare to meet it, requirements are unlimited. A nation at war, if it is to win the war, must always be upgrading its equipment; supplying heavy trucks instead of lighter ones; building combat loaders instead of ordinary cargo and transport ships, putting the pressure on for Superfortresses and Invaders instead of Fortresses and Bostons. Out of such upgrading, critical programs emerge; and since we want to upgrade as fast as possible, production can never come through fast enough. In a war, you never have a sufficiency of weapons until your enemy is defeated.

For the moment, therefore, we are confronted by critical problems which are impossible until we solve them, by which time they may be replaced by other impossible problems. I do not wish to give an impression, in making these comments, that there are serious shortages on the fighting fronts.

They have supplies on the firing lines right now. It is the future we must provide for. Our program is not lagging on all production, for even on the critical items many manufacturers are abreast of the schedules given to them. Moreover, some of the demands are so recent that industry could not be expected to reach the maximum schedules in the time that has elapsed.

I have mentioned generally the fields into which the critical items fall, but other items which could well be added—wire rope, silica gel—used as a desiccant for materials going to damp, tropical climates; anhydrous hydrofluoric acid, basic chemical in freon and aviation gasoline; mechanical fuel hose, insect screen cloth. No list, however, could possibly be complete because of the recurring changes.

Even after VE-day, when we will be fighting against only one nation, we will

have critical shortages. It is to be expected that new devices, new weapons will be developed; that the armed forces will want them. New tactics, new battlefields are almost certain to put a premium on certain types of weapons. When that happens, the demand, for the time being, will be unlimited. The Japanese campaign, that is to say, will bring forth an entirely new set of must programs.

Only recently, the Army has begun to reemphasize the use of 60-millimeter and 81-millimeter mortars, along with the necessary ammunition. They have been added to the critical list. The jet plane, if it is perfected, is certain to be in great demand. The same is true of other airplanes. The Army and Navy both have their secret projects, any one of which may yield another critical program in the months to come.

We on the home front expect the armed services to make demands for increased quantities of fighting material. We know that a break-through helps to bring the war to a quicker conclusion—even though in achieving it our fighting men are using ammunition in December which ordinarily might not have been used until April. We are glad to provide the extra effort needed to produce the replacement munitions.

Most certainly, despite the great problems which we inherit immediately, we expect the armed services to ask for new models or for improved designs of existing models of war equipment. And it is our duty to take care of facilities shortages immediately.

We can do all the impossible things expected of us, if we stay on the job until victory is won. Among civilian war workers, there are too many who have taken furloughs or believe their services are no longer needed.

Today, in specified areas and for specific industries, we need more than 300,000 war workers. These 300,000 employees are urgently needed to help to end the shortages which are holding up the armed forces. These workers must be found.

This is the time for grim determination—not overconfidence—to exist in the minds of our people.

This is the time to keep the wheels of production of weapons and munitions of war rolling and getting them to the front.

The dark days following Pearl Harbor are over, but final victory is not ours yet. It is within our grasp. It will come quicker with increased production on the home front and with grim determination to do our part.

Our boys in the service are on the March to Victory. Let us also do our part in helping them to make their March to Victory as quick and decisive as humanly possible.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

The gentleman from Massachusetts [Mr. McCORMACK] has just given us facts and figures bearing upon war production, the war effort, and the expenditure of war materials which is almost unbelievable and which we know depicts an accomplishment which could not have happened in any one or two countries elsewhere in this war-torn world.

No wonder that Churchill, with an eye on the whole world, now admits that, in 4 short years, the United States of America has become the most powerful military, naval, and production nation of the world.

Today we know, and so does Great Britain and her statesmen, that the Empire would have gone down to defeat had it not been for America's resources, her ingenuity, her workers, and the efforts which they made.

Stalin and his aides know that without our production lines he never would have been able to have successfully resisted Hitler's drive into his homeland.

Yes; management and labor on the farm and in the factories and mines, throughout industry, have accomplished a miracle of production, which the courage, the resourcefulness and the sacrifices of American boys have translated into resistance which not only stopped Hitler and Hirohito cold but, by victory after victory, has thrown them back time and again.

But all is not as it should be. A few moments ago, I noticed in today's issue of one of the Washington papers the comments of Peter Edson, who is by no means either a New Deal hater or a Roosevelt baiter, as so many of us who point out impending danger, offer constructive criticism, have been characterized.

Edson's article is captioned "Time to Get Mad," and I read you what he wrote:

All the columns of news dispatches you now read from the fronts and from Washington, all the editorials trying to interpret the shortages of ammunition, tires, trucks, guns, and even manpower are of the same tenor as 1940 and 1941.

The cumulative impact of the current production crisis reports is that this is a bigger national disgrace than Pearl Harbor 3 years ago. Trying to fix the blame for whatever it is that has happened on the home front may be as fruitless as trying to fix the blame for what happened at Honolulu on December 7, 1941, but isn't it about time that everybody in the United States, collectively, start getting mad?

Bonds have been bought by the billion. Production "E's" and "A's" and "M's" and probably ah's and oh's have been awarded by the convoy load to management for the swell job it has done. Labor with a capital L has alternately been kicked on the backside and patted itself on the back for the job it has done. The Army and Navy are bigger and better than any army or navy have ever been before.

Generals have been decorated, bureaus have been reorganized and bureaucrats have been busted. We're good—there's no denying it.

Yet from the reports of Generals Eisenhower and MacArthur to Somervell, we haven't begun to fight, and we can't until the home front passes not only more ammunition but a couple of production miracles as well.

What happened? It isn't enough to kiss this off as mere misfortune of war.

Why should there be billions of dollars worth of surpluses to dispose of when there are billions of dollars worth of shortages of critical items? Why millions of surplus, over-age dry-cell batteries when the dry-cell battery production program is behind schedule? Was that bad planning?

Why should supply ships have to ride at anchor unloaded? If a people is smart enough to plan in advance for "mulberry" unloading docks and build portable railroad bridges in England to replace those bombed in France, why haven't the same people enough genius to lick the supply problem to the Siegfried or Gothic lines?

Were civilian production chiefs and private businessmen too eager to plan too much reconversion too soon?

Was the Senate committee investigating the war effort a little bit off base when it criticized the Army for ordering too many trucks and tires—in view of the present shortages?

Were service chiefs wrong in ordering cutbacks?

Was Congress wrong in refusing to consider a National Service Act a year ago—in view of present manpower difficulties?

Was the White House laggard in demanding a substitute?

Were appropriations committees shortsighted when they refused the War Manpower Commission sufficient funds to reorganize the Employment Service and enforce their certificates of availability program to control job transfers?

Have labor leaders, now claiming so large a share in shaping national policies, been as smart as they claim to be in their opposition to stricter labor regulation?

You may blame everybody or anybody for this thing that has happened on the production front, but finding sacrificial goats to offer on the altars of national wrath will not remedy the situation. All you can do is recognize that it has happened; and then, isn't it every individual's responsibility?

All of the foregoing is quite true, but something can well be added, and it is this: The war has not been won. Secretary of War Patterson now warns us that 18-year-old boys may soon be sent to the fighting front. We are told now that the war will be long, the casualties severe.

We know now that it may be 2 or more years before Japan has been conquered, before Germany has been brought to her knees. We know now that not hundreds but hundreds of thousands of young Americans will die before this war is over.

Yes; not so long ago the President told us that thousands would die if the shortage of munitions of war, which both Eisenhower and Somervell warned us against, continued to exist. This story of a long war, of heavy casualties, is an altogether different song as to both words and tune than that which was given to the American people in the months preceding the November election.

Now that the election is over, now that it is no longer necessary, in order to win an election, for the administration to extend special favors to both management and labor, the President and his advisers should give us, or let Congress give us, a policy which will bring about the production which is necessary to bridge the gap between what we have and what we need.

Rationing is all right here in America, but rationing of the ammunition, the shells, the guns, and the planes, which costs the lives of American fighting men, has no place in this war.

Day after day, there is strike after strike holding up the production of the things the fighting men need, must have, to lessen the cost of the war as measured in lives on the battle front. It is no answer to say that the percentage of time

lost is small. The making of one single gun, of one shell, should not be delayed by any strike, by any labor dispute.

The administration asks for the taxpayers' money by the millions—yes; by the billions—of dollars, and Congress appropriates it. Then the administration, in days gone by, has used that money to pay an ever-increasing price for war materials, an ever-increasing wage for those who make them.

And the pity of it all is that the higher prices and the higher wages have in reality benefited no one, for, as wages went up, so, too, did the cost of living. Today the struggle to balance wages against the cost of living still continues and the cost of the war in dollars and cents to the American people week after week unnecessarily grows greater, and the cost of our folly will be paid by American young men who die because of it.

Let us have a stabilization of prices, not only for the things which must be bought and manufactured, but for the services which must be rendered, if we are to accomplish the utmost in production.

The war is being fought so far away that millions of us are not directly affected. We do not see its horrors; we do not understand the suffering; we do not realize the price that is being paid by young manhood.

Krug of the War Production Board may talk about the conscription of labor, but my constructive suggestion is that, now that election is over, now that the President is secure in his position for another 4 years, we do away with war profiteering, with high and excessive prices for war materials and that, if necessary, if men refuse to work in war production, to do a day's job, they be inducted, as I have before suggested, into the armed forces—not to be sent abroad, but to serve in the industry where they are now employed, with the same comparative pay as that given to those in active service.

If the high wages, the comforts of home, the association with friends and the dire need of those who are doing the fighting will not give us the production needed, then let those who fail or refuse to aid in bridging that gap which the generals have called to our attention be inducted into the service of their country. Let them be comfortably housed, adequately fed, but otherwise treated as are those who are drafted for military service.

If the young men of the country 18 years of age can be taken from their homes and their families, sent abroad to fight and die, there is no reason why we here at home cannot be compelled to produce.

The pro forma amendments were withdrawn.

The Clerk read as follows:

Office of Economic Stabilization: Not to exceed $1,275 of the appropriation "Salaries and expenses, Office of Economic Stabilization, 1945."

Mr. SHEPPARD. Mr. Chairman, I ask unanimous consent that the bill down to the bottom of page 54 be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SMITH of Ohio. Mr. Chairman, I object.

The Clerk concluded the reading of the bill.

Mr. GRANT of Alabama. Mr. Chairman, I ask unanimous consent to return to page 42 of the bill for the purpose of submitting an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. TABER. I reserve the right to object. What is the amendment?

Mr. GRANT of Alabama. This is an amendment suggested by the gentleman from New York [Mr. KEOGH] and about which I think he spoke to the gentleman from New York [Mr. TABER]. It is an amendment for the relief of Rev. James T. Denigan, in accordance with the bill passed by the Congress and signed by the President.

Mr. TABER. Very well.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GRANT of Alabama. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GRANT of Alabama: On page 42, after line 2, insert the following: "To pay the claim of Rev. James T. Denigan, of Long Island City, N. Y., in accordance with the authority and subject to the provisions of Private Law 356, approved July 1944, fiscal year 1945, $6,500."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 5587, the First Supplemental Appropriation Act, 1945, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE FOR MEMBERS TO EXTEND THEIR REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ESTABLISHMENT OF THE GRADE OF FLEET ADMIRAL OF THE UNITED STATES NAVY

Mr. SMITH of Virginia. Mr. Speaker, in the absence of the chairman of the Rules Committee, I call up House Resolution 671, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2019) to establish the grade of fleet admiral of the United States Navy, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order as a substitute amendment for the Senate bill the provisions contained in H. R. 5576. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, the chairman of the Committee on Military Affairs and the chairman of the Committee on Naval Affairs will explain these bills fully to the House. I have no request for time on the rule and if the gentleman from Michigan [Mr. MICHENER] is willing, I will move the previous question on the adoption of the rule.

Mr. MICHENER. Mr. Speaker, there has been no request for time on this side on the rule. Extensive hearings were held on Senate 2019 by the Rules Committee. It was considered that legislation along this line should not be enacted unless it provides for both the Army and the Navy. The rule provides for consideration of Senate Navy bill and the House military bill. Both legislative committees agree as to advisability of the procedure. The War Department and the Navy Department want this law. So far as I can learn there is no controversy. The rule should pass at once.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the rule.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2019) to establish the grade of fleet admiral of the United States Navy, and for other purposes.

The motion was agreed to.

According the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2019, with Mr. THOMAS of Texas in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with and that the bills S. 2019 and H. R. 5576 be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

S. 2019

An act to establish the grade of fleet admiral of the United States Navy, and for other purposes

Be it enacted, etc., That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grades on the active list at any one time shall not exceed two.

SEC. 2. Appointments under authority of this act shall be made without examination and shall continue in force during such period as the President shall determine. The permanent or temporary status of officers of the active list appointed to a higher grade pursuant to section 1 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with laws relating to the Navy. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list as provided in section 1 hereof shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 3. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further*, That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix.

H. R. 5576

A bill to establish the grade of fleet admiral of the United States Navy; to establish the grade of general of the Army; and for other purposes

Be it enacted, etc., That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grade on the active list at any one time shall not exceed four.

SEC. 2. The grade of general of the Army is hereby established. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from officers of the Army who, at the time of such appointment, are serving in the grade of general officer in the Army. The number of officers holding the grade of general of the Army on active duty shall not exceed four. The officers appointed under the provisions of this section shall take rank above all other officers on the active list of or on active duty in the Army and shall be entitled to all rights, privileges, benefits, pay, and allowances provided by this act, notwithstanding any provisions of the act of February 23, 1929 (45 Stat. 1255), or any other law.

SEC. 3. Appointments under authority of this act shall be made without examination and shall continue in force, during such period as the President shall determine. The permanent or temporary status of officers of the active list of the Navy or of the Army appointed to a higher grade pursuant to section 1 or section 2 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with the laws relating to the Navy or the Army. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list or general of the Army as provided herein shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 4. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 5. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral or general of the Army by virtue of an appointment under the provisions of this act shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list or on active duty: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for an officer appointed pursuant to the provisions of this act: *Provided further*, That no officer of the naval or military service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral or general of the Army except as provided in this act.

SEC. 6. The officers appointed under the provisions of this act shall take rank among themselves while on active duty according to dates of appointment.

SEC. 7. Nothing in this act shall affect the provisions of the act of September 3, 1919 (41 Stat. 283; 10 U. S. C. 671a), or any other law relating to the office of general of the Armies of the United States.

SEC. 8. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix.

Mr. VINSON of Georgia. Mr. Chairman, this bill provides for the establishment of a new grade in the Navy, and the rule makes in order for the distinguished chairman of the Committee on Military Affairs to offer a substitute establishing a new grade of a similar character and rank in the Army.

May I call to your attention that under the law today the highest rank in the Navy is that of admiral. At the present time there are seven admirals in the Navy.

The next rank below that of admiral is vice admiral, and at the present time there are 29 vice admirals.

The next rank below vice admiral is rear admiral. For pay purposes the rear admirals are divided into the upper half and the lower half. The pay of a rear admiral, upper half, is $8,000 a year, plus $1,951 rental and subsistence allowance. The pay of a rear admiral, lower half, is $6,000, plus the rental and subsistence allowance of $1,951.

The pay and allowances of a vice admiral are the same as that of a rear admiral of the upper half, plus $500 personal cash allowance.

The pay and allowances of an admiral are the same as that of a rear admiral of the upper half, plus $2,200 personal cash allowance.

The purpose of the bill now under consideration is to create the rank of fleet admiral, which would be one grade higher than that of admiral. In accordance with the provisions of the bill the pay and allowances of a fleet admiral would be the same as that of a rear admiral of the upper half, plus $5,000 personal cash allowance. In other words, the total pay and allowances of a fleet admiral over that of an admiral would be $2,800 per year.

Under the language of the Senate bill and under the language of the proposed substitute to be offered by the gentleman from Kentucky [Mr. MAY] these grades are temporary for the duration of the war and only 6 months thereafter. The reason we make these ranks temporary is that after the war it will, no doubt, be necessary to reorganize the Army and the Navy and, therefore, we thought it wise to make this grade a temporary one at this time. This bill does not involve any increase in base pay.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. COLE of New York. Since this bill was considered by the committee, and was approved by the committee without serious protest, I have wondered what

reason there might be why a corresponding increase in rank should not be given to the Commandant of the Marine Corps, who, as I understand, is in direct command of more troops than any other general on active duty in the field.

Mr. VINSON of Georgia. I have introduced a bill, now pending before the committee, to create the permanent rank of lieutenant general for the Commandant of the Marine Corps. I am perfectly willing to give the Commandant of that corps the rank of general and will be glad to introduce a bill to that effect during the next Congress; of course, the rank of general is not as high as the one proposed in this bill but is next to it.

Mr. COLE of New York. I can assure the gentleman there will be no wrenches thrown into the works. I have just prepared an amendment to the gentleman's bill which accomplishes what we seem to be in agreement should be accomplished. If it is to be done at all, why not do it all at one time?

Mr. VINSON of Georgia. I urge you to let us do it for the Marine Corps in other legislation, because it is much preferred by the Marine Corps. After consultation with General Vandegrift, it was considered best that it go along in this other way.

Mr. COLE of New York. Then the gentleman advises us that he has discussed the subject with the Marine Corps?

Mr. VINSON of Georgia. I discussed the whole question with General Vandegrift and I have the benefit of his views on the matter.

Mr. COLE of New York. The Marine Corps does not care to be included in this bill at this time?

Mr. VINSON of Georgia. It does not. I ask the House to let us go along with the generals and admirals. I am going to advocate consideration for the Marine Corps at the proper time.

Mr. COLE of New York. When will the proper time be, as soon as possible next year?

Mr. VINSON of Georgia. If the House does not adjourn between now and Christmas, we may have an opportunity to consider it during that time. If it is not done between now and Christmas, it will probably be done early in the year during the next session.

Mr. COLE of New York. During the early part of the session?

Mr. VINSON of Georgia. Absolutely.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Illinois.

Mr. DIRKSEN. What would be the comparable grade to the Army?

Mr. VINSON of Georgia. It is set out in the House bill that the gentleman from Kentucky [Mr. MAY] will offer that it will be known as the rank of general of the Army. Bear in mind that Congress has established for that great soldier, General Pershing, the rank of general of the Armies.

Mr. DIRKSEN. Plural?

Mr. VINSON of Georgia. Plural. This rank, corresponding to the fleet admiral, will be known as general of the Army.

Mr. DIRKSEN. Has that bill been reported?

Mr. VINSON of Georgia. The gentleman from Kentucky will offer it here today.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Kentucky.

Mr. MAY. In the substitute amendment which I shall offer at the proper time there is section 7, which protects against this matter affecting General Pershing's rank at all.

Mr. VINSON of Georgia. That is right. The House can understand that in the military force of the country as far as rank is concerned General Pershing has the highest rank. Fleet admiral for the Navy and general of the Army will be the next rank.

While I am going along and supporting the proposal to make this rank temporary, there is a great deal of justification for it and it may be wise to make it temporary. The strength and the size of the American Navy justify giving serious consideration, when the reorganization comes along, to making this rank and possibly another rank permanent ranks in the United States Navy.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield with pleasure.

Mr. ROWE. What is the contemplated number that can be appointed?

Mr. VINSON of Georgia. Under the bill as passed by the Senate, it proposes two for the Navy. We have discussed this matter and we proposed that there be four of this rank. I am frank to say that from the point of view of the Navy, in all probability, this rank will be given to Admiral King, Admiral Leahy, Admiral Nimitz, and Admiral Halsey. I might be so presumptuous as to say from my viewpoint, the men who deserve it are General Marshall, General Arnold, General Eisenhower, and General MacArthur.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. ANDREWS of New York. As a matter of fact, it is clearly this duty and business of the War Department only, and of the Navy Department only, to determine who shall be awarded this rank.

Mr. VINSON of Georgia. Exactly. Of course, I am merely guessing. I do not know whom the President will appoint. It is a matter entirely up to him. And the appointments must be confirmed by the Senate. Then when their time of retirement comes, and if the Senate concurs, they carry the rank when retired and are inactive.

Mr. Chairman, I reserve the balance of my time and yield to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, I wish to say that I am in favor of the pending legislation. In my opinion the additional rank which will be granted the naval and military leaders of our armed forces is most fitting and appropriate. I may even add that we have waited too long in conferring additional rank on our top-notch admirals and generals.

However, I do wish to bring to the attention of the House the fact that this bill does not provide additional rank for one branch of our armed forces and that is the United States Marine Corps. The leader of that fighting organization is today a lieutenant general, and in fact he only temporarily holds that rank.

From the moment the first Japanese bombs fell on Pearl Harbor the men of the Marine Corps began to fight back. Marines helped repulse the attack on that ill-fated day, and they, along with the Army and Navy, started the slow and often hard road back. They began the fight that was to continue without let-up day after day, month after month, with one aim in view—total defeat of the enemy in the Pacific. Within a few hours of the attack on Pearl Harbor, Wake Island, a virtually shelterless atoll, was attacked by the Japanese. The defense of this island was exclusively a marine engagement, one which will be recorded in the annals of history not only as the first all-marine action of World War No. 2 but for the gallantry and heroic defense of that island.

Marines were with MacArthur at Manila, Bataan, and Corregidor. Marines fighting on Bataan numbered about 1,500, approximately one-third of General MacArthur's Regular Army troops in that area. Their braveries and acts of heroism have brought high praise and a multitude of decorations and citations to this fighting group and those who were not killed in the fighting are today sick, hungry, and weary prisoners of the Japanese, surrendering only when Corregidor fell on May 6, 1942.

Marines manned the antiaircraft guns on the Navy's carriers in the Battle of the Coral Sea. Leathernecks manned the guns that beat off the Japanese attack on Dutch Harbor. During the 3-day battle of Midway, Japanese aircraft carriers, battleships, carriers, and destroyers were constantly attacked, sunk and damaged by Marine Corps aircraft in addition to the frequent air battles marines fought with the enemy's air forces. On August 17, 1942, another Marine Corps achievement in the Pacific was accomplished when a battalion of Marine raiders carried out a successful attack on the Japanese base on Makin Island in the Gilbert group. Landing in rubber boats from large submarines, this detachment occupied the island, destroyed the seaplane base, the radio, ammunition dumps, and annihilated the enemy defending forces.

In fact, I would like to recall to the Members of this House that the first offensive of our war with Japan was made by the marines when its famous First Division under the leadership of the present commandant of the Marine Corps, Lt. Gen. A. A. Vandegrift, on August 7, 1942, landed on Guadalcanal in the Solomon Islands. That struggle bore fruit by enabling the marines to explode the myth of Japanese invincibility by beating the enemy at their own game and on their own ground. Jungle warfare was perfected as a result of the varied experiences of these men. But, probably more important, the Solomons operation proved that commanders had learned to work together. To fight the various elements of a complex, modern

fighting force in coordination toward a single objective. There, in the tropical jungles, ground, air, and surface forces of the Army, Navy, Marine Corps, and Coast Guard all played their parts in the teamwork that brought about ultimate success.

Since those dark days more than 2 years ago the pace in the Pacific has increased. The men of the Marine Corps have spearheaded the majority of the amphibious operations. From Guadalcanal, the Marines seized Munda and Rendova Islands in the New Georgia group. They landed at Bougainville and from there their air forces helped smash Rabaul. Then the Marines spearheaded the drive into the Central Pacific assaulting and capturing Tarawa in 76 hours of the fiercest combat in their 168 years of history. Next came the Marshall Islands with the Marines taking Kwajalein and Roi. With bases in the Marshalls secure the Marines drove farther westward into the Marianas, capturing Saipan, Tinian, and Guam, and only recently assaulted and captured the strongly defended Palau Islands. It is from the Marianas that our B–29's today are bombing Tokyo.

The strength of the United States Marine Corps totals almost a half-million officers and men, combatant forces fighting on land, on the sea, and in the air. I remember when the naval forces with a third of this strength was headed by a four-star admiral, and the Chief of Staff of the Army, with only a quarter of a million men, wore four stars.

It is not my intention to offer an amendment to this legislation now under consideration. But I would like to say that I, and other Members of this House, plan separate legislation in the new Congress which will give the Commandant of the Marine Corps the rank of full general.

Mr. MAAS. Mr. Chairman, I yield myself 5 minutes which I shall not consume. This legislation is very essential. These higher ranks are needed just on the basis of the size of our Army and Navy and the required billets to be filled. We have the anomalous situation today of generals and admirals having a number of officers of the same rank under them as subordinates. We have today the largest Navy in the world, probably larger than all the other navies in the world put together, friend and foe alike. That organization requires as a bare minimum, four officers of the rank of fleet admiral and I hope in due time, they will give consideration also to creating the rank of admiral of the Navy, which the size of our Navy requires. From the point of view of good administration, and from the military standpoint as well, plus the fact that we are at a great disadvantage today when we are in combined operation with the navies of other nations, it is essential that we create appropriate higher ranks. Every other major power has this rank and it is embarrassing and sometimes involves practical military difficulties for us to be handicapped in not having the equal rank. I trust there will be no opposition to this legislation. I am sure there will not.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I am glad to yield.

Mr. COLE of New York. In view of the gentleman's fine record as a member of the Marine Corps, covering nearly a period of two decades, I should like to have the benefit of his views with regard to the suggestion that a corresponding increase be given to commanding officers of the Marine Corps.

Mr. MAAS. I certainly agree with the distinguished gentleman from New York [Mr. COLE]. I am sure the chairman of our committee agrees. I was glad to have his assurance that he will take up in separate legislation, and I assume he means at the earliest possible moment in the new Congress, consideration of making the Commandant of the Marine Corps a full general; which incidentally is not the same rank as is being provided in this bill for the Navy and the Army; I do not propose that. However, the Commandant of the Marine Corps is the only active commanding officer in the country of a military organization who is also administrative head of his own military organization. The Commandant of the Marine Corps commands the Marine Corps. The Chief of Staff of the Army does not command the Army. The Chief of Naval Operations does not command the fleet. However, the Commandant of the Marine Corps actually commands the Marine Corps. Today it is a force of nearly 500,000. It is the largest single military force under the military command of one man in the world.

I hope that immediate consideration in the new Congress will be given to that matter, because the Commandant of the Marine Corps, with an organization of the size he has, with its responsibility, should certainly have the rank of a full general, particularly in view of the fact that the topside of the Navy will now be a five-star rank, and the topside in the Army will be five-star. There will no longer be any justification for withholding the rank of full general from the Commandant of the Marine Corps. We have the assurance of the chairman of the committee that he will take that up at a very early time.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. VORYS of Ohio. The gentleman is a gallant officer and a distinguished statesman. Could he tell us whether there is any possibility of securing an agreement or a treaty amongst our allies so that they will not take steps to increase the rank of officers in smaller navies and armies, and again force us to enact further legislation?

Mr. MAAS. I do not think we will. Of course, we could reach such an agreement, if we had the willingness and desire to do it, or it would be very simple to attach an amendment to the lend-lease bill. But I do not believe it will be done. I think we will just have to take our chances on that.

Mr. Chairman, I have no further request for time, and urge the enactment of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I have no further request for time and I ask that the bill be read for amendment.

The Clerk read as follows:

Be it enacted, etc., That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grades on the active list at any one time shall not exceed two.

SEC. 2. Appointments under authority of this act shall be made without examination and shall continue in force during such period as the President shall determine. The permanent or temporary status of officers of the active list appointed to a higher grade pursuant to section 1 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with laws relating to the Navy. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list as provided in section 1 hereof shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 3. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 4. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for a fleet admiral: *Provided further*, That no officer of the naval service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral except as provided in this act.

SEC. 5. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix.

Mr. MAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY: Strike out all after the enacting clause of the bill S. 2019 and insert the following:

"That the grade of fleet admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grade on the active list at any one time shall not exceed four.

"SEC. 2. The grade of general of the Army is hereby established. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from officers of the Army who, at the time of such appointment, are serving in the grade of general officer in the Army. The number of officers holding the grade of general of the Army on active duty shall not exceed

four. The officers appointed under the provisions of this section shall take rank above all other officers on the active list of or on active duty in the Army and shall be entitled to all rights, privileges, benefits, pay, and allowances provided by this act, notwithstanding any provisions of the act of February 23, 1929 (45 Stat. 1255), or any other law.

"SEC. 3. Appointments under authority of this act shall be made without examination and shall continue in force, during such period as the President shall determine. The permanent or temporary status of officers of the active list of the Navy or of the Army appointed to a higher grade pursuant to section 1 or section 2 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with the laws relating to the Navy or the Army. An officer appointed from the retired list to the grade of fleet admiral of the United States Navy on the active list or General of the Army as provided herein shall, upon the termination of such retirement, revert to the status held by him prior to such appointment, except as otherwise provided herein.

"SEC 4. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

"SEC. 5. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of fleet admiral or general of the Army by virtue of an appointment under the provisions of this act shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list or on active duty: *Provided*, That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for an officer appointed pursuant to the provisions of this act: *Provided further*, That no officer of the naval or military service on the active or retired list shall be appointed or advanced to the grade or rank of fleet admiral or general of the Army except as provided in this act.

"SEC. 6. The officers appointed under the provisions of this act shall take rank among themselves while on active duty according to dates of appointment.

"SEC. 7. Nothing in this act shall affect the provisions of the act of September 3, 1919 (41 Stat. 283; 10 U. S. C. 671a), or any other law relating to the office of general of the Armies of the United States.

"SEC. 8. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMAS of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2019, and pursuant to House Resolution 671, he reported the bill back to the House with an amendment, adopted in the Committee of the Whole.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. MAY. Mr. Speaker, I offer the following amendment to the title:

The Clerk read as follows:

Mr. MAY moves to amend the title of Senate 2019 to read as follows:

"A bill to establish the grade of fleet admiral of the United States Navy and to establish the grade of general of the Army, and for other purposes."

The amendment was agreed to.

ORDER OF BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House today, the Clerk be authorized to receive a message from the Senate on the bill H. R. 5564, and that the Speaker be authorized to sign the enrolled bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MICHENER. What is that bill?

Mr. McCORMACK. It is the bill freezing the security tax.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADDITIONAL ORDNANCE MANUFACTURING AND PRODUCTION FACILITIES

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2194) authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes, for immediate consideration.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SABATH. Mr. Speaker, what is the bill.

Mr. VINSON of Georgia. Mr. Speaker, I have asked unanimous consent to take from the Speaker's table a Senate bill for which the Rules Committee has already granted a rule, now pending on the Speaker's desk. The money carried in the bill has been inserted in the appropriation bill which passed a few moments ago; but to keep the record straight I feel it is necessary, notwithstanding the fact that the Appropriations Committee accepted the amendment to make the money immediately available, to get an authorization. This provides authorization of $50,000,000 for ordnance facilities.

Mr. MICHENER. This is the bill which the Rules Committee held hearings on and which the gentleman's committee reported favorably?

Mr. VINSON of Georgia. Yes.

Mr. MICHENER. The only difference would be, if unanimous consent is given the matter is disposed of at once; otherwise it would take more time.

Mr. VINSON of Georgia. The gentleman from Michigan is correct.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, $50,000,000 for necessary tools, equipment, and facilities for the manufacture or production of ordnance matériel, munitions, and equipment at either private or public plants.

SEC. 2. The authority herein granted shall include the authority to acquire lands at such locations as the Secretary of the Navy may deem best suited to the purpose, erect or extend buildings, acquire the necessary machinery and equipment, and in private establishments provide plant-protection installations, and shall be in addition to all authority heretofore granted for these purposes.

SEC. 3. The Secretary of the Navy from time to time, but not less frequently than every 60 days, shall transmit to the Congress a full report of all acquisitions of land, by lease or otherwise, effected under the authority of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 664 was laid on the table.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

Mr. SABATH. Mr. Speaker, I call up House Resolution 567, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. THOMAS of Texas. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 123]

Auchincloss	Grant, Ind.	O'Brien, N. Y.
Baldwin, N. Y.	Griffiths	Outland
Barry	Hagen	Face
Bates, Ky.	Harness, Ind.	Patman
Bates, Mass.	Hart	Pfeifer
Blackney	Hébert	Philbin
Bradley, Mich.	Heffernan	Ploeser
Brooks	Hendricks	Poulson
Brown, Ohio	Hinshaw	Pracht,
Brumbaugh	Horan	C. Frederick
Buck	Jackson	Price
Buckley	Jeffrey	Rabaut
Buffett	Johnson,	Ramspeck
Bulwinkle	Ward	Reece, Tenn.
Burgin	Judd	Rizley
Busbey	Kee	Robsion, Ky.
Byrne	Kefauver	Rooney
Cannon, Fla.	Kelley	Rowan
Capozzoli	Kennedy	Russell
Carson, Ohio	Keogh	Sasscer
Celler	Kilburn	Satterfield
Chenoweth	Kilday	Scanlon
Clark	Kleberg	Schiffler
Cooley	Klein	Scott
Costello	Knutson	Shafer
Courtney	Kunkel	Sheridan
Curley	LaFollette	Slaughter
Daughton, Va.	Lambertson	Smith, Maine
Davis	Lane	Smith, W. Va.
Delaney	Lea	Snyder
Dewey	Luce	Sparkman
Dickstein	McCord	Stefan
Dies	McCowen	Talbot
Dilweg	McGehee	Taylor
Disney	McGregor	Thomas, N. J.
Douglas	McLean	Tolan
Drewry	McMillen, Ill.	Treadway
Eaton	McMurray	Troutman
Elston, Ohio	McWilliams	Vursell
Fay	Magnuson	Ward
Fenton	Maloney	Weaver
Fisher	Mansfield, Mont	Weiss
Fitzpatrick	Marcantonio	Wene
Ford	Merritt	West
Fulmer	Miller, Nebr.	Whelchel, Ga.
Furlong	Miller, Pa.	White
Gale	Monkiewicz	Whitten
Gallagher	Morrison, N. C.	Wigglesworth
Gearhart	Mott	Winstead
Gerlach	Mruk	Wolfenden, Pa.
Gifford	Murphy	
Gorski	Newsome	

The SPEAKER. On this call 269 Members have answered to their names, a quorum.

Mr. McCORMACK. Mr. Speaker, I move to dispense with further proceedings, under the call.

The motion was agreed to.

LEAVE TO ADDRESS THE HOUSE

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to change my special order for today until Tuesday next.

The SPEAKER. Is there objection?

There was no objection.

REEMPLOYMENT COMMITTEEMEN, SELECTIVE SERVICE SYSTEM

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent for present consideration of the bill (S. 1962) extending the provisions of Public Law 47, Seventy-seventh Congress, as amended, to reemploy committeemen of the Selective Service System, which I send to the desk.

The Clerk read the bill, as follows:

Be it enacted, etc., That Public Law 47, Seventy-seventh Congress, approved May 5, 1941 (55 Stat. 150), as amended, be amended to read as follows:

"That nothing in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., title 5, sec. 99) shall be deemed to apply to any person because of his appointment under authority of the Selective Training and Service Act of 1940 or the Selective Service regulations made in pursuance thereof as a member of a local board, a board of appeal, an advisory board for registrants, as a State director, a Government appeal agent, a reemployment committeeman, or as an individual to conduct hearings on appeals of persons claiming exemption from combatant training and service because of conscientious objections as provided in section 5 (g) of the Selective Training and Service Act of 1940; or because of his appointment as a member of an alien enemy hearing board to assist the Attorney General in the execution of any proclamations heretofore or hereafter issued by the President under the authority of the Alien Enemy Act of 1798 as amended (U. S. C., title 50, secs. 21-24)."

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. MICHENER. Mr. Speaker, I reserve the right to object. Will the gentleman state what this is?

Mr. CRAVENS. Mr. Speaker, this bill reenacts certain provisions of law which have been in existence for the past 2 or 3 years with respect to volunteer and unpaid employees of the Selective Service System. The only change the bill makes with respect to existing law is to add another class of exempt unpaid volunteer employees, to include those so-called county committeemen who have been set up recently for the purpose of advising returned veterans as to their reemployment rights, and so forth.

Mr. MICHENER. And these committees are set up to give voluntary service to the Government. Lawyers are members of those committees and they are doing a patriotic duty, but are not to be prevented from prosecuting other claims connected with the Government.

Mr. CRAVENS. That is true.

Mr. MICHENER. And they receive no pay, but give their services voluntarily in aid of the returned veteran.

Mr. CRAVENS. That is correct.

Mr. MICHENER. I have no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that on Monday next, after other special orders, the gentleman from Connecticut [Mr. COMPTON] may address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent that on Wednesday next, after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered, the gentleman from Illinois [Mr. DAY] may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized.

Mr. SABATH. Mr. Speaker, the rule just reported makes in order H. R. 2241, better known as the Jackson Hole National Monument or park bill.

This rule was granted, it appears to me, more because of friendship than on account of any merit to the bill as it was originally reported. The gentlemen appearing before the Committee on Rules, with their usual persuasive ability, have succeeded in obtaining favorable action. I commend the gentleman from Montana [Mr. O'CONNOR], who has most assidiously and diligently worked to obtain this rule notwithstanding that there is a minority report signed by 7 of the 15 or 16 members of the committee.

Mr. Speaker, the bill proposes to vacate an Executive order of the President which created this national park. There is a report here from the Secretary of the Interior to the effect that it would be unwise to adopt this bill, and after reading the letter of the Secretary, I personally feel that the bill has very little chance of ever becoming a law. There is opposition to the bill because it is believed that this land should be preserved for the people not only of that section of the country but for all the people of the United States.

I have aided in the passage of legislation creating many national parks and I will vote for any bill that will provide additional land for their enlargement or that will create new national parks as well as favoring the setting aside of lands for forestation and recreational purposes which the people may visit and enjoy during their vacations.

Mr. BREHM. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Ohio.

Mr. BREHM. The gentleman has been referring to this as a national park. Is it not a monument rather than a park?

Mr. SABATH. They call it a monument, but that is what it means. It is for park purposes anyway.

Mr. BREHM. There is a difference between a monument and a park?

Mr. SABATH. I know. All the parks are monuments to this country.

Mr. BREHM. But all monuments are not parks.

Mr. SABATH. No, unfortunately not, but there is no plan here to make many monuments or to place monuments, as we understand that term.

It may be well for the House to know that some years ago an outstanding American who was interested in preserving our parks and places of interest donated to the Government about 32,000 acres of the land having a value of $1,500,000 which is included in this monument, and the gentleman if he prefers may call it a monument rather than a park.

In view of this donation I feel we should avail ourselves of the gift and accept and preserve it for the future. The objection that I have heard to the Executive order is that it will deprive the

State of Wyoming of some taxes. The way I feel about public parks, I think it would be beneficial to this country, if they in Wyoming cannot pay the taxes, that the Government should assume and pay the taxes, if that is the only objection. Of course, there may be some farmers and cattle owners who have a lot of live stock and they may need this land for the herding of sheep and for grazing purposes and who may desire to continue to use the land free of charge.

However, I think that the bill is not really deserving of favorable consideration, but the Committee on Rules, again wishing to give the membership the right and the privilege to pass upon it, reported the rule. It provides for 2 hours' general debate. Thereupon it will be taken up under the 5-minute rule, giving those who desire the opportunity to offer amendments.

I will not take up any additional time. I will reserve, however, the balance of my time, and now yield the usual 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I understand there may be a fight on the rule, and, if that is the case, of course, I shall yield to Members who are interested in this bill to present the facts to the House.

The bill speaks for itself:

To abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest.

I do not propose to take the time of the House to discuss the merits or demerits of the proposal, but it has been before the House of Representatives on two different occasions and has been voted down. Nevertheless, Mr. Ickes, Secretary of the Interior, saw fit to get an Executive order in defiance of the Congress—and I believe in defiance of the Constitution—and had the President issue this Executive order taking into the Teton Park several hundred thousand acres under the camouflage of a national monument. Without discussing the merits of the bill, I propose for a few minutes to address myself to the fundamental proposition of restoring to the Congress its legislative powers and constitutional functions.

It seems to me that such an issue is far greater than the contents of the bill. The question is whether the Congress can be superseded as a legislative body by the Executive or by Mr. Ickes, when it has deliberately on two different occasions turned down similar legislation. It is a clear-cut question of the restoration of representative and constitutional government in the United States, the one thing the people back home are worried about, and rightly so.

If these facts are true, then I think it is incumbent upon all of us, regardless of the merits of the proposal and regardless of whether we are Republicans or Democrats, to support the prerogatives and the constitutional power of the Congress to legislate. That is the simple, clear-cut issue I want to leave with the Members on both sides in connection with this bill. If I am in error, then I hope some Member will clarify the situation. Later, of course, Members on this side will discuss the merits of the proposal and show in detail how the intent and purpose of the National Monument Act of 1906 has been violated by the Executive order.

Mr. Speaker, I ask unanimous consent to address the House out of order for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I had hoped to address the House for an hour this afternoon, but in view of the fact that if this rule is adopted which provides for 2 hours of general debate I doubt if I can do so until Monday; I want to read without extended comments at this time a resolution I am about to place in the hopper. It is a House resolution of inquiry, and it is fitting that it should be introduced on the third anniversary of our declaration of war against Japan. The request for the information is made in good faith by me as a Member of Congress who voted for war against Japan and has supported all measures for its successful prosecution:

Whereas Drew Pearson, in his column The Washington Merry-Go-Round, published in the Washington Post, on Thursday, December 7, 1944, stated: "There have been two basic reasons for the hush-hush secrecy and last week's whitewash of Kimmel and Short. One is the already admitted fact that several other officers in both the Army and Navy, including some really top-bracket men, were involved. The other is the clash of opinion inside the Cabinet in 1941 regarding the wisdom of sending the strong note to the Emperor of Japan proposing that Japan get out of all China, etc. Secretaries Knox and Stimson, however, felt that the United States was not prepared and that the note to the Emperor would bring war. They favored continued appeasement and went on record in writing to that effect"; and

Whereas this virtual ultimatum was sent to the Japanese Government or Emperor on November 26, 1941, without the consent or knowledge of Congress, which alone under the Constitution may declare war, and without the knowledge of 130,000,000 Americans; and

Whereas Drew Pearson has stated in the public press that Secretaries Knox and Stimson felt that the United States was not prepared and that the note to the Emperor would bring on war; and went on record in writing to this effect; and

Whereas Secretary of War Henry L. Stimson has not denied this this serious and astounding public charge, that he protested in writing the sending of the ultimatum of November 26, 1941, to Japan; and

Whereas the American people, after 3 years of war, are entitled to the facts regarding the causes and origin of the war: Therefore be it

Resolved, That the President of the United States be, and he is hereby, requested, if not incompatible with the public interest, to inform the House of Representatives if the Secretary of the Navy and the Secretary of War did submit in writing protests against the sending of the ultimatum to Japan on November 26, 1941, and stating that it would bring on war.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I yield 10 minutes to the gentleman from Wyoming, the author of the bill.

Mr. BARRETT. Mr. Speaker, the people of Wyoming are intensely interested in this bill. The Governor of my State, nearly every newspaper in my State, practically every civic association in the State, has endorsed this bill. The area of Wyoming is 62,000,000 acres. The United States owns outright over 32,000,000 acres, that is over 51 percent of the area of Wyoming. In addition to that, the United States owns the minerals under 18,000,000 acres of land, in which the people of Wyoming own only the surface. That is 30 percent of all the acreage in Wyoming. Consequently, the United States owns a substantial interest in 81 percent of all the acres in Wyoming. We are all in favor of national parks. We have several of them in our State. The Yellowstone National Park is the first national park in the Union and we are proud of it. It takes in 2,240,000 acres of land. The Park Service for more than 40 years has been trying to extend the Yellowstone National Park. They wanted to take the Grand Teton Mountains into Yellowstone National Park and they brought a bill before the Congress to do that, more than 25 years ago. They wanted to take 320,000 acres, including the Grand Teton Mountains, and include them in the Yellowstone National Park. They were unsuccessful. Then they submitted a bill to establish a separate park to be called the Grand Teton National Park. That park would take in these same 320,000 acres. This area is 6 miles from the south boundary of the Yellowstone to the north boundary of the proposed Grand Teton National Park. They had hearings. They sent a Presidential commission out to Wyoming in 1926 and 1927. The people of Wyoming were considered. They objected to putting all of the 320,000 acres into Grand Teton National Park but they were in favor of placing the mountains themselves and all the scenic beauty of the area into a national park. The Grand Tetons are majestic. There is no better mountain scenery in all the world, let alone in the United States, and so the people of Wyoming were interested in having them preserved for all the people for all time. Consequently, when the committee came out there and consulted the people of Wyoming, they agreed that the Grand Teton National Park would be established with an area of 98,000 acres which would take in the Grand Tetons and everything of beauty in that area. They objected to including the 221,000 acres immediately to the east of that mountain range, which is nothing but sage brush flats, hundreds of small farms and ranches, and Jackson Lake, which is a reservoir used by the Reclamation Service for an irrigation project in Idaho.

The committee therefore recommended adversely as to the 221,000 acres to the east of the Grand Tetons, but did recommend that the Grand Teton National

Park be established with 98,000 acres. Congress created Grand Teton National Park in 1929. At the time when they had hearings in Wyoming, Hon. John B. Kendrick represented our State in the United States Senate. He was a member of the committee that considered the matter. He was a great man. He told the people of Wyoming and he was quoted in the newspapers of Wyoming, and those papers are in the hearings before our committee to the effect that this was a complete settlement of the matter and that never again would they ask to have any more of that area included in a national park.

I want to call attention to the fact that in the Jackson Hole area we have over 2,000,000 acres in Yellowstone Park. We have over 6,000,000 acres in national forests.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. BARRETT. I yield to my distinguished colleague from Michigan.

Mr. DONDERO. I think it would be helpful to the Members if the gentleman would just point out the area of the Grand Teton National Park, and the area attempted to be included in it.

Mr. BARRETT. I will be happy to do that. I will indicate on the map which is before you the area consisting of 98,000 acres which is included in Grand Teton National Park. That was established by act of Congress in 1929. The 221,000 acres now in the Jackson Hole National Monument which the Congress refused to put into the Teton National Park, is located to the east of the park as may be seen on this map as I have indicated.

The Congress in 1929 refused to put those 221,000 acres into the park because that area includes hundreds of small farms where the people have made their homes for more than 50 years and because it was not properly land to be included in a park.

In addition to that, we have over 6,000,000 acres of land in various forests surrounding this park, as I will indicate on the map. There is the Teton National Forest. There is the Washakie National Forest. There is the Targhee National Forest. There is the Shoshone National Forest. Six million acres in forest land in this particular area.

The committees of Congress had hearings, and in 1928 Congress decided not to put this 221,000 acres into the Grand Teton National Park. But Mr. Ickes was not satisfied. In 1938 he came back to Congress again with a proposal to put these same 221,000 acres into the Grand Teton National Park and again a committee from the Senate went out to the people of Wyoming. They held hearings there. They discussed the matter. The people were opposed to Mr. Ickes' proposal, and the Senate committee reported adversely and again decided not to put the land into the Teton National Park. So Mr. Ickes is not satisfied, and he decides to take the matter into his own hands.

Now, the Congress alone has the power to create a national park. Nobody but Congress can create a national park. So Mr. Ickes, in effect, said, "I do not care what the Congress decides. The Department has submitted this matter twice to the Congress of the United States, and they failed to put these 221,000 acres into a national park. I am going to take the law into my own hands. I do not care what the Congress does. I am going to get the job done, anyway."

So he accomplishes the same purpose by getting an Executive order putting those 221,000 acres into a national monument. Now, that is a subterfuge. The Jackson Hole National Monument adjoins the Grand Teton National Park on the east. To all intents and purposes it is nothing but park extension, but he knew he could not get Congress to extend Teton National Park to include these 221,000 acres, so he establishes a national monument in spite of the action of Congress. Now, he showed his utter disregard for the Congress of the United States. He usurped the power of the Congress, because to all intents and purposes, he has done by indirection the very thing he could not get done by legislative sanction. That is the fundamental question. How long will the Congress tolerate the effrontery of a bureaucracy that overrides its express will? How long will the Congress stand by and permit these bureaucrats to usurp its powers and functions? How long must the free people of the sovereign State of Wyoming submit to Federal encroachment upon its confines?

This was an unwarranted invasion of the rights of the great State of Wyoming. It was accomplished without notice of any kind to the people of my State. No notice was given of the proposed action to the Governor of Wyoming, either to our Senators or to myself, and the people of my State resent the wholly un-American manner in which this grab was put over on our people.

The SPEAKER. The time of the gentleman from Wyoming has expired.

Mr. FISH. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. BARRETT. I yield to my distinguished colleague from Ohio.

Mr. BREHM. Will the gentleman tell the Congress what exists in this proposed addition which stamps it as a monument?

Mr. BARRETT. The area included in this monument is not monument in character. It is not monument land. It could not be defined as a landmark, a structure, or an object within the meaning of the law. The law provides that a sufficient amount of land may be reserved to provide for the care and management of the object. There is no object within the area requiring care or management. The law provides that the smallest area compatible for the care and management of the object shall also be set aside. It certainly was not contemplated under the monument law that such vast areas of grazing and ranch lands should be set aside as an addition to a national park.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. BARRETT. I will be delighted to yield to the gentleman from California.

Mr. PHILLIPS. There is another feature that the gentleman has not brought out and that is the idea of the creation of a national monument. It was never intended to cover this kind of a development. The national monuments were intended to cover small pieces of property or something of this kind that had some historical significance.

Mr. BARRETT. The gentleman is quite right. And there is not a single object of historical significance in this entire area.

Mr. BREHM. And is it not true that they discovered a log cabin here and tried to say that Jesse James at one time, while being pursued by a posse, had hid in that cabin and that this is of enough scientific interest to justify preserving 221,000 acres as a national monument?

Mr. BARRETT. We would have monuments all over the West if we attempted to make a monument wherever some horse thief was caught.

Mr. PHILLIPS. Will the gentleman say when the act to establish national monuments was created?

Mr. BARRETT. The Antiquity Act was passed by Congress in 1906. Under that act the President of the United States has the right to establish national monuments and may declare, in his discretion, by public proclamation, historic landmarks, historic and prehistoric structures, and other objects of historic and scientific interest situated on land owned or controlled by the Government.

The SPEAKER. The time of the gentleman from Wyoming has again expired.

Mr. FISH. Mr. Speaker, I yield the gentleman 2 minutes more.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BARRETT. I am happy to yield to my colleague.

Mr. WRIGHT. It is true that this is not a party matter, that Democrats and Republicans alike, including your Democratic Governor and one Democratic Senator and the Republican Senator, as well as an overwhelming majority of the people from the gentleman's State, are opposed to this national moument.

Mr. BARRETT. The gentleman is precisely right.

Mr. HALLECK. Mr. Speaker, I would like to state that the statement of the gentleman from Pennsylvania [Mr. WRIGHT] is entirely correct, and also that I have studied this matter. I approve of the gentleman's bill, and want to support it and will support it. My understanding of the situation is such that by no stretch of the imagination could the act of 1906, which undertook to provide for the preservation of American antiquities, and then went on to explain certain historic landmarks that might be preserved—by no stretch of the imagination could that act be stretched sufficiently to vest in the executive branch of the Government the right to create this monument without specific act of Congress.

Mr. BARRETT. That is correct. I might say that in the report on the Antiquities Act it stated:

In view of the fact that the historic and prehistoric ruins and monuments on the public lands of the United States are rapidly being destroyed by parties who are gathering them as relics and for the use of museums and colleges, etc., your committee are of the opinion that their preservation is of great importance.

It was stated in the hearings at the time that only small areas were to be put into national monuments, but it was never contemplated that they would put in areas like this that were not monumental in character. I would like now to show to the House some pictures of the area which will explain this situation. Here is a picture of the Grand Teton National Park. The area in that park of 98,000 acres includes everything of beauty in the area and it is protected and preserved at the present time, and there will be nothing done to interfere with that national park. Here is some of the land on the monument. Sagebrush flat. That sagebrush is as high as your hips. There are thousands upon thousands of acres of sagebrush flats in this monument that we are trying to set aside. There are farms and ranches like this raising thousands of cattle and supplying food for the people.

The SPEAKER. The time of the gentleman has expired.

INCREASE IN COMPENSATION OF EMPLOYEES IN THE POSTAL SERVICE

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 673, Rept. No. 2047), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4715) to increase the compensation of employees in the Postal Service; that after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Post Office and Post Roads, the bill shall be read for amendment under the 5-minute rule; that at the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

Mr. FISH. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, the economic considerations involved in the pending bill are to me of secondary importance. While it is important, of course, to any State that its revenues are diminished by action of the Federal Government in taking over large portions of its domain; while the inconvenience that often results from this same action are, of course, important, the principal issue involved is whether or not the Federal Government, through proclamation by the President, can dip into the solemn domain of a State and without what appears to be proper justification take over an area of 221,000 acres.

If the President, in pursuance of section 2 of the act of 1906, can take over 221,000 acres in Wyoming, then he can dip into the State of Illinois, where a few Indian mounds or a few arrowheads have been found to give color to the belief that such an area is of scientific and historic interest and for the same reason take over 221,000 acres.

By the same logic the President could dip into the State of Ohio or Indiana, Pennsylvania or New York, Kansas or Kentucky, and take over territory of undetermined size and divest it from the ownership of the State and the people. Such action appears to me to be singular indeed.

The Jackson Hole controversy is an excellent illustration of the persistency of bureaucracy in gaining its ends. It was in 1902, which is 42 years ago, that a first effort was made to extend the boundaries of Yellowstone to include the Jackson Hole area and it failed. An attempt to achieve the same objective was made in 1919 and it failed. A further attempt was made in 1925 and it failed. It was again attempted in 1929 and it failed. It was again tried in 1938 and it failed. All these failures resulted from the vigilance of the Congress and the refusal of Congress to follow the recommendations of the executive agencies of government.

But in 1943, 41 years after the first effort was made to obtain the 221,000 acres in Jackson Hole and bring it within the domain of the Federal Government, it remained for the Secretary of the Interior to prevail upon the President to issue a proclamation and to achieve by circumvention what the Congress has steadfastly refused to do for more than two generations.

Do we propose to be rolled back by the Secretary of the Interior or do we propose today in compliance with existing law to roll him back? How much was said on the hustings in recent months about States' rights. Were we uttering a lot of fine phrases or did we mean it? If we meant it, then today is a good time to stand up and be counted.

Mr. FISH. Mr. Speaker, I yield 6 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, when I first came to the House I would have been stunned to have read or to have known or to have learned of such a deal as was pulled off in my sister State of Wyoming right across the line from where I live, in the taking away of farm homes from people who have lived there for a half century. There is a fundamental principle involved: whether by indirection the Executive can do what he cannot do by direct action.

I was a member of a subcommittee that looked over the area set apart by Executive order which, as the gentleman from Wyoming [Mr. BARRETT] has so well said, the Congress had refused time and again to do, upon the theory that it would eventually become a part of the Yellowstone National Park. When I first came to the Congress I was amazed and astonished to find a gentleman from the State of Louisiana who was then chairman of the Committee on Public Lands, and who introduced a bill, unwittingly, of course, to enlarge the Yellowstone Park by taking a large part of an agricultural area up the Yellowstone River between the town where I live, Livingston, Mont., and the Yellowstone National Park.

We of the West have had to fight and fight and fight to keep from the constant enlarging of the Yellowstone Park, and those other parks, and from taking in more and more of our lands. Their greed for land and territory is beyond human conception. There is a principle involved here, and I am going to talk to the lawyers of the House about it. I want you to pay attention to this, if you will. This so-called setting aside of this monument was authorized, if at all, under section 2 of the law of 1906, and it cannot be read too often:

That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

The power of the President is intended by the Congress to be limited only to taking that part that is necessary to preserve the monument like, for instance, the monument created to Custer's Last Stand in my own State of Montana. But in that instance the President set a small area of land to protect the monument which is perhaps the most historic monument there is any place in the West. The President set aside a very small area to protect the monument against the encroachment by people who happened to come there and visit.

What are we trying to protect? There is not a single thing in that area of scientific value or of historic value; not a thing. I have been over it. It is a territory of farms and of land, and so forth.

I hope the Members of this House will vote for the rule, because I want to tell you some more about this bill before it is over with when the rule is adopted.

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, 2 minutes is a very short time to discuss a matter of such magnitude as this.

My colleague the gentleman from Montana [Mr. O'CONNOR] called your attention to the lines in the original act on which the establishment of this monument was based from which I quote:

SEC. 2. That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic

landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected: *Provided*, That when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

Who can contend that 221,610 acres must be set aside to control and take care of a monument? I call the attention of the House to the fact that practically all this land, that is, the land in national forest and the national park, is closed to settlement. It is owned by the Government on both sides. We have here a little island, a little oasis, where these old settlers have made their homes and built up a community.

The question before the House in the first place is, Shall the Congress and the people of the United States be the owners of the land, or shall these departments be the proprietors and the owners? That is the question with which we are faced—the question that every man from the West is faced with all the time. Instead of being the custodians of the land, to administer it for the good of the people, these bureaus assume they are the proprietors of the land. That is the thing we should curb. That is the reason this bill should be passed. Let these departments come to the Congress if they want a piece of land withdrawn. Let the matter be considered and opened up to hearings before the House. Let us pass this bill today and let the departments understand that they are the servants of the people, that they are the custodians of the land, and not the owners and proprietors of the land with the right to exclude the people from the use of the land.

Mr. COX. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, the gentleman from New Jersey [Mr. WOLVERTON] and I have just returned from Chicago, where the International Civil Aviation Conference was held. I report to the House that the two Members of the House stayed there the entire time. It was a wonderful conference. You will find after reading the various documents that aviation has been advanced at least 25 or 30 years.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the address of Hon. Adolph A. Berle, chairman of the United States delegation, at the closing plenary session of the conference.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I believe the Members of the House, both Republicans and Democrats, are deeply interested in the development of American aviation. To the chairman of our Subcommittee on Aviation of the Committee on Interstate and Foreign Commerce and to the Republican member of that committee, the gentleman from New Jersey [Mr. WOLVERTON], I think this House would like to express its deep appreciation of their splendid efforts at Chicago.

Mr. BULWINKLE. I thank the gentleman.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, in order that the Members of the House may have the history of the Executive order establishing the Jackson Hole Monument before them, I am taking the floor because this might be of import when the bill is under debate. I am not taking the floor in opposition to the adoption of the rule. I am going to vote against the bill.

On March 15, 1943, President Roosevelt established the Jackson Hole Monument by Executive order. This national monument was established under the authority of the act of June 8, 1906, known as the Antiquities Act, which authorized the President to reserve as national monuments Federal lands that are of historic or scientific interest. There is no question but that Jackson Hole is both. Even the majority report states that it is "one of the outstanding scenic attractions of the Nation."

Congress, by the act of June 25, 1916, created the National Park Service and further defined the purpose of national monuments by specifically stating that their purpose is—and this is an extension of the 1906 act—

> To conserve the scenery and national and historic objects and wildlife therein and to provide for the enjoyment of the same, in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

Now, we hear the argument of usurpation of the powers of Congress by President Franklin D. Roosevelt. I have been hearing that for a number of years. But a lot of my friends on the left overlook the fact that we just have had an election and Franklin D. Roosevelt has been reelected for a fourth term with an increased Democratic membership in the House. That takes into consideration, also all the issues during the last campaign, of States' rights and everything else that was argued during the campaign. Now, it is argued that it is wrong for Franklin D. Roosevelt to issue an Executive order under this law. But let us see what other Presidents have done under the 1906 act, as amended, to the extent that it might be amended by the act of 1916. Every President since the passage of the Antiquities Act has established national monuments under that act. A total of 82 have thus been created.

President Theodore Roosevelt created 18 national monuments, totaling 1,534,329 acres.

It is an usurpation of the powers of Congress for Franklin D. Roosevelt to issue an Executive order, but it is not so for a Republican President.

President Taft created 10 national monuments, totaling 2,300 acres.

President Wilson created 13 national monuments, totaling 1,121,996 acres.

President Harding created 8 national monuments, totaling 8,937 acres.

President Coolidge created 13 national monuments, totaling 1,243,063 acres.

President Hoover created nine national monuments, totaling 2,147,640 acres.

Franklin D. Roosevelt to date, after about 12 years of service as President of the United States, has created 11 national parks totaling 1,494,767 acres.

In other words, there are two or three Presidents who have created more national monuments and acreage in national monuments than President Franklin D. Roosevelt, or about as much. Now, they decry the fact and condemn Franklin D. Roosevelt for issuing an Executive order by reason of the very law or under the authority of the very law that Presidents in the past have issued Executive orders, establishing national monuments.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COX. Mr. Speaker, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, the Grand Canyon National Monument established by President Hoover, is contiguous to Grand Canyon National Park; and Zion National Monument, established by President Roosevelt is contiguous to Zion National Park. So that we have other similar situations of national monuments being contiguous to national parks. The argument presented here this afternoon, would leave the impression that the only one who has acted under the authority of the Antiquities Act is President Franklin D. Roosevelt when, as a matter of fact, every President since the passage of the Antiquities Act, has acted under its authority and some of the Presidents have issued Executive orders creating national parks covering a larger acreage than those established by Franklin D. Roosevelt. This bill should never have been brought up here today but it was forced to come up under the rules of the House, the rule having been out more than 7 legislative days. Furthermore, we are in these closing days of the session, considering a bill which everyone knows cannot become law.

I might also say that the legality of the establishment of the first Grand Canyon National Monument, which was nearly four times the size of Jackson Hole National Monument, was contested many years ago. The case went to the Supreme Court and that Court in the case of Cameron et al. against United States rendered its decision on April 19, 1920, as follows:

The defendants insist that the monument reserve should be disregarded on the ground that there was no authority for its creation. To this we cannot assent. The act under which the President proceeded empowered him to establish reserves embracing "objects of historic or scientific interest." The Grand Canyon, as stated in his proclamation "is an object of unusual scientific interest."

The President in setting up Jackson Hole National Monument has acted in the public interest and in accordance with procedure as authorized by Congress.

Mr. COX. Mr. Speaker, I yield to the gentleman from New Mexico [Mr. FERNANDEZ] 2 minutes.

Mr. FERNANDEZ. Mr. Speaker, I was attending a meeting of the Indian Affairs Committee when the debate first started and I do not know the arguments advanced by the gentleman from Wyoming [Mr. BARRETT] in supporting the rule to consider the bill at this time. Throughout the hearings in the Committee on Public Lands, however, it was charged that the President had exceeded his authority; that he was encroaching on the authority of the Congress. After the monument was created a suit was filed in Wyoming to test the authority of the President, to determine whether or not the President had exceeded his authority. Today, if we proceed to a consideration of this bill, we ourselves are encroaching on the authority of the judiciary. This bill can be passed next year, if necessary, when the courts have gotten through with it.

In my opinion, we should not proceed with the consideration of this bill until the courts have gotten through with it. In other words, before we try to pick the mote out of the President's eye we should look at the beam in our own eye.

The SPEAKER. The time of the gentleman from New Mexico has expired.

Mr. FISH. Mr. Speaker, I yield 2½ minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, my district borders the State of Wyoming and I know something about how the people over there feel.

Congress is not usurping anybody's prerogatives in proposing to consider this bill. The Congress is merely going to protect its right to declare what was the intent of Congress in passing the Antiquities Act.

The gentleman from Massachusetts [Mr. MCCORMACK] has a heavy load on him in taking the floor on this proposition today. The reelection of the President was not on this issue in the United States but it was an issue in the State of Wyoming. I was over there for about a week during the campaign. This year for the first time since Franklin D. Roosevelt has been a candidate for President, the State of Wyoming went Republican. Every other time it has voted for him. If there is any mandate from the State of Wyoming on this proposition it is to consider this bill and it is to pass the bill.

I have here a bound copy of the Reader's Digest for the year 1943. In the August number appears an article by JOSEPH O'MAHONEY, United States Senator from Wyoming. Let me quote him for the benefit of those on the majority side of the aisle.

Let him say what the issue is here:

Although national parks can be created only by an act of Congress, an old law provides that, without such an act, small areas of land owned or controlled by the United States may be set aside as national monuments for the preservation of historical landmarks. And so, last March, a flourish of the pen on an Executive proclamation did what Congress had refused to allow. Without notice to the ranchers, living in the area, to Wyoming or to Congress, an area half the size of Rhode Island was made into the Jackson Hole National Monument. The law invoked by the bureaucrats had been intended to apply solely to lands "owned or controlled by the United States" yet a sizable part of the area taken over in this high-handed fashion is privately owned.

Then the Senator went on to say that what happened there might have been of special local interest but it has a national concern because of the principle involved. If this can be done in Wyoming it can be done in any other State in the Union.

If this bill should not pass, if this Executive order should prevail, the name of that monument should be changed. It should be changed to "Jesse James National Monument," not for the cabin where Jesse James hid, but for the manner and action in which it was established.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. COX. Mr. Speaker, I yield the remainder of the time to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Speaker, I am in the embarrassing position of opposing a bill reported out of my own committee. Seven members of the committee joined in the minority report. I have gone into this matter thoroughly and have studied the whole situation. I have the kindliest feeling and warm personal friendship for the gentleman from Wyoming; I have tried to help him on other matters and have on several occasions called the committee together to report out bills for him. I regret the position that I am in, but it is the result of conscientious study of the testimony and because I believe his bill does not accomplish anything at all. It merely abolishes a monument created by Executive order of the President, and does not solve the problem. I believe that with a little more time we can work out some solution of this and perhaps establish a cattle driveway, where the cattle can be driven from one section to another, and whereby we may protect the rights of those having grazing permits. Also Teton County will be reimbursed for any land taken, that Mr. Rockefeller conveyed to the United States. Bear in mind that at the present time the greater portion of the land that we are talking about is already owned by the Government. The Government owns 221,610 acres involved, and 170,306 of those acres are already owned by the Federal Government. Thirty-two thousand one hundred and seventeen acres were bought by John D. Rockefeller for the purpose of conveying them to the United States Government. Still some people talk about the President doing this thing. Why, Mr. Speaker, this was initiated back in the time of President Hoover. The then Secretary of the Interior, Dr. Ray Lyman Wilbur, states this in a telegram sent to the Director of National Parks:

CHICAGO, ILL.

Hon. J. HARDIN PETERSON,
House of Representatives:

Following telegram just received from former Secretary of Interior Ray Lyman Wilbur:

"While Secretary of the Interior, I visited Jackson Hole. Made careful preview of natural resources, had study made of the elk herd, and did what I could to have this area preserved for the type of land administration practiced by the National Park Service. Considerable public land was involved but only through the public-spirited action of Mr. Rockefeller and his purchase of private land in the area did it seem possible to hold northern half of Jackson Hole for the American people. This is one of the noblest areas in America. I have always felt that having this land held for the National Park Service could be worked out without injustice to people of the immediate neighborhood and to the great advantage of the State of Wyoming as well as the United States. In many of these park areas, it has been necessary for local people to make what seemed to be sacrifices for the future benefit of the whole Nation, but I believe in the long run there will be greater financial local advantage in a tourist crop than in a cattle crop. The Presidential proclamation has been used by 7 different Presidents in some 82 other cases, always with provision for protection of private and States' rights. It seems to me that adjustments of all interests in the area could be easily arranged under the Presidential proclamation. I would consider it most unfortunate if this proclamation is set aside.—Ray Lyman Wilbur."

NEWTON B. DRURY,
Director, National Park Service.

So, it was not President Roosevelt, but it was in the time of President Hoover that this was started. Reference has been made to the Antiquities Act. I have called attention repeatedly to the problem of public lands, and introduced a resolution to make a study, showing the ownership, and made a report on this. There is no one more jealous of the rights of the States than I am. I want to call attention to the fact that under this Antiquities Act, first used by President Theodore Roosevelt, many monuments involving 10 times the area of this one were created in the preceding administrations. The fact is that several previous administrations have embodied more acres of land within single monuments than has been created in this administration in 11 monuments.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, I want to take these few minutes for one purpose only, and that is to point out the danger to those of us who live in the far western area where a high percentage of our States are already in Govern-

ment hands, of a continuation of this practice of disregarding the Antiquities Act of 1906.

We have hundreds of thousands of acres in the State of Oregon they might take at any moment without any warning to anybody and place in a national monument to the detriment not only of the economy of our State but actually the economy of the Nation at large.

Let me read a few words of this Antiquities Act:

> That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with proper care and management of the objects to be protected.

Mr. Speaker, so far as the Public Lands Committee, of which I am a member, was able to find out, there are no objects to be protected, although the monument created consists of 221,000 acres.

The SPEAKER. The time of the gentleman has expired.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. PETERSON of Florida) there were—ayes 103, nays 41.

So the resolution was agreed to.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES -EXTENSION OF PERIOD OF PHILIPPINE INSURRECTION

The SPEAKER laid before the House the following veto message from the President of the United States, which was read and, with accompanying papers, referred to the Committee on Invalid Pensions and ordered to be printed:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 4099, Seventy-eighth Congress, "An act to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 31, 1913."

The effect of the measure is to confer a wartime status on persons who served in the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao and the islands of Samar and Leyte between July 5, 1902 and December 31, 1913, and thus afford to such persons and their dependents monetary and other benefits on a parity with persons who served in the Spanish-American War, Boxer Rebellion or the Philippine Insurrection prior to July 5, 1902.

The ending date of the Philippine Insurrection was established by proclamation of the President dated July 4, 1902, except in territory occupied by the Moro tribes, and the War Department regards July 15, 1903, as the date of termination of the Philippine Insurrection in the Moro Province which is the date on which Act No. 787 of the Philippine Commission, approved June 1, 1903, took effect, and has held that such military operations as occurred subsequent to the establishment of civil government in the Moro Province on July 15, 1903 should not be regarded as a continuation of the insurrection.

Pensions at wartime rates are now provided for veterans and the dependents of veterans who suffered disability or death as a direct result of armed conflict or under extra-hazardous conditions in the areas described in the bill during the period July 16, 1903 to December 31, 1913 and medical treatment and hospital or domiciliary care is also provided for veterans who so served, discharged for disability incurred in line of duty, or who are in receipt of pension for service-connected disability. Service pensions would be the principal monetary benefits afforded by the bill and such benefits, consistently, have been confined to war service.

The bill would extend the Philippine Insurrection closing date about 10½ years, from July 5, 1902 to December 31, 1913, thus according recognition to service performed throughout this period as wartime service upon the basis of intermittent military operations or campaigns in the Moro Province and other parts of the Philippine Archipelago against forces hostile to the organized government, which engagements are comparable to other campaigns or expeditions in which the military or naval forces have participated in times of peace.

This measure would grant special benefits to a particular group and exclude other members of the Regular Military and Naval Establishments who similarly have been called upon, on numerous occasions, to engage in similar military operations in times of peace. I believe that it is sound in principle to abide by the official beginning and ending dates of wars in providing benefits, heretofore described, and feel that extension of the period of the Philippine Insurrection, beyond that established in conformity with recognized legal precedents, would constitute sufficient deviation from that principle to invite further exceptions for additional groups with service in military occupations, expeditions or campaigns other than during a period of war.

FRANKLIN D. ROOSEVELT.

DECEMBER 8, 1944.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message will be referred to the Committee on Invalid Pensions and ordered to be printed.

There was no objection.

LEGISLATIVE PROGRAM

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I do this for the purpose of asking the majority leader what the program for the rest of this week and next week will be, so far as he knows.

Mr. McCORMACK. The Jackson Hole bill will dispose of the legislative business for this week. I do not know whether the bill will be disposed of today or not. If the Members want to stay here on Friday afternoon and have 2 hours of general debate, and then have consideration under the 5-minute rule, it is perfectly all right with me. But assuming the bill is not disposed of today, of course, it will come up on Monday as unfinished business, following the call of the District Calendar. Four bills are to be called up that there is no controversy over, as I understand. Then there will be the continuation of the call of the Consent Calendar. Thereafter the dental bill will be the next order of business; then S. 1919, a bill to expedite the payment of lands, which was on the program for this week, but was not reached; then H. R. 3690, a bill to safeguard the admission of evidence. That was also on the program for this week, but was not reached. Next in order is the bill to increase the salary of postal employees, and then the Monroney-Maloney joint resolution which the Committee on Rules reported out within the past few days. Conference reports as they come in will be taken up as soon as possible after they are reported to the House.

Mr. MICHENER. Is it the purpose of the leadership then to dispose of the bills named before there is a recess?

Mr. McCORMACK. I do not think there is any chance of a recess before these bills are reached and acted upon.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. I understood the gentleman from Massachusetts to announce last week that when the rule is granted on the Palestine resolution, it also would be disposed of before the recess. May I inquire of the gentleman as a member of the Committee on Rules whether or not such a rule has been granted?

Mr. McCORMACK. No; such a rule has not been granted. The Committee on Rules has been in session several times, as the gentleman knows. It met this morning and adjourned to meet at the call of the chairman.

The general understanding was that there would be a meeting of the Committee on Rules called by the chairman sometime today. There has been no call, but, as you know, the Committee on Rules under the rules of the House is on call all the time. We get notice as we did yesterday on the increased clerk hire matter to come up forthwith, and we just have to be waiting. Now we are waiting for a call on the bill in which the gentleman is interested.

The SPEAKER. The time of the gentleman from Michigan has expired.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

Mr. PETERSON of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential Proclamation Numbered 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of bill H. R. 2241, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. PETERSON of Florida. Mr. Chairman, I yield 12 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, aside from the question of the injustice done to those people who have made their homes on these thousands of acres of privately owned land in the territory sought to be taken in this manner for 50 or more years, there is a deeper and more fundamental question involved. I think it goes beyond any human interest. It is the question of whether by indirection the executive department of the United States Government can bypass Congress and accomplish by indirection what is prohibited directly. The creation of national parks is entirely within the jurisdiction of Congress. They can be created or added to only through congressional action. Realizing that this could not be done in this fashion because attempts had been made in the past to accomplish this very purpose, this circuitous and indirect route was taken to bring about the confiscation of homes and the taking of lands that had been used for farming and grazing purposes and all that sort of thing, by Executive order, for the past 50 years.

It is interesting to note briefly a little of the debate that took place when the Antiquities Act was passed. I quote from the debate as follows. Mr. Stephens, of Texas, was apprehensive as to the abuse of this law. He asked the question:

Mr. STEPHENS, of Texas. How much land will be taken off the market in the Western States by the passage of the bill?

Mr. Lacey, who had the bill in charge, replied:

Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.

Mr. STEPHENS, of Texas. Would it be anything like the forest reserve bill by which seventy or eighty million acres of land in the United States have been tied up?

Mr. LACEY. Certainly not. The object is entirely different; it is to preserve these old objects of special interest and the Indian remains in the pueblos in the Southwest whilst the other reserves the forests and the water courses.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield briefly.

Mr. CASE. The gentleman is referring to the legislative debate on the Antiquities Act?

Mr. O'CONNOR. Exactly; that is, the debate on the act.

Mr. CASE. And the debate clearly gives the intent of Congress in the creation of national monuments?

Mr. O'CONNOR. Exactly.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield briefly.

Mr. BREHM. From what the gentleman has quoted there, that does not justify this being a national monument.

Mr. O'CONNOR. There is not any question about it. Nobody knew this better than the people who are trying to circumvent the Congress. The acquisition of this land by Mr. Rockefeller through the Snake River Corporation or whatever the name of the corporation was, was done in a sort of conniving way. I have not got the time to go into it. But the purpose was eventually made known when the land was purchased by him and then offered to the United States Government in the event that this territory was acquired by act of Congress or in the manner that it was. That was the bait which was thrown out to the Congress. They were afraid to put it up to the Congress because Congress, they knew, would not take the homes away from these people and farmers who had lived in those homes for over a half of a century. Why, my friends, as lawyers, there is not a lawyer who can vote against this bill on the theory that this land was acquired in a legal way. I want to clear the skirts of the President of the United States. Knowing him as I do, I know he never set eyes upon that territory and I doubt very much if Mr. Ickes ever did. They have taken the word of somebody else and they have been imposed upon, if I should not use the word "deceived." Do you suppose the President of the United States, who has sent our boys to Europe to fight and die to defend the freedom and the homes of our people, would, by Executive order, remove these people from Wyoming, take them away from their homes and send them elsewhere? Do you suppose he would do it if he knew the facts? Not on your life.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield briefly.

Mr. MAY. If I understand the legislation under which the President acted, it provides that if there is some object of antiquity or of national historic interest, he can take enough land around it to protect it?

Mr. O'CONNOR. Yes, that was the purpose of it.

Mr. MAY. Now if he can take 260,000 acres out there around some object, could he not, if he wanted to, take in Daniel Boone's tomb, down in Kentucky, and talk half of Kentucky in order to protect that tomb?

Mr. O'CONNOR. I want to state to the gentleman that he is right. The gentleman from Kentucky is just as sound as he always is. I want to tell you that he could take in the whole State of Montana if he wanted to, to establish a national monument surrounding the monument where Custer lost his life. There is no limit that he could go. But our present President, if he could see all the territories, I would not fear him.

Now, let us see about this. I have here some newspaper clippings and I want you to look at them. Here is a boy whose picture appears in the paper and it reads, "Breaks all records. Eight decorations, the highest number ever awarded any one man in this war." Where is that boy? He is over in Europe. Where was that boy's home when he left? It was in the very territory that was taken by Executive order. That is where it was. I want you to ask yourselves the question, "What will that boy think when he comes back home and finds that while he was fighting for the freedom of homes in Europe and for the freedom of America, he lost his own home in Wyoming, without a hearing, without a word of notice? May he not conclude that he was fighting for freedom in the wrong place? Might he not conclude that he had better remained home and fought for the freedom of his own home? Bring that home to you. This boy was raised on that property. He made his home there. His mother and father liver there as well as numbers of others who lived on that land that was taken. Do you suppose the President of the United States ever knew that? Here is another picture in another paper. "Army officers work in relays decorating hero from Wyoming." Here he is again. I am not saying that because he lived in that particular locality, he was a hero, but I am saying he has been a hero and I am saying that we owe it to that boy, when he comes back home, that as far as legislative action can go, we will undo what has been done to dispossess him, his father and mother, his sisters and brothers from that home. We owe it to that boy.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. CASE. I might call to the attention of the Committee that the Congress passed the Soldiers and Sailors' Relief Act under which it was declared to be the intent of Congress that no soldier might be dispossessed of his home for nonpayment of a payment on his mortgage or the nonpayment of rent, during his absence under the selective service.

Mr. O'CONNOR. The gentleman is right as he usually is. Now, I want to call attention to one other thing.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. O'CONNOR. I want to call attention to this: I went over this ground. I went over every acre of it. There is not a single thing there of historic value or of scientific interest to preserve. Not a thing. They have an old cabin there which is supposed to have been shot full of holes. They have built a fence around it and they have put a new roof on it and tried to preserve it to make it of scientific interest. What is the history of it? The history of it is that a horse thief was finally cornered there and eventually shot. If we are going to take out 220,000 acres for every spot where a

horse thief has been shot, there will not be any land left in Montana, Wyoming, or any other Western State for people to make a living on.

In the early days in Wyoming and Montana, when mining was the principal industry, a horse for riding purposes and mules for packing purposes were the means of transportation. Anyone who was devilish enough to try to deprive one of those pioneers—who braved every hazard known to human beings—of his means of transportation—namely, the horse—as a rule met his end at the end of a rope thrown over a tree or wherever he could be cornered. My own great State, which I am so proud to represent in this august body, was the scene of many and many such endings, hangings, and shootings of such vandals and outlaws of the vile character who would take from the man his means of transportation because in the end it meant his death. It meant the death of that great character who helped to build up the West.

There is a statue in a conspicuous place adorning the State capitol at Helena, Mont., of the likeness of the immortal Colonel Sanders, who led the way and headed the vigilante committee in Montana to prosecute and bring to bay these murderers and racketeers of the means of transportation—namely, the horse—and take from those people the results of their labor in the form of valuable minerals. Hats off to these great men who have led the way of law and order, but remember we cannot set apart a State or part of a State or homes of individuals to memorialize the carrying out of the human laws that rest on the principle of law, order, and right. We must proceed within reason.

The CHAIRMAN. The time of the gentleman from Montana has again expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield myself 1 minute for the purpose of clearing up the situation with reference to the taking away of homes. There has been definite assurance that there is no intention of taking away any homes. This deals with Federal-ownership land and also with land that John D. Rockefeller acquired for the purpose of conveying to the Federal Government, and in the policies announced at the time the proclamation was issued, it was definitely stated that owners of private holdings in national parks and national monuments established since the beginning of the Federal park system have been given protection under the law and under departmental policies. The Jackson Hole National Monument will be administered under the same policies and all private owners given full protection. The use of summer homes, constructed under Forest Service permits also will be continued. In fact, all permits issued by the Forest Service or other Federal agencies for use of lands now within the national monument will be honored by the National Park Service during the lifetime of the present holders and the members of their immediate families. It might be stated that there is still private ownership of land in the Shenandoah Park, and in the Teton National Park, and also in the Grand Canyon.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. Yes.

Mr. COCHRAN. Does not the record show that there are 231 families living in there right now?

Mr. PETERSON of Florida. Approximately that. I think two-hundred-and-some-odd families. There is no intention to disturb those families. There are families living in the Grand Teton Park that have never been disturbed and who did not know that they were living in a park.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. Yes.

Mr. CASE. Will the gentleman contend that when a national monument is once established, the National Park Service does not try to eliminate all private ownership within its boundaries?

Mr. PETERSON of Florida. They do in many instances, but they try to avoid the working of any hardships, and they work along with the people.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. LECOMPTE. Mr. Chairman, I yield myself 3 minutes.

A great deal has been said today about the Antiquities bill. Major Lacey has been misquoted as well as quoted in connection with it. Major Lacey represented Iowa in this House for 16 years. He is the author of the Antiquities bill and of more legislation in the interest of conservation than any other man who has ever represented the State of Iowa in Congress. Everyone who knows anything about wildlife, conservation and the preservation of beautiful and historic spots is familiar with the name and record of Major Lacey. I do not know what Major Lacey had in mind in the Antiquities Act, but I think he had in mind that any President would be permitted under that act to set aside what is to be called a national monument in order to preserve it for posterity. I think that he had in mind the preservation of just such a place as Jackson Hole and the Grand Teton.

While I agree with the gentleman from Wyoming for whom I have the highest admiration and greatest affection, I think too much territory has been taken in. But it is a fact that a considerable part of the land that comprises this monument is already Government property, and that considerably more of it belongs to Rockefeller interests, and it is to be given to the Government. I think that in the final analysis, and when it is finally worked out, the monument in connection with the Jackson Hole country and the Yellowstone National Park will be an object of beauty and interest. It will be a place that we can take pride in, and people will be glad indeed that we have the Jackson Hole Monument. My feeling is that this bill, while it has some merit, yet under it we ought not to set up a precedent that under the Antiquities Act the President cannot establish monuments by proclamation. Some folks have said here that the President cannot establish a monument except by proclamation. That is what the Antiquities Act does.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LECOMPTE. Mr. Chairman, I yield myself 1 additional minute.

Mr. WHITE. Will the gentleman yield?

Mr. LECOMPTE. I yield to the gentleman from Idaho.

Mr. WHITE. Does not the gentleman think the Congress is the best authority to establish these monuments rather than an Executive or the Secretary of the Interior?

Mr. LECOMPTE. The Congress may establish national parks, but a monument is something different from a national park.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, the Select Committee on Fish and Wildlife Conservation of which I am a member had quite a hearing on this subject. The author of this bill was given an opportunity to be heard and representatives of the National Park Service also appeared before the committee. As I recall it, the committee unanimously voted to oppose this bill after hearing both sides of the question.

Mr. BREHM. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Ohio.

Mr. BREHM. Mr. Chairman, I would like to inform the gentleman that I am also a member of that select committee and I did not oppose the bill.

Mr. COCHRAN. Was the gentleman present at that meeting?

Mr. BREHM. I certainly was. I am in favor of this bill.

Mr. COCHRAN. I stand corrected then as far as the gentleman is concerned.

Since this act was passed in 1906, President Theodore Roosevelt created 18 national monuments totaling 1,534,329 acres; President Taft created 10 national monuments totaling 2,300 acres; President Wilson in 8 years created 13 national monuments totaling 1,121,996 acres; President Harding in 2 years created 8 national monuments totaling 8,937 acres; President Coolidge in 6 years created 13 national monuments totaling 1,243,063 acres; President Hoover in 4 years created 9 national monuments totaling 2,147,640 acres, and President Franklin D. Roosevelt in 11 years has created 11 national monuments, totaling 1,494,767 acres.

We are led to believe by the statement of the gentleman from Montana that this monument is in a class by itself, but you have seven or eight monuments larger in acreage than this one.

These are Grand Canyon National Monument in Arizona, Mount Olympus National Monument in Washington, Katnai National Monument in Alaska, Glacier Bay National Monument in Alaska, Death Valley National Monument in California, Joshua Tree National Monument in California, and Organ Pipe

Cactus National Monument in Arizona, each and every one of them larger than this one.

Mr. Chairman, this act has been passed upon by the Supreme Court of the United States. This is the first time that an effort has ever been made to set aside an Executive order creating a national monument.

This is not a one-sided affair out there. I received a telegram this morning from the local Izaak Walton League protesting against the passage of this bill. I received another telegram from the national organization of the Izaak Walton League protesting the passage of this bill.

The other day the National Park Service was before our committee and they discussed the various monuments and parks. I recall when a representative of the Park Service spoke about Jackson Hole he said they were cutting down that elk herd out there. Why? Because of the increase in the number of cattle that were coming in to graze. Now, rather than keeping the cattle out, they are reducing the size of the elk herd.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. COCHRAN. Nobody is denied the right to graze their cattle in there. Nobody is denied the right to ride their cattle over Government land to get into private lands.

One of the features of this bill is that a private citizen, Mr. Rockefeller, went out there and looked over the place and was so impressed with it and thought it ought to be preserved for future generations, that he bought 33,559 acres. You have remaining private lands totalling 14,937 acres, State school lands, totaling 1,367 acres, and Federal land and water comprising 173,064 acres.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Wyoming.

Mr. BARRETT. In the hearings on this bill on page 81 Mr. MOTT, the gentleman from Oregon, asked Mr. Drury, Director of the Park Service, this question:

> Do you know of any instance where a national monument was created against the will of the people of the State in which it was created?
>
> Mr. DRURY. No.

Then he asked Mr. Drury this question:

> Mr. MOTT. Did the National Park Service try that long to get them through the Congress by law and, failing in that effort, had them created by Executive orders?
>
> Mr. DRURY. I should like to have Mr. Demaray answer that question, if he may.
>
> Mr. MOTT. All right.
>
> Mr. DEMARAY. I do not recall any such a case offhand.

Mr. COCHRAN. May I say to the gentleman that when he read Mr. Drury's answer it applied to Jackson Hole. The Government took over Jackson Hole. It was not against the wishes of the people. The people asked them to make it a part of our national-park system. When Mr. Drury said that they do not take this land away from the people, he spoke the truth, and that applies to Jackson Hole. It was not taken away from them. The record shows that the people there wanted this property taken over by the Government.

Mr. BARRETT. If the gentleman will yield, may I say to him that the Legislature of Wyoming in 1919 unanimously adopted a resolution against this park extension.

Mr. COCHRAN. I think you should remember that you are not repealing the act under which this property was taken over. You are, for the first time, endeavoring to set aside an act of the President of the United States under an act of Congress; an act that the Congress passed.

Mr. PETERSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. PETERSON of Georgia. In reply to the inquiry whether this land is being taken over against the wishes of the owners, is it not a matter of record that the owners of over 30,000 of the 49,000 acres that are in private ownership within this area are requesting that this land be taken over, and that quite a number of individuals living in this area have petitioned that it be taken over?

Mr. COCHRAN. Certainly it is true. The record shows that.

Mr. BARRETT. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Chairman, it is difficult for me to understand how this thing ever happened. I have had some dealings with the National Park Service. There is one national park, a national memorial reserve, and three national monuments in my congressional district. I have had no particular difficulty in dealing with the Park Service and working out administrative problems as they have arisen. But this situation does exist and we have to face it.

I have spent some time in the State of Wyoming. I know the people of Wyoming, generally speaking, are very much opposed to the creation of this monument, and particularly they are incensed because it was created in this fashion after the people of Wyoming through the legislature, in resolutions of various kinds, had expressed themselves against it and after the Congress on two different occasions had refused to pass legislation setting up such a monument.

The fact is that a large part of the area is a national forest. To that extent it is in the control of the United States, but on all of the national forest lands cattle can be grazed under grazing permits. Teton County, in which this land is located, naturally collects a personal-property tax on the cattle to whatever extent is applicable there. In addition, they get a great deal of tax revenue from the privately owned land and from the personal property on the privately owned land.

It has been stated that had this situation never been precipitated by the arbitrary action of the Executive order the thing might have been worked out in an amicable fashion. There was some suggestion that the people of Teton County or the county organization there would have considered a proposal from the Federal Government to continue grazing in the forest lands and to accept a payment in lieu of taxes for a period of about 10 years on the valuations of the Rockefeller-owned land, in order to permit the settlers to adjust their economy from a livestock economy to a tourist economy.

Why that course of action was not followed I certainly do not know. But the fact remains that this is a red-hot flaming issue in the State of Wyoming. Let nobody think that this monument was created as the will of the people of Wyoming. The State's Governor is a Democrat, and Governor Hunt, in Denver just a couple of weeks ago, down there for a meeting of the National Reclamation Association, said:

> This monument will never be administered as long as Senator O'MAHONEY stays in the Senate, because he will continue to do what he did on the last Interior appropriation bill, put on a rider to prevent any funds being used to administer it as a national monument.

There is the Democratic Governor of the State of Wyoming expressing that feeling on the part of the people of Wyoming. Do you think he would say that if he did not feel that that represented the thought of the people of Wyoming? Of course not. So that you have an issue here that is not going to be settled by continuing this as a national monument.

The sensible thing to do now would seem to be to express the thought of Congress, of the House at least, by passing this bill abolishing the monument, as a protest against the manner in which it was established in defiance of State and congressional attitudes. It is not in operation now because money is not available for administration under the rider to which I have referred. Then let the thing be worked out in some sensible fashion between the people of the area and the National Park Service. The only way to accomplish that now is to pass this bill expressing the feeling of the House so that negotiations can be undertaken.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Am I correct in believing that in a national monument the Government can exclude the grazing of cattle and also the passing through the monument of livestock?

Mr. CASE. It is perfectly true that in a national monument it is not customary to permit grazing, and the Government has the power to exclude it altogether. There is a national monument in my district of something over 200,000 acres, and a small amount of grazing is permitted by tolerance, some by trespass, but it is not intended. I may say in that connection that this monument in my district is one of the monuments that have been created by Executive order since Mr. Roosevelt has been in the White House, but it was in response to an act passed by the Congress and within the limitations of the act passed by the Congress and in accord with expressions of

sentiment by the people of South Dakota and the State legislature. So that this something over 1,000,000 acres in national monuments that Mr. Roosevelt has heretofore established, as far as I know, has been in response to an expression of the people of the States concerned and legislative acts of the Congress.

Why a different kind of policy was ever adopted as to Jackson Hole is beyond me. It certainly has not helped the National Park Service, it has not helped the National Park Service in any part of the country, and I hope that the matter may be thrown open to adjustment and amicable settlement by House passage of the Barrett bill.

Mr. BARRETT. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, this bill is meritorious both from a national and a State standpoint. It is an alarming fact that the Federal Government at this time, owns title to 400,000,000 acres of land, a domain equivalent to the combined areas of 21 of the 26 States, east of the Mississippi River. With reference to the rights of the people of the State of Wyoming and the Monument Act, under which the President by proclamation declared this a national monument, before that can be done within the law under this act, there must be a historic landmark or some historic or prehistoric structure or other object of historic or scientific interest sought to be preserved.

So far the record shows the only structure there of a historic interest is a cabin where it is said a horse thief was shot to death, according to the code of the old West. And if we are to look for a natural monument, we see only a broad expanse of sagebrush. Now, since when did sagebrush, the home of the untamed jack rabbit, become a national monument? If you get right down to brass tacks, this is what happened here. Wyoming is a State with only 235,000 population. And in this State the Federal Government owns title in fee to 51 percent of all the lands. In addition to these vast holdings, the Federal Government owns the minerals under an area equal to 31 percent of the area of the State. It is not hard to understand why they have only 235,000 people out there. There is just not any place for them to live. Now, the undisputed fact is that this 221,610 acres embraced in the Jackson Hole Monument is used for grazing purposes, and it affords the only means by which the people who raise horses and cattle out there can get their stock to other grazing lands. There are about 16,000 cattle that are grown and grazed there by virtue of these facts.

To those of us who know something about the value of cattle, it certainly can be said that the value of 16,000 white-faced cattle is at least $1,000,000. All that we wear, all that we eat, and all that we use comes out of the ground. There was a time when the memory of man runneth not to the contrary, when you could buy a beefsteak or a lamb chop of recent growth. That time is in the limbo of things forgotten and gone. While it is true that man does not live by bread alone, we must have something to eat. We all love the beauties of nature. We have parks all over the country. We have one down in my country. They are all over the West. In them there are millions of acres. They are virtually everywhere. But you do not have to look at a park to see something that is beautiful. Any sunset anywhere or any sunrise is a thing that will exalt and edify the soul of man. Green fields with cattle, sheep, or horses grazing in them or with growing crops are far more beautiful than the commonplace natural features of the area in question. We are now considering the rights, the desires of the people of the State of Wyoming. The Governor, the legislature, the two Senators, and its one Representative, are a unit in their opposition to this effort on the part of Federal bureaucrats to trample upon and disregard their interests. For what purpose do we maintain Government anyhow? It is for the happiness and well-being of the people who live in any individual State. It has been said if this universe should unite to crush a man, the man crushed would still be greater than the universe because he would know that he is crushed. As a Representative from my State I cannot look with indifference on this unlawful trespass against the rights of the people of a sister State. Mr. Chairman, I submit, as a matter of national interest and of State's rights and justice to the people of Wyoming, that this bill should be passed. And I shall vote for it. The time has come and now is when the Congress must say to those who disregard the plain terms and meaning of congressional acts, "Thus far shalt thou go but no farther." Executive decrees and proclamations must not be permitted to nullify acts of Congress and to substitute the arbitrary will of some executive officer for the plain and express enactments of the people's representatives.

Mr. PETERSON of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, the gentleman from South Dakota [Mr. CASE] a moment ago implied that this problem confronting us is not going to be solved by a continuation of this national monument. I would like to say also that the problem involved here is not going to be solved by abolishing the Jackson Hole National Monument. It is going to take some different kind of action than the bill which we have before us today. I am sorry this bill is before us in the closing hours of this session, as it is deeply involved.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. WHITE. As between the establishment of large national parks and the preservation of these antiquities, cave dwellings, and things like that, does not the gentleman think there should be a line drawn very distinctly, more so than there is now?

Mr. MURDOCK. Yes; I think so. Let me throw some light on the real problem before us. However, before I go to that I want to say this: Here is the marvelous West, which most of us speaking here today represent portions of. There is a great variety and complexity of interests in that West. In a sense it belongs to all Americans. There is no man in this House who has had more quarrels with the Secretary of the Interior about various phases of western management policy than I, whether it be mining or parks and monuments. I have frequently called his attention to the fact that the National Park Service has been overambitious. I think they have reached out and tried to grab and fence the earth and have taken in too much territory. I think they probably have in this case of the Jackson Hole Monument. I can name and I did name, as you will recall, before the Public Lands Committee, instances of that overzeal in Arizona and I said just exactly that to Secretary Ickes. I can name several monuments in the State of Arizona where too much land was included. Correcting that practice is one problem, but it is not properly corrected by this proposal.

Before offering a remedy I want to say we have in the West the most marvelous scenery, which ought to be preserved, some of it in primitive condition, for future generations. We also have interesting wildlife and reminders of a thrilling history which must not be destroyed. In my State we regard the most profitable crop the tourist crop. Who is spending money in Arizona? In the West? The rich people of the East who can afford to travel and who go there to see our marvelous parks and monuments and places of historic interest. They should see America first—Europe cannot surpass it. That is one of the chief sources of local income. These parks and monuments are supported by the Government of the United States and they help to contribute to the wealth and well-being of those States like my own and Wyoming. I favor such a policy and want many more—rich and poor, those now living and more yet unborn—to be able to see our beautiful West.

There is a conflict of interest between the inhabitants of the West, the cattlemen, livestock owners, mining men, lumbermen, and those who want to use the resources of the West on the one side and the American people on the other. Title to the land remains in the Government of the United States. Arizona is confronted with that more than any other State except Nevada. We must consider and protect all proper interests. I want the greatest possible use made of every bit of the public domain, the national forests, and the Indian reservations, but I also want that property which belongs to the United States to be the most profitable to all the people of the United States, those living and those yet to come. I wish that millions of you living back in these teeming eastern States could come out and see our mountains, the majestic beauties of nature, where the Great Architect of the Universe has lavished His greatest skill in portraying the beauties of our landscape.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. Not now. I want to make this point: Other Presidents have established national monuments by Executive orders besides this one, and I think they have done so with a too lavish hand. I am anxious to curb an extravagant practice in that respect. I found they were trying to establish a national monument in my State, in Sycamore Canyon, and do it without any knowledge on the part of any Arizona Congressman. We called the Secretary's hand on that, and it was stopped. So, you see. I can sympathize with my friend the gentleman from Wyoming [Mr. BARRETT]. But, as I see it, the thing to do is not to pass this bill and slap the President of the United States squarely in the face because of this alleged offense when other Presidents have committed similar offenses in greater or less degree in at least 80 other instances. Why take a swing at this President?

A generation ago, when national forests were first established in this country, they also were established by Executive order. I remember that Theodore Roosevelt and Gifford Pinchot wanted to establish national forests all over the West, and did so very lavishly. I can show you national forests in the West where on large portions of them there is not a shrub as big as my wrist. They included vast areas in these early national forests. I think on the whole the establishing of national forests was a good idea, but they overdid it in some respects and the power was taken away from them. Today national forests can be established only by act of Congress. I approve of that. I think the same thing ought to be done with respect to national monuments.

A Senator from my State, a native westerner and friend of the Interior Department, introduced a rider on an appropriation bill a few months ago, which would have prohibited the establishment of national monuments except by act of Congress. When that bill came over here that rider was taken out on a point of order. That attempt was made because the National Park Service has been overzealous in creating vast national monuments, and including more land than they should. I think we ought to pass a law providing that no more national monuments be established except by act of Congress. I am enthusiastically in favor of them, within reason, with due safeguarding of the mining and livestock interests all over the country. This bill is not a cure for the evils that I think need correcting. For that reason I favor different legislation.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. Yes.

Mr. WHITE. Did they not try to establish the Organ Pipe Cactus National Monument in Arizona, and did not the gentleman have to come to Congress before he could get anything done with it? He could not get anything done in the Department.

Mr. MURDOCK. Yes; that change took an act of Congress, and I am glad to say it was done. We did not ask that that monument be established in the first place, nor did I ask that it be abolished. I ask reasonable treatment to be accorded the Organ Pipe Cactus Monument.

Mr. WHITE. Why did not you go to the Department to get them to do that.

Mr. MURDOCK. The head of the Park Service came to my office at the time of our last hearing and I said to him, "I think you have been overambitious in creating these monuments." He said that they intended to be conservative, and I told him that if they were not more conservative, we were going to take the power out of their hands by act of Congress. That is one thing looking toward a cure. I think we ought to do something like that in the proposed rider which was put on the appropriation bill recently and which was ruled out on a point of order. I favor an act of Congress that would prohibit the establishment of national monuments by Executive order.

Since I became a Member of Congress we have reduced by law the Grand Canyon National Monument, but we did not abolish it altogether. That monument in Arizona adjoins the Grand Canyon National Park, and it seemed to contain more land than was necessary, and thus deprived inhabitants in that region of uses unnecessarily. Thus by law we changed the boundaries of that monument as we changed the uses of the Organ Pipe Cactus Monument. We did not abolish either of them.

The CHAIRMAN. The time of the gentleman from Arizona has again expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I do not think the President has exceeded his powers under the Antiquities Act though I feel rather certain it is unfortunate these powers were used in the manner in which they were because it is fairly clear that the Secretary of the Interior has used the power given to the Executive Department in the Antiquities Act to sidestep the expressed will of the Congress. It is for that reason, also for the reason I am convinced that the people of Wyoming of both parties, and regardless of economic position or political affiliation, are opposed to this monument, that I am for this bill.

The chairman of the committee, the gentleman from Florida [Mr. PETERSON], suggests he has a bill which he will introduce, giving to the State of Wyoming or to the county involved some relief from the loss in taxes which it will experience or which has been experienced by this particular section being designated a national monument, also giving to the people of that area the right of passage for their cattle to grazing lands beyond the particular section involved, as well as the right of pasturage in the section itself; but the House has no assurance that that act will be adopted.

I feel it is better to pass the act which is before the committee now; then if the Interior Department wants to have this made a portion of a national park, it may come before the Congress in an orderly fashion and incorporate into a bill for that purpose the provisions that will give relief to the people of this section, one of which, of course, would be tax relief, another the right of grazing, and another the right of passage of their cattle through this particular area. If that is done, the people of Wyoming cannot say that they have expressed themselves in Congress in one fashion, and the executive department has used a subterfuge to circumvent their will.

Mr. BREHM. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. BREHM. Returning to a question which I asked some time ago in reference to the log cabin in which Jesse James is supposed to have taken refuge, has the gentleman heard anyone name any other memorial which might be sufficient to constitute this land as a national monument?

Mr. WRIGHT. No; I have not. I am frank to say to the gentleman. However, I do not know much about this section. It is probably presumptuous of me to speak about it. I am directing myself entirely to the legislative procedure. I feel after Congress has expressed itself and refused to make this a portion of a national park, that for the Interior Department, in spite of the will of the Congress, to make this a national monument does not go very well with the Congress or with the people of the State affected.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARRETT. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, I call the attention of the Members to the fact that when I came to the Congress there were six or seven Members in this body who were the sole Representatives of their States representing one-seventh of the area and one-third of the assessed wealth of these United States; and while that number has been reduced numerically so far as quantity is concerned, I think I may say because I am a remnant of the originals it has not been reduced so far as quality of the representation of the several States is concerned.

You folks do not understand what we folks who are the sole Representatives at Large from these States have to contend with as against you who have associates here who will get up and talk for you and help you out with respect to any propositions that you have to offer.

I am speaking today because I believe what Wyoming asks for through its sole Representative here is a matter which should be given your very careful consideration and should have your approval and because the people of the State of Wyoming through their Senators and their Member of the House, their Governor and their legislature, have asked

that this bill be passed. Therefore, I am for it.

Has representative government ceased to exist? Are we living under a Government of one man, or the law?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARRETT. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. PETERSON of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho, also.

Mr. WHITE. Mr. Chairman, I hope the Members will pay close attention to what I have to say because I have lived in the West for 54 years. I have lived out there, right next to this situation, and I am thoroughly familiar with what is being presented here today.

I call your attention first to the fact that when most of you gentlemen were born you had certain birthrights, inviolate birthrights, certain birthrights that the people in Europe never did enjoy. In the first place, you had the right to go out on the unappropriated public domain and take a homestead. Many have taken these homesteads, settled there, and built a home there, just as thousands of people did throughout the Central States and the West in building up new districts that gave us our cities and communities.

If you went on to some unappropriated public land and found indications of ore, you had the right to stake out a mining claim.

We had some very valuable birthrights, but you and I, through the action of this Congress, have seen one after the other of those birthrights stripped from you until today the Secretary of the Interior is bound and determined to close the last opportunity of the citizens of this country by removing the right to go out on the land where minerals may exist and locate a mining claim. This country that you see on this map here is practically all in Government ownership. The bulk of it is in national forest. Just to the north lies the great Yellowstone National Park. No citizen of these United States can get into the Yellowstone National Park unless he pays an admission fee. I had to pay $3 for the privilege of going through the park, even though I was a Member of Congress. This thing is a plan to create among bureaucrats—not custodians of the land, for that is owned by the people and is directed by the policies of the Congress—but is a plan to create a bureaucratic owner, a bureaucratic proprietor. If you go on this land, you go with their permission and their tolerance, and if you do not have that permission and tolerance, you stay off.

May I tell you of a little incident that happened to me going to the Democratic State convention in my own State? I left home with my wife, drove down the public highway, and I came to the town of Cascade where I had to follow a forest road across the national forest area to go over to the town of Hailey where the convention was convened. I drove down the road and I came to a man in a tent. He stepped in front of me and he said, "You cannot enter here without a permit." It was a good road, built by public money, through public land, but I could not go across the national forest without a permit. I said, "All right." I drove back 5 miles to the forest headquarters and I got a permit. On that permit it said that I must proceed immediately across the land, I could not stop to fish or camp or do anything, but I must proceed on my way with their permission and their tolerance. It is high time that this Congress, representing the people of these United States, who after all are the proprietors and owners of this land, formulate a policy of government, to exercise a right given them under the Constitution, and control this land, and let these bureaucrats know that they are the servants of the people, as well as custodians, and not proprietors of the land that is in Government ownership.

The question here is simply this, and it was brought out before the Committee on Public Lands. Mr. John D. Rockefeller thought that this would be an ideal plan of letting the game roam around the national park where these farms are now located. It is a question whether this land will be game pasture or whether it will be the homes of the people who produce things that make for a living and have the rights and perform duties of citizenship. If you want to drive them off and turn this area back to the game and create a situation like they had in Kansas and Nebraska years ago of having buffalo pastures, why, kill this bill and we will be on the backward route.

In this area here we have a little bit of an island in public ownership. The balance of all this great area is owned by the Government. The Teton National Forest, on one side and the forest on the other side are handled in large measure as parks are handled. They maintain camping grounds. You go in there with the permission of the forest ranger. He tells you where you can camp. He tells you where you can hunt. He tells you where you can cut your fuel. It is handled just about the same as a park as far as the public is concerned. Cattlemen have grazing permits, and they run their cattle in there by paying a fee. If there is more pasture needed for this wildlife in the Yellowstone National Park, let them set aside a portion of these national forests. All the land is national forest in this area.

The majority leader, the gentleman from Massachusetts [Mr. MCCORMACK] said that this monument contains features of great national interest, of antiquity, and so forth. If you take away from that area the scenery of the Teton National Park, which is already set aside as a park, the land in this national monument would not have any more value than any other piece of sage-brush land. It is simply a flat area that produces cattle and was settled and fenced off for homes and farms. The scenic portion of this country in the Teton Mountains has all been set aside as a park years ago.

The only benefit to be derived from this would be that it would be a vantage point from which to view the mountains. And when it comes to that you have a network of roads there around every section to give access to this area.

Mr. HOLMES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Massachusetts.

Mr. HOLMES of Massachusetts. Does not the acquisition of this Jackson Hole area and turning it into a national forest mean that the Federal Government has jurisdiction over 81 percent of the entire State?

Mr. WHITE. It does. My State of Idaho is 72 percent in Federal ownership.

Mr. HOLMES of Massachusetts. What is to prevent the same procedure being applied sometime later, thus taking over the other 19 percent, and then getting rid of the two Senators and the Representative they have here in Congress?

Mr. WHITE. Following it through to a logical conclusion, the gentleman is right.

Mr. HOLMES of Massachusetts. They can take it over.

Mr. WHITE. The control over public lands is placed by the Constitution in the people themselves, and they delegate that control to us as their Congress.

Mr. HOLMES of Massachusetts. That is why this bill should be passed, to stop that business.

Mr. WHITE. The Congress should perform the function for which it was established.

This program represents a deal between the Secretary of the Interior and a rich group in this country to provide a game pasture for the game of that section of the country. We know how these Executive orders are signed. They are prepared in the Department of the Interior and sent over and laid before the President, and he signs a whole batch of them. I do not think the President has given it any thought. The act has been committed and the bureaus want to stand by their guns. I think it is up to the Congress to assert its right and exercise its function of control of this public land. Pass this bill, and then if they want to come in here with a program that the Congress will approve, that will be the logical and the lawful way to establish one of these parks.

Mr. PETERSON of Florida. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest, pursuant to House Resolution 567, had come to no resolution thereon.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the follow-

ing titles, which were thereupon signed by the Speaker:

H. R. 933. An act for the relief of Conrad H. Clark and Rocco Cellette; and

H. R. 3929. An act for the relief of Katherine Scherer.

ADJOURNMENT

Mr. PETERSON of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.), under its previous order, the House adjourned until Monday, December 11, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2065. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

2066. A letter from the Associate Director, United States Department of the Interior, National Park Service, transmitting copy of quarterly estimate of personnel requirements for the quarter ending March 31, 1945, covering the appropriation "Maintenance, Executive Mansion and Grounds 1945", to the Committee on the Civil Service.

2067. A letter from the Director, Division of Administrative Management, National War Labor Board, transmitting a quarterly estimate of the personnel requirements of the National War Labor Board for the third quarter of the fiscal year 1945; to the Committee on the Civil Service.

2068. A letter from the Administrator, Veterans' Administration, transmitting two copies of a draft of a proposed bill, to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War No. 2, and for other purposes; to the Committee on World War Veterans' Legislation.

2069. A letter from the Administrator, Federal Works Agency, transmitting a draft of a proposed bill, to authorize construction of a film servicing building and vaults; to the Committee on Public Buildings and Grounds.

2070. A letter from the President, United States Civil Service Commission, transmitting a consolidated report and supporting data covering especially meritorious salary increases made by the several Government departments and agencies for the fiscal year ended June 30, 1944; to the Committee on the Civil Service.

2071. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 16, 1944, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Farm Creek, Ill., authorized by the Flood Control Act approved on August 11, 1939 (H. Doc. No. 802); to the Committee on Flood Control and ordered to be printed with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRAVENS: Committee on the Judiciary. S. 1962. An act extending the provisions of Public Law 47, Seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System; without amendment (Rept. No. 2046). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 673. Resolution for the consideration of H. R. 4715 to increase the compensation of employees in the Postal Service; without amendment (Rept. No. 2047). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5158. A bill to authorize the establishment of the Metropolitan Police Department Band, District of Columbia, and to provide funds therefor; with amendment (Rept. No. 2048). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5448. A bill to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia; with amendment (Rept. No. 2049). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY:

H. R. 5603. A bill to provide for the permanent establishment of the Joint Chiefs of Staff and Joint Secretariat; to the Committee on Military Affairs.

By Mr. VINSON of Georgia:

H. R. 5604. A bill to provide for the permanent establishment of the Joint Chiefs of Staff and Joint Secretariat; to the Committee on Military Affairs.

By Mr. REES of Kansas:

H. R. 5605. A bill to amend that portion of the act of June 30, 1906, which relates to the settlement of accounts of deceased officers and enlisted men of the Army, so as to authorize payment up to $3,000 to the widow or legal heirs of any such deceased individual without the appointment of a legal representative of the estate; to the Committee on Military Affairs.

H. R. 5606. A bill to amend that portion of the act of May 27, 1908, which relates to the settlement of accounts of deceased officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and of deceased officers of the Public Health Service, so as to authorize payment up to $3,000 to the widow or legal heirs of any such deceased individual without the appointment of a legal representative of the estate; to the Committee on Naval Affairs.

By Mr. FISH:

H. Res. 674. Resolution of inquiry regarding ultimatum served on Japan November 26, 1941; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky:

H. J. Res. 323. Joint resolution proposing an amendment to the Constitution of the United States relating to the passage of bills after Presidential veto; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the President, Chamber of Deputies of Chile, with regard to their adoption of a resolution to hoist the national flag on the building of this body on the date of the independence of each of the American nations, thus displaying openly the sentiments of fraternity of the people of Chile toward the sister republics; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WICKERSHAM introduced a bill (H. R. 5607) for the relief of Mrs. Celia Ellen Ashcraft, which was referred to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6236. By Mr. ROLPH: Resolution of board of directors, San Francisco Chamber of Commerce, regarding Interior Department activities in Alaska; to the Committee on the Public Lands.

6237. Also, resolution of board of directors, San Francisco Chamber of Commerce, endorsing H. R. 4616, the Gerlach bill; to the Committee on Agriculture.

6238. Also, resolution of board of directors, San Francisco Chamber of Commerce, in reference to S. 2090; to the Committee on Mines and Mining.

6239. By the SPEAKER: Petition of the secretary-treasurer, the Queensboro Teachers' Association, New York City, petitioning consideration of their resolution with reference to legislation granting income-tax exemption on pensions, retirement annuities, allowances, and payments paid by the Federal Government, or any State government or any political subdivision, to an employee upon his retirement from service; to the Committee on Ways and Means.

6240. By the SPEAKER: Petition of the chairman, pension committee, Washington Irving High School, New York City, petitioning consideration of their resolution with reference to legislation granting income-tax exemption on pensions, retirement annuities, allowances, and payments paid by the Federal Government, or any State government or any political subdivision, to an employee upon his retirement from service; to the Committee on Ways and Means.

SENATE

MONDAY, DECEMBER 11, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our far-flung battle line, the noise of conflict thunders in our ears; we would not escape it. Make us one in truth with the valiant who in mud and fatigue, yea, in wounds and death, this very day are standing between our loved homes and the war's desolation. Forbid that comfort and safety should cushion us against a complete sharing in spirit and sacrifice of the grim test which is demanding their all.

We pray with tender yearning for American sons everywhere as, with wistful memories amid strange and alien scenes, they sing the familiar carols which frame pictures of the lighted windows of home where dear ones wait.

With grateful hearts we greet the returning ships whose proud prows pushing through the dim leagues homeward

bound bear the precious freight of our sons who have bravely borne the burden of battle. For the sacrament of human love which with joy unspeakable welcomes them back, we bless Thy name for whom the whole family in heaven and earth is named. May the warmth of reunion not be chilled in their hearts by any failure in this sheltered land to understand the magnitude and meaning of the epic struggle which will make the deeds of this year and next live forever in the annals of freemen. Make us all worthy to wear the white plume of the great cause. We ask it in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, December 8, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that the President had approved and signed the following acts:

On December 6, 1944:

S. 1278. An act for the relief of Yellow Cab Transit Co. and Equitable Fire and Marine Insurance Co.;

S. 1373. An act to authorize the Secretary of War to convey to the people of Puerto Rico for school purposes a certain building and lot known as the Mayaguez Barracks Military Reservation now under the jurisdiction of the War Department;

S. 1461. An act for the relief of Frederick G. Goebel;

S. 1714. An act to reimburse certain Coast and Geodetic Survey and Marine Corps personnel for personal property lost or damaged as the result of a fire at the Marine Barracks, Quantico, Va., on December 16, 1943;

S. 1731. An act for the relief of Helen Halverson;

S. 1741. An act to provide for the reimbursement of certain Navy and civilian personnel for personal property lost as the result of a fire in hangar V-3 at the naval air station, Norfolk, Va., on November 12, 1942;

S. 1838. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires in quarters occupied by naval construction battalions;

S. 1839. An act to provide for reimbursement of certain Navy personnel for personal property lost or damaged as the result of a fire in quarters at naval advance base depot, Port Hueneme, Calif., on February 6, 1944;

S. 1840. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in the bachelor officers' quarters, naval operating base, Argentia, Newfoundland, on January 12, 1943; and

S. 1964. An act to reimburse certain aviation cadets and former aviation cadets for property lost or damaged as the result of a fire at Carroll College, Helena, Mont., on January 8, 1944.

On December 7, 1944:

S. 1795. An act to amend that portion of the act approved June 30, 1906 (34 Stat. 697, 750), authorizing the settlement of accounts of deceased officers and enlisted men of the Army;

S. 1841. An act to provide for the reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire which occurred on the naval station, Tutuila, American Samoa, on October 20, 1943;

S. 1842. An act to reimburse certain Marine Corps personnel for personal property lost or damaged as the result of a fire at the marine barracks, naval supply depot, Bayonne, N. J., on April 25, 1943; and

S. 1881. An act to provide for reimbursement of certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fire at the naval advance base depot, Port Hueneme, Calif., on January 12, 1944.

On December 8, 1944:

S. 2004 An act to amend the act entitled "An act to mobilize the production facilities of small business in the interests of successful prosecution of the war, and for other purposes," approved June 11, 1942.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1954. An act to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943;

S. 1962. An act extending the provisions of Public Law 47, Seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System; and

S. 2194. An act authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes.

The message also announced that the House had receded from its amendment No. 6 to the bill (S. 963) relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States.

The message further announced that the House had passed the bill (S. 2019) to establish the grade of Fleet Admiral of the United States Navy, and for other purposes, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5029) to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes.

The message further announced that the House had passed a bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 1951. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942;

H. R. 2116. An act to amend the laws of the District of Columbia relating to exemption of property from judicial process, the assignment of salary or wages, and the advance payment of salary or wages for the purpose of preventing attachment or garnishment:

H. R. 3150. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 3313. An act to amend section 10 of the act of March 3, entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," as amended;

H. R 3619. An act to amend sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia;

H. R. 3621. An act to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes";

H. R. 3720. An act to authorize the Commissioners of the District of Columbia to appoint notaries public;

H. R. 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell townsite, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming;

H. R. 4916. An act to amend the act of June 19, 1934 (Public Law 435, 73d Cong.);

H. R. 4993. An act to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942;

H. R. 5029. An act to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes;

H. R. 5494. An act to amend the act entitled "An act authorizing the President to appoint an Under Secretary of War during national emergencies, fixing the compensation of the Under Secretary of War, and authorizing the Secretary of War to prescribe duties," approved December 16, 1940;

H. J. Res. 289. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes;

H. J. Res. 290. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945; and

H. J. Res. 291. Joint resolution to provide for the quartering in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Connally	Hayden
Austin	Cordon	Hill
Bailey	Danaher	Holman
Ball	Davis	Jenner
Bilbo	Downey	Johnson, Calif.
Brewster	Eastland	Johnson, Colo.
Brooks	Ellender	Kilgore
Buck	Ferguson	La Follette
Burton	George	Langer
Bushfield	Gerry	Lucas
Butler	Gillette	McCarran
Byrd	Green	McClellan
Capper	Guffey	McFarland
Caraway	Gurney	McKellar
Chandler	Hall	Maloney
Chavez	Hatch	Maybank
Clark, Mo.	Hawkes	Mead

Millikin	Robertson	Vandenberg
Murray	Russell	Wagner
Nye	Shipstead	Walsh
O'Daniel	Smith	Weeks
Overton	Stewart	Wheeler
Pepper	Taft	White
Radcliffe	Thomas, Idaho	Wiley
Reed	Thomas, Okla.	Willis
Revercomb	Truman	Wilson
Reynolds	Tunnell	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Utah [Mr. MURDOCK] is absent on official business for the Senate.

The Senator from Kentucky [Mr. BARKLEY] is unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHITE. The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

ENROLLED BILL SIGNED DURING RECESS

Under authority of the order of the 8th instant,

The ACTING PRESIDENT pro tempore (Mr. MCKELLAR) on December 9, 1944, signed the enrolled bill (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945, which had been signed previously by the Speaker of the House of Representatives.

CREDENTIALS

The VICE PRESIDENT laid before the Senate the credentials of ELBERT D. THOMAS, chosen a Senator from the State of Utah for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF UTAH,
Executive Department.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 ELBERT D. THOMAS was duly chosen by the qualified electors of the State of Utah a Senator from said State to represent said State in the Senate of the United States for the term of 6 years beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, Herbert B. Maw, and our seal hereto affixed at Salt Lake City, this 27th day of November, in the year of our Lord 1944.

HERBERT B. MAW,
Governor.

By the Governor:
[SEAL] E. E. MONSON,
Secretary of State.

Mr. THOMAS of Idaho presented the credentials of GLEN H. TAYLOR, chosen a Senator from the State of Idaho for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF IDAHO,
Department of State.

CERTIFICATE OF ELECTION OF UNITED STATES SENATOR

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 GLEN H. TAYLOR was duly chosen by the qualified electors of the State of Idaho a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, C. A. Bottolfsen, and our seal hereto affixed at Boise, the Capital City of Idaho, this 4th day of December, in the year of our Lord 1944.

C. A. BOTTOLFSEN,
Governor.

By the Governor:
[SEAL] GEO. H. CURTIS,
Secretary of State.

Mr. WILSON presented the credentials of BOURKE B. HICKENLOOPER, chosen a Senator from the State of Iowa for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF IOWA,
Executive Department.

CERTIFICATE OF ELECTION OF UNITED STATES SENATOR

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, BOURKE B. HICKENLOOPER was duly chosen by the qualified electors of the State of Iowa a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, BOURKE B. HICKENLOOPER, and our seal hereto affixed at Des Moines, Iowa, this 4th day of December, in the year of our Lord 1944.

BOURKE B. HICKENLOOPER,
Governor.

By the Governor:
[SEAL] WAYNE M. ROPES,
Secretary of State.

Mr. BAILEY presented the credentials of CLYDE R. HOEY, chosen a Senator from the State of North Carolina for the term commencing on January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF NORTH CAROLINA,
Governor's Office, Raleigh.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, CLYDE R. HOEY was duly chosen by the qualified electors of the State of North Carolina a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, J. Melville Broughton, and our seal hereto affixed at Raleigh, this 8th day of December, in the year of our Lord 1944.

J. MELVILLE BROUGHTON,
Governor.

By the Governor:
[SEAL] THAD EURE,
Secretary of State.

Mr. MEAD. Mr. President, I have here and now present the credentials of my distinguished colleague, the senior Senator from the State of New York [Mr. WAGNER] for another 6-year term, his fourth term, ending in 1951. The credentials are signed by Governor Dewey and by Secretary of State Thomas J. Curran. I ask that they be read and placed on file.

The credentials of Mr. WAGNER were read and ordered to be filed, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November 1944, ROBERT F. WAGNER was duly chosen by the qualified electors of the State of New York a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His excellency our Gov. Thomas E. Dewey, and our seal hereto affixed at Albany, N. Y., this 6th day of December, in the year of our Lord 1944.

THOMAS E. DEWEY,
Governor.

By the Governor:
[SEAL] THOMAS J. CURRAN,
Secretary of State.

Mr. CHANDLER. Mr. President, on the 7th day of November my able colleague, the senior Senator from Kentucky [Mr. BARKLEY] was elected by the people of the Commonwealth of Kentucky for a fourth time to be a Member of the Senate of the United States I now have the honored privilege of presenting his credentials, signed by Governor Willis and by Mr. O'Connell, secretary of state of the Commonwealth of Kentucky, and I ask that they be read and filed.

The credentials of Mr. BARKLEY were read and ordered to be filed, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, Hon. ALBEN W. BARKLEY was duly chosen by the qualified electors of the State of Kentucky, a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His excellency our Gov. Simeon Willis, and our seal hereto affixed at Frankfort, this 7th day of December, in the year of our Lord 1944.

SIMEON WILLIS,
Governor.

By the Governor:
[SEAL] CHARLES K. O'CONNELL,
Secretary of State.

ANNIVERSARY OF PEARL HARBOR ATTACK—CABLEGRAM FROM LEGISLATIVE CHAMBERS OF DOMINICAN REPUBLIC

The VICE PRESIDENT laid before the Senate a cablegram from the Vice Presidents of the Legislative Chambers of the Dominican Republic, which was ordered to lie on the table and to be printed in the RECORD, as follows:

[Translation]

DECEMBER 7, 1944.

Hon. HENRY A. WALLACE,
President of the Senate of the United States, Washington, D. C.:

On this third anniversary of the treacherous Japanese attack on Pearl Harbor, the Legislative Chambers of the Dominican Republic, in joint session, in pursuance of the resolution sponsored by President Trujillo, express the sincere and definite sentiments of the Dominican people to commemorate afresh the day on which was affirmed the solidarity of the Dominican Republic with the United States of America, and to ratify the unconquerable faith of our people in the complete victory of the United Nations. We therefore beg you and your associates to

accept the wishes of the Legislative Chambers of the Dominican Republic for the triumph of the ideals of liberty, justice, and democracy which your great Nation is so heroically defending upon the field of battle, to guarantee the sacred rights of humanity—a triumph for which our Government and our people are struggling, sincerely and resolutely, inspired by their firm faith in the immortal destiny of right and civilization.

RAFAEL AUGUSTO SANCHEZ,
Vice President of the Senate.
J. FURCY PICHARDO,
Vice President of the Chamber of Deputies.

REPORT OF CIVIL SERVICE COMMISSION

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Civil Service:

To the Congress of the United States:

As required by the act of Congress to regulate and improve the civil service of the United States approved January 16, 1883, I transmit herewith the sixty-first annual report of the Civil Service Commission for the fiscal year ended June 30, 1944.

FRANKLIN D. ROOSEVELT,
THE WHITE HOUSE, *December 11, 1944.*

[The report accompanied a similar message to the House of Representatives.]

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE FOR TREASURY DEPARTMENT—SMALLER WAR PLANTS CORPORATION (S. DOC. NO. 254)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department, Office of the Secretary, amounting to $100,000,000 for the payment of capital stock of the Smaller War Plants Corporation (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PERSONS COMMISSIONED IN THE ARMY FROM CIVIL LIFE

A letter from the Secretary of War, transmitting, pursuant to law, a report showing the name, age, legal residence, rank, branch of the service, with special qualifications therefor, of each person commissioned in the Army of the United States without prior commissioned military service, for the period October 1, 1944, to November 30, 1944 (with an accompanying report); to the Committee on Military Affairs.

SUSPENSION OF DEPORTATION OF AN ALIEN

A letter from the Attorney General withdrawing a certain name from a report relating to aliens whose deportation he suspended for more than 6 months, heretofore transmitted by him to the Senate pursuant to law; to the Committee on Immigration.

PERSONNEL REQUIREMENTS

Letters from the Postmaster General, Chairman of the National Mediation Board, Associate Director of the National Park Service, and the Secretary of the United States Employees' Compensation Commission, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

REPORTS OF RECONSTRUCTION FINANCE CORPORATION

Letters from the chairman of the Board of the Reconstruction Finance Corporation, transmitting, pursuant to law, confidential reports of the Corporation for the months October 1941 to June 1942, inclusive, and also for the month of September 1944 (with accompanying papers); to the Committee on Banking and Currency.

BENEFITS FOR DISCHARGED MEMBERS OF ALLIED MILITARY OR NAVAL FORCES, WORLD WAR NO. 2

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War No. 2, and for other purposes (with an accompanying paper); to the Committee on Military Affairs.

LETTER RELATING TO NOMINEES FOR STATE DEPARTMENT POSITIONS

The VICE PRESIDENT laid before the Senate a letter from Dr. Joseph Herzstein, of New York City, relating to recent nominations by the President for certain offices under the State Department, which was referred to the Committee on Foreign Relations.

LEGISLATIVE PROGRAM OF THE NATIONAL GRANGE

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred, a report of the legislative program adopted by the National Grange at its recent seventy-eighth annual session, held at Winston-Salem, N. C., on November 15, 1944.

There being no objection, the matter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

ACTION BY THE NATIONAL GRANGE TAKEN AT THE SEVENTY-EIGHTH ANNUAL SESSION AT WINSTON-SALEM, N. C., NOVEMBER 15–23, 1944

GRANGE PLATFORM FOR AGRICULTURE

1. Organized agriculture and the rural people pledge continued maximum effort for winning the war.

2. The Grange recognizes that permanent world peace is of paramount importance. Steps to achieve this should include:

(a) An effectively implemented organization of sovereign states, including a world court, but with the right to declare war retained solely by Congress.

(b) Development of international trade on an equitable basis.

(c) Rehabilitation of productive industry in devastated lands.

3. The continued prosperity of America depends upon an economy of plenty, shared equitably by agriculture, industry, and labor. The American farmer is entitled to the American market to the extent of his ability to supply it, and he should share with other groups the American standard of living.

4. It is recognized that agriculture in wartime has stepped up production beyond normal demands for its products. The price ceiling structure has prevented building reserves to tide over price declines, and it is therefore a national obligation to avert losses which lead to widespread depression, by a realistic program for meeting the surplus problem.

5. Support prices should be used to insure needed production and to prevent collapse due to temporarily glutted markets. Marketing agreements should also be used to maintain parity prices for those crops having occasional or regional surpluses.

6. On crops with exportable surpluses a two-price system offers a simple method to obtain parity of income for agriculture without using funds from the Public Treasury; the consumer to pay a price which would reflect parity on that portion of the crop consumed at home. Each farmer would then be free to determine the extent to which he would produce for the world market at world prices.

7. The obsolete parity formula by which farmers' prices are measured should be modernized and such formula should include farmers' labor costs.

8. Taxes must be maintained at high levels during the war to help pay war costs from current revenues and to aid in preventing inflation. Taxes should never be used as a means of promoting social reforms or for discrimination against any form of business, including cooperatives.

9. Continuance of certain controls to prevent inflation is recognized as necessary, but these should be relaxed as rapidly as conditions will permit.

10. Cooperatives afford the means by which individual farmers in the exercise of private enterprise may pool their efforts for economy and efficiency, and such cooperatives are of benefit to farmer and consumer alike. Cooperatives should be encouraged and protected from attacks, including unfair taxes and unjust discriminatory legislation.

11. A dependable system of sound farm credit should be administered cooperatively, with Government supervision in the hands of a bipartisan board. Crop insurance should be developed on a practical basis.

12. Agriculture must assume its responsibility in planning for the post-war period, in cooperation with labor, industry, and other groups, for coordinated national economy and to assure well-balanced and lasting prosperity.

The National Grange favors—

Federal aid for highways, apportioned to the States on the basis of one-third population, one-third post roads, and one-third main roads.

Improvement of rural schools wherever they are below reasonable American standards, coupled with development of youth leadership training.

Extension of social security to include farmers and farm workers.

Continuation of a congressional committee to investigate un-American activities.

Termination of rebates on Government shipping over land-grant railroads.

Conferences between agriculture, industry and labor for discussion of common problems, in the interests of national welfare.

Extension of rural electrification as rapidly as practicable, with continued support of the R. E. A.

Revision of the Lend-Lease Act to prevent its use for nonwar purposes.

An amendment to the Constitution of the United States to divide the electoral vote within the States as nearly as possible in line with the popular vote.

Continuation of appropriations to help alleviate farm labor shortage.

A constitutional amendment to forbid citizenship to children of persons ineligible for citizenship.

Simplification of income-tax-return forms.

Production control for tobacco, together with support prices.

Formulation of a program for cotton based on soil conservation, Government loans and support prices; with an export policy which will make it possible to reach foreign markets during the period necessary to bring cotton production into adjustment with domestic and foreign outlets.

Assurance that all projects involving irrigation, reclamation, and development of power be administered by the Bureau of Reclamation.

Development of voluntary rural health and hospitalization programs.

Elimination of abuses in manipulation of prices and weights in marketing of hogs or other products.

Modification of International Bank for Reconstruction and Development to give those who furnish the most capital greater control; also elimination of international monetary fund because better handled by the bank itself.

Making available, under royalty or otherwise, the use of any patents which have been withheld from the market against the public interest.

Establishing congressional agencies to provide Congress with accurate information on current expenditures, disposal of Government properties and similar matters.

Appropriations to pay expenses of O. P. A. advisory committees so that no group may be barred from participating because of lack of funds.

Vocational training for youth and returning veterans.

Encouragement for credit unions, with wider distribution of literature explaining their purposes and possibilities.

Agricultural representation in all agencies authorized to make trade agreements.

The right of Congress to revoke any trade agreement within a reasonable length of time after its adoption.

Establishment by local granges of memorial forests in honor of servicemen.

The National Grange opposes—

Continuation of interstate trade barriers.

Subsidies in lieu of fair prices.

Continuation of daylight-saving time.

Federal control of insurance.

Attempts to bottle up the sale of public power.

Automobile use taxes and Federal gasoline taxes, as an invasion of the rights of States.

Freight-rate increases by the railroads.

Trend toward immoral motion pictures and literature.

A Federal sales tax.

Sales of intoxicating liquors in public parks.

Restrictions on cooperative farm enterprises through taxation or otherwise.

Spread of corporation farming as a threat to the family-sized farm and to highest rural interests.

Upon this platform, as worked out along the detailed lines adopted by the convention, the National Grange takes its stand for the months ahead and will be heartily supported by its local units throughout the land.

The annual conferring of the seventh degree—highest in Grange ritualism—drew a class of nearly 1,300 candidates, principally from the Carolinas and adjacent States; restricted transportation preventing convention attendance from the long distances usually recorded at these yearly Grange occasions. It was voted to hold the 1945 session in the State of Kansas, with Kansas City the probable location; in which event the State Granges of Kansas and Missouri will unite as joint hosts. Upward of 2,000 Grange members were in attendance at Winston-Salem, the hospitality of that enterprising city was without limit, and many State officials attended and gave valuable information concerning the resources and prospects of North Carolina.

THE GRANGE AND WORLD PEACE

The National Grange has a long-standing record in favor of a world court. Collaboration with other nations is not without its dangers but the world faces no danger so great as that of another world war.

For some years substantial policing must be done by someone. It would seem safer as a joint venture. We should not lose sight of two most important features. First, the overwhelming majority of all peoples on earth want permanent peace. They live in peace among themselves and have developed for themselves forms of government to assure peace which they respect and cherish. They have no basic cause of conflict among themselves or with like peoples of other nations. It is the few who seek power or an undue advantage who contrive war. If the great majority of peoples of all nations earnestly strive for peace, it must be possible to control those who contrive war. Second, while certain sacrifices may be necessary, the overwhelming advantage of a stable peace so far overshadows any possible handicaps and sacrifices as to render them negligible, and makes some real practical effort worth while. The most flagrant cause of war lies in aggression. Let us insist that we start with clean hands.

Both Germany and Japan, through centralized control of education, have raised a generation which believes that the destiny of their countries is to rule the world. It is altogether probable that no defeat could be administered so crushing as to rid them of this ambition, but peace will never be lasting until this thirst for conquest is wiped out. Peace must be based on mutual agreements not to resort to war, but the Governments of neither Germany nor Japan can be trusted to keep their agreements. They not only must be forced to keep them, but it may also be necessary to direct the education and the internal economy of those nations until it becomes clear beyond the shadow of a doubt that they, too, truly want peace.

If either of these cancerous spots is allowed to frame their educational processes or their national policies with an aim to resort to war at some future time, war will probably come. We believe in freedom for others as well as for ourselves, but we must face the fact that those who fail to abide by law cannot be permitted to run at large, and somebody must exercise restraining control until the world is fully assured that the complete control of these nations lies in the hands of those of their people, who truly want peace. (From annual address of National Master Albert S. Goss, unanimously endorsed by the Winston-Salem convention.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HATCH (for himself and Mr. FERGUSON):

S. 2215. A bill to incorporate the American Veterans Committee; to the Committee on the Judiciary.

(Mr. VANDENBERG introduced Senate bill 2216, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. JENNER introduced Senate bill 2217, which was referred to the Committee on Finance, and appears under a separate heading.)

INVESTIGATION RESPECTING OLD-AGE AND SURVIVORS INSURANCE

Mr. VANDENBERG. Mr. President, at the conclusion of the debate on the social security pay-roll freeze proposal last Friday I asserted my complete agreement with those who feel that this subject ought to be taken out of annual congressional controversies, and I said that it would be my purpose to introduce a bill at the beginning of the next session of the Congress calling upon the Joint Committee on Internal Revenue Taxation to arm itself with the advice of an expert advisory council for the purpose of covering the entire subject of benefits, coverage, and pay-roll taxes in respect to old-age and survivors' insurance. It would be my hope that as the result of that sort of a thoroughly authentic investigation we might next year find ourselves in complete unity with the Social Security Board in respect to a permanent policy, not only of liberalism in respect to coverage and benefits, but also on a permanent policy with respect to pay-roll taxes.

As an evidence of my good faith in making that statement I am introducing today the bill of which I gave notice, and am asking to have it referred to the Finance Committee. I quite understand that no action is possible at this session. I shall reintroduce the bill at the opening of the next session. I am today simply making good my promise. I also ask that the bill be printed in the RECORD at this point.

There being no objection, the bill (S. 2216) to provide for a special investigation with respect to old-age and survivors' insurance under the Social Security Act, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Joint Committee on Internal Revenue Taxation is authorized and directed to make a full and complete study and investigation of old-age and survivors insurance, under the Social Security Act, in respect to coverage, benefits, and taxes related thereto. The joint committee shall report to the Congress not later than October 1, 1945, the results of its study and investigation, together with such recommendations as it may deem appropriate.

SEC. 2. The joint committee is hereby authorized, in its discretion, to appoint an advisory committee of individuals having special knowledge concerning matters involved in its study and investigation to assist, consult with, and advise the joint committee with respect to such study and investigation. Members of the advisory committee shall not receive any compensation for their services as such members, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in connection with the performance of the work of the advisory committee.

SEC. 3. For the purposes of this section, the joint committee is authorized to exercise the powers conferred upon it by the provisions of the Internal Revenue Code.

SEC. 4. There is hereby authorized to be appropriated the sum of $25,000, or so much thereof as may be necessary, to carry out the purposes of this section.

HOUSE BILL REFERRED

The bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH FOR OCTOBER 1944

Mr. BYRD. Mr. President, I ask unanimous consent to present a report on civilian employment in the executive branch of the Federal Government for the month of October 1944, which I request may be printed in the RECORD.

The total number of paid employees for October 1944 is 3,038,502, excluding 262,281 employees of the War Department stationed outside of the continental United States as of June 30, 1944.

Thirty-one departments and agencies have decreased 23,745 between September 30, 1944, and October 31, 1944, while 28 departments and agencies have increased 8,900, making a net decrease of 14,845 for the month.

The greatest reductions were made by the following: Navy Department, 6,688; War Department, 5,614; Division of Central Administrative Service, 2,586; and Interior Department, 2,164.

Substantial increases were made by the following: Post Office Department, 3,022; Treasury Department, 1,684; Office of War Information, 987; and Veterans' Administration, 945.

It is pointed out that the net decrease last month was 34,661 whereas the net decrease this month is 14,845. This net decrease is less than half the amount of the figure for last month. This seems to indicate that there has been a halt in the effort toward a genuine reduction in civilian personnel. The committee will still be watchful of this reduction.

There being no objection, the statement presented by Mr. BYRD was received and ordered to be printed in the RECORD, as follows:

Civilian employment of the executive branch of the Federal Government, by departments and agencies, for the months of September and October, showing the increases and decreases in number of paid employees

Department or agency	September	October	Increase (+) or decrease (−)
EXECUTIVE OFFICE OF THE PRESIDENT			
Bureau of the Budget	567	579	+12
DEPARTMENTS			
Department of Agriculture	81,348	80,075	−1,273
Department of Commerce	29,087	28,583	−504
Department of the Interior	45,332	43,168	−2,164
Justice Department	28,919	28,731	−188
Labor Department	6,324	6,288	−36
Navy Department	755,359	748,671	−6,688
Post Office Department [1]	367,029	370,051	+3,022
State Department	8,962	9,113	+151
Treasury Department	92,759	94,443	+1,684
War Department [2]	1,221,033	1,215,419	−5,614
NATIONAL WAR AGENCIES			
Committee on Fair Employment Practices	126	127	+1
Division of Central Administrative Service [3]	3,321	735	−2,586
Foreign Economic Administration	6,093	5,996	−97
National War Labor Board	3,679	3,547	−132
Office of Alien Property Custodian	842	836	−6
Office of Censorship	10,988	10,440	−548
Office of Civilian Defense	111	148	+37
Office of Contract Settlement [4]		38	+38
Office of Coordinator of Inter-American Affairs	1,322	1,349	−27
Office of Defense Transportation	4,853	4,153	−700
Office of Economic Stabilization	12	12	
Office of Price Administration	61,638	62,013	+375
Office of Scientific Research and Development	1,354	1,381	+27
Office of Strategic Services	2,313	2,520	+207
Office of War Information	9,001	9,988	+987
Office of War Mobilization [5]	67	75	+8

[1] Increase of personnel due principally to 2,742 seasonal part-time workers, clerks and carriers, working on an average of from 1 to 3 hours daily.
[2] Does not include employees outside of the continental United States.
[3] In process of liquidation.
[4] New agency reporting for the first time.
[5] Includes reports for Surplus War Property Administration and Retraining and Reemployment Administration.

Civilian employment of the executive branch of the Federal Government, by departments and agencies, for the months of September and October, showing the increases and decreases in number of paid employees—Continued

Department or agency	September	October	Increase (+) or decrease (−)
NATIONAL WAR AGENCIES—continued			
Petroleum Administration for War	1,197	1,151	−46
Selective Service	22,097	21,501	−596
Smaller War Plants Corporation	1,786	1,786	
War Manpower Commission	27,322	27,172	−150
War Production Board	15,388	14,512	−876
War Shipping Administration	4,876	4,918	+42
INDEPENDENT AGENCIES			
American Battle Monuments Commission	1	1	
Civil Aeronautics Board	348	351	+3
Civil Service Commission	7,077	7,053	−24
Employees' Compensation Commission	509	512	+3
Export-Import Bank of Washington	53	57	+4
Federal Communications Commission	1,583	1,561	−22
Federal Deposit Insurance Corporation	976	964	−12
Federal Power Commission	675	675	
Federal Security Agency	31,309	31,395	+86
Federal Trade Commission	451	437	−14
Federal Works Agency	20,339	21,073	+734
General Accounting Office	12,499	12,611	+112
Government Printing Office	7,135	7,125	−10
Interstate Commerce Commission	2,074	2,056	−18
Maritime Commission	10,927	10,933	+6
National Advisory Committee for Aeronautics	6,217	6,142	−75
National Archives	359	360	+1
National Capital Housing Authority	242	232	−10
National Capital Park and Planning Commission	23	23	
National Gallery of Art	260	256	−4
National Housing Agency	17,463	17,242	−221
National Labor Relations Board	57	62	+5
National Mediation Board	93	93	
Panama Canal	30,326	29,771	−555
Railroad Retirement Board	1,787	1,795	+8
Reconstruction Finance Corporation	8,776	9,140	+364
Securities and Exchange Commission	1,140	1,139	−1
Smithsonian Institution	427	437	+10
Tariff Commission	298	294	−4
Tax Court of the United States	122	123	+1
Tennessee Valley Authority	19,271	18,700	−571
Veterans' Administration	54,725	55,670	+945
Total	3,053,347	3,038,502	{−23,745 +8,900
Net decrease			−14,845
War Department civilian employees stationed outside of continental United States [6]	262,281	262,281	
Total	3,315,628	3,300,783	−14,845

[6] Reported quarterly as of June 30, 1944.
[7] Includes employees outside continental United States reported by various departments and agencies; totals, September, 15,520; and October, 75,366; some of which were not previously reported.

NOTE.—Employment figures now reported to the committee include dollar-per-annum, terminal leave, and without-compensation employees of the consultant expert type who are authorized to receive per diem in lieu of subsistence.

THE SOUTH HAS NO RACE PROBLEM—ARTICLE BY THURMAN SENSING

Mr. BILBO. Mr. President, I wish to present a Christmas message to each Member of the Senate and the House with the devout wish that it will be read carefully and prayerfully during the holiday season.

All the indications are that we will be flooded, harassed, and harangued by ill-informed, misguided, and politically minded reformers and agitators during the next session of Congress, with all sorts of legislation inspired and sponsored by a puny and maudlin sentiment of possibly honest and sincere minds in an effort to tell the South how to solve the race problem in the South. I understand that we will be cursed with the perennial flood of bills repealing the poll tax, anti-lynching, F. E. P. C., and other kindred political gyrations.

The message I wish to present to my colleagues in both branches of Congress is under the title "The South Has No Race Problem," by Hon. Thurman Sensing, director of research, Southern States Industrial Council, Nashville, Tenn. This very thoughtful and timely article appeared in the July 1944 number of the Manufacturers' Record, of Baltimore, Md. Mr. Sensing paints a true picture of the racial relations obtaining in the South. After the Civil War "the South was left with the Negro race as a yoke around its neck." The South has heroically met that situation and has wisely and successfully handled it, and we now resent and will resist any efforts inspired by the colored intelligentsia of the North or the hypocritical and political professions of love and interest by a few whites in what they are pleased to term "a discriminated minority."

The South has adopted segregation as a stopgap or temporary expedient to put off the fatal day of mongrelization. Of course, every person who has made an investigation and given intelligent thought to our race problem can reach only one conclusion—that is, ultimately we must provide for a physical separation of the races or suffer the consequences of total mongrelization. We, as a white nation, cannot dodge the issue; we can delay the decision, but we must take our choice, separation or mongrelization.

Mr. President, I ask that the message I refer to be made a part of my brief remarks on this occasion.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SOUTH HAS NO RACE PROBLEM

(By Thurman Sensing, director of research, Southern States Industrial Council, Nashville, Tenn.)

The South has no problem in connection with its race relations. The South has a race situation, but no race problem. To say that the South has a problem would indicate that the South has not yet decided the best way to handle its relationship with the Negro. This is not the case. There has never been any question in the mind of the South as to the best way to handle it.

The South at one time did have a slavery problem. That problem was settled at Appomattox. Before this problem reached a state of war, there was strong national sentiment to settle it by freeing the slaves and having the Government reimburse the owners for the value.

The paradox of the Civil War, however, was that, while the South was forced to free its slaves, yet the South was left with the Negro race as a yoke around its neck. The

slaves were free, but the South was not. The Negroes were unable to take care of themselves—certainly not in the traditional way that Americans have been expected to take care of themselves. It must be said to the credit of the South that they did no worse than relegate the Negro race to a subordinate position in the life of the southern people. Other dominating races in other countries at other times have done much less. It may be doubted that the Negroes would have fared so well outside the South, even in our own country.

Let's consider that a moment. The South has been accused of being unjust to the Negro and discriminating against him, whereas the rest of the country was not doing so. Why, then, haven't the Negroes during the past 80 years left that part of the country where they have been so badly treated and gone to those other parts of the country where they are received on equal terms? "The proof of the pudding is in the eating thereof." Taking the South as a whole, approximately 33⅓ percent of its population are Negro, whereas for the Nation as a whole only 10 percent are Negro, and for the area outside of the South only 3½ percent are Negro. These percentages have remained so nearly constant over all these years that we may consider invalid any claim by anyone, white or black, that the Negro receives better treatment outside of the South than he does in the South.

How does the South treat the Negroes? By the only way under natural laws they can be treated—by segregation. The Negro race did not come to America of its own free will. The Negroes did not come here as immigrants. If no Negroes were in this country at the present time, it is to be doubted that under our immigration laws any would be allowed to enter. The sensible people of both races realize that segregation is the only sound way to handle the situation. Segregation is not discrimination, a fact that many people are prone to overlook. Segregation is best for both peoples. It permits the development of pride of race, without which no people can hope to progress. This principle does not apply to the Negro race alone. It would apply to any race.

The Negro race having been brought to this country by force and then having been made free people by force were more of a situation to be handled than a problem to be solved. The South has simply been honest about the matter while the rest of the country has not. The South handled the problem by segregation without any claim of granting equality while the rest of the country claimed to grant equality and nondiscrimination but has failed to practice it.

Let us assume for a moment the attitude of the people outside the South toward the Negro. They do not segregate him or at least they make an appearance of not doing so and therefore claim they do not discriminate against him. As a matter of fact they do segregate the Negro in many places, such as hotels, restaurants, and so on, but not in the schools and churches and on the trains and in public conveyances as is done down South. But are the Negroes really welcome in these places? They are not. Their presence is resented. Their association is endured.

The Negro children struggle along in school seated beside the white children where their presence is usually resented or at best tolerated. After they finally secure their diplomas these Negroes, regardless of their qualifications, are relegated as a rule to unimportant, undesirable work. The training of these Negroes has been such that they are not acceptable in the South for the filling of such positions among the Negroes of the South. Their attitudes are such that they just don't fit in.

On the other hand in the South, through the practice of segregation, Negroes are trained for the professions in their own schools and they have their own organizations in which to practice their professions or trades after the training is finished. They are able to rise in their professions and thus they are able to maintain a self-respect and racial integrity that they cannot have in the North.

It is to be believed that the people of the South have a greater respect for their moral obligations toward the Negro race than might be true of any other people anywhere. The people of the South owned the Negroes as slaves, and when they were freed by an outside force the southerners might well have been expected to repudiate all obligations toward them as a race. Such was not the case. For many years, bled white by the war, the people of the South were not able to take care of themselves in any decent manner, much less the Negroes. As conditions improved, however, better facilities were made available for the Negroes, and now on the whole they have educational facilities comparable to those of the white people. Much better, as a matter of fact, than the contributions of the Negroes toward the support of these schools would justify on a strictly financial basis.

The people of the South have not only carried this yoke through a feeling of moral obligation but they realize that the Negroes are here; that from all indications they are going to remain largely in the South; that it is, therefore, to the self-interest of the South that the Negroes improve their financial status to as large an extent as possible. It is a well-known fact that the per capita wealth and per capita income of the South is not much more than half the average for the Nation. This in large part is accounted for by the fact that the South lost most of its invested capital, a large part of its property, and much of its manpower during the Civil War. It is also due, however, in no small part to the fact that one-third of the people of the South are Negroes. The Negro race has certain fine qualities which no one is quicker to realize than the southerner, such as patience, good humor, and a native artistic temperament, particularly in music. But among these good qualities of the Negro race, thrift and energy are rather conspicuous by their absence. This is not a condemnation; it is simply a statement of fact. Anyone familiar with the situation quickly realizes the effect such a large percentage of Negroes would have on the average per capita wealth and income of a region. In the two States of the South where the percentage of Negroes is largest, the per capita wealth and income of the people is lowest. The South is, therefore, anxious to have the Negro improve himself financially in the full realization that his improvement will redound to the benefit of the whole South.

So far as social equality is concerned the South has never considered this a problem. It is simply a question that is answered before it is even asked so far as the southerner is concerned. People in high places in other sections of the country may fraternize with the Negroes on an equal social level, agitators may propose social equality from evil or selfish motives, social reformers may discuss the question in sentimental manner and at laborious length but the people of the South are not influenced and the people of the South are not impressed. The answer of the South always has been and always will be "Never." As a matter of fact, most people in the North probably feel the same way but as a region they have not been honest enough to say so.

Which is the more honest position to take? That of the North where they do not practice segregation and therefore claim they have no discrimination, or that of the South where segregation is an accepted principle and where it is not discrimination? That of the North where Negroes are educated with the whites and then frozen out of the use of their education or that of the South where the Negroes are educated separately and then allowed to put their training to use among their own people?

Southerners as a people probably have a higher regard for the Negroes as a race and get along better with them than could any other group. The people of the South do not fear the Negro. They do not fear what he may claim. They do not fear what others may claim for him. The people of the South are thoroughly acquainted with the situation and know how to handle it. It is the agitators outside the South, who don't understand the situation and don't know how to handle the situation, to whom it therefore appears a problem. These people would do well to let the South alone.

If we may judge from history, the Negroes as a whole will continue to consider the South their best home and the southerners their best friends.

STATE DEPARTMENT NOMINATIONS—EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. GUFFEY. Mr. President, on December 6 I read into the RECORD an editorial from the Philadelphia Record entitled "Four of a Kind Are Three Too Many." I am now going to read into the CONGRESSIONAL RECORD an editorial from the Philadelphia Record of December 11, 1944, entitled "Six of a Kind Are Five Too Many."

The editorial is as follows:

Tomorrow the Senate Foreign Relations Committee begins open hearings on the six recent appointments to the State Department.

The Record urges the committee to:

1. Consider these appointments not only individually but also collectively.

2. Recognize the serious effect upon public opinion of loading down the State Department with men all but one of whom have been trained in the school of ultraconservative thought.

We do not doubt for a moment that when each of these men appears, that when Clayton, Rockefeller, Grew, Dunn, and the rest have testified, they will have demonstrated that they are honest and patriotic citizens.

No one questions that now.

No more do we question that Wall Street's point of view has a right to be represented in the State Department.

But when almost the entire department is staffed with men having Wall Street's point of view, millions are bound to ask what humanity is going to get out of victory:

A people's peace—or banker's peace?

We urge the Foreign Relations Committee to consider these appointments en bloc for another reason:

The State Department cannot successfully build the future peace unless the army of American public opinion is behind it.

Public faith and confidence are the rocks of American foreign policy.

A State Department overbalanced by representatives of one economic viewpoint is even more likely to run afoul of public confidence than did President Wilson's peace delegation to Paris because it was overbalanced by representatives of one political party.

Current events tell us that the common people who are fighting this war do not propose to be frozen out of the peace.

That is the inner meaning of events in Belgium, Greece, and Italy. It is the meaning of events in Britain where Mr. Churchill, powerful as he is, faces a mounting tide of resentment at home over his royalist-reactionary policies.

Here in America the common people have been fair-minded and patient. They did not

protest the naming of Mr. Stettinius as Secretary of State, for all his House of Morgan background.

Public resentment did not go from spark to flame until Stettinius' Department was overloaded with Stettinius' economic classmates, headed by a man who wants to do business with Hirohito.

Last week we said "four of a kind are three too many."

With two new appointments of Assistant Secretaries, James C. Dunn and Brig. Gen. Julius C. Holmes, the figures must be revised: Six of a kind are five too many.

We are aware that some say the President will be his own Secretary of State, that these men will simply administer his policies.

Connie Mack is the smartest strategist in baseball. He runs the Athletics' team here in Philadelphia, plans the strategy, picks the players, calls the signals.

Yet the Athletics finish up in last place year after year.

Why? Because Connie doesn't pick good enough players. Because the men he hires don't have the stuff to translate his signals into actual plays on the diamond.

Connie wouldn't pick a team made up almost entirely of shortstops.

Yet that's the kind of overbalanced team which has been chosen to play America's role in the building of the peace.

The Record urges the Senate Foreign Relations Committee to return all these nominations to the President.

Let it request him to submit a new set of appointments, balanced in viewpoint, and with representation for the different points of view of the many citizens who united to accomplish his election.

That way there will be no reflection against any of these men as individuals. But the Senate will make clear that an all-big-business team in the State Department is as out of tune with the times as would be an all-pacifist personnel in the War Department.

ELECTION OF FORMER SENATOR RUSH D. HOLT TO WEST VIRGINIA HOUSE OF DELEGATES

Mr. REYNOLDS. Mr. President, several years ago there served in this body a young and courageous man, the youngest man to serve in this body since the days of Henry Clay. I refer to Rush D. Holt.

I have here several editorials referring to former Senator Holt, which I shall ask to have printed in the body of the RECORD at the conclusion of my remarks. It is stated in one of the editorials:

It requires great courage for one who has occupied a seat in the United States Senate to go back and take a humble seat in the house of delegates.

That refers to the State legislature of West Virginia.

John Quincy Adams had that sort of courage. He was President of the United States, and afterward he ran for Congress and became a Member of the House.

Mr. President, Rush Holt recently was a candidate for the House of Delegates of the State of West Virginia. There was a candidate on the Democratic ticket and one on the Republican ticket, the respective nominees of the two major contesting parties. Rush Holt was not a candidate, but his friends made him one; and one of the most remarkable things that has ever occurred in American history occurred in West Virginia on November 7 when 4,600 of Rush Holt's neighbors, who knew him well, gave him a majority over both the Democratic and Republican candidates. They gave him that majority by writing in his name on the ballots. That is a great tribute to a man whom I believe to be a great American. I send the editorials to the desk and ask that they be printed in the body of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Jackson Herald]

A GREAT TRIBUTE

As the years go by we have found that the best yardstick for evaluating any public official is by the sentiment among that official's neighbors at home. It is there that a man either first gains or loses in popular esteem; and when one's neighbors turn against him in politics, the end is usually not far away.

We are reminded of all this again in the remarkable victory which former United States Senator Rush Holt has scored in his home county of Lewis. He was not even a candidate in the recent election. His name was not printed on a single ballot which was handed to his neighbors in Lewis when they went to the polls. There were both Democratic and Republican candidates for the house of delegates, a position which Mr. Holt filled so admirably for the citizens of Lewis in the last session of the legislature. We say he must have rendered admirable service, because when they went to the polls in the recent election they wrote in the name of Holt, not just a few times but more than 4,600 times, more than the total vote of both his Democratic and his Republican opponent; and as a result the people of that county are sending him back to the next session, and they, as well as the people of the whole State, will benefit from his service.

In our time we have heard of many remarkable victories, but we have never heard of one such as the fearless and courageous Rush Holt has had chalked up for him by his neighbors. He has been given many fine tributes during his political career, but doubtless none has warmed his heart in the same manner which this tribute by his neighbors, those who know him best, have just accorded him. No man is through politically when he holds such a strong position with his home people. Rush Holt will be a powerful figure of his generation; and despite his several notable victories he has won, this last is, in our opinion, his greatest triumph. He is on the high road to more of them in the future.

[From the Bluefield Telegraph]

A GREAT COMPLIMENT

This is a human interest story. It is about a West Virginian, a young man, active and brainy. Rush Holt is hated by the New Dealers, because he is an American of consistent principles. He was not a candidate for office and his name was not on the printed ballot. Enough voters wrote his name on their ballots to elect him to the house of delegates, defeating both Democrat and Republican candidates. These were his neighbors and fellow citizens of Lewis County—the people who knew and lived with him. It is a very unusual occurrence.

In the last legislature Rush Holt was very useful. We congratulate him on the tribute Lewis County has paid him. We know that he will be useful in the legislature.

[From the Parkersburg Sentinel]

HERE'S THAT MAN AGAIN

One of the remarkable incidents in the balloting in West Virginia on Tuesday, November 7, was the election of Rush D. Holt, of Weston, to the house of delegates although his name was not on the ballot. Four thousand four hundred and forty-seven of his friends and neighbors in Lewis County wrote his name on the ballots and voted to send him to the legislature. They won.

Holt represented Lewis County in the 1943 house of delegates and his friends were determined that he should go back there for the coming term and wrote in his name with the result already mentioned. He knows how to stir up the legislature as few others can and a lot of citizens feel that it is a good idea to have a chap like him around when the lawmakers are in session.

[From the Raleigh Register (Beckley)]

HOLT, THE INDEPENDENT

Whatever you may think of Rush Holt, you will have to admit if you would be honest, that a man must have something "on the ball" as they say in sports when his own home-town people break over party lines and give enough write-in votes to defeat both the Republican and Democratic nominees.

That's what happened to Rush Holt in Tuesday's election—and he takes his seat in the house of delegates, on January 10 as Lewis County's delegate, owing allegiance to neither Democrats nor Republicans. The fact that he is a Democrat allies him with the dominant party, but in practice he has been so independent that nobody knows where he will vote when the roll is called.

There's something in the Bible about a prophet being without praise in his home bailiwick, but the exact reverse of this is true with Rush Holt. Rush got nowhere in his race for the Democratic nomination for governor earlier this year; likewise he was given a short shrift in the contest for United States Senate a few years ago. Yet in Lewis County, where he is best known, he seems to fare pretty well.

Most people seem to think that Rush Holt is honest, both in his thinking and in practice. They hold against him, however, the very independence which seems to have been to his home folks' liking last Tuesday. Rush is likely to toss a monkey wrench into the best laid plans of either party and for that he doesn't get very far with party machinery.

It is good for both parties to have Rush Holt in the legislature. His former position as United States Senator, plus his former activities on at least two house investigating committees, give him a sort of prestige and renown which lend interest if not weight to his position on matters of State government. He cannot easily be denied or ignored; he must be listened to.

[From the Logan Banner]

Rush Dew Holt is back in the limelight once again. The former boy United States Senator from West Virginia was defeated for the Democratic nomination for governor in this year's primary, but the citizens of Lewis County started a write-in campaign and reelected him to the house of delegates in the November election. He polled more votes in that way than the Democratic and Republican nominees combined.

That's quite a boost to Holt, for it shows what the home folk think of him, and if anyone should know a man, it should be his neighbors and friends.

Personally as I have stated many times before, I have always had a great deal of respect for Rush Holt, for he is one of the most independent men ever to hold office in West Virginia.

The State needs more public servants like him. Unquestionably he will be a great asset in the next session of the legislature.

[From the Parkersburg News]

DELEGATE HOLT

More than 4,000 voters wrote the name of Rush D. Holt on their ballots in Lewis County and sent him back to the State legislature. This outcome will scarcely be displeasing to the people of West Virginia. Mr. Holt, who has great forensic talent, has now suffered two bitter disappointments, both at the hands of his party, when he ran for reelection as United States Senator, and again when he ran for the nomination for Governor. So-called smear tactics engineered within his own party were responsible, at least in part, for his defeat in the race for the Democratic gubernatorial nomination. He had performed a creditable public service, however, in exposing what was going on within Democratic officialdom in Charleston. The great mistake that Mr. Holt made originally, as we see it, was that of attempting to carry water on both shoulders after his election, at less than 30 years of age, to the United States Senate, the youngest Senator since Henry Clay. He was placed in office largely through the allegiance of the miners of West Virginia but almost immediately after arriving in the Senate, incurred their hostility. The problem of pressure groups is becoming more and more serious in American life, especially where conflicting claims cut across economic interests. Delegate Holt will be a thorn in the side of the Methusalehs at Charleston. His highly developed critical faculty is such that he is unsparing even of members of his own party. The fact that those who know Rush Holt best have seen fit to send him to Charleston as their delegate undoubtedly will prompt his political foes to sit up and take notice. It requires great courage for one who has sat in the august United States Senate to go back and take an humble seat in the house of delegates. John Quincy Adams had that sort of courage. He was once President of the United States. Afterward he ran for Congress and became a Member of the House.

[From the Elkins Inter Mountain]

RUSH HOLT IS IN AGAIN

We are sure of one great dissenter among the delegates. We could be referring only to former United States Senator Rush D. Holt who was a thorn in the side of the State administration in the last legislature. You will recall, of course, that Delegate Holt was chairman of the house committee which investigated State expenditures and was otherwise much in evidence.

He ran for the Democratic nomination for Governor in the primary last spring and lost. This race kept him from being a candidate to succeed himself in the house and after his defeat it seemed for a time that he was out of politics for the time being at least. But not so; Lewis County voters did the unusual thing of electing him as a write-in candidate last Tuesday. He won over both the regular Democratic and Republican nominees.

There can be no doubt he stands very well indeed with the home folk back in Lewis County. His presence at Charleston after Governor-elect Meadows convenes the next legislature virtually assures a very interesting session.

[From the State Sentinel, Fayetteville]

RUSH DEW HOLT

We have occasionally and sometimes violently disagreed with Rush D. Holt, of Lewis County, but say what you will about him the people of his home county believe in and faithfully trust him. And in the last analysis, these are the people who know him best.

After being elected to the legislature in 1930 and in 1932 without opposition Holt became a candidate for the United States Senate in 1934. On the night before the primary election, when the home towns of several other candidates were dark, Weston citizens put on a great homecoming for their candidate and gave him an overwhelming vote the next day.

While his record as a United States Senator did not suit John L. Lewis and some others, his home county gave him a great vote in 1940 when he sought renomination. In 1942 he decided to go to the legislature and his home people backed him up. Last spring he became a candidate and again his home county stood by him, though he was defeated.

Although defeated he was by no means vanquished. In the election on Tuesday enough Lewis County citizens wrote his name on the general election ballot for house of delegates to insure defeat of both the regularly nominated Democrat and Republican candidates and he goes back to the legislature this coming January the freest free lance that ever raised his voice in legislative halls.

Rush Holt's political enemies cannot laugh this off. The people of Lewis County went to the trouble of writing his name on the ballot. Some will say they did it for spite and to embarrass one party or another, but men and women who elect such men as Ernest Smith and Ed Shorr do not play with the ballot that way. Rush Holt has ability and he is unafraid. These are qualities that seem to appeal to the voters of his county. He can be of great benefit to the people of the State.

[From the West Virginia News, Ronceverte]

RUSH HOLT DOES IT AGAIN

Probably the most amazing incident in West Virginia political history was an even more remarkable repetition in Lewis County of what happened in 1942 in the case of Rush D. Holt—the most hated man in West Virginia by the New Dealers.

In 1942, Rush Holt won nomination in his home county on the Democratic ticket for house of delegates, and, although the county went strongly Republican for every other candidate for office, Holt was elected by about the same size majority that Republican candidates generally received, upwards of 3,000, which meant a turn-over of remarkable proportions.

In the meantime this year, Holt, a former United States Senator, ran for his party's nomination for Governor and was badly beaten in the primary by the organization candidate, Clarence W. Meadows.

In his home county a regular candidate had been nominated for House of Delegates. Items in the news during the campaign referred to Holt answering friends that he wasn't a candidate for anything and didn't want to be considered, indicating some movement to have him run independently for his seat in the legislature. Something was said about his becoming a write-in candidate, but practical politicians consider write-in candidacies hopeless. Finally Holt said any voter who wanted to could write his name in but he was not running.

The result in Lewis County shows that Rush Holt received 4,602 write-in votes, the Republican candidate received 1,942, and the Democratic candidate 2,301.

[From the Shinnston News]

RUSH D. HOLT WRITE-IN WINNER

While the News is not inclined to applaud the defeat of any regularly nominated candidate, either Republican or Democrat, it cannot fail to note with considerable pleasure the write-in victory of Hon. Rush D. Holt in his home county of Lewis.

Although not a candidate, he did let it be known that if his neighbors wished to vote for him for House of Delegates by writing his name on the ballot, it would be O. K. with him. When the votes were counted it was found that he had received more than both the Republican and Democratic candidates combined.

To those who know the former United States Senator the action of his home people is easily understood. They know what he stands for, know he is honest and independent, and they therefore want his kind of representation in the West Virginia House of Delegates.

Although defeated in the primary for the Democratic nomination for Governor, there are few who would say that Rush Holt will not be a power in State politics in the future. When a man's home county continues to back him up through thick and thin, it goes without saying that there is something about the gentleman the people of the State will come to appreciate before too long.

[From the West Union Record]

HE WILL BE NEEDED IN CHARLESTON

Never before has a man like Rush Holt been so greatly needed in the West Virginia Legislature as such a man as he will be needed in the next legislature.

When Rush Holt is in the legislature every member is more alert, more cautious, more circumspect than he is when Rush is not there. The same thing is true of all the officials in the State capitol from Governor down. They all know that Rush Holt is fearless and incorruptible and knows, or will know, everything that goes on.

Mr. REYNOLDS. Mr. President, in connection with these editorials I ask that there be printed an editorial entitled "An Encouraging Sign," from the State Magazine, published at Raleigh, N. C.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN ENCOURAGING SIGN

There was one very encouraging sign in connection with the recent balloting, and that was the noticeable trend toward independent thinking and independent voting.

Used to be that a Democrat was almost scared to announce publicly his intention of voting for a candidate on the Republican ticket. Used to be that a Republican was in the same fix when it came to voting for a Democrat. But, thank heaven, that kind of foolishness seems to be fading out of the picture.

Prior to Tuesday's election, the Raleigh Times, generally regarded as a stanch supporter of the Democratic Party, came out in an editorial and announced that it was supporting Dewey and Bricker. We heard any number of Democrats make the statement that they intended voting for Dewey. We also heard Republicans aver that they intended voting for Roosevelt.

That's the kind of attitude that merits commendation. It shows that the voters are beginning to think for themselves, instead of letting the leaders of the party do their thinking for them. We predict that the old bogey, "party loyalty," is going to be showed more and more into the background. Of course those individuals who are holding public office are going to continue preaching that kind of doctrine, but they aren't going to get very far with it.

Millions of voters voted for Roosevelt because they honestly felt that he was the man to lead us to a successful completion of the war. They didn't vote for him because he was a Democrat and because they were Democrats.

Millions of voters voted for Dewey because they felt that the best interests of the country demanded a change in administration. They didn't vote for him because he was a Republican and they were Republicans.

So far as other sections of the country are concerned, a large proportion of the voting population has been independent in its voting. In the South, however, we have been backward along this line. Democrats voted the Democratic ticket because their fathers and grandfathers were Democrats. Republicans voted the Republican ticket for similar reasons. Now, however, it is beginning to look as though a change were taking place, and we predict that it is going to be a change for the better.

REPORT BY AMERICAN LEGION COMMISSION ON POST-WAR AMERICA

Mr. KILGORE. Mr. President, there has recently come to my attention an exceedingly fine report made by the Commission on Post-war America of the American Legion, headed by Louis Johnson, former Assistant Secretary of War, and a past national commander of the Legion. This report embodies 11 points covering as many phases of the post-war problem. Its recommendations deserve the careful consideration of all concerned with the tremendous problems our country will face when victory is complete. It is further evidence of the constructive thinking and leadership emanating from the American Legion which, in my opinion, is destined to be a great independent guiding force for the good of the country.

The membership of the American Legion Commisison on Post-war America is evidence of the high caliber of the commission's report. The members in addition to Chairman Johnson are Gen. Leonard P. Ayres, Cleveland Trust Co., Cleveland, Ohio; Frank N. Belgrano, Jr., Central Bank, P. O. Box 329, Oakland, Calif.; Miss Jefferson I. Brown, State department of health, Phoenix, Ariz.; S. Toof Brown, S. C. Toof & Co., Memphis, Tenn.; Arthur E. Canty, 205 West Wacker Drive, Chicago, Ill.; Hon. Prentice Cooper, Governor of Tennessee, State House, Nashville, Tenn.; H. Elwyn Davis, 128 Broadway, Pueblo, Colo.; Dr. Willard H. Dow, president, Dow Chemical Co., Midland, Mich.; I. G. Gordon Forster, 502 Liberty Trust Building, Philadelphia, Pa.; Hon. Dwight Griswold, Governor of Nebraska, State House, Lincoln, Nebr.; Frank Haucke, Council Grove, Kans.; Walter Hoving, chairman of the board, United States Organizations, Inc., New York, N. Y.; Ray Murphy, Association of Casualty and Surety Executives, 60 John Street, New York City; Gen. Frank Parker, Union League Club, Chicago, Ill. (Philippine Islands); J. R. Parten, Woodley Petroleum Co., Houston, Tex.; Hon. Leverett Saltonstall, Governor of Massachusetts, State House, Boston, Mass.; Jacob Schwidt, 3227 North Twelfth Street, Milwaukee, Wis.; William M. Tugman, managing editor, Eugene Register Guard, Eugene, Oreg.; Juan Trippe, president, Pan-American Airways System, 135 East Forty-second Street, New York, N. Y.; Roane Waring, 1905 Steric Building, Memphis Tenn.; John J. Wicker, Jr., Mutual Building, Richmond, Va.; Tom Whelan, St. Thomas, N. Dak.; and R. H. Barnard, Owens, Ill.

I ask unanimous consent that this report be printed in the body of the RECORD and I commend it to the attention of the Members of the Senate.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMMISSION ON POST-WAR AMERICA

VICTORY

Complete and conclusive victory in these wars is the first prerequisite of an enduring peace and a sound and expanding national economy.

EMPLOYMENT

Post-war employment can best be fostered by a system of free enterprise embodying the greatest encouragement to individual initiative and to every sort of sound business leadership. A national program of fair and impartial treatment to both management and labor should be brought into existence and made effective. That national program must be based on the fundamental principle that both management and labor must be mindful not only of their rights and privileges, but also of their duties and responsibilities.

In dealing with the post-war problems of employment there should be a minimum of reliance on the expenditures of public funds The money of the taxpayers should not be spent to create employment except in instances when such spending is clearly necessary to relieve great hardship and serious suffering. When Federal funds must be so spent they should be used to construct the most useful types of public works. Projects that are merely local in nature should be financed by local funds. American Legion posts should take the lead in stimulating community job surveys to discover maximum numbers of jobs for discharged veterans. A program of homesteads for ex-servicemen should be given consideration.

SETTLEMENT OF WAR CONTRACTS

Terminated war contracts should be promptly settled by procedures substantially in accord with those recommended in the Baruch-Hancock report. In briefest outline, these procedures include the following:

In order that the contractor may receive substantial cash payments pending a final settlement, the Government should at once pay in full for all completed articles and up to 90 percent of the contractor's estimated costs on the uncompleted portion of the contract. The Government should pay in full the settlements with subcontractors as soon as they are approved. It should pay interest on termination claims until they are settled.

As insurance against delays in validating claims, a simplified system of termination loans by local banks, with Government guaranties, should be available to all war contractors.

There should be prompt clearance of Government property from private plants not later than 60 days after the filing of inventory lists, the manufacturers having the right to remove and store the property earlier at their own risks.

We hope that substantially the procedures and results outlined will result from the recent enactment of the Contracts Settlement Act of 1944, but if experience indicates that amendments are needed they should be enacted promptly.

DISPOSAL OF SURPLUS PROPERTY

Surplus war materials and properties should be disposed of in substantial accord with the principles set forth in the Baruch-Hancock report. Ten guiding principles which should be observed in making such disposals are as follows:

As much as possible should be sold as early as possible without disrupting normal trade.

All groups should have an audience, but sales should be made strictly in the national interest.

There should be no sales or rentals to speculators or promoters.

Fair market prices should be obtained, and the proceeds should be used to reduce the national debt.

All records should always be open to public inspection.

As far as practicable, sales should be made through the same regular channels of trade that private business would use in disposing of similar materials and properties.

There should be no governmental operation of surplus war plants in competition with private industry.

All businesses should have equal access to surpluses with preference being given to those of local ownership, but there should be no subsidizing of one part of the country against another.

While some properties and materials must be scrapped, there should be no deliberate destruction of useful plants or goods.

Sales of surplus equipment abroad should be avoided if such sales would militate against American productive efficiency at home.

WARTIME CONTROLS

Controls over commodities, materials, prices, and wages should be abandoned as rapidly as they can be without involving definite probability that their abandonment will be dangerous to our economy.

As long as a commodity is truly a necessity of life and is genuinely scarce, it should continue to be fairly distributed by means of direct rationing.

Price controls over all kinds of goods and distribution controls and allocations of materials should be abandoned as soon as supplies become reasonably adequate and victory has been attained, or is definitely impending.

Wage and hour stabilization controls that have been imposed during wartime should be abandoned as soon as large numbers of service men and women are demobilized and return to civil life. Wherever and whenever war production will not be impeded thereby, all rulings and regulations holding or freezing workers in localities and occupations should be rescinded.

POST-WAR FEDERAL TAXES

When we emerge from the present wars we shall have a tremendous burden of debt. In order to collect maximum revenues from Federal income taxes we must strive to maintain a high level of business activity. To achieve this result, our system of taxation must be one which will stimulate, rather than discourage, maximum business activity by fostering and encouraging the employment of venture capital in risk enterprise

Seven principles for a post-war policy of Federal taxation are advocated:

The National Budget must be balanced as soon as is reasonably possible and a beginning made of paying down the public debt.

Our Federal tax system must raise adequate revenues; it must be as simple as possible; it must be fair and equitable; it must be capable of reasonably economical administration; it must not unduly interfere with our established economy.

Taxes on individual and corporate incomes, especially excess-profits taxes, should be modified in such manner as to foster business incentive and expansion while providing adequate revenue for post-war requirements.

Corporate incomes should be taxed only once. Dividends should be exempt from the normal tax on individual returns.

Fair and consistent treatment should be accorded to capital gains and losses.

Tax laws must be purged of their complexity and uncertainty.

Overlapping and competing taxation of the same sources of revenue by Federal and State Governments should be eliminated, with the Federal Government refraining from further encroachment into the field of sales taxes.

CREDIT FOR SMALL BUSINESS

When peace returns there will probably develop a sizable demand for small-term loans for small businesses. They will be sought to modernize, reorganize, and renovate industrial plants and equipment, or to finance other productive activities. They will be sought to increase working capital. Such credits should be made available to returning soldiers and sailors of proven character and demonstrated capacity and to industrial firms trying to resume the production of civilian goods. The public warmly welcomes the collective announcement by the banks of the Nation that they are both willing and ready to furnish all the sound credit that small business may need in the post-war years, and to do it themselves without Federal guaranties or participations.

ISLAND OUTPOSTS AND BASES

The future welfare of the Nation requires that the United States own or control such island outposts and bases as are essential to our national security. Every effort should be made to obtain such outposts and bases wherever needed.

PROSPEROUS AGRICULTURE

Both employment and national welfare require a stable, prosperous agriculture with an effective and efficient soil, water, and forest conservation program.

Vigorous development of home and foreign markets and new uses for agricultural products developed through constant research also are essential.

UNIVERSAL MILITARY TRAINING

We believe that peacetime universal military training in the United States is essential in order:

That the Nation may remain at peace and may preserve its democratic way of life.

That its manhood may learn the value of national unity through the spirit and practice of national service.

That its moral and physical well-being be developed.

For these reasons we declare our support of the principle of universal military training and urge the immediate enactment of Federal legislation toward that end.

FOREIGN POLICY

The American Legion endorses and supports the development of the principles and policies represented by the declarations of Teheran, Moscow, and Cairo, together with the Connally and Fulbright resolutions, hailing them as great milestones in American and world history. We pledge our unflagging support in carrying forward and developing them in the years to come under every administration. We welcome the enlarging role of the Congress of the United States in the day-by-day formulation of American policy as an earnest of the Nation's will to maintain our relations with other Nations above the level of partisanship and free from domestic political considerations.

We recognize that delicate considerations of diplomacy and especially the strategy of total war, may prevent full discussion in an open forum on many matters of great moment to our Nation, but we respectfully urge upon our Government that from time to time, and as often and as fully as the national interests will permit, our people be advised of developments in the field of foreign relations.

We recognize equally that the finest blueprints of a new world order may be but wasted effort if there be lack of unity and accord not only among our own people but among the United Nations now and when and after these wars have been won. Whatever may be our own hopes and plans for a just and lasting peace based upon accord between nations and upon a practical and realistic world order, we of the United States cannot alone determine that accord and that order.

This realization points directly to the need for common aims, common action, and a common declaration of intention of the United Nations, rather than separate, unilateral, and conflicting aims, actions, and declarations. The world situation calls for teamwork now, as much as it did in the earlier and darker days of the war.

STATEMENT OF ATTORNEY GENERAL TO SENATE COMMITTEE ON IMMIGRATION

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a statement made on December 9, 1944, by the Attorney General before the Senate Committee on Immigration, relative to the requested resignation of Assistant Attorney General Littell, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING—EDITORIAL FROM BELLEVILLE (KANS.) TELESCOPE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial by A. Q. Miller, Sr., entitled "Universal Military Training," published in the Belleville (Kans.) Telescope, which appears in the Appendix.]

THE FATE OF SMALL NATIONS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "Small Nations Out of Luck," from the New York Daily News, republished in the Washington Times-Herald of December 6, 1944, together with an article entitled "Allies Fail To Agree," by William Philip Simms, from the Washington Daily News, which appear in the Appendix.]

PEACE AIMS OF THE UNITED STATES

Mr. GILLETTE. Mr. President, for many long months now I have become increasingly apprehensive over the ominous trend in international affairs. My time as a Member of this body is very short. America confronts the gravest hours in her history, and I would betray everything that I hold sacred were I to relinquish my seat in the Senate Chamber without speaking some of my convictions. For that reason every statement I shall make is a considered statement, and I have dictated and shall read the statement of my views.

Mr. President, the one crucial issue America now confronts is whether we can make and keep this war worth the winning. If the present trend in international affairs continues, the military victory which is certain to be ours will be lost politically. It is this fear that moves me to speak out now for America. Our honor and integrity as a people and as a nation are at stake. We have hoped, and we are united as a people now in the hope, that the foundations of a lasting peace might be forged in the heat of this desperate struggle. This Nation of ours has passed through many periods of stress and strain wherein were determined policies of vital import to our people. Always out of these times of turmoil the sound minds, the sound hearts, and the clean thinking of our American people have evolved policies and courses that have advanced the well-being not alone of our America but of all the civilized world. I have strong belief that the American people can meet the present emergency and evolve a similarly sound solution if they are made conversant with the facts so that they can be thoroughly known and evaluated. We have thrown into the present military struggle without reserve all of our great resources of manpower and material wealth. We have out-matched the demands placed upon us by our allies by pouring into the struggle equipment, arms, supplies, and manpower sufficient to stagger their imaginations. We stand ready to make every necessary sacrifice in the future for the war victory, but we must assure the world that in the future, as in the past, the clear, sane, and Christian thinking of America will point the way to a future world worthy of the magnitude of the sacrifices we are making. With these stupendous sacrifices have gone and must go our sincerest assurances that we desire to develop, strengthen, and perpetuate the unity among the Allied Nations born of the necessities of this tragic war.

But, Mr. President, sincere as our desire is to strengthen this new-found unity among the United Nations, and deep as my own convictions are that a genuinely international organization must be established to promote justice and peace among the nations when the fighting ceases, America is now confronted with the question of whether our contribution to this cause is to be continued on the basis of an imperfect or restricted knowledge of the facts for our people. Unfortunately, the very raising of this issue in question draws the unmerited and unjustified charge that honest and sincere criticism, questioning, or expression of concern fosters disunity at home and abroad, increases the danger of a separate peace by our allies, violates the necessity for military security and secrecy, interferes with the war effort, aids and comforts the enemy, or encourages the acceptance of a soft peace, when as a matter of fact this is an issue of life and death for America and the peoples of the world.

Mr. President, these charges might have been true at a time when military considerations alone were determining our hope of survival; but we have now reached the place in the conduct of the war where the mightiest political, and hence military, weapons in our possession, our peace aims, have been effectively silenced. There was a time when a sufficient momentum of incentive to carry on this bloody war had not been developed in the thinking of some of our people, and our leaders desired to inspire the American people with a vision of the kind of world for which they were being called upon to pour out their last full measure of devotion. But it is a tragic truth that just in proportion as we as a nation have moved from relative weakness to strength as a military machine these original ideals have either been obscured or discarded. We now confront a situation where the American people themselves are no longer sure of the goal for which they are fighting. If this ignorance of a free people is allowed to continue, if the officials of our Government permit or encourage this unfortunate state of affairs where not absolutely essential to military security, we shall find ourselves a disunited people who will but add to a confusion worse confounded among the other nations of the earth when the last shot is fired.

Mr. President, this is no time to evade these issues. In order to substantiate the validity of these serious charges and

in order to keep faith with my conscience without breaking any confidence that has been bestowed on me by my fellow Americans, I wish to draw a verbal picture of the precarious and dangerous role America is now playing on the international stage.

At a time when this war has become to a large degree, if not primarily, a political battle, and at a time when a statement of America's peace aims could hasten the successful conclusion of hostilities, such an unequivocal statement has not been forthcoming, and attention has been diverted from the real decisions that the American people must make. I have shared with the huge majority of my fellow Americans the satisfaction and encouragement that are incident to the formulation, drafting, and consideration of the so-called Dumbarton Oaks proposals. But an impression has been allowed to become extant that these proposals in the present stage of conference represent 90-percent agreement and 10-percent disagreement among the consulted nations. Proud as I am of the part our Nation has played in the formulation and presentation of the tentative framework of these proposals, I am forced to the conviction that we must face the fact that there is an extremely and unfortunately large field of disagreement because the nature of the questions upon which no agreement could be reached, and the consideration of which has been postponed, obviates and renders inoperative the field of agreement that was attained. As an instance, the simple question of veto power as it is now proposed and stands is a direct violation not only of the purposes avowed in the proposals but of the firm ground on which was drafted and established the Atlantic Charter, the Moscow Declaration, the Connally resolution, and the "four freedoms" as well. It is perfectly obvious that a policeman who is himself above the law he administers cannot be and should not be a guardian to any law-abiding community. Another point of difference that could not be reconciled was the question of the sizes of quota forces to be made available to the Security Council. This immediately raises the irreconcilability of interest by setting a rampant competitive nationalism against the desired form of international order of control. Third, the Dumbarton Oaks proposals seem to have been so effectively divorced from consideration of the peace which they were designed to implement, that China, one of the big four who submitted a memorandum providing for the making of peace as well as for its maintenance, now looks in vain for the incorporation of its suggestions within the presently developed document.

Mr. President, as further proof of the seriousness of the situation we confront I submit that the American people generally are not at all happy that three great nations, the mightiest nations on earth, who were under no compulsion when they gathered together to forge out of their wartime unity the foundations of a lasting peace were unable to fashion and complete an acceptable structure.

They have been urged to accept the Dumbarton Oaks proposals as the framework within which nations tutored and disciplined by public opinion would be able to evolve a more acceptable method of living together. I believe that these proposals can be evolved into such a document but, Mr. President, in the light of the recent course of international political events, I do not believe that the American people yet know that we may be the only nation to issue from this war as a wholly free people. They do not yet know that unless some miracle intervenes or some strength of position is enunciated and maintained by America, many other peoples of the earth will emerge from this struggle saddled against their will and contrary to their desires with totalitarian regimes. Whatever world public opinion now exists, or could possibly exist for long in the future, must now look to America for expression. This is but one more reason why I speak my concern.

Another false assumption undergirding America's acceptance of these proposals in their present form is that they provide a framework for continuing collaboration among the "big three." Mr. President, it is at this point that we have hesitated much too long to make available to our fellow Americans the truth of the situation that exists between and among ourselves and our allies. If we are not to commit national suicide, if we are to maintain the confidence of the world in our leadership for peace security in a free world, we must take the American people into as full confidence as the military situation will permit. It might even be difficult at this time for American officials to provide convincing evidence that the collaboration that has existed up to this point has been much more than a one-way street in the realm of operation, which includes lend-lease and U. N. R. R. A., in the matter of permitting military observers and news correspondents on the eastern front, even down to the request to permit Red Cross observers access to knowledge of the disposition of their supplies and services. This is an ill omen of the type of collaboration which we are now being urged to perpetuate.

Or again, Mr. President, while these proposals are being urged as the foundation of future world collaboration, there is increasing evidence that many of our American neighboring republics are concerned lest they threaten the very roots of the good-neighbor policy, which these Latin-American sister republics would not sign until we ourselves agreed to the principle of nonintervention in the internal or the external affairs of another without the requisite consultative action.

Mr. President, on August 14, 1941, the President of the United States and the Prime Minister of Great Britain met on a ship in the North Atlantic and subscribed to a statement of war purposes and aims that is known to the world as the Atlantic Charter. I wish to pay tribute to our great President for this splendid contribution of effort toward attaining the goals for which we as a people feel we are striving. The American people then, as now, were demanding a clarification of our war aims. Our allies and the rest of the world were entitled to know those aims. While the principles enunciated in the Atlantic Charter were not new, they were clearly and explicity stated and given to the world in order that there could be no reasonable doubt of the ends and purposes for which the United States was waging a war. Let me quote in part from this magnificent new Magna Carta which was given to the world by the leaders of these two great peoples:

> First, their respective countries seek no aggrandizement, territorial or otherwise. Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the people concerned. Third, they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them.

In closing, the document expressed the hope that "after the destruction of Nazi tyranny that there would be established a peace which would afford to all nations the means of dwelling in safety within their boundaries."

Mr. President, on January 1, 1942, 24 other members of the United Nations subscribed formally to this great program of principles and purposes. But important as that great document was and is as a first step toward our goal, it was not and has not been presented for ratification or approval in the Senate in order to give it constitutional standing and strength as a treaty obligation or as an expression of opinion by the United States Senate. In order to give such additional substance to the Atlantic Charter, on February 24, 1943, I introduced in the Senate of the United States a resolution which provided that the Senate approve the program of principles and purposes embodied in the Atlantic Charter, and that the Senate advise and urge the President to take early action to initiate, formulate, and make a joint treaty agreement with each and all of the United Nations subscribing to the Charter, and thus to give the document strength and constitutional substance. While this resolution of mine was not approved, there resulted very significant action on the part of the Foreign Relations Committee of the Senate under the superb leadership of the senior Senator from Texas [Mr. CONNALLY], which action resulted in the adoption by this body, by a vote of 85 to 5, of what is known to the world as the Connally resolution, providing that the United States would cooperate with its comrades in arms in winning the war, in securing a just and honorable peace, and that the United States would join with free and sovereign nations in the establishment and maintenance of international authority with power to prevent aggression and preserve the peace of the world. But, Mr. President, up to the present time there has not been announced here or abroad a clearly defined adherence to the principles of the Atlantic Charter. But, on the contrary, there have been ominous and disturbing expressions of interpretation of provisions of the Charter which seem in large measure to distort, if not actually to negate, the clear purpose and construction of its provisions. Not the least disturbing of these interpretations is the reported viewpoint of one of our

great allies that the announced principles of the Charter are not in any sense retroactive beyond a certain date arbitrarily fixed by themselves.

The sense of insecurity and the rising apprehension and uncertainty as to international political relationships which are increasingly evident throughout the country are nowhere better illustrated than in some of the statements of our church leaders throughout the Nation. On November 10, the joint conference of representatives of the American Council of the World Alliance, the Commission to Study the Organization of Peace, the National Peace Conference, the League of Nations Association, and the Carnegie Endowment for International Peace, adopted a resolution supporting the Dumbarton Oaks proposal, but only after urging the correction of six grievous errors or omissions. On November 17, the Bishops Committee of the Catholic Church, in discussing these same proposals, declared:

> We have no confidence in a peace which does not carry into effect and without reservation and equivocation the principles of the Atlantic Charter.

On November 28, the Federal Council of Churches of Christ in America issued a statement supporting the Dumbarton Oaks proposals which would provide continued collaboration among the United Nations. Yet with their support went this solemn warning:

> The organization proposed has many of the characteristics of a military alliance of a few great powers. Certain provisions seem to envisage a division of the world into regional spheres of influence dominated by one or another of the great powers. Reliance is placed primarily on force, unrelated to any explicitly agreed upon principles of justice. Further, the proposed organization should be more adequately endowed with curative functions needed to draw the nations together in fellowship.

Mr. President, in all honesty, we must add to this record the protests of many of the smaller nations over the present course of events and which have now become a chorus of fears. It will be salutary also to read the Dumbarton Oaks proposals and to consider recent events in the light of the solemn statement of the principles underlying America's foreign policy which were enunciated by the eminent former Secretary of State, the Honorable Cordell Hull, on March 21, 1944. Perhaps it will also help us to understand the reported apprehension and protest of some of the smaller nations. Secretary Hull then said:

> Each sovereign nation, large or small, is in law and under law the equal of every other nation. The principle of sovereign equality of all peace-loving states irrespective of size and strength as partners in the future system of general security will be the foundation stone upon which the future international organization will be constructed.

From the rising chorus of protest of smaller nations, which becomes more vehement in the light of recent European developments, I quote the following. As far back as June 15 Foreign Minister Van Kleffens of the Netherlands protested that:

> The smaller states are made to feel the burden of war no less and often more acutely than the very great powers. It seems reasonable, therefore, that they should have their due voice in attempts to prevent future wars.

Immediately following the release of the Dumbarton Oaks proposals, Señor Flores, member of the foreign relations committee of the Mexican Senate, observed coldly:

> The silence and indifference with which nations not listed as great ones have received the results of these conferences are symptomatic of a great disillusionment.

In Canada, the Winnipeg Free Press protested:

> Why should the great powers set up a three- or five-man show and run the world?

Uruguay has urged the revival and revamping of the old League of Nations, unless the Dumbarton Oaks proposals incorporate specific safeguards to protect the independence and integrity of the smaller nations. Venezuela has urged a revision of the proposals to give smaller nations more authority in the council. Guatemala has proposed that the power of the future world-security organization be placed in the General Assembly, and that the security council should be an instrument of the Assembly and responsible to it. General de Gaulle has bitterly complained:

> Our allies, our states, each one of whom pursues his own interests and makes his own policies.

Mr. Churchill made a significant comment when he stated recently in the House of Commons:

> It will not, in my opinion, be possible for these great powers to do more in the first instance than to act as trustees for the other states, great or small, during the period of transition.

Mr. President, nothing would be further from my purpose than to make heavier the huge burden of responsibility which now devolves upon our newly appointed Secretary of State, Mr. Stettinius. All of us who sincerely respect and admire Secretary Stettinius, and welcomed his election as a worthy successor to the great former Secretary of State, are fully aware that in his new capacity as first aide to the President in carrying on the multiplicity of negotiations in the international field, he merits the fullest and sincerest assistance that any of us can give him, and we should discourage captious criticism or animadversions, public or private, which would make his responsibilities more burdensome, or his problems more difficult.

But, Mr. President, there is scarcely a 24-hour period which now passes which does not bring news from the European theater tremendously discouraging to the zeal of the American people in their endeavors to help build a future world secure and livable. At this very moment the bond of interest which has held us together through this war to the common end of victory over our enemies shows signs of disintegrating before our eyes into conflicting spheres of influence. As matters now stand Americans are fighting, bleeding, and dying to destroy Hitlerism and all that his world represents, while some of our allies are openly engaged in extending and consolidating their own assumed spheres of influence. If this war is not to end in a hollow military victory, and if it is not to be followed by an armed truce only, America can no longer wait to declare her stake in this struggle. The plea that such declaration will destroy military unity becomes specious in the face of the verified facts that the cement of joint military interest is already crumbling under the corroding effect of rival national interests, and will become dust unless America courageously and definitely reasserts and maintains her adherence to the principles which we have presented to the world. It is not too late to alter the ominous trend of unilateral, restricted, and immoral peace settlements which, as the evidence shows, are being determined upon in Europe. I interpolate at this point to say that this morning's news carried the story of a bilateral agreement. But whether it is too late or not, America owes it to herself, to the people of the world, and to the hundreds of thousands of our sons who have already paid the supreme sacrifice, to take a moral stand once and for all so there can be no difference of opinion anywhere in the world, and especially here at home, as to what America stands for, what America is fighting for, and what America insists shall be considered by our allies.

Mr. President, I can well understand Mr. Stalin's repeatedly expressed interest in Russia alone. I can readily understand Mr. Churchill's often expressed restricted interest in the British Empire. I can easily understand General de Gaulle's interest in France and her future. We must be equally alert to American interests, but when, as we have stated to the world, those interests and purposes and objectives are irrevocably bound up with the goal of peace security and human freedom, it becomes the more incumbent upon us to give notice that America cannot participate actively or passively in the establishment of an unethical, immoral, dishonorable, and unjust status quo anywhere in the world, to be underwritten and paid for with a blank check signed in the blood of American youth. Nor can we be a party, directly or indirectly, to distortion, subversion, repudiation, or negation of the definite principles of the Atlantic Charter.

I am not being unduly pessimistic. These possibilities are tragically revealed in the grim protests that are being forwarded to the American Government. The American-Polish Associations have violently protested the treatment which they are already receiving under the present military alliance, and have telegraphed every Member of the United States Senate the following plea:

> In this decisive moment we appeal to you to repudiate attempts to drag America into this immoral conspiracy.

The following are the heroic words of the President of Poland on the tragic occasion of the fall of Warsaw:

In the glare of the ruins of this heroic city, everyone who wishes must perceive this great truth: That there is no great price that we would not be ready to pay for freedom and independence, that there is no toil which we would not be willing to undertake for that cause, and that there is no might which would deter us from our purpose.

The Lithuanian-American Council recently telegraphed the following to President Roosevelt:

Decisive action by the United States in conjunction if possible with Great Britain becomes imperative for humanitarian if for no other consideration. We appeal to you, Mr. President, to discuss the matters for protecting lives, basic human rights, freedom, and the sovereignty of the Baltic people, and to take some immediate measures to protect those people from extermination.

The Catholic-American Hungarian League recently forwarded the following to President Roosevelt:

There can be no more shocking travesty of the Atlantic Charter than this civilian clause in the armistice terms granted to Rumania. The carrying out of the provisions of article 2 by the Rumanians is tantamount to the annihilation of nearly 2,000,000 Magyars. Will this be the way which we hope to bring lasting peace and contentment into the torn lives of humanity? A statement like this cannot be handled locally. Questions of this nature require the light of the whole world. They belong to the whole of cultured, civilized, and, shall we say, Christianized humanity.

Read the papers of the last week as to reported events in Greece, in Italy, in Yugoslavia, and consider them as an earnest of the turmoil which is sure to follow in almost every theater of liberation.

Mr. President, it is plain to see that if these trends and practices are allowed to continue, our military victory will have won for the world in Europe a chamber of horrors in which 300,000,000 people will be intent on advancing themselves at the expense of various segments of their fellowmen. The urgency with which I now plead for a restatement of America's peace aims, of America's stake in Europe, is further intensified by the information which has been given me, and which I believe to be authentic, that for the past 10 months Mr. Elmer Davis has had specific directives not to mention the Atlantic Charter in any O. W. I. broadcast. At the same time I have been informed that Russia has imposed a news black-out in eastern Europe from the Baltics to the Balkans. No United Press or Associated Press correspondents are permitted to operate within Russian occupied territory. Even the New York Times has been denied this right. To my further great dismay, I have just been informed that the Foreign Broadcast Intelligence Survey, operated by the F. C. C., is to discontinue its specific reports survey on eastern and southern European news as of December 31 next. All of which means that at the most crucial hour in our history, when Americans need more than ever before to have access to the truth and the whole truth of the international situation, great efforts seem to be expended in denying them this desperate necessity.

Mr. President, as matters now stand, in spite of all protestation to the contrary, our hopes for peace and our optimism for the development of relations among the Big Three toward a general collaboration in the future give signs of disintegrating before our eyes for want of a firm adherence to moral principles in international relationships. Even the uninitiated in world affairs can see the direction in which the present trend is heading and can see the precipice over which our hopes can be dashed to destruction. Again I plead, Mr. President, for a clear restatement of America's peace aims, and I submit that, unless these peace aims are derived from the principles which have been so thoroughly endorsed in the Atlantic Charter and stated in similar clear and unmistakable language, there will be no moral foundation left to us upon which we can project our future participation in international affairs. There are those among us who continue to insist that the winning of the war, the destruction of nazi-ism, and the bringing of our boys back home to a safe and sane America are adequate war and peace aims. To my mind these conclusions and purposes are not adequate. If we are not quick to act and to speak our concern, America herself will not even have a moral purpose to compromise. A prolongation of the present state of affairs, the pouring of our resources and our youth into the mad holocaust in Europe will result in a tragic failure of purpose and accomplishment unless there is a renewed and unequivocal statement of purpose and goal.

Mr. President, what if this brutal struggle should be continued for one day beyond the point of utmost necessity? What if one American boy were unnecessarily killed or even wounded? The shame would be ours forever. I shall conclude by again urging with all the seriousness and sincerity I possess that the time is now at hand when through skillful, forthright, and honest diplomacy this war so far as Europe is concerned could at least be measurably hastened to its conclusion. If we value our American way of life and our national honor; if we place any price on the good will of the other peoples of the earth; if we are to emerge from this war with anything more than the mockery of a moral victory, and if we are even to hope to stem the lamentable process of disintegration and conflict which has set in between ourselves and our allies, there is, as I see it, one thing only left for us to do. Let us assert our national self-respect; let us take the moral leadership of humanity in our hands; let us restore the failing hopes of our fellow men around the world; let us assure our allies of the utter sincerity of our intentions toward them; let us maintain that the high principles of the Atlantic Charter and our subsequent declarations are not as "sounding brass and tinkling cymbal" but are the deep convictions of an America which believes in a world order based on Christian concepts and operating under democratic philosophies; and that America believes that strict adherence to these principles, living for them, praying for them, and if necessary dying for them, are the foundations, and the only foundations, on which we may build our hopes for the establishment of an enduring peace.

Mr. President, as a part of my remarks, I ask unanimous consent to have printed in the RECORD an article by Constantine Brown which appeared in yesterday's Washington Star.

Mr. WHEELER. Mr. President, I had intended to ask to have printed in the RECORD the article by Mr. Constantine Brown, and am glad the Senator from Iowa has done so. I do not know how many of my colleagues have read the article, but, as is well known, Mr. Brown is one of the ablest and most reliable columnists in this city. In his article he sets forth what is today taking place in Europe and follows to a large extent some of the ideas which have been so eloquently expressed by the distinguished Senator from Iowa, who has just spoken. I call the attention of my colleagues to the article and suggest if they have not read it that it might be well for them to do so.

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Without objection, the article presented by the Senator from Iowa will be printed in the RECORD.

The article is as follows:

[From the Washington Star of December 10, 1944]

POLITICAL QUESTIONS ARISING TO PLAGUE PEACE PLANNERS—ALLIES HAVE EYES ON FUTURE EUROPEAN ADVANTAGES, WHILE UNITED STATES FIGHTS ONLY TO DEFEAT NAZIS AND SUPPORT IDEALS

(By Constantine Brown)

There is a civil war in Greece—a conflict between the Royal Government, supported by the British troops of liberation, and the Communist guerrillas, supported by their ideals possibly and by some material help from Russia.

There is a witch hunt against the collaborationists in Yugoslavia. In that country the word "collaborationist" is not applied to those who have helped the Germans but those who supported the nationalist anti-German movement directed by Gen. Draja Mihailovich. Collaborationists are all those who refuse to recognize the Moscow-sponsored Marshal Tito.

There is a latent and little reported civil war in France and Belgium. The Polish underground in western Poland is getting ready to fight for the independence and sovereignty of their country if the Allies maintain their policy of placing them under the rule of the Soviet-created Lublin government. The effective military occupation of Rumania and Bulgaria has not brought forth any major disturbance.

In the new concentration camps all over the territory of these countries there are more individuals unfriendly to the governments chosen by the Soviet military command than there are Nazi sympathizers. The heavy curtain of censorship prevents news regarding the thousands who are being executed as collaborationists from reaching the outside world.

UNITED STATES NEWSMEN BARRED

The Russian-appointed governments have adopted a policy of declaring all those who are not supporting them as enemies of the country and collaborationists who are either hanged, shot, or placed behind barbed wire. In order to do this and avoid criticism, American newspapermen have been barred from Bulgaria and Rumania.

Moreover, within 48 hours after the Russian armies entered Sofia, a number of American officials, who had been rushed to the Bulgarian capital as soon as the government sent a mission to Cairo to offer its surrender, were loaded in trucks and dumped across the border in Turkey. Little was known about this act of our Russian ally. But the Turkish press had complete accounts of the incident with pictures of the Americans who had been unceremoniously expelled from Bulgaria.

The present military operations in Central, Southeastern, Eastern, and Northern Europe have a political character. Only on the western front are the American armies, supported by British and French, fighting a purely military war with no other objective in mind but the defeat of Germany.

As things stand in Europe today it is obvious, however, that our greatest military weapon should be our peace aims. The troubles we are witnessing in all the liberated countries have all a political origin. They can be straightened out only by a strong appeal to the liberated peoples that their past sufferings have not been in vain and that all their aims and hopes will be answered equitably by the most powerful Nation of all the Allies, the United States.

NO CONCRETE PLAN

No concrete peace plan has been formulated by the major allies since the drafting and the signing of the Atlantic Charter. It thus appears that in the absence of any other constructive plan for the political rehabilitation of the world—without which economic and social rehabilitation cannot be thought of—this document should be pushed in the foreground once again.

Although the Atlantic Charter was the creation of the United States and Great Britain and was not intended for the Asiatic continent, it was the Chinese delegate at the Dumbarton Oaks Conference, Ambassador Wellington Koo, who suggested repeatedly that the charter should either form the preamble or be incorporated in the document dealing with the future peace organization of the world.

The Ambassador's request fell on deaf ears. The charter has not been officially repudiated by its parents, but it has become very bad taste to mention it at any serious conversation concerning the reorganization of the post-war world. Whether because of orders "from above" or because of the realization that the document is no longer to the liking of the major Allied Governments, the overseas propaganda services of the O. W. I. are refraining from mentioning it in their broadcasts to foreign nations.

Yet it appears to most unbiased observers that even today, unless the war aims of the United States have greatly shifted in the last 3 years, the Atlantic Charter continues to be the only basis on which some semblance of order can be obtained in Europe after the fighting overseas.

ALLIES FAR APART

There is only a nominal cohesion and cooperation among the Allied Governments. In fact, they are far apart. In southeastern and northern Europe the victorious Russian armies not only have brought with them the new communistic ideals but also have successfully established the new Communist capitalism which ultimately will make Russia the foremost nation in Europe.

After the collapse of Finnish resistance, the U. S. S. R. liquidated the foreign holdings in the Petsamo nickel mines. The International Nickel Co., in which British interests had a very large stake, was nationalized and the foreign stockholders were paid $20,000,000 for holdings of far greater value. When the foreign office was approached and urged to take the matter up with the Kremlin, the British holders were told to accept the Russian offer lest they get nothing by opposing the U. S. S. R.

Soon after the Russians liberated Rumania, the American and British refineries were dismantled and taken to oil fields at Grozny. Answering inquiries as to the reasons for the action, the Russian high command replied that it needed them. American, British, and other foreign companies which have invested large amounts of money in the development of the Rumanian oil fields are convinced that soon they will receive an offer from the Russian-sponsored Rumanian Government for a cash payment for their interests. They will have to accept it, regardless of how small it will be, because oil fields without refineries are of little value.

CLOSED BOOKS TO ALLIES

Politically, the Balkans, like the rest of the Russian-liberated countries, are a closed book to the Allies, although nominally the armistice signed by the former satellites of the Reich was made in behalf of the big three. Little reliable information is being published in American newspapers from those areas. Whatever information is available comes from sources which cannot be authoritatively mentioned because of the fear that they might become "dry."

Between January and September of this year Marshal Tito was officially believed to be the protégé of the British, yet when the Russians entered Rumania and Bulgaria and began their various operations in the Balkans, Tito got away surreptitiously from his British protectors, joined the Russian headquarters at Bucharest, and officially announced that he permitted the Russian troops to enter Yugoslav territory. He refused similar permission to the British.

Tito recently went even further than that. About 2 weeks ago, when the British decided to land a small marine expeditionary force at Boka Kotorska on the Adriatic, the detachment was met by a larger Tito force which disarmed the British and sent them back to Italy. Tito was polite enough not to send the men to a prisoners' camp, where he is keeping captured Germans. A like incident occurred last week at the Yugoslav port of Dubrovnik, where the British were given permission to land, but were prevented by force from advancing into the interior.

Many of the countries which are now being liberated have joined the Allies through their respective governments on their own volition, because they wanted to maintain their freedom and sovereignty.

UNITED STATES REPRESENTED IDEAL

This was solemnly promised them in the Atlantic Charter which we drafted and signed 3 months before we ourselves entered the war. And while there is not a single European nation which trusts the other they all had a blind and implicit faith in the word of the Government of the United States.

Our entrance into the war was greeted with unparalleled enthusiasm by all the freedom-loving nations of Europe—particularly the smaller ones. This enthusiasm was not due only to the potential military power of this country. We got into the war fully unprepared after a major defeat at Pearl Harbor, and later the set-back in the Philippines. Our greatest baggage on the international stage was our honesty of purpose and our determination to see that justice would be imparted to the strong and weak alike.

We were cheered as allies not only because our action made the defeat of the Axis a certainty, but also because it was believed in every capital in the world that we would refuse to be made the tool of power politics. We presented an ideal combination for the weak—an honesty of purpose combined with no desire for territorial conquest and enough strength to make our word listened to and respected by everybody in the world.

The European nations realized much more than the people at home what a powerful weapon our production and lease-lend was and how by using intelligently the most powerful argument we could restore strife-ridden Europe to some sort of peace.

POLITICALLY MINDED

The European countries are all politically minded. They all consider war as an instrument to achieve certain definite political objectives. Russia, for instance, has overlooked Teheran pledges to strike at the Germans with all her might at the same time the Allied armies in the west were slicing deeply into the German Wehrmacht. Instead, Russia decided to consolidate her political objectives in the East, the Balkans, Finland, and the Baltic states, leaving the western Allies alone to fight a desperate and costly battle against the main German forces.

Great Britain herself has recently withdrawn divisions from the Italian campaign—which itself was rammed down the throat of the American strategists who did not believe it was worth the cost in men and material—in order to send a force into Greece and thus attempt to secure her political objectives in the eastern Mediterranean. Even the British-American campaign in north Africa in 1942 had a long-range political rather than a military purpose. The same motives prompted Prime Minister Churchill to insist on major operations in Italy, although it had been made clear to him that we would encounter there a bottleneck after the start of major operations on the western front.

Our major allies, it is obvious to all except those who want to blind themselves, have definite political reasons in this war. Hence, their desire and pressure to organize the peace of the world by zones of influence. The United States, having no such objectives in mind as far as Europe is concerned, alone has made the fighting itself—that is to say, the military defeat of Germany—its sole war objective. The major objective, the establishment of a durable peace in Europe based on justice and high principles, has been lost in the shuffles which have come about since the Moscow and Teheran parleys.

The latent conflict of interests between the U. S. S. R. and Great Britain in Iran, Greece, and Italy apparently has been so unexpected by the policy framers of this country that they have given up if not officially, at least in fact, the charter which guaranteed full sovereignty to all the aggressed nations.

THE NATION'S OBLIGATIONS TO VETERANS OF WORLD WAR NO. 2

Mr. JENNER. Mr. President, I hold in my hand a bill which I shall introduce at the conclusion of a few brief remarks.

In introducing this bill I should like to stress the point that its primary purpose is to make the various services of the Government which are looking after the interests of the war veteran thoroughly understandable to him, and immediately available with a minimum of delay and red tape.

I trust my learned colleagues will excuse my ignorance about parliamentary procedure, which is due solely to the fact that I am a freshman in the Senate, and also a short termer. Frankly, I am none too sure whether, under existing rules, the bill could pass during the present session. However, I am convinced it would be a wonderful thing for the Nation if the bill were passed.

May I express the hope that I am not breaking old-established tradition when I seek to introduce this bill. If so I trust

it will be borne in mind that I am the first ex-soldier of World War No. 2 to sit in Congress, and only two others will sit in the Seventy-ninth Congress, I am informed. As a veteran and a Senator I ask the privilege to be heard on this important matter.

Of course, if Senate rules are such that the bill cannot be passed at this session, no words of mine will alter that situation. But if such is the situation, my fervent hope is that each individual Senator will consider this bill, or one of similar purport, as the first order of business at the very outset of the next session.

Very well do I appreciate the fact that I should not take too much of my colleagues' valuable time. On the other hand, 1,500,000 men and women have already been discharged from the armed services. Twelve million are now in the uniform of the United States and millions more will be in the service during the time it will take to defeat Japan—perhaps 2 years. All these will become civilians again when both the Germans and Japs have been defeated. All this makes the staggering total of approximately 17,000,000 men and women who will have worn Uncle Sam's beloved uniform. These, plus their dependents, constitute about a quarter of the Nation's total population. Surely we cannot afford to let them down.

My contention is that right now the Nation's and the Senate's No. 1 job is to provide for the future interests of these loyal Americans. Many of the State legislatures will soon be holding their regular sessions, and a large number of them meet only once every 2 years. If the Senator does not take the initiative and pass a simplified veterans' law for their guidance many important matters vital to the interests of ex-servicemen will be postponed for 2 years.

I hope my learned colleages will bear with me for a moment or so while I sketch what I learned during my more than 2 years' service, from the men and women in the armed forces, both in this country and overseas, about what our boys are fighting for. In the first place, they are fighting to win this war—fighting with all their might and main to win it as soon and at as small a cost in lives as is humanly possible. Then they want to come home—at the earliest possible moment. During the months I was overseas I did not see or know of a single soldier in that great civilian army out there who actually wanted to stay in the service 1 hour longer than absolutely necessary. They all want to come back home.

Thirdly—and this is most important of all—our men are fighting for the kind of world they dream about, whether up among the clouds in the blue sky on bombing missions over enemy territory, or while sitting cold and damp in the muck and mire of slit trenches.

Yes, our boys know what they are fighting for: They are fighting for a free America, for a homeland where they and their wives and parents and families can walk with dignity and live in peace.

To our men out there in the armed forces war is a horrible thing. There is no romance and glamor about it—and they are fighting to assure for all time that America shall continue the land of opportunity our forefathers founded and gave into our safekeeping. That is what our boys are fighting for.

But what is our responsibility to them? It is our solemn obligation to make certain that the transition from wartime killing to peacetime pursuits, from machine gun to work bench, and from foxhole to farm, is brought about in the speediest and easiest manner possible.

Our Nation has performed a splendid job of caring for the men in the services, in arming them and feeding them and equipping them for battle. Our doctors have worked magnificently in healing their wounds and nursing them back to health. But we should not stop there. Our disabled must be given an opportunity to take up where they left off, or of finding the fields in which they may be useful citizens and heads of families. They must not be cast aside to shift for themselves and degenerate into common panhandlers along the streets. The G. I. bill of rights must be made to work.

The future greatness of America will largely depend upon its answer to the readjustment into our social and economic life of the millions of men and women now in the service of their country. Many plans are in the mill for taking care when the war is over of the millions of men and women now temporarily employed in war industries, but thus far no decentralized service has been planned for the returning veterans. It is my opinion that it should be the responsibility of Government, national and State, equally financed by each, to give a special kind of service to the men and women who have served us so well in the Army, Navy, and Marine Corps.

This service should be thoroughly decentralized on the home front, with a minimum of red tape, and it should pay immediate attention to their urgent problems: Jobs, tax difficulties, pension rights, insurance, and other social readjustments, such as rental of homes, starting up of small businesses, buying of farms, and other major considerations which will help make them good citizens tomorrow.

Mr. President, exactly what does my bill propose? First, to establish a number of local veterans' service offices in each State to facilitate the administration of existing laws granting rights, privileges and special considerations to veterans. At least one such service office should be established in each county.

By aid to veterans, I mean, first, the furnishing of information to ex-service men and women and their beneficiaries and dependents relating to their benefits; second, providing help in making application for such benefits; and, third, giving them aid and information with respect to reemployment, Government insurance, employment, education, vocational training, loans for homes, farms and businesses, legal, financial, and income-tax aid, social-security and unemployment benefits, and mustering-out pay; in other words, well-grounded and efficient help relating to the readjustments of veterans to civilian life.

Under the plan presented in the bill the Federal Government matches funds which the State governments provide for the administration of the proposed law. In other words, it is a 50–50 financial proposition. Furthermore, the administration of the laws relating to veterans' rights and privileges is taken down not only to the State level, but to the county level. Finally, each local board, staffed entirely by war veterans, both men and women, will be properly trained so it can adequately assist and advise ex-service people.

Mr. President, I receive daily letters or petitions from Legion posts saying, "We know we have a G. I. bill of rights, but what are our rights?" Veterans say they go to the local banker to ask him about it, and the reply is, "I do not know anything about the G. I. bill of rights." They say they go to the local lawyer and he says, "I am not interested in veterans' legislation. There is no money in it. I do not pay attention to it." So, Mr. President, we have to bring an organization down not only to the State level but to the county level, so the great body of veterans can have a proper administration of the rights already given them by law.

Described in another way, the bill is designed to administer existing laws in what I believe is the simplest and most direct way possible. Today if a veteran wants to find out about his insurance he must go to the Veterans' Administration or to a State insurance commissioner. Let us assume I have term insurance under the national life insurance plan. I write in to the Veterans' Administration to find out about it. The advice I receive from the Veterans' Administration is to see my local insurance agent. If a veteran seeks information about a job he visits a reemployment center; if he wants a place in which to live, he must go to a housing unit or perhaps to the Red Cross; if he seeks a loan, he goes to a local bank; and thus he may have to chase all over the countryside in order to find out what his rights are.

Oftentimes he must visit bureau after bureau and wait many weeks before he gains even an inkling of what his rights and privileges are. In contrast to this situation I am proposing a local agency within the veteran's home area, easily available to him, highly simplified as to procedure, and manned by trained personnel who not only are thoroughly informed on his personal and social problems but whose organization is operated by veterans for veterans.

The least the Nation can do for our veterans is to make sure that they will never have to walk the streets, stand in line, or fight for the peacetime rights they have so valiantly advanced on the battlefield.

Mr. President, surely it is our duty as legislators to see to it that we have proper administration of their pension rights and further that their hospitalization and their insurance rights, and so forth, are brought down to a close and sympathetic level, remote from bureaucracy

and red tape, and the continual "run-around." Very properly it is our function to help those who have served in our armed forces own their own homes, businesses, or farms, and aid them to our utmost in resuming their education and schooling. In every respect we must give these fighting men a square deal.

Certainly the Nation must be grateful for the services and sacrifices of these loyal Americans and just as certainly a grateful Nation will want to solve these problems for them. When they were out fighting for us they were on their own, looking out for our welfare. They should not have to go through endless complications and red tape to solve their new social problems in their newly found role as civilians. Instead, the Government should beat a path to their door. They expect fairness and justice from their Government. We must not let them down.

Mr. President, out of order, I ask unanimous consent to introduce the bill I have just discussed, and I request that it be appropriately referred.

There being no objection, the bill (S. 2217) to provide for establishing local veterans' service offices to facilitate the administration of laws granting rights, privileges, and benefits to veterans, was received, read twice by its title, and referred to the Committee on Finance.

NEED FOR INCREASED CIVILIAN PRODUCTION FOR THE ARMED FORCES

Mr. HILL. Mr. President, as a member of the Committee on Education and Labor and as a member of the Committee on Military Affairs, I desire to call the attention of the Senate to an event of great importance which took place in this city last Saturday. I refer to the signing by leaders of management and labor in the tire industry of an agreement to institute a 7-day workweek and to cooperate to the fullest extent in increasing the production of tires urgently needed by the armed forces.

This agreement provides a splendid example of the wholehearted manner in which the people of our country are responding to the needs of our Army and Navy and are working together to see that our soldiers, sailors, and marines do not suffer for lack of supplies they need at the battle front. I earnestly hope that employers and workers in other industries will follow the lead of the tire manufacturers and the tire workers and that there will be no break in the great outpouring of supplies that has made ours the best-equipped Army ever to take the field.

The dimensions of the problems we face have been set forth in recent statements and speeches by General Eisenhower and General Somervell. They have made it plain that it is the supreme obligation of every man and woman in this country to apply himself with redoubled energy to the tasks of war production in the weeks and months ahead. That will continue to be our obligation until the last German and the last Jap has thrown down his arms.

General Somervell has laid the problem directly before the great national conventions of the American Federation of Labor, the Congress of Industrial Organizations, and the National Association of Manufacturers. He has been assured of their undivided and unstinting support. The same assurance has been given by representatives of every group in our country. On this matter there are no divisions among us.

But assurances of support kill no Germans and kill no Japs unless they are backed up by solid action. That is why I believe it so important that attention be directed to the steps taken by the leaders in tire production after they had met with General Somervell last Saturday.

Virtually every company manufacturing military tires was represented at the meeting. So were all the agencies of our Government concerned with production—the Army, the Navy, the War Production Board, and the War Manpower Commission. And I should like to say in passing that all of these governmental agencies are working as a team on measures to step up the production of tires, ammunition, and all the other items required by our fighting men. They are united, as are all Americans, in the belief that production of these items which spell the difference between life and death for our troops must take precedence over everything else.

I should like to read to the Senate from the statement issued after the conference by Mr. Sherman H. Dalrymple, international president of the United Rubber Workers of America, C. I. O. This statement was addressed to all members of the union engaged in making military tires and tubes. It said:

> The members of the United Rubber Workers of America must not allow anything to stand in the way of maximum production of these tires. The Army needs tires. It needs them now. It needs all we can give them.
>
> In order to give our troops the tires they must have, I am urgently requesting that the following program be put into immediate effect by all our members engaged in the production of truck tires:
>
> 1. Report regularly for work on your respective shift.
>
> 2. Give all-out effort to the production of these critically needed tires.
>
> 3. Adhere to and comply with our pledge to refrain from work stoppages during this war emergency regardless of the provocation.
>
> I know that you can be depended on to match the sacrifice of our soldiers by your determination and effort on the production line. Extra effort now means lives saved and an earlier victory.

The same patriotic spirit was embodied in the pledge signed by the manufacturers at the meeting. It said:

> In order to meet the demands of our fighting men for more and more truck tires and tubes, and other rubber products critically short in military requirements, an extreme emergency confronts us. This requires emergency action on the part of all persons responsible for this production. "Business as usual" is out.
>
> Fully conscious of our responsibility and duty, we, the heads of the tire and rubber industry, pledge:
>
> 1. That we constantly recognize that the current critical production demands can best be satisfied with complete cooperation and mutual understanding between labor and management.
>
> 2. That there be no changes in hours, wages, and working conditions except in the interest of greater production.
>
> 3. That we intensify and improve our efforts to settle all problems and grievances and to negotiate with union representatives in accordance with the best means offered under collective bargaining.
>
> 4. That we do everything possible to support the pledge and program of all rubber workers in America—C. I. O. and others—and cooperate with them in their effort to prevent work stoppages and stimulate uninterrupted production.
>
> 5. That we take immediate steps to make effective for the next 120 days a 7-day week for production of these critical items.
>
> 6. That we let no considerations interfere with our determination to keep all lines going full blast during this emergency when these critical items must be delivered to our fighting men.

I believe that the signing of this agreement in the tire industry will have great and immediate benefits so far as the production of tires is concerned. It will also provide heartening evidence to our soldiers, sailors, and marines of the unity that exists in their support among the men and women who are backing them up in the mines, mills, and war factories of America.

Mr. President, this is the most critical hour of the war. It is critical for the men who are coming up against the steel and concrete fortifications of the Siegfried line in Germany, for those who are battling mud and snow and a well-entrenched enemy in Italy, and for those who are blasting the Japanese from their positions on Leyte. It is equally critical for us at home.

For the first time in this war we are approaching a situation in which American troops may die because our production failed to keep pace with their needs. On us rests the responsibility for seeing that this does not happen.

We have provided the weapons and equipment which have enabled our troops to achieve great victories. Our casualties have been severe, but they would have been many times more severe if we had not been able to overwhelm the forces opposing us by the superior weight of our armor, ammunition, air and sea power. We have made great strides in the Pacific while the war in Europe has been gaining in intensity. But even a nation as mighty as ours cannot support two such offensives without the all-out participation of all our people.

If we are to exploit our present advantages and increase the power of our drives toward Berlin and Tokyo, we must have sharp and immediate increases in our production of ammunition, military tires, trucks, airplanes, tanks, rockets, radar equipment, cotton duck, communication wire, and some other essential items. At this moment we are using up this equipment faster than we produce it. If we do not overcome these shortages without delay, we shall have to pay for our failure with the lives of American soldiers.

The need is real. The need is immediate. In October, a month of relative quiet, in which we were gathering

strength for our present offensive, our armies in France and Italy fired 77,000,000 rounds of .30 caliber ammunition at the Germans from their rifles, carbines, and light machine guns. Our 105-millimeter guns and howitzers hurled 2,500,000 rounds of death and destruction at the enemy in the same period. Great as that rate of fire was, it has been far exceeded in the present fighting. Our Twelfth Army Group, under General Bradley, is now firing at the rate of 4,000,000 rounds of 105-millimeter ammunition this month, and this group includes only 3 of the 7 armies fighting on the western front.

I know that cut-backs and cancelations in some industries at some stages of the war have caused confusion among our people and, among those who did not know the real situation, gave rise to the feeling that there was no longer any great urgency about war production. That is a dangerous belief; dangerous because it leads to relaxation of effort and to lags in war production which interfere with our progress at the front.

The fact is that such cut-backs and cancelations as have been made simply reflect our determination to give our soldiers the right equipment at the right time and to concentrate our productive effort where it will do our troops the most good and our enemies the most harm. We stop making things we do not need and accelerate the production of things we do need.

Right now we are at the highest point of our need for many types of equipment, and particularly for mortar and artillery ammunition. The need will increase as more troops are committed to battle and the fury of the combat rises. Our field commanders need assurance of a supply for those bitter battles ahead.

These critical shortages exist not because we have fallen down on the job but, rather, because our troops, with the weapons and equipment we have given them, have been able to drive back the Germans and the Japanese more rapidly than we dared hope and now need vastly greater supplies of ammunition and equipment to take full advantage of the gains they have made. We would have used up less equipment if we had been content to delay our invasion of the Philippines or if we had dug in for the winter on Germany's western frontier. I do not believe that any American regrets our decision to press forward aggressively on both sides of the world or shrinks from the responsibility for increased individual effort that such a choice entails.

By our actions we have prevented our enemies from re-forming and re-equipping their armies. We have brought victory closer and we have lessened the price we shall have to pay for victory in the blood of our loved ones.

Our problems in Europe have been complicated by the worst weather in 40 years. Our superiority in planes and tanks has been neutralized to a considerable degree by the conditions of mud, fog, rain, and snow that now prevail. The artillery has had to take up the burden. More shells are needed. They must be started on the way at once. It is better to destroy Germany with steel and fire from our big guns than to crimson its soil with the blood of our soldiers.

The formula is simple. The more ammunition and equipment we send, the harder the blows we can deliver against the enemy. The harder the blows, the quicker we can finish the job and the fewer men we will have to sacrifice on the battlefield.

Our defense program was started 4½ years ago. Since that time this Nation has accomplished an almost unbelievable production record. We are winning this war because we and our gallant allies have been able to produce superior war supplies and weapons in quantities far greater than our enemies in their diabolical calculations figured we could do. The men and women of America have achieved production miracles; they have worked hard and long; many of them may be tired; they have given up needed hours and days of rest, but the race for victory is not yet won. We are at that point where the weak falter, but where the winners catch their second breath, throw off their fatigue, and speed even faster toward victory. There is yet much ground to be covered before we reach the goal line. But the greater the effort we expend now, the sooner we will reach the goal, the sooner our fighting men will be home, and the sooner we can all again enjoy the benefits of peace. But most important of all, the sooner we finish the job ahead of us, the smaller will be the number of our men who will be killed or wounded.

We as a nation have not faltered in our determination to destroy our enemies in the shortest possible time.

We must now rededicate ourselves to even greater efforts to finish the job.

Let each and every soldier on the production front say to himself each morning, "I will today put every ounce of my energy into my job. I will produce more." And each night let each of us ask ourselves, "Did I today fulfill my obligation to those gallant fighting men of ours? Did I produce as much as I could?"

A "yes" to this question will mean speedy victory.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDING OFFICER (Mr. BURTON in the chair). The bill is open to further amendment.

Mr. LANGER. Mr. President, there is no project in either the rivers and harbors or the flood control bill of more vital importance to the people of North Dakota and to the development of the State in the post-war period than the completion of the St. Lawrence seaway.

I have previously stated on the floor that with an average crop the farmers of North Dakota will save enough in transportation charges, when this improvement is completed, to pay one-half the entire annual cost of the State government of North Dakota.

Last year we produced in North Dakota more than 150,000,000 bushels of wheat, 70,000,000 bushels of oats, 63,000,000 bushels of barley, 40,000,000 bushels of buckwheat, 25,000,000 bushels of corn, 15,000,000 bushels of flaxseed, and 4,000,000 bushels of rye.

Thousands of pages of testimony were taken on the St. Lawrence project by the Borah subcommittee on the St. Lawrence project in 1932–33 and by the House Committee on Rivers and Harbors in the last Congress. The facts presented at these hearings led to the conclusion that an approximate saving of 10 cents a hundred can be realized on the shipment of these grains through the St. Lawrence seaway. I may add that the figures which I have given are for 1943, and not 1944, because for this year the Department of Agriculture has been unable to make a final, definite determination as to how much oats, barley, wheat, and other grains our farmers have raised.

Surely we are now at a point where we must give some thought to the condition which will confront our producers at the conclusion of the present war. North Dakota and more than a score of other States are at present cut off from their natural access to deep-water routes, except by long rail hauls and transshipment, both for their principal products and for their principal articles of consumption.

When this war ends, the grains produced in North Dakota and in other farm States, including the great States of South Dakota, Iowa, and Nebraska, will be needed to supply the pent-up demand of nations that will require food if we are to avoid world-wide starvation and world-wide revolution. I note the deep interest of the junior Senator from Iowa [Mr. WILSON]. The cost of transportation will be one of the largest items in any program this Government may undertake to meet the appalling needs that we may anticipate for at least a decade following this war.

Following the last war a similar economic crisis faced this country, and it was recognized then by far-sighted men of all parties of that time that the St. Lawrence seaway was an absolute necessity for a balanced domestic economy, the maintenance of an adequate merchant marine, and for our successful participation in the foreign commerce of the world.

One of the best descriptions of the St. Lawrence seaway, in its effect upon North Dakota and neighboring States, which has come to my attention, was given by the late Gov. Frank O. Lowden, of Illinois, shortly after the close of the First World War. Governor Lowden said:

> The territory tributary to the Great Lakes is an empire in itself. This territory is at a ruinous disadvantage as compared with the eastern and western portions of the United States. The Panama Canal has but emphasized that disadvantage. Nature has pointed the way for the correction of this inequality.
>
> The canalization of less than 40 miles of the St. Lawrence will put this great territory into communication by water routes with all the world. In all ages those regions situated on the world's waterways have been the highly favored ones.

By the improvement of these few miles of the St. Lawrence we immensely extend the coast line of our Nation as a whole. We put the great agricultural heart of America into direct water communication with all the ports of the world and we remove a serious handicap under which the entire great central portion of the country is laboring now.

Nature almost, but not quite, has made of this territory tributary to the Great Lakes a maritime territory. Shall not man now, by overcoming the obstructions of these few miles, finish the work which nature almost accomplished? This has been the dream of every man of vision who has visited this region for 300 years. How many more years will it take to make this dream come true?

Mr. President, I have quoted a telegram sent to the St. Paul conference, January 5, 1926, 18 years ago, by Frank O. Lowden.

I wish to read another quotation. This one is from a Democrat, a former Secretary of the Treasury, William G. McAdoo, who was a Senator of the United States from California from 1933 to 1939, Secretary of the Treasury from 1913 to 1918, and Director General of the Railroads from 1917 to 1919. Surely no one would know better than Mr. McAdoo, from the experience he had as Director General of the Railroads, how the building of the canal would affect the operation of the railroads. This is what he said:

The Great Lakes-St. Lawrence project for connecting the great American lakes with the Atlantic Ocean, thereby making it possible for seagoing vessels to enter the Great Lakes and to put at the disposal of the people of the agricultural States of the Middle West cheap transportation by water with the great ports of the world is not alone the demand of progress. It is the manifest decree of destiny. Those who combat it take a narrow and provincial view of an outstanding economic problem which confronts the well-being and prosperity of the agricultural States of the Middle West. It goes even further than that, because the prosperity of that great section of our common country will inevitably benefit the entire Nation. The construction of this magnificent artery of international commerce and trade so clearly designed by nature has been delayed too long already by the opposition of narrow and provincial obstructionists who can always be depended upon to stand in the path of progress because they fear that some local interest or some private advantage may be disturbed or affected. This Nation has grown great because our development has been Nation-wide. We have recognized the fact and we have proceeded upon the principle that a benefit to any part of the Nation was a benefit to the whole. The Great Lakes-St. Lawrence waterway is a compelling necessity, and its prompt realization will confer inestimable benefits upon all the people of the United States.

That statement was taken from a letter to Mr. Frank P. Niles, chairman of the Ohio Waterways Commission, dated February 23, 1927, and it is found at page 793 of the treaty hearings.

Mr. President, I should like also to read another letter from another distinguished citizen of this country, the late Frank P. Walsh, Chairman of the United States Industrial Relations Commission, 1913–15; Joint Chairman with William Howard Taft of the United States War Labor Board, 1918–19; and chairman of the Power Authority of the State of New York, 1931, and for some years thereafter. He said:

The Power Authority of the State of New York is directed by act of our legislature to develop the water-power resources of the State on the St. Lawrence River under the inalienable ownership of the people and for their benefit.

The trustees of the power authority favor the immediate development of the St. Lawrence River.

The statute creating the power authority provides for development of the International Rapids section as a public project.

Mr. President, I ask unanimous consent that the entire letter by Mr. Frank P. Walsh may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

By Frank P. Walsh, Chairman, United States Industrial Relations Commission, 1913–15; Joint Chairman with William H. Taft, United States War Labor Board, 1918–19; chairman, Power Authority of the State of New York since 1931:

"The Power Authority of the State of New York is directed by act of the legislature to develop the water-power resources of the State on the St. Lawrence River under the inalienable ownership of the people and for their benefit.

"The trustees of the Power Authority favor the immediate development of the St. Lawrence River.

"The statute creating the power authority provides for development of the International Rapids section as a public project. This act, approved by Governor Roosevelt on April 27, 1931, represented a complete vindication of public rights over three powerful groups of corporate interests which were seeking a monopoly of the power resources of the St. Lawrence. These interests were controlled by or affiliated with the Aluminum Co. of America, the General Electric Co., and the Du Pont group. They were active not only before the State legislature and the various commissions it created, but in Washington as well.

"In 1926, 1928, 1930, and 1932 the people of New York elected candidates for Governor pledged to protect the State's water-power resources and to develop them in the public interest. The extent to which the sentiment of the State had united in support of the public development of the St. Lawrence is best exemplified by the fact that the power authority bill passed both houses of the legislature without a dissenting vote.

"It is the dependable character and steady flow of the St. Lawrence that gives it its mighty power possibilities. At a point near Ogdensburg, N. Y., the first rapids begin. In the 48 miles east of the St. Regis River, the turbulent waters of the St. Lawrence provide a fall of about 85 feet. This is known as the International Rapids section.

"It is this stretch of the river, wholly confined to the State of New York and the Province of Ontario, that can be utilized in the development of the St. Lawrence with maximum benefits to the public. The rapids at this point, caused by the precipitate fall in the bed of the river, today block off navigation, thus depriving an immense region in the interior of the advantages of a direct outlet to tidewater through the St. Lawrence.

"But the same condition that destroys navigation makes this section of the river one of the richest potential sources of water power, capable of development in a single project, on the North American Continent.

"Thus, with cooperation between the Federal Government and the State in the development of the International Rapids section the water power can be utilized and at the same time an obstacle to navigation can be removed.

"Failure to develop the power project results in enormous waste of energy. Comparison with other power projects shows the immense economic value of this natural resource and the loss resulting from any further delay in its development.

"If harnessed to its full capacity, the St. Lawrence project will generate 2,200,000 horsepower or approximately 13,000,000,000 kilowatt-hours of electric energy each year. This is more electricity than will be produced by Muscle Shoals and Boulder Dam combined. It exceeds the entire amount of electricity sold by all the light and power companies to household consumers in the United States in 1931.

"If the public agency provided by the State of New York is permitted to develop the power from one-half of the flow of the river on the New York side, amounting to 1,100,000 horsepower, it can produce 6,500,000,000 kilowatt-hours, or more than one-half of all the electricity sold last year to all classes of consumers in the State by private utility companies.

"The people of the State of New York have witnessed this enormous waste of energy in the north country while paying rates, on the average, three times higher than the rates charged for household use of electricity across the river in Ontario.

"The undisputed fact that the International Rapids section can be developed simultaneously for both navigation and water power at a saving of millions of dollars makes the project peculiarly attractive at this time and renders its early consummation desirable to all sections of the country." (Testimony before U. S. Senate Foreign Relations Committee at hearings on Treaty, December 13, 1932.)

Mr. LANGER. Mr. President, in these three statements, uttered nearly 20 years ago by men of widely differing political views, I find a text for the remarks which I wish to address to the Senate on the agreement between the United States and Canada, reached by Secretary of State Hull in 1941, and effectuated by the proposed amendment to the river and harbor bill.

Since the First World War, Mr. President, Canada has completed the $130,000,000 fourth Welland Canal around Niagara Falls, has developed more than a million horsepower in the Canadian section of the St. Lawrence, and has deepened the channel 1,000 miles inland from the Atlantic to 32–35 feet. The United States meanwhile has built the new MacArthur Lock at the Soo during the present war to meet emergency defense needs, and has deepened the channels connecting the upper Lakes to a controlling minimum depth of 25 feet. But the International Rapids of the St. Lawrence, capable of developing 2,200,000 horsepower of low-cost hydroelectricity, today still remain unharnessed, and the obsolete canals in that section of the river remain, as they stood in the last century, at a depth of 14 feet.

The project authorized by the proposed amendment calls only for the modernization of a waterway already more than 90 percent complete and for the utilization of power which has run to waste since the dawn of the electrical age 50 years ago, in the greatest market for electricity in the world.

Why is it that this great public improvement has been held up and its completion blocked during the period from World War No. 1 to World War No. 2? Why has the bottleneck caused by the undeveloped rapids of the St. Lawrence River been permitted to confine the water-borne commerce of the Great Lakes within those lakes, while the port of Montreal, 1,000 miles from the open sea, has remained the head of navigation on the St. Lawrence River or ocean shipping?

Mr. President, I propose to show from the record that it is not because the seaway will harm New York City, or Buffalo, or other existing ports, or the railroads, that this improvement has been obstructed. I wish to quote now from the testimony of Governor Lehman, of New York, and Mayor LaGuardia, of New York City, when they appeared before the House Committee on Rivers and Harbors in the last Congress and gave their vigorous support to the St. Lawrence project bill, House bill 4927, a bill almost identical in terms with the pending Aiken-Ferguson-Shipstead amendment.

I hold in my hand, Mr. President, Governor Lehman's testimony, as it appears at page 114 of the hearing before the House of Representatives Committee on Rivers and Harbors. I ask unanimous consent that his statement may be placed at this point in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. HERBERT H. LEHMAN, GOVERNOR OF THE STATE OF NEW YORK

Mr. GAVAGAN. Mr. Chairman and members of the committee, I feel quite honored on this occasion to preside over the present hearing this afternoon. As you all know, the State of New York has had many great and illustrious Governors and I know of none who has been greater or more illustrious than our present Governor. It is now my great pleasure to introduce to you Governor Lehman, of New York.

Governor LEHMAN. Thank you very much, Mr. Chairman. I have a prepared statement which, with your permission, I would like to read.

Mr. GAVAGAN. All right.

Governor LEHMAN. Chairman Mansfield and gentlemen of the committee, it is a pleasure to appear before you today, in my capacity as Governor of the State of New York, to give hearty support to the public improvement comprehended in the Great Lakes-St. Lawrence project bill (H. R. 4927).

For a generation the State of New York has sought to overcome the difficulties and obstacles which have thus far prevented the public development and use of one of the greatest natural resources of the State, the unharnessed International Rapids of the St. Lawrence River. We take pride in the fact that, as a result of the consistent policy of the State, this rich resource has been conserved and its private exploitation prevented, so that today it is available for development to serve urgent public needs in both the United States and Canada in a time of grave emergency.

In the course of these hearings, official studies and reports will undoubtedly be prepared and presented to the committee on behalf of the State of New York, which, to my mind, establish beyond dispute the need for development of the St. Lawrence River as a valuable aid in our defense program. I leave to those, who have conducted the important studies and who are prepared to discuss them in detail, the presentation of their findings.

I wish, however, at this point to direct the attention of the committee to one supreme consideration in connection with the element of the timing of our national-defense effort. It is becoming increasingly evident that the Federal Government and the States must cooperate to anticipate production needs a few years hence and to act now for the intelligent planning and use of our incomparable natural resources, if we are to avert a serious handicap to the whole program. We have been frankly advised and have been put upon notice by the highest authorities of our Government, charged with responsibility for the national defense, that we are today faced with existing or threatened shortages in such essential materials and facilities as power, aluminum, railroad equipment, steel, and shipping. To every one of these needs the St. Lawrence project will contribute, either directly or indirectly, in a very substantial way.

The question, therefore, of sectional, local, or group advantages sinks into insignificance and is entitled to no consideration whatever at a time when we must utilize every means to contribute to the economic strength and security of our country and to protect our very way of life.

Careful study of the impartial and exhaustive reports of the Department of Commerce and other public agencies which have considered this project convince me that there is no foundation for the claims that the improvement of the St. Lawrence River will have a harmful effect upon our ports or existing transportation facilities. But even if these false and exaggerated fears were in any degree justified, we could not afford to trifle with our country's security by obstruction, on such narrow grounds, of a project which promises to contribute so much to the safety and well-being of the entire Nation.

The bill now before the committee contemplates a cooperative enterprise in which four sovereignties will undertake to contribute to the success of the project: The Government of the United States, the Dominion of Canada, the Province of Ontario, and the State of New York.

Under the terms of the bill, as I interpret them, it is the intention of Congress that the Power Authority of the State of New York, as the accredited public agency of the State, shall be accorded the function of utilizing the United States' share of the flow of the St. Lawrence River for hydroelectric purposes and to exercise ownership, operation, and control over the power project on the New York side of the International Rapids section upon payment of the costs of construction of the works useful for such production.

In this respect the bill is consistent with the public power policy of the State of New York and with the principles of the Federal-State accord, recognized and maintained by every official agency of the Federal and State Governments which has dealt with the St. Lawrence project from 1933 down to the present time.

It may be helpful to the committee to consider briefly the historical background of the Federal-State accord, upon which the State of New York has relied in forwarding its public power program, and in accordance with which it expects to undertake the responsibilities defined in the terms of the bill now under consideration.

The conservation of our power resources under ownership and control of the State has had the support of a long line of the chief executives of New York. Theodore Roosevelt and Charles Evans Hughes warned against the squandering of these resources during their terms of office as Governor in the early days of hydroelectric development. Gov. Alfred E. Smith recommended to the legislature that the latent power of the Niagara and the St. Lawrence Rivers be combined under a State authority, which should also construct transmission lines and retain control over the distribution of energy at cost to municipalities and load centers throughout the State. It was not until 1931, however, when Gov. Franklin D. Roosevelt secured the passage of the Power Authority Act that the public power policy of the State of New York was clearly defined and became firmly embedded in the statute law of our State.

Passed by a unanimous vote of both branches of the legislature, this act created the first power authority to be set up by any State. The resources of the International Rapids section of the St. Lawrence River are declared by this act to be the inalienable property of the people. The trustees of the power authority were directed by this act to cooperate with our Federal Government to the end that the power project might be constructed jointly in connection with the plans of the United States and Canada for the improvement of the river for navigation.

When such plans were furnished by the two Federal Governments in 1932, the State of New York entered into an accord similar to the arrangement contemplated by the bill now before this committee. The Dominion Government of Canada and the Provincial Government of Ontario had previously reached an agreement providing that the Province should utilize the Canadian share of the flow of the river through the hydroelectric power commission of that Province. On February 7, 1933, the United States engineers and the power authority of the State of New York jointly recommended a similar accord, fixing the costs to be assumed by the State in consideration of which the power authority should utilize the United States' share of the flow of water in this section of the river and exercise ownership, operation, and control of the power works to be erected in the State of New York. This report received my approval on February 8, 1938, and upon the recommendation of President Roosevelt was embodied in a joint resolution, House Joint Resolution 157, passed by the United States House of Representatives on April 26, 1933. When the 1932 draft treaty failed to command a two-thirds majority of the Senate in 1934, the resolution did not come to a vote on its merits in the Senate, although it was approved by an overwhelming majority of the Committee on Foreign Relations, including the now senior Senator of the State of New York.

During the past 7 years the State of New York has cooperated wholeheartedly with President Roosevelt and Secretary of State Hull in their tireless efforts and farsighted plans for the negotiation of a new agreement with Canada which would permit the utilization of the resources of the St. Lawrence River.

In messages to the legislature in 1934 I expressed the hope that, in spite of delays, the great public improvement envisaged by the bill before this committee would ultimately be realized. Repeating a recommendation first made in 1933 and since enacted into law, I said on March 26, 1934, in a special message:

"This bill * * * is needed in connection with the public development of power on the St. Lawrence River. The development of this power has been temporarily held up, but it is bound to come, because the production of cheap power is of such outstanding and vital interest to the people of the State."

For several years before the outbreak of war in Europe the power authority in its annual reports to the legislature again and

again recommended the immediate development of the St. Lawrence on the express ground that its production was required to prevent shortages and to serve future needs for national defense. Had these warnings by our power authority been heeded, in accordance with the recommendations of President Roosevelt and Secretary Hull, the St. Lawrence River would now be providing 2,200,000 horsepower of the cheapest electricity in the world to industries and domestic consumers in the most populous areas of the United States and Canada. Moreover, the shipbuilding facilities of the Great Lakes would today be employed to their full capacity for the construction of needed merchant and naval craft with adequate channels provided for their passage through the St. Lawrence to the sea.

The exceptional character of the St. Lawrence as a resource readily available for development both for navigation and power has, I am sure, been brought to the attention of this committee in numerous official reports. In many surveys of the United States engineers the soundness and engineering practicability of the joint development has been clearly established. In numerous reports since 1934, which will no doubt be produced at these hearings, the Federal Power Commission has repeatedly emphasized, in its recommendation to the President and the Congress, the value and importance of the power development under the laws of the State of New York. The Commission reported in 1934 that the Power Authority Act of 1931 "was the fruition of 25 years of effort to provide for development of St. Lawrence power by the State in the public interest.

"Licenses had been sought by private corporations for the right to exploit the power resources in the International Rapids section, but such applications were rejected by both State and Federal agencies. * * *

"Authoritative forecasts of the electrical industry itself, tending to support the conclusions derived from analysis of the trends in the production and consumption of electricity, present incontrovertible evidence that the market for St. Lawrence power will be ready before the project itself can be completed. Operating in accordance with the purpose laid down for it by the New York Legislature, its influence in the direction of lower domestic and rural rates will be a force tending to promote this expansion in the market for electricity."

Your honorable committee has also heretofore taken cognizance of the peculiar advantages and public benefits which would derive from proceeding immediately with the St. Lawrence development. On November 22, 1937, the Power Authority of the State of New York submitted to me a report which analyzed the cost of steam power in comparison with the hydroelectric power available from the great public projects contemplated by the Federal Government or under construction on the St. Lawrence, the Colorado, and the Columbia Rivers. This report was transmitted by the President to the chairman, MANSFIELD, for your consideration and by action of the committee was published as House Document No. 52, Seventy-fifth Congress, second session. From this report I quote:

"The St. Lawrence River power development on the United States side of the boundary will be owned and operated by the power authority as trustee for the people of New York State. It has been included (in this report), however, because it is an important part of the general Government power program which contemplates State and municipal development where public agencies have been created for the purpose."

In 1938 Secretary of State Hull succeeded in reopening negotiations with Canada looking toward the immediate development of the International Rapids section. It was the privilege of the State of New York to cooperate fully with Secretary Hull and to submit plans under which the State might participate on an equal footing with the Province of Ontario in the completion of the power development, to be undertaken in connection with the navigation plans of the two Federal Governments.

In my message to the legislature on January 14, 1941, I reviewed the successful outcome of these discussions, culminating in the fall of 1941 with the start of preliminary engineering work at the New York site of the proposed development on the St. Lawrence. On that occasion I said:

"I believe the development and utilization of St. Lawrence power is an urgent necessity. Because of this belief I conferred last summer with the trustees of the power authority and thereafter presented to the President proposals looking toward the immediate undertaking of the St. Lawrence development. I pointed out that, in my opinion, there was authority for initiating the project under the Boundary Waters Treaty of 1909 and recommended that preliminary engineering work be started at once.

"On October 16, the President, by Executive order, appointed the St. Lawrence Advisory Committee, directing it to proceed with the preliminary work and allocated $1,000,000 for the task.

"In the selection of this committee, the interests of the State of New York were again recognized by the appointment of a representative of the trustees of the power authority * * *.

"Thus, the four governments, directly concerned with the project in the International Rapids section are today working in harmony to make the development serve public needs on both sides of the border * * *. I consider New York's continued active collaboration in the work of great importance. * * *

"I hope that favorable congressional action will be forthcoming as soon as final agreement with Canada is reached so that the low cost of power of the St. Lawrence can contribute at as early a date as possible in furthering the social well-being and economic betterment of all the people of the State of New York."

The agreement between the United States and Canada covered by the present bill was signed on March 19, 1941. On the same day, the Dominion Government and the Government of the Province of Ontario entered into a collateral agreement renewing in all important respects the Dominion-Provincial Accord of July 11, 1932. The present bill likewise applies the same method of allocation of costs as between our Federal Government and the State of New York as contained in the joint recommendation of the power authority and the United States engineers dated February 7, 1932, and fixes the costs to be assumed by the State of New York at $93,375,000.

I consider the maintenance of the Federal-State accord and the allocation of costs arrived at by the engineers and fixed in this bill, subject to the approval of Congress and the legislature, an arrangement which is advantageous and equitable alike to the Federal Government and to the State of New York. By this division of costs, the Federal expenditure for navigation will be reduced to less than $200,000,000. Similarly, the establishment of these costs enables the State to plan in advance for the efficient conduct of the self-liquidating power project for which it is to assume the responsibilities of ownership and operation. I have already signified to the President that promptly after the authorization by the Congress of the development we shall be prepared to proceed with arrangements for the State's active participation in this joint enterprise, subject to approval at the next sessions of the Congress and the legislature.

I do not need to emphasize before this committee the value of the accords embodied in the agreements and recommendations of the past 10 years, in which the Government of the United States, the Dominion of Canada, the State of New York, and the Province of Ontario have joined. The character of the St. Lawrence as one of the great international rivers of the world necessarily requires the free cooperation of the four sovereignties involved to insure its successful development in the public interest.

Since 1934, profound changes have occurred in the conditions affecting the improvement of this international stream. Today, the United States and Canada are linked by insoluble bonds in the common defense on this continent. The power and transportation facilities which this project will afford will serve the common needs of the people of both countries. Moreover, the military, naval, and air bases now shared by the two countries at the mouth of the St. Lawrence River serve to protect our populous centers of industry on the east coast as well as the interior sections of both the United States and Canada.

Once completed, this great project will promote the social and economic welfare of the democratic people of the North American continent for all time to come. In spite of the critical problems this Nation must face in a world at war, we know that democracy in the end will triumph and that the ruthless destruction wrought by dictatorship will pass. Amidst all the uncertainties of the future we at least know this, that the enormous costs we have been obliged to assume to make this country impregnable against attack must one day be paid out of the productive wealth of the entire Nation. To the extent that we act now to provide for the efficient utilization of our natural resources, we shall succeed in lightening that burden and protect, as we must, the standards of living of the American people.

I know that we may look to this committee which has perfected the legislation under which vast constructive improvements in all parts of our country have been achieved, for the action necessary to permit us to go forward with the use of our resources, to serve the needs of our people in the present emergency and in the years to come. In that great effort, I am happy to asure you of the wholehearted cooperation of the State of New York.

Mr. GAVAGAN. Governor, on behalf of the committee I would like to express my appreciation and our appreciation for the comprehensive and statesmanlike statement.

Now, Governor, there has been quite some opposition to the project based upon the argument that its ultimate development will ruin the commerce of the eastern seaboard. So, undoubtedly you, as the Governor of New York, have given that subject full consideration. Would you at this time care to explain your opinion thereon in more detail?

Governor LEHMAN. Well, a very comprehensive study of the effect of this development would have on the commerce of the ports on the eastern coast has, of course, been prepared by the Department of Commerce. I am sure that the members of the committee have seen that report and will familiarize themselves with it.

That report goes into very great detail. It gives many figures and meets the situation in a technical way.

I do, however, want to make this general observation. I start with the premise that the development of this project, both for navigation and hydroelectric power, will be of great benefit, not only to the mid-Atlantic States, the State of New York, and the other States, but to the country as a whole. It will open new markets to the Midwest; it will open up new markets to New England, I be-

lieve, and to a considerable portion of the southern coast. It will provide cheap power for the most populous area in the United States.

Now, the ports that believe they will be the most affected are the port of New York and the port of Buffalo, and I am going to address myself to those particular ports.

The port of Buffalo, I think, is fearful that it is going to lose some of its transshipment grain trade. It may be possible that in a minor degree the port of Buffalo will lose some of that transshipment trade. But I think the advantages that will go to Buffalo will far overbalance that possible loss.

Buffalo will, immediately on the completion of this project, become what is in effect a salt-water port, and if they object to being made a salt-water port, I think it will be the first instance of any large city objecting to that very great benefit.

Buffalo—and when I talk about Buffalo, I, of course, mean the entire frontier section—is a great manufacturing area. It has to bring in its raw materials. Those raw materials to the south have to be brought in by rail or over the barge canal, which is a very slow and cumbersome process. Under this plan, raw materials can be brought to the frontier section from any part of the world, readily and speedily.

Buffalo takes those raw materials and converts them into manufactured articles. It is a great manufacturer of bulk goods, machinery, flour, chemicals, abrasives, and articles of that sort. For that it has a limited market, because it has no means of cheap transportation. With this seaway, I believe Buffalo could take the raw materials which will be brought into it in part through this method, convert them into manufactured articles, and distribute them in a far wider market than they possibly can now. Buffalo today cannot compete so far as steel and iron and similar goods are concerned, with the enterprises now on the Pacific coast. I believe that under this they may be able to do it. Certainly they can compete and certainly they can broaden their markets by far lower costs in other parts of the country, many other parts of the country.

Now, so far as the port of New York is concerned, this report of the Department of Commerce shows in a very exhaustive examination and discussion that in all probability the port of New York will lose 1,800,000 tons of foreign shipping in a normal year, although there are great fluctuations. The fluctuation of the foreign-borne trade of New York has been as much as from fifteen to thirty million tons in different years. Now, that is about 8 percent of the foreign-borne traffic of New York City. It is less than 6 percent of the total water-borne traffic of New York City.

Now, I believe New York, too, will have advantages which will fully compensate for that loss of a relatively small part of their foreign-borne commerce. It, too, will have a far wider distribution. It will secure very materially lower costs of power and it will gain in the general prosperity that has been created throughout the country by this development. And I am convinced that the prosperity of the country as a whole—I am not thinking only of New York State—will be enhanced by this undertaking. New York City is the greatest financing and the greatest trading center of the world. The prosperity of New York City does not depend so much upon the prosperity of the small territory contiguous to New York City as it depends upon the prosperity of the entire country. And if the country's prosperity can be increased, then the prosperity of New York City will be greatly advanced.

I believe, for the reasons I have given you and for many more reasons discussed in a much more comprehensive way in the report of the Department of Commerce, that this development, both navigation and power, will be a real advantage both to Buffalo and to New York, and I am certain will be of equal advantage to the ports like Boston and Philadelphia and Baltimore and possibly some of the ports even farther south.

Mr. GAVAGAN. Thank you.

Does any member of the commitee wish to ask any questions, Mr. Chairman?

The CHAIRMAN. Governor, you referred to the fact that the findings of the Department of Commerce show that a small percentage of tonnage, for instance, handled at the port of New York, may be diverted from it. Is it not a fact that Buffalo would reap a part of that benefit, if such is the case?

Governor LEHMAN. I think that is very possibly so.

The CHAIRMAN. That is all.

Mr. BEITER. Would you elaborate on that, Mr. Chairman? How do you mean?

Mr. CARTER. Just a minute, Mr. Beiter; I want to ask some questions.

Mr. BEITER. All right.

Mr. CARTER. Governor, you spoke of $93,375,000 as the pro rata power cost to be borne by the State of New York, I believe. Do you mean that this is borne directly by the State of New York, or is this the New York Power Commission?

Governor LEHMAN. I cannot answer that question in detail, of course, until I know what agreement will be entered into between the Federal Government and the State of New York covering the ownership and operation of the power.

I can say this to you, that it will not be a direct obligation of the State of New York. Under our constitution, the credit of the State of New York could not be placed behind this project, save on a vote of the people and an amendment to the constitution.

Mr. CARTER. The bill, Governor, I might say, on page 3 refers to the Power Authority of the State of New York. Is that Power Authority in existence at the present time?

Governor LEHMAN. Yes, sir; it has been in existence since 1931, continuously.

Mr. CARTER. Is it operating any power projects at the present time?

Governor LEHMAN. No; it is not. It was set up specifically for the purpose of aiding in the development of the St. Lawrence project. Also, mention is made in the act of the development of the power on the Niagara.

Mr. CARTER. Well, then, so far as you know, it has no money in its treasury at the present time?

Governor LEHMAN. It has no money whatsoever. The way this would be financed——

Mr. CARTER. And has it the power or authority to levy taxes; if you know, Governor?

Governor LEHMAN. Well, it has no power to levy taxes, but it has power to levy tolls; it has the power, not only the power but the direction, to levy tolls and charges sufficient to care for the fixed charges and other expenses.

Mr. CARTER. That is, tolls and charges for electric energy delivered?

Governor LEHMAN. That is right.

Mr. CARTER. Well, where do they propose to get the $93,375,000 with which to finance this power project?

Governor LEHMAN. Well, they could get it in one of two ways; either through a yearly appropriation by the legislature, which the legislature of course would have the right to make, but which would have to be made on an annual basis, obviously, or they would have power to sell their own bonds, either to the public or deliver them to the Federal Government in payment for the expenditures made by the Federal Government.

Congressman, it is not very different from what we have been doing with a great many different projects.

Mr. CARTER. Those are revenue bonds, I suppose, Governor?

Governor LEHMAN. That is quite true.

Mr. CARTER. And it would be based just on the revenues to be obtained from the power which would be furnished here out of this project that was built by the Federal Government?

Governor LEHMAN. That is quite true.

Mr. CARTER. Then we would have this situation, would we not, Governor: We would have the Federal Government building this power plant and turning over the energy to a New York Power Authority, and the New York Power Authority is selling that energy or issuing bonds against the revenue that energy produces and taking that from those funds?

Well, now, as a businessman, if money could be made that way, would it not be good business for the Government to sell that power?

Governor LEHMAN. Which government are you referring to?

Mr. CARTER. The Federal Government.

Governor LEHMAN. Well——

Mr. CARTER. Rather than turn it over to the New York Power Authority?

Governor LEHMAN. Well, of course, we have always maintained, and I believe very soundly, that the power on the St. Lawrence River which touches the State of New York belongs to the State of New York. That title or claim to ownership has never been questioned, so far as I know.

Mr. CARTER. You have never waived it?

Governor LEHMAN. We certainly have never waived it.

Mr. CARTER. And you do not propose to waive it now?

Governor LEHMAN. We do not.

Mr. GAVAGAN. New York is still a sovereign State.

Mr. CARTER. Well, I just want to know what the explanation is.

Governor LEHMAN. Surely.

Mr. CARTER. Eventually, Governor, I shall have to vote on this question, one way or the other, and I would like to know, Mr. Gavagan, what I am voting for, if I may find out.

Mr. GAVAGAN. You seem to have some doubt as to New York's sovereignty.

Mr. CARTER. Oh, no; I am not doubting that. But they might waive or dispose of certain of their rights, if they desire to do so.

Mr. GAVAGAN. Only for the general good. We never surrender, Governor, only for the general good.

Governor LEHMAN. We have not only never waived it but we have asserted that sovereignty many times.

Mr. CARTER. Governor, you are waiving a right here in this: You are waiving your undoubted right to build this power plant, and you are willing to waive that and place that burden on the Federal Government. I am wondering, just as a matter of information, how you are going to work it out; whether the profits, if any, from this project—from the power end of the project—would go into the treasury of New York Power Authority, or whether it is going into the Treasury of the United States.

Governor LEHMAN. I quite understand——

Mr. CARTER. And, according to your answer, the profits, if any, are to go into the New York Power Authority.

Governor LEHMAN. Oh, I quite understand now what has confused you, and if I might explain it I would be glad to do it.

Mr. CARTER. Yes.

Governor LEHMAN. There will be no profits on this—on the sale of this power. That is clearly understood.

Mr. CARTER. Well, you do not mean to imply there will be a loss, do you, Governor?

Mr. CULKIN. I suggest that the Governor be permitted to finish his statement.

Governor LEHMAN. I should certainly hope that there would be no loss. We would be required to operate this project so as to derive sufficient revenue to pay the debt service and the operating charges of the operation. But undoubtedly a provision will be made a part of the agreement entered into between the Federal Government and the State of New York, which cannot become effective except by the affirmative approval of the Congress of the United States, that this power has to be sold at the lowest possible price and without any profit whatsoever to either the power authority or the State of New York.

Mr. CARTER. Would the rates be fixed by your board there; I don't know whether you call it the railroad commission, or what?

Governor LEHMAN. No; it would be fixed by the power authority.

Mr. CARTER. The power authority?

Governor LEHMAN. Yes.

Mr. CARTER. Which would mean that it would be fixed by the New York Power Authority; that is selling the power?

Governor LEHMAN. Well, it would be fixed by the power authority, subject, of course, to the provisions contained in the agreement entered into between the Federal Government and the State of New York.

If I may refer for a moment to the bill, this is section 2:

"SEC. 2. The President is hereby authorized and directed to negotiate an arrangement with the Power Authority of the State of New York for the transfer to said power authority of the power facilities constructed pursuant to this authorization and the right to use the United States' share of the waters at the project for hydroelectric-power purposes upon such terms and conditions as may be agreed upon, including provision for payment of $93,375,000, which represents the revised estimate of cost allocated to power in accordance with the method of allocation included in the joint recommendation of the Corps of Engineers."

And then it goes on at the end of the section:

"The arrangement negotiated pursuant to this section shall be reported to Congress upon the convening of its next session, and shall become effective when ratified by Congress and the State of New York."

Now, Congressman, it is not possible for me to tell you just what the effect of such agreement would be. It would be a matter of negotiation between the President and the Power Authority of New York. But whatever that agreement is, it will be subject to ratification by the Congress and by the Legislature of the State of New York.

Mr. CARTER. That is all, Mr. Chairman.

Mr. SMITH. I understood you to say that in 1934, at the time the treaty was reported favorably by the Foreign Affairs Committee of the Senate, the senior Senator from the State of New York joined in that favorable report; is that right?

Governor LEHMAN. That is my understanding.

Mr. SMITH. Has Senator WAGNER changed his views since, or is he still in favor of it?

Governor LEHMAN. I cannot speak for Senator WAGNER. I don't know.

Mr. SMITH. I have been informed that he was not in favor of it. That is why I ask.

Governor LEHMAN. Of course, I could not speak for the Senator.

Mr. CULKIN. I understand, or the last report is that Senator WAGNER has some substantial reservations on the navigation; that is the report I get.

Mr. SMITH. If I may, I would like to ask, What is the attitude of the junior Senator?

Mr. CULKIN. I could not speak for him. Mr. Beiter is here.

Mr. BEITER. In a public statement issued last week the junior Senator opposed the St. Lawrence Seaway, and the senior Senator in 1934 led the fight in opposition to the seaway and the power development. I believe at that time he stated if the power and the seaway could be separated, if the power project could be separated from the seaway project, that he would favor the power project. I think that is the contention of both Senators today, and the majority of the Members of Congress, if the seaway could be separated from the power project, the Members would be for the power project. But they are opposed to the seaway.

The CHAIRMAN. You are not speaking for all the Members?

Mr. BEITER. No.

Mr. GAVAGAN. It is an academic discussion because the Senators will be able to disperse their views, whatever their opinions may be. I do not think it is binding upon us.

Are there any further questions?

Mr. SMITH. I would like to ask one additional question, and that is this: Do you consider, Governor, that the railroads of New York have valid grounds for their opposition to this project?

Governor LEHMAN. I do not. I do not think that it will hurt the railroads, if my vision of the development of this country, both because of this defense movement in which we are involved and because of the natural growth of the country, is correct. I believe that there will be a great increase in the need for transportation. I believe that today there is a great shortage of transportation facilities in this country, which will become worse. I believe that this shortage can only be met by a development providing new facilities. I think it is going to be very difficult for the railroad companies to obtain through their own resources the equipment that will be necessary to increase their transportation facilities, unless they come into direct competition with many of our defense industries now engaged in the production of war matériel.

Mr. SMITH. Is it not possible the railroads might benefit from the opening up of these new markets?

Governor LEHMAN. I quite agree with you on that.

Mr. SMITH. Thank you.

Mr. GAVAGAN. Judge Culkin?

Mr. CULKIN. Governor, may I congratulate you, as a member of the minority here, on your able and patriotic and clear discussion of this St. Lawrence issue.

The gentleman from California recently discussed with you this question, and he seemed to have a dual solicitude for the fate of the State of New York and the United States Government. I was asking, or I was going to ask you, Governor, if you have any knowledge of any project, any power or navigation project, now completed or under construction in the United States, where the State or locality had agreed to pay the entire cost of the power installation. Do you know of any such project?

Governor LEHMAN. I do not.

Mr. CULKIN. New York pays about 25 percent of the taxes, nationally?

Governor LEHMAN. I think that is approximately correct.

Mr. CULKIN. And it might perhaps be better for the State to ask for the Government to do this, in view of the rather heavy penalty or payment to the national revenues. Such a proposition was once ratified by the Congress, whereby the State of New York agreed to pay at that time some $89,000,000 toward the construction of the power structure, the expenses of the power structure. The amount now, I understand, is $93,000,000?

Governor LEHMAN. A little over $93,000,000.

Mr. CULKIN. And that includes the construction of the power structures; does it not?

Governor LEHMAN. It includes all the structures that are used in the development of the power, the powerhouse.

Mr. CULKIN. Yes.

Governor LEHMAN. It does not include the transmission lines.

Mr. CULKIN. But you understand that New York, in the old agreement, and now, is prepared, subject to proper requisition by the legislature, to pay $93,000,000 of the expense of the power structures?

Governor LEHMAN. I do, in the manner that I described to the gentleman from California.

Mr. CULKIN. Yes; now, New York State is still solvent, and sovereign, I assume, as suggested by our distinguished acting chairman.

Governor LEHMAN. I think so.

Mr. CULKIN. What are you selling bonds at up there now, what is the rate of interest?

Governor LEHMAN. I think that our last sale was at a rate under 1½ percent per annum.

Mr. CULKIN. And you got the money for that in the local market?

Governor LEHMAN. Yes; all our sales are.

Mr. CULKIN. So it seems that New York credit is a tangible and moving asset. When it goes out to raise money, it has no difficulty in getting sufficient money. It is in a high stage of solvency?

Governor LEHMAN. I think it is. I think we have maintained our financial position very well over many years.

Mr. CULKIN. And as to any obligation, it not only can but will perform all obligations incident to this matter?

Governor LEHMAN. Well, I want to make this point clear, so that there will be no misunderstanding on the part of you gentlemen: The State of New York would not put its own credit back of this undertaking. It cannot do that, under its constitution.

Mr. CULKIN. Yes.

Governor LEHMAN. What we would do would be to put up, subject to the approval of the legislature, either annual appropriations sufficient to care for these needs or the issuance of revenue bonds created by the Power Authority under the authority of the legislature. In exactly the same way as we have done in any number of other undertakings.

Mr. CULKIN. Well, now, the New York Harbor Authority; what is that?

Governor LEHMAN. The port authority.

Mr. CULKIN. The port authority. That is an instance of the procedure that is suggested to follow. That outfit built the tunnels under the rivers there?

Governor LEHMAN. That is right; and bridges.

Mr. CULKIN. And it built bridges and made some harbor improvements of various sorts, and solves various transportation problems through this outfit, this agency?

Governor LEHMAN. That is right.

Mr. CULKIN. And that outfit has the power to issue bonds for that purpose?

Governor LEHMAN. That is right.

Mr. CULKIN. And does continually issue bonds for that purpose?

Governor LEHMAN. That is right; yes; at a very low rate of interest.

Mr. CULKIN. What is the rate of interest now?

Governor LEHMAN. Well, I think somewhere, I think slightly over 2 percent, between 2 and 2½ percent; but I am not quite certain about the exact figure.

Mr. CULKIN. As I understand now, the amount has now gone to $93,000,000?

Governor LEHMAN. $93,375,000.

Mr. CULKIN. And that is an increase of about $4,000,000 or so, over the former cost; and that increase is due to the engineers' estimates on the increased cost of building now, due to that increased cost of building the power plant?

Governor LEHMAN. Yes; that is my understanding.

Mr. CULKIN. I think that is all.

Mr. GAVAGAN. Mr. Schulte.

Mr. SCHULTE. Mr. Chairman, I wish to join with my good friend from New York in com-

plimenting the Governor on his contribution here this afternoon in the fight that he is putting up for the great State of New York in trying to get them cheap power and electricity. I can appreciate that kind of fight and how in the Midwest my people would enjoy that, coming from out of the city of Chicago where, of course, we are dominated by the so-called Power Trust.

Now, getting back to Buffalo: I am just wondering now if my good friend from Buffalo—Mr. Beiter—is not going to gain this advantage, whatever may be lost to the port of New York, would be to the advantage of the port of Buffalo; is that right?

Governor LEHMAN. No; I do not think so. I think that they both will gain; but I do not think that the one will necessarily gain at the loss of the other.

Mr. SCHULTE. Well, I am just now thinking of the Middle West, around Chicago, Gary, and that great steel center there.

So, the only gain that we could make by the development of this seaway would be by taking a chance on the building of ships, seagoing vessels in the Middle West; is that right?

Governor LEHMAN. I do not think so. I think that there will be great advantage to the Middle West. I think it would immediately—you want my answer to that specific question?

Mr. SCHULTE. Yes; I do.

Governor LEHMAN. I think the Middle West would gain by the opening up of vast new markets. I think it would certainly gain in the form of trade very greatly, because today it cannot possibly export some of its goods profitably through using a port on the Atlantic coast and bringing the goods there by train. That is an expensive proposition.

Mr. SCHULTE. I appreciate that, Governor, and that is a thought that a great many of our folks have back in the Middle West. We are very much concerned about this, because we are under the impression that it is going to be immeasurably beneficial to us. There is no question about that. But the point that I am making here is really that the benefactors of this are going to be the folks through New York State and in the State of Ohio and in there, by virtue of the fact that they are going to have this utility such as power that they are going to get at cost and still have an opportunity to build ships at the ports.

Governor LEHMAN. Well, my answer to that is that I believe that the development will be of very great and immediate advantage to a large area. I say an immediate advantage, because though I think it will be of advantage to the entire Nation, it will be of immediate advantage, I believe, to the Middle West. I think it will be an advantage to the Middle Atlantic States, the New England States, and New York, and the entire area; that is, within a reasonable distance of this development.

Mr. SCHULTE. I am mighty happy to hear you make that statement, coming from the great State you do.

You feel that the Middle West in particular is going to be benefited, and I want you to express your thought there, in view of the fact that several of the small chambers of commerce bordering on the Lakes are very much for this, but, peculiar as it may seem, the Indiana State Chamber of Commerce went on record opposing the building of this project

Mr. CULKIN. Will the gentleman yield?

Mr. SCHULTE. Yes.

Mr. CULKIN. How many members of the board of directors of the chamber of commerce were present when they voted?

Mr. SCHULTE. I am not a member of that body I will say to my good friend. I have kept my skirts clean that far.

Mr. CULKIN. Do you suppose that there were more than three or four in all, representatives of the railroads?

Mr. SCHULTE. I have reported, and I will say again to my good friend, I do not have to be absolved of that; that is all.

The CHAIRMAN. Your skirts are clear.

Mr. SCHULTE. They have opposed every development that has been of beneficial interest to the people back in my State. I am through, Mr. Chairman.

Mr. GAVAGAN. Mr. PITTENGER.

Mr. PITTENGER. I compliment the Governor for his contribution. I have no further questions.

Mr. GAVAGAN. Does the gentleman from Florida have any questions?

Mr. GREEN. No questions.

Mr. GAVAGAN. Mr. BELL.

Mr. BELL. Mr. Chairman, Governor, I would like to ask you to give me a little information further as to how you think the development of the St. Lawrence will affect commerce out in the Middle West.

Have you in mind Chicago in that area out there when you speak of the Middle West, or are you including the area down to the Gulf of Mexico?

Governor LEHMAN. Well, of course, that is also a question that has been the subject of a survey by the Department of Commerce and which has gone into it exhaustively, I am told.

I can only make this observation. It seems to me that the entire Middle West territory starting with Lake Superior, Lake Michigan, Lake Huron, Lake Erie, will benefit by this project because it is not only going to open new markets to them but it is also going to mean that they will secure their raw materials much more readily and cheaply.

It seems to me obvious that that part of the country is very much circumscribed now in their transportation facilities, and this will certainly open up a new transportation channel, both for incoming and outgoing freight.

Mr. BELL. What would you say as to this situation, Governor, the section located, we will say, from Kansas City and Missouri on south where the distance would be as great to Chicago, we will say, which might be the nearest oceangoing port after the St. Lawrence waterway is developed, where the distance from Chicago would be as great as it will be to the Gulf of Mexico, which now has contact with the open ocean. Would you say that there would be any benefit to that section of the Midwest?

Governor LEHMAN. I would hesitate to express myself further on the technical details of rates. I do not feel qualified to do so.

Mr. ANGELL. Mr. Chairman: Governor Lehman, am I correct in my understanding that your position is that the State of New York claims title to this power?

Governor LEHMAN. That is correct.

Mr. ANGELL. Are there any other large hydroelectric projects in the United States developed by the Federal Government where the States in which they lie claim the ownership of the power?

Governor LEHMAN. I cannot answer that question. I do not know the history of it.

Mr. ANGELL. Do you know of any projects where the State has asserted ownership?

Governor LEHMAN. I do not know. I cannot say whether they have or have not. I really have no knowledge of that.

Mr. ANGELL. Is it your understanding in connection with navigable waterways where they are developed by the Federal Government for transportation purposes and that the power developed as incidental to the improvement of navigation becomes the property of the State in which it is located?

Governor LEHMAN. Well, the State of New York has always asserted that position, and that goes back away before my time.

Mr. CULKIN. Will the gentleman yield?

Mr. ANGELL. Yes.

Mr. CULKIN. May I call the gentleman's attention to the provision on page 3 of the pending bill where it recites that an agreement shall be made upon the recommendation of the Corps of Engineers and the Power Authority of the State of New York with reference to the payment which is, I think, generally agreed upon as being now about $93,000,000, and then it goes on, in line 9, page 3:

"In addition, the arrangement shall include provisions protecting the interests of the United States and assuring a widespread equitable distribution of the power to domestic and rural consumers within economic transmission distances, and provisions for the prior use of such water for the purposes of navigation and the delivery, without charge to the War Department, of so much power as said Department shall need for the operation of navigation facilities. The arrangement negotiated pursuant to this section shall be reported to Congress upon the convening of its next session, and shall become effective when ratified by Congress and the State of New York."

Now, the gentleman will note that the Congress reserves or requires in this bill provision for the protecting of the interests of the United States and assuring widespread equitable distribution of power. That is more or less parallel, I mean, to the general facts to the Bonneville arrangement.

Mr. ANGELL. If I may say to my colleague from New York, that does not reach the question I have in mind, and that is the question of ownership; who owns the title to the power developed in the project, which is on the navigable waterway developed by the Federal Government for navigation purposes.

That power is incidental to the development of the waterway for navigation, and my understanding is that it has always been claimed by the Federal Government. There is no claim in my State upon the Bonneville project that the State owns the power, so far as I know. The Federal Government did not consult the State as to what should be done with the power. The Federal Government claims, so far as I understand, complete control and ownership over the power development on navigable waterways, which is incidental to the improvement of navigation.

Governor LEHMAN. Of course, we have never asserted any rights with regard to navigation. New York has always recognized, in view of the fact that the St. Lawrence River is the boundary between two countries, that the control of navigation on the St. Lawrence is a Federal function; but we always have claimed title to the power that would come from the flow of the river.

Now, so far as I know the question of those rights has never been adjudicated by any high court. What position the Supreme Court would take in connection with our assertion of rights, I do not know. I would hope that they would sustain it. Certainly President Roosevelt, when he was governor, asserted that right on many occasions, as did all of his predecessors so far as I know.

Mr. ANGELL. Governor, let me ask you.

The CHAIRMAN. Will the gentleman from Oregon yield to me?

Mr. ANGELL. Certainly.

The CHAIRMAN. I will state that in the construction of the works at Bonneville, for instance, our committee had charge of that, the State of Oregon, neither the State of Oregon nor Washington paid any portion of the costs of that work. In this case, if New York gets the power she pays that portion of the cost.

Mr. ANGELL. That is quite true, but that is clearly aside from the point, if I may say so.

Mr. SMITH. The State reimburses merely the outlay.

Mr. ANGELL. The question here is who owns the power, whether it is the State of New York or the Federal Government. That is an important inquiry for this committee and

it is important for us to know in determining what we shall do on the bill. If we develop and sell to the State of New York, that is one thing. If the Federal Government owns it, it does not necessarily have to consult the State of New York as to what to do with it. It does not need to enter into any agreement with New York. The Federal Government is amply able, I hope, to finance its own projects without considering New York or any other State.

Mr. CULKIN. Do you not think that the State of New York is interested to the extent of $93,000,000? I just read the gentleman the section that shows that the Federal power authority, I think that is the body, or the engineers, reserve the right to protect the interests of the United States, and assuring a widespread equitable division.

Mr. ANGELL. But they have no right to reserve that if the State of New York owns the power.

Mr. CULKIN. That is a complete reservation in this bill.

Governor LEHMAN. Well, so far as making reservations or conditions are concerned, I have no doubt the United States Government has the right to do that if it enters into a contract with the State of New York. Whether the State of New York would be satisfied with those conditions, I do not know, of course, until I see them.

Mr. ANGELL. Unquestionably the Federal Government can enter into such an arrangement with the State of New York whether the State owns the power or the Federal Government owns the power, but the point we are pursuing, and I am particularly interested in now, is who owns that power, whether the State of New York or whether the Federal Government owns it.

Governor LEHMAN. May I answer that?

Mr. ANGELL. Certainly.

Governor LEHMAN. The State of New York has always asserted its right to the power on the St. Lawrence.

The ownership of the power, so far as I know—I am not a lawyer—has never been determined by the higher courts of the United States, and I have, of course, no more knowledge than you have as to what such determination would be, but certainly it would seem perfectly practical for the Federal Government to enter into a contract with the State of New York on terms satisfactory to the Federal Government and to the State of New York.

Mr. ANGELL. A question somewhat similar is being raised in legislation appearing before the Congress now wherein the question is raised as to whether the Federal Government has the ownership to oil rights under lands which are in beds of navigable streams and along the oceanway within the 3-mile limit. The Supreme Court, however, has passed on that directly in a number of cases, holding that it belongs to the State in which these waterways are situated and not the Federal Government; but that is not an incident of navigation.

The CHAIRMAN. May I ask a question there?

Mr. ANGELL. Yes, Mr. Chairman.

The CHAIRMAN. The power that is developed in Niagara, under treaty with Canada wherein the United States gets 20,000 and Canada 36,000 cubic feet, to whom does that power belong; does that belong to the State of New York or to the Federal Government?

Governor LEHMAN. Well, that is a complicated situation, Mr. Chairman, because away back in 1894 the Legislature of the State of New York passed certain legislation which it is claimed alienated the right to that power from the State of New York and gave it to private owners. The additional flow which was given, I think something like 20 years ago, and which, if my memory serves me right, amounts to about 4,500 cubic feet for the State of New York, was made the basis of a rental charge. Permits were issued by the Federal Government under the treaty with Canada and on that the State of New York gets an annual income amounting to between four and five hundred——

The CHAIRMAN (interposing). That is developed by private industry.

Governor LEHMAN. That is developed by private industry under a license from the Federal Power Commission. Undoubtedly there will be further diversions amounting, I think to about 8,000 cubic feet per second distributed 5,000 to the United States and 3,000 to Canada, and on that, too, I should suspect that the State would be recognized as an interested party and entitled to reasonable compensation for the use of the power.

I have already had correspondence with Senator WAGNER on that subject and my letter has been included in the CONGRESSIONAL RECORD. That letter sets forth the attitude of the State of New York very fully on the subject.

May I return for 1 minute, Congressman, to your question?

Mr. ANGELL. Yes.

Governor LEHMAN. As I say, this question of the ownership of the power resources on a navigable stream, of course, so far as I know has never been determined. I do not know what the Supreme Court would hold, but it is certain that the Congress has the power to determine just what disposition is to be made of the power that comes from the development of navigation works on navigable rivers.

Mr. ANGELL. That would not necessarily follow, Governor, if the State owned the power. If the Federal Government owns it, that is quite true, but if the Federal Government does not own it, then it can do nothing with it until it makes an agreement with the State.

Governor LEHMAN. That is quite true; yes.

Mr. ANGELL. Of course, it is a pertinent inquiry for this committee to make and for Congress to know who owns this power if we are to develop power, which is a considerable portion of the expense of this project. If it belongs to the State, of course, we ought to know that. We might make a somewhat different agreement than we would if the State did not own it and it belonged to the Federal Government.

Governor LEHMAN. May I say that we have always felt and believed that this power did belong to the State of New York and we have acted accordingly.

Mr. ANGELL. As Chief Executive of the State, have you asked the Attorney General to give you an opinion on this question?

Governor LEHMAN. Yes. He believes that it does belong to the State of New York, but after all, the final court is the Supreme Court of the United States in matters of this sort.

Mr. ANGELL. Has the Attorney General of the United States passed on it so far as you know?

Governor LEHMAN. I do not know.

Mr. GAVAGAN. Governor, is it not a fact that even during the term of Governor Hughes, Mr. Chief Justice Hughes, when he was Governor of the State of New York, he in turn followed a long line of traditions and precedents of our State and asserted the right of the State to the power in Niagara?

Governor LEHMAN. That is quite true. I believe it goes back even further than that. I believe it goes back to Theodore Roosevelt.

The CHAIRMAN. Maybe you will get something valuable yet.

Mr. ANGELL. One other question: What the acting chairman has just raised, of course, that might be another question as to power generated by Niagara Falls, because that is not power which is generated incident to the improvement of a navigable stream. That is a natural condition of the waterway and is merely taking the power out as it exists, but this is an improvement in the waterway which is a navigable stream, over which the Federal Government has supreme control and the development of power is merely incidental to it, and it may raise an entirely different question than that raised by the taking of the power from Niagara Falls.

Mr. GAVAGAN. Well, in the T. V. A. cases, the Supreme Court simply said that the Federal Government had the constitutional power as an incidental power to the regulation of commerce on navigable rivers to dispense with any electric power produced, but it did not determine the ownership of the power.

Mr. ANGELL. Did not recognize the ownership in the States.

Mr. GAVAGAN. Nor assert that it was in the Federal Government except that it said as an incident the Government could dispose of incidental power developed by the Government on navigable streams and the Government does dispense with it or appropriate the power developed.

Mr. ANGELL. That raises an additional question as to who is to operate this project the development of which you are now asking Congress, whether it is to be a T. V. A. authority, or an independent agency or whether it is to be done through the Department of the Interior.

Now, in this case, as I understand it, it is contemplated that New York will control this power, and it will not be controlled through the Department of the Interior; and it will not be controlled through any other authority or agency of the Federal Government, but it will be controlled through New York.

Mr. CULKIN. But subject to the provisions of the agreement which will have to be entered into between the Federal Government and the State of New York, with the approval of Congress.

Mr. ANGELL. That agreement will have to be entered into anyway, regardless of the ownership, by reason of the fact that the Federal Government is going to build it, and if it is going to build it, then, of course, it must be consulted upon what terms it is going to dispose of the project if it is built.

Mr. CULKIN. That is quite right.

Mr. ANGELL. But there is a deeper question than that underlying this, and that is the ownership of the fee, control of which gives, of course, control of the hydropower generated, and who is going to operate it afterward.

If the State owns it, then it can put in a toll on this power double what the Federal Government is putting on in the Columbia River or the T. V. A., if they want to. If the Federal Government owns it they may control the rates.

Governor LEHMAN. Mr. Chairman, may I add one word—make one correction or addition to my answer to Chairman MANSFIELD, when he asked me about the position of the State of New York in connection with the water power of the Niagara River? I reviewed the history of that water-power development away back in 1894 and stated that the situation was complicated, because the legislature of that time gave certain powers to private concerns.

And I told you that that has caused a complication.

The position of the State on that is that we claim even the Legislature of the State of New York could not alienate property, natural resources, belonging, by constitutional mandate, to the people of the State of New York and we are, therefore, suing in the courts of New York for the reversing of that procedure, and claiming that the State, regardless of action by the legislature of 1894, still takes title and control of those waters.

Mr. GAVAGAN. Mr. PITTENGER.

Mr. PITTENGER. Governor, where the difficulty lies, I think—I think it is immaterial

whether New York State and this Government and other governments have entered into an agreement, where you waive those rights, it seems to me, under the very terms of this bill.

Mr. GAVAGAN. No; we do not do that. We waive them insofar as it is necessary for the purposes of this bill, and furthermore we pay for them.

Mr. PITTENGER. Yes; that is right.

Mr. ANGELL. If I may say, they waive it to this extent, to the extent of permitting the Federal Government to pay for it in the first instance, and then pay the Government back, not through the taxing power of the State of New York, but through an authority which has no power to pledge the credit of the State, and if the revenues from the project are not sufficient to pay off the bonds, the owners will just have to dump them in the ashcan.

Governor LEHMAN. Well, the State is paying the construction costs. You are perfectly right in saying that it is a self-liquidating project.

Mr. ANGELL. Not the State as a sovereignty, but a separate entity, so-called, separate corporation or authority.

Governor LEHMAN. An agency of the State, created by the legislature to act for the State.

Mr. ANGELL. But with no power to pledge the State's credit.

Governor LEHMAN. No; but the State has the right, or the power authority has the right, to pledge the properties itself.

Mr. ANGELL. Yes; the revenues; pledge the revenues.

Governor LEHMAN. The revenues or the property.

Mr. BEITER. Mr. Chairman.

Mr. GAVAGAN. Mr. Beiter.

Mr. BEITER. Governor, did not the power authority consider the seaway inimical——

Governor LEHMAN. I did not understand you.

Mr. BEITER. Did not the New York Power Authority—I am speaking of the seaway now all through my discussion here, and not the power phase of it—did not the New York Power Authority determine the seaway inimical to the best interests of New York?

Governor LEHMAN. Not that I know of, Congressman.

Mr. BEITER. It did not?

Governor LEHMAN. What year are you referring to?

Mr. BEITER. The last year; within the last few months.

Governor LEHMAN. I am quite sure that it did not.

Mr. BEITER. Have you heard of the action of the New York Mayor's Advisory Committee against it?

Mr. CULKIN. I think, Mr. Beiter——

Mr. BEITER. Just a minute.

Mr. CULKIN. I think that you made a mistake. I think that you meant the New York Port Authority and not the New York Power Authority.

Mr. BEITER. The port authority. Did I say "power authority"? I stand corrected. It is the port authority.

Governor LEHMAN. Well, yes; they passed a resolution which became ineffective, because they had no right to take a position contrary to the State policy which is part of the law of the State of New York.

Mr. BEITER. Do you not consider that the authority is in a position to make such a determination?

Governor LEHMAN. I think that the individual members of the authority not only are in a position but have my permission to do it at any time they want, of course, and also I believe that the authority has the right and is justified in laying before this committee all its data and offering the services of its experts to the committee in connection with the consideration of the question.

Mr. BEITER. You have heard that the New York Mayor's Advisory Committee advised against the seaway, and do you believe that this group of outstanding men are in a position to make such a decision in this regard?

Governor LEHMAN. Congressman, I have heard that they have taken the position. I have never seen a report. And, I doubt whether it was ever made public or adopted in any authoritative way; but aside from that, even if they did take a position antagonistic to this, I do not know to what extent they had the information or whether they went into the question extensively.

Mr. BEITER. Governor, is it not true that all of the commercial, industrial, and labor interests in the State of New York, outside of a few probably in the immediate vicinity of the St. Lawrence River, are opposed to this project, and did not the State business interests, the port and terminal facilities on the Great Lakes and the Erie Canal, and the Hudson River, and in the city of New York, in that area, oppose this project as ruinous to their property and their interests?

Governor LEHMAN. Well, I know that a number of trade organizations and individuals in the State of New York are opposed to this project; but it is my very sincere belief that the overwhelming majority of the people of the State are wholeheartedly in favor of it.

Mr. BEITER. Now, as a candidate for Governor of the State, both the Republicans and Democrats alike, going back as far as Al Smith, were not they opposed to the St. Lawrence seaway?

Governor LEHMAN. I cannot answer that question categorically, but I certainly do not recall that Governor Smith ever took a position antagonistic to or in opposition to the seaway.

Mr. BEITER. To the seaway. He never did oppose the power phase or the power end of it, but as to the seaway itself. Every candidate for Governor of the State of New York, when they were candidates for Governor, you understand, were opposed to the St. Lawrence seaway; however, it changed when they became candidates for President. Then they were for the seaway, and I can refer you, of course, to both sides. I refer to a statement made in the New York Times under date of March 27 when Senator VANDENBERG and Tom Dewey were then Presidential candidates and were seeking votes in Wisconsin in the primary election, they stated their views on it. In 1934 Senator VANDENBERG said in the Senate he voted for the St. Lawrence Seaway Treaty and "I continue to favor the St. Lawrence seaway," and so forth. However, only a few days ago Senator VANDENBERG, not a candidate for President, stated in one of the papers he was opposed to the St. Lawrence seaway.

Mr. SCHULTE. How did Willkie stand?

Mr. BEITER. Mr. Dewey said: "I favor the St. Lawrence seaway and always have."

Now, you do not have to answer this next question, Governor, but you are a candidate for President?

Governor LEHMAN. I am Governor of the State and expect to be for another year and a half, and I am looking after the interests of the State.

Mr. BEITER. What I am trying to find out, or to bring out, is that the candidates for Governor have opposed the seaway, as candidates for Governor, because the people of the State of New York do not want the seaway. The candidates cannot be for the seaway and be elected Governor; but when it comes to being a candidate for President, then they are for the seaway.

Governor LEHMAN. May I answer that question?

Mr. BEITER. Yes.

Governor LEHMAN. I know something about running for Governor.

I should be very much inclined to doubt your statement with regard to the position of Governor Smith when he ran on a number of occasions. He was heart and soul for the power project.

Mr. BEITER. Yes; I agree with you.

Governor LEHMAN. And I believe for the seaway development. I would be very, very much surprised if he had ever taken a position in opposition to the seaway.

I know that President Roosevelt, when he ran for Governor twice, never was in opposition to it.

Mr. BEITER. He was for the development of the power project but not the seaway.

Governor LEHMAN. He was in favor of the whole plan; the whole undertaking; the developing of that entire section and the opening up of great areas of the country.

Mr. BEITER. As a power-development project, Governor, but never for the seaway. Neither Republicans nor Democrats have been for this seaway, or they could not have been elected.

Governor LEHMAN. Wait a minute. I was elected Governor, and I have never taken a position in opposition to the seaway, not for one second have I done that. I have always been in favor of the project.

Mr. CULKIN. Governor, you so stated.

Governor LEHMAN. I have not stated it publicly once or twice, but I have stated it any number of times.

Mr. GAVAGAN. I remember in a campaign speech in 1936, Governor, where you committed yourself absolutely, in a public speech, in Madison Square Garden, as Your Excellency will recall, where you committed yourself for it, absolutely in favor of the St. Lawrence water development. I assumed at that time, being on the platform that evening, that you went the whole way.

Mr. CULKIN. Governor, President Roosevelt had a referendum on it last year and he got the greatest number of votes in Buffalo last year that he ever got. Buffalo had a referendum on it, and he got the biggest majority that he ever got.

Mr. BEITER. I have heard the gentleman from New York, Mr. Culkin, praise the Governor here, and he is deserving; he has been a good Governor, one of the best; but I was wondering whether the gentleman from New York applauded the Governor and referred to the splendid credit of the State of New York under the administration of the Governor during the last gubernatorial campaign. I did.

Mr. BENDER. While you are on that subject, is it not a fact that both candidates for the Presidency in the campaign came out against war and now they say that it was just campaign oratory?

Mr. BEITER. Mr. Chairman——

Mr. ELLIS. Mr. Roosevelt did not say that.

Mr. GAVAGAN. Have you anything further, Mr. Beiter?

Mr. BEITER. Yes.

Mr. PITTENGER. I want to protest against putting a lot of wrong statistics in the record.

Mr. BEITER. I am not putting any "wrong statistics" in the record. Governor, what assurance do you have that the New York Power Authority will handle this power? Do you have any assurance that the New York Power Authority will handle it?

Governor LEHMAN. No; but I cannot have any assurance—well, I have this, yes; that it is in the bill:

"SEC. 2. The President is hereby authorized and directed to negotiate an arrangement with the Power Authority of the State of New York for the transfer to said Power Authority of the power facilities constructed pursuant to this authorization and the right to use the United States' share of the waters at the project for hydroelectric power purposes upon such terms and conditions as maye be agreed upon."

So that, assuming that we can have a meeting of the minds with regard to the terms and conditions, it is clearly defined and set

forth in this bill that the Power Authority of the State of New York would be the agency that would handle it.

Mr. BEITER. We have to assume that there will be a meeting of the minds.

Governor LEHMAN. Of course, I could not have any guaranty, naturally, on a thing of that sort ever, but I assume that there will be a meeting of the minds and then that will have to be approved by the Congress of the United States and the legislature.

Mr. BEITER. Governor, in the event the bill is approved by Congress and we start work on this project and it is completed in 4 years' time, what assurance do we have that the Dominion of Canada will complete its part of the project within that time? If they do not complete it, in order to benefit, the Federal Government will have to complete the Dominion of Canada's part of the project and in so doing, as has been pointed out by the gentleman from New York, we pay 25 percent of the Federal taxes, and an additional amount would have to be paid by the State of New York.

Governor LEHMAN. Well, of course, the point covered by your question is part of the agreement between the United States and the Dominion of Canada.

Mr. BEITER. That is true.

Governor LEHMAN. I think we have to assume that the Dominion of Canada is going to carry out its understanding and undertaking.

Mr. BEITER. But, if they are not able to carry it out? At the present time they are pressed for finances. Their per capita debt is higher now than it ever has been and they are taxed to the limit. They are not particularly anxious for the project. There is no assurance given in the agreement that they will carry out or can carry it out even if they entered into the agreement; but in the event they are not able to carry it out, in order to derive benefit from the project, we will necessarily have to complete it, and in completing it, New York State will be forced to bear additional taxes.

Governor LEHMAN. Well, I think that you have to give reliance on the good faith of the contracting parties to an agreement, especially when the other party is the Dominion of Canada. I do not think that you can get any greater guaranty than their good faith.

The CHAIRMAN. May I be permitted to ask a question?

Mr. BEITER. Yes, sir; surely.

The CHAIRMAN. If Canada does not come into it, enter into an agreement, it will not affect the power that might be developed on this power dam in the International Rapids. It might affect navigation below that power dam, but not the power feature of it. The power would be there anyhow.

Mr. BEITER. The power would be there, providing the works were completed. If the work is not completed it will not be.

The CHAIRMAN. The power would be completed when the dam was completed, but that portion below the dam does not have any effect upon the power.

Mr. BEITER. Governor, you refer to the benefits to the city of Buffalo and then ask to refer to the report of the Department of Commerce. I have made a thorough study of the report of the Department of Commerce and the only benefit I can see that Buffalo derives would be by the importation of lard and bananas. Now, lard and bananas may contain a lot of vitamins, but I don't believe Buffalo jobs will be created by them.

Governor LEHMAN. Mr. Chairman——

Mr. GAVAGAN. Yes, Mr. Governor.

Governor LEHMAN. Congressman BEITER has asked me a question about the report of the United States Department of Commerce, with regard to the effect of this seaway on the port of Buffalo. I could read that part of the report which applies to that question, but it is quite long, and if agreeable to you, I would suggest that I just put it in the record.

Mr. PITTENGER. We all have those reports here, Governor. We can read them and find out about lard and bananas. Each member has a copy of the report before him, Governor, of the Department of Commerce.

Mr. GAVAGAN. Yes; each member has a copy of the report before him, Governor.

Governor LEHMAN. I see. Instead of bananas and what was the other commodity?

Mr. BEITER. Bananas and lard.

Governor LEHMAN. I see chemical abrasives, aluminum, metal alloys, and other products of which Buffalo would also have the advantage of cheap deep-water transportation. Also flour. That is on page 9 of the report.

Mr. BEITER. Governor, the gentleman from Minnesota [Mr. PITTENGER] a moment ago said that I was not stating the facts, or words to that effect, when we were referring to the former candidates for Governor of the State, and some doubt was expressed as to the stand or the position of Al Smith.

Mr. PITTENGER. I said——

Mr. BEITER. Just a moment. I hold in my hand a report on the St. Lawrence water project, which is the report of the National Transportation Committee dated February 13, 1933, in which Al Smith said, and I quote:

"I am opposed at this time to the construction of the St. Lawrence waterway because it would be a waste of public funds."

Mr. PITTENGER. What is the date of that?

Mr. BEITER. February 13, 1933. It is the report of the National Transportation Committee.

Mr. PITTENGER. That is 8 years ago.

Governor LEHMAN. Eight years ago.

Mr. BEITER. Eight years ago. I am talking about candidates for Governor and their position on the seaway.

Mr. PITTENGER. I make an objection to all of these statements and statistics on the ground that they are absolutely immaterial.

Mr. SCHULTE. They did not mention the seaway.

Mr. PITTENGER. It is wasting the time of the committee.

Mr. BEITER. I just want to point out that these men were opposed to it, and I am trying to point out that the people of the State of New York are opposed to it; the businessmen, little businessmen and big businessmen, all businessmen, and labor, are opposed to it.

The CHAIRMAN. They can pass on that. If Congress passes it, then it goes back to New York and they can determine whether or not they want to approve of that.

Mr. PITTENGER. What is that?

The CHAIRMAN. The power project.

Governor LEHMAN. May I, just to correct the record, say one further word there, although I think it is quite irrelevant.

Mr. GAVAGAN. Yes, Governor.

Governor LEHMAN. Congressman Beiter said when men were candidates for the governorship of the State of New York they opposed——

Mr. BEITER. The seaway.

Governor LEHMAN. The seaway; but the quotation that the Congressman read was dated 1933, and my recollection is that Governor Smith ceased, or rather the last time he ran for Governor was in 1926, so that it seems to me——

Mr. BEITER (interposing). He had not changed his stand or views, or position, from the time he was Governor to the time that the report was made, so far as I know.

Mr. CULKIN. Will the gentleman yield? I merely want to call attention to the fact that the Empire State Building was built at that time, and that it took a $4,000,000 mortgage to do that.

Mr. BEITER. I do not know anything about Governor Smith's finances.

Mr. CULKIN. I thought that that was a minor contribution to the information of the committee.

Mr. BENDER. Mr. Chairman.

Mr. GAVAGAN. Mr. Bender.

Mr. BENDER. Governor, is it not a fact that Canada is not anxious at this time to participate in this project?

Governor LEHMAN. I cannot answer that question. I have no knowledge on it at all.

Mr. BENDER. Governor, you are acquainted with the Merchants' Association of New York City; you know of that organization, the New York Merchants' Association?

Governor LEHMAN. Surely.

Mr. BENDER. Are they a substantial body?

Governor LEHMAN. Very.

Mr. BENDER. You know that they are very definitely opposed to this project, do you not?

Governor LEHMAN. Well, I did not know it, but it is quite possible that they are. I have no doubt of it, if you say it is a fact.

Mr. BENDER. Are you acquainted with the Central Mercantile Association of New York?

Governor LEHMAN. Less well than with the Merchants.

Mr. BENDER. They have indicated opposition to this project.

How about the Lake Carriers' Association?

Governor LEHMAN. I have no knowledge of that.

Mr. BENDER. Or the Harbor Carriers of the Port of New York?

Governor LEHMAN. I cannot answer that.

Mr. BENDER. Or the Maritime Association of the Port of New York? These organizations, the New York State Waterways' Association; the New York Produce Exchange—you are familiar with that organization. It represents the merchants who deal in produce and where they receive the produce.

Governor LEHMAN. Yes; I know the Exchange.

Mr. BENDER. And the New York Board of Trade, the American Marine Institute, the Shipping Conference of Greater New York—these organizations have all indicated, Governor, their opposition to this project.

Are you acquainted with the Warehousemen's Association of the Port of New York?

Governor LEHMAN. I know them by name; I do not know them personally.

Mr. BENDER. Or the West Side Association of Commerce of New York? That is New York City. The Rochester, N. Y., Chamber of Commerce; the Buffalo Chamber of Commerce; the Elmira, N. Y., Association of Commerce; the Gloversville, N. Y., Chamber of Commerce—I could recite many other organizations from the State of New York who have indicated opposition to this project.

Do you believe that all of these organizations simply passed resolutions without making a study of this project?

Governor LEHMAN. I believe that in most cases they are perfectly sincere. I do not agree with their findings, but I am not questioning their sincerity at all. I think on the other hand, if we wanted to, we could give you a list of a great many organizations that are in favor of it.

Mr. BENDER. Judge Culkin made the point of New York paying about 25 percent of the Federal tax load. Is it not a fact that a great many of these organizations represent some of the heaviest taxpayers of the State of New York?

Governor LEHMAN. Why, I think that is so.

Mr. BENDER. And they are interested not only in their own welfare but in the welfare of the people who do business with them.

Governor LEHMAN. I think that many of those organizations represent very substantial taxpayers. There is no doubt about that.

Mr. BENDER. From your experience with some of these organizations that I have mentioned, like the Merchants' Association of New York, you would say that they are not just led blindly, but make a pretty good

study of what they determine to back or oppose.

Governor LEHMAN. I would say this—what I say is not applicable only to the Merchants' Association, but trade organizations generally. They are composed of high-minded, patriotic, sincere men; but in almost every instance the affairs of the organization, particularly as it relates to consideration of specific measures, is left entirely in the hands of one or two men, usually the executive vice president or the executive secretary, or an executive director, who brings in a report and in 9 cases out of 10 it is adopted by the organization.

Mr. BENDER. Do you think that these substantial citizens would lend themselves and their names to an individual taking such a position here?

Governor LEHMAN. I do not think that they would lend themselves to anything, because as I said to you, I consider them sincere men, the members, but I know that I have had sufficient experience with organizations of this sort to appreciate that the expressed opinion of the organization, usually is the opinion of one or two people who run the organization.

Mr. BENDER. The reason I mention this——

Governor LEHMAN (continuing). And, usually paid executives.

Mr. BENDER. The reason I mentioned these names is I have had correspondence with these individuals, and with these organizations, and they have so indicated. They have indicated their opposition to this project and the fact that they are heavy taxpayers has some weight with me, especially since they come from the State whose disproportionate share of the tax burden, Federal taxes, is common knowledge.

We have had such a terrible waste of money, Federal money, that we from the larger States are called upon to carry, and you can appreciate why our constituents are concerned about projects such as this.

Mr. GAVAGAN. Any further questions, Mr. BENDER?

Mr. BENDER. That is all.

Mr. GAVAGAN. Mr. Hall.

Mr. HALL. Governor, several months ago you wrote to me and I think you wrote to every Member of Congress from New York, in which you showed great concern about the trend which was causing industry and business to leave New York State and to go to other parts of the country.

Now, I would like to have your comment as to whether or not the development of the waterway part of this project will either allay or accelerate that trend.

Governor LEHMAN. My idea is that it certainly will be helpful to the State of New York.

I think that as a result of this cheap power that there will be built up many industries, new industries, some perhaps that manufacture electro process materials; that new developments will be had at or near the source of the development of the power—in other words, near Massena.

Mr. HALL. How much cheaper do you think the power will be after this project is finished than it is right now up there? As I understand, it is quite cheap around this section right now.

Governor LEHMAN. As I said in my memoranda, those are technical matters upon which I much prefer your examining our experts.

I can say to you that the difference between the cost of the power that can be developed through this project and the cost of additional power that would have to be brought in through the generation of power by steam, is very great up at Massena; very great. I think it will be very great, very considerable, throughout the State; throughout the area. In other words, the area that can be served by this power.

The further away you get from the source of the power and the greater use you have to make of your transmission lines, the smaller the savings would be; but I believe that even in New York City or in Pennsylvania, the savings will be very, very material, and around Massena and that whole territory, the savings will be enormous. I would say that.

Mr. HALL. I am speaking about the seaway alone, Governor, and you come back to the power end of it.

Now, would you be for the seaway if we did not have the power project attached to it? I ask that because I asked you with relation to the seaway alone and then you came back to the subject, with the argument favoring the power end.

I am wondering whether or not you would be for the seaway if the power project was not attached to it?

Governor LEHMAN. I think you have got to consider the whole picture as one. I think that you cannot just divorce the two undertakings. I think they are both advantageous; but I think the fact that there are two entities of the one project, increases the attractiveness of the proposal very greatly.

Mr. HALL. May I pursue that a little bit further?

Governor LEHMAN. Yes.

Mr. HALL. I think it is only within the last year, sir, and I believe it was at your instruction, that the Attorney General represented the State before the Interstate Commerce Commission when there was a proposal to reduce the Southern Railroad rates. In other words, as I understood it, our State felt that it would be inimical to our interests, our industries, and businesses, if those rates were reduced. Now, it seems plain to me that rates will be tremendously reduced, even below railroad rates, if this waterway is developed; I always want to keep that in mind, if this seaway project is completed.

Now, if cheap railroad rates were inimical to the interests of New York State, why are not cheap waterway rates? I mean, I am confused on that, and I would like to have your comments on it. I mean, I just cannot get the thing straight in my mind.

Governor LEHMAN. With reference to those rates which you are talking about, my belief was that certain parts of the country would be getting a very definite advantage over New York State. On this present proposition—and this is the reason I cannot divide it in for my consideration of the undertaking—as Governor of the State, I think that the State is going to gain generally, even if it loses in certain ways from factors that are connected with the seaway proposition, but I do not acknowledge by any means that it would. I doubt if it would, but if it did, I think that the gain from the production of power would offset any possible loss from the seaway.

Mr. HALL. You say that you do not admit that they will; but if cheap railroad rates will affect industry and business in New York State, Governor, how can it be that cheap transportation rates on water will not affect industry and business in New York State? If you can explain that, I would like to have the answer.

Mr. CULKIN. Will the gentleman yield there?

Mr. HALL. Certainly.

Mr. CULKIN. Does the gentleman believe that high railroad rates as essential to prosperity?

Mr. HALL. I am referring to the position that the State took before the Interstate Commerce Commission.

Mr. CULKIN. I must have misunderstood you.

Mr. HALL. No; I am referring to the case before the Interstate Commerce Commission in which New York State fought an attempt to lower railroad rates in the South.

Mr. CULKIN. I misunderstood you.

Mr. HALL. I think that you had better read that record.

Governor LEHMAN. Mr. HALL, I think you have one thing confused in your mind. I did not object; I did not appear——

Mr. HALL. Our attorney general appeared.

Governor LEHMAN. I appeared.

Mr. HALL. I beg your pardon.

Governor LEHMAN. I appeared, but I did not appear in opposition to cheap rates. I have always favored cheap rates. I appeared in opposition to what I considered discrimination against New York State and the entire body of Eastern States in favor of certain other States of the Union. It was on that account that I appeared, but you are mistaken when you say I appeared in opposition to cheap rates. I never have.

Mr. HALL. Was not the result of it to be, Governor, whether or not the railroad rates in the South would be lower or higher; was not that the question that was involved? Correct me if I am wrong.

Governor LEHMAN. It was. I felt that it was proposed to amend the tariff of the railroad rates in a way that would give an advantage to certain Southern States as compared to New York State, and incidentally other States, Massachusetts——

Mr. HALL. But the result of it would have been the lowering of railroad rates in the South. I might be wrong about it, but there was some objection to the railroad rates in the South and the complain that they were cheaper in the North and helped business in the North. I do not want to start that argument.

Governor LEHMAN. No; it went further than that, as I recall it. It was 2 years ago, 2 or 3 years ago, and it was a complicated case, but as I recall it, what they proposed to do was to give goods coming from the South to the North the entire through rate of the North and goods going from the North to the South the rates of the South, which are higher, or which were higher at that time than the rates in the North.

I never objected at all to the entire revamping of the freight schedules as between the South and the North, but I did not want New York State—that was the State I was particularly interested in—to be discriminated against in relation to other States.

Mr. HALL. I recall a special assistant Attorney General making a talk down here—I think he came down here to make it—in which he said that a certain company which had a business place in Rochester and also one in the South could ship the material down South, manufacture it, and bring it back and sell it in Rochester cheaper than the factory could in Rochester. And that was one reason he put up, as one from New York, contesting this rate situation. You may be right as to the total result, but if that statement of his is so, cheap rates must have something to do with it, and it seemed to me that cheap water rates would have the same effect; cheaper water rates. I would not say cheap water rates.

Governor LEHMAN. I do not think it was a question of cheap rates. I think it was a question of discriminatory rates.

Mr. OSMERS. I would like to ask the Governor if you consider the St. Lawrence project vital to our national defense?

Governor LEHMAN. I think it would be of tremendous value in our Nation.

Mr. OSMERS. But you do not consider it vital?

Governor LEHMAN. I think it is a tremendously important factor. I think it will open up new territory and also will open up new power reservoirs that I think will be of very great importance.

Mr. OSMERS. Do you feel that these facilities, either the seaway or the power facilities, will be ready sufficiently early to be of any value in this emergency?

Governor LEHMAN. Well, that is a question that only an expert may be able to answer, and I am not sure that even he could answer it, but assuming that this war lasts, I think that it is tremendously important that we use every possible means that is available to us in our defense. I think you might say, What is the object of building a two-ocean navy when these new ships will not be ready until 1946, 1947, or 1948? What is the use of putting in additional locks in the Panama Canal when they will not be completed for a number of years; but we are assuming now that we are going to require a defense in what Secretary Knox described this morning as a very disordered world. I think that this project is going to be of very great use and I certainly think that, regardless of providing access to that area in the West, and Middle West, and the shipyards of the Great Lakes, I believe that the development of additional power for defense industries is of very, very great importance. I think I would be willing to say vital.

The CHAIRMAN. Mr. Beiter.

Mr. BEITER. Governor, this morning you were present when the gentleman from California asked the Secretary of the Navy whether or not he considered the Erie Canal as an alternate project instead of the St. Lawrence seaway, and I am wondering if you have urged the improvement of the Erie Canal from Buffalo to Three Rivers. Have you ever considered that as an alternate project for the St. Lawrence seaway?

Governor LEHMAN. Let me make this very clear to you: You will recall that at the time the Federal Government made available $27,000,000 for the deepening of the canal by 2 feet from Waterford to Oswego, and the raising of the bridges by 2 feet, I urged that the same action be taken in the stretch going from Three Rivers to Buffalo.

The Federal Government felt they could not do that because it would involve a very great expense, but I strongly urged that because I felt that all areas served by the canal should be treated alike.

Now, the gentleman from California this morning asked the Secretary whether he thought it was practicable to use the barge canal instead of the seaway because it was an all-American canal, and you have asked me whether I have ever taken any steps to effectuate that. My answer to you is "No," because, in my opinion and in the opinion of any engineer who has ever studied the problem, it would not be practical.

I am glad to have the opportunity of explaining to you, sir, that in the first place in order to turn the barge canal, our present barge canal, over to the Federal Government, which, of course, would be necessary because the State of New York never could finance an undertaking of that sort out of its own resources, it would be necessary to secure the consent of the people to a constitutional amendment.

That would take 3 years under our constitution, so that for 3 years you would be blocked—you couldn't do a thing. It would be out of the question. At the end of 3 years, maybe, the people would agree to such a transfer. I doubt very much whether they would.

In the second place, the thing from a practical standpoint is also quite out of the question. It would cost many hundreds of millions of dollars more than this work which is to be undertaken on the St. Lawrence River, the seaway and the power development together. Why, our barge canal, our little barge canal, cost over $100,000,000 years ago when materials were cheap and labor was much lower than it is now.

This recent little change of 2 feet in depth and the raising of bridges 2 feet on a very small part of the canal, cost $27,000,000. But aside from this you couldn't use the existing barge canal at all because its elevations wouldn't be correct. You would have to build an entirely new canal 30 or 40 feet deep, of great width, with tremendous locks. Why, the cost would be prohibitive. And even then I don't think from what engineers have told me you would have a mechanically practicable undertaking because you would have to keep the level of the water up in your canal.

Even today in our barge canal in order to keep a 14-foot level we have had to build great impounding dams near the Black River and down toward Rome and Utica, which, in the summertime, when the usual flow of water is low supply the additional water that is necessary to keep the level up for the operation of the canal.

To try to construct a canal large enough to take 600-foot boats weighing 10,000 or 12,000 tons, would be such an expensive proposition, even if practicable at all, that it would be entirely out of the question and you wouldn't even have the compensating feature of your earnings from your power development, which you have here. It would have to stand entirely on its own feet. I don't know whether I have answered your question or not.

The CHAIRMAN. The attitude of ex-Governor Smith, with reference to the St. Lawrence improvement, has brought up a question here. I have in my files a newspaper account of a speech of his in which he referred to the Erie Canal running across to Buffalo, as a "ditch." I would like to know if the gentleman from Buffalo endorses that attitude of Governor Smith.

Mr. BEITER. The main thing that Governor Smith has done recently I do not endorse.

Mr. GREEN. I was interested, Governor, in your statement concerning the Erie Canal because I had anticipated a statement from you on that. I had hoped that it may be feasible to have a waterway across there which would be so much shorter and an American controlled waterway rather than to go into partnership with a foreign country.

I am wondering about the power side of this, if the power possibilities on the Hudson River from Lake Champlain have been considered by interests there and if it would not answer practically the same demand for power that could be generated on the St. Lawrence.

Governor LEHMAN. Well, I haven't got the figures of the amount of power that could be generated on the Hudson River but my impression is that it is very small.

Mr. GREEN. I had in mind that possibly sufficient power could be generated on the Hudson and Connecticut Rivers to supply that area in there and answer the same purpose and would represent an all-American investment.

Governor LEHMAN. I think it would be very small. The flow of the Hudson River varies very greatly in different seasons of the year. The water in the upper stretches of the Hudson gets very low in the summertime. We have developed some of the Hudson River power up at a place called Conklingville which has been very useful in regulating the flow for flood control.

Mr. GREEN. But it would not be adequate for power?

Governor LEHMAN. I don't think we would get more than 50,000 or 60,000 horsepower.

Mr. GREEN. I was particularly interested in your statements concerning the fact that this development would not be injurious to other transportation interests, and your broad scope of American thought for developing the entire portion of our country.

Now, we have down my way a similar proposition as the St. Lawrence, as an outlet from the Gulf of Mexico—a canal across the State of Florida which would do for the south area the same thing as the St. Lawrence would do for the other area.

I was wondering if the Governor had given thought to that and if he would venture an opinion as to whether it would be a good thing to do or not.

Governor LEHMAN. Congressman, I know too little about that to express any opinion.

Mr. GREEN. But you would be for any improvements generally, all over the United States, would you not?

Governor LEHMAN. Certainly, where they are sound and where the improvements can be put to use on a sound, industrial economical and social basis.

Mr. GREEN. I appreciate that. Now, we have in my congressional district 16 counties. One county has about half of the wealth—a city of 200,000 people. That county pays about half of the taxes. It is a clearing house for the other 15 counties in a way. And for a number of counties in south Georgia it is also a clearing house. It seems to me that New York State with its 25 percent tax payment toward the Federal Budget occupies a position as a clearing house and the fact that that wealth is in New York is a matter that makes it a clearing house for industry and finance and so forth, but New York's ability to pay 25 percent is contingent upon the strength of the 47 other States surrounding it—don't you think that is the case?

Governor LEHMAN. I said so earlier in the afternoon.

Mr. GREEN. Now, these freight rates—I think the Governor and other Governors of that area were altogether out of keeping with the Governor's present position today when at their conference they undertook to keep up higher and discriminatory freight rates against the South than is enjoyed by other States.

Now, for instance, you can load in New York State a carload of brick and ship it to Florida on one rate and then load them back into the same car and send them back where they came from and pay twice as much money for freight, and that has caused New York State to develop and grow and have money and power.

Mr. PITTENGER. Mr. Chairman——

Mr. GREEN. But it has bled out of the southern part of this country all of its resources and all of its ability to ever have a self-maintained economy in that area.

Mr. PITTENGER. Mr. Chairman, I don't think this is——

Mr. GREEN. I know it doesn't sound good to you gentlemen who bled the southern part of this country.

Mr. PITTENGER. I don't understand that the freight-rate question has any more to do with this bill than a bluebird and a robin out on the White House lawn.

Mr. GREEN. The reason that New York pays 25 percent of the taxes of this country is because of discriminatory freight rates.

Mr. PITTENGER. That belongs before the Interstate Commerce Commission.

Mr. GREEN. And the Interstate Commerce Commission has four members from the congested areas where it has only one member from other areas.

Mr. PITTENGER. I am not arguing with you at all. I am simply saying let us get down to business.

Mr. CULKIN. I want to join the gentleman's condemnation of the Interstate Commerce Commission.

The CHAIRMAN. Governor Lehman, we appreciate your very fine statement and thank you very much.

Mr. ANGELL. Mr. Chairman, before Governor Lehman leaves, may I call attention to this: In the case of *The United States of*

America v. *The Appalachian Electric Power Co.*, which was decided December 16, 1940, in the Supreme Court, Justice Reed delivered the opinion that the States owned the water power within their boundaries. What examination I have been able to make of this decision since receiving it a few moments ago, it seems the Supreme Court holds the position that the water power in a navigable stream is incidental to the control of commerce.

Governor LEHMAN. Is that in the New River case?

Mr. ANGELL. Yes; *United States* v. *Appalachian Power Co.*

Governor LEHMAN. Mr. Chairman, may I express my appreciation of the very courteous hearing that has been given to me.

The CHAIRMAN. Thank you very much, Governor Lehman.

Mr. LANGER. Mr. President, I also have before me the statement of Hon. Fiorello H. LaGuardia, mayor of the city of New York, appearing at page 1071 of the hearings to which I have referred. I ask unanimous consent to have Mayor LaGuardia's statement printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. FIORELLO H. LA GUARDIA, MAYOR OF THE CITY OF NEW YORK

Mayor LAGUARDIA. Mr. Chairman, I appear on behalf of and in support of H. R. 4927. I want to make it clear that my city is divided on this subject, and I assume full responsibility for appearing here today in support of the St. Lawrence River development. My own business advisory committee, known as the Mayor's Business Advisory Committee of the City of New York, is on record in opposition to this project. I want the record to show that.

This subject is not new. Many of us have been giving a great deal of thought and study to it for many years and, like every other great project, it meets with opposition from those who know too much about it and those who know too little about it.

My city has the greatest port——

The CHAIRMAN. Mr. Mayor, would you allow me to disturb you for a moment? I understand there is about to be a vote on a rule on the May bill. I am afraid our members will want to be on the floor.

Mayor LAGUARDIA. That is all right; I used to answer roll calls myself.

(The committee thereupon took a recess for the purpose of answering a roll call.)

The CHAIRMAN. Are you ready to proceed, Mr. Mayor?

Mayor LAGUARDIA. As I was saying, Mr. Chairman and gentlemen, my city has the greatest port in the entire world. It is a typical port city. Surely I would not be endorsing this project if I had the slightest fear that it would injure my city as a port.

I have not come to this conclusion in the last few minutes. Some of us, as I said before, have been with this project for a great many years. It is natural that people might have a fear of competition. We are constantly confronted with that. At one time New York City was the only port on the Atlantic seaboard. Seventy-five years ago all of the ocean traffic, practically all, come into the port of New York. Since that time other great ports have developed on the Atlantic—Baltimore, Philadelphia, Boston, Charleston——

The CHAIRMAN. Norfolk.

Mayor LAGUARDIA. Norfolk. There was a time when all the cotton came up North. Within the last 30 years I would say your great Gulf ports have developed and we are still in business as a port in New York City.

The CHAIRMAN. And you have continued to expand and grow.

Mayor LAGUARDIA. We have several hundred millions of dollars of investment in our waterfront property. I would say that 80 percent of it is owned by the city. During my time, during the past 7½ years, I built several large new piers to accommodate the large ships and new business.

I want to say this: That if there were no navigation problem in the St. Lawrence project, this committee would now be confronted with the same opposition only they would try to pick upon some other reason. Let us be frank about this. It is not navigation that is causing the opposition. That is not the reason. The real reason is the power feature. Remove the power feature and you would see the opposition disappear. So I am perfectly willing to discuss it on the merits.

Any new, any improved means of transportation is an aid to commerce. The same with traffic. We build new parkways and new avenues in our large cities to ease up on traffic conditions and it creates more traffic. It was the boulevards and the parkways and the highways that were built in this country that developed our motor-vehicle traffic and industry, and the same is true here.

Now, granted that this new waterway will provide an additional avenue, and granted that it will be more economical to ship farm produce and manufactured goods from the north-central section of the country through this new waterway, and granted, if you please, that the Atlantic ports would lose some of this traffic, it would still be a net gain to our commerce.

Why? Because the more improved and economical means of transportation we can have with the other countries of the world, the better our foreign commerce condition will be. And it just creates and creates more export. So I want to make it very clear, and I realize and want to repeat that there is a division of opinion in my city on it, that I do not fear one bit this new waterway as interfering with or injuring any of the Atlantic seaboard ports.

Now, as to the power feature. I am strong for that, and I let the whole world know it. Power now is a necessity. When I was a little boy out in Arizona, some 55 years ago, I remember when we had the first electric light. It was magic; it was a luxury. We still had the old kerosene lanterns in our home, and candle light. And I remember when I first went into the Government service, back in 1904, electric light was still a luxury in Europe. Only a few of the first-class hotels had electric lights. Now, electric light and electric power is no longer a luxury. It is a necessity. It is just as much a part of our life as water. It is just as much a part of our public health as sunshine. And, gentlemen, no group of people have the right to monopolize sunshine and water.

The time is coming so rapidly that this very necessary utility of life will be all publicly owned and publicly operated. If you send across the street to the Congressional Library, and get a history of the water-supply systems of this country, you will find that water went through the very same process, the very same opposition, the very same arguments against public ownership of water supply as power is now meeting. There was no difference at all, and there are now very few communities that have privately owned, privately operated water-supply systems. We had them in New York City at one time, and we still have a little bit of a section in Brooklyn that is served by a private water-supply corporation with a perpetual franchise. They won't last very long now. We provide water, the purest, in sufficient quantity to seven and one-half million people from a publicly owned, publicly operated water-supply system.

The magnitude of this project does not shock me at all. For at this very time, right now at this very moment, we have in the course of construction an additional water-supply system in the Delaware River shed that will cost the city over two hundred and thirty or two hundred and forty million dollars. And as an engineering problem it is far more difficult than this one. This is perfectly simple in comparison to the engineering problems we have in our water-supply system. That will be completed in 2 years; we have been building it for 4 years. So the magnitude and cost of this, in this day and age, does not at all shock me.

Mr. KIRWAN. Is that the trapping of the Delaware River waters?

Mayor LAGUARDIA. That is in the watershed; yes.

We use, in New York City, about 1,200,000,000 gallons of water a day. I only use that to illustrate that in this day and age we simply must adjust ourselves to undertakings of gigantic proportions.

Why are we so concerned and interested in this development? Frankly, because it is one of the very few remaining water projects to be developed, and we are greatly interested in that we want to see this power that is now going to waste utilized for the benefit of the people of our section of the country.

This is a peculiar age that we are living in. It is a heart-breaking age. It has been a difficult one. But when the history of this country will be written, covering the period from 1934 to date, when all our little problems, or what we consider problems, will long be forgotten, what will stand out? I will tell you what will stand out: Muscle Shoals, Boulder Dam, Bonneville, and Grand Coulee; just as that period of building of the West following the 1849 era, the great development of our railroads reaching out West and building a new continent stands out, and the little political differences, the little scandals of the railroads and the stock manipulations are all forgotten now. A great continent is there, and that is true in what we are doing now in harnessing and utilizing God's gift to this country on the St. Lawrence.

Now, we simply cannot, with the present state of development of engineering and what has already been accomplished, stand idly by and permit another session of Congress to end and let the continued waste of power in the St. Lawrence flow into the Atlantic. It is wrong; it would be wrong to delay it any longer; and the opposition has delayed this year after year. First, you remember, Mr. Chairman, they would come to Washington and would say, "Well, we have not studied it enough yet; let us get more information; we want more studies made." We have had surveys and studies made, and survey after survey. Now, they cannot raise that point any more, and now that we have had all of these surveys made and we have had all of this study made, now we hear all of a sudden of a great interest in the Atlantic seaboard ports. I appreciate that interest, and I hope the same people will help me when we try to get a break in railroad rates to my port. I welcome such help, but it simply does not go. It is not genuine; it does not ring true. The real opposition is power, and that is why I favor it. Now, in 1934, shortly after I left Congress, I assumed my duties as mayor, and I was on the job only a month and a half when some of my good friends thought they would put the mayor on the spot, and they asked him this: "Congressman, you have been shouting in Congress for the development of waterpower. How do you feel on the St. Lawrence now? You are mayor of New York. How do you feel on the St. Lawrence water power now?" Well, you know, I never hesitated to stick my chin out, and this is what I gave my political friends for comfort. Let me quote from a letter I wrote about a month and a half after I became mayor.

Mr. DONDERO. What year was that, Mr. Mayor?

Mayor LAGUARDIA. 1934. This was in a letter to Senator La Follette. [Reading:]

"No special interest or agency claiming to speak for the city of New York is justified in opposing the Great Lakes-St. Lawrence Treaty on the ground that it is inimical to the welfare of the people of our city.

"President Roosevelt and Governor Lehman are entirely correct in their public statements to the effect that the municipalities of this State will readily absorb cheap electricity from the public power project on the St. Lawrence.

"The joint report of the Federal Power Commission and the Power Authority of the State of New York shows that electricity can be generated on the St. Lawrence, transmitted, and delivered at the substation in New York City at a price of less than one-half cent per kilowatt-hour at 80-percent load factor. It would unquestionably benefit every consumer of electricity in the city of New York to have this potential abundant supply of exceptionally cheap current available through public development. The mere availability of St. Lawrence power would, in my opinion, provide the salutary force of public competition which has always resulted in lower electric rates for consumers. * * *

"To build dams in the St. Lawrence for the dual purposes of developing power now running to waste and removing obstacles to navigation which today block off the access of the Great Lakes to the sea will admittedly save millions of dollars and reduce the cost of both power and navigation.

"No official study has even been sponsored by the city of New York that supports the claim that completion of the seaway will injure the commerce and shipping of our port. We have one of the great natural harbors of the world, and it has been improved by the use of public funds. New York City is unique as a port and not afraid of inland competition. Since 80 percent of the water-borne commerce of the United States is domestic rather than foreign trade,the extension of our seacoast into the Middle West will inevitably increase the profitable exchange of goods between New York and the other great American cities in the littoral of the Great Lakes.

"A temporary or slight diversion of export and import tonnage does not justify, in my opinion, the obstructing of a national project so obviously in the interest of the United States as a whole. In the long run, it is certain that New York City, as the metropolis of the Nation, will benefit from economic recovery and development in the Middle West."

I said that in 1934, and I stand by it now.

The CHAIRMAN. Gentlemen, are there any questions.

Mr. DONDERO. I would like to ask a few questions?

The CHAIRMAN. Mr. Dondero.

Mr. DONDERO. Mayor LaGuardia, there have been two types of fear expressed here, and you have touched on one of them. One is that the importation of cheap foreign manufactured goods will ruin the harbor cities of the Middle West, particularly those on the Great Lakes, and the other is that it would divert commerce from the coast ports, your own city of New York included. Do you care to comment on those statements?

Mayor LAGUARDIA. As I have already stated, anything that will increase commerce with foreign countries, we all benefit by; and a slight diversion, if any, will not injure the seacoast ports, because the increased commerce will more than offset that; and then, after all, it is not a 365-day proposition. They tell me it freezes up there sometimes, so that would not hurt us any, either.

Mr. DONDERO. In spite of that freezing, we still carry about 22 percent of the commerce of the United States on the Great Lakes.

Mayor LAGUARDIA. And if you can carry it more economically through a natural waterway, you are entitled to do it.

Mr. DONDERO. Now, your great port of New York has been exposed to cheap foreign products since this Republic began. In spite of that, you have grown and expanded to be the greatest port in the world.

Mayor LAGUARDIA. The importation of cheap products is never local. That is national. They tell me the tariff has taken care of that, somewhat.

Mr. DONDERO. Yes; we have heard of that, although it is somewhat quiescent now.

Mr. RANKIN. That is taken care of; it is destroyed.

Mr. DONDERO. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Smith.

Mr. SMITH. Mayor LaGuardia, I infer from your statement that you think that the real opposition to this St. Lawrence project emanates from the private power interests?

Mayor LAGUARDIA. That is my opinion.

Mr. SMITH. I believe you stated that if you restricted this project only to the navigation feature and abandoned the power feature, why, a lot of that opposition would disappear?

Mayor LAGUARDIA. There is no doubt in my mind about that.

Mr. SMITH. Is it your opinion, then, that the railroads are not seriously opposed to it?

Mayor LAGUARDIA. Let me tell you about the railroads. They started thinking about 5 or 6 years ago. If the management of the railroads had paid more attention to the turning of the wheels of the railroads instead of the turn of the stock ticker, they would not be in the mess they are in today.

Mr. SMITH. It is your opinion that a lot of their opposition is not justified?

Mayor LAGUARDIA. Well, we cannot stop progress. The railroad managers cannot even adjust competition among themselves; they cannot adjust their own business, and then they have the nerve to come up before a committee of Congress and try to stop progress because a natural way of transportation is to be developed. The railroad managers are nice fellows, but they should have started thinking 45 or 50 years ago.

Mr. SMITH. Thank you, Mr. Mayor.

The CHAIRMAN. Are there any further questions?

Mr. SCHULTE. I have no questions, Mr. Chairman.

The CHAIRMAN. Mr. PETERSON?

Mr. PETERSON. I have no questions.

The CHAIRMAN. Mr. BENDER?

Mr. BENDER. Mr. Mayor, I understand the Merchants Association of New York City is against this project. Do you think they are controlled by the Power Trust?

Mayor LAGUARDIA. No; but they are influenced.

Mr. BENDER. You think they have some connection with the Power Trust?

Mayor LAGUARDIA. Oh, yes; they are very friendly; we know each other in New York, you know. The merchants association is a great association. It is very helpful to me. We do not always agree, and, of course, when they do not agree they must be wrong.

Mr. BENDER. The mayor is aware of the fact that there are some forty-odd associations in New York which have passed resolutions against this project. You would not say that is entirely due to the Power Trust itself?

Mayor LAGUARDIA. No; as I said in my opening statement, but they did oppose my efforts to build a publicly owned and publicly operated power plant in the city of New York.

I will tell you what they did, Mr. Chairman, and this is interesting. For some time, in New York State, and my New York colleagues will appreciate this, we have been fencing around trying to get public ownership of power plants, and so, finally, we got a law permitting a municipality, on a referendum vote, to build publicly owned power plants. Auburn and other cities had referendum votes, and the power companies went out, and this is the way they met the issue: "Do not vote 'aye' on this referendum; it will be a burden on the taxpayers. You are going to be liable, and the politicians cannot run the business." They can with guaranteed rates. "Vote against it, because it is going to increase your tax rate," and they defeated the referendum in several cities. So I come along, and I submit a referendum not pledging the credit of the city, taking it out of any possible loss, making it self-financing, and self-liquidating, and what did they do? They took me up to the court of appeals, holding that it must be a charge and a pledge on the city of New York. They wanted to avoid competition. We have had it pretty hard in New York State. Let me tell you this, Mr. Chairman, they had a nice tie-up until 1934, when I became mayor of that town. Do you know what I found? I have slapped $180,000,000 in increased assessed valuation on their property, and that is what I retrieved after going through the courts.

In other words, the public utilities of my town were underassessed by $180,000,000, and now they are paying their taxes, not getting out of them. Let me tell you something else about the situation in 1934 when I came in. We have one contract for the lighting of our public buildings, and the United States Government has a contract for the lighting of the Federal buildings. Lo and behold! Their rates were just as excessive in the one case as the other. They sent a contract to the city and told me to take it or leave it. I said, "Leave it; we won't sign it." They said, "We will shut off your lights in the city," and I said, "You do, and we will take you over." In the meantime, the Treasury Department, which has charge of the public buildings, had the same proposition presented to them. So I went down to Washington. I saw the President, and we exchanged troubles, power troubles, and I said, "Now, what do you say if we build a power plant just for public use?" It was a brilliant idea. So, we took a blueprint, and, Mr. Chairman, I can tell you this, now that it is all over, we made a picture of a power plant, and I had Admiral Backenhaus come down to New York to put it up. He had a lot of blueprints under his arm. We said we were going to build a power plant, located so we could light the city streets and Federal buildings. I took off $3,000,000 from my bill that year, and a million dollars a year ever since, on a blueprint. You can imagine what we are going to do with a dam.

Mr. BENDER. It was not necessary for the Great Lakes-St. Lawrence waterway to do that.

Mayor LAGUARDIA. No; but I needed these blueprints, and this [indicating map of the St. Lawrence project] will help a lot.

Mr. BENDER. You know, Mr. Mayor, we have a lot of respect for you, at times you have been a good Republican.

Mayor LAGUARDIA. I sat on that side of the House.

Mr. BENDER. One of my colleagues here said, "You better not tangle with him because he is quick on the trigger," and I said, "Yes, and I respect him for it."

Mayor LAGUARDIA. I am a very timid, gentle soul.

Mr. BENDER. You are all right. I remember back in 1932 the President, himself, said that mounting debt was an undesirable thing; is that not a factor?

Mayor LAGUARDIA. It is.

Mr. BENDER. Do you not believe that? The President was frank enough to concede that the taxes were paid by the sweat of every man's brow.

Mayor LAGUARDIA. That is right.

Mr. BENDER. And these large projects, like the St. Lawrence, of course, cost the country a tremendous amount of money. Do you think that is desirable to go on developing

more of these projects and having the debt continue to mount?

Mayor LaGUARDIA. I do believe, with all my soul, that this will more than pay for itself. You cannot take a gigantic proposition like this and measure it in the term of 1 fiscal year. You cannot measure this in 50 years. This project will be here, gentlemen, for several hundred years. Now, as I said before, the amount is not staggering. I have spent many times this amount in 7 years in my own city.

I have something to show for it, and my projects are self-liquidating, the Tri-Borough Bridge, the Whitestone Bridge, the Henry Hudson project, and the Marine-Brooklyn project are all self-liquidating. We started with one and built it, and it is paying for itself. They are all paying for themselves. The Thirtieth Street tunnel will pay for itself. What is 40 years in a tunnel sunk under the river? We are building now the Battery-Brooklyn tunnel, and it is going to cost $84,000,000. It does not stagger us; it will pay for itself, and the St. Lawrence will pay for itself.

Gentlemen, these are challenges. When God made the world He was working on a 7-day week, and He did not quite complete it. He left something for man to do, and we are going there now on the St. Lawrence to do that work. The water was put there, the fall was put there for a purpose, and the human mind has conceived and developed possibilities to use this weight, this power, to turn a wheel which generates electricity. It is a challenge. We have got to complete this job. Mr. Congressman, that is one contribution to the next generation for all the other mistakes that we are leaving.

Mr. BENDER. Mr. Mayor, using your judgment, you would be in favor of all of these projects, everywhere throughout the country, building all of them?

Mayor LaGUARDIA. Oh, yes.

Mr. BENDER. You believe in public ownership?

Mayor LaGUARDIA. I believe in public ownership of water, light, air, and access.

Mr. BENDER. Do you believe, and I am not being facetious——

Mayor LaGUARDIA (interposing). No.

Mr. BENDER (continuing). That most of these utility interests are crooked?

Mayor LaGUARDIA. I will say this, they have a bad reputation.

Mr. BENDER. Just like some politicians, is not that correct?

Mayor LaGUARDIA. I don't get along with politicians very well.

Mr. BENDER. Some candidates are notoriously forgetful after election; is not that a fact, Mr. Mayor?

Mayor LaGUARDIA. Well, it is almost a rule, unless once in a while some of us provide an exception.

Mr. BENDER. Now, Mr. Mayor, you referred to the period of 1934 to 1940 in which you enumerated several things that you thought would stand out?

Mayor LaGUARDIA. I do think so.

Mr. BENDER. Do you not think the great unemployment in this country will stand out as well as one of the features of that era?

Mayor LaGUARDIA. No; it was the result of the mistakes of the previous era.

Mr. BENDER. You do not think we are making the same mistakes now?

Mayor LaGUARDIA. I hope not.

Mr. GAVAGAN. In other words, for years previous to 1934 a backlog was accumulating, those things were happening then.

Mayor LaGUARDIA. There was a school of thought in this country that saw this thing coming. There was a small group in the House that saw it coming, and they were called obstructionists and alarmists, but any student of economy, or any sudent of conditions, saw what was going on in that period from 1921 and 1922 up to the time that the crash came, and it was inevitable.

Now, that brings up another subject. Right now when we have this artificial stimulus by reason of the defense program creating employment and work, we must start planning to meet the situation when that period is over, and it will be over sometime. It just cannot continue indefinitely, and we must not make the same mistake again. It is going to require, gentlemen, very drastic treatment, but we have all of the experience of the after-war period of the 1920's. We have learned a great deal during the last few years.

So, right now, there ought to be people thinking about this, those who have the time to think it out, and we ought to have all of our blueprints ready and all of our plans ready, so that when the desired moment comes, when this troubled war condition rights itself, all we have to do is pull our plans out of the drawer and put them into operation.

Mr. BENDER. Mr. Mayor, until the Government started its defense program, why was there no expansion in the heavy industries? That is, the heavy industries were practically at a standstill.

Mayor LaGUARDIA. I would not say that. If you will take the amount of public works started from 1934 on, both through P. W. A. and W. P. A., I am sure you will agree that if it had not been for the Government's foresight and vision in keeping these industries alive, we would have had another condition in this country too terrible to contemplate.

Mr. BENDER. The National Manufacturers Association made a survey of the heavy industries only about 3 years ago, and at that time they gave several reasons for the heavy industries being at a standstill. They made a survey among their own people. The reply was that high taxation consumed the greater part of their income. How much of our national income would you say is consumed by taxes now?

Mayor LaGUARDIA. All that is necessary. You have got to tax. That is your only source of revenue; you cannot run a government unless you do tax. What they meant to say was that they were unable to adjust themselves to a new economic level.

It was not until comparatively recently, and that was after the enactment of the constitutional amendment, that we ever had an income tax in this country, and in the beginning it was very, very mild. I think you will remember, Mr. Chairman, that when we passed the act of 1917 we thought it was shocking then, and yet, in comparison with what is coming, that tax law was mild. Well, now, they simply have to adjust themselves to a new economic level.

Do you know that during the development of this country, following the Civil War and just prior to the Civil War, 15 and 20 percent interest was considered nothing? All of that is changed. Now you have to meet new conditions. The exploitation of labor is no longer recognized as being a smart thing in industry. We now believe in and see the necessity of paying decent wages. It is an economic adjustment which will have to be made in the entire world. Other countries have gone through it, and we are going through it now.

Mr. BENDER. Mr. Mayor, you spoke of the growth of New York City. What would you say contributed most to the city's growth?

Mayor LaGUARDIA. Do you want me to tell you?

Mr. BENDER. Yes.

Mayor LaGUARDIA. Immigration and the exploitation of those immigrants; my parents were among them. That is what made it.

Mr. BENDER. You do not believe that providing them with employment was a factor——

Mayor LaGUARDIA. Of course I do.

Mr. BENDER. And individual initiative? My father was with one concern for 52 years. He was just an average man, but we had opportunities, you and I, in this country for advancement through hard work. We had an opportunity to make something of ourselves in a small way.

Mayor LaGUARDIA. That is right, but I think that opportunity still exists in our country.

Mr. BENDER. You think it exists to as great an extent as it did a few years back?

Mayor LaGUARDIA. I certainly do; because we have a great many more opportunities for free education and better and more avenues; but if you just judge it on enormous incomes of a few individuals at the expense of a great mass exploited, then I say that that particular individual opportunity properly does not exist any longer.

Mr. BENDER. Your State and mine, and I come from Ohio, are fine examples of States that legislated and acted against that exploitation many, many years ago, over a long period of time.

Mayor LaGUARDIA. Yes.

Mr. BENDER. Mr. Mayor, that brings me to another question. I come from the city of Cleveland, and a great part of our income goes toward the payment of interest on our debt. We have been borrowing and borrowing, as many American cities have, and I no not believe New York is an exception. How long do you think we can keep that up without one of these days having a day of reckoning?

Mayor LaGUARDIA. Oh, it all depends on what you borrow for. If you are going to borrow for current expenses, you cannot keep it up very long. If you are borrowing prudently for public improvements, then, of course, you can keep it up indefinitely. I am speaking now of where you have limited borrowing capacity fixed by constitutional or other limitations. Now, in my city, surely, we have a large bonded indebtedness. The interest and amortization alone require $160,000,000, but we have something back of it. We have a railroad system that cost and is worth about $1,600,000,000. If you subtract that from the bonded indebtedness of New York City, then you will see that our bonded indebtedness is very small, but when you come to a sovereign State where you have unlimited borrowing capacity, that is, without limitations of constitutional provision, then your borrowing must be measured in terms of what you have back of it. In the case of the United States Government, you have back of it the entire commonwealth of the country, and when you come to a project like this, then you have dollar per dollar back of it, and you have not impoverished, you have enriched the Nation.

So, that is not our trouble. Our trouble with the cities and with the States, in many instances, is that they borrow for current expenses. I do not do that, and some of my older colleagues appreciate how distasteful it was for me to impose taxes on my city in order to meet current expenses, but I have done it, and I live within my means.

Mr. BENDER. Members of my own church got so that they could not worship in a small church. They borrowed money to build a beautiful, monumental building. We still owe several hundred thousand dollars. Before 1929 there was great expansion. Our cities built great auditoriums and stadiums with borrowed money. We got the "bigger and better than ever" fever. Some of us still have the fever. This project is an evidence of that. We borrow to build. Do you not think that it is about time to call a halt to that sort of thing, in the light of the fact that 39 percent of our Government expenditures are paid by borrowed money?

Mayor LaGUARDIA. Well, I would not build questionable projects. I would only construct good projects, and then you are perfectly safe.

Mr. GAVAGAN. You think a beautiful memorial church, built to the worship of God, is worth any price, do you not?

Mayor LAGUARDIA. Well, I do not think anyone loaning the money ought to take interest on it.

Mr. RANKIN. I thought we had the separation of church and state in this country, and I would like to get back to this project, Mr. Chairman.

Mr. BENDER. As an active churchman, I believe the best investment we in America can make is to build churches. I am just using that as an illustration. Some of our governmental agencies are going broke as a result of our paying 39 percent of our expenses with borrowed money.

Mayor LAGUARDIA. It all depends on how prudently it is spent.

Mr. BENDER. Why would you say that our banks today are filled with idle money?

Mayor LAGUARDIA. Well, there are many reasons for that. You know, we used to think that our big financiers and bankers were wizards. They were, as long as the going was good, and the first time they were caught they were helpless. We must be fair; a great many restrictions have been put on them; but many of our banks have become pawn shops. They have to have more collateral than you borrow to make a loan, and under such conditions, of course, it follows that they have a great deal of liquid money.

Mr. BENDER. It is not the bank; it is the people who are putting their money there, who refuse to invest in enterprises that refuse to make the wheels go around.

Mayor LAGUARDIA. It is not the people who refuse. Since when do the banks consult the depositors on their investments?

Mr. BENDER. But the depositors keep their money in the banks rather than putting their money out to work.

Mayor LAGUARDIA. Well, now, awhile ago it is true that the people used to put their money out to work, but you cannot blame them in view of the terrible licking they took after the crash. Today they are protected to a certain extent, now that the flotation of bond issues and the promotion of stock is under control and supervision, so that avenue has been closed, but hundreds of billions of dollars have been lost through this believing public who did put their money to work. If they do make an investment now, they know that the facts on which they were induced to invest are reasonably true.

Mr. RANKIN. Mr. Chairman, I would like to make a point of order, that these are questions that ought to be propounded before the Committee on Banking and Currency, and are so far afield from the question under investigation by this committee that I think it ought to be stopped. We have already gone through the gentleman's church, and now we are going through his bank. It has absolutely nothing to do with this project.

Mr. BENDER. It is pertinent, because we are spending the taxpayers' money here to the extent of anywhere from three hundred million to a billion dollars.

Mr. RANKIN. I make the point of order that if he wants to ask any questions that are pertinent to this issue of power or transportation, all right, but if he is going to ramble around through his bank or through his church, I am going to make a point of order that it is not pertinent to the matter under investigation.

Mr. BENDER. The gentleman is not being funny.

Mr. RANKIN. And the gentleman is not being either profound or funny.

Mr. BENDER. With all of his facetiousness he does not impress me at all. I will say this to you that certainly it is apropos to the issue, this Government spending.

Do you not believe, Mr. Mayor, that we have reached the peak of Government spending and the point where we have to stop, look, and listen before we take on any more projects and burden the American taxpayer generally to a greater extent than he is already burdened?

Mayor LAGUARDIA. Not if the project is useful and desirable and self-liquidating.

Mr. GREEN. May I ask a question, Mr. Chairman?

The CHAIRMAN. Mr. Green.

Mr. GREEN. Mr. Mayor, I was interested in your statements about the general development of our country and the proper development of projects being for the benefit of all of the country, and I was particularly impressed by the statements of the gentleman concerning worth-while projects which are self-liquidating. I believe with you that the moneys we invest in them give us a double value. Now, we have a project in Florida that I believe the gentleman is pretty well familiar with.

The CHAIRMAN. What is it, Mr. Green?

Mr. GREEN. I am surprised that the Chairman does not know, having been exposed to it for so many years, but this project has been approved by the Board of Engineers, and the Chief of Engineers appeared before our committee, together with the Chief of Staff, and said it was of tremendous national-defense value, and transportation-wise men said it would have a million dollars a year in transportation, and it was said it was a self-liquidating coal project, or peat, which would liquidate in 40 years the investments. Those who know about transportation say it will carry twice the tonnage of the Panama Canal, and that has never been questioned, a project where we will have an investment of about $150,000,000 or $160,000,000.

Mayor LAGUARDIA. A sea-level canal?

Mr. GREEN. Yes; and this committee has now three times approved it, and it is now ready to go should Congress approve it. Now, I wonder if the gentleman believes that the general philosophy that he has mentioned here about developments would apply to that canal the same as to the St. Lawrence?

Mayor LAGUARDIA. I take it you refer to the Florida ship canal?

Mr. GREEN. I refer to the Florida ship canal; yes.

Mayor LAGUARDIA. I have heard a great deal about that from General Somervell. He was down there digging it, and then somehow he got through. I had him up in New York, and he was building things for us up there. Of course, the gentleman knows that everything he ever offered on the floor of the House I always supported more or less.

Mr. GREEN. Now, there is one further question which is not proper here, perhaps, but I hope the committee will bear with me, and I ask this question because the committee is all interested in it.

I think Mayor LaGuardia is the best informed in foreign affairs and in American affairs of any man in this country. Now, there may be men in America that know as much about America as he does, and there may be men in Europe who know as much about Europe as he does, but combined together he is the A man.

I wonder if you would venture any view or guess as to how long this conflict may last? I mention that in connection with our national defense program. Can you give us any estimate as to how long this conflict may last?

Mayor LAGUARDIA. I will say to my colleague that I did venture into the field of foreign affairs some 5 years ago, whereupon the Department of State was called upon by a representative of a foreign government to apologize for the statement of the mayor of the city of New York. So, since that time Cordell Hull and I have made an agreement, Cordell Hull to attend to foreign affairs, and I to clean the streets of New York. But the war cannot get over too quick to suit me.

Mr. HALL. I notice in Governor Lehman's testimony that he said the Department of Commerce reported that New York City might lose 1,800,000 tons of shipping a year, foreign shipping, if this project is completed.

Assuming that to be true what, in round figures, would that mean in loss of money to the city of New York each year?

Mayor LAGUARDIA. What is the total tonnage?

Mr. HALL. It is about 8 percent of the foreign-borne traffic of New York City. That is the Department of Commerce report.

Mayor LAGUARDIA. I do not agree with that figure, if you mean a net loss in tonnage. There has been a falling off of ocean traffic, I would say, ever since the World War, and the reason for that is there is less importing and exporting of specialized goods. The exporting and importing now is generally limited to native products. In the old days we exported harvesters, sewing machines, cash registers, and a great many manufactured goods like that.

Now, as you are aware, a license is given to a foreign country and they manufacture there. You gentlemen who have traveled in Europe will recall seeing all over Europe Singer sewing machine, Remington typewriter, McCormick harvester, and Ford tractor factories, so that we have declined in ocean business for some time. I do not see what figures they have to estimate any net loss on at this time. It is highly speculative.

Mr. HALL. I assume their figures to be correct.

Mayor LAGUARDIA. I suppose the loss would be corresponding in percentage.

Mr. HALL. How much would it be in dollars if you could tell us?

Mayor LAGUARDIA. I could not tell you that.

Mr. HALL. Mr. Mayor, you spoke about railroad rates a moment ago. You said you would like some assistance in relation to railroad rates.

Mayor LAGUARDIA. I could use some.

Mr. HALL. I served with Mr. GAVAGAN in the New York State Legislature, and I think we have the best labor laws in the country, and I think we have some of the highest taxes in the country.

Mayor LAGUARDIA. I do not think so. You take the weighted percentage, and we just blow that theory right up.

Mr. HALL. What do you think is causing a number of our industries to leave New York City?

Mayor LAGUARDIA. It is not so. I can give you figures on that. That is a lot of real-estate propaganda in some of the neighboring States. It is just not so as to our city.

Mr. HALL. Is it not a fact that our Attorney General appeared before the Interstate Commerce Commission on the Railroad Rate case and brought out just that thing?

Mayor LAGUARDIA. I think what the Attorney General pointed out was the decided advantage that we have on those freight rates. By the way, we just won the Lighterage case, as you know. We are getting a pretty rough deal. Our friends to the south are getting the benefit of that. There is no question about that. I have been up against this talk about manufacturers leaving town so long that every time a manufacturer quarrels with his wife he comes down to the city hall and says, "I am going to leave New York, I am going away." But it is not so.

Mr. HALL. Just to give us an idea of the size of the job you have up there, what is the bonded indebtedness of New York City?

Mayor LAGUARDIA. A little over $2,000,000,000.

Mr. HALL. A little over $2,000,000,000?

Mayor LAGUARDIA. Yes; but we have something to show for it; that is, a water system,

a subway, and other substantial public investments.

The CHAIRMAN. Mr. RANKIN.

Mr. RANKIN. Mayor LaGuardia, just before you and I came to Congress——

Mayor LAGUARDIA (interposing). They did not get along so well then, did they?

Mr. RANKIN. They did not.

Cleveland, Ohio, the city from which the gentleman from Ohio comes, also made an investment, and at that time it had one of the most distinguished men in this Nation as its mayor, Tom Johnson, whom you and I always revered. They put in a municipal light and power system, and I have the record of it before me now. They had invested $12,688,641, and it has been paid down, unlike the churches to which the gentlemen referred, and the banks to which he referred, it has been paid down to $2,745,352. They have the lowest rates of any city east of the Rocky Mountains outside of the Tennessee Valley area, and that is the same system, as I understand it, that you have been advocating in the city of New York; is that correct?

Mayor LAGUARDIA. That is right.

Mr. RANKIN. Now, I have pointed out time and time again that if all of the people of Ohio received their electricity at the same rates provided by this municipal plant in Cleveland they would save around $40,000,000 a year, just the people in Ohio. So, the gentleman from Cleveland has had the wrong crowd making his investments. He ought to have Tom Johnson back there making his investments for him, and Newton Baker to handle the financial end of it.

Mr. BENDER. And there have been Republicans operating that all the time.

Mr. RANKIN. There have been Republicans running those churches and banks.

The CHAIRMAN. Have they run the churches, Mr. RANKIN?

Mayor LAGUARDIA. It is true that either a Republican or a Democratic administration can run a power plant economically for the benefit of the people, just as it is true that it makes no difference where your power gang is, whether you have a Republican or a Democratic administration, they get away with it.

Mr. RANKIN. I will tell you what they will do; they will go out and pick out a Democrat and nominate him for President, the Power Trust will. I have seen them do it in the last year. I say that advisedly.

Mayor LaGuardia, I think you and I understand each other on the power question, because I expressed my views awhile ago, and I have heard you express them time and time again when you were in the House. They talk about going down into the Federal Treasury and getting money to develop this power. As a matter of fact, this power sold at the rate mentioned by the Army engineers would pay this entire investment back to the Government, would it not, over a period of 50 years?

Mayor LAGUARDIA. Fifty years.

Mr. RANKIN. And that would leave them one of the greatest developments of ancient or modern times.

Mayor LAGUARDIA. That is right.

Mr. RANKIN. Now, I have just looked at the figures of the Army engineers, General Robins, who is sitting behind you, and it shows that this power can be delivered to the city of New York at 3.132 mills per kilowatt-hour, or, we will say, 3.14 mills per kilowatt-hour. That is wholesale.

Now, that is much cheaper than any of this power in the Tennessee as turned over to the municipalities in that area.

The city of New York is just as capable of distributing this power if turned over to them as Cleveland, Ohio, or Tupelo, Miss., is it not?

Mayor LAGUARDIA. Absolutely.

Mr. RANKIN. So, if this power were turned over, if it were delivered to the city of New York, if you had a municipal system, as you will have without doubt ultimately, and this power were laid down there at that price, you could distribute at the Ontario rates or the T. V. A. rates, or the Bonneville, or Tacoma rates, without loss on your investment, could you not?

Mayor LAGUARDIA. It is my feeling we could.

Mr. RANKIN. I have just gone over the rates with you here, and it shows that the householder in the city of New York, or throughout the State of New York, only uses about 65 kilowatt-hours of electricity a month. I do not know what it is throughout the T. V. A. area, but in my town it is 178 kilowatt-hours a month. That is residential.

Mayor LAGUARDIA. They use it for cooking, too?

Mr. RANKIN. We use it for cooking and washing, refrigerating, and also heating our houses.

Mayor LAGUARDIA. You will find that the difference in our city is we use mostly gas for cooking, and there is no reason for that.

Mr. RANKIN. Another reason is that your rates are so high.

Mayor LAGUARDIA. That is right.

Mr. RANKIN. That you cannot use it for heating purposes at all, and many families cannot use it for refrigerating.

Mayor LAGUARDIA. And do not forget that the same interests own the gas companies.

Mr. RANKIN. Certainly; and that exactly the same persons are down here and they have the same agents down here to fight this project just as they had them down here to fight the T. V. A. While we were having those hearings we had one excited gentleman come before this committee who said that he represented the railroad brotherhoods, and went back and wrote me a letter against flood control on the Tombigbee River, as if it would hurt the railroads. I am going to read it again. I understand that he is going to testify in opposition to this, and I am going to read it then.

Now, I have some figures here that I want to call your attention to. I have the rates for the city of New York. I believe you would call it the Queens, would you not?

Mayor LAGUARDIA. Queens is a part of New York City.

Mr. RANKIN. In Queens; and I also have the rates here for the T. V. A. area—the T. V. A. rates.

Mr. BENDER. Mr. Chairman, you will notice that I am not objecting to any of this.

Mr. RANKIN. You ought not to, because this is on the subject.

Mr. BENDER. What subject?

Mr. RANKIN. I want to call this to your attention, if I may.

For instance, in the city of New York 40 kilowatt-hours of electricity per months costs $2.24; in Tupelo it costs $1.

In New York 250 kilowatt-hours a month costs $8.67; in Tupelo it costs $4.25; and 500 kilowatt-hours in New York City costs $13.47, and in Tupelo $6.18.

Now, those are the residential consumers.

We turn over now to the commercial consumers—the forgotten men in this electric game are the men who pay commercial rates, and I find that 1,500 kilowatt-hours a month in New York City costs $88.17.

Probably I had better go back and say 150 kilowatt-hours a month in New York City costs $8.28, in Tupelo it costs $1.75; 375 kilowatt-hours a month costs $19.57 in New York—that is for the merchant, the hotel operator, the restaurant operator, the filling stations, garage operators, people who pay commercial rates. If they use 375 kilowatt-hours a month it costs them $19.57, in Tupelo it costs $8.28; 750 kilowatt-hours in New York City costs $44.54, in Tupelo it costs $13.2; 1,500 kilowatt-hours a month in New York City, or in Queens, costs $88.17; in Tupelo it costs $21.90.

That is the reason they do not like to hear me talk about electricity on this committee.

Now let us turn over and see what it costs a man who pays in the higher brackets.

A commercial consumer in Queens, who uses 6,000 kilowatt-hours a month pays $179.54 a month; in Tupelo, where you have the T. V. A. rates, instead of paying $179.54 he would pay $78.

Now, that gives you an idea of the difference in what it means to have the St. Lawrence inland waterway developed and this power made available to the people of New York, and what it means to let it run waste to the sea throughout the next few generations.

Mayor LAGUARDIA. That is right.

Mr. RANKIN. I find that in Jacksonville, Fla.—I want to call your attention to this—Jacksonville, Fla., has one of the great municipal systems of this country. It only makes one mistake. It tries to make money out of it.

Mayor LAGUARDIA. Most of the city's income comes from their electric plant.

Mr. RANKIN. They use it to pay taxes on vacant lots and on the other fellow's property.

In other words, they pick the pockets of the consumers, you understand, to pay the taxes on the other fellow's property, and that is exactly what we protested against and that is what we have prevented in the Tennessee Valley area.

Jacksonville has a plant valued at $15,224,000. The debt on that plant is $3,873,000.

It has rates which compare with or are lower than the rates in the Queens.

Last year the city of Jacksonville produced and sold electricity to the amount of $4,134,838. Its operating expenses were $1,519,041. It made a gross, had a gross earning of $2,216,797; gross earning only.

Then for depreciation it allowed $42,157. That left a net earning out of $4,134,838—left a net earning of $2,573,000.

Jacksonville hauls its fuel from Louisiana or California or Texas, because there is no fuel produced in Florida, and yet their municipal plant pays more than 50 percent; and has the lowest rates or among the lowest rates in Florida, and makes a profit of 50 percent or more.

It paid taxes to the amount, or it gave free service to the amount of $100,000.

It paid taxes of $57,000 and still turned into the city treasury $1,780,000.

Now, that gives an idea as to what can be done even on the rates you are paying in New York; but you cannot do it and keep up all of these holding companies, and finance all of this propaganda and finance all of these fake lawsuits and hire all of these lawyers, and all of these agents that have been over the country to carry on the propaganda that they have carried on here in opposition to public power or to cheap rates ever since you and I have been working on this.

Mayor LAGUARDIA. You are telling me.

Mr. GREEN. Mr. Rankin, in that connection, will you yield?

Mr. RANKIN. I will yield; yes.

Mr. GREEN. Down in Miamia, Fla., where a private concern owns a plant they pay the highest rates in the United States.

Mr. RANKIN. Yes.

Mr. GREEN. And furthermore, in that connection, the power properties that they bought a few years ago were valued at about $21,000,000 or $22,000,000. They supplemented that investment by repairs and enlargements to the extent of some $3,000,000 and turned around and issued $48,000,000 worth of bonds and sold them and left no investment at all, and now they are making 100 cents on the dollar.

Mr. RANKIN. The day the Commonwealth & Southern was organized—and I am quoting now from the report of the Federal Trade Commission—they took four small holding companies and threw them together. They

threw their securities together on their books and that day they amounted to $341,000,000. They organized the Commonwealth & Southern, which is neither commonwealth nor southern, and put those same securities, same securities on their books the same day at $872,000,000.

Now, that is the record of the Federal Trade Commission.

Yet every time we have attempted to do anything about this, which I consider the greatest racket of modern times, every time we have attempted to turn in the sunlight to show what electricity ought to cost the people, every time we have attempted to develop a natural resource from the Tennessee River to the Columbia, or the St. Lawrence, we have this barrage of propaganda against it and all of the misleading statements that they can accumulate.

Mayor LAGUARDIA. You must admit, though, that the opposition is becoming weaker all of the time and less effective.

Mr. RANKIN. Yes; because we are getting the facts to the American people and they understand them.

Mayor LAGUARDIA. You remember—the older members will remember—what we went through on Muscle Shoals. Most of you gentlemen were not here. It is almost unbelievable. This is easy sailing now. I think the opposition is pretty well shot now.

Mr. RANKIN. Mr. LaGuardia, you remember that they told us when we were fighting for Muscle Shoals, you remember when we passed a bill here in 1927 and tried to get President Coolidge to sign it, and he vetoed it——

Mayor LAGUARDIA. They were about to give it away. You remember that.

Mr. RANKIN. Yes; they were.

Mayor LAGUARDIA. Sure enough, a 99-year lease.

Mr. RANKIN. So at that time they said we had a surplus of power, did they not?

Mayor LAGUARDIA. Yes.

Mr. RANKIN. We were using 68,000,000,000 or 62,000,000,000 kilowatt-hours, and now we are using 118,000,000,000 kilowatt-hours, and if we had the T. V. A. rates all over the United States, we would be using 300,000,000,000, probably, and still there would not be a surplus, would there?

Mayor LAGUARDIA. People would live better, happier, and easier.

Mr. RANKIN. Now, Mayor LaGuardia, let me say this to you, because you know the answer to this proposition. We hear a great deal about slum clearance in New York and other big cities.

Nothing in the world would contribute more to that end than to deliver to those people an abundant supply of cheap electricity.

Mayor LAGUARDIA. It would be very helpful.

Mr. RANKIN. It would enable them to use the electric appliances that are necessary to make their homes pleasant and attractive and to lift the burdens from the shoulders of the housewife.

Mayor LAGUARDIA. Of course, you know in our city we have to have electric light. There is no other way. And we provide for electric light in our relief. We have to provide light in our relief allowances, and it is quite an item.

Mr. RANKIN. You do not have any coal in New York State at all?

Mayor LAGUARDIA. We have a little coal, have we not? It does not amount to much. All of our coal comes from Pennsylvania and West Virginia.

Mr. RANKIN. You have no oil in New York, do you?

Mayor LAGUARDIA. No.

Mr. RANKIN. No natural gas?

Mayor LAGUARDIA. No.

Mr. RANKIN. They have none in New England.

Mayor LAGUARDIA. No.

Mr. RANKIN. In New England they have no oil, or no coal.

Mayor LAGUARDIA. No.

Mr. HALL. We do up in our part of the State. There is some natural gas up in our State.

Mr. BEITER. We have natural gas and oil in Allegany County.

Mr. RANKIN. But you do not have enough to generate any electricity or to supply any of the cities.

Mayor LAGUARDIA. No; water power is our hope.

Mr. RANKIN. This water power is your hope to get cheap electricity to the people in that area?

Mayor LAGUARDIA. That is right.

Mr. RANKIN. Now, then, going to the amount generated. You do not know how much electricity the people in New York use a year?

Mayor LAGUARDIA. I did know, but I have forgotten.

Mr. RANKIN. Well, 15,000,000,000 kilowatt-hours or 15,600,000,000 kilowatt-hours.

It is true that this project will only generate about 6,000,000,000, and some of them are going to contend that that will not be sufficient to supply them all.

Mayor LAGUARDIA. All right.

Mr. RANKIN. But if it is used as a yardstick——

Mayor LAGUARDIA (interposing). Take your Cleveland illustration. There you have a privately owned and operated plant and the municipal plant.

Mr. RANKIN. That is right.

Mayor LAGUARDIA. But your rates came down.

Mr. RANKIN. The rates are the same.

Mayor LAGUARDIA. Yes.

Mr. RANKIN. Or practically the same. I have them right here before me.

Mayor LAGUARDIA. That is right.

Mr. RANKIN. In other words, if you build a line into New York City, and into every other city, and make electricity available, and then they know that you can get this power at this rate, it will force the power companies to come down to that level, will it not?

Mayor LAGUARDIA. Absolutely.

Mr. RANKIN. I will give you a concrete illustration. Tarrant City, Ala., and Bessemer, Ala., or what you might call suburbs of Birmingham—municipalities on each side of Birmingham.

Mayor LAGUARDIA. Yes.

Mr. RANKIN. We were enabled to get the T. V. A. power to those two cities. Frankly, I helped to do it. Members of the Alabama delegation came to see me, and I went to bat for them, and we got the T. V. A. power into those two cities. It immediately broke the rates in Birmingham a million dollars a year, and they are using power generated by coal out there at the Gorgas plant they took away from us when you and I were in Congress. You remember that?

Mayor LAGUARDIA. Yes.

Mr. RANKIN. Which was built for a standby for the T. V. A.

Mayor LAGUARDIA. Yes.

Mr. RANKIN. So, if this power is developed, it will not only pay for itself in 40 years or 50 years, but it can be used as a yardstick to force those rates down all over the State of New York?

Mayor LAGUARDIA. Yes.

Mr. RANKIN. And all over the surrounding States.

Mayor LAGUARDIA. All over that whole section.

Mr. RANKIN. That whole section.

Mayor LAGUARDIA. Quite right, into New England, as you say.

Mr. RANKIN. Do you know what the overcharge in the State of New York last year was, for the whole State?

Mayor LAGUARDIA. It was pretty big.

Mr. RANKIN. According to Ontario rates—Ontario, of course, is right across the river, and that is a public system. According to the Ontario rates the people in New York State last year paid in overcharges a sum amounting to $201,000,000.

Now, I know that the opposition is going to come back, just as they came back at you, about taxes. They are going to say that the Ontario system pays no taxes, which is true; but in 1936, according to the report of the Federal Power Commission, all of the taxes, cash contributions, and free services paid are presented by all of the power companies, all electric utilities, both public and private, in the State of New York—and that includes income taxes to both the State and the Federal Governments, amounted to only $48,000,000.

The Federal Power Commission tells me that that situation has not changed.

Taking that $48,000,000 from that $201,000,000, it shows a net overcharge for which you get absolutely nothing in return in the State of New York alone amounting to $153,000,000.

Mayor LAGUARDIA. Well, you take your Jacksonville illustration. They charge themselves taxes there.

Mr. RANKIN. Oh, yes; they pay taxes.

Mayor LAGUARDIA. And it is a steam plant.

Mr. RANKIN. That is right.

Mayor LAGUARDIA. And still their rates are lower.

Mr. RANKIN. That is right.

I took the trouble to work out the figures for that whole area and I included the Niagara development, because there is a proposition incorporated in the bill which I have introduced for an authority in that area to cover both Niagara and the St. Lawrence Rivers.

A line 300 miles long from those two projects would cover practically all of New York, nearly all of Pennsylvania, nearly all of New England, and a large portion of Michigan and Ohio.

I took the trouble to go into the overcharges and figured them out and also took the taxes paid for 1 year, and the overcharges paid in those, I believe, 10 Northeastern States, after deducting all of the taxes, cash contributions, and free services paid or rendered by both private and public utilities last year, still left a net overcharge for those 10 States of $401,000,000. That is enough to pay for this entire development and have considerable margin left.

Mr. OSMERS. Mr. Chairman.

The CHAIRMAN. Mr. Osmers.

Mr. OSMERS. I would like to ask you about the set-up in the New York State Power Authority. That is a body that is in being today; is it not?

Mayor LAGUARDIA. It is a State body.

Mr. OSMERS. But it is not at the present time distributing any power?

Mayor LAGUARDIA. No.

Mr. OSMERS. Now, under the legislation which created the New York State Power Authority, would it be possible for that body to sell power to surrounding States or is it to distribute power solely to the residents of the State of New York?

Mayor LAGUARDIA. Why, I do not know. I do not have the act here and do not know whether they are so limited.

Mr. OSMERS. I would guess that they were; but I do not know.

Mayor LAGUARDIA. I do not know.

Mr. OSMERS. I come from the State of New Jersey, and I was wondering whether this cheap power—and I admired your patience while Congressman RANKIN was testifying——

Mr. RANKIN. And I admired yours.

Mr. OSMERS. This cheap power, after all, if New York expects to pay for it in time out of revenue that it receives from it, it is after all a Federal matter, and I think the States,

all of the New England States and parts of New Jersey and Pennsylvania that come within a decent transmission radius should receive the benefits of that cheap power if cheap power is going to be made available under this bill.

Mayor LAGUARDIA. I had the same fears, when I first examined the bill, but the more I read it the more I am strengthened in this conviction: I think that there will be complete protection there because after all the New York State Power Authority will have to enter into a contract with the Federal Government.

Mr. OSMERS. That is correct, under this bill.

Mayor LAGUARDIA. And that contract must come here and be approved.

Mr. OSMERS. I believe it is to be approved by the President, is it not?

Mr. GAVAGAN. May I call your attention, Mr. Mayor, to page 3?

Mayor LAGUARDIA. It comes to Congress. Yes; when ratified by Congress and the State of New York.

Now, I have certain misgivings about that, but I think that Congress does not lose control or give away permanently or in perpetuity any rights, because that contract must come back.

Mr. RANKIN. Will the gentleman from New Jersey yield?

Mr. OSMERS. Yes; I will yield.

Mr. RANKIN. Let me say this to him at this point, that I have stated before that whatever authority handles this power must distribute it within the distribution of everybody within the distribution radius. That is, they must not confine it to one State, and it must be controlled by the Federal Government so that they can hold the rates down.

Mr. OSMERS. Of course, we are arguing a little, Mr. Mayor, before the fact. That is, until this agreement is drawn and ratified by Congress and the New York State Legislature we do not know just how the power is going to be distributed.

I just want to raise the serious question, however, toward turning over power that should be distributed to a wide area to an authority of a single State in that area as a question of broad policy.

Mayor LAGUARDIA. I agree with you, that is your first natural reaction. If the signing of a lease providing for the payment of $93,000,000 in X number of years ended it there, then, although I am from the State of New York, I would say that is hardly fair; but this bill provides that the State authority must first enter into an agreement with the United States and it must first meet with the approval of New York State, and then it comes here.

Now, failing to get the approval of Congress, it reverts right back to Federal control.

Mr. HALL. I think there is another thing, and that is that New York State has always contended that it owns this power. That is the nub of the situation.

Mayor LAGUARDIA. Yes; then, of course, we get into the realm of navigable rivers, and we are here.

Mr. OSMERS. I would like to bring this point out, because I think before the committee finally acts on the bill it is going to have to go into it very carefully. The Governor of New York contended, when he was a witness here as you are, that New York State has almost historically contended that they own the power in the streams of New York State, if I recall his testimony correctly.

Mr. ANGELL. Will the gentleman yield?

Mr. OSMERS. Yes.

Mr. ANGELL. On page 122 of our hearings on this bill, Governor Lehman stated:

"Well, of course we have always maintained, and I believe very soundly, that the power on the St. Lawrence River, which touches the State of New York, belongs to the State of New York."

Mr. RANKIN. Will the gentleman yield right there?

Mr. OSMERS. Yes, I will, Mr. Rankin.

Mr. RANKIN. The same contention was made by the Governor of Alabama, Gov. Bibb Graves, I believe it was, with reference to power at Muscle Shoals.

Mayor LAGUARDIA. And the State of Arizona. They went up to the Supreme Court on that.

Mr. RANKIN. They took the case to the Supreme Court.

Mr. OSMERS. And, it is for this very reason that I bring the case up now, that we do not want to turn back the clock.

Mayor LAGUARDIA. I do not think you will.

Mr. OSMERS. And establish a set-up here where one State will be in the position to dictate the disposition of power that has been created by the investment of the Federal Government.

Now, the city of Boston is nearer to this power project than the city of New York.

Mr. PITTENGER. They do not want the power project.

Mayor LAGUARDIA. That is all right with us.

Mr. OSMERS. I know, but the taxpayers and the people of Boston are going to have to pay their share of the cost of this investment as well as the people of the city of New York.

Now, there is another phase. I am new on the St. Lawrence project. This is the first time it has been before me. I was not a Member of Congress when it was up before. But, it has been brought in in the rather unusual proceeding that is now before us, that is, in the form of legislation rather than in as a treaty and in a somewhat urgent manner because it is considered to be a national defense project.

I am sure that the gentleman from Florida [Mr. GREEN] had that in mind when he asked the question about how long you thought that the present emergency was going to last, and you did not have your crystal ball with you and you could not answer it. But that, of course, is dominating the thinking of a great many of the people and many of the members of the committee and I am sure other Members of Congress, and if it could be established that this was urgent or vital to our national defense—and in your opening statement, and in fact almost throughout the answers to your questions, you never touched upon the phase of national defense. I think there might be some change of heart on the part of a great many if that were answered.

It is my opinion that it would be contrary to the best interests of national defense, because of the labor and the materials that it would divert at this particular time.

Now, I would like to get some of your views on that subject.

Mayor LAGUARDIA. Now, may I answer the first part of your question first?

Mr. OSMERS. In your own way.

Mayor LAGUARDIA. And, may I say in all kindliness, as an older Member to a younger Member, you will find the best argument presented on the State-ownership question that was ever made in Congress, you will find in the debates on Boulder Dam, if you will read the various statements made by Lew Douglas, who was then a Representative from the State of Arizona. He did a masterful job. And, of course, it was preparatory to the action which the State of Arizona later brought. So, that question has been answered, and the discussion would be only academic.

Mr. OSMERS. Interposing a word there, I am not questioning who owns the power. I am absolutely certain that the Federal Government owns the power, but when we sign an agreement to give away the distribution of that power, then we, of course, are giving away our interests in it.

Mayor LAGUARDIA. But, you have control as to whether you will sign.

Mr. OSMERS. That is true. If we do not sign, we have ownership.

Mayor LAGUARDIA. What I am concerned about is to have the power available, because of the reflected benefits, even though it is diffused and distributed up in the northern section rather than coming down to us, we will get the benefit of that. So, that is one part of your question.

Now, the other, on national defense: I am rather sensitive on that point. Being an executive myself, I have issued orders to all of my commissioners to come down with their demands on their merits, and not come in and say, "This is national defense," because you get that habit in these days. We had a W. P. A. project, where they had a group of professors and scientists who were out of work, so we created a project to study life in the waters. It was a very interesting study and purely scientific. Well, of course, when the number of W. P. A. workers was curtailed, we had to discontinue one of these projects, and that was one I discontinued. Immediately, I received a protest to the effect that it was damaging to discontinue this project because it was so useful as national defense. Just what sea life had to do with national defense, I do not know.

Of course, you have this great national defense here, because you realize, gentlemen, that you can create a way inland, strategically and so well located, back of a range of mountains, a naval base that could be used, and that in and of itself has a distinct advantage.

Now, we are located here [indicating on the map] smack on the coast. Boston is up here right on the coast. There is a navy yard here [indicating] and a navy yard here [indicating], and then when you come down to Charleston you have a navy yard.

Now here [indicating] you have this inland sea. You have this great lake here and you have this means out. If you have navigation inland, you have a distinct advantage, of course, in the building of ships inland which is so unusual and novel as to answer the question itself as to its usefulness in national defense; but I insist on this, gentlemen, that the merits of this project transcend the present world troubles and that your project will be there long after this terrible conflict and this terrible world condition will be a matter of the memory of this generation; it will be a matter of history.

Now, then, there is one thing that must never be forgotten in any progressive country in times of crises. War in and of itself is bad enough. It never does any country any good. And, therefore, we should not retard or interrupt national growth and progress because of the emergency. If perchance we become involved, there will be enough that will have to be laid aside and interrupted, that will take many, many years to recover.

Now, where you have a project that unifies in itself first military value and then a great social, economic benefit, I believe you are justified then in going ahead with it in your normal course.

Mr. OSMERS. Mr. Mayor, as a nation, we are going into a period—I might call it a period of priorities; a period of first things first, where we will say we have a limited number of manufacturing facilities; that they are now engaged in making automobiles and we want to make a lot of tanks, and that the manufacture of automobiles must cease; and it is carried on in a number of phases of our national life, and I am raising the question as to whether this project should be prosecuted now or whether it should be one of the projects "in the drawer," to use the idiom that you used before, for that period after the emergency when we will certainly need a great many worth-while projects to fill the void that will come when we come to go back to peacetime economy.

Mayor LAGUARDIA. My answer to that, frankly, is this, that it is coupled with certain national defenses and is justified and

occasions, as well, a great social and economic value and that you are justified now in proceeding. First, if war does not come, then the percentage of manpower and machinery required to the total is so small that it would not hurt; and, second, if the war should continue so long that we would be in serious trouble, then this additional protection as a water base would be of such great value that you would be justified in going ahead.

So, in either way, I would say proceed now, because it has been kicking around so long.

Mr. RANKIN. Will the gentleman from New Jersey yield for a suggestion?

Mr. OSMERS. I will yield to the gentleman.

Mr. RANKIN. This is merely an authorization. If the administration should decide that conditions are such that it is better not to proceed with it, all you have to do would be to hold up the appropriation. This is an authorization and not an appropriation.

Mr. OSMERS. Does the gentleman from Mississippi [Mr. RANKIN] have any idea in his mind that it is not the intention of the administration to proceed with this as quickly as possible?

Mr. RANKIN. I hope it is the intention of the administration to proceed with it if it is authorized, but the administration does not have to do it. If the emergency should become so serious that it would be determined by the administration that it is better to hold off on this for a time, it could be done by just holding up on the appropriations.

The CHAIRMAN. Is there any doubt as to whether the administration is in favor of it?

Mr. OSMERS. Not in my mind, Mr. Chairman.

Mayor LAGUARDIA. I want to be perfectly frank. I am appearing here with the absolute belief that the appropriation will follow the authorization.

Mr. RANKIN. You certainly think if this authorization is passed that the project will go ahead?

Mayor LAGUARDIA. Yes.

Mr. OSMERS. Now, there is one point that the mayor raised that I think should just be corrected for the purpose of the record. You mentioned the rather desirable objective of creating a naval base on Lake Ontario.

Mayor LAGUARDIA. Or anywhere on the Lakes.

Mr. OSMERS. Or anywhere in the Great Lakes area.

Mayor LAGUARDIA. Yes.

Mr. OSMERS. Now, that would mean that we would have to see that our opponents stopped making war on us from about December until May, because whatever was in would be in and whatever was out could never get back in.

Mayor LAGUARDIA. That goes also for competition; does it not? That makes me even.

Mr. OSMERS. That would help your phase out, I am sure, but it would not help the Navy. It would not help the city of New York if our naval vessels were on Lake Ontario and the enemy ships were offshore.

Mayor LAGUARDIA. My understatement is compensated then by my overstatement.

Mr. RANKIN. But, do not confuse the power generation with that, because this power will be generated during the entire year.

Mayor LAGUARDIA. Yes.

Mr. OSMERS. I am not including power.

Mr. PITTENGER. And, they will be building ships during the entire year.

Mr. RANKIN. And, the shipbuilding will be going on during the entire year.

Mr. DONDERO. Mr. Mayor, I have one question to ask. You have touched upon naval affairs and a naval base, and the use of inland seas as a base.

We understand that the shipbuilding facilities now under Hitler's domination exceed ours 7 times. Do you not think from a commercial sense that 45 shipyards on the Great Lakes would be of a great advantage if we could build ships on the Great Lakes and get them out to sea?

Mayor LAGUARDIA. I grant that; but I do not think that Hitler is building so many ships.

Mr. DONDERO. At the present time he is not; but the facilities under his domination have been shown here to be seven times that of our own.

Mayor LAGUARDIA. The facilities?

Mr. DONDERO. The facilities for building ships.

Mayor LAGUARDIA. Oh, yes.

Mr. RANKIN. In that connection, every inland waterway in Europe has been developed almost to the *n*th degree now. The mayor spoke a while ago about being over there in 1904 when the development of electricity was just beginning. Ninety percent of even the farm homes in Europe are electrified now, outside of Russia, and in some of those countries it is 100 percent. They are far ahead in the development of inland waterways and development of water power.

Mr. MACIEJEWSKI. Mr. Chairman.

The CHAIRMAN. Mr. Maciejewski.

Mr. MACIEJEWSKI. Mr. Mayor, some testimony has been brought out here to the effect that possibly a lot of this defense material will be taken up by this project. When Mr. Knudsen was here he testified that it would take about 10,000 men; take about one-half of 1 percent of the cement for the defense requirements for 1941 and 1942; about one-tenth of 1 percent of the lumber; and possibly three one-hundredths of 1 percent of the steel; the three important materials that go into this project.

Now, I was just wondering what value the St. Lawrence project would have from the point of view of joint defense efforts of Canada and the United States, assuming this, that this emergency will last for a long time.

Mayor LAGUARDIA. Well, I will guarantee to furnish you the 10,000 men right off of my relief rolls in New York.

Mr. MACIEJEWSKI. And the value, Mr. Mayor, the value of the joint defense effort on the part of both the United States and Canada would be what? What value would that be, the use of the St. Lawrence project?

Mayor LAGUARDIA. Of course, if they break through the British Fleet and then break through our fleet, then we will be in very serious trouble.

I am perfectly frank. Our present defense plan is an offshore defense plan. If they get that close we will certainly have serious trouble. If they get that close we certainly want this project and everything else we can get.

Mr. VOORHIS. Mr. Chairman.

The CHAIRMAN. Mr. VOORHIS.

Mr. VOORHIS. Mr. Mayor, we have heard some witnesses come here and say that they were worried because there was going to be a labor shortage and that in constructing this project it was going to be serious from that standpoint.

I would like to have you tell me what you think about the possibility of having a labor shortage?

Mayor LAGUARDIA. Well, we still have in New York about 140,000 or 145,000 adults on home relief, and our W. P. A. has been reduced to 44,000.

Mr. VOORHIS. A considerable portion of those people would be able to do the work on projects of this kind?

Mayor LAGUARDIA. Oh my, yes. I will tell you what you have done, gentlemen, in taking the aliens off the W. P. A. You have given them a premium instead of penalizing them. Now, we have to support them on home relief, while they used to work.

Mr. GAVAGAN. They sit back and grow fat.

Mayor LAGUARDIA. And, if you will go through the parks, you will see them bowling like this [demonstrating].

Mr. GAVAGAN. Up in my district you will see them pitching horseshoes.

Mr. VOORHIS. Here is the next question that I would like to ask. Would you agree that one of the most important elements in national defense and one of the real essentials would be to increase the general production of the country as much as possible?

Mayor LAGUARDIA. Yes, sir. Your power element in your defense is your biggest factor.

Mr. VOORHIS. What I am getting at is this: Is it not going to be a very basic factor in national defense to increase production generally of all sorts as much as we can?

Mayor LAGUARDIA. That is right.

Mr. VOORHIS. And is it not true that the possibility of doing that depends to a very large extent upon the availability of sufficient power?

Mayor LAGUARDIA. To a great extent.

Mr. VOORHIS. Another question that I would like to ask you is whether you have any idea as to how much electric rates in New York City would be reduced to the ultimate consumer if this project were carried out?

Mayor LAGUARDIA. I think anything that would reflect on the rates would be helpful. I know the rate schedules are very sensitive and the public-service commissions are very sensitive, too. They get it once in a while.

Mr. VOORHIS. Now, assuming for the sake of argument—which I understand you do not agree with, as I understand you do not agree with the figures—but let us assume that there is a loss of $1,000,000 a year of commerce in the port of New York; let us assume that that is right.

Then, let me ask you this, To what extent do you believe the development of additional industries in other sections perhaps of the State of New York or northern New England would be of any direct benefit to the city of New York? Do I make myself clear?

Mayor LAGUARDIA. Assuming that for the sake of argument?

Mr. VOORHIS. That is right.

Mayor LAGUARDIA. The net million-dollar loss which I will not concede.

Mr. VOORHIS. That is right.

Mayor LAGUARDIA. That loss would be offset and compensated for by increased commercial activities in that section of the State. Of course after all, we are an educational city; we are an amusement city; we are a light-manufacturing city; we get the benefit of increased activities in that whole direction.

Mr. VOORHIS. Would you even go so far as to say that if the development of this waterway makes it possible to open up many new industries, and cheaper transportation and cheaper goods, and so on in great sections of the country, would you go so far as to say if in the vicinity of Green Bay, Wis., there was additional prosperity, more people employed, more general employment, that some of that would be reflected in New York?

Mayor LAGUARDIA. Of course we would be benefited. Those people would wear more and better clothes which we make in New York or buy other things which we make.

Mr. VOORHIS. One more question, Mr. Mayor. Can you tell me of any instance where new and improved methods of transportation were proposed or were about to become possible, where there was not widespread alarm over the fact that this improvement of transportation possibilities was going to ruin certain existing industries or certain existing facilities?

Mayor LAGUARDIA. That is the history of progress.

Mr. VOORHIS. But nevertheless it has turned out to be of general social benefit, has it not?

Mayor LAGUARDIA. Yes.

Mr. VOORHIS. I think that is all.

Mr. RANKIN. When they started to build a dam on the Shannon River in Ireland the power industry in England took it up and said that if they were going to build a dam on the Shannon, damn was the proper word to use, and tried to scare those Irishmen out so that they would not get the benefit of electricity.

Mayor LAGUARDIA. And they raised the question of scenic beauty.

Mr. RANKIN. Oh, yes; scenic beauty is their long suit.

Mr. ELLIS. Mr. Chairman.

The CHAIRMAN. Mr. ELLIS.

Mr. ELLIS. Mr. Mayor, I appreciate your general endorsement of all of these projects. You are aware of the fact, are you—and I am assuming that you are—that there is pending before this committee a proposed Arkansas Valley Authority similar to the T. V. A.

Would your general endorsement endorse that also?

Mayor LAGUARDIA. That is a new one for me.

Mr. ELLIS. Assuming that such a proposal is pending here.

Mayor LAGUARDIA. Assuming that you have sufficient waterpower to develop and generate cheap electricity for that section of the country.

Mr. ELLIS. Yes.

Mayor LAGUARDIA. It is a good investment.

Mr. ELLIS. Thank you, sir; and we do have it.

Now, one further question. To the extent that cheaper freight rates would provide for and enhance the future growth of this country, you would likewise endorse cheaper freight rates for the South and the West?

Mayor LAGUARDIA. Well, give me a break too in the East, please. Do not forget to give us a break.

Mr. ELLIS. Throwing them all together, you would be in favor of cheaper transportation costs?

Mayor LAGUARDIA. Of course; but that is an economic question. You have to take everything into consideration; costs and everything.

Mr. ELLIS. We in the South feel that we are the ones who are being seriously discriminated against in transportation costs.

Mayor LAGUARDIA. That is the way we feel up there, so something must be wrong everywhere.

Mr. VOORHIS. Mr. Chairman, would it be all right for me to get the Mayor's endorsement of the Central Valley project?

Mr. BEITER. Mr. Mayor, I was interested and almost frightened by your statement before the Appropriations Committee at the time they were considering the second deficiency appropriation bill. You appeared before that committee, you recall.

Mayor LAGUARDIA. Yes, sir.

Mr. BEITER. With reference to the vulnerability of attack in the State of New York and that particular area. Can you elaborate on that a little bit more, give us the reason that you thought that was so vital?

Mayor LAGUARDIA. You see, the technique of warfare has changed entirely and this new technique has developed as a military necessity, the attack of industrial centers. First, it has the demoralizing effect on the population, and the morale of your people is always reflected in your fighting forces. That is ancient. That is not new. But, as someone pointed out here, war today is really a great industrial conflict. It is a question of which country can produce the machines and the weapons of war. Therefore, your military science dictates immediately that if you can get at the source of the production you can destroy more than you can in actual combat and, therefore, it is considered now, in modern warfare, justifiable to attack and destroy sources of production. And in addition to that, when you get your population in consternation and in fear to the extent of almost panic, then you have demands for all sorts of protection—shelters, immediate location of air forces, antiaircraft, naval vessels out at sea; and you detract from your one objective of attacking the enemy; and you come back into a defensive war instead of an offensive war to end it.

One thing in war, you never must underestimate either the strength or the strategy or the cruelty of the enemy, and you must prepare for it. And that is why we are so concerned in conducting this campaign of education for the civilian population so that they can take care of themselves and not become panic stricken, become confused. Because you take any of our large cities, unless you have them trained and unless you have some control of everybody, the natural tendency is to rush out, and you have a panic there immediately. And the loss of life through panic would be greater than it possibly could be from direct bomb hits. And that is why we are trying to impress, regardless of the situation, the necessity of proper civilian preparation and training and self-discipline, to take care of themselves in the event of such an attack. I have said that our chances are about 95 percent that we could not be in it, but we cannot overlook that 5 percent.

Mr. BEITER. And I believe you said that 5 percent is what we are afraid of?

Mayor LAGUARDIA. Yes; that is what I mean.

Mr. BEITER. Did you describe a certain area at that time which would be most likely to be attacked?

Mayor LAGUARDIA. I think this: If an attack comes, it will be an attack on our northeast coast cities, and if they can make any arrangements down in Africa or anywhere, then our Gulf oil cities would be a logical objective.

Mr. RANKIN. What is that?

Mayor LAGUARDIA. Our Gulf oil cities.

Mr. RANKIN. Mayor, you were in aviation in the last war?

Mayor LAGUARDIA. I was in bombing.

Mr. RANKIN. You were a bomber in the last war?

Mayor LAGUARDIA. Yes.

Mr. RANKIN. So that you are familiar with this?

Mayor LAGUARDIA. It has developed so much since that time.

The CHAIRMAN. He voluntarily gave up his seat in Congress to go to war.

Mr. RANKIN. Yes.

Mayor LAGUARDIA. We dropped 24 bombs. I flew a Caproni, and we dropped 24 bombs and 12 of them were incendiary bombs. The incendiary bomb was about that big [indicating], and we dropped 12 to create a fire. Now, they drop hundreds of them.

The CHAIRMAN. You say "about that big," and the stenographer cannot get how much that is; 2 feet?

Mayor LAGUARDIA. I would say about 2½ feet. Now, they drop literally hundreds of them. The bombing technique and the chemical technique has developed quite a bit. They drop them in drums or baskets, and they break on friction on the way down, then spread around. But they have licked that in London.

Mr. DONDERO. Mayor, do you mean in this war?

Mayor LAGUARDIA. Yes.

Mr. DONDERO. Recently?

Mayor LAGUARDIA. Not in the First World War. What we did is just child's play compared to what aviation is doing now. We cannot compare in instruments, we cannot compare in speed, we cannot compare in load or in accuracy.

Mr. BEITER. How does the accuracy compare at the present time with the accuracy while you were in the service?

Mayor LAGUARDIA. No comparison.

Mr. BEITER. No comparison??

Mayor LAGUARDIA. Just no comparison.

Mr. BEITER. Now, in your description of the area, I believe you included the St. Lawrence Valley in your testimony?

Mayor LAGUARDIA. Oh, that, of course, would come only if England blows up.

Mr. BEITER. Yes; if the 5 percent happens?

Mayor LAGUARDIA. If we have an attack along our coast here [indicating], the enemy might make a landing here [indicating] and then come down the St. Lawrence and go west of the Alleghenies. But a great many things must happen before they are able to do that.

Mr. MACIEJEWSKI. Mr. Mayor, here is the value of the St. Lawrence if that is what happened, that we could possibly get our ships in the Great Lakes?

Mayor LAGUARDIA. We would, of course. But a great many things have to happen before that.

Mr. MACIEJEWSKI. Mr. Mayor, may I bring this fact out for just a minute?

Mr. BEITER. All right; I yield.

Mr. MACIEJEWSKI. You started to explain how the English have those fires under control?

Mayor LAGUARDIA. Oh, yes.

Mr. MACIEJEWSKI. That is interesting. I wonder if you would continue on for a minute?

Mayor LAGUARDIA. In the beginning they had considerable trouble with that. And then they developed the art of fighting these incendiary bombs. The last I heard from Mr. Morrison, who is the Minister of Civilian—Home Defense they call it there—they have got it licked.

Mr. BEITER. Now, Mr. Mayor, do you believe that the area you have described, from New York over to Philadelphia and Pittsburgh and up through the St. Lawrence Valley, should have special fortifications and extra protection?

Mayor LAGUARDIA. Well, when they get so near that you depend upon your local fortifications, kiss it good-bye, then. We have got to meet them way out. The only defense is your air defense in the outposts and our bases that we have obtained now; you have to meet them coming in.

Then when they get through, and the signal comes, then you have your interceptor squadrons stationed all along, and they can go out and attack them before they can reach the coast.

Mr. BEITER. As I recall, you stated before the Appropriations Committee it would require an appropriation of approximately a billion dollars to equip those fire companies alone with extra firemen?

Mayor LAGUARDIA. We have reduced that now. We have our inventory almost complete, and I believe with what we have we won't need a billion dollars, or anything near it. We will need a sizable amount for the necessary supplementary emergency equipment. I do not want to make a guess, but I believe that we can take this whole—let us call it a target area in the Atlantic, the Gulf, and the Pacific—and equip it for 40 or 50 million dollars. That is my thought now.

Mr. BEITER. That does not include any antiaircraft guns, or any special fortifications?

Mayor LAGUARDIA. No; just the Army.

Mr. BEITER. Do you believe that your committee will consider fortifications of that kind?

Mayor LAGUARDIA. No; I think fortifications are a thing of the past. I think ample provisions have been made for the Army and Navy as you go along; they are your offensive and defensive weapons.

Mr. BEITER. You think, then, your first line of defense would be for bomber planes to meet the enemy at a distance from the shore?

Mayor LAGUARDIA. Interceptor and fighting planes. Of course, the Army is going ahead with that.

Mr. BEITER. What is the cost of one of the modern bombers?

Mayor LAGUARDIA. Oh, I don't know what the latest are.

Mr. BEITER. You have not any idea? Would not the amount of money spent for the construction of the seaway, plus the improvements that might have to be made along the Great Lakes area, be placed to better advantage at this time for the construction of bombers, rather than for the construction of the seaway?

Mayor LAGUARDIA. I don't think so, because this would last forever, and the bombers won't.

Mr. BEITER. That is true; but the war is not going to last forever?

Mayor LAGUARDIA. I hope that it won't.

Mr. BEITER. I realize the bombers won't last forever.

Mayor LAGUARDIA. I hope not.

Mr. BEITER. But we must replace the bombers that are destroyed?

Mayor LAGUARDIA. That is right.

Mr. BEITER. So that this money could be used to pretty good advantage in the construction of bombers?

Mayor LAGUARDIA. But this money will come back; this money will come back.

Mr. BEITER. Will come back? How?

Mr. RANKIN. With interest.

Mr. BEITER. Now, I was interested in the part of your statement—did you say you had an advisory committee in New York City and they advised against the construction of this project?

Mayor LAGUARDIA. That is right.

Mr. BEITER. Was it the power phase or the seaway phase of it, or both?

Mayor LAGUARDIA. I think it is both.

Mr. BEITER. Both?

Mayor LAGUARDIA. I think so.

Mr. BEITER. Do you suppose they would object to it as strenuously if it provided for either the seaway or the power phase of it alone?

Mayor LAGUARDIA. I don't know what they would do; but they went on record against it.

Mr. BEITER. Against the project as a whole?

Mayor LAGUARDIA. Yes, sir.

Mr. BEITER. You don't know what action they would take if it was just a power project or just the seaway?

Mayor LAGUARDIA. Well, they based it on the seaway project.

Mr. BEITER. On the seaway, mostly; they would not object to the power project.

Mayor LAGUARDIA. I don't know. I would like to see it developed.

Mr. BEITER. They are good citizens and sincere in what they do? They are interested in the welfare of the State?

Mayor LAGUARDIA. They have a certain viewpoint, and are entitled to it.

The CHAIRMAN. That is all, I believe.

Mr. GAVAGAN. Except, Mr. Mayor, Mr. Osmers asked you about a provision for the sale of this power, in the event this bill is put through, to the adjoining States. I would like to call to your attention that there is already a provision in the bill for sale to adjoining States. That provision is on page 3, line 9:

"In addition, the arrangement—

The agreement between the United States and the State of New York Power Authority—"shall include provisions protecting the interests of the United States and assuring a widespread equitable disposition of the power to domestic and rural consumers within economic transmission distances."

Mayor LAGUARDIA. Yes, and are we not always pretty generous to New Jersey?

The CHAIRMAN. Mr. Mayor, I want to thank you. We thank you very much.

Mayor LAGUARDIA. Thank you. It is very nice to be up here.

The CHAIRMAN. Now, is Captain Garsaud here?

Mr. LANGER. Mr. President, are we going to take the studies of the International Joint Commission, the studies of the Department of Commerce, the studies of the Governors of States, and the mayors of cities, or is the Senate to delay this development because of the protests and the propaganda paid for by the opponents of the improvement?

It will be perfectly evident to any Senator who studies the record, Mr. President, that the opposition to the seaway is a mere smoke screen. Behind it are the most powerful banking interests and the most powerful peacetime monopolies in this country, such as aluminum, steel, and the utilities, which are determined to maintain their privileged position by concentrating their plants and capacities in a few locations where they were before the war, to continue to take advantage of Pittsburgh-plus rate devices, and to continue a policy of scarcity and high rates for their light metals, their steel, their electricity and power.

Mr. President, having discussed the St. Lawrence project on its merits, and having presented a summary of the record before us, I wish to proceed now to the question of whether the Aiken-Ferguson-Shipstead amendment was properly submitted by former Secretary of State Hull as an agreement rather than as a treaty.

I have listened to the discussion of this question by some of my colleagues with considerable amazement. I have heard it said that the agreement of March 19, 1941, negotiated by former Secretary Hull is illegal, a violation of the Constitution, and a mere device to overcome the two-thirds requirement. It is astonishing to me to hear the Senator from North Carolina [Mr. BAILEY] and the Senator from Louisiana [Mr. OVERTON] denounce this agreement as if it were a dishonest and an unworthy instrument, when the whole record shows that over a period of nearly 12 years former Secretary of State Hull labored unceasingly for the St. Lawrence project, and recommended to Congress the very procedure and the precise terms of the amendment which we are now considering.

The other day the Senator from Vermont [Mr. AIKEN] presented half a dozen separate official documents, all signed by former Secretary Hull, consisting of notes to Canada, letters to officials of the National Grange and other supporters of the project, letters to Chairman MANSFIELD of the House committee, the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Carolina [Mr. BAILEY], all endorsing the St. Lawrence project in words that ring with conviction. The letters addressed to Members of the Senate and the House specifically endorse the project in the form of an agreement, and specifically endorse and recommend the enactment into law of the legislation now pending as an amendment to the river and harbor bill. I wonder if it is possible that the Senate, in the last days of this session, is prepared to discredit and repudiate the work of a former Member of this body, fresh upon the heels of his retirement after 50 years of distinguished public service, 12 of them having been in the office of Secretary of State.

In addition to the advice and recommendation of former Secretary of State Hull, we have the opinion and recommendation of the Attorney General, now Associate Justice Robert H. Jackson, of the Supreme Court, that the agreement is legal and constitutional, if implemented by reciprocal legislation enacted by both branches of Congress. We have similar opinions in the RECORD from more than a dozen lawyers on the House Rivers and Harbors Committee who favorably reported the agreement and the bill in the last Congress. We have the opinion of Mr. Hackworth, a man who has served for the last 15 years as legal adviser of the State Department. We have the opinion of a distinguished member of the New York State bar, Hon. George S. Reed, a trustee of the Power Authority of the State of New York, presented for the RECORD on Monday, December 4, by the senior Senator from New York [Mr. WAGNER], himself a former justice of the appellate division of the Supreme Court of the State of New York.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. I may say also that we have the opinion of the best legal minds of the Dominion of Canada that, so far as they are concerned, the St. Lawrence seaway is a perfectly sound subject for an agreement, and does not require a treaty.

Mr. LANGER. I thank the Senator for calling that fact to my attention. It is also a fact, Mr. President, that not only do we have the opinion of the best legal minds in the Dominion of Canada, but some of the men who are holding outstanding judicial positions in that country gave such opinions before they assumed their judicial positions. So far as I know, not a single outstanding lawyer of the Dominion of Canada has given an opinion contrary to the legality of the development of the St. Lawrence seaway, and I think that they have held that the construction can be done under an agreement rather than a treaty.

Mr. AIKEN. They have so held.

Mr. LANGER. Can the Senator from Vermont give me the name of a single outstanding lawyer in the Dominion of Canada who has given a contrary opinion?

Mr. AIKEN. No; I never have heard of a distinguished lawyer in the Dominion of Canada who has given an opinion to the contrary. On the other hand, we know that Canada officially agrees that an agreement is adequate so far as she is concerned. Of course, Canada does not undertake to interpret our laws; but, as the Senator from North Dakota has said, former Secretary of State Hull devoted 10 years to this work; Associate Justice Robert Jackson rendered his decision, and many others have also given similar opinions.

Mr. LANGER. Mr. President, what do we have on the record? Today we are interested, not in what the Senator from Louisiana may say, but we are interested in the record. I repeat, What do we have on the record to challenge those opinions and to justify the attacks which are being made against the regularity and the validity of the procedure followed by former Secretary Hull in this matter?

We have one opinion which was given before the Committee on Commerce by a Yale law professor, Dr. Edwin L. Borchard. We are asked by members of the Committee on Commerce to accept the unsupported opinion of Dr. Borchard, who wrote a brief last spring challenging Mr. Hull's procedure, and had it printed and circulated throughout the country

under the imprint of the National St. Lawrence Project Conference. That is the same organization which appeared before the House Committee in 1941 and raised the same question, and was voted down 2 to 1 by the lawyers on that committee, who favorably reported the same amendment which is now before the Senate by a vote of 17 to 8.

Who are the members of the National St. Lawrence Project Conference? They may be found listed on page 370 of the House hearings on the St. Lawrence project. Their names are entirely familiar to those of us who have followed the course of the propaganda circulated in the past 20 years against the St. Lawrence development. The Association of American Railroads is one of the leading spirits in the organization. The Niagara Frontier Planning Board, with its utility connections in Buffalo, is another. The National Coal Association is represented. And last, but not least, is the Chamber of Commerce of the State of New York. That is the organization with 90 percent of its members recruited from the financial district of New York City which in 1934, when the St. Lawrence project was before the Senate, had on its roster 13 members of the firm of J. P. Morgan & Co. The Senator from Wisconsin [Mr. LA FOLLETTE] brought out those facts in his letter to Thomas W. Lamont on February 10, 1934, when the same interests were opposing the St. Lawrence project in the form of the Hoover-Stimson treaty.

Now, when the project is offered in the form of an agreement, these same interests are still opposed to it. Of course, it is too transparent to require argument that these interests care nothing about the form of the instrument. These reactionary groups that place their own interests above those of the people of this country are determined to block the improvement of the St. Lawrence no matter what form it may take. They have found in Dr. Borchard a ready instrument to raise the fantastic issue that this agreement negotiated and submitted by Secretary Hull in 1941, before we entered the war, was made in anticipation of settlements in 1945 or later, to follow the war, in which we were not engaged in 1941. Moreover, they charge Secretary Hull with seeking to set a precedent to overcome the two-thirds rule as a part of an administration scheme when everyone knows that this amendment was printed on September 21, 1944, under the joint authorship of the Senator from Vermont, the Senator from Michigan, and the Senator from Minnesota, three Republican Members of the Senate.

Now, Mr. President, I desire to speak as to the form of the agreement itself. The opponents of the St. Lawrence project say that because it calls for an exchange of ratifications by the President and by the King of Great Britain, that proves it is a treaty requiring a two-thirds vote and not an agreement subject to approval in reciprocal legislation enacted by both branches of Congress and by the Canadian Parliament. This is the flimsiest argument I have heard raised in a serious discussion of a constitutional question. It is obviously designed to create prejudice, to arouse the kind of sentiments to which Mayor Thompson of Chicago made an appeal some years ago when he conducted a campaign for mayor on the pledge that if elected he would "punch the King of Great Britain in the snoot."

I can assure my colleagues that, although, as everyone knows, we in North Dakota are not particularly partial to the King of Great Britain, mention of the British King in connection with the Hull agreement of 1941 is not going to prejudice against this project a single soul in North Dakota, with its hundreds of miles along the unfortified Canadian border, or, for that matter, any informed and literate person in any section of this country.

For a great many years we have had in North Dakota a peace garden where citizens of North Dakota and Manitoba and other parts of Canada meet annually and there together smoke the pipe of peace. We in North Dakota are perfectly aware that every act of the Canadian Parliament is proclaimed in the name of the King, and that it is a mere formality, having not the slightest effect upon the complete independence and the control of the Parliament of Canada over the subject matter.

There is, however, a practical reason why an exchange of ratifications between the President on the part of the United States and the nominal sovereign of the Dominion on the part of Canada, is necessary in the adoption of reciprocal legislation by the two countries.

We have before us an amendment which implements the agreement and also deals with purely domestic concerns, such as the Federal-State accord between the Federal Government and New York on the power development in that State. Canada has the same right to deal with her purely domestic concerns in adopting reciprocal legislation to effectuate the agreement.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. LANGER. I yield.

Mr. AIKEN. I think it might be interesting to note at this point in the Senator's remarks the fact that the State-Federal accord reached between the Federal Government and the State of New York in 1933 was approved by the House of Representatives, was sent to the Senate, and was reported to the Senate by a majority of the Foreign Relations Committee to which it was referred, but it was never acted upon, because the treaty, which was the form in which the matter was offered at that time, failed to receive a two-thirds vote. Therefore, the Senate never did vote on the State-Federal accord between the Federal Government and New York.

Mr. LANGER. May I interrupt to ask the distinguished Senator if what is proposed to be done here has not been done hundreds of times in the history of this country?

Mr. AIKEN. I think so.

Mr. LANGER. There is nothing new about it; it has been done repeatedly since the beginning of our Government.

Mr. AIKEN. Does the Senator refer to doing business with foreign countries by agreement?

Mr. LANGER. No; but to the accord the Senator mentioned a few moments ago.

Mr. AIKEN. The Senator is in a better position to know about that than I am. I presume it has been done often, and I see no reason why it could not be done.

Mr. LANGER. At some point, the two Governments must of necessity give notice to each other that the reciprocal legislation thus enacted, dealing with a great navigation and power project, involving the construction of works on both sides of the line, is acceptable and sufficient for that purpose. To say that this exchange of ratifications converts the agreement into a treaty is a preposterous proposition, belied by the whole history of our dealings with Canada and other nations throughout the world.

The other day it was suggested on the floor that a treaty is obviously required to deal with boundary waters of the United States and that certainly we could not construct any works in wholly Canadian waters with United States funds, without such a treaty.

This argument was completely exploded on Thursday, December 7, by the able Senator from Vermont, who produced from the Corps of Engineers, United States Army, a partial list of 10 separate projects which we have undertaken and completed since 1902 across the boundary line in wholly Canadian waters, at a cost of more than $20,000,000. How was this work accomplished? By treaty? No; as the Senator pointed out it was accomplished under the authority of acts of Congress in the form of provisions in river and harbor bills, such as the pending amendment, accompanied in some instances by exchanges of notes between the two Governments.

In the light of this record, I cannot believe that the Senate is prepared to repudiate and rebuke our Secretary of State, Cordell Hull, who in submitting the present agreement has followed a well-established line of precedent. I cannot believe that the Senate will now challenge the legality of a procedure which Secretary Elihu Root, Philander C. Knox, Attorney General and later Secretary of State, and every President since Theodore Roosevelt has followed in making improvements in the Great Lakes-St. Lawrence system. I cannot believe that we are ready to tear up the agreement negotiated by Secretary of State Hull as a clumsy and illegal document, and to send it back to be done over again in proper form by the men who recently have been selected to succeed Secretary Hull and his former aides in the State Department. I do not believe that we can look to Mr. Stettinius who is not a lawyer, to Mr. Grew, who is not a lawyer, to Mr. Clayton, who is not a lawyer, or to Mr. MacLeish, who is not a lawyer, to improve upon the soundness or the legality

of the procedure which was followed under Secretary Hull's direction over the past 12 years, in negotiating and submitting to us this carefully balanced agreement on the St. Lawrence project with our neighbor to the north.

These technical objections which are now raised in the Senate 3 years after Secretary Hull recommended the agreement are not raised because of any genuine concern for the Constitution or because of any tender regard for the rights and prerogatives of the Senate. They have been raised and have grown stale in the propaganda spread by selfish interests outside the Senate for the sole purpose of confusing the issue, of causing delay, and of obstructing the development of the St. Lawrence River. They are raised by those who led the fight against the ratification of the Hoover Treaty of 1932 and who are attacking the Hull Agreement now because they hope to prevent the completion of the St. Lawrence seaway and power project. Indeed, the Senator from Louisiana [Mr. OVERTON], who with the Senator from North Carolina [Mr. BAILEY], is on record over and over again against the St. Lawrence improvement, frankly stated in his radio speeches in Louisiana last summer, when he was a candidate for renomination that he pledged himself to "continue to oppose any treaty or agreement to provide for the construction of the St. Lawrence seaway."

Mr. President, we have another authority to whom we can appeal, both on the merits of this project and on the sufficiency and soundness of the pending amendment. The proposed legislation and the procedure recommended by Secretary Hull received the unqualified endorsement in 1941 of another former Member of the Senate, who served for more than a decade as chairman of the Committee on the Judiciary, and who was the author of one of the few important affirmative changes which has been written into our Constitution in the last half century. I refer, of course, to the late Senator from Nebraska, George W. Norris. I wish to read an article he contributed on the St. Lawrence project when the bill H. R. 4927, incorporated in the amendment to be proposed, was under consideration at public hearings before the House Committee on Rivers and Harbors in the last Congress. Senator Norris' statement was presented to the committee by Judge Culkin, then a ranking Republican member of the committee from New York.

Mr. President, I ask unanimous consent that the article by the late Senator Norris, which I am about to read, be printed in the RECORD in the same sized type used in printing my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LANGER. The article by George W. Norris is entitled "Pattern for the Welfare of All," and Senator Norris said:

In the summer of 1933 I visited the International Rapids section of the St. Lawrence River and saw the waters of the Great Lakes rushing wasted and unharnessed to the sea. There I inspected the sites of the dams, powerhouse, locks, and other works which will be built in the State of New York and the Province of Ontario as a major link in the proposed Great Lakes-St. Lawrence seaway and power development, under the project now pending in Congress.

The conclusions I expressed in 1933 regarding the utilization of the St. Lawrence for peacetime, as well as for emergency defense needs, fairly represent my views today as to the benefits this project will bring.

I think there is a wonderful opportunity on the St. Lawrence for the entire country. Its improvement means an increase in the return to the West on all its agricultural products. This will apply to all shipping.

The project, if approved, will give to the State of New York, 1,100,000 horsepower of electricity that is as cheap as any power on this continent.

Let me digress a moment to say, Mr. President, that since the time George W. Norris spoke, the engineers have found that the amount of horsepower which will be developed is not 1,100,000, but 1,200,000. The late Senator Norris continued:

Northern New York is fortunate to have at its very door one of the greatest resources of mankind. I do not know of a better one. For the St. Lawrence River is a tremendous potential source of energy. The Great Lakes form a natural reservoir which controls the immense flow of water through the St. Lawrence, practically without variation.

In the development of the St. Lawrence, New York State gets the power and pays the cost of the power works. The cost of power will be reduced by charging up to power only that part of the improvement which can properly be so charged, the entire cost being divided between navigation and power.

In Ontario, Canada, just across the line, they have the cheapest electricity rates anywhere in the world. The St. Lawrence development ought to give cheaper power to the State of New York than they have in Ontario at the present time. This is a contest between human happiness and human greed. The private-power interests do not want the people of the State of New York to buy electricity at 1 cent a kilowatt-hour.

I digress to say that, regardless of my great respect for the late distinguished George W. Norris, he is again in error when he says that Ontario, Canada, has the cheapest power in the world, because the cheapest power is at Tacoma, Wash., and the development of power at low rates there was through the efforts of our former colleague, Senator Homer T. Bone. What Senator Norris says is certainly to the point, and good enough in anybody's language. The late Senator continued:

I would favor the St. Lawrence project if there were no power whatever developed in this improvement. It may be that unconsciously I am prejudiced on this subject because I have spent all of my grown life in the great West, where freight rates are a very important consideration in our economy. The improvement of this waterway leading to the ocean would, in practical effect, mean the bringing of the Atlantic to the middle of the United States. It would lessen the burden of the great agricultural part of our country which constitutes the bread basket of the Union. As a matter of fact, it should lower freight rates even in the East.

Our export agricultural products would, with the reduction of freight rates, bring prosperity to millions of producers in nearly all parts of the United States and especially in that region between the Alleghenies and the Rockies. It would mean a slight increase in what the producer would get for nearly everything we eat and nearly everything we wear without increasing the cost to the consumer. Anything that can be done to reduce the cost of transportation between the producer and the consumer and get them nearer together will be of lasting benefit to all the people of our country.

It is true the river would not be open the year round but its effect upon transportation would to a very great extent, at least, be lasting throughout the entire year. The practical effect would be to put Chicago on the Atlantic and to put all of the country west of Chicago much nearer to the ocean than it is now.

The cost of this vast navigation improvement would be very much lessened by the electric power that would be produced. Under the bill the President has recommended, the cost allocated to power, which has been fixed by the engineers of the War Department and the New York Power Authority, is $93,375,000. In other words, those who consume power would pay that much toward the cost of the investment and at the same time bring to the consumers of power everywhere within transmission distance lower rates for electricity. This not only will decrease the Federal cost of the navigation improvement to less than $200,000,000, but will also bring benefits to a large portion of the country by reason of the fact that it will make electricity much cheaper than it now is. In reality, it will have an effect upon the cost of electricity everywhere, particularly east of the Rocky Mountains.

The T. V. A. is a living example of what occurs when cheap electricity is available to the consumer.

Mr. President, I digress at this point to say that the Senator from Montana [Mr. MURRAY] and I submitted an amendment to the flood-control bill which would make the M. V. A. a prototype of the T. V. A., and bring to the Missouri Valley the same benefits as now enjoyed in Tennessee and neighboring States.

I continue to read from the article by the late Senator Norris:

The benefits do not come entirely to those who use the electricity. The manufacturer and the laborer, wherever electrical appliances are made, share in this benefit. If rates are lowered, electricity is used for many more purposes, and every additional use has the effect of bringing comfort, happiness, and even financial profit to those who live far beyond the rushing waters where the power is developed.

The comparative costs of hydro and steam plants are always mentioned when Congress is considering a public-power project. This difference in cost depends upon location, after all. There are some steam plants which produce power very cheaply, and there are some hydro plants that do not produce power so cheaply as the best steam plants. If the dam for the production of electric power is located in an alluvial country, where turbulent waters are liable to damage the dam or to wash it away, the power produced there will cost more than it would if the dam were located in a stream with a rocky foundation, or between rock-bound shores. On the St. Lawrence there are no floods, no deposits of silt, and the works will be built on granite. It would be unfair to compare the production of power at the mouth of a coal mine with the cost of power produced in a country where it would be impossible to construct a dam that would not be subject to washouts and deterioration when floods come. It is equally unfair to compare the cost of a steam plant with the proposed St. Lawrence hydroelectric development which will produce power without any limit as to time, so far as we are now able to see. All of these factors must be taken into consideration if

we are to make a fair comparison, and, when we do, hydroelectric power is found to be much more feasible and much cheaper than energy produced by steam plants.

Most of the great dams of the country are built for a multiple purpose. For example, one of the principal uses of the Norris Dam is flood control. Behind it there can be stored 3,500,000 acre-feet of water. The Tennessee River, like the Ohio, rises in the Allegheny Mountains, and it comes from numerous smaller streams. When all of the streams are in flood season, the water going down the Ohio and the Tennessee, and later into the Mississippi itself, creates great floods, destroying not only millions of dollars' worth of property everywhere but even human life.

The Tennessee Valley Authority is now constructing a dam known as the Kentucky Dam, 20 miles from the mouth of the Tennessee River. It will have a storage capacity of about 7,000,000 acre-feet of water. All of the other Tennessee Valley Authority dams between the Norris Dam and the Kentucky Dam have some storage value. When they are combined and properly utilized, they will have a great effect upon the navigability of the Ohio from the mouth of the Tennessee to the mouth of the Ohio and of the Mississippi River itself below the mouth of the Ohio. When carried to completion under this program, the Tennessee River will be made stable practically the year round. In the meantime, all of these dams are producing power. The water that goes over the Norris Dam is used again eight times for power before it leaves the Tennessee River. It is just as useful after it has done all of these things as it was in the beginning and, in the meantime, it has not done any damage. It has not killed any people. It has not destroyed any property but, on the contrary, has carried its blessings to millions who otherwise would be without electricity or would be compelled to pay exorbitant rates.

In Nebraska we have a public-power project set up under State law where the water is used three times and then used for irrigation. It is just as valuable for irrigation as it would be if it had never produced one kilowatt of power.

If we are thinking only of today, we would not undertake some of these projects. But if we are thinking of our children, and our children's children, and those who are to come after them, then we ought to develop every river where power can be developed and where floods can be controlled. In the West we should use the waters also for irrigation, and in the East, as on the St. Lawrence, we should use them also for navigation.

I digress again, Mr. President, to say that the people of my State, North Dakota, and the people of all the States in the Missouri River Valley Basin agree with the words of the late Senator Norris I last read. I continue to read:

The argument has been made for many years that these improvements will produce a surplus of power. When the Tennessee Valley Authority was first contemplated, the cry went up that it would produce too much power; that the people would not be able to use it all. That argument has been entirely dissipated. Already, before the great work of the Tennessee Valley Authority is finished, it is clear that in the near future we are not going to have enough power, even after every kilowatt possible has been developed. The Tennessee Valley Authority is already constructing a huge coal plant in Tennessee to supplement its hydro plant and to supply a growing deficiency below the demand for power.

The Tennessee Valley Authority has already paid back several millions of dollars of the cost so that, in the end, the taxpayers of the country will not contribute a penny to the investment. When this indebtedness is entirely repaid, one of the greatest of all rate reductions will take place. What is true of the Tennessee Valley is true of the St. Lawrence.

And, Mr. President, it will also be true of the Missouri River.

In developing such natural resources we are getting cheaper power, we are getting cheaper transportation, and we are also lowering the costs of production.

More than that, Mr. President, if I may again digress, the development of the Missouri River will mean that every farmer in North and South Dakota and in the Missouri River Basin, will be able to get electricity at cost.

I continue to read:

The interests of the various sections of the country dovetail in one great pattern for the welfare of all. The development of the St. Lawrence will mean cheaper transportation to and from the West, and cheaper light, heat, and power for the East.

Just a few portions of the 2,687-mile waterway, mainly in the International Rapids section of the St. Lawrence, need to be deepened from 14 to 27 feet to permit the efficient use of this resource for deep navigation as well as for power. We have spent millions, Canada has spent millions, building connecting channels between the Great Lakes, but we must complete the joint power and navigation improvement on the St. Lawrence before this waterway system can fully serve the great purpose it is capable of serving. When that is accomplished, the public-power project of the State of New York and the seaway development opening the midcontinent to ocean shipping will bring the benefits President Roosevelt envisaged for the entire Nation before he entered the White House. This improvement should be completed, not only because it will serve our production needs during the emergency defense period which lies ahead of us, but also because it will ensure improved living standards for the people of the two great democracies of this hemisphere for all time to come.

In conclusion, let me say that I join in practically every word I have quoted from the late distinguished Senator Norris. He had many years' experience in public life, on the floor of this body and in various committees of which he was a member, as well as committees before which he appeared. No one was in a better position than he to judge as to what was or was not of the greatest benefit to the common people of America.

Mr. President, I believe that the sooner we adopt the amendment, the sooner we complete the St. Lawrence waterway, the sooner we shall bring to the average farmer of America cheap electric power, so that he may be able to enjoy its benefits, as do the farmers of other countries. When we compare the development of electric power and lighting in the United States with that in the Scandinavian countries, in Germany, or even in Japan, the United States has lagged far behind. Today, in the Missouri River Basin, in the State of North Dakota, for example, our women must turn cream separators by hand. They still must operate washing machines by hand. Water must still be pumped by hand. The little children still study their homework at night by the light of kerosene lamps instead of electric lights. When the farmer goes out at night to look after his valuable cattle or horses, he goes out into a yard which is not lighted by electricity. He does not go into a stable which is flooded by light simply by the pressure of a button. On the contrary, he carries with him a lantern, which may have a smoke-darkened chimney; and yet we claim to be the most progressive country in the world.

EMERGENCY SUSPENSION OF TARIFF DUTY ON COCONUTS

Mr. DANAHER. Mr. President, the other day, by direction of the Committee on Finance, I was asked to report House bill 1033, which is No. 1382 on the calendar. The bill has passed the House. The chairman of the Committee on Finance [Mr. GEORGE] and the acting majority leader [Mr. HILL] assured me at that time that opportunity would be provided to take up the bill.

I now ask unanimous consent, Mr. President, that the unfinished business be temporarily laid aside in order that the Senate may act on House bill 1033, calendar 1382.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Is there objection?

Mr. ELLENDER. Mr. President, reserving the right to object, will the Senator please explain the bill?

Mr. DANAHER. I shall be glad to do so. The purpose of the bill is that coconut meat may be brought into the country for consumption only, to be rendered useful for wartime needs, so that the shells of the coconut may be available for the manufacture of gas masks, and the meat may be manufactured into confections. All the war agencies, including the Army, the Navy, the State Department, the War Food Administration, and others, have recommended that the bill be passed.

Mr. ELLENDER. I assume that the committee has acted.

Mr. DANAHER. The committee acted unanimously in reporting the bill. The bill has passed the House. I ask for its passage by the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut [Mr. DANAHER]?

There being no objection, the bill (H. R. 1033) to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts was considered, ordered to a third reading, read the third time, and passed.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. REED. Mr. President, the St. Lawrence seaway, which we are discussing, is one of the most important projects confronting this country. I have heard much of the discussion pitched upon too low and too unimportant a plane. As a matter of fact, the St. Lawrence seaway, which would connect the ocean with the Great Lakes, is a matter of national interest.

Some 25 years ago I became a member for Kansas of the Council of States of the Great Lakes-St. Lawrence River

Improvement Association. In 1921 I made a trip down the St. Lawrence River with about 175 other Americans, guests of the Canadian Government at that time. So I have seen with my own eyes all that is proposed to be done. I have observed the trend of events during the years. I have heard the proponents and have heard many of the objections.

It is an enterprise which should challenge the imagination of all thoughtful citizens. We have the greatest body of fresh-water lakes in the world. They are cut off from connection with the ocean by a stretch of the St. Lawrence River approximately 40 miles in length, which, if improved, would permit ocean-carrying vessels to come into the Great Lakes.

Around the Great Lakes have grown up populous, strong, and prosperous States and great cities. I can see no harm to anyone, except perhaps some special interests, to which I shall presently refer, in making such an improvement. In effect, it would move the Atlantic seaboard inland for a thousand miles. That is a project which ought to challenge the imagination and enthusiasm of all thoughtful American citizens.

Whether the development of the St. Lawrence would make more or less traffic move through New Orleans, for example, is to me most unimportant. I can think of no more flimsy ground for opposition than that the opening of the St. Lawrence might have some effect of that kind upon some other port in the country.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. Personally, I believe that the project would develop greater business for the lower Mississippi Valley; but assuming that it would not, it could be for only one reason, and that would be that the farmers of the Midwest would find that they could save money by shipping their produce in another direction and by another means.

Mr. REED. Let me say to the Senator from Vermont that I am very familiar with the situation regarding farm shipments from the West. There is very little traffic, if any, now moving through New Orleans from that section of the country for export.

Mr. AIKEN. But if any traffic were taken away from one presently used route and diverted to another route, it would be for the reason that it was cheaper to do so.

Mr. REED. It would be more economical.

Mr. AIKEN. As I stated in the beginning, I believe that the lower Mississippi Valley would be the gainer, and that the people in that section of the country have been very grossly misinformed as to the effect of the St. Lawrence seaway on them.

Mr. REED. Whether they have been misinformed or not, it is about as flimsy an objection as could be offered; and the action of the Mississippi Valley Association in opposing this improvement is of the same character. It makes no difference, Mr. President, whether Buffalo ceases to be a place of transshipment from the big Lakes vessels into smaller vessels drawing not more than 14 feet of water, and becomes merely a port along a through route from the ocean into the Great Lakes.

In considering the effect upon the West, anyone who is familiar with transportation knows that, in point of cost figured at the minimum, 5 miles of transportation on open water is the equivalent of 1 mile of land transportation by railroad. The ratio of the relative costs runs from 5 to 1 up to 10 to 1. I do not have any doubt that if we had an export grain movement—we do not have one now, but I hope we may have one again—the Northwest and the farmers there would benefit several cents a bushel in the price of grain moving to export, as against the present transportation costs, if the St. Lawrence River were improved so that ocean-going vessels could come into the Great Lakes. I cannot think of anything more national in scope and which should be looked upon more than a national point of view and from the point of view of the national interest than the proposed Great Lakes-St. Lawrence development. I have been very sorry indeed that during the years, not only during the current debate, so many times the opposition has been pitched upon some point of immediate local interest or limited regional interest. That should not be the case. Although the Panama Canal was a national project which did not do my section of the country any good—in fact, it did that region a decided injury—we were for it, nonetheless. Likewise, we believe that the Great Lakes-St. Lawrence River project should be viewed as a national matter.

Mr. President, not being a constitutional lawyer, I shall not undertake to take part in the debate as to whether the proposed improvement, if effected, should be handled by a treaty or by an Executive agreement. I shall leave that discussion to the lawyers.

I am talking about the merits of the Great Lakes-St. Lawrence River proposed improvement. I think it is a matter which should be given earnest and thoughtful consideration by this body. I have not gone into the power question, because I have never been as much interested in that as I have been in the transportation features. I leave the discussion of the power question to my colleagues and to others. But, so far as transportation is concerned, I can think of nothing which would so greatly benefit what we call the Northwest section of the country as would the opening of the Great Lakes to communication with the ocean, so that vessels could come and go freely and so that their cargoes would not have to be transshipped. I may also say that, so far as I am concerned, I speak rather objectively. My State, like the State of the distinguished Senator who now occupies the chair [Mr. THOMAS of Oklahoma], looks to Galveston as the port through which most of our export grain flows. In Kansas we would not use the St. Lawrence River to any great degree, anyway. Galveston was at one time the largest grain exporting port in the country. It is a warm-water port, open 12 months of the year; and it is about the same distance from Kansas to Galveston as it is from Galveston to Chicago, for instance. So we would prefer to use Galveston. We find it better and more convenient to do so, and we would find it so, even if the St. Lawrence River project were completed. In the Southwest, our grain and our cotton, if we could again export cotton, would move through the Gulf ports. But that is no reason why we should oppose an improvement which is so tremendously a national project and in the national interest. Mr. President, regardless of whether we proceed with it now or later, the St. Lawrence project certainly should be undertaken. If the Senator from Vermont [Mr. AIKEN] offers such an amendment to the pending bill, I certainly expect to vote for it.

Mr. AIKEN. Mr. President, I thank the Senator from Kansas very much for his remarks.

Before I begin to speak, I should like to inquire if any of my colleagues have statements which they would like to make.

Mr. BILBO. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. BILBO. With the consent of the chairman of the committee, the Senator from Louisiana [Mr. OVERTON], I submit two amendments which relate to two small projects, one of them in the vicinity of the city of Jackson, in my State, and the other also in the Pearl River Valley. I should like to have the amendments adopted and incorporated in the bill.

Mr. WHITE. Mr. President, my attention was diverted for a moment. Will the Senator again state his request?

Mr. BILBO. I have offered two amendments relating to survey projects. The amendments are proposed to be inserted in the pending bill, and would go into the survey section. The chairman of the committee has no objection to the amendments. One of them relates to a survey of the flood situation in the capital of my State, the city of Jackson, which is flooded every year by the Pearl River. The other amendment relates to a survey of the flood situation as it affects the farm lands in that area.

The PRESIDING OFFICER. Does the Senator from Mississippi offer the amendments to which he has referred?

Mr. BILBO. I do.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 50, after line 5, it is proposed to insert:

Pearl River, in the interest of flood control in Pearl River, Marion, and Lawrence Counties, Miss.

Mr. OVERTON. That amendment is a survey item; is it not?

Mr. BILBO. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the Senator from Mississippi will be stated.

The LEGISLATIVE CLERK. On page 50, after line 5, it is proposed to insert:

Pearl River, in the interests of flood control in Hinds County, Miss.

Mr. BILBO. That amendment relates to the capital city of the State.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was agreed to.

Mr. AIKEN. Mr. President, I wish to say that the proponents of the St. Lawrence seaway have nearly completed the presentation of their case for this great development. I myself have two points which I wish to develop. I think I shall have time to present one of them this afternoon. The presentation of the other probably will take 30 minutes.

I believe there are two other short speeches to be made, and I understand they will be about 20 minutes long.

Let me say that I do not wish to have this question voted on this afternoon, because it will be so late when I conclude my statement that many Senators will be absent. But early tomorrow I expect to offer the amendment which will add the St. Lawrence seaway to the river and harbor bill.

I do not know that any speeches, except those to which I have referred, remain to be made. I do not know how much time, if any, opponents of the St. Lawrence development expect to use. When I say that we are almost through in presenting our case, of course, I do not mean that we would waive the right to reply to any arguments made against the Great Lakes-St. Lawrence development, because we certainly would wish to reply to any arguments because there is a reply to any argument which can be made against it, and, of course, we would avail ourselves of our right to do so.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. Is it the rule that a Senator may not speak twice on the same day on the same bill?

The PRESIDING OFFICER. The Chair states that, as he understands the rule, no Senator may speak more than twice on any proposition on the same legislative day.

Mr. OVERTON. I am not raising the point of order.

Mr. AIKEN. I have not understood that the rule had reference to a legislative day.

The PRESIDING OFFICER. The Chair is of the opinion that the precedents apply to a legislative day as well as to a calendar day.

Mr. AIKEN. I certainly have not so understood.

Mr. OVERTON. I am not making the point of order.

Mr. AIKEN. I know the Senator from Louisiana would not make a point of order of that kind.

Mr. OVERTON. I am not doing so.

Mr. AIKEN. I assure the Senator that I intend to complete my remarks as quickly as I can, but I simply did not have the material ready to deliver it all at one time.

Mr. DANAHER. Mr. President, will the Senator from Vermont yield so that I may offer an amendment to the pending bill?

Mr. AIKEN. I yield.

Mr. DANAHER. I send forward an amendment which I offer on page 2, at the end of line 16, to substitute a semicolon for the period and add the following:

Provided, That no dam shall be constructed at Thomaston, on the Housatonic River unless approval thereof shall be granted by the State of Connecticut after a review in accordance with paragraph (a) of section 1 of Public Law — now known as H. R. 4435.

In connection with the amendment, Mr. President, I hold in my hand a letter from Mr. S. H. Wadhams, secretary of the Flood Control and Water Policy Commission of the State of Connecticut. The letter is dated Hartford, December 7, 1944, and reads as follows:

STATE OF CONNECTICUT,
FLOOD CONTROL AND
WATER POLICY COMMISSION,
Hartford, December 7, 1944.

Senator JOHN A. DANAHER,
Senate Office Building,
Washington, D. C.

In re: H. R. 4485, flood control Housatonic River, Conn., Thomaston Dam.

DEAR SENATOR DANAHER: I am writing you in reference to the proposed flood-control reservoir on the Naugatuck River, a tributary of the Housatonic River, which will be authorized by passage of H. R. 4485. You have proposed an amendment to this bill which will bring the project within the provisions of subparagraph (a) of the O'Mahoney amendment to H. R. 4485.

Since the release of the structural details of the proposed dam, strong opposition to its construction has developed. The town of Thomaston vigorously opposes the dam because of the dislocations which will result from the necessity of relocating the railway and the main highway serving the town. Rather surprisingly, considerable opposition has arisen from the city of Waterbury located only a few miles below the dam site. This appears to be based on the small amount of flood damage sustained in the floods of 1936 and 1938 and the belief that relatively inexpensive channel improvements, as the stream passes through the city, would give adequate flood protection.

The State would welcome the opportunity which would be presented if your amendment were to be accepted. It would permit making a careful study of the questions at issue and a submission of the State's views for inclusion with the report of the Army engineers. It would seem, too, that such a report would be helpful to the Congress in arriving at its decision on this controversial question.

May we ask that you present to the conference committee the Governor's unqualified approval of the procedure which would be made possible by the acceptance of your amendment.

Very truly yours,
S. H. WADHAMS, *Secretary.*

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. On page 2, at the end of line 16, it is proposed to strike out the period, substitute a semicolon, and insert "*Provided*, That no dam shall be constructed at Thomaston, on the Housatonic River, unless approval thereof shall be granted by the State of Connecticut after a review in accordance with paragraph (a) of section 1 of Public Law —, now known as H. R. 4485."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut.

Mr. OVERTON. Mr. President, will the Senator from Connecticut explain his amendment?

Mr. DANAHER. I shall be very glad to explain it. Did the Senator from Louisiana hear the letter which I just read from the secretary of the Flood Control and Water Policy Commission of the State of Connecticut?

Mr. OVERTON. I am sorry, I did not hear it.

Mr. DANAHER. If the Senator from Louisiana would read the letter, perhaps he would find that it answers entirely whatever question he may have, or any attitude that he may raise in his own mind with respect to the matter.

Mr. OVERTON. Mr. President, I am willing to take the amendment to conference.

Mr. MILLIKIN. Mr. President, I ask the distinguished Senator from Connecticut whether the amendment bears in any way on the agreement reached between Vermont, Connecticut, and Massachusetts?

Mr. DANAHER. It does not. It would give the State of Connecticut an opportunity to be heard with reference to the location of a dam at Thomaston, Conn., where apparently it is not wanted. But whether it is or not, all the State asks is an opportunity to review the project. Thereafter, if the project is found to be satisfactory, there will be no objection.

Mr. OVERTON. Mr. President, I may say for the benefit of the Senator from Connecticut, as well as all other Senators, that it is not necessary to provide for a review report in the river and harbor bill by action of the River and Harbor Committee of the House or the Senate Committee on Commerce. There is never any difficulty in obtaining a review report. Is that all the amendment calls for?

Mr. DANAHER. Mr. President, when House bill 4485 was before the Senate I offered the amendment with reference to the Housatonic River project, dealing with the erection of a dam at Thomaston, to bring the matter of a review of that particular project within the authorization contained in section 1, paragraph (a), of House bill 4485. The Senate adopted the amendment and it went to conference. After it went to conference the Senate conferees abandoned it, notwithstanding the fact that it had been adopted by the Senate. This particular amendment would revive the prohibition which the Senate had hitherto placed on the construction of the dam at Thomaston until the State of Connecticut shall have had an opportunity to be heard. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was agreed to.

Mr. CORDON. Mr. President, will the Senator from Vermont yield to me to enable me to offer an amendment?

Mr. AIKEN. I yield.

Mr. CORDON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The CHIEF CLERK. On page 31, after line 6, it is proposed to insert:

Grays Harbor and Chehalis River to Aberdeen, Wash., maintenance work in accordance with report on file in the office, Chief of Engineers.

Mr. OVERTON. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WAGNER. I have an amendment to offer which I think will require only a moment.

I offer the amendment which I send to the desk and ask to have stated. I may say that the Senator in charge of this important bill [Mr. OVERTON] is in favor of this amendment. I also wish to say that the Board of Engineers of the War Department has been informed that local interests would like to have the Department make preliminary examinations and surveys at the localities referred to, in order to ascertain whether more comprehensive surveys are justified.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The LEGISLATIVE CLERK. On page 40, between lines 2 and 3, it is proposed to insert the following:

Peconic River, Long Island, N. Y.
Nissequogue River, Long Island, N. Y.
St. James Harbor, Long Island, N. Y.
At Smithtown, Long Island, N. Y.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. WHITE. Mr. President, are these survey items?

Mr. WAGNER. Yes. I have conferred with the Senator in charge of the bill, and he has agreed to them. He understands them thoroughly.

Mr. WHITE. I wish to make only one observation. If I heard correctly, there are included in this single amendment four separate projects.

Mr. WAGNER. Yes.

Mr. WHITE. I take this occasion to voice my dislike of any such multiplicity of projects in a single amendment, but I shall do nothing further about the matter.

Mr. OVERTON. Mr. President, they are merely preliminary examination and survey items.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. WAGNER].

The amendment was agreed to.

Mr. PEPPER. Mr. President, will the Senator yield in order that I may offer an amendment?

Mr. AIKEN. I yield.

Mr. PEPPER. Mr. President, I offer an amendment, a survey item, about which I conferred with the chairman of the committee, as well as the distinguished leader of the minority party. I hope the amendment will be agreed to at this time.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated.

The LEGISLATIVE CLERK. On page 48, after line 22, it is proposed to insert:

Suwannee River, Ga. and Fla., with a view to improvement in the interest of navigation and flood control.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

MISSISSIPPI RIVER BRIDGE OR BRIDGES NEAR CLINTON, IOWA, AND FULTON, ILL.

Mr. GILLETTE. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield to the Senator from Iowa.

Mr. GILLETTE. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 1159, Calendar 1328, a noncontroversial bridge bill which has been reported from the Committee on Commerce.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Iowa?

Mr. WHITE. Mr. President, reserving the right to object, I understand that this is a bill which deals only with a single bridge, and provides for a free bridge.

Mr. GILLETTE. It deals only with a single bridge and is unanimously reported from the Committee on Commerce. If it is not passed now, it will not get to the House in time to be acted upon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Iowa?

There being no objection, the Senate proceeded to consider the bill (S. 1159) creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill., which had been reported from the Committee on Commerce with amendments.

The first amendment was, in section 1, on page 2, line 18, after the word "Act", to insert the following proviso: "*Provided*, That the power granted in this act with respect to the acquisition and purchase of any bridge shall not be exercised by said commission until all terms of the proposed acquisition and purchase of any such bridge shall have been approved by the Highway Departments of the States of Iowa and Illinois."

The amendment was agreed to.

The next amendment was, in section 5, on page 4, line 23, after the word "negotiable" to strike out "bonds of the commission, bearing interest at the rate or rates of not more than 6 percent per annum, the principal and interest of which bonds, and any premium to be paid for retirement thereof before maturity, shall be payable solely from the sinking fund provided in accordance with this act, and such payments may be further secured by mortgage of the bridge or bridges. All such bonds may be registerable as to principal alone or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 30 years from the date of approval of this act, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the commission may determine, and any of said bonds maturing more than 20 years from such date. The commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the commission prior to the issuance of the bonds. The commission, when it deems it to be to the best interest of the commission, may issue refunding bonds to repurchase and redeem any outstanding bonds at or before the maturity thereof: *Provided*, That the refunding bonds shall mature at such time or times, not exceeding 20 years from the date thereof, as the commission may determine, and any of such refunding bonds maturing more than 10 years from the date thereof shall be optional for redemption on any interest payment date on or after 10 years from such date" and insert "serial bonds of the commission, bearing interest, payable semiannually, at the rate of not more than 6 percent per annum, the principal and interest of which bonds shall be payable solely from the funds provided in accordance with this act, and such payments may be further secured by mortgage of the bridge or bridges. All such bonds may be registerable as to principal alone or both principal and interest, shall be payable as to principal in 20 equal annual installments, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the commission may determine, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge or bridges, acquired or constructed, and approaches and the land easements, and appurtenances used in connection therewith, when added to any other funds made available to the commission for the use of said purposes."

The amendment was agreed to.

The next amendment was, in section 5, on page 7, line 9, after the word "at" to strike out "public or private sale in such manner and at such time or times and at such price as the commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 5 percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge or bridges acquired or constructed, and approaches and the land easements, and appurtenances used in connection therewith when added to any other funds made available to the commission for the use of said purposes. The price to be paid for the bridge or bridges acquired hereunder shall not exceed the present reasonable value thereof, and the cost of the bridge to be constructed as provided herein, together with approaches and approach highways, shall be deemed to include interest during construction of the bridge and for 12 months thereafter, and all engineering, legal, financing, architectural, traffic surveying, condemnation, and other expenses incident to the bridge and the acquisition of the necessary property, including the cost of acquiring existing franchises and riparian rights relating to the bridge or bridges and the cost of purchasing all or any part of the shares of stock of any existing corporate owner if, in the judgment of the commission, it be found expedient to acquire any such existing bridge or bridges through the purchase of stock as hereinbefore provided. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definite bonds or interim certificates, with or without coupons, of any denominations whatsoever, exchangeable for definite bonds when such bonds that have been executed are available for delivery," and insert "not less than par after public advertisement for 30 days for bids to be opened publicly at the time and place stated in such advertisement and at the bid price which will yield the greatest return to the commission for the bonds to be sold. The price to be paid for the bridge or bridges acquired hereunder shall not exceed the reasonable value thereof at the time of the acquisition. The cost of the bridge to be constructed as provided herein, together with the approaches and approach highways, shall be deemed to include interest during construction of the bridge and for 12 months thereafter, and all engineering, legal, financing, architectural, traffic surveying, condemnation, and other expenses incident to the bridge and the acquisition of the necessary property, including the cost of acquiring existing franchises and riparian rights relating to the bridge. If the proceeds of the bonds shall exceed the cost as finally determined, the excess shall be placed in the fund hereafter provided to pay the principal and interest of such bonds. Prior to the preparation of definite bonds the commission may, under like restrictions, issue temporary bonds or may, under like restrictions, issue temporary bonds or interim certificates, without coupons, of any denomination whatsoever, exchangeable for definite bonds when such bonds that have been executed are available for delivery."

The amendment was agreed to.

The next amendment was, in section 6, on page 9, line 22, after the words "provide a", to strike out "sinking."

The amendment was agreed to.

The next amendment was, in section 6, on page 10, line 10, after the word "in", to strike out "the sinking" and insert "a"; and, in line 11, after the word "bonds", to insert "to pay the principal and interest of such bonds."

The amendment was agreed to.

The next amendment was, in section 8, on page 14, line 12, after the word "unpaid", to insert "Before deeds or other suitable instruments of conveyance are offered to the Iowa interests and the Illinois interests for acceptance, the commission shall place the bridge or bridges in a state of repair which will meet the approval of the highway departments of the States of Iowa and Illinois, and if in the opinion of said highway departments said bridge or bridges will need repainting within 2 years after the date of conveyance of title, the commission shall turn over to the Iowa interests and the Illinois interests sufficient funds to pay the cost of repainting."

The amendment was agreed to.

The next amendment was, in section 9, on page 15, line 25, after the name "Iowa" to insert "and a representative from the highway department of each of the States of Iowa and Illinois, such representative from Iowa to be designated by the State Highway Commission of Iowa and such representative from Illinois to be designated by its Division of Highways, Department of Public Works and Buildings."

The amendment was agreed to.

The next amendment was, in section 9, on page 16, after line 7, to insert "of the members of the commission hereinabove named, Thomas B. Charlton and Joseph J. Burke shall be for a term of 1 year each, Fred Hansen and Mark Morris shall be for a term of 2 years each, and Milton Peaco shall be for a term of 3 years, from the date of approval of this act, and thereafter each member appointed on the commission shall be for a term of 3 years, except when such appointment is to fill an unexpired term."

The amendment was agreed to.

The next amendment was, in section 9, on page 16, line 21, after the word "appointment", to strike out "Any vacancy occurring in said commission" and insert "Any vacancy in said commission, other than of members to be designated by the highway departments of Iowa and Illinois, occurring"; and in line 25, after the word "death", to insert "expiration of term."

The amendment was agreed to.

The next amendment was, in section 9, on page 17, line 2, after the word "Administrator", to strike out "the Federal Works Administrator may remove any member of the Commission for cause shown after hearing in such manner as may be prescribed by such Administrator."

The amendment was agreed to.

The next amendment was, in section 10, on page 18, line 25, after the word "divided", to strike out "and distribution made between the interests of the States as may be determined by the Chief of the Bureau of Public Roads of the United States" and insert "into two equal parts, one of which shall be repaid to said Iowa interests and the other to said Illinois interests."

The amendment was agreed to.

The next amendment was, in section 13, on page 20, line 25, after the word "officials", to insert "and the location and design of any such bridge shall be subject to approval by the highway departments of the States of Iowa and Illinois."

The amendment was agreed to.

Mr. WHITE. Mr. President, this is the longest bridge bill I have ever seen in my experience in the two legislative bodies. It prompts me to ask the Senator if the bill was unanimously reported from the Senate Committee on Commerce. I understood him to say it was.

Mr. GILLETTE. I again assure the Senator that it was unanimously reported. The amendments which have been agreed to were made at the request of the Bureau of Public Roads. The Department wished the bill to be a model proposal.

The PRESIDING OFFICER. If there be no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the City of Clinton Bridge Commission (hereinafter created, and hereinafter referred to as the "commission"), and its successors and assigns be, and are hereby, authorized to construct, maintain, and operate a bridge or bridges and approaches thereto, across the Mississippi River at or near the cities of Clinton, Iowa, and Fulton, Ill., at a point or points suitable to the interest of navigation, subject to the conditions and limitations contained in this act. For like purposes said commission, or its successors and assigns, are hereby authorized to acquire by purchase or condemnation, and to reconstruct, maintain, and operate all or any existing bridges for vehicular traffic crossing the Mississippi River at or near the city of Clinton, Iowa, and may acquire control of any or all such existing bridges by purchase of stock in any corporation owning any such bridges, or by a conveyance from such corporation and in any case the existing right or rights of the city of Clinton to acquire any such bridge or bridges shall be merged into and represented by acquisition thereof by the commission, and said commission shall be authorized to maintain and operate said bridge or bridges subject to the conditions and limitations contained in this act: *Provided*, That the power granted in this act with respect to the acquisition and purchase

of any bridge shall not be exercised by said commission until all terms of the proposed acquisition and purchase of any such bridge shall have been approved by the highway departments of the States of Iowa and Illinois.

SEC. 2. Jurisdiction of all condemnation proceedings under this act for the acquisition of any existing bridge or bridges is hereby conferred upon the United States District Court for the Southern District of Iowa, and for such purpose the process of such court may be served outside of the State or district in which such court is located. Such proceedings shall follow as nearly as may be the law of the State of Iowa governing the proceedings for the condemnation of private property for public purposes in said State. Copies of any final judgment, decree, or order of such court in any such condemnation proceedings relating to land located outside said district shall be filed with the clerk of the court of the Federal district in which such land is located. In any such condemnation proceedings the commission shall be authorized to condemn all right, title, and interest in the bridge or bridges and approaches, and all right, title, and interest in real property necessary therefor.

SEC. 3. There is hereby conferred upon the commission and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such privately owned real estate and other property in the State of Iowa and the State of Illinois as may be needed for the location and construction of any such bridge or bridges and for the operation and maintenance of any bridge and its approaches hereby authorized to be acquired or constructed, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purpose in said States, respectively. The commission, its successors and assigns, is further authorized to enter into agreements with the States of Illinois and Iowa, and any political subdivision thereof, for the acquisition, lease, or use of any lands or property owned by such State or political subdivision.

SEC. 4. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge or bridges in accordance with the provisions of this act, and as provided by the act of Congress approved March 23, 1906.

SEC. 5. The commission and its successors and assigns are hereby authorized to provide for the payment of the cost of such bridge or bridges as may be acquired, reconstructed, or constructed, as provided herein, and approaches (including the approach highways, which, in the judgment of the commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the necessary land easements and appurtenances thereto, by an issue or issues of negotiable serial bonds of the commission, bearing interest, payable semiannually, at the rate of not more than 6 percent per annum, the principal and interest of which bonds shall be payable solely from the funds provided in accordance with this act, and such payments may be further secured by mortgage of the bridge or bridges. All such bonds may be registerable as to principal alone or both principal and interest, shall be payable as to principal in 20 equal annual installments, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the commission may determine, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge or bridges, acquired or constructed, and approaches and the land easements, and appurtenances used in connection therewith, when added to any other funds made available to the commission for the use of said purposes. The commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the commission in respect to the acquisition, construction, maintenance, operation, repair, and insurance of the bridge or bridges, the conservation and application of all funds, the security for the payment of the bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law.

Said bonds may be sold at not less than par after public advertisement for 30 days for bids to be opened publicly at the time and place stated in such advertisement and at the bid price which will yield the greatest return to the commission for the bonds to be sold. The price to be paid for the bridge or bridges acquired hereunder shall not exceed the reasonable value thereof at the time of the acquisition. The cost of the bridge to be constructed as provided herein, together with the approaches and approach highways, shall be deemed to include interest during construction of the bridge and for 12 months thereafter, and all engineering, legal, financing, architectural, traffic-surveying, condemnation, and other expenses incident to the bridge and the acquisition of the necessary property, including the cost of acquiring existing franchises and riparian rights relating to the bridge. If the proceeds of the bonds shall exceed the cost as finally determined, the excess shall be placed in the fund hereafter provided to pay the principal and interest of such bonds. Prior to the preparation of definite bonds the commission may, under like restrictions, issue temporary bonds or may, under like restrictions, issue temporary bonds or interim certificates, without coupons, of any denomination whatsoever, exchangeable for definite bonds when such bonds that have been executed are available for delivery.

SEC. 6. The rates and schedule of toll to be charged for the use of such bridge or bridges, in accordance with the act of Congress approved March 23, 1906, shall be continuously adjusted and maintained so as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge or bridges and approaches under economical management, and to provide a fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge or bridges are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintenance, repair, and operation, and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in a fund, at intervals to be determined by the commission prior to the issuance of the bonds, to pay the principal and interest of such bonds. An accurate record of the cost of the bridge or bridges and approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge or bridges so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within reasonable classes, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge or bridges for traffic except upon payment of tolls so fixed and adjusted. No toll shall be charged officials or employees of the commission, nor shall toll be charged officials of the Government of the United States while in the discharge of duties incident to their office or employment, nor shall toll be charged members of the fire department or peace officers when engaged in the performance of their official duties.

Within a reasonable time after the construction of any bridge or bridges, or the acquisition of any bridge or bridges, the commission shall file with the Public Roads Administration of the Federal Works Agency a sworn itemized statement showing the cost of constructing or purchasing the bridge or bridges and their approaches, the cost of acquiring any interest in real or other property necessary therefor, and the amount of bonds, debentures, or other evidence of indebtedness issued in connection with the construction or acquisition of said bridge or bridges.

SEC. 7. Nothing herein contained shall require the commission or its successors to maintain or operate any presently existing bridge or bridges acquired hereunder, if and when all bonds issued for account of such bridge or bridges shall have been retired or provision for the payment of interest on and the retirement of such bonds from the revenues from any other bridge or bridges shall have been made at the time of issuance of such bonds. Any such presently existing bridge or bridges so acquired and any appurtenances and property thereto connected and belonging, may be sold or otherwise disposed of or may be abandoned or dismantled whenever in the judgment of the commission or its successors, and subject to the approval of the Commissioner of Public Roads, Federal Works Agency, and the United States Secretary of War, it may be declared expedient so to do, and provisions with respect to and regulating any such sale, disposal, abandonment, or dismantlement may be included in proceedings for the issuance and sale of bonds for account of any such bridge or bridges. The commission and its successors may fix such rates of toll for the use of such bridge or bridges as it may deem proper, subject to the same conditions as are hereinabove required as to tolls for traffic over the bridge to be constructed, provided tolls shall be fixed and revised from time to time for traffic over all bridges so as not to adversely reflect upon the earnings of any bridge or bridges for account of which bonds may be outstanding. An accurate record of the cost of acquiring or constructing each such bridge; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 8. (a) After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held solely for that purpose, the commission shall deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to that part of said bridge or bridges within Iowa to the State of Iowa or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Iowa interests"), and that part of said bridge or bridges within Illinois to the State of Illinois or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Illinois interests"), under

the condition that the bridge or bridges shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Iowa interests and the Illinois interests, as may be agreed upon; but if the Iowa or Illinois interests, as the case may be, fail to accept, or are not authorized to accept, their respective portions of said bridge or bridges, then the commission may deliver deeds, or other suitable instruments of conveyance of said portions, to any other interest which may accept and may be authorized to accept the same, under the condition that the bridge or bridges shall thereafter be free of toll and be properly maintained, operated, and repaired by said interests to whom said conveyances are delivered; but if either the Iowa interests, or the Illinois interests, or any other interest hereinabove mentioned shall not be authorized to accept or shall not accept the same under such conditions, then the bridge or bridges shall continue to be owned, maintained, operated, and repaired by the commission as a free bridge, until such time as the Iowa interests, the Illinois interests, or any other interest hereinabove mentioned, shall be authorized to accept and shall accept such conveyance under such conditions. The rate or rates of toll for crossing any bridge now existing or hereafter constructed which abuts upon or enters into the corporate limits of the city of Clinton, Iowa, shall not be reduced below the rate or rates now in effect on existing bridges so long as any indebtedness of said commission for the account of any bridge or bridges shall be outstanding and unpaid. Before deeds or other suitable instruments of conveyance are offered to the Iowa interests and the Illinois interests for acceptance, the commission shall place the bridge or bridges in a state of repair which will meet the approval of the highway departments of the States of Iowa and Illinois, and if in the opinion of said highway departments said bridge or bridges will need repainting within 2 years after the date of conveyance of title, the commission shall turn over to the Iowa interests and the Illinois interests sufficient funds to pay the cost of repainting.

(b) Notwithstanding any restrictions or limitation imposed by the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, or by the Federal Highway Act, or by an act amendatory of or supplemental to either thereof, the Federal Works Administrator or any other Federal department or agency of the United States Government may extend Federal aid under such acts for the construction of said bridge or bridges out of any moneys allocated to the State of Iowa with the consent of the State highway commission of said State, and out of moneys allocated to the State of Illinois with the consent of the department of highways of said State.

SEC. 9. For the purpose of carrying into effect the objects stated in this act, there is hereby created the City of Clinton Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of Thomas B. Charlton, Joseph J. Burke, Fred Hansen, Mark Morris, and Milton Peaco, of Clinton, Iowa, and a representative from the highway department of each of the States of Iowa and Illinois, such representative from Iowa to be designated by the State Highway Commission of Iowa and such representative from Illinois to be designated by its Division of Highways, Department of Public Works and Buildings; such commission shall be a public body corporate and politic, but is hereby declared not to be an agency of the Federal Government. Of the members of the commission hereinabove named, Thomas B. Charlton and Joseph J. Burke shall be for a term of 1 year each, Fred Hansen and Mark Morris shall be for a term of 2 years each, and Milton Peaco shall be for a term of 3 years, from the date of approval of this act, and thereafter each member appointed on the commission shall be for a term of 3 years, except when such appointment is to fill an unexpired term. Each member of the commission shall qualify within 30 days after the approval of this act by filing in the office of the Federal Works Administrator an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall qualify in like manner within 30 days after his appointment. Any vacancy in said commission, other than of members to be designated by the highway departments of Iowa and Illinois, occurring by reason of failure to qualify as above provided, or by reason of death, expiration of term, or resignation, shall be filled by the Federal Works Administrator. Before the issuance of bonds as hereinabove provided, each member of the commission shall give such bond as may be fixed by the Commissioner of Public Roads, Federal Works Agency, conditioned upon the faithful performance of all duties required by this act; the cost of such surety prior to and during the construction of the bridge shall be paid or reimbursed from the bond proceeds and thereafter such costs shall be deemed an operating expense. The commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 10. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall be entitled to a per diem compensation for their services of $10 for each day actually spent in the business of the commission, but the maximum compensation of the chairman in any year shall not exceed $1,200, and of each other member shall not exceed $600. The members of the commission shall also be entitled to receive traveling expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorneys, and other such experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such reasonable compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged, or provision for all such payment shall have been made as hereinbefore provided, and after the bridge or bridges shall have been conveyed to the Iowa interests, and the Illinois interests, as herein provided, or otherwise disposed of as provided herein, the commission shall be dissolved and shall cease to have further existence by an order of the Commissioner of Public Roads made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Clinton, Iowa, notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Clinton, Iowa. At the time of dissolution all moneys in the hands of or to the credit of the commission shall be divided into two equal parts, one of which shall be repaid to said Iowa interests and the other to said Illinois interests.

SEC. 11. Notwithstanding any of the provisions of this act, the commission shall have full power and authority to negotiate and enter into a contract or contracts with the State Highway Commission of Iowa and the Department of Highways of Illinois, the city of Clinton, Clinton County, Iowa, or any county or municipality in the State of Illinois, whereby the commission may receive financial aid in the construction or maintenance of the bridge or bridges and approaches thereto, and said commission in its discretion may avail itself of all of the facilities of the State Highway Commission of the State of Iowa and the Department of Highways of the State of Illinois with regard to the construction of said proposed bridge or bridges, and the commission may make and enter into any contract or contracts which it deems expedient and proper with the State Highway Commission of Iowa and the Department of Highways of Illinois, whereby said highway departments or either of them may construct, operate, and maintain or participate with the commission in the construction, operation, and maintenance of said bridge or bridges and approaches to be constructed hereunder. It is hereby declared to be the purpose of Congress to facilitate the construction of a bridge and proper approaches across the Mississippi River at or near Clinton, Iowa, and Fulton, Ill., and to authorize the commission to promote said object and purposes, with full power to contract with either the State Highway Commission of Iowa or the Department of Highways of Illinois, or with any agency or department of the Federal Government, or both, in relation to the purchase or condemnation, construction, operation, and maintenance of said bridges and approaches.

SEC. 12. Nothing herein contained shall be construed to authorize or permit the commission, or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds contemplated to be provided by this act. No obligation created or liability incurred pursuant to this act shall be a personal obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 13. The design and construction of any bridge which may be built pursuant to this act shall be in accordance with the standard specifications for highway bridges adopted by the American Association of State Highway Officials, and the location and design of any such bridge shall be subject to approval by the Highway Departments of the States of Iowa and Illinois.

SEC. 14. Any bridge or bridges constructed, acquired, or reconstructed under authority of this act shall be constructed, maintained, and operated in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906. By reason of the commission hereinbefore created being a public body the provisions of the Securities Act of 1933 and of the Trust Indenture Act of 1939, and any amendments to either or both of said acts, shall not apply to bonds authorized to be issued by this act.

SEC. 15. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. GILLETTE. I thank the Senator from Vermont.

MUSTERING-OUT PAYMENTS FOR MENTALLY DISABLED VETERANS

Mr. REVERCOMB. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. REVERCOMB. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 5408, Calendar No. 1332, a bill which would provide a method for the making of mustering-out payments to mentally disabled veterans.

The PRESIDING OFFICER. Is there objection?

Mr. HILL. Mr. President, reserving the right to object, let me say that, as I understand, the bill is one which has been unanimously reported by the Committee on Military Affairs.

Mr. REVERCOMB. That is correct.

Mr. HILL. There was no objection in the committee. On the contrary, I know there was a feeling on my part and, I think, on the part of the other members of the committee that the bill should be passed, and should be passed as expeditiously as possible. Personally, I hope that the bill will be passed by the Senate, and will be passed now, without delay.

Mr. REVERCOMB. Mr. President, I appreciate the Senator's statement.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5408) to amend the Mustering-Out Payment Act of 1944, to provide a method for accomplishing certain mustering-out payments on behalf of mentally disabled veterans, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

GRADE OF FLEET ADMIRAL AND GENERAL OF THE ARMY

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2019) to establish the grade of Fleet Admiral of the United States Navy, and for other purposes, which were to strike out all after the enacting clause and insert:

That the grade of Fleet Admiral of the United States Navy is hereby established on the active list of the line of the Regular Navy as the highest grade in the Navy. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from among line officers on the active list and retired line officers on active duty serving in the rank of admiral in the Navy at the time of such appointment. The number of officers of such grade on the active list at any one time shall not exceed four.

SEC. 2. The grade of General of the Army is hereby established. Appointments to said grade shall be made by the President, by and with the advice and consent of the Senate, from officers of the Army who, at the time of such appointment, are serving in the grade of general officer in the Army. The number of officers holding the grade of General of the Army on active duty shall not exceed four. The officers appointed under the provisions of this section shall take rank above all other officers on the active list of or on active duty in the Army and shall be entitled to all rights, privileges, benefits, pay, and allowances provided by this act, notwithstanding any provisions of the act of February 23, 1929 (45 Stat. 1255), or any other law.

SEC. 3. Appointments under authority of this act shall be made without examination and shall continue in force during such period as the President shall determine. The permanent or temporary status of officers of the active list of the Navy or of the Army appointed to a higher grade pursuant to section 1 or section 2 hereof shall not be vacated solely by reason of such appointment, nor shall such appointees be prejudiced in regard to promotion, in accordance with the laws relating to the Navy or the Army. An officer appointed from the retired list to the grade of Fleet Admiral of the United States Navy on the active list or General of the Army as provided herein shall, upon the termination of such appointment, revert to the status held by him prior to such appointment, except as otherwise provided herein.

SEC. 4. Appointees under this act shall, while on active duty, receive the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of $5,000 per annum.

SEC. 5. In the discretion of the President, by and with the advice and consent of the Senate, each officer who shall have served in the grade or rank of Fleet Admiral or General of the Army by virtue of an appointment under the provisions of this act shall, upon retirement or reversion to the retired list, as the case may be, have on the retired list the highest grade or rank held by him on the active list or on active duty: *Provided,* That each such officer shall be entitled to retired pay equal to 75 percent of the active-duty pay provided herein for an officer appointed pursuant to the provisions of this act: *Provided further,* That no officer of the naval or military service on the active or retired list shall be appointed or advanced to the grade or rank of Fleet Admiral or General of the Army except as provided in this act.

SEC. 6. The officers appointed under the provisions of this act shall take rank among themselves while on active duty according to dates of appointment.

SEC. 7. Nothing in this act shall affect the provisions of the act of September 3, 1919 (41 Stat. 283; 10 U. S. C. 671a), or any other law relating to the office of General of the Armies of the United States.

SEC. 8. This act shall be effective only until 6 months after the termination of the wars in which the United States is now engaged as proclaimed by the President, or such earlier date as the Congress, by concurrent resolution, may fix.

And to amend the title so as to read: "An act to establish the grade of Fleet Admiral of the United States Navy; to establish the grade of General of the Army, and for other purposes."

Mr. WALSH. Mr. President, on behalf of myself, as chairman of the Naval Affairs Committee, and the Senator from Rhode Island [Mr GERRY], as well as other Senators, I move that the Senate concur in the House amendments.

I may add that the increased ranks in the Army and in the Navy which are provided for in the bill will expire 6 months after the termination of the war.

Mr. WHITE. Mr. President, I understand that the Senator has moved to concur in the House amendments.

Mr. WALSH. That is true.

Mr. WHITE. Has the Senator conferred with the minority members of the Naval Affairs Committee?

Mr. WALSH. I have.

Mr. WHITE. And have they indicated approval?

Mr. WALSH. They have.

The PRESIDING OFFICER. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to.

Mr. WALSH. Mr. President, I ask that there be printed in the RECORD at this point a memorandum setting forth the objectives of the bill and another memorandum with regard to British grades.

There being no objection, the two memorandums were ordered to be printed in the RECORD, as follows:

AMERICAN GRADES

S. 2019 passed the House of Representatives on December 8, 1944, with an amendment which struck out all after the enacting clause and substituted therefor the language contained in H. R. 5576, which was reported to the House by its Military Affairs Committee.

The original Senate bill—

(a) Established the grade of Fleet Admiral, one grade higher than that of Admiral, United States Navy.

(b) Authorized the appointment of two officers to this higher rank.

(c) Provided that the base pay of Fleet Admiral should be the same as that of rear admiral, i. e., $8,000 per annum plus subsistence and rental allowances, and authorized a personal money allowance of $5,000 per annum.

(d) Provided that the President, by and with the advice and consent of the Senate, could place officers who had the rank of Fleet Admiral on the retired list with these ranks.

The Senate bill was temporary legislation and was effective only until 6 months after the termination of the present wars.

The bill as amended by the House—

(a) Increases the number of Fleet Admirals from two to four.

(b) Establishes a similar grade in the Army, that of General of the Army.

(c) Provides that four officers of the Army may be appointed to this grade.

(d) Fixes the pay for General of the Army the same as that for Fleet Admiral and provides for their retirement in a similar manner to that for Fleet Admiral.

The bill is temporary in nature and expires 6 months after the termination of the present wars.

The bill contains an additional section, which provides that nothing in this act shall affect the provisions of the act of September 3, 1919, regarding the office of General of the Armies of the United States, the rank held by General Pershing.

Comparative ranks—Pay and allowances—Army and Navy

Army	Navy	Base pay	Plus rental and subsistence allowance	Plus personal money allowance
General of the Armies of the United States (held by General Pershing).	No similar rank now in the U. S. Navy.			
General of the Army (new grade)	Fleet admiral (new grade)	$8,000	$1,951	$5,000
General (present grade)	Admiral (present grade)	8,000	1,951	2,200
Lieutenant general	Vice admiral	8,000	1,951	500
Major general	Rear admiral (upper half)	8,000	1,951	
	Rear admiral (lower half)	6,000	1,951	
Brigadier general	Commodore	6,000	1,951	

At the present time, on the active list of the line and staff of the Navy, there are 7 admirals, 34 vice admirals, 207 rear admirals, 72 commodores.

BRITISH GRADES

The British have 11 five-star admirals, who are called admirals of the fleet.

At present we have no five-star admirals.

The British have 13 four-star admirals.

General Pershing is General of the Armies of the United States, and this is one rank higher than General of the Army.

Generals Marshall, Eisenhower, Arnold, and MacArthur are now four-star generals, which corresponds to admiral.

Active admirals (four-star) are Nimitz, Ingersoll, Halsey, King, Stark, Ingraham, and Spruance.

The grade in the Navy of fleet admiral (five-star) corresponds in the Army to the grade of general of the Army (five-star).

Admiral carries four stars and corresponds to general, which carries four stars.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. AIKEN. Mr. President, I have been very glad to yield to my colleagues. What I have to say is said simply for the purpose of making the RECORD complete.

Mr. President, I wish to address myself at this time directly to the question: Is it possible, under the Constitution, without doing violence to the Senate's powers and prerogatives governing the ratification of treaties, to authorize the construction of power, navigation, or other works, in boundary waters of the United States, or even wholly outside the territorial limits of the United States, by an act of Congress?

Of course, I fully realize, as does everyone else, that this question has been raised by those who opposed the St. Lawrence development in 1934, when it was presented in the form of a treaty as negotiated by President Hoover and Secretary of State Stimson during the preceding administration. In fact, as I have previously stated on the floor of the Senate, the chairman of the Committee on Commerce and the chairman of the subcommittee to which the St. Lawrence project bill, S. 1385, was referred frankly announced in public statements to the press on November 16, 1944, that they were opposed to the bill and were convinced that the agreement it approves is a treaty. They insist that it would be illegal and unconstitutional for Congress to enact the bill into law, as recommended by President Roosevelt and Secretary of State Hull. It was on November 16 also that the subcommittee announced that it would hold public hearings, which hearings were held from November 21 to November 30 to determine the very question which the press statements I have referred to settled in advance.

Under these circumstances, I think I am entirely justified in saying that this whole question of treaty versus agreement can be approached by all the Members of this body in a thoroughly practical and realistic manner. I believe we can consider the practical realities of the situation without too much concern for finespun legal theories and without fear that we are going to upset the judicial calm of any of our colleagues while they are wrestling with weighty constitutional questions.

Every Member of this body, whether he is a constitutional lawyer or an international lawyer or just a mere farmer or businessman, bears the same share of responsibility for his vote on this or any other measure that comes before us for a decision. None of us needs to be a lawyer to perform the sworn duty, under oath of office, to uphold the Constitution of the United States. I am quite willing to leave to the lawyers the discussion of hair-splitting technicalities which can be injected into any question, no matter how settled it may be in principle and practice, including the one now before us. I am quite willing and, in fact, eager to be instructed by any international lawyer in this body who can give me more light on the agreement of 1941 and the bill to implement it than I have already derived from a careful study of the simple, direct statements of Secretary of State Hull, who unequivocally recommended the agreement and its approval by the pending legislation.

It is also our duty, I believe, to probe through the fog of legalistic abstractions and see if we cannot get at the truth about measures presented to us by considering the concrete facts and the practical conditions which surround them. If we do that in the present case and contrast those facts and conditions with the facts and conditions involved in comparable and related cases, I think it will also shed some light upon the constitutional question, why it is invoked to block the St. Lawrence development and how much weight we should attach to the objections which are now raised against the procedure recommended by Secretary Hull.

Those who are opposed to the St. Lawrence Agreement and to the legislation to effectuate it say that the agreement of 1941 is in fact, a treaty, because it deals with international matters, because it authorizes the construction of navigation and power works in boundary waters, because the United States agrees to expend substantial sums of money for works in such waters, not wholly within our territorial limits, and for other like and related reasons. In view of this, they say that the agreement must be considered, because of the nature of its terms, as a treaty, and that it can only be ratified, by a two-thirds vote, after it has been withdrawn and renegotiated, signed, and resubmitted in the form of a treaty. They say further that for Congress to carry out the recommendations of the President and Secretary of State Hull and to effectuate the agreement by the pending legislation, by the action of a majority in both branches of Congress, would violate the Constitution of the United States and set a dangerous new precedent, harmful to the powers and prerogatives of the Senate governing the ratification of treaties.

It is, of course, obvious that if the Senate has, on many previous occasions, joined with the other house in adopting acts of Congress which go beyond the present measure in authorizing construction projects outside the territorial limits of the United States, then we are not waiving or surrendering powers of the Senate which in the past have been inviolate, and we are not creating any new or dangerous precedent.

Now, what do the agreement of 1941 and the amendment authorize in the way of new works? They provide for the deepening of the upper lake channels and for the construction of power and navigation works in the International Rapids section, on the part of the United States. The agreement and the bill which will be considered by the Canadian Parliament provide for the installation of power works in the International Rapids section and for the deepening of the Welland Canal and the lower St. Lawrence, wholly in Canada, on the part of Canada. That is the construction project we have before us. There is no dispute over the fact that the navigation works the United States undertakes are all to be located on the frontier between this country and Canada and in the boundary waters shared by the two nations. The only power plant to be completed by the United States under the agreement is to be built wholly within the United States, in the State of New York, with an installed capacity of 1,100,000 horsepower.

On Thursday last I presented a detailed list of projects showing that the United States heretofore has repeatedly made navigation improvements in Canadian waters of the Great Lakes-St. Lawrence system, which have been authorized, not by the ratification of a treaty, but by the adoption by both Houses of a simple act of Congress.

I wish at this time to present the facts on another case that goes far beyond the 1941 agreement and the pending amendment, so far as concerns the authorization by an act of Congress of a construction project outside the boundaries of the United States.

I refer to the construction of the Shipshaw project on the Saguenay River, 140 miles north of Quebec in the wilderness of the Province of Quebec.

When I first brought this case to the attention of some of my colleagues, I was told that the Shipshaw project must have been constructed under the war powers of the President and, therefore, that it was clearly distinguishable from the authorization of the St. Lawrence project as a post-war measure by an act of Congress.

I have now reexamined the voluminous reports which the Senate itself has received on the Shipshaw project. It turns out that it was initiated in 1941 without any reference whatsoever to the war powers. The sum of $68,500,000 in funds of the United States Government was remitted to the Aluminum Co. of Canada, Ltd., as advance payments for aluminum, and a credit of $34,250,000 was made available to the corporation, not under the war powers but under the authority of an amendment to the Reconstruction Finance Corporation Act, adopted by this body and by the House, and approved June 25, 1940.

That was a year and a half before America got into the war; so it could not have been done under the War Powers Act. Furthermore, the first two of a series of four contracts entered into by the Metals Reserve Company, a Government agency, which committed this Government to advance $50,000,000 in cash and credit to the Aluminum Co. were signed, sealed, and delivered on May 1, 1941, and July 15, 1941, months before this country entered the war. In other words, we had put $50,000,000 into this aluminum power plant on the Saguenay River 8 months before we ever entered the war.

On the face of these contracts it was stated that the money was being advanced and the credit established, by a Government agency of the United States, for this express purpose, among others, to enable the Aluminum Co. of Canada, Ltd., "to expand the productive capacity of its plants and facilities." These plants and facilities consisted not only of aluminum plants but also the Shipshaw power development on the Saguenay River. This project went under construction on October 1, 1941, a few months after the cash and credit was supplied by a Government agency of the United States and prior to the sudden attack at Pearl Harbor which brought the United States into the war.

In other words, not in time of war under the war powers, but under the authority of an act of Congress approved June 25, 1940, the United States entered into contracts with a private corporation in Canada, and supplied immense sums of money to enable that corporation to expand its facilities on the Saguenay River hundreds of miles distant from the nearest point in the United States. The Shipshaw power project which went under construction in October 1931 was rushed to completion in record time. It is today operating with an installed capacity of over 1,000,000 horsepower, almost the same capacity as that of the power project in New York State provided for under the St. Lawrence development.

I do not contend that the two projects, the Shipshaw project and the St. Lawrence project, are in all respects similar, nor that the act of Congress under which the Shipshaw project was financed by this Government is identical with the proposed amendment. On the contrary, I see many differences and distinctions in the two projects and the two legislative measures. But I do see a certain relationship between the timing of these two great power developments.

I now propose to produce the documentary proof that the Shipshaw project was initiated and was hastily financed by its promoters out of funds supplied by governmental agencies of the United States, beginning in May 1941, with the express purpose on the part of the interests which were the beneficiaries of this program of anticipating and getting a competitive jump on power developments in the United States, especially the St. Lawrence development, during the war and after the war.

Let us not deceive ourselves. We are dealing here with some of the most ruthless and powerful economic interests that have ever sought to intervene in the concerns of any government, and to influence its domestic and international policies.

We are dealing here with international utility interests which have succeeded over the last 20 years in trebling waterpower development in Quebec, where they own and control it, and in absolutely blocking the development of the latent power in the International Rapids section of the St. Lawrence River, where the State of New York and the Province of Ontario have set up public agencies to develop that power for the public benefit.

We are dealing here with an international aluminum monopoly which has consistently fought the St. Lawrence project, while developing its private power sites in Quebec to engage in a world-wide cartel which supplied Japan with aluminum prior to Pearl Harbor, and gave Germany the lead over the United States in aluminum capacity and production prior to our entrance into this war.

I am going to prove from the record that these interests have sought to delay every negotiation and to break up every agreement which the Government of the United States has undertaken in the last 20 years in an effort to provide, in cooperation with Canada, Ontario, and New York, for the development of St. Lawrence power and for the completion of the St. Lawrence seaway and power project.

I now wish to quote briefly from an official report of the Power Authority of the State of New York, to which I shall refer later, in order to supply the Senate with a summary of the history and background of the Shipshaw development.

SHIPSHAW POWER SITE ACQUIRED BY ALCOA AND PLANS MADE FOR ITS DEVELOPMENT IN 1925

Plans to construct the Shipshaw power project to give it precedence over development of St. Lawrence power, in Ontario and New York, and to shift future aluminum expansion to northern Quebec were formulated by the Aluminum Co. of America in 1925.

The Saguenay River area was selected by Alcoa as the cite for its expansion program at a time when its power resources were largely undeveloped and labor had to be imported into a sparsely populated wilderness.

The Saguenay rises in Lake St. John, a lake 15 to 18 miles in diameter, which forms a natural reservoir and when regulated contributes to the great power potentialities of the river. The two principal power sites on the Saguenay are the upper development or Isle Maligne, within a mile from the outlet of Lake St. John, and the lower development or Shipshaw, with a head of about 200 feet, located 18 miles downstream.

Grants for the exploitation of both the upper and lower developments were made by the Province of Quebec to the original promoters in 1899–1900. These grants were acquired in 1913–14 by the James L. Duke interests of the United States which in 1923 began construction of the Isle Maligne project, with a present installed capacity of 540,000 horsepower.

The Aluminum Co. of America took over the Shipshaw power rights from the Duke-Price Co. in 1925. In 1926 Alcoa also acquired the upper development, Isle Maligne, by purchase of 52⅔ percent of the stock of the Duke-Price Co., now known as the Saguenay Power Co.

After the purchase of the Shipshaw power rights, Alcoa established the company town of Arvida, 3 miles from the power site, and constructed a new aluminum plant which began operations in 1926. The aluminum facilities at Arvida were thereafter progressively expanded at a faster rate than Alcoa's aluminum plant at Shawinigan Falls, Quebec, established in 1899, and the Alcoa aluminum plants at Massena, N. Y., and in the Buffalo, N. Y., district.

In furtherance of the aluminum expansion program at Arvida, Alcoa in 1928 commenced construction of a power project at Chute-a-Caron on the Saguenay, above the Shipshaw site, which began operations in 1931 and reached an ultimate capacity of 430,000 horsepower. The flow of the Saguenay is diverted from Chute-a-Caron by the Shipshaw development, so that Chute-a-Caron will henceforth serve only as a stand-by plant in connection with the larger Shipshaw project.

In 1925, when the Duke interests were preparing to utilize Saguenay power and to enter the field as competitors in the aluminum industry, Alcoa made an engineering survey of the Saguenay power properties. In a report dated February 24, 1925, James W. Rickey, chief hydraulic engineer for Alcoa, urged that his company acquire Shipshaw without delay. Control of the Saguenay power projects by Alcoa and the creation of an international transmission network, the report stated, would place Alcoa in "a very strong and strategic position" and "provide the entering wedge for our developing the International Rapids section of the St. Lawrence."

I wish to read into the RECORD a summary of the engineering report made in 1925 by Mr. Rickey and Mr. Arthur B. Davis, who was then and is now chairman of the board of the Aluminum Co. of America. This report was produced at the time of the antitrust suit of the United States against Alcoa and Aluminium, Ltd., in 1937. Mr. James W. Rickey, chief hydraulic engineer for Alcoa, reported to his company as follows:

> There is nothing particularly novel in the plans proposed for the Shipshaw development unless it be the magnitude of the project which calls for the biggest powerhouse heretofore built. Under the present plans the entire project works fit the ground very satisfactorily and here, as at Isle Maligne, nature has provided a site which will admit of an unusually cheap development when considered on the cost per-horsepower basis.
>
> The Isle Maligne and Shipshaw projects offer the best opportunity I have ever studied for the development of a large block of cheap, continuous power which will be practically

free from interruptions due to ice troubles and/or low water.

The Isle Maligne project will provide about 400,000 horsepower of primary power which has cost about $73 per horsepower, including all dams, spillways, control works, also Government-owned riparian and reservoir rights in Lake St. John, but not including the original cost of privately owned water rights on the Saguenay River.

The Shipshaw project will provide about 760,000 horsepower of primary power which will cost about $50 per horsepower, including all dams, spillways, control works, etc., but not including the original cost of the privately owned water rights which are now all acquired.

When Shipshaw is undertaken, it will be necessary to make an initial development of about 400,000 horsepower in order to reduce to a reasonable figure the proportional cost of the dams, canal, bulkhead, etc., which must be built at the time that the initial development is made. The remainder of the development, however, can be made when and as required. The final cost of $50 per horsepower will not be attained until the complete development is made. Shipshaw can be built in 3 years.

The Isle Maligne and Shipshaw projects are so remote from big manufacturing centers as to warrant permanent allocation of big blocks of power for industrial use with the assurance that public service demands will not call for recapture of this power for a great many years—probably never. On the contrary, the total amount of power developable from the two projects is so large that it will be commercially feasible to allocate a big block of power for public service in eastern Quebec, Ontario, and New York State districts, provided the right to export can be secured and if it can be sold within a comparatively short time after the power is ready for delivery.

There will be no difficulty in finding a good inland plant site within 4 or 5 miles of Ha Ha Bay, which is the head of deep-water navigation and where 10,000- to 20,000-ton ships may be docked 7 months in the year. It is very doubtful if a satisfactory plant site can be found along the shores of the Saguenay River.

The labor situation is satisfactory and will be fully as good as that at Shawinigan.

The principal objections to the Saguenay location are the tariff on metal exported to the United States and closed navigation for 5 months in the year.

Upon first consideration, you may think that the following memorandum disregards our plans for using the Saguenay power for making aluminum. This is not the case. I have in mind the possibility of using this power in the United States, if that be advisable, otherwise in Canada; and to the extent that we use Saguenay power for making aluminum, so will the amount to be exported, as hereinafter referred to, be reduced. In other words, our first premise should be to get all of the power we want for making aluminum, use it in whichever country offers the greater advantages and sell the remainder for public service, primarily in Canada, because Canadian demand will logically have preference, and secondarily in the United States.

Sir Adam (Sir Adam Beck, head of Ontario Hydro) is now oversold and * * * has been authorized by the Provincial Government to embark on a power project at Roche Fondue on the Ottawa River, where he expects to develop 65,000 horsepower, to cost from $7,000,000 to $10,000,000, or from $108 to $154 per horsepower, or double the cost at Shipshaw ($55) and at Isle Maligne ($73). Since the Ottawa River is an interprovincial stream, Quebec will probably have something to say in this matter so that Sir Adam may encounter a few obstacles before he secures the right to develop this power, all of which makes for delay, which he can ill afford, and he must in the near future either build a big steam plant or a hydro plant. In the meantime he is urging development on the St. Lawrence at Morrisburg but the Dominion Government very properly says that nothing can be done along those lines until an agreement is reached with the United States. This means at best a long delay, because the United States and Canadian Government engineers are only now collaborating on a joint report upon the St. Lawrence improvement, which report will not be completed for about 1 year; the engineers favor a single, high dam at Barnhart. The United States and Canadian Governments cannot come to an agreement on the St. Lawrence situation until after this report is submitted.

Sir Adam in the meantime is working on his scheme which involves a dam at Morrisburg and one at Barnhart and is ready to negotiate with us at any time, not because he likes us, but probably because he needs our assistance.

Republican leaders at Albany (according to Mr. Towner) take the position that nothing can be done in reference to developing the St. Lawrence until the State comes to an understanding with the Federal Government as to what the procedure is to be, and this matter is to be left for the Attorney General to work out.

Premier Taschereau, of Quebec, is much opposed to the export of power from Canada under new contracts but concedes that existing contracts should be fulfilled.

One way to secure Premier Taschereau's approval to export Saguenay power would be to agree that the construction of Shipshaw would be undertaken forthwith provided the power therefrom could also be exported. The right to export would be subject to the provision that all power requirements in the Montreal district shall be satisfied upon demand before any of it could be exported, even if this should involve recapture. The imposition of a reasonable export tax on the Saguenay power (but not our Cedar Rapids-Massena power) would probably be acceptable to us—

The Aluminum Co. controls what power is being generated at Massena at the present time—

since it would be passed on to the consumer and might enable Premier Taschereau to reverse his present export policy. For many years to come all additional power requirements in the Montreal district can be met by Saguenay and yet leave a big surplus for export.

One way of disposing of 150,000 horsepower to be exported at Cornwall would be to transmit it via Massena to the Adirondack Co., along the lines suggested by Mr. Stehr, Lockport Co., at Syracuse. By building this line of proper capacity there would be a loop line around Lake Ontario which would be very desirable to the Hydro, as well as the power companies in the Niagara district, as it would form the nucleus of a grand power system. This combination would provide the entering wedge for our developing the international section of the St. Lawrence since we would already be distributing a large block of power in western New York and would be coordinated with the Hydro and Montreal power interests.

At the proper time we would seek the right to develop the international section of the St. Lawrence, financed somewhat along the lines set forth in my letter to Mr. Bishop, dated May 6, 1924, and memorandum accompanying it, copy of which is attached. Such portion of the Canadian power developed in the international section and not required for Canadian use would be exported into the United States, subject, however, to the same general provisions of recapture as at the Saguenay, except that it could only be recaptured upon 3 years' notice.

If this scheme could be put through, decision regarding the St. Lawrence development is of secondary importance, but when agreement is finally reached we would occupy a very strong and strategic position.

In other words, they would have a noose around the St. Lawrence, so they would absolutely control it.

Engineer Rickey said finally:

I believe the time is rapidly approaching when someone with proper entree to the various dissenting interests can make a definite move to bring together all of the above-mentioned parties in Quebec and Ontario, insofar as the Saguenay, per se, is concerned, and also bring the Saguenay project into the St. Lawrence deal.

That quotation from Engineer Rickey's report shows that as far back as 1925 this group of financial interests, which comprised Alcoa, and later took in power company interests, was planning a complete monopoly of the power of the Northeast.

Mr. President, the report which I have just read shows that plans made by Alcoa in 1925 comprehended a scheme to get the Shipshaw project under its control, to speed its development, and to seize upon every device to delay the St. Lawrence project. If Shipshaw could be built and the St. Lawrence delayed it was the hope of the Alcoa promoters of this plan that ultimately the St. Lawrence itself could be brought into an international combine under the same private control, and thus its use by public agencies on either side of the line for the benefit of millions of consumers of power and electricity could be prevented. I invite the attention of the Senate to the fact that this report refers hopefully to the difficulties involved for the Government of the United States, the Dominion of Canada, and State and Provincial agencies in reaching an accord on the St. Lawrence development. Secretary of State Hull successfully accomplished this after years of effort, in connection with the agreement of March 19, 1941, which is now before us. It is very evident from this report that Alcoa planned to take advantage of these difficulties and to encourage them in order to get the Shipshaw project built first and to hold back the St. Lawrence development as long as possible.

The Shipshaw power project is operated by the Aluminum Power Co., Ltd., wholly owned subsidiary of the Aluminum Co. of Canada., Ltd., which latter corporation holds the war contracts for delivery of aluminum to the United States. The Aluminum Co. of Canada, Ltd., is in turn the wholly owned subsidiary of Aluminium, Ltd.

Prior to its creation of Aluminium, Ltd., in 1928, Alcoa had been restrained in the Federal courts of the United States from further participation in international cartels to control the production and the price of aluminum. From 1925 to 1930 Alcoa was involved as defendant in proceedings before the Federal Trade Commission, on charges which included al-

leged use of its Canadian subsidiaries to engage in monopoly practices in violation of the antitrust laws of the United States.

The formation of Aluminium, Ltd., in 1928, while the Federal Trade Commission inquiry was in progress, is described in the listing statement filed by Aluminium, Ltd., on the Montreal Stock Exchange, December 31, 1942, as follows:

Aluminium Ltd. was created in 1928 as a Canadian company to take over and develop foreign properties of Aluminum Co. of America. Its original shareholders were the same as the common shareholders of Aluminum Co. of America. Subsequent changes in share ownership have occurred. A majority of the common stock is still owned by individuals in the United States. * * *

From the beginning the largest investment has been in smelter facilities and power resources in the Saguenay district of the Province of Quebec, representing developed and undeveloped capacity many times Canadian consumption. An international selling organization was set up for the cultivation of world markets. New outlets were sought, first through the acquisition of interests in fabricating enterprises and later by construction of fabricating plants in England, Holland, Switzerland, India, China, Australia, Germany, and Japan to provide access to markets believed to be not unduly restricted by high tariffs or other local economic conditions. The home market likewise has been provided with additional fabricating facilities. * * *

The facilities being brought into production under the war program are being financed partly out of earnings and partly with the aid of various Allied governments, on the principle that such facilities should be substantially self-liquidating in the period of the war. In its war contracts calling for the delivery of aluminum over a long period, the company has endeavored to provide protection against fluctuating costs.

Mr. President, I have just read from the listing statement filed by Aluminium, Ltd., on the Montreal Stock Exchange on December 31, 1942.

The Power Authority of the State of New York in its thirteenth annual report, dated January 31, 1944, submitted to Governor Dewey and the Legislature of New York a summary of its detailed report on the Shipshaw project in relation to the St. Lawrence development. This report conclusively shows that the delay of the St. Lawrence development in 1941, at the very time when the Shipshaw project was undertaken under the authority of a general act of Congress and was rushed through to completion, has had a harmful competitive effect, not only in New York but on the Pacific coast and in other areas.

This report strongly recommends immediate development of the St. Lawrence in order that the light-metals industries in the United States may not be permanently stunted, during the post-war period, and be left at a competitive disadvantage in comparison with the concentrated light-metals industries which today are enjoying the use of low-cost Shipshaw power.

I now read from the summary of the report of the Power Authority of the State of New York:

Wartime construction of the Shipshaw project on the Saguenay River, at a point 140 miles north of the city of Quebec, began October 1, 1941. During the intervening 2 winters, at temperatures ranging to 35° below zero, 8,845 men were employed at the peak of operations on rush schedules to expedite the work. By 1943 the Saguenay had been diverted into a new channel cut through solid rock, storage reservoirs were developed by works constructed in a radius of 170 miles from the main project site, 5 new dams were built and three 100,000 horsepower generators were on the line in the new powerhouse.

An additional 100,000-horsepower generator is scheduled to be installed each month through November, 1943.

Mr. President, it will be noted that had the St. Lawrence seaway project been commenced in 1941, at the time when the Shipshaw project was started the two projects would have been completed at just about the same time, and the St. Lawrence power development would have been ready, so that its full capacity could have been used at about the same time when the Shipshaw project was ready for use.

I read further from the summary of the report:

By May 1944, with reservoirs filled and all construction and installation work completed, the Shipshaw will be one of the largest hydroelectric power plants in the world, with an installed capacity of 1,200,000 horsepower.

Built with public funds supplied chiefly by this country and exempted in large part from war taxes, the Shipshaw project remains under the ownership of United States citizens holding a majority of the stock of companies long dominant in the aluminum industry in both the United States and Canada. The new development increases the concentration of privately held power projects in the Province of Quebec, where prevailing wages are lower than in other parts of this country and the Dominion. The owners of the Shipshaw and associated plants have thus been placed in a position to combine low power costs with low labor costs in competing with United States and Canadian power projects and with potential independent producers of aluminum and other strategic light metals, during and after the present war * * *. The extent to which public funds were being used to finance the project was not disclosed until March 1943.

In response to questions raised in the House of Commons of the Canadian Parliament, it was stated by Minister of Munitions and Supply Howe, on March 23, 1943, that the cost of the Shipshaw project had been fixed at $62,500,000 and the cost of the associated aluminum plant expansion at $117,000,000 in tax rulings of the Canadian Government.

Under contracts dated May 2, 1941, July 15, 1941, March 6, 1942, and April 1, 1942, the United States agreed to purchase a total of 1,370,000,000 pounds of aluminum ingots from the Canadian corporation for delivery in 1942, 1943, 1944, and 1945.

The United States agreed to pay for the aluminum purchased, in an unprecedented volume, under these contracts at prevailing commercial rates of 15 cents a pound for the metal taken by the Government for domestic use (1,096,000,000 pounds) and 17 cents a pound for the metal taken by the Government for lend-lease shipments (274,000,000 pounds).

Under the contracts, the United States thus agreed to pay a total of $211,980,000 for the metal to be furnished by the Aluminum Co. of Canada, Ltd.

That amount, Mr. President, is more than the total cost of the St. Lawrence seaway to the United States.

I read further from the summary:

Witnesses before the Truman committee of the United States Senate and other Government bodies have estimated that aluminum can be produced at a cost of less than 10 cents a pound. An average margin of 5.5 cents a pound would therefore net the Aluminum Co. of Canada, Ltd., a gross profit of $75,350,000 under its contracts with the United States Government.

The United States also agreed under these contracts to increase its payments to cover any advances in wages or advances in transportation costs which might add to the cost of production of aluminum during the contract period.

The United States further agreed to advance, and in 1941–42 has paid to the company a total of $68,500,000 as down payments without interest on the aluminum to be delivered through 1945.

In addition, the United States agreed to loan the company $34,250,000 at 3 percent interest, with repayment of 5 percent of the principal each year until 1952 when the balance of the loan becomes due.

The purpose of the down payments and loans, as specified in the contracts, was "to enable the seller (the Aluminum Co. of Canada, Ltd.) to expand the productive capacity of its plants and facilities."

Supplementing the contracts, the United States also granted priorities under which the Shipshaw project has been built with the use of large quantities of steel, forgings, shafts, and other critical materials, imported to northern Quebec from the United States or produced by Canadian affiliates of United States concerns.

The Saguenay River area was selected by Alcoa as the site for its expansion program at a time when its power resources were largely undeveloped, and labor had to be imported into a sparsely populated wilderness.

The Saguenay rises in Lake St. John, a lake 15 to 18 miles in diameter, which forms a natural reservoir and when regulated contributes to the great power potentialities of the river. The two principal power sites on the Saguenay are the upper development or Isle Maligne, within a mile from the outlet of Lake St. John, and the lower development or Shipshaw, with a head of about 200 feet, located 18 miles downstream.

Grants for the exploitation of both the upper and the lower developments were made by the Province of Quebec to the original promoters in 1899–1900. These grants were acquired in 1913–14 by the James L. Duke interests of the United States, which in 1923 began construction of the Isle Maligne project, with a present installed capacity of 540,000 horsepower.

In 1925, when the Duke interests were preparing to utilize Saguenay power and to enter the field as competitors of the aluminum industry, Alcoa made an engineering survey of the Saguenay power properties. In a report dated February 24, 1925—

The report which I just read—

James W. Rickey, chief hydraulic engineer for Alcoa, urged that his company acquire Shipshaw without delay. Control of the Saguenay power projects by Alcoa and the creation of an international transmission network, the report stated, would place Alcoa in "a very strong and strategic position" and "provide the entering wedge for our developing the international section of the St. Lawrence."

The Aluminum Co. of America took over the Shipshaw power rights from the

Duke-Price Co. in 1925. In 1926 Alcoa also acquired the upper development, Isle Maligne, by purchase of 52⅔ percent of the stock of the Duke-Price Co., now known as the Saguenay Power Co.

Mr. President, without reading them, I ask to have the next two paragraphs printed in the RECORD, as I have already referred to them in my address.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

After the purchase of the Shipshaw power rights, Alcoa established the company town of Arvida, 3 miles from the power site, and constructed a new aluminum plant which began operations in 1926. The aluminum facilities at Arvida were thereafter progressively expanded at a faster rate than Alcoa's aluminum plant at Shawinigan Falls, Quebec, established in 1899, and the Alcoa aluminum plants at Massena, N. Y., and in the Buffalo, N. Y., district.

In furtherance of the aluminum expansion program at Arvida, Alcoa in 1928 commenced construction of a power project at Chute-a-Caron on the Saguenay, above the Shipshaw site, which began operations in 1931 and reached an ultimate capacity of 430,000 horsepower. The flow of the Saguenay is diverted from Chute-a-Caron by the Shipshaw development, so that Chute-a-Caron will henceforth serve only as a standby plant in connection with the larger Shipshaw project.

Mr. AIKEN. I skip to the conclusions:

Published documents and statements of administrative agencies of the United States and Canada are the sources of this statement of facts on the wartime construction of the Shipshaw project. Study of the available documents leads to certain conclusions which are summarized as follows:

1. The contracts of May 2, 1941, July 15, 1941, March 6, 1942, and April 1, 1942, between the Aluminum Co. of Canada, Ltd., and Metals Reserve Company, R. F. C., made $68,500,000 in advance payments and $34,250,000 in credits available to the company from the United States Treasury. Relatively minor advance payments were obtained by the company from the United Kingdom and Australia, together with credits for construction of aluminum facilities from the United Kingdom.

2. The record shows that the Shipshaw power development was predicated upon the advances and credits obtained from the United States and that construction did not in fact commence until the United States had committed $50,000,000 to the project. Assuming a profit of 5.5 cents a pound on the 1,370,000,000 pounds of aluminum to be delivered by the company to the United States through 1945, the company's profits under these contracts will exceed $75,000,000. Profits received by the company will be charged to accelerated depreciation, and thus escape war-income and excess-profits taxes. The total depreciation thus far allowed the company before taxes amounts to $170,359,956.06.

3. The terms extended to the Aluminum Co. of Canada, Ltd., for construction of the Shipshaw power project have no precedent in the history of power development in the United States. During the First World War the United States Government used public funds to develop Muscle Shoals on the Tennessee River for war purposes, but retained full control of the project and for 15 years after the war consistently rejected proposals for leasing the property to private interests. The T. V. A., Boulder Dam, Bonneville, Grand Coulee, and other Federal and State power projects built in the United States with the use of public funds have been kept under public ownership and control for the benefit on equal terms of industrial, commercial, domestic, and rural consumers. All major power developments in the United States owned and operated by private interests have heretofore been financed without recourse to Government advances or loans. No hydroelectric power resource in the United States comparable in magnitude to the Shipshaw has been left to private development or to the ownership and exclusive use of a single industrial corporation.

4. The Shipshaw power project, with its capital investment largely written off and without carrying charges to add to its production costs, will remain in the hands of a wholly owned subsidiary of Aluminium, Ltd., a majority of the common stock of which is owned by a small group of United States citizens who are also the majority common stockholders of the Aluminum Co. of America. Aluminium, Ltd., and Alcoa completely monopolized the production of aluminum in Canada and in the United States from 1928 up to the present war.

5. Aluminium, Ltd., and Alcoa were both engaged in the decade which preceded the present war in international agreements which had the effect of limiting the production of strategic light metals in the United States. Aluminium, Ltd., took over most of Alcoa's foreign properties before the war and in 1931 and 1936 entered into cartel agreements with aluminum producers in Europe, under which Aluminium, Ltd., became the principal supplier of aluminum to Japan, while Germany outstripped the United States in expansion of aluminum facilities and in total production. Alcoa, meanwhile, entered into an agreement with the German Farbenindustrie in 1931, under which the production of a competing metal, magnesium, was held to 33,000,000 pounds in the United States in 1941, against war needs of 725,000,000 pounds a year. Federal indictments filed against Alcoa and other parties to this agreement in 1941 led to a plea of nolo contendere and the assessment of fines against the company and its principal officers in 1942. An antitrust suit filed against Alcoa and Aluminium, Ltd., in 1937 and decided for the defendants in a Federal district court, is now pending on application for appeal to the United States Supreme Court.

6. As a result of the development of the Shipshaw and expansion of its associated plant facilities, Aluminium, Ltd., will be in a position after the war greatly to increase its production over pre-war levels and to enter into cartels beyond the jurisdiction or control of the United States Government. In addition to obtaining a refuge from antitrust regulations of the United States by shifting the expansion of the industry to northern Quebec, the owners of the Shipshaw and associated aluminum plants have established a low-cost labor preserve in that area. Wages paid in Arvida, the company town built by Alcoa and now operated by Aluminium, Ltd., near the Shipshaw site, range as far as 50 percent below wages paid in New York, Washington, California, and other producing areas.

7. The State of New York, originally the seat of the aluminum industry in this country, producing 35 percent of the aluminum output of the United States as late as 1940, has been far outdistanced by the Quebec expansion of Aluminium, Ltd. This holding corporation controls integrated facilities of subsidiaries which, with the development of Shipshaw, will also outproduce the newly developed aluminum industries in the Tennessee Valley and on the Pacific coast.

8. Prior to the Shipshaw development the Province of Quebec had already completed hydropower developments of a total installed capacity of more than 4,500,000 kilowatts, all of which is under private ownership with a large part of the output contracted for by Aluminium, Ltd., paper and pulp mills, and a few other large industries. The State of New York with a population more than four times that of Quebec, has a total installed capacity of hydroelectric power of less than 1,100,000 kilowatts. The greater part of the developed hydro capacity in New York is absorbed by a limited number of industries, including Alcoa, through contracts for mechanical power and power at Niagara Falls, and by Alcoa through its ownership and exclusive use of a 55,000 kilowatt plant at Massena, N. Y. The latter plant, acquired by Alcoa in 1906, is thus far the only hydro development which has been permitted to proceed to completion on the United States side of the St. Lawrence River.

9. To meet the shortage of aluminum facalities in the United States which existed even before the outbreak of war, the Government has been obliged in the midst of the conflict to invest more than $670,000,000 in public funds in new alumina, aluminum, and fabricating plants required for the emergency. Most of the alumina and aluminum plants built by the Government were leased in 1941 to Alcoa until 1947–48.

10. The creation of an integrated aluminum industry in Quebec, operating free from the burden of carrying charges, with exceptionally low wages and a large reserve of low-cost power, raises serious questions as to the future status of the new plants in the United States and as to the recovery of the Government's huge investment. By shifting expansion of the aluminum industry to northern Quebec, the owners of the Shipshaw project, who also own the stock of Alcoa, have increased their bargaining power against the Government in post-war negotiations to take over the Government's plants at scrap prices or to retire such plants from production.

The record is clear that the Shipshaw power development and the expansion of associated plant facilities owned by Aluminium, Ltd., in Quebec was permitted to by-pass the completion of power projects in the United States which were, in fact, more advanced than the Shipshaw at the time the latter project was initiated in 1941.

The basic importance of low-cost hydroelectric power as an essential element in the successful operation of electrometallurgical and electrochemical industries, and in the production of aluminum, magnesium, and other strategic light metals, is now universally conceded. The United States must maintain adequate facilities to produce such metals during peacetime unless the shortages and resulting dangers to the national security which have been experienced during the present war are to be risked again.

The prompt and full utilization of the hydroelectric resources of the United States is an imperative necessity if independent producers in this country are to have access, on equal terms, to dependable supplies of low-cost power during the period of postwar competition.

The need for constructive action along these lines is increased, rather than diminished, by the creation in northern Quebec of a project which will give an enormous reserve of low-cost power, at the end of the war, to interests heretofore engaged in cartels dominating the markets for strategic light metals. Federal and State Governments of the United States can best guard against recurrence of such conditions by cooperation in a sound program to complete power projects temporarily deferred in favor of the Shipshaw development—which offer greater aid to the national security in war and more general benefits to the public in time of peace.

The Shipshaw project was investigated at extensive public hearings in 1941 and

1942 before the Truman committee. This body has, therefore, been on notice for 3 years that such a project was built in Canada, and that large amounts of United States funds were used for that purpose, with no authority except a general act of Congress.

In its third annual report, submitted to the Senate March 3, 1944, by the senior Senator from Missouri [Mr. TRUMAN], the Truman committee stated its conclusions, as follows:

THE SHIPSHAW PROJECT

The Aluminum Co. of Canada is not a subsidiary of Alcoa, although it is believed that a small group of individuals own the majority of the stock of both Alcoa and Aluminium, Ltd., the parent of Aluminum Co. of Canada. The Aluminum Co. of Canada manufactures aluminum in Canada. It obtains its bauxite from South America, but is able to operate advantageously in Canada because of the availability of low-cost power.

On May 2, 1941, the Aluminum Co. of Canada entered into a contract with the Metals Reserve Company, a subsidiary of the Reconstruction Finance Corporation. (See exhibits 120–121, vol. 7, of committee's hearings.) The contract was entered into pursuant to recommendations made by the Office of Production Management to the Metals Reserve Company. It provided for the sale of 170,000 metric tons of aluminum ingot by the Aluminum Co. of Canada to Metals Reserve Company at the then prevailing price of 17 cents per pound. It further provided for a down payment of $25,000,000 to Aluminum Co. of Canada to be returned with interest at 2 percent upon the delivery of the aluminum on the estimated monthly schedule extending to November 1, 1944. A second contract, executed July 15, 1941, provided for the purchase of an additional 170,000 metric tons at 17 cents a pound, for delivery in 1942, 1943, and 1944. It also provided for a loan of $25,000,000 at 3-percent interest to the Aluminum Co. of Canada by the Export-Import Bank of the United States. The entire $50,000,000 were made available to the Aluminum Co. of Canada on August 30, 1941, 1 month before construction was started at Shipshaw, but after contracts for construction had been executed. Shipshaw is a power development on the Saguenay River in Canada just down the stream from Chute-a-Caron. The power was to be used to produce the aluminum required under the contract.

Under this arrangement the Aluminum Co. of Canada in effect received the use of $25,000,000 at 2-percent interest and without collateral from a subsidiary of the Reconstruction Finance Corporation. At the same time Reynolds, the American company, which had risked entering an industry dominated by a single producer, was being charged 4-percent interest on a loan obtained from the Reconstruction Finance Corporation. In addition the Reynolds loan was secured by a first mortgage on its plants, including those built with the borrowed money, and a pledge of the stock of its subsidiaries.

The difference in favor of Aluminum Co. of Canada was emphasized further by the fact that in August 1941, only a few weeks after the 17-cent-per-pound contract with the Aluminum Co. of Canada, the price of virgin aluminum in the United States was reduced from 17 cents to 15 cents per pound without any corresponding reduction having been made in the price to be received by Aluminum Co. of Canada. The 2-cent differential on the quantity of material involved in the contract was equal to an additional payment to Aluminum Co. of Canada of almost $15,000,000.

Moreover, the Metals Reserve Company agreed to reimburse Aluminum Co. of Canada in the event that labor and transportation costs should increase.

The committee appreciates that the Reconstruction Finance Corporation and its subsidiary were under great pressure to obtain aluminum as quickly as possible from all possible sources. The committee itself has pointed out the urgency of doing so. Aluminum Co. of Canada is a foreign corporation organized outside the United States, the property of which could not be taken over under the War Powers Act. The only method of obtaining increased production by it was to negotiate a contract acceptable to it. At the same time, Aluminum Co. of Canada was obtaining an opportunity to build a tremendous aluminum-producing capacity outside the United States from profits obtained from the United States. Being a foreign company, it would not be subject to the tax and antitrust laws of the United States and could enter (as the committee understands it previously had) into foreign cartel arrangements. Also the Aluminum Co. of Canada could not operate unless it could obtain bauxite from South America, and that could not be accomplished unless shipping were allocated to it.

Under all the circumstances, the committee believed that it was desirable to attempt to renegotiate the contracts and in the fall of 1941 called the attention of the Reconstruction Finance Corporation to the price differential.

In the spring of 1942 two new contracts—designated No. 3 and No. 4—were executed between the Metals Reserve Company, the Aluminum Co. of Canada, and the Export-Import Bank of the United States. These contracts canceled and superseded the first two contracts.

Contract No. 3, executed March 6, 1942, provided for the delivery of 1,000,000,000 pounds of aluminum by the end of 1944; 800,000,000 pounds of that amount intended for use in the United States was to be priced at 15 cents per pound, and the remaining 200,000,000 pounds intended for lend-lease shipment was to be priced at 17 cents per pound. The $25,000,000 down payment and the $25,000,000 loan provided in the earlier contracts were replaced by an advance payment of $50,000,000 without interest or security or other obligation except as to the delivery of aluminum. In the words of the contract the purpose was "to enable the seller to undertake the expansion of the productive capacity of its plants." In addition the contract extended to the Aluminum Co. of Canada a line of credit with the Export-Import Bank of the United States up to $25,000,000 with interest at 3 percent and without security, the credit to be availed of to the extent that the amount of the advance payment is reduced by crediting the United States at 5 cents per pound of aluminum delivered. The Reconstruction Finance Corporation regards the loan as sound even though it was made without security.

And, so far as I can see, without authority.

Contract No. 4, executed April 1, 1942, provided for the sale of an additional 370,000,000 pounds of aluminum for delivery by the end of 1945, of which 296,000,000 pounds were for the United States at 15 cents per pound and 74,000,000 pounds for lend-lease at 17 cents per pound. This contract provided for an additional advance to the Aluminum Co. of Canada of $18,500,000 without interest and an additional line of credit up to $9,250,000 with interest at 3 percent under the same terms as contract No. 3.

These two contracts were entered into pursuant to recommendations of the War Production Board, the successor agency to the Office of Production Management. The two contracts provided for the purchase of an aggregate of 1,370,000,000 pounds of aluminum at prices of 15 cents per pound on 1,096,000,000 pounds for use in the United States, and 17 cents per pound on 274,000,000 pounds for lend-lease use; 1,250,000,000 pounds were to be delivered by the end of 1944, and the balance in 1945.

The quantity of aluminum delivered to January 31, 1944, by the Aluminum Co. of Canada was 741,514,914 pounds, and the quantity remaining to be delivered was 628,458,086 pounds.

In addition to the advances made by the Metals Reserve Company, the Export-Import Bank had made loans under the contracts to the Aluminum Co. of Canada aggregating $12,350,000.

In addition, the Aluminum Co. of Canada received as excess payment under the escalator clause for increased transportation and labor costs additional sums which, during recent months, have amounted to 4.2127 cents per pound. When these payments are added to the 15 cents per pound base price, the total price of aluminum purchased from Aluminum Co. of Canada (except where the 17-cent price is still available) is 19.6127 cents.

It is estimated that the cost of the Shipshaw power project, undertaken by Aluminum Co. of Canada in order to enable it to comply with the contract with Metals Reserve Company, was approximately $70,000,000, and the cost of pot lines for the production of aluminum, and plants for the production of alumina, mining development to obtain bauxite and other costs incurred to establish the necessary capacity to produce aluminum ingot in the quantities required by the contract was an additional $100,000,000, or a total of approximately $170,000,000 against which Aluminum Co. of Canada received in advance $68,500,000 without interest and as prepayment for aluminum to be delivered later.

Perhaps the most unique feature of the contracts is a debt cancelation provision, common to both, which removes all risk from the expansion venture of Aluminum Co. of Canada, regardless of when the war may end. Deliveries of aluminum are subject to cancelation without cause by the United States upon 6 months' notice, in which event the Aluminum Co. of Canada is permitted to retain without obligation the unaccounted for balance of the advance payment of $68,500,000. Furthermore contract No. 4 provides that in the event of cancelation, the United States must pay to the Aluminum Co. of Canada 1 cent per pound for all metal undelivered under that contract.

In summation, this is how the arrangement works: For every pound of aluminum delivered for use in this country, the United States pays the Aluminum Co. of Canada 10 cents (or in the case of lend-lease shipments, 12 cents) and credits 5 cents toward retirement of the $68,500,000 previously advanced. For every 5 cents so credited, the Aluminum Co. of Canada may borrow 5 cents at 3-percent interest up to $34,250,000.

The advance payment of $68,500,000 will not be repaid until the entire quantity of metal is delivered (5 cents per pound on 1,370,000,000 pounds equals $68,500,000). Meanwhile, if the war should end before December 31, 1945, and the United States for any reason should decide to cancel further deliveries, a substantial part of the advance payment would never be repaid, and no value therefor would be received.

Further financial assistance is reported to have been given to the Aluminum Co. of Canada by the Government of Canada in the form of tax exemptions which are labeled "accelerated depreciation." The depreciation granted by the Canadian authorities on the Shipshaw power project for tax purposes is reported to have been $37,000,000, which is over half of its estimated cost of $70,000,000.

In order to permit immediate manufacture of the large Shipshaw turbines and gener-

ators, which approximately corresponded in size to the units for Shasta Dam on the Central Valley project, the Aluminum Co. of Canada requested priorities for certain critical materials. The Aluminum Branch of the War Production Board, acting upon a request from the Metals Reserve, granted this request for priority on January 29, 1942. Later a priority of AA–3 was granted. This was equal to the highest rating granted any power project in the United States. In February 1942, the Aluminum Branch of the War Production Board arranged through the Power Branch of the War Production Board to have the big steel shafts for six Shipshaw machines placed in the production schedules of two American foundries. In April 1942, at the request of the Aluminum Co. of Canada, the Power Branch added the shafting for four additional Shipshaw units to the production schedules. In October 1942 the Shipshaw priority was raised to AA–1 for equipment. That amount was higher than that allowed any power project in the United States.

Mr. President, I call attention to the fact that during all this time they were blocking the development of power in the United States, but were granting these high priorities for the development of power in Canada.

The Shipshaw priority was raised in November 1942 to a priority of AA–2X on all construction materials.

In addition to priorities for the shafts for 10 generating units, it is understood that the Canadian contractors obtained silicon steel forgings and castings in the United States through the assistance of the Aluminum Branch of the War Production Board. Most other materials were obtained in Canada. The generating equipment for which some materials were obtained in the United States was manufactured in the Canadian plants.

At the same time that the project of the Aluminum Co. of Canada was being rushed to completion at all possible speed, with financing and priority assistance from the United States, stop orders were being issued by the War Production Board for many public power projects in this country, largely on the grounds of scarcity of steel for the big forgings and castings required for the turbines and generators. The projects thus affected included new installations planned for Grand Coulee, Shasta, Keswick, Anderson Ranch, and Davis Dams, the Colorado-Big Thompson project, and several Tennessee Valley Authority dams, aggregating about 1,600,000 horsepower.

In considering the contracts with the Aluminum Co. of Canada and the extremely great benefits obtained by it, consideration must always be given to the fact that aluminum was produced in huge quantities and delivered at a time when we needed it. However, it is regrettable that the operations of the Aluminum Co. of Canada after the war will not be subject to the jurisdiction of the laws of the United States.

That concludes my reading from the report of the Truman committee.

As will be noted, the Truman committee report clearly shows that the Shipshaw project was undertaken with the use of United States funds in 1941 before we entered the war; that it was granted priorities and given precedence over public power projects in the United States; that it is controlled by a corporation which was engaged before the war in far-flung cartel operations in aluminum; and that it will be left after the war entirely free from control by the United States and immune from prosecution under our antitrust laws against monopoly and cartel practices.

In every important respect, the Truman committee report confirms the findings of the Power Authority of the State of New York on the Shipshaw project in regard to the above particulars.

We therefore have before us a report of a committee of the Senate itself and a report of the official agency of the State of New York, charged with responsibility for the St. Lawrence power development, showing that the Shipshaw project was rushed through with the use of United States funds, materials, and priorities at a time when the St. Lawrence development was being held up and delayed in 1941.

I do not deny that because of the restrictive policies of the aluminum monopoly we faced an urgent need for that metal in 1941, a need which has been cited to justify the use of United States funds to construct the Shipsaw project.

Today we are faced with an entirely different question. The question now is whether we shall authorize the St. Lawrence development and give the St. Lawrence area a fair competitive position, in comparison with the Shipsaw area, or whether we shall continue to delay the St. Lawrence development, let the St. Lawrence power run to waste, and prevent its use in the interest of our labor, our agriculture, and our industry in the northeastern United States.

I have presented the facts on the Shipsaw project because I wish this record to show that that project and its post-war use bear a direct relationship to the post-war need for the St. Lawrence development.

I now wish to present a few specific examples showing what the consequences have been of the program of furnishing funds to the aluminum monopoly to develop Shipsaw in Quebec, while holding back the St. Lawrence project on our own frontier.

The Shipshaw project went under construction October 1, 1941, and was virtually completed by the winter of 1943–44. I believe it went into full production a few months ago. The million horsepower developed from this project made it possible for the Aluminum Co. of Canada, Ltd., to increase its production enormously and to step up its imports of metal to the United States, scheduled for delivery through 1943, 1944, and 1945.

In December 1943, when the Shipshaw was beginning to operate near capacity, the War Production Board announced a drastic cut-back in the domestic production of aluminum in our own plants in the United States. It was proposed to reduce United States production by not less than 40 percent and to eliminate 20 pot lines, for the most part in the Government-owned aluminum plants in New York, New Jersey, and in the Pacific Northwest. On behalf of the Government plants using Grand Coulee and Bonneville power the entire membership of the delegations in the House and Senate from the States of Washington and Oregon protested this cut-back order. It was pointed out to the War Production Board that aluminum produced at a low power cost at the Shipshaw project in Quebec was being delivered to the United States at a price as high as 21 cents a pound, whereas plants in this country using hydroelectric power were furnishing aluminum for war purposes at a cost of 15 cents a pound. This difference was due to the escalator clause in the Shipshaw contracts providing that the United States should assume the extra costs due to wartime increases for labor and transportation.

During 1944, the cut-back in aluminum production has proceeded steadily in this country, as a direct consequence of the surplus created by heavy imports from Quebec, made possible by completion of the Shipshaw project in 1943.

The Government aluminum plant at Massena, a few miles from the St. Lawrence project site, was closed down beginning in 1944 because of its dependence on steam power which had to be transmitted all the way across the State from steamplants to meet the wartime emergency. This plant cost the Government $19,100,000.

Early in 1944, the Government also began to shut down its aluminum plant at Maspeth, Long Island, constructed in 1942–43 at a cost of $36,000,000. This plant was built to operate on steam power produced in New York City coal-burning plants. Had St. Lawrence power been available, the Maspeth plant would never have been built. It is today entirely closed down, with the Government's $36,000,000 investment lost, except for the possibility of scrap sale at sacrifice prices.

Mr. President, in this morning's newspaper I believe I saw a statement to the effect that the Government was hoping to use the Maspeth buildings for some other purpose. I do not recall just what it was. But the fact remains that the aluminum plant was entirely closed down.

In addition, an electric cathode plant at Burlington, N. J., built by the Government at a cost of $17,500,000, has also been closed down.

The total cost of these junked plants and transmission lines which have been closed down represents a Government investment of $72,600,000. They have been closed down because they were dependent on steam power and they could not obtain enough of it at the proper price.

The per kilowatt-hour cost of steam power at Maspeth was estimated at 6.28 mills, and at Massena at 7.21 mills, as compared with a hydropower cost of about 2 mills at the plants using Shipshaw power.

Between 10,000 and 15,000 men were thrown out of employment through the closing down of the aluminum plants in the United States. Their families were forced to move under wartime conditions, and the workmen were obliged to seek new homes and new employment in other locations.

It may be said that the closing of these plants was a necessity in wartime. But what of the future? With Shipshaw power available, not only aluminum but magnesium and other light metals as well can be produced on the Saguenay at low cost in immense volume.

I now wish to present for the RECORD a recent announcement of the post-war plans of the Aluminum Co. of Canada, Ltd., the company which signed the Shipshaw contracts with the United States. The Watertown (N. Y.) Times of December 4, 1944, carried the following dispatch on post-war operations at the Shipsaw project:

DOMINION LISTS ALUMINUM PLANS—WILL MAINTAIN EMPLOYMENT AT TWO AND ONE-HALF TO THREE TIMES LEVEL OF PRE-WAR DAYS—POST-WAR PROGRAM OF ALCOA TRACED BY PRESIDENT POWELL—AGGRESSIVE STEPS TO CAPTURE MARKETS ARE OUTLINED—TRADE BARRIERS HIT—SHIPSHAW POWER POTENTIAL TOLD

MONTREAL, December 4.—With plans and policies already launched to develop new products, create new manufacturing facilities, and penetrate new markets, as well as recapture old ones, the Aluminum Co. of Canada expects to maintain employment in its enterprises in this country at two and a half to three times the prewar level. This will prevail from the time that the currently proceeding cutback of war purpose production is completed and, it is anticipated, continue into the post-war period.

A comprehensive and revealing panorama of the post-war prospects facing the company, and the aggressive steps by which the company intends to crystallize those prospects, was outlined here by R. E. Powell, president of the company. His exposition was delivered in the company's headquarters in the Sun Life Building at the first press conference Mr. Powell has held for several years and which, he indicated, marked a new departure toward more frequent and extensive reporting of company activities.

HIGHLIGHTS OF PROGRAM

Highlights of his declaration were:

1. The company has already made an initial appropriation totaling more than $5,000,000 for projects to be undertaken during the transitional war-peace period or in preparation for sustaining operations in the post-war period.

2. Projects which the company has already initiated or to which it is committed include outlay of $250,000 to modernize and enlarge its facilities for manufacture of cooking and other household utensils; earmarking of close to $350,000 to improve and enlarge facilities for rolling of aluminum foil normally used extensively in wrapping of tobacco products; and a project of unstated cost for the first manufacture in Canada of sulfate of alumina, a heavy chemical used in paper production and for water purification.

3. Avowal of a post-war price policy which, soon to be announced in detail, generally will aim at consistent and progressive movement toward lower price levels, in the expectation of thus broadening world markets for Canadian-produced aluminum.

4. Advocacy by the company of a governing policy of free trade for aluminum throughout the world, given which we can hold our own in the post-war competition for the recapture of former markets and the opening of new ones.

5. The company is already embarked on the fabrication of products and alloys of another important light metal, magnesium.

If the St. Lawrence development can be blocked by further delays, then the drift of industry from the northeastern section of the United States to company towns owned by the aluminum monopoly and other industries in the Province of Quebec will continue through the post-war period. That kind of a policy has been just as severely condemned by enlightened Canadians as by those of us in the United States who favor the development of our water-power resources in all sections alike, in the general interest of the public.

This subject has recently been discussed at length on the floor of the House of Commons in the Canadian Parliament. There it was brought out by half a dozen members that, for the benefit of a small group, the Shipshaw was given precedence over the St. Lawrence development, and that it is imperative now to proceed with the St. Lawrence development in the interest of the people of both countries.

At this point I wish to read excerpts from a few of the debates which took place in the Canadian House of Commons at Ottawa on this subject. The debates were held on June 14 and 15, 1943, only last year.

I first read a statement by Mr. Coldwell made on June 14. Incidentally, the members of the House of Commons who made statements from which I shall read represent, I believe, all political parties in Canada, so the subject is not entirely a party one there.

Mr. Coldwell said:

I say the United Nations are being sold down the Saguenay River by these agreements; that while our people are called upon to sacrifice, and while Canadian boys are giving their lives in a great cause, this giant corporation is receiving profits and properties which will enable it after the war to maintain a monopoly which will dominate electric-power resources and the production of aluminum on the American Continent and to a large extent throughout the world.

From 1919 to 1925, George D. Haskell, president of the Baush Machine Tool Co., endeavored to find ways and means of manufacturing his own aluminum. He got in touch with James B. Duke, the owner of the power plant and water power on the Saguenay River. As soon as Arthur Vining Davis, the president and financial genius of the Aluminum Co. of America, heard of it, he saw Duke and negotiated a merger with him whereby Duke became a partner and one of seven directors with the ownership of 15 percent of the common stock and one-ninth of the preferred stock. Duke had paid $1,000,000 for the Saguenay power sites which the Province of Quebec had alienated for $40,000. The market value of the stock which Duke received for the Shipshaw or lower Saguenay site was approximately $40,000,000. He retained the upper site which Duke-Price Power had already developed.

Duke died in 1925, and in 1926 Alcoa acquired 53⅓ percent control of the Duke-Price Power Co., which owned the upper development, and immediately entered into a 50-year contract with it to take 100,000 horsepower at a total cost of $60,000,000.

I have shown, I think conclusively, that we are dealing with a group of industrial barons whose chief aim has been to make money and obtain world-wide power. Yet it is to this organization the several governments have given, or advanced, over $300,000,000 in one form or another during this war. It is easily the greatest financial grab ever pulled off in the history of Canada.

Cost-free new aluminum facilities, and the power plant at Shipshaw will do two things: (1) Enable them to control more effectively than ever the light-metal industry of the world and (2) undersell publicly owned power in the northeastern part of North America.

I have shown the interest of the aluminum companies in electric power at various stages of their development. From the evidence, there can be no doubt whatsoever that the effective control of power and power development was a weapon used to prevent the establishment of rival companies. Thus their complete control and wartime development of the whole of the power resources of the Saguenay River are ominous from that point of view.

Mr. Knowles, of the House of Commons, then said:

Some day we should be given the full story of who has been handling this business. When we start to bring these things out, the Minister of Munitions and Supply says: "The Government was not dealing with this plant. But these deals are pretty big. They affect not only the price which this government has to pay for aluminum, but the price which every one of the United Nations has to pay for it."

Mr. MacInnis said:

A little while ago we were told that it was a Canadian company under Canadian control.

Mr. Knowles replied:

It should be brought under Canadian control, and because these deals will also affect the whole set-up after the war, I submit that the Government was remiss in not concerning itself with deals of this size. It emphasizes our feeling that not only are these interests using Canada as a sanctuary, where they come as refugees from the laws of the United States, but they pull the wool over the eyes of this Government.

They have been in this game for 40 years. The story was given this afternoon, and I confess that I was startled to read the amazement on the face of honorable members opposite, including those in the Government, as the story was unfolded. * * *

In 1928 Aluminium, Ltd., was set up, legally and technically, as an independent company. That is the problem the United States Government was up against in the courts. Aluminium Ltd.'s president is the brother of the president of the Aluminum Co. of America. Aluminium, Ltd., participated in the forming of the Alliance Aluminum Co., which was incorporated in Switzerland, and then proceeded to operate as a world cartel.

On June 15 Mr. Graydon spoke in the House of Commons, as follows:

Having in mind the desires of those who wish to follow the doctrine of individual initiative and free enterprise, which is in the interests of the people generally, in my opinion international combinations and cartels constitute one of the principal impediments to the achievement of this objective by the little man, whether he be in business, on the farm, in other primary occupations, in the workshop, in the plant or in the factory.

I now read from the statement of Mr. Noseworthy, another member of the Canadian House of Commons:

Honorable members who spoke on this subject yesterday dealt with the international side of aluminum development, and the monopolistic control which had been effected in the development of aluminum. There is another monopoly which, to my mind, is far more serious to the people of Canada than that affecting aluminum. I refer to the monopoly of electric power which this great company has attained in Canada. I am confident there is not an honorable member in the House, regardless of his political affiliations, regardless of what he thinks of private ownership versus public ownership, who does not recognize the danger to public interests and the danger to industry in this country that lies in permitting any monopoly of our water power. That power is the very lifeblood of industry, and any monopolistic enterprise which can gain control of the right to develop power from the water that flows in our rivers

has gained a stranglehold on the very industry of our country.

I doubt that there is an honorable member who is not convinced that any monopoly by any privately owned company of the sole right to develop power from our rivers and to distribute that power is inimical to the public interests of our country.

In his speech yesterday the minister said:

"It has been suggested that the development"—

He was speaking of the Shipshaw development—

"was carried out to block the St. Lawrence development."

That is what the Minister of Munitions and Supplies in Canada said, that it had been suggested that this development was carried out to block the St. Lawrence development. The quotation from Mr. Noseworthy continues:

"Let me remind honorable members that Canada is committed to the St. Lawrence development; that it has agreed with the United States to proceed with that development, and the St. Lawrence development was blocked, not in Canada, but in the United States."

I am not as confident as the minister of the truth of the statement that the St. Lawrence development was blocked, not in Canada, but in the United States. I want to show to the committee this afternoon that the recent development of Shipshaw marks the successful culmination of a long series of attempts on the part of the aluminum interests to perfect an international pool of power which would not only keep competing aluminum companies out of the field, but would render the State of New York and the Provinces of Ontario and Quebec almost entirely dependent on power from their development in Quebec for their supply of the very lifeblood of modern civilization.

This battle for power control and for the establishment of an international pool of power has been carried on for more than 20 years by lobbying, by litigation, by the organizing of holding companies and trusts, and by every means that such a powerful corporation could use. For more than 20 years the aluminum interests have sought, first, to get control of the St. Lawrence project; second, failing that, to obstruct its development as a publicly owned enterprise and, third, to carry out in the meantime a policy of encirclement, whereby it could get control of all other available power and thereby preempt the power market. By successfully obstructing the development of the St. Lawrence project the aluminum interests have rendered it necessary for New York State, the Province of Ontario, and the Province of Quebec to enter into contracts with private companies, practically every one of which is tied up directly or indirectly with the aluminum interests.

The very nature of the St. Lawrence power and waterway project lends itself to the purposes which the aluminum company have set out to achieve. The project requires the ratification of agreements—

Senators will notice that the speaker did not say "treaties," he said "agreements"—

in which five governments are involved. For 20 years the company has been able to provide obstructions to the project by working through one or more of these governments and committees or boards set up to work out the agreements.

Now, Mr. President, we have in the construction of the Shipshaw project a case which, as I have stated, goes far beyond anything involved here in the exercise by Congress of its power to authorize the St. Lawrence development.

The funds turned over to a private corporation to build the Shipshaw project were made available under a general act of Congress, accompanied by contracts which were signed by mere administrative agencies of our Government, without discussion or review, and in the first instance without the knowledge of either branch of Congress.

In the amendment under discussion we have a proposal to approve a formal written agreement negotiated by Secretary of State Hull, signed and published to the world on March 19, 1941, providing for the construction of the St. Lawrence seaway and power project. Unlike the Shipshaw transaction, there is no secrecy about it. Every step taken in carrying out this agreement is made in the light of day, with full opportunity for debate and review before both branches of Congress.

I submit that if it was proper for Congress to enact a general law under which funds have been used by a private corporation to build the Shipshaw project in Quebec, then it is proper, and, as I believe, vastly more consistent with the public interest, for us to authorize the construction of the St. Lawrence development on our own frontier, by an act of Congress. I say that by doing so, we shall create no new precedent, and waive none of the powers and prerogatives of the Senate. Considering the record which is before us, I say that those who sat silent while the act of 1940 was being passed, under which United States funds were assigned to rush through the Shipshaw project for private monopoly interest, are not in a consistent position when they attempt to invoke technicalities to hold up and further delay the St. Lawrence development, in the general public interest.

If it was constitutional to build the Shipshaw project in Quebec with United States funds made available by an act of Congress, then I assert it is constitutional to build the St. Lawrence development on our own frontier under the authority of an act of Congress.

I will say further that I believe the rights, the powers, and the dignity of the Senate will be better served by authorizing this great public improvement on the St. Lawrence than by being made a party to delay and obstruction which could only serve to strengthen the position of international utility interests and international aluminum interests, and encourage the unhindered operation of cartels in essential materials absolutely required after this war for the future security and the defense of this Nation.

Mr. HOLMAN. Mr. President——

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Vermont yield to the Senator from Oregon?

Mr. AIKEN. I yield.

Mr. HOLMAN. I suggest the absence of a quorum.

Mr. HILL. Will the Senator withhold the suggestion a moment?

Mr. AIKEN. Mr. President, I do want a quorum present when I tell the rest of what I have to say, because I am sure that what I shall have to say will be very revealing and astounding to the Members of the Senate.

Mr. HILL. Could the Senator give us any idea as to how long it will take him to conclude his remarks?

Mr. AIKEN. I think about 30 minutes. I want a quorum present when I make the remarks I now have in mind. I am not sure but what I shall say may incite a little debate.

Mr. HILL. Of course, the Senator has not yet offered his amendment.

Mr. AIKEN. No.

Mr. HILL. I was wondering whether we could enter into an agreement for a limitation of debate.

Mr. AIKEN. I do not know how many more Senators desire to speak on the subject. So far as I know, there will not be more than two or three of the proponents, and I do not think they will speak very long.

Mr. HILL. Has the Senator any idea how long the speeches of the other proponents might be?

Mr. AIKEN. I understand one of them will occupy about 20 minutes. I should say 20 or 30 minutes apiece.

Mr. HILL. Does the Senator think we could conclude the debate on the St. Lawrence proposition by 2 o'clock tomorrow afternoon?

Mr. AIKEN. How would the time between 12 and 2 be divided?

Mr. HILL. In view of the fact that the proponents up to date have consumed practically all the time, it certainly would seem that the opponents should have half the time remaining.

Mr. AIKEN. Why not make the time limit a little later, and get through before the hour fixed if we can? I am perfectly willing to proceed this evening, but I do want a quorum present.

Mr. HILL. Would the Senator be willing to make the hour 2:30 o'clock?

Mr. AIKEN. For both proponents and opponents?

Mr. HILL. Yes; to vote on the St. Lawrence project.

Mr. AIKEN. And divide the time equally?

Mr. HILL. With the time divided equally.

Mr. AIKEN. I know the proponents have had most of the time. On the other hand, the opponents can have the same amount of time if they so desire. As I have said, I do not know of more than two or three Senators who wish to speak. I should like to conclude what I have to say. I should like to have an hour in all, because I am inclined to think that some questions may be raised by what I may say.

Mr. HILL. Will the Senator from Vermont please repeat the statement?

Mr. AIKEN. I should like an hour to present the remainder of my statement, because I am inclined to think some questions will arise from what I shall say. What I have left to say does not pertain to the merits of the St. Lawrence. It pertains to the lack of merit of the contentions of some of the opponents of the St. Lawrence seaway.

Mr. HILL. At what time does the Senator think we might conclude debate on the St. Lawrence seaway proposal?

Mr. AIKEN. I am handicapped because I do not know how long other Senators may want to speak. I can say

that we can finish by 2 o'clock, if a quorum is quickly obtained so we can start by quarter past 12, and are not interrupted too much.

Mr. HILL. When the Senator uses the word "we," does he mean simply the proponents, or does he mean that the proponents and the opponents can conclude by 2 o'clock?

Mr. AIKEN. Only the proponents, because I do not know how long the opponents will want to speak.

Mr. HILL. I wonder if the distinguished Senator from Louisiana [Mr. OVERTON] in charge of the bill knows how long the opponents might wish to speak? Has the Senator any suggestion to make in that regard?

Mr. OVERTON. Mr. President, I really do not know, because I do not know what other Senators desire to speak. I think that what I may have to say I could say in 15 or 20 minutes. Some other Senators might wish to speak. I wonder if the Senator from Vermont could proceed with his speech this evening and then there would be less time occupied tomorrow, and we could divide the time then, say, between 12 and 2:30.

Mr. AIKEN. I do not understand.

Mr. OVERTON. I wonder if the Senator from Vermont can conclude his speech this afternoon.

Mr. AIKEN. If I can hold a quorum; yes.

Mr. OVERTON. The Senator from Vermont has had far less than a quorum during the entire day.

Mr. AIKEN. Yes; but the Senator from Vermont has something to say now which is of a different nature than what he has said up to now, and it does not involve the Senator from Louisiana.

Mr. OVERTON. I apprehend we would not have a quorum tomorrow either for most of the time.

Mr. HILL. I wonder if the Senator from Vermont would be willing to offer his amendment at this time, with the understanding that no speaker shall speak more than once nor more than 30 minutes on the amendment or on the bill. That would mean, of course, that the Senator would have 30 minutes on the amendment and 30 minutes on the bill, or have an hour in all.

Mr. AIKEN. In a way what I have to say now does not pertain particularly to the bill or to the amendment itself. I am sure that if I am not interrupted I can easily finish within an hour, and probably will occupy not more than half that time. I think about 30 minutes will be sufficient.

Mr. HILL. I wonder if the Senator would be willing to offer his amendment at this time in order that we might have it before the Senate, and then an agreement be had to vote on it not later than a certain hour tomorrow.

Mr. AIKEN. If it is agreed that I may continue tomorrow to put what I have to say in the RECORD, very well. I will say frankly that the reason I have not offered the amendment is because I have been told—and I think the statement has been made to the press—that as soon as I did so a motion would be made to table it. Such a motion, of course, would have to be acted on without any debate, and if the proponents of the motion were successful it would be impossible to get the concluding arguments for the St. Lawrence into the RECORD, and we certainly desire to have them in the RECORD. We would have preferred to have gotten them in a committee report, but we were unable to do that at this session, so we wanted to get them before the public anyway.

Mr. OVERTON. Will the Senator yield?

Mr. AIKEN. I yield.

Mr. OVERTON. If the Senator from Vermont will offer his amendment this afternoon, and we can agree on some time to vote on the amendment, I think that I can speak for those who advocate the passage of the river and harbor bill, and who are against the Senator's St. Lawrence seaway amendment, that no motion will be made to table it. I certainly shall not make any motion to table it.

Mr. AIKEN. That is all I ask. In fact, after I get into the RECORD the material I wish to present it does not matter whether the vote is on a motion to table or the vote is on the amendment itself. Of course, we would prefer a vote on the amendment itself. I cannot believe that the Senate would vote to table it and deny us a vote on the amendment itself.

Mr. OVERTON. I have no intention to offer any motion to table. I doubt that any other Senator has such intention. I cannot speak for all the Members of the Senate.

Mr. AIKEN. With the understanding that I may complete what I have to say, I shall be very glad to offer the amendment.

Mr. HILL. I think there is no disposition on the part of any other Senator to prevent the Senator from Vermont completing his remarks. I hope, however, we can take this other step, to wit, not only have the amendment offered at this time, but have some agreement now as to when we will vote on it.

Mr. AIKEN. If I can have the outside limit of an hour I shall be satisfied. As I have said, I do not think I will need more than half an hour, but I cannot undertake to speak for all other Senators.

Mr. HILL. What would the Senator think about setting the hour of 3 o'clock as the time at which all debate on the amendment or any amendments thereto shall cease, and that the Senator from Vermont shall control half of the time and the Senator from Louisiana shall control the other half of the time?

Mr. AIKEN. Yes.

Mr. OVERTON. That would be satisfactory.

Mr. HILL. Will the Senator offer his amendment now so that we can at this time submit the unanimous-consent request for an agreement as to the hour at which the vote shall be taken on the amendment?

Mr. AIKEN. I shall be glad to do so with the understanding that we may have a vote at 3 o'clock.

Mr. HILL. If the Senator from Vermont offers his amendment now I shall make a unanimous-consent request that all debate on the amendment and all amendments thereto shall cease at not later than 3 o'clock tomorrow, and that the time on the amendment shall be controlled half by the Senator from Vermont [Mr. AIKEN] and the other half by the Senator from Louisiana [Mr. OVERTON].

Mr. AIKEN. Then I offer the amendment. It has already been printed.

Mr. OVERTON. Let the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed by Mr. AIKEN (for himself, Mr. SHIPSTEAD, and Mr. FERGUSON), at the end of the bill to insert a new section, as follows:

SEC. 8. (a) For the purpose of promoting interstate and foreign commerce and the national defense, and providing an improved waterway through the Great Lakes, the St. Lawrence River, and connecting waters reaching to the Atlantic Ocean, and for the generating of electric energy as a means of financing, aiding, and assisting such undertaking, the agreement made by and between the Governments of the United States and Canada, published in House Document No. 153, Seventy-seventh Congress, first session, providing for the construction of dams and power works in the International Rapids section of the St. Lawrence River, and the completion of the St. Lawrence deep waterway, is hereby approved; and the President is authorized and empowered to fulfill the undertakings made in said agreement on behalf of the United States, and to delegate any of the powers and duties vested in him by this section to such officers, departments, agents, or agencies of the United States as he may designate or appoint. The works allocated for construction by the United States under said agreement shall be undertaken under the direction of the Secretary of War and the supervision of the Chief of Engineers in accordance with the laws, regulations, and procedures applicable to rivers and harbors projects, subject, however, to the terms and conditions of said agreement.

(b) The President is hereby authorized and directed to negotiate an arrangement with the Power Authority of the State of New York for the transfer to said power authority of the power facilities constructed pursuant to this authorization and the right to use the United States share of the waters at the project for hydroelectric power purposes upon such terms and conditions as may be agreed upon, including provision for payment of $93,375,000, which represents the cost allocated to power in accordance with the method of allocation included in the joint recommendation of the Corps of Engineers, United States Army, and the Power Authority of the State of New York dated February 7, 1933, such payment to be made by the power authority over a period of 50 years with interest at the rate of 3 percent compounded annually. In addition, the arrangement shall include provisions protecting the interests of the United States and assuring a widespread equitable disposition of the power to public agencies in other States, including counties, municipalities, public-power districts, and rural electric cooperatives within economic transmission distances, and provisions for the prior use of such water for the purposes of navigation and the delivery, without charge, to the War Department of so much power as said Department shall need for the operation of navigation facilities. The arrangement negotiated pursuant to this section shall not be subject to the provisions of any other section of this act but shall be reported to Congress during its next session and shall become

effective when ratified by Congress and the State of New York.

(c) When the Secretary of War deems it necessary for the purpose of expediting the construction of this project he may enter into contracts without advertising or competitive bidding: *Provided* That the cost-plus system of contracting shall not be used. The authority to contract contained in this subsection may be exercised through such officer or officers as the Secretary of War may designate. The prior use of all waters of the St. Lawrence River within the boundaries of the United States and all lands, dam sites, and easements required for the purposes of this section are hereby declared to be necessary for the regulation of interstate and foreign commerce.

Mr. OVERTON. Mr. President, may I ask the Senator from Vermont if his amendment is the same as his original bill?

Mr. AIKEN. The amendment is changed to make it a post-war project. As the Senator may recall, the bill was simply a replica of the bill introduced in 1941, making it a wartime project. The amendment has been changed only in that respect.

Mr. OVERTON. Is that the only change that has been made?

Mr. AIKEN. I believe that is the only change, at least, there are no substantial changes.

Mr. OVERTON. I thank the Senator.

Mr. AIKEN. Mr. President, the State Department has furnished me, as the original introducer of the bill, with a copy of a letter from Secretary of State Stettinius, and a statement setting forth the position of the State Department. The letter is addressed to the Senator from Louisiana. I ask unanimous consent that the letter from Secretary Stettinius, together with the attached memorandum, be printed in the RECORD at this point as a part of my remarks. The statement which Secretary Stettinius submits completely upholds Secretary Hull and the State Department's method of handling the St. Lawrence project. If it can be printed in the RECORD it may help some Members of the Senate to find the answers to some of the questions which have been raised in their minds.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

DECEMBER 7, 1944.

The Honorable JOHN H. OVERTON,
United States Senate.

MY DEAR SENATOR OVERTON: I refer to your letter of November 6, 1944, and my reply of November 11, 1944, in regard to the hearings of your subcommittee on the Great Lakes-St. Lawrence agreement.

As you know, Mr. Green H. Hackworth, legal adviser of the Department, and Mr. John Hickerson, Chief of the Division of British Commonwealth Affairs, appeared before your subcommittee. Mr. Hackworth left with the committee a prepared statement setting forth the view of this Department that the St. Lawrence project is of the kind that can legally be undertaken either by the treaty method or by legislative enactment of both Houses of Congress.

You were good enough to indicate to Mr. Hackworth that you would hold the record of your subcommittee open, if I so desired, in order that I might send you a personal statement on the question before your subcommittee. As you know, I assumed my duties as Secretary of State only a few days ago. During the time that I was Under Secretary of State I did not have occasion to work on the Great Lakes-St. Lawrence agreement. Since assuming my new duties it has been necessary for me to devote my time chiefly to the current reorganization of the Department. As you know, that is not yet completed, and I am without the services of several of my new assistants. I have therefore not found it physically possible to give the Great Lakes-St. Lawrence agreement that personal study which its importance warrants.

I am glad to enclose, however, a copy of a further statement on the Great Lakes-St. Lawrence agreement which has been prepared by officers in the Department of State who enjoy my full confidence. I shall be grateful if you will have the enclosed statement incorporated in the record of the hearings before your subcommittee.

Sincerely yours,

E. R. STETTINIUS, Jr.

DECEMBER 4, 1944.

On November 15, 1944, the department received a letter from Senator OVERTON, chairman of the subcommittee of the Senate Committee on Commerce considering the agreement regarding the Great Lakes-St. Lawrence waterway project, in which it was stated that the hearing on the Aiken bill, S. 1385, would be on the sole question of whether or not the St. Lawrence seaway proposal is a treaty or an agreement.

Not only is it clear that the document submitted to Congress is an agreement, made subject by its own terms to the approval of the legislative bodies in the two countries, but it is also clear that it is within the power of the Executive and Congress to make such an agreement.

Prior to the signature of the agreement, Secretary Hull obtained the opinion of Attorney General Jackson with respect to the legality of such an agreement as was contemplated. On March 14, 1941, the Attorney General advised the Secretary of State that:

"It is legally unobjectionable so far as this country is concerned for the executives of the United States and Canada to enter into an agreement regarding the Great Lakes-St. Lawrence deep waterway project conditioned for its effectiveness upon the subsequent enactment of necessary legislation by the Congress and by the Canadian Parliament. If an agreement is executed and approved in this manner its provisions would be binding upon the United States as respects Canada."

In 1941 Assistant Secretary of State Berle in testifying before the Committee on Rivers and Harbors, House of Representatives, was asked whether he thought that the agreement form was a legal way of doing this. Mr. Berle replied that it was "entirely legal." Mr. Berle was one of the signers of the agreement on behalf of the United States and strongly supported it before the committee.

Secretary Hull in a letter to Senator VANDENBERG, dated May 23, 1944, stated that:

"This project, like many other matters pertaining to our foreign relations, may be undertaken either by the treaty process or by an agreement approved by the Congress. The matter is squarely within article I, section 8, of the Constitution, giving the Congress the power to regulate foreign and interstate commerce. The fact that the Congress is given this power does not mean that these matters may not also be covered by treaties. Many matters relating to foreign commerce are covered, for example, in our treaties of commerce and navigation. All of our commercial treaties treat of matters which could be regulated by legislative acts, conditioned, where some act is to be performed by another government, upon reciprocity by that government.

"In brief, we have a situation of tremendous interest to our country which is open to be dealt with by either of these two constitutional methods. The fact that the treaty process was chosen in 1932 does not mean that a treaty was necessary at that time, nor does it preclude resort to the legislative process proposed in the present agreement between the United States and Canada.

"There were two special considerations which impelled the present administration to sign the Great Lakes-St. Lawrence agreement in a form which would involve its becoming effective upon approval by the Congress and by the Canadian Parliament. The issues involved in the project are largely domestic rather than international. The project would involve the expenditure of approximately $285,000,000 Federal funds to complete our share of the works (of this sum roughly $93,000,000 would be repaid by the State of New York for the United States share of the water power). It, therefore, seemed appropriate that the House of Representatives should have a voice in passing on an international obligation involving so large an appropriation of Federal funds.

"To my mind it is a question of little importance which method is pursued. What is of importance is that we should not lose the benefits of this great international waterway system, with all its potentialities."

The legal situation regarding this matter has been thoroughly explored and explained by Mr. Hackworth, legal adviser of the Department, both in a prepared statement which he submitted to the subcommittee on November 22, 1944, and in response to questions from that committee.

Briefly, this Department takes the position that—

1. The President has the authority in the conduct of the foreign relations of the United States to negotiate such an agreement and the Congress has the authority under its constitutional power to regulate commerce with foreign nations to give its approval.

2. Such an agreement would be constitutionally valid and binding when the steps provided for in article XI shall have been taken by the two Governments.

3. Although it would not be a treaty in the constitutional sense, it would be the supreme law of the land as are treaties.

In the case of *United States* v. *Belmont et al.* (301 U. S. 324 (1937)), the Supreme Court of the United States in upholding, without dissent, the authority of the President to enter into an Executive agreement whereby the Soviet Government assigned certain assets in the United States to the Government of the United States, held that while the supremacy of treaties as the supreme law of the land was established by the Constitution (article VI, clause 2) in express terms, the same rule results "in the case of all international compacts and agreements from the very fact that complete power over international affairs is in the national government" (ibid. 331).

This view was affirmed by the Supreme Court in the case of *United States* v. *Pink, Superintendent of Insurance of the State of New York, et al.*, decided in 1942, one member of the Court dissenting. It was stated in the opinion of the Court that "A treaty is a 'law of the land' under the supremacy clause (art. VI, cl. 2) of the Constitution. Such international compacts and agreements as the Litvinov Assignment have a similar dignity" (315 U. S. 203, 230). In the same opinion it was pointed out that, "As we have noted, this Court in the Belmont case recognized that the Litvinov Assignment was an international compact which did not require the participation of the Senate. It stated (301 U. S., pp. 330–331): 'There are many such compacts, of which a protocol, a modus vivendi, a postal convention, and agreements like that now under consideration are illustrations'" (315 U. S. 203, 229). It is understood that a question has been raised

regarding article VII of the agreement which states:

"The high contracting parties agree that the rights of navigation accorded under the provisions of existing treaties between the United States of America and His Majesty shall be maintained notwithstanding the provisions for termination contained in any of such treaties, and declare that these treaties confer upon the citizens or subjects and upon the ships, vessels, and boats of each high contracting party rights of navigation in the St. Lawrence River, and the Great Lakes system, including the canals now existing or which may hereafter be constructed."

Objection has been voiced, it is understood, that by this document treaty provisions relating to the navigation of the waters referred to would be perpetuated. This raises the question as to the extent to which such a perpetuation would alter the existing situation

Navigation of most of these waters has already been provided for by treaty provisions which are permanent in character.

Attention is called to articles II, III, and VII of the Webster-Ashburton Treaty of 1842; to article XXVI of the Treaty of Washington of 1871; and to article I of the treaty of 1909 in relation to the boundary waters between the United States and Canada.

Article XXVI of the Treaty of Washington of 1871 provides that the navigation of the St. Lawrence from the forty-fifth parallel of north latitude where it ceases to form the boundary between the two countries, from, to, and into the sea, "shall forever remain free and open for the purposes of commerce to the citizens of the United States." This treaty is not subject to denunciation.

Article I of the 1909 treaty provides that navigation of all navigable boundary waters "shall forever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally." The second paragraph of article I provides that "so long as this treaty shall remain in force, this same right of navigation shall extend to the waters of Lake Michigan and to all canals connecting boundary waters, and now existing or which may hereafter be constructed on either side of the line."

It will thus be seen that this treaty provides that navigation of the navigable boundary waters shall forever continue free and open, whereas navigation of Lake Michigan and the canals connecting boundary waters are subject to termination with the termination of the treaty. For more than a century and a quarter these waters have been navigated by nationals of the two countries and no objection on either side has ever been raised to such free navigation. It is hardly to be supposed that so long as the two countries shall remain at peace with each other, which it is ardently hoped will be perpetual, either country would desire to prevent the exercise of this privilege by nationals of the other.

Obviously if we are to spend large sums of money in the improvement of this waterway for purposes of navigation and power development as contemplated by the proposed agreement, we would not desire that there should be any uncertainty regarding rights of navigation in the entire waterway, including the right of our nationals to navigate the canals and the right of nationals of Canada to navigate Lake Michigan.

Inasmuch as Congress has control over foreign commerce, and likewise has control over navigation and navigable waters as an incident thereto (*Leovy* v. *United States* (177 U. S. 621)), there would seem to be no question as to the right of the Congress to provide that these rights of navigation shall be permanent on condition that Canada shall grant like rights to vessels of the United States.

On the question of the authority of Congress over foreign and interstate commerce and the breadth of the Congressional power in that field, it is noteworthy that the decisions of the Supreme Court from the time of Chief Justice Marshall have been uniform in emphasizing the wide extent of that power. In the famous case of *Gibbons* v. *Ogden* (9 Wheaton 1 (1824)), Chief Justice Marshall said:

"But, in regulating commerce with foreign nations, the power of Congress does not stop at the jurisdictional lines of the several States. It would be a very useless power, if it could not pass those lines. The commerce of the United States with foreign nations, is that of the whole United States. Every district has a right to participate in it. The deep streams which penetrate our country in every direction, pass through the interior of almost every State in the Union, and furnish the means of exercising this right. If Congress has the power to regulate it, that power must be exercised whenever the subject exists. If it exists within the States, if a foreign voyage may commence or terminate at a port within a State, then the power of Congress may be exercised within a State" (p. 195).

"We are now arrived at the inquiry—What is this power?

"It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution. These are expressed in plain terms, and do not affect the questions which arise in this case, or which have been discussed at the bar. If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations, and among the several States, is vested in Congress as absolutely as it would be in a single government, having in its constitution the same restrictions on the exercise of the power are found in the Constitution of the United States." (Pp. 196–197.)

In the *State Tonnage Tax Cases* (12 Wall. 204 (1870)), the Supreme Court said:

"Congress possesses the power to regulate commerce with foreign nations and among the several States, and it is well-settled law that the word 'commerce,' as used in the Constitution, comprehends navigation, and that it extends to every species of commercial intercourse between the United States and foreign nations and to all commerce in the several States, except such as is completely internal and which does not extend to or affect other States" (p. 214).

See also *Louisiana Public Service Commission* v. *Texas & New Orleans Railroad Co.* (284 U. S. 125, 130 (1931)).

The congressional power over foreign and interstate commerce has been uniformly held to include full and complete control over navigation and navigable waters. Chief Justice Marshall so held in *Gibbons* v. *Ogden* (9 Wheaton 1 (1825)), saying:

"Commerce, undoubtedly, is traffic, but it is something more: It is intercourse. It describes the commercial intercourse between nations, and parts of nations, in all its branches, and is regulated by prescribing rules for carrying on that intercourse. The mind can scarcely conceive a system for regulating commerce between nations, which shall exclude all laws concerning navigation, which shall be silent on the admission of the vessels of the one nation into the ports of the other, and be confined to prescribing rules for the conduct of individuals, in the actual employment of buying and selling or of barter.

* * * * *

"The word used in the Constitution, then, comprehends and has been always understood to comprehend, navigation within its meaning; and a power to regulate navigation is as expressly granted as if that term had been added to the word 'commerce'" (pp. 189–190, 193).

Again in *Gilman* v. *Philadelphia* (3 Wall. 713 (1865)), the Court said:

"Commerce includes navigation. The power to regulate commerce comprehends the control for that purpose, and to the extent necessary, of all the navigable waters of the United States which are accessible from a State other than those in which they lie. For this purpose they are the public property of the Nation and subject to all the requisite legislation by Congress. This necessarily includes the power to keep them open and free from any obstruction to their navigation, interposed by the States or otherwise; to remove such obstructions when they exist; and to provide, by such sanctions as they may deem proper, against the occurrence of the evil and for the punishment of offenders. For these purposes, Congress possesses all the powers which existed in the States before the adoption of the National Constitution and which have always existed in the Parliament in England.

"It is for Congress to determine when its full power shall be brought into activity" (pp. 724–725).

In *United States* v. *Chandler-Dunbar Water Power Co.* (229 U. S. 53 (1913)), the Supreme Court said of title to the bed of a river:

"It * * * is of no avail against the exercise of the great and absolute power of Congress over the improvement of navigable rivers. That power of use and control comes from the power to regulate commerce between the States and with foreign nations. It includes navigation and subjects every navigable river to the control of Congress. All means having some positive relation to the end in view which are not forbidden by some other provision of the Constitution, are admissible" (p. 62).

In *United States* v. *Appalachian Electric Power Co.* (311 U. S. 377 (1940)) the Supreme Court stated:

"It was held early in our history that the power to regulate commerce necessarily included power over navigation. To make its control effective the Congress may keep the 'navigable waters of the United States' open and free and provide by sanctions against any interference with the country's water assets. It may legislate to forbid or license dams in the waters; its power over improvements for navigation in rivers is 'absolute'" (pp. 404–405).

"In our view, it cannot properly be said that the constitutional power of the United States over its waters is limited to control for navigation. * * * In truth the authority of the United States is the regulation of commerce on its waters. Navigability, in the sense just stated, is but a part of this whole. Flood protection, watershed development, recovery of the cost of improvements through utilization of power are likewise parts of commerce control * * * the authority of the Government over the stream. That authority is as broad as the needs of commerce. Water-power development from dams in navigable streams is from the public's standpoint a byproduct of the general use of the rivers for commerce. * * * The point is that navigable waters are subject to national planning and control in the broad regulation of commerce granted the Federal Government" (pp. 426–427).

It will thus be seen that the Court specifically stated that the authority of Congress "is as broad as the needs of commerce," and that water-power development "from dams in navigable streams is from the public's standpoint a byproduct of the general use of the rivers for commerce." While the Court was here dealing with an interstate stream, the reasoning and language are equally applicable to an international stream.

In *United States* v. *Chicago, Milwaukee, St. Paul & Pacific Railroad Co.* (312 U. S. 592 (1941)), Justice Roberts, delivering the opinion of the Supreme Court, said:

"Commerce, the regulation of which between the States is committed by the Constitution to Congress, includes navigation. * * * And the determination of the necessity for a given improvement of navigable capacity, and the character and extent of it, is for Congress alone. * * *

"The power of Congress extends not only to keeping clear the channels of interstate navigation by the prohibition or removal of actual obstructions located by the riparian owner, or others, but comprehends as well the power to improve and enlarge their navigability" (pp. 595–596).

It may be of interest to note that in a case involving the regulation of pilots on Lake Ontario and the St. Lawrence River, the Circuit Court of Appeals for the Second Circuit said: "Congress unquestionably has power to regulate commerce upon the waters involved," *Williams* v. *Molther* (198 Fed. 460, 463 (1912)).

The work contemplated by the agreement here in question definitely relates to commerce and navigation—to commerce with foreign nations and among the several States. It seems to me, therefore, that it is squarely within the provisions of the Constitution, and that it is not necessary to have as a foundation for action by Congress a treaty on the subject. But if a treaty were needed it seems to me that ample authority for what is here contemplated is to be found in the Boundary Waters Treaty of 1909, which provides in article VIII for the uses to which these waters may be put. It states that:

"The following order of precedence shall be observed among the various uses enumerated hereafter for these waters, and no use shall be permitted which tends materially to conflict with or restrain any other use which is given preference over it in this order of precedence:

"1. Uses for domestic and sanitary purposes;

"2. Uses for navigation, including the service of canals for the purposes of navigation;

"3. Uses for power and for irrigation purposes."

Here we have specified the uses to be made of these common waters. The proposed agreement is designed to implement the treaty provisions by developing these uses, namely, for navigation and power purposes.

Article II of the treaty of 1909 refers to the possibility of "special agreements" with respect to waters which in their natural channels would flow across the boundary or into boundary waters.

Article III contemplates special agreements with respect to boundary waters, strictly speaking. Specifically, it states that "in addition to the uses, obstructions, and diversions heretofore permitted or hereafter provided for by special agreement between the parties hereto, no further or other uses or obstructions or diversions, whether temporary or permanent, of boundary waters on either side of the line, affecting the natural level or flow of boundary waters on the other side of the line, shall be made except by authority of the United States or the Dominion of Canada within their respective jurisdictions and with the approval, as hereinafter provided, of a joint commission, to be known as the International Joint Commission."

It will be noted that these "special agreements" are referred to in connection with uses, obstructions and diversions; that this proposed agreement likewise relates to uses, obstructions and diversions; and that consequently it comes within the scope of the subjects on which special agreements might be concluded.

Article IV relates not to boundary waters but to "waters flowing from boundary waters or * * * flowing across the boundary." It states that "except in cases provided for by special agreement" the parties "will not permit the construction or maintenance on their respective sides of the boundary of any remedial or protective works or any dams or other obstructions in waters flowing from boundary waters or in waters at a lower level than the boundary in rivers flowing across the boundary, the effect of which is to raise the natural level of waters on the other side of the boundary unless the construction or maintenance thereof is approved by the aforesaid International Joint Commission." Here again the treaty envisages the possibility of "special agreements."

Finally, article XIII provides:

"In all cases where special agreements between the High Contracting Parties hereto are referred to in the foregoing articles, such agreements are understood and intended to include not only direct agreements between the High Contracting Parties, but also any mutual arrangements between the United States and the Dominion of Canada expressed by concurrent or reciprocal legislation on the part of Congress and the Parliament of the Dominion."

It will therefore be obvious that the treaty of 1909 clearly contemplated that special agreements might be concluded either between the high contracting parties (i. e., the United States and Great Britain), or between the United States and Canada. It also contemplated that in the latter case the agreement might be expressed by concurrent or reciprocal legislation on the part of Congress and the Parliament of the Dominion.

The proposal now under consideration is such a special agreement as was contemplated by the treaty of 1909. The mutual arrangement referred to in article XIII would be the legislative approval by Congress and by the Dominion Parliament of the agreement signed in 1941. A search of the archives of the Department relating to the discussions and negotiations leading up to the final signing of the treaty of 1909 has failed to reveal anything to cast the slightest doubt upon the soundness of the conclusion here expressed.

We are cognizant of the fact that a statement by a legal officer of the Dominion of Canada, that procedure by concurrent legislation or by agreement could not be supported by the authority of the provisions of the Boundary Waters Treaty, is being drawn upon by opponents of the proposal in refutation of the thesis that I have just advanced. A careful examination of that official's statement will show that it affords little solace to those who would rely upon it in opposition to the proposed arrangement. In the same statement referred to, that officer stated:

"An agreement based upon legislation would give rise to an obligation that would in fact be as effective from the international point of view as an arrangement based upon treaty."

But aside from all that has been said, this Government is entitled to its own views regarding the meaning of the treaty provisions to which reference has been made, and the fact remains that the method adopted in the pending proposal is in keeping with that outlined in article XIII, which of itself constitutes a practical application of that article. The fact that other agreements concluded since 1909 regarding some of these boundary waters have been in the form of conventions does not mean that that method was considered to be the only one that could be followed. We have repeatedly stated that either of two courses was open—the treaty form or an agreement plus legislation.

It is understood that a question has also been raised as to the right of Congress to legislate with respect to work to be done outside the jurisdiction of the United States. It will be noted that the proposed agreement provides that each country shall construct the works in its own territory, although there is a possibility that in the nature of things there may be occasions when some work may be performed by one country in the territory of the other, as for example in the building of a dam. It might not be possible from an engineering point of view to carry the construction to the middle of the stream and stop. It would seem, however, that this possibility need not give us any concern. The agreement is a cooperative undertaking for the mutual benefit of the two countries and their nationals. It will either be carried forward in a spirit of cooperation as contemplated by the agreement or it will not be done at all. The whole project is essentially one of commerce and navigation. If the Congress, which admittedly has jurisdiction over navigable waters and over commerce with foreign nations, shall approve of the project, and if the Canadian Parliament shall likewise approve, there is no reason why the two countries may not by this agreement jointly undertake this cooperative effort.

On the question of precedents for action by Congress with respect to matters outside the territory of the United States, attention is called to the fact that numerous acts of Congress have been passed, beginning in 1874, providing for the dredging and improvement of channels in some of these waters lying almost exclusively on the Canadian side of the international boundary.

In 1938 the Comptroller General's office ruled that it was proper for the Department of Agriculture Forest Service to expend an appropriation available to that Service for the construction of a dam a considerable portion of which lay in Canada, near Sucker Lake, on the boundary between Minnesota and Ontario (18 Comp. Gen. 463).

In 1910 Congress by joint resolution, 36 Statutes 883, appropriated $1,000,000 for the purpose of protecting lands and property in the Imperial Valley and elsewhere along the Colorado River, and authorized the President to expend any portion of the money within the limits of the Republic of Mexico in accordance with agreements which might be entered into with Mexico. An agreement was effected by an exchange of notes between the two countries on December 20 and 24, 1910, and levees were constructed in Mexico to prevent the flooding of the Imperial Valley.

The difference between these examples and the undertakings provided for in the proposed agreement is largely one of degree.

In short, there are many international undertakings which may be entered into either by the treaty method or by agreements implemented by legislation of the Congress. This agreement is of such a nature. Surely no one will contend that the debt-funding agreements concluded with foreign governments following the First World War were not valid international undertakings. All of these agreements were entered into by the legislative rather than the treaty process. So far as it is understood, no one has challenged the constitutionality of these agreements. Scores of other international undertakings have been entered into by the United States upon the authority of congressional action.

It will be recalled that in 1844 a treaty was signed with the Republic of Texas by which all of its rights as a separate and independent sovereignty were to be transferred to the United States. That treaty was rejected by the Senate and thereafter, on March 1, 1845, a joint resolution of Congress was approved consenting to the erection of the territory of Texas into a new State. Texas, having accepted and complied with the con-

ditions of the resolution, was admitted by a joint resolution approved December 29, 1845, as a State of the Union.

So, also, in the case of Hawaii, a treaty was signed June 6, 1897, with the Republic of Hawaii providing for annexation of the republic to the United States. Later while the treaty was pending in the Senate, the cession was accepted by a joint resolution approved July 7, 1898.

The choice of the procedure to be followed in this case is not based upon a desire to establish a precedent for avoiding the two-thirds requirement in the Senate as to other international undertakings. The desirability of the procedure proposed should be considered in the light of the particular situation to be dealt with in the St. Lawrence development. The situation is one in which the arrangement might properly be effected either through the treaty method or by an agreement implemented by legislation of Congress and of the Canadian Parliament. In view of the intimate connection of the project with commerce and navigation, over which Congress has extensive powers, the fact that in Canada treaties are not in themselves the law of the land but require implementing legislation, and the need in any case for congressional and parliamentary support, the present situation appears to be one peculiarly appropriate for the method of procedure that has been agreed upon.

As both the President and Secretary Hull have said, it is a question of little importance which method is used in regard to the proposed St. Lawrence development. What is of importance is that we make the necessary arrangements to provide for the speedy and effective utilization of this great resource for the benefit of the peoples of the United States and Canada. Every year of delay means that 13,000,000,000 kilowatt-hours of electric energy are lost to the peoples of the two countries. Since the treaty was signed in 1932, 156,000,000,000 kilowatt-hours of energy have been lost forever, not to mention the loss of the enormous transportation benefits which the improvements would afford.

The PRESIDING OFFICER. As the Chair understands, the Senator from Alabama [Mr. HILL] asks unanimous consent that at not later than 3 o'clock tomorrow afternoon a vote shall be taken on the amendment offered by the Senator from Vermont and all amendments thereto.

Mr. HILL. And that the time up until the time of the vote shall be equally divided, one-half to be controlled by the Senator from Vermont [Mr. AIKEN], and the other half by the Senator from Louisiana [Mr. OVERTON].

Mr. AIKEN. Mr. President, am I to understand that the vote is to be at 3 o'clock?

Mr. HILL. Let me say to the Senator that under the terms of the request which I have made, if there is to be debate fully occupying the time until 3 o'clock, the vote will not come before 3 o'clock. At 3 o'clock we shall have to vote. If, however, all the debate should cease before that time, the Senate could vote before 3 o'clock.

Mr. AIKEN. The reason I ask that question is that there are some Members of the Senate who are not well. It would be easier for them if they knew when we were going to vote than to come here and wait for perhaps an hour and a half.

Mr. HILL. As I understand, the Senator's side will occupy at least an hour and a half tomorrow. Is not that correct?

Mr. AIKEN. I do not know.

Mr. HILL. I believe the Senate would hardly wish to set the time for voting at exactly 3 o'clock, because if we did so, we might then be in the position of having all the debate concluded, and between the time of conclusion of the debate and 3 o'clock there would be no debate, either on the amendment, or any other amendment to the bill, or on the bill itself.

Mr. AIKEN. I have never known of any shortage of debate in the Senate.

Mr. HILL. What we wish to do is to vote as soon as possible.

Mr. AIKEN. With that understanding——

Mr. HILL. Certainly the Senator would be well within his rights in consuming half the time. He would have control of half the time.

Mr. AIKEN. I think that will be satisfactory.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama [Mr. HILL] that the Senate vote at not later than 3 o'clock tomorrow afternoon on the pending amendment and all amendments thereto, and that the time tomorrow before 3 o'clock shall be under the control of the Senator from Vermont [Mr. AIKEN] and the Senator from Louisiana [Mr. OVERTON], each to control half the time? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BILBO in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a postmaster nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HATCH, from the Committee on Public Lands and Surveys:

Mrs. Grace Gavin Lewis, of Oregon, to be register of the land offices at The Dalles, Oreg., vice William F. Jackson, resigned.

By Mr. WALSH, from the Committee on Naval Affairs:

Rear Admiral Wilson Brown, United States Navy, when retired on December 1, 1944, to be placed on the retired list of the Navy with the rank of vice admiral pursuant to an act of Congress approved June 16, 1942; and

Sundry officers for promotion for temporary service in the Navy.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. HILL. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Navy nominations are confirmed en bloc.

That concludes the calendar.

Mr. HILL. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 17 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, December 12, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 11 (legislative day of November 21), 1944:

DIPLOMATIC AND FOREIGN SERVICE

William W. Corcoran, of Massachusetts, now a Foreign Service officer of class 5 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

Charles W. Lewis, Jr., of Michigan, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

IN THE NAVY

Vice Admiral William L. Calhoun, United States Navy, to be a vice admiral in the Navy, for temporary service, to rank from the 27th day of February 1942.

Commodore Oscar Smith, United States Navy, to be a commodore in the Navy, for temporary service, to rank from the 12th day of April 1943 and to continue while serving as deputy chief of staff to the Commander in Chief, United States Atlantic Fleet.

IN THE COAST GUARD

Capt. LeRoy Reinburg, United States Coast Guard, to be a commodore, for temporary service, to rank from October 1, 1944, while serving as commandant, Coast Guard Yard, Curtis Bay, Md., or in any other assignment for which the rank of commodore is authorized. This nomination is made to correct the spelling of this officer's name as previously nominated and confirmed.

IN THE MARINE CORPS

Col. John T. Walker to be a brigadier general in the Marine Corps, for temporary service, from the 4th day of October 1942.

Col. Merwin H. Silverthorn to be a brigadier general in the Marine Corps, for temporary service, from the 1st day of April 1943.

Col. Maurice C. Gregory to be a brigadier general in the Marine Corps, for temporary service, from the 7th day of May 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 11 (legislative day of November 21), 1944:

IN THE NAVY

TO BE REAR ADMIRALS FOR TEMPORARY SERVICE

Donald Royce, to continue while serving as commanding officer, Naval Air Material Center, to rank from July 10, 1942.

Frederick W. Pennoyer, Jr., to continue while serving as fleet aircraft maintenance officer, on the staff of commander, Air Force, Pacific Fleet, to rank from July 21, 1942.

Arthur C. Miles, to continue while serving as Bureau of Aeronautics general representative, central district, to rank from December 2, 1942.

TO BE COMMODORES FOR TEMPORARY SERVICE

Cyril T. Simard, to continue while serving as commander, Naval Air Bases, Thirteenth Naval District, to rank from October 20, 1944.

Walter F. Boone, to continue while serving as commander, naval air bases, Twelfth Naval District, to rank from October 20, 1944.

Harold M. Martin, to continue while serving as chief of staff and aide to commander, Air Force, Atlantic Fleet, to rank from October 20, 1944.

Leroy W. Busbey, Jr., to continue while serving as commander, American Naval Forces, Aruba, Netherlands West Indies, and commander, combined local defense forces, Aruba, Netherlands West Indies.

TO BE CIVIL ENGINEERS FOR TEMPORARY SERVICE

William M. Angas
Andrew G. Bisset
John R. Perry

POSTMASTERS

ALABAMA

David S. Ward, Cuba.
Homer J. Ward, Titus.

FLORIDA

Austin F. Townsend, Chipley.
Merle V. North, Jay.

ILLINOIS

Lawrence F. Markus, Aviston.
Lyle F. Connolly, Bath.
Frances Dalziel, Braceville.
Irene K. Witt, Broadlands.
William E. Erfert, Lansing.
Paul V. Lancaster, Lowpoint.
Carl Miller, Macedonia.
Alfred R. Hart, Modesto.
Stella B. Bond, New Boston.

IOWA

James R. Horton, Conesville.

KANSAS

Albert L. Ruggels, Beverly.
Edwin H. Huerter, Goff.
Marie A. Donart, Princeton.

MINNESOTA

Earl L. LaPorte, Pillager.

NEW HAMPSHIRE

Miriam G. Emerson, Contoocook.

OHIO

Clifford C. Webber, Dexter City.
Lenna E. Seaver, Dorset.
Edna Waid Kindle, Houston.
Frank J. Papa, Hubbard.
Mary M. Feltman, Kalida.
Laura W. Rice, Lockwood.
Frances H. Cernyar, New Middletown.
Charles F. Stewart, New Springfield.
Winona S. Matson, North Bloomfield.
Mary Kathryn Lehman, North Hampton.
Edna F. Pierce, North Kingsville.
John P. Statler, Rome.
Frances L. Robinson, West Jefferson.
Clarice M. Cowell, Windsor.

OKLAHOMA

Charles D. Trippett, Haskell.
Ava Waters, Shadypoint.

PENNSYLVANIA

John N. Snavely, Rohrerstown.
Thomas T. Shearston, Shaft.
Mary H. Serrini, Slovan.
Mabel B. Weaver, Stevens.
Elsie D. Naylor, Warminster.
Clay E. Houck, Warriors Mark.
Maude R. Fowler, West Springfield.

SOUTH DAKOTA

John A. Druley, Ashton.
George A. Pitzl, Eden.

WYOMING

Ella G. Kirschbaum, Pavillion.

WITHDRAWAL

Executive nominations withdrawn from the Senate December 11 (legislative day of November 21), 1944:

POSTMASTER

MICHIGAN

Miss Lillian D. Day to be postmaster at LaSalle, in the State of Michigan.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 11, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we mingle our prayer with many others as we beseech Thee for a wider understanding and a deeper spirit of hope that these may be vestures of truths that cannot die. Through Thy condescension, unite our wills with the will of our redeeming Lord; in this mysterious union, we shall have the blessing of the divine approach. Should there be anything in us today that is injurious, do Thou suppress it and bless all our labors that they may have a helpful ministry.

Almighty God, in this most tragic war of history, when sacrifice and suffering are haunting the best and noblest minds, O keep our land free from empty nothings which frivol on like a noisy stream, babbling over shallows. Help us to recast our thinking of victory that never again may we taste the bitter fruits of another war. O the Calvaries of Christ! Countless children are hungry and homeless, numberless men and women are dying. O hail the hour when these tragic and monstrous evils shall cease, and spur us on to fresh worthiness of that day—

"When peace shall over all the earth its ancient splendors fling,
And the whole world send back the song which now the angels sing."

Through Jesus Christ our Lord and Saviour. Amen.

The Journal of the proceedings of Friday, December 8, 1944, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On December 6, 1944:

H. R. 1654. An act to authorize the acquisition, rehabilitation, and operation of the facilities for the public in the Olympic National Park, in the State of Washington, and for other purposes;

H. R. 5041. An act to amend the Veterans Regulations; and

H. R. 5289. An act to provide for the acceptance and protection by the United States of property within the authorized boundaries of the Everglades National Park project, Florida, pending the establishment of the park, and for other purposes.

On December 7, 1944:

H. R. 262. An act for the relief of Mrs. J. C. Romberg;

H. R. 1318. An act for the relief of Jack V. Dyer;

H. R. 1665. An act for the relief of Joseph Paste, Anna Paste, Rose Paste, and to the legal guardian of Doris Paste, and to the legal guardian of Evelyn Paste;

H. R. 1919. An act for the relief of Vannie Butler;

H. R. 2097. An act conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of W. J. Cox against the United States;

H. R. 2512. An act for the relief of Betty Robins;

H. R. 2576. An act to confer jurisdiction upon the Court of Claims to determine and render judgment for any losses suffered by Duffy Bros., Inc.;

H. R. 2601. An act for the relief of Mrs. Flossie Leeser;

H. R. 2896. An act for the relief of Mr. and Mrs. R. L. Rhodes;

H. R. 3000. An act for the relief of Clara E. Clark;

H. R. 3373. An act for the relief of Dewey H. Davis;

H. R. 3495. An act for the relief of Constantino Arguelles;

H. R. 3548. An act for the relief of Mr. and Mrs. Robert W. Nelson and W. E. Nelson;

H. R. 3608. An act relating to certain overtime compensation of civilian employees of the United States;

H. R. 3750. An act to provide for the appointment of an additional circuit judge for the third circuit, and to permit the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania;

H. R. 3753. An act for the relief of the legal guardian of Virginia McMillan, a minor, and Howard McMillan;

H. R. 4024. An act for the relief of Victoria Cormier;

H. R. 4065. An act further defining the number and duties of criers and bailiffs in United States courts and regulating their compensation;

H. R. 4226. An act for the relief of the legal guardian of William L. Owen, a minor;

H. R. 4439. An act for the relief of Dennis C. O'Connell;

H. R. 4929. An act for the relief of Lt. James H. Clark and Eleanor Clark;

H. R. 4999. An act to increase the service-connected disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War No. 1; and

H. R. 5232. An act to transfer jurisdiction over the Chattanooga National Cemetery, Chattanooga, Tenn., from the Department of the Interior to the War Department, and for other purposes.

On December 8, 1944:

H. R. 86. An act to grant pensions to certain unremarried dependent widows of Civil

War veterans who were married to the veteran subsequent to June 26, 1905;

H. R. 4311. An act to authorize the appointment of two additional Assistant Secretaries of State; and

H. R. 5386. An act to amend the Selective Training and Service Act of 1940, as amended, to extend the time within which application may be made for reemployment, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 1951. An act to amend the District of Columbia Motor Venicle Parking Facility Act of 1942, approved February 16, 1942;

H. R. 2116. An act to amend the laws of the District of Columbia relating to exemption of property from judicial process, the assignment of salary or wages, and the advance payment of salary or wages for the purpose of preventing attachment or garnishment;

H. R. 3150. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 3313. An act to amend section 10 of the act of March 3, 1925, entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," as amended;

H. R. 3619. An act to amend sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia;

H. R. 3621. An act to amend an act entitled "An act to provide for the regulation of motor vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes";

H. R. 3720. An act to authorize the Commissioners of the District of Columbia to appoint notaries public;

H. R. 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell townsite, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming;

H. R. 4916. An act to amend the act of June 19, 1934 (Public Law 435, 73d Cong.);

H. R. 4993. An act to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942;

H. R. 5494. An act to amend the act entitled "An act authorizing the President to appoint an Under Secretary of War during national emergencies, fixing the compensation of the Under Secretary of War, and authorizing the Secretary of War to prescribe duties," approved December 16, 1940;

H. J. Res. 289. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes;

H. J. Res. 290. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945; and

H. J. Res. 291. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2644. An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes;

H. R. 4327. An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes; and

H. R. 4867. An act to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1434. An act to provide for voluntary apprenticeship in the District of Columbia;

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto;

S. 2205. An act to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets; and

S. J. Res. 155. Joint resolution establishing a commission to select a site and design for a national memorial stadium to be erected in the District of Columbia.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 837) entitled "An act to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes."

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the

1. Department of Agriculture.
2. Department of the Navy.
3. Department of War.
4. Office of Censorship.
5. War Manpower Commission.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committees, which was read by the Clerk:

DECEMBER 11, 1944.

Hon. SAM RAYBURN,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby tender my resignation from the following committees: Civil Service, World War Veterans' Legislation, Accounts, Pensions, Elections No. 3, and Immigration and Naturalization.

Respectfully,

JOHN L. MCMILLAN,
Member of Congress.

The SPEAKER. Without objection, the resignations are accepted.

There was no objection.

FEDERAL INSURANCE CONTRIBUTIONS ACT

The SPEAKER laid before the House the following communication from the Clerk of the House, which was read by the Clerk:

DECEMBER 11, 1944.

The Honorable the SPEAKER,
The House of Representatives.

SIR: Pursuant to the special authority agreed to on Friday last, the Clerk received on December 8, 1944, the bill (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945, attested by the Secretary of the Senate as having passed the Senate without amendment December 8, 1944.

Respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

The SPEAKER. The Chair desires to announce that pursuant to authority granted him on Friday, December 8, 1944, he did on Saturday, December 9, 1944, sign the enrolled bill of the House (H. R. 5564) to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the calendar year 1945.

EXTENSION OF REMARKS

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to insert the notes of Dr. Warner.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PRINTING OF THE PRAYERS OF THE CHAPLAIN OF THE HOUSE

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 2050) back favorably without amendment a privileged resolution (H. Res. 669) authorizing the printing of the prayers of the Chaplain of the House of Representatives, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

Resolved, That 2,500 copies of the prayers offered by the Reverend James Shera Montgomery, Chaplain of the House, at the opening of the daily sessions of the House, during the Seventy-seventh and Seventy-eighth Congresses, including the current session, be printed and bound for the use of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION TO COMMITTEE ON AGRICULTURE

Mr. DOUGHTON of North Carolina. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read (H. Res. 675) as follows:

Resolved, That JOHN L. MCMILLAN of the State of South Carolina be, and he is hereby, elected a member of the standing committee of the House of Representatives on Agriculture.

The resolution was agreed to.

SIXTY-FIRST ANNUAL REPORT OF THE CIVIL SERVICE COMMISSION

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with the accompanying papers, referred to the Committee on the Civil Service:

To the Congress of the United States:

As required by the act of Congress to regulate and improve the civil service of the United States, approved January 16, 1883, I transmit herewith the Sixty-first Annual Report of the Civil

Service Commission for the fiscal year ended June 30, 1944.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 11, 1944.*

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks and to include two short excerpts.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGLE of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a statement by James J. Carr, Assistant to the Regional Director of the Bureau of Reclamation, made before a special Senate committee investigating centralization of industry in San Francisco.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the International Civil Aviation Congress recently held in Chicago.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a speech delivered by General Somervell before the Associated Industries of Massachusetts, and one by myself.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend as a part of my remarks Mr. Lippmann's The Army in Europe, a very fine analysis of what our Army is doing.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix in two instances: In one to include an address by Mr. Clifford Anderson, of Worcester, Mass., at the recent anniversary dinner of the Associated Industries of Massachusetts, as a tribute of this organization to Senator-elect SALTONSTALL; and in the second to include a recent letter published in the Boston Herald.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. POULSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a speech by Dr. Watts of the Los Angeles County Medical Association.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution of the Clinton Farmers' Union local pertaining to the establishment of a revolving fund for loans to cooperatives, to operate mixing plants.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COMPOSITION OF THE HOUSE

Mr. CLASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CLASON. Mr. Speaker, today I received a certificate of my election to the Seventy-ninth Congress from Gov. LEVERETT SALTONSTALL, of Massachusetts. I was interested in learning the official figures of our membership. The Clerk of the House, Mr. Trimble, has advised me that the official election returns show 243 Democrats, 190 Republicans, 1 Farmer Labor, and 1 Progressive will be Members of the next Congress.

As I have read in the newspapers that three Members of the present Seventy-eighth Congress, all Democrats, have resigned during the past few days, I asked about our present membership. I learned that on election day, November 7, there were on the official records 212 Democrats and 210 Republicans. Apparently no record has reached the Clerk of the House that any of the three Democratic Members has in fact resigned. However, the newspaper publicity is generally regarded as correct. Coming from Massachusetts I am much interested in these facts. For the first time in the history of the United States a single State, Massachusetts, has in the persons of two of its Congressmen, the majority leader of the House, the Honorable JOHN W. MCCORMACK, and the leader of the minority, the Honorable JOSEPH W. MARTIN, JR. Whichever party is in fact or in law the majority party of the House today the country is fortunate in having these two able and distinguished Members from Massachusetts in their respective roles.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two letters from men in the service in Germany.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(Mr. COFFEE asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Post.)

WEST POINT FOR DIPLOMATS

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[Mr. COFFEE addressed the House. His remarks appear in the Appendix.]

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an article.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ALLIED UNITY

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, as among the associated powers waging the most terrible war known to history, I believe full faith and credit should be given by each to the other. To me it is most unfortunate that this criticism of the English Government should be spreading in certain circles in this country. It is a concession to the extreme left-wingers that ought not to be made, for it is generally understood that after they have completed the job of remaking America into some form of totalitarian state they expect to launch elsewhere the campaign to liquidate the British Empire. I think it unfortunate that we should indulge in this criticism of the British, starting this political warfare against our closest associated power before we shall have ended the all-out war in which we are all engaged. There is no law so binding as the law of necessity, and it is this law under which the British are operating. They are an old and wise people. They are fighting for survival to protect their own life line. They do not want Communists to take the whole of Europe, including themselves. They owe some duty to Greece and it is to preserve lawful government that they have intervened. I hope this line of criticism will come to an end. It is to our interest that it should.

The SPEAKER. The time of the gentleman from Georgia has expired.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by F. M. Davenport on the life and character of Arthur B. Smith.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 hour today at the conclusion of business on the Speaker's desk and after

disposition of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I also ask unanimous consent that I may be permitted to address the House now for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I wish to announce to the House that today I expect to make some remarks on the floor which will appear in the RECORD tonight for distribution among you tomorrow morning. I invite your attention to those remarks because they will give you some facts relating to a bill which will come up later in the week annulling the rule promulgated by the Supreme Court in its McNabb decision.

I am very anxious, due to the limited time which will be given for debate on that measure, that the Members of the House do me the honor to read my remarks that will appear in the RECORD if you do not find it convenient to hear me this afternoon.

DISTRICT DAY

The SPEAKER. This is District day. The Chair recognizes the gentleman from West Virginia [Mr. RANDOLPH].

GRANTING OF ADDITIONAL POWERS TO THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2644) to grant additional powers to the Commissioners of the District of Columbia, and for other purposes, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 10, after "business", insert ": *Provided, however,* That nothing in this section shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished by any prior recovery or recoveries as the case may be."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this is a restriction the Senate has placed on the bill?

Mr. RANDOLPH. That is correct. The gentleman will remember that the House passed this measure, it went to the Senate and was considered and voted on last Friday.

The bill as amended by the Senate does not impair the general purposes and for that reason we are ready to concur and trust the House will accept the recommendation of the committee.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

REGULATION OF BOXING CONTESTS AND EXHIBITIONS IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4327) to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, lines 19 and 20, strike out "entitled to compensation, not to exceed $1,800 each per annum" and insert "paid compensation at the rate of $2,400 each per annum, effective July 1, 1944."

Page 4, after line 4, insert "The said funds shall be available to pay for boxing equipment, such as gloves, head guards, mouthpieces, trunks, boxing shoes, boxing rings and mats therefor, timekeepers' bells and hammers, and trophies for members of organizations engaged in the promotion and control of amateur and collegiate boxing; and when deemed necessary by the Commission, it may furnish personnel to conduct instruction and boxing contests for such organizations, and pay for same from such funds."

Page 7, line 19, strike out "6" and insert "10."

Page 9, line 1, strike out "$10,000" and insert "$15,000."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman please explain these amendments?

Mr. RANDOLPH. Mr. Speaker, this is legislation which passed the House several months ago. It deals with a partial reorganization of the District of Columbia Boxing Commission. The amendments placed on the legislation after it passed the House by the Senate, when it was considered by that body on Friday, go principally to the subject of increase in compensation for two members of the Commission. The $1,800 limitation in the House was increased to $2,400 in the Senate, with, of course, the provision that the member of the Commission who is also a member of the Metropolitan Police Department will be paid no salary. That, principally, is the contention of the Senate.

Mr. MARTIN of Massachusetts. Who is the one that gets the increase from $10,000 to $15,000?

Mr. RANDOLPH. That is not an increase in salary paid to the Commissioners. Salaries would be increased from $1,800 to $2,400 under the provisions of the Senate bill.

Mr. ROWE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Ohio.

Mr. ROWE. This $15,000, of course, is a reserve fund that will be left in the hands of the Boxing Commission to meet the normal expenses of the operation of the Commission from the present forty to fifty thousand dollar surplus in that fund. The balance is being turned over to the District and is considered as miscellaneous receipts.

Mr. MARTIN of Massachusetts. It does not mean any additional burden on the District?

Mr. RANDOLPH. No. The funds are provided and the District Commission money is already available.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. COFFEE. Mr. Speaker, reserving the right to object, I would like, with the indulgence of the House, briefly to express myself to the effect that Harry Wender, ex-president of the District of Columbia Federation of Citizens' Associations with 39 affiliated organizations and 75,000 individual members, has stated that the position of that organization is that it is opposed to the provision of this bill which specifies $2,400 a year to 2 of the boxing commissioners, and has asked me to state to the House that there are 500 men in the District of Columbia, any one of whom would be delighted to serve without compensation as a member of the Boxing Commission. It seems to me, further, that if the District of Columbia Boxing Commission has any surplus fund, which is estimated at $50,000, it might be reserved for and turned over to official charitable organizations of the District of Columbia and the recreational groups. The sporting editors of all 5 Washington newspapers have expressed themselves as opposed to the payment of this compensation to the Boxing Commissioners of the District of Columbia.

I will not object in view of the fact that the bill went through the House, and the House has already expressed itself in favor of the principle of compensation for the members of the Boxing Commission, but I think it is only fair that this statement should go into the RECORD. Therefore, I withdraw my reservation of objection.

Mr. ROWE. Mr. Speaker, further reserving the right to object, I want to go on record as well as the gentleman preceding me by saying that there are provisions in this bill to which I also object, but in this we are down to the point where if it is not agreed to in conference, it means that the bill will not pass at this session of the Congress and probably the matter will run over into the next Congress before anything is done about it. I have talked to the ranking member of the Committee on the District of Columbia about this, and he advised me that he would lend his efforts to correct situations, wherever amendments are necessary, to which I now object, and that he will gladly propose those and work on a program of amending the bill throughout.

Mr. COCHRAN. Mr. Speaker, further reserving the right to object, I would like to say to the gentleman from West Virginia that I am not going to object, because his committee has acted upon the bill. But he will recall that recently I sent him a copy of a picture in the Washington papers where there were two ladies wrestling, and they were jumping on each other's faces. There was a great deal of comment with reference to that. Somebody should assume control so that such things will not be occurring here in the District of Columbia or there will be a reaction, and the result will be the repeal of the law permitting boxing and wrestling in the District of Columbia.

Mr. RANDOLPH. May I say in response to the observation of the gentleman from Missouri, who is always interested, and properly so, in District legislation, that when the hearings were held by our subcommittee, with the gentleman from Arkansas [Mr. HARRIS], the gentleman from Ohio [Mr. ROWE], and others giving careful attention to the matter, it was proposed that the District of Columbia Boxing Commission enlarge its responsibility to take in wrestling. However, the testimony indicated that such was not desirable at this time.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GOVERNMENT RESTAURANTS WITHIN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4867) to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 5, insert:

"SEC. 2. This act shall not apply to the United States Senate and House of Representative restaurants."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, may I ask the gentleman from West Virginia why the Senate and the House restaurants should not come under the health regulations?

Mr. RANDOLPH. After most careful consideration in the House District Committee we thought there was no reason why the restaurants on Capitol Hill, in the Senate and House respectively, should not be under the supervision of the District of Columbia Health Department. The bill was so passed in this body. Friday the Senate passed the measure with the amendment which has been read by the Clerk. Personally, I cannot see why the Senate and House restaurants should be eliminated from the provisions of the legislation, but we are ready to concur in the Senate amendment, thinking perhaps that on Capitol Hill the Architect, Mr. Lynn, and the others who have jurisdiction, will properly supervise these establishments.

Mr. MARTIN of Massachusetts. Was any reason given by the other body when it adopted this amendment?

Mr. RANDOLPH. No. The debate in the Senate simply shows a statement by Senator BILBO, the chairman of the District Committee, to the effect that he believed that Mr. Lynn and the others charged with the responsibility should continue unhampered their operation of the restaurants.

Mr. MARTIN of Massachusetts. I suppose any person who owns a restaurant would feel the same way about his particular restaurant.

Mr. RANDOLPH. Yes; I am in general agreement with the gentleman. We have agreed to the Senate amendment in an effort to pass the proposal today.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PETROLEUM PIPE LINES IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 5448) to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines of petroleum products in the District of Columbia, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. RANDOLPH. The purpose of this legislation is routine in that it gives to the company in question the privilege of laying certain lines for the transmission of petroleum. Under the bill sponsored by the House District Committee, which we trust will be in effect in a few months, we would leave to the Commissioners this type of regulation and not call it into the House in the form of specific legislation.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. RIVERS. Reserving the right to object, Mr. Speaker, may I ask the chairman of the committee if this pipe line would be a common carrier or be vested in a private company, so that nobody else could use this line? I think that is very important.

Mr. RANDOLPH. Only the Standard Oil Co. would be allowed to use this particular tunnel. The Standard Oil, of course, will pay for the installation and the maintenance of the necessary pipe lines which they will run under the streets of Washington?

Mr. RIVERS. Will they have the power of eminent domain to do that?

Mr. RANDOLPH. They will, yes; under the bill; and they pay the cost, as I have said. It will be theirs to use. Of course if accidents were to occur or if trouble were to arise, the District Commissioners would have regulatory powers so that they could intervene and control.

Mr. RIVERS. Therefore, the Standard Oil Co. will be placed in a position above all other competitors if they have the right to have a pipe line without any competition from any other source?

Mr. RANDOLPH. I might say to my very distinguished friend from South Carolina that we have granted such rights on previous occasions. They have the same right as Congress has granted on previous occasions to many other companies to lay pipe lines of this character. It is merely for the purpose of crossing a street to connect two of their properties. As I recall, within the last 2 or 3 years at least five or six companies have been given the right to construct pipe lines for similar purposes.

Mr. RIVERS. Why should not this thing be opened to the public on the payment of royalties? Why should not it be a common carrier? Why should they not all be common carriers?

Mr. RANDOLPH. I can only say to the gentleman, the company in question is paying the cost of installation of the pipe lines. They contemplate using it merely as a company convenience and to better serve their patrons. Of course, ofttimes I agree with the gentleman's logic, but in this instance, since we have done it repeatedly for other companies, I do not see that we are giving any opportunity for unfairness on the part of the Standard Oil Co.

Mr. RIVERS. Mr. Speaker, with the statement of the chairman of the committee, that other companies have the same right and that other companies have been granted the same privilege, I will not object.

Mr. RANDOLPH. That is correct, Mr. Speaker.

Mr. RIVERS. With the understanding that they are not separate and apart from other people, I will not object, but I would state to the gentleman that it is a dangerous thing.

Mr. RANDOLPH. Mr. Speaker, I appreciate the gentleman's observation.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and are hereby, authorized and empowered to grant permission to Standard Oil Co. of New Jersey, a corporation, as owner of property in square 708, on the east side of South Capitol Street, between Q and R Streets, and property in square 660, on the west side of South Capitol Street, between Q and R Streets, all in the District of Columbia, its successors and assigns, to construct, maintain, and use a tunnel not to exceed in cross-sectional area more than 96 square feet, for the purpose of installing therein pipe lines for the transmission of petroleum and petroleum products, from a point within said square 708, under

and across South Capitol Street, to a point within said square 660.

SEC. 2. That all the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith and all plans and specifications for such construction shall be subject to their approval. The Commissioners of the District of Columbia shall have full authority to designate the location and to cause such repairs or relocation of said tunnel as the public necessity may require, any such repairs or relocation to be at the expense of Standard Oil Co. of New Jersey, its successors or assigns.

Any repairs to streets, highways, or other public property necessitated by construction or alterations of said tunnel shall be made in a manner satisfactory to the Commissioners of the District of Columbia at the expense of Standard Oil Co. of New Jersey.

SEC. 3. That no permission granted or enjoyed hereunder shall vest any title or interest in or to the land within South Capitol Street.

SEC. 4. The right to alter, amend, or repeal this act is expressly reserved.

With the following committee amendment:

On page 2, line 18, after the word "assigns", insert the following: "The Standard Oil Co. and any person, firm, or corporation using such tunnel, shall save harmless, indemnify and keep indemnified the District of Columbia from any and all injury, cost, loss, or damage to said District by reason of the construction, maintenance, and use of said tunnel.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISSOLUTION OF THE WOMEN'S CHRISTIAN ASSOCIATION OF DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (S. 2205) to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets and ask unanimous consent that the same be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain what this legislation does?

Mr. RANDOLPH. Mr. Speaker, the Committee on the District of Columbia of the House considered legislation of this type and in hearings before our subcommittee we took no definite action. The Senate, on last Friday, passed the bill which is now before this body, which would simply authorize the Negro branch of the Y. W. C. A., known as the Phyllis Wheatley branch, to acquire ownership of the property now owned by the Women's Christian Association. This property, I might say, is located in the Negro section of the District of Columbia and will be used more properly, it is felt, if the transfer is made.

Mr. MARTIN of Massachusetts. Who owns it now?

Mr. RANDOLPH. The Women's Christian Association.

Mr. MARTIN of Massachusetts. Why is it necessary to come to the Congress?

Mr. RANDOLPH. This organization was incorporated under the laws of the District in 1870. It was organized for charitable purposes. Later Congress appropriated $25,000 with which they purchased the property which is the subject of the bill we are now considering.

Mr. MARTIN of Massachusetts. If it is just a transfer of property, why should we be interested in it at all?

Mr. RANDOLPH. The bill which appropriated money imposed a legislative trust and they were bound to hold the property so purchased forever under the legislative trust.

Mr. MARTIN of Massachusetts. This bill will not exempt from taxation the property involved?

Mr. RANDOLPH. The gentleman's observation is correct.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Women's Christian Association of the District of Columbia may by a majority vote of its board of directors deed, transfer, and assign, without consideration, all its assets of whatsoever kind or nature, including property purchased with the appropriation made by chapter 455 of the act of June 23, 1874 (18 Stat. (pt. 3) 216), or any subsequent appropriation, to the Young Women's Christian Association of the District of Columbia. The Young Women's Christian Association of the District of Columbia may by a majority vote of its board of directors deed, transfer, and assign without consideration, to the Phyllis Wheatley Young Women's Christian Association of Washington, District of Columbia, any property received by it from the Women's Christian Association of the District of Columbia under this Act. No property of the Women's Christian Association of the District of Columbia shall be held or used for any purpose or purposes other than those stated in the certificate of incorporation of the Young Women's Christian Association of the District of Columbia or the Phyllis Wheatley Young Women's Christian Association of Washington, District of Columbia. Upon deeding, transferring, and assigning all its property under the provisions of this act, the Women's Christian Association of the District of Columbia shall be considered dissolved and its corporate charter surrendered.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGULATING TRANSFER OF SHARES OF STOCK IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (S. 1979) to regulate in the District of Columbia, the transfer of shares of stock in corporations and to make uniform the law with reference thereto, and ask unanimous consent that the same be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. RANDOLPH. Mr. Speaker, this is an important measure and I should like to say that the Senate has passed the bill and the House has also reported a similar bill. We call up the Senate bill today although we would have called up the House bill had the Senate not previously acted. The bill provides for uniform regulations on stock transfers. There are only nine States that do not have laws which would coincide with the District provisions, if this legislation is passed.

Mr. MARTIN of Massachusetts. What does it do, call for a fee for transferring property?

Mr. RANDOLPH. It gives a certificate of stock most of the qualities of negotiability that are provided for bills and notes under the universally adopted uniform negotiable instrument law. Thus the title to stock when properly endorsed may pass by delivery of the certificate.

Mr. MARTIN of Massachusetts. Is there a unanimous report from your committee?

Mr. RANDOLPH. Yes; it is a unanimous report. We filed it with the House even before calling up the Senate bill today.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. COFFEE. Mr. Speaker, reserving the right to object, as chairman of the Subcommittee for the District of Columbia Associations, I want to commend the legislative committee on the District of Columbia for bringing in a much-needed and long overdue bill, which is designed to protect the investors of the District of Columbia. Those who invest their funds in securities are now given a large measure of protection and assurance of freedom from fraud.

Mr. RANDOLPH. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.,

HOW TITLE TO CERTIFICATES AND SHARES MAY BE TRANSFERRED

SECTION 1. That title to a certificate and to the shares represented thereby can be transferred only—

(a) by delivery of the certificate endorsed either in blank or to a specified person by the person appearing by the certificate to be the owner of the shares represented thereby, or

(b) by delivery of the certificate and a separate document containing a written assignment of the certificate of a power of attorney to sell, assign, or transfer the same or the shares represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specific person.

The provisions of this section shall be applicable although the charter or articles of

incorporation or code of regulations or by-laws of the corporation issuing the certificate and the certificate itself provided that the shares represented thereby shall be transferable only on the books of the corporation or shall be registered by a registrar or transferred by a transfer agent.

POWERS OF THOSE LACKING FULL LEGAL CAPACITY AND OF FIDUCIARIES NOT ENLARGED

SEC. 2. Nothing in this act shall be construed as enlarging the powers of an infant or other person lacking full legal capacity, or of a trustee, executor, or administrator, or other fiduciary, to make a valid endorsement, assignment, or power of attorney.

CORPORATION NOT FORBIDDEN TO TREAT REGISTERED HOLDER AS OWNER

SEC. 3. Nothing in this act shall be construed as forbidding a corporation—

(a) to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, or

(b) to hold liable for calls and assessments a person registered on its books as the owner of shares.

TITLE DERIVED FROM CERTIFICATE EXTINGUISHES TITLE DERIVED FROM A SEPARATE DOCUMENT

SEC. 4. The title of a tranferee of a certificate under a power of attorney or assignment not written upon the certificate, and the title of any person claiming under such transferee, shall cease and determine if, at any time prior to the surrender of the certificate to the corporation issuing it, another person, for value in good faith, and without notice of the prior transfer, shall purchase and obtain delivery of such certificate with the endorsement of the person appearing by the certificate to be the owner thereof, or shall purchase and obtain delivery of such certificate and the written assignment or power of attorney of such person, though contained in a separate document.

WHO MAY DELIVER A CERTIFICATE

SEC. 5. The delivery of a certificate to transfer title in accordance with the provisions of section 1 is effectual, except as provided in section 7, though made by one having no right of possession and having no authority from the owner of the certificate or from the person purporting to transfer the title.

ENDORSEMENT EFFECTUAL IN SPITE OF FRAUD, DURESS, MISTAKE, REVOCATION, DEATH, INCAPACITY, OR LACK OF CONSIDERATION OR AUTHORITY

SEC. 6. The endorsement of a certificate by the person appearing by the certificate to be the owner of the shares represented thereby is effectual, except as provided in section 7, though the endorser or transferor—

(a) was induced by fraud, duress, or mistake, to make the endorsement or delivery; or

(b) has revoked the delivery of the certificate or the authority given by the endorsement or delivery of the certificate; or

(c) has died or become legally incapacitated after the endorsement, whether before or after the delivery of the certificate; or

(d) has received no consideration.

RESCISSION OF TRANSFER

SEC. 7. If the endorsement or delivery of a certificate—

(a) was procured by fraud or duress; or

(b) was made under such mistake as to make the endorsement or delivery inequitable; or

If the delivery of a certificate was made—

(c) without authority from the owner; or

(d) after the owner's death or legal incapacity, the possession of the certificate may be reclaimed and the transfer thereof rescinded, unless—

(1) the certificate has been transferred to a purchaser for value in good faith without notice of any facts making the transfer wrongful; or

(2) the injured person has elected to waive the injury or has been guilty of laches in endeavoring to enforce his rights.

Any court of appropriate jurisdiction may enforce specifically such right to reclaim the possession of the certificate or to rescind the transfer thereof and, pending litigation, may enjoin the further transfer of the certificate or impound it.

RESCISSION OF TRANSFER OF CERTIFICATE DOES NOT INVALIDATE SUBSEQUENT TRANSFER BY TRANSFEREE IN POSSESSION

SEC. 8. Although the transfer of a certificate or of shares represented thereby has been rescinded or set aside, nevertheless, if the transferee has possession of the certificate or of a new certificate representing part or the whole of the same shares of stock, a subsequent transfer of such certificate by the transferee, mediately or immediately, to a purchaser for value in good faith, without notice of any facts making the transfer wrongful, shall give such purchaser an indefeasible right to the certificate and the shares represented thereby.

DELIVERY OF UNENDORSED CERTIFICATE IMPOSES OBLIGATION TO ENDORSE

SEC. 9. The delivery of a certificate by the person appearing by the certificate to be the owner thereof without the endorsement requisite for the transfer of the certificate and the shares represented thereby, but with intent to transfer such certificate or shares, shall impose an obligation, in the absence of an agreement to the contrary, upon the person so delivering, to complete the transfer by making the necessary endorsement. The transfer shall take effect as of the time when the endorsement is actually made. This obligation may be specifically enforced.

INEFFECTUAL ATTEMPT TO TRANSFER AMOUNTS TO A PROMISE TO TRANSFER

SEC. 10. An attempted transfer of title to a certificate or to the shares represented thereby without delivery of the certificate shall have the effect of a promise to transfer and the obligation, if any, imposed by such promise shall be determined by the law governing the formation and performance of contracts.

WARRANTIES ON SALE OF CERTIFICATE

SEC. 11. A person who for value transfers a certificate, including one who assigns for value a claim secured by a certificate, unless a contrary intention appears, warrants—

(a) that the certificate is genuine;

(b) that he has a legal right to transfer it; and

(c) that he has no knowledge of any fact which would impair the validity of the certificate.

In the case of an assignment of a claim secured by a certificate, the liability of the assignor upon such warranty shall not exceed the amount of the claim.

NO WARRANTY IMPLIED FROM ACCEPTING PAYMENT OF A DEBT

SEC. 12. A mortgagee, pledgee, or other holder for security of a certificate who in good faith demands or receives payment of the debt for which such certificate is security, whether from a party to a draft drawn for such debt, or from any other person, shall not by so doing be deemed to represent or to warrant the genuineness of such certificate, or the value of the shares represented thereby.

NO ATTACHMENT OR LEVY UPON SHARES UNLESS CERTIFICATE SURRENDERED OR TRANSFER ENJOINED

SEC. 13. No attachment or levy upon shares of stock for which a certificate is outstanding shall be valid until such certificate be actually seized by the officer making the attachment or levy, or be surrendered to the corporation which issued it, or its transfer by the holder be enjoined. Except where a certificate is lost or destroyed, such corporation shall not be compelled to issue a new certificate for the stock until the old certificate is surrendered to it.

CREDITOR'S REMEDIES TO REACH CERTIFICATE

SEC. 14. A creditor whose debtor is the owner of a certificate shall be entitled to such aid from courts of appropriate jurisdiction, by injunction and otherwise, in attaching such certificate or in satisfying the claim by means thereof as is allowed at law or in equity, in regard to property which cannot readily be attached or levied upon by ordinary legal process.

THERE SHALL BE NO LIEN OR RESTRICTION UNLESS INDICATED ON CERTIFICATE

SEC. 15. There shall be no lien in favor of a corporation upon the shares represented by a certificate issued by such corporation and there shall be no restriction upon the transfer of shares so represented by virtue of any bylaws of such corporation, or otherwise, unless the right of the corporation to such lien or the restriction is stated upon the certificate.

ALTERATION OF CERTIFICATE DOES NOT DIVEST TITLE TO SHARES

SEC. 16. The alteration of a certificate, whether fraudulent or not and by whomsoever made, shall not deprive the owner of his title to the certificate and the shares originally represented thereby, and the transfer of such a certificate shall convey to the transferee a good title to such certificate and to the shares originally represented thereby.

LOST OR DESTROYED CERTIFICATE

SEC. 17. Where a certificate has been lost or destroyed, a court of competent jurisdiction may order the issue of a new certificate therefor on service of process upon the corporation and on reasonable notice by publication, and in any other way which the court may direct, to all persons interested, and upon satisfactory proof of such loss or destruction and upon the giving of a bond with sufficient surety to be approved by the court to protect the corporation or any person injured by the issue of the new certificate from any liability or expense, which it or they may incur by reason of the original certificate remaining outstanding. The court may also in its discretion order the payment of the corporation's reasonable costs and counsel fees.

The issue of a new certificate under an order of the court as provided in this section shall not relieve the corporation from liability in damages to a person to whom the original certificate has been or shall be transferred for value without notice of the proceedings or of the issuance of the new certificate.

RULE FOR CASES NOT PROVIDED FOR BY THIS ACT

SEC. 18. In any case not provided for by this act, the rules of law and equity, including the law merchant, and in particular the rules relating to the law of principal and agent, executors, administrators, and trustees, and to the effect of fraud, misrepresentation, duress, or coercion, mistake, bankruptcy, or other invalidating cause, shall govern.

INTERPRETATION SHALL GIVE EFFECT TO PURPOSE OF UNIFORMITY

SEC. 19. This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those States which enact it.

DEFINITION OF ENDORSEMENT

SEC. 20. A certificate is endorsed when an assignment or a power of attorney to sell, assign, or transfer the certificate or the

shares represented thereby is written on the certificate and signed by the person appearing by the certificate to be the owner of the shares represented thereby, or when the signature of such person is written without more upon the back of the certificate. In any of such cases a certificate is endorsed, though it has not been delivered.

DEFINITION OF PERSON APPEARING TO BE THE OWNER OF CERTIFICATE

SEC. 21. The person to whom a certificate was originally issued is the person appearing by the certificate to be the owner thereof, and of the shares represented thereby, until and unless he endorses the certificate to another specified person, and thereupon such other specified person is the person appearing by the certificate to be the owner thereof, until and unless he also endorses the certificate to another specified person. Subsequent special endorsements may be made with like effect.

OTHER DEFINITIONS

SEC. 22. (1) In this act, unless the context or subject matter otherwise requires—

"Certificate" means a certificate of stock in a corporation organized under the laws of the United States, or of the District of Columbia, or of another State whose laws are consistent with this act.

"Delivery" means voluntary transfer of possession from one person to another.

"Person" includes a corporation or partnership or two or more persons having a joint or common interest.

"To purchase" includes to take as mortgagee or as pledgee.

"Purchaser" includes mortgagee and pledgee.

"Shares" means a share or shares of stock in a corporation organized under the laws of the United States, or of the District of Columbia, or of another State whose laws are consistent with this act.

"State" includes State, Territory, district, and insular possession of the United States.

"Transfer" means transfer of legal title.

"Title" means legal title and does not include a merely equitable or beneficial ownership or interest.

"Value" is any consideration sufficient to support a simple contract. An antecedent or preexisting obligation, whether for money or not, constitutes value where a certificate is taken either in satisfaction thereof or as security therefor.

(2) A thing is done "in good faith" within the meaning of this act, when it is in fact done honestly, whether it be done negligently or not.

ACT DOES NOT APPLY TO EXISTING CERTIFICATES

SEC. 23. The provisions of this act apply only to certificates issued after the taking effect of this act.

INCONSISTENT LEGISLATION REPEALED

SEC. 24. All acts or parts of acts inconsistent with this act are hereby repealed.

TIME WHEN THE ACT TAKES EFFECT

SEC. 25. This act shall take effect on the ——— day of ————————, 194—.

NAME OF ACT

SEC. 26. This act may be cited as the "Uniform Stock Transfer Act."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5159) was laid on the table.

ESTABLISHMENT OF METROPOLITAN POLICE DEPARTMENT BAND IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5158) to authorize the establishment of the Metropolitan Police Department Band, District of Columbia, and to provide funds therefor; and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what does this bill provide?

Mr. RANDOLPH. Mr. Speaker, this is legislation which would authorize the establishment of a Metropolitan Police Department band in the District of Columbia. It was the subject of three hearings by a subcommittee of the Distric of Columbia Committee of the House. Witnesses were heard both for and against this proposal. It was then brought to the full committee on the District of Columbia last week with a unanimous report from the subcommittee, that the bill be reported favorably to the floor of the House.

In connection with the consideration by the full committee, we desired to give the opponents of the legislation every possible opportunity to be heard. For that reason, counsel for the Federation of Musicians of the District of Columbia, Mr. Padway, was heard, although he had previously given testimony through Mr. Wilson and Mr. Schwartz.

The District Commissioners have asked for this legislation. Commissioner Young, President of the Board of Commissioners, and Major Kelly, Superintendent of Police, believe that a police band would add greatly to the morale of the department itself. They point out that in other police departments throughout the country there are similar musical organizations. They also believe there are many occasions in the District of Columbia where this type of band could be properly used.

We have safeguarded the legislation with amendments to the effect that any member of the band must be a member of the Metropolitan Police Department. In the second instance, we have amended the bill to allow the band to play only at functions where no admission charge is made. In other words, the committee, feeling the legislation to be meritorious, has attempted to answer the opposition of the musicians in that no one would be deprived of a livelihood and that the band perform strictly for civic and municipal functions within the District of Columbia where no admission fee is charged.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CASE. I would like to ask the gentleman from West Virginia whether or not the committee considering this bill gave any consideration to the background of the man now presently employed or used as Director of the Metropolitan Band?

Mr. RANDOLPH. The committee, of course, had Captain Benter before it, the man who at one time was Director of the Navy Band. He testified before the committee as to the work the band is now doing under his leadership.

The committee bill does not mention the director as any certain individual, and no reference is made in the legislation as to who may or may not be director of the organization. The Commissioners would get a good man, no doubt, to do this job.

Mr. CASE. Did the committee make any inquiry as to the circumstances under which the Director left the directorship of the Navy Band and its possible bearing on what is here proposed?

Mr. RANDOLPH. Not to my knowledge.

Mr. CASE. Then, Mr. Speaker, I shall have to object to the consideration of the bill under unanimous consent at this time.

Mr. RANDOLPH. Mr. Speaker, this is District day and the leadership has kindly given me the opportunity of going into debate upon these measures, but I believe that in view of the heavy legislative calendar it will be advisable to withdraw the bill temporarily.

The SPEAKER. Without objection, the bill is withdrawn.

There was no objection.

NATIONAL MEMORIAL STADIUM

Mr. RANDOLPH. Mr. Speaker, I call up Senate Joint Resolution 155, establishing a commission to select a site and design for a national memorial stadium to be erected in the District of Columbia, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby established a commission to be composed of three Members of the Senate to be appointed by the President of the Senate, three Members of the House of Representatives to be appointed by the Speaker of the House, and three persons to be appointed by the Commissioners of the District of Columbia. Such commission is authorized and directed (1) to consider and select a suitable site for an athletic field and stadium to be constructed in the District of Columbia as a permanent memorial to the men and women who gave their lives while serving as members of the armed forces of the United States during World War No. 1 and World War No. 2; (2) to procure such plans and designs and make such surveys and estimates of the cost thereof as it deems advisable; and (3) to make a report to the Congress, together with its recommendations, at the earliest practicable date.

SEC. 2. (a) The members of the commission shall serve without compensation; but travel, subsistence, and other necessary expenses incurred by them in connection with the work of the commission may be paid from any funds available for expenditure by the commission.

(b) The commission is authorized, within the limits of appropriations made therefor, to employ and fix the compensation of such officers, experts, and other employees as may be necessary to carry out its functions.

SEC. 3. There are hereby authorized to be appropriated such sums, not to exceed $25,000, as may be necessary to carry out the provisions of this joint resolution.

Mr. RANDOLPH (interrupting the reading of the joint resolution). Mr.

Speaker, I ask unanimous consent that further reading of the resolution be dispensed with.

Mr. TARVER. Mr. Speaker, reserving the right to object——

The SPEAKER. If the gentleman will explain the bill—the Chair is a little bit interested.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the purpose of the bill?

The SPEAKER. The gentleman from West Virginia asks unanimous consent to call up Senate Joint Resolution 155, and the Clerk was reading the resolution. The gentleman from West Virginia asked unanimous consent that further reading be dispensed with. That is the question before the House now. Later will come up the question as to consideration of the resolution.

Mr. MARTIN of Massachusetts. It is only a short resolution and I think it should be read for the information of the Members.

Mr. RANDOLPH. I was merely trying to save time; I was going to explain it.

The SPEAKER. The Clerk will read the remainder of the resolution.

(The Clerk concluded reading the resolution.)

The SPEAKER. Is there objection to the consideration of the resolution?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, does the gentleman from West Virginia feel it should be taken up by unanimous consent? It seems to be quite far reaching and no one seems to know just where we are going on it.

Mr. RANDOLPH. I may say in answer to the distinguished minority leader that the Committee on the District of Columbia, and the chairman of that committee, have attempted to give the subject matter careful consideration. Those hearings were in progress at the time the Senate passed the resolution which has just been read. The chairman of the Senate District Committee, the distinguished Senator from Mississippi, desired that the House have the opportunity today to pass upon the judgment of the Senate in this matter even though the legislation pending before the House District Committee is embodied in at least three bills which go to this general subject.

Mr. MARTIN of Massachusetts. The gentleman's committee has never voted on this legislation?

Mr. RANDOLPH. No, sir. May I continue further and simply say that it is the desire always of our committee to go into these matters thoroughly, even though we might apparently, as individuals, be very enthusiastic for the proposal; there was a poll made of the committee members this morning to see if it were agreeable to call the Senate measure to the floor at this time. This poll indicated that the members of the committee had no desire to hinder its consideration and for that reason it has been brought here.

Mr. MARTIN of Massachusetts. It states here in the opening paragraph that they may consider and select a suitable site for an athletic field. This would let the commission take any site it may desire and we are obligated to pay for it.

Mr. RANDOLPH. The commission under the terms of the Senate bill, as I understand it, would have the right to select a site and recommend it to the Congress.

Mr. MARTIN of Massachusetts. It does not say anything about recommending.

Mr. RANDOLPH. I realize that, but there is an implied recommendation to the Congress; then the method of financing would be, of course, recommended by the commission as well; also, there is a strong feeling in the Senate, and it is strong in the House, that a project of this type should be, insofar as possible, self-liquidating.

Mr. MARTIN of Massachusetts. Mr. Speaker, I think this legislation is important enough to come up formally before the committee and have a definite vote in the committee; therefore, unless the gentleman withdraws the bill, I object.

The SPEAKER. Objection is heard.

VOLUNTARY APPRENTICESHIP IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1434) to provide for voluntary apprenticeship in the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill.

Mr. RANDOLPH. Mr. Speaker, this legislation has had no direct consideration by the House District Committee. The Senate last Friday passed a measure which is now before us for consideration. It was passed unanimously, having been reported by the Senate District Committee.

The bill would provide for voluntary apprenticeship in the District of Columbia. The legislation has the approval of the Department of Labor, the Federal Security Administration, the War Manpower Commission, the Commissioners of the District of Columbia, the Corporation Counsel of the District, the Superintendent of Education of the District of Columbia, and the various labor unions that are functioning through their organizations here.

It is pointed out that today, without legislation, the situation is particularly acute in view of the returning soldiers who are interested in vocational rehabilitation and in learning craftsmanship sponsored by the various building trades and otherwise. For this reason they believe it is appropriate.

Mr. MARTIN of Massachusetts. Does not the gentleman think he should have a hearing by his committee to consider this legislation before calling it up in the House?

Mr. RANDOLPH. The Senate District Committee has simply asked us to give the House the opportunity to pass this bill or have it go over today, and for that reason I have been very straightforward in stating to the gentleman just exactly what has happened.

Mr. MARTIN of Massachusetts. I should think the gentleman would be interested in protecting the rights of his committee.

Mr. RANDOLPH. We are interested in protecting the rights of the District Committee and I want to say to the gentleman from Massachusetts, for whom I have a very high regard, and without speaking of the Senate procedure, that we in the House District Committee do give long hours of consideration to each and every measure that is brought before us. The gentleman, I know, has on certain occasions attempted to be courteous and cooperative to the other body when it has asked that legislation be brought here of a general nature that is far more important than measures considered by the District Committee.

Mr. MARTIN of Massachusetts. We have an iron-clad rule here that we will not consider legislation unless it has been presented to a committee and favorably acted on. That is the general rule. I presume this is good legislation, although I do not know. I think the gentleman should withdraw this and have his committee meet tomorrow and if it is good, pass it, then he can bring it up later in the week.

Mr. RANDOLPH. Mr. Speaker, in view of my high regard for the gentleman's wishes, I withdraw the bill.

CONSENT CALENDAR

THE SPEAKER. This is Consent Calendar day.

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that it be in order today to consider all bills on the Consent Calendar beginning with Calendar 417 and concluding with Calendar 451, notwithstanding the fact that the bills placed on the Consent Calendar on December 7 are ineligible under the rule. I ask this, Mr. Speaker, because this is the last call of the Consent Calendar, and with the understanding that it shall not be considered as a precedent for the future.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

INCREASE OF COMPENSATION FOR EMPLOYEES IN THE POSTAL SERVICE

The Clerk called the bill (H. R. 4715) to increase the compensation of employees in the Postal Service.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PRIEST. Mr. Speaker, I understand that a rule has been granted, and that this bill will be brought before the House under a rule. In view of this circumstance, I ask unanimous consent that it be passed over without prejudice.

Mr. COLE of New York. Mr. Speaker, reserving the right to object, but solely for the purpose of having an opportunity to make a brief statement regarding a situation which developed when the Consent Calendar was called last week. There was a bill reported out from the

Committee on Claims authorizing and appropriating the sum of $10,000,000 to compensate claimants living in the State of Florida for damages incident to the Mediterranean fruit-fly campaign in 1929. When the calendar was called objection was registered by the gentleman from Iowa [Mr. CUNNINGHAM], the gentleman from New Jersey [Mr. KEAN], and myself upon the ground that the amount of money involved was in excess of the maximum allowed to be passed on this calendar.

Thereafter word was sent back to the people of Florida by one of its Representatives that the Republicans in Congress had defeated his purpose in obtaining satisfaction of those claims. I want to assure the gentleman from Florida and the people of Florida, as well as the Members of the House, that partisan considerations do not motivate us who are performing this task. But since the question of partisanship has been raised I should also like to point out to the people of Florida that this bill was introduced in April 1943; that it was reported out of the Committee on Claims in April of 1944, and that it has been on the Consent Calendar for nearly 9 months.

Upon investigation I find that no application for a rule has ever been made by any of the persons interested in the bill. Certainly the people of Florida and the gentleman from Florida himself knows that the minority members do not control the Committee on Rules, and that if he were sufficiently interested in having that bill enacted into law he simply had to make application for a rule, and if his party had been convinced of its merits, a rule most certainly would have been granted. In fact, the gentleman does a disservice to the House when he indicates to the public the expectation that a bill not only authorizing but also actually appropriating $10,000,000 to satisfy claims for damages which are at least 15 years old would be passed by this House by unanimous consent on the Consent Calendar. The people of the country should know that greater consideration and thought and deliberation and study is given to matters of that size and that importance than to have them passed by unanimous consent on Consent Calendar day.

I withdraw my reservation of objection, Mr. Speaker.

Mr. PETERSON of Florida. Mr. Speaker, reserving the right to object, when the bill came up on the Consent Calendar the situation outlined by the gentleman was this: Three gentlemen objected to the consideration of it at that time. That became public property. It was entered in the CONGRESSIONAL RECORD, and the press of my State naturally asked the names of those who objected, and that information was published in the State, not through my contrivance or any particular desire of my own. I have a high regard for each of the gentlemen and am sure they were doing their duty as they saw it. But the situation is this, that it is not the rule, as I understand generally, for the Committee on Rules to grant a rule if the matter is still pending on the Consent Calendar.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Florida. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think what the gentleman meant to say is that it is not the practice of the Committee on Rules to grant a rule on a private bill.

Mr. PETERSON of Florida. That is right.

Mr. McCORMACK. That is what I think the RECORD should show.

Mr. PETERSON of Florida. That is correct. It was my desire to use every effort to get the bill up by consent without having to apply to the Committee on Rules for a rule. I think every effort should be made to bring the matter up by consent before applying for a special rule. The House has had a heavy legislative program since this bill was reported. I was hopeful that that could be done, especially in view of the fact that a joint committee of both the House and the Senate had carefully investigated these matters and that these bills were the result of such investigations; in fact, the bills were prepared by the joint committee that investigated the matters and made recommendations of compensation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the bill be passed over without prejudice?

There was no objection.

ADMINISTRATIVE JURISDICTION OF CERTAIN OREGON LANDS

The Clerk called the bill (S. 275) relating to the administrative jurisdiction of certain public lands in the State of Oregon.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. ELLSWORTH. Reserving the right to object, Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, this bill concerns only some 460,000 acres of land in the State of Oregon. The reason for the legislation is to settle, by act of Congress, the question as to which department of the Government shall have the administration of the lands, which are claimed by both the Forest Service of the Department of Agriculture and by the O. and C. Administration, of the Department of the Interior. The question of money is not involved in this bill, since the policy concerning the disposition of the proceeds from these lands was determined by the Congress in 1937. The question has to do with administration. The Public Lands Committee of this House, of which I am a member, has held long and exhaustive hearings on this bill. Hearings have been held on it in Oregon. Our committee has determined that the lands properly belong in the O. and C. Administration and has so reported in this bill with the recommendation that it do pass. The Members of Congress from Oregon favor the passage of this bill. The county courts and the people generally in the counties affected by it favor its passage. I hope the House will pass this bill and thus put an end to a dispute which has existed for some time to the detriment of proper forest conservation in my State.

Mr. COCHRAN. Reserving the right to object, Mr. Speaker, in view of the fact that the gentleman from Oregon has extended his remarks at this point in the RECORD on this subject, may I say that I have a great deal of information about this bill and it shows that there are millions of dollars and nearly 500,000 acres of land involved. I ask unanimous consent to extend my remarks at this point in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the report on this bill does not give to the House the information to which it is entitled in view of the fact that there is a large sum of money involved.

The information that comes to me, and it is not shown by the report, is that this bill provides for the transfer to the Interior Department of 462,000 additional acres of ground. One of the objections to this bill is that instead of making the payment of 25 percent, as is now provided on national forest lands, it raises the payment to 75 percent. This differential will mean additional expense to the Government.

I am further informed that the value of the timber alone is around $10,000,000, which would mean that the various counties would receive $7,500,000.

It does not appear to me that a bill of this character should be passed by unanimous consent, but should be thoroughly debated.

The SPEAKER. Is there objection to the request of the gentleman from Indiana that the bill be passed over without prejudice?

There was no objection.

FREE HIGHWAY BRIDGE ACROSS THE CLINCH RIVER, TENN.

The Clerk called the bill (H. R. 5002) granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge and approaches thereto across the Clinch River in a manner suitable to the interests of navigation at the point where such river is crossed by United States Highway No. 25E, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, as amended, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BELFRY COAL CO.

The Clerk called the bill (H. R. 5206) to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Belfry Coal Co. (not incorporated), its successors or assigns, is hereby authorized to construct, maintain, and operate a free suspension bridge conveyor and approaches thereto across the Tug Fork of the Big Sandy River between Pike County, Ky., and Mingo County, W. Va., at mile 63.8 at or near Sprigg, W. Va., at a point suitable to the interests of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF AGRICULTURE TO ADJUST CERTAIN INDEBTEDNESS

The Clerk called the bill (S. 1688) to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, this bill is of considerable interest to the Members, I am sure. A considerable amount of money is involved and there is at least the possibility of considerable losses. I suggest that the gentleman from Virginia explain the bill so that the Members may understand it.

Mr. FLANNAGAN. Mr. Speaker, for a number of years there has been quite a demand both in the Senate and in the House that authority be given the Governor of the Farm Credit Administration and the Secretary of Agriculture to compromise and adjust certain small loans and payments that have been made over the years under certain agricultural programs.

This bill was thoroughly considered by the Senate during this session and was unanimously reported and unanimously passed. It came before the House committee and we also held hearings. After we had given due consideration to the bill, a unanimous report was made.

It is true that this legislation does not go as far as certain Members would like to see it go; in other words, certain Members would like to see an outright cancelation of many of these old debts. The committee did not go that far. However, those who think we did not go far enough are willing to take half a loaf rather than have this legislation defeated.

There is real necessity for this legislation. For 20 years or more there has been a demand that some adjustment or compromise be made of the old feed and seed loans. One million one hundred thousand of them are for less than $100. Many thousands of them are for only a dollar or two. It is pretty costly to service those debts from year to year.

The legislation as unanimously passed by the Senate and unanimously reported out of the House Committee on Agriculture gives the Governor of the Farm Credit Administration and the Secretary of Agriculture the right to adjust and compromise these old debts provided, first, if the indebtedness has been due and payable for 5 years or more; second, the debtor is unable to pay in full and has no reasonable prospect of so doing; third, the debtor has acted in good faith to meet his obligations; and fourth, the principal amount of the indebtedness is not in excess of $1,000.

Mr. COLE of New York. Mr. Speaker, I should like to inquire of the gentleman the reason for the provision in section 5 directing the Secretary of Agriculture to submit a report to the Congress at the end of every 6 months, pursuant to this act?

Mr. FLANNAGAN. Mr. Speaker, that was put in so the Congress could have a complete check on any and all adjustments or compromises and would be able to see just what was going on under the terms of the act. In other words, we want to keep a check on the administration of this act.

Mr. COLE of New York. I think that is a highly laudable objective. May I inquire if the Secretary of Agriculture is directed by the provisions of existing law in other matters to submit reports to the Congress, and if so, are those reports carefully studied by the gentleman's committee when they are received?

Mr. FLANNAGAN. I would say probably that is true, but in this case where we are giving authority to adjust and compromise claims, although they are of small amounts, I believe that a report should be made to the Congress every 6 months so we will know that the intent of the Congress is being carried out, with reference to the adjustments and compromises.

Mr. COLE of New York. Mr. Speaker, with the assurance that the gentleman's committee will study the reports as they come in, I see no reason why they should not be made, but if the reports are going to be submitted to the Congress for the purpose of being filed away and no attention paid to them, I see no reason then why they should be made.

Mr. FLANNAGAN. Mr. Speaker, I think the Committee on Agriculture would like to have the reports and I think the reports are going to be scrutinized rather carefully.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, I have another objection besides the one the gentleman from New York mentioned. In the first place, according to the report, there are 1,000,000 claims involved.

Mr. FLANNAGAN. There are a good many more claims than that. There are 1,100,000 claims in connection with the old feed and seed loans, of an amount of $100 or less.

Mr. COCHRAN. Mr. Speaker, the gentleman is very frank. He does not intend to say that he wants the Secretary of Agriculture to make a list with the names of over a million people on it and send it to the Congress? Look at the cost of the paper alone. All you would receive would be a list saying "John Jones, $20. Bill Smith, $5." What good is a report such as that?

Mr. FLANNAGAN. Mr. Speaker, may I say to the gentleman from Missouri that these adjustments and compromises from their very nature, cannot be made overnight. I think it is very important for the Committee on Agriculture to keep an eye on the way this authority is being exercised. If later on we feel that such a report can be dispensed with, I would be glad to recommend that. But certainly to begin with, to see how this authority is going to be exercised by the Governor of the Farm Credit Administration and the Secretary of Agriculture, I think we should have that report.

Mr. COCHRAN. Let me say further looking at the report—and I am taking this from the report—let the Members of the House listen to this so that they will know what they are doing by unanimous consent. The report itself says there are $165,000,000 involved. How about the farmers who borrowed the hundreds of millions of dollars as a result of your vote and my vote, loaning money to them to buy seed during a great distress period? That great majority of farmers have paid their debt to the Government. Nobody can tell me there are a million or more farmers in this country today who are not able to pay a small loan to the United States Government. I think we are discriminating against the honest farmer who paid his indebtedness to the Government, by relieving all these farmers. This is a precedent that could be followed later, if the time comes, which I hope it never will, when we will have to appropriate money to allow the farmers to buy seed or something else, and they will say "What is the use to pay it back? In due time the Congress will relieve us of it."

Mr. FLANNAGAN. Many of these loans were made in the drought-stricken areas. It was as much a relief proposition as going to the aid of those who suffered by reason of floods in the Mississippi Valley.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. HOPE. I want to say to the gentleman from Missouri that the fact there are a million accounts involved, does not mean there are a million farmers involved. There may be several accounts with one farmer. I do not think there are anything like a million farmers involved in this particular situation. I am not sure of the exact number, but there are not anything like a million.

Mr. COCHRAN. The report says there are 1,700,000 separate accounts held by the Emergency Crop and Feed Loan Division. The word "separate" is used in the report.

Mr. HOPE. As I understand it, if a man makes a loan one year, that is an account. The next year he makes another loan and that is another account. In some cases these loans have been made to farmers in several different years during the drought period, and they were not able to make payment, or at least complete payment in any of those years.

Mr. COCHRAN. The gentleman will not deny there are $165,000,000 involved?

Mr. HOPE. No.

Mr. FLANNAGAN. That is true, but we do not contemplate that there will be anything like $165,000,000 in losses.

Mr. HOPE. Of the $165,000,000 I want to say that some of that money will never be collected. The Farm Credit Administration believes that they will get more money if we give them this authority to compromise and settle this indebtedness than if they do not have that authority, and I think so, too.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. CASE. There is one other point that should be brought out and that is that this probably does not mean much more than relief in the way of procedure. At the present time these accounts, if uncollectible by the Department of Agriculture, are certified to the Department of Justice. The Department of Justice has authority to make compromises or discounts after the account has been resolved to judgment, but it only makes those compromises when they have been recommended by the Department of Agriculture. All this bill really does is to make it possible to negotiate those compromises through the Department of Agriculture without resort to the process of sending them to the Department of Justice and resolving them to judgment, and adding costs to the account, throwing additional burdens on the Government as well as the farmer.

Mr. COCHRAN. Is that statement correct, that the Department can compromise them now, but that they have to go through the Department of Justice?

Mr. FLANNAGAN. That is right. These small farmers cannot follow that procedure. On all claims of a thousand dollars and over they still have to go through the Treasury Department.

Mr. COCHRAN. I will say to the gentleman from West Virginia, in view of the statement that if they are given permission to make these compromises they must go through the Department of Justice and those over $1,000 must go through the Treasury, I will not object to the bill providing he will agree to strike out section 5.

Mr. FLANNAGAN. I hope the gentleman will not insist upon striking out section 5. That is the section providing for the report.

Mr. COCHRAN. The gentleman can get the information from the Department of Agriculture any time he desires. Why require them to make a separate report every 6 months or every year? The result will be they will have to set up a division to do nothing else. That means employees and material.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. McCORMACK. I think this is a very good bill. I am glad the gentleman from Missouri is not going to object because, as the gentleman from South Dakota said, the Department of Justice now makes settlements but it can be only after judgment and then upon recommendation of the Department of Agriculture. But "judgment" means machinery. The Department of Justice has to bring suit and go into court. Now this bill will mean the elimination of a trial and take a lot of work off the Department of Justice which it is now doing.

Further, I believe this suggestion of the gentleman from Missouri might well be adopted because reporting these settlements to Congress where they are under a certain amount seems to me to be unnecessary, for the committee can get that information itself. It seems to me the bill would be made stronger and more effective if the committee adopted the suggestion of the gentleman from Missouri. That is my view.

Mr. FLANNAGAN. Very well; I will accept the gentleman's suggestion.

Mr. COCHRAN. In view of what the chairman says, I will withdraw my objection.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from Virginia if this is not practically identical with the bill which passed this House in 1940?

Mr. FLANNAGAN. That is right. I certainly hope there will be no objection to this bill, because it will do untold good to the farmers who just cannot pay.

Mr. H. CARL ANDERSEN. Mr. Speaker, I sincerely hope that no one will object to the consideration of this measure today.

Four years ago last June the House passed unanimously practically this same sort of legislation, then known as the Jones bill, but in reality my measure, as the gentleman from South Dakota [Mr. CASE] explained on June 3, 1940:

> The bill under consideration, following a suggestion by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], as I understand it, will create what amounts to a statute of limitations.

Mr. Speaker, allow me at this time to quote in part my remarks on June 3, 1940, when this sort of legislation first passed the House. Today these same statements hold good:

> I am sure that if the Members of this House could look into my files and see the hundreds of letters received by me entreating that something be done to remove this millstone from around the necks of farmers that there would be no objection. * * * I wonder how many of you here today know what discouragement it is to a family who are depending on a wheat, corn, hay, or any other crop for their bread and butter and clothes, to suddenly see the hot winds destroy and shrivel up these crops and leave this family practically destitute. The drought of 1934 did this to thousands of the best farmers in America throughout the Middle West. They were forced to ask for aid. Do you, ladies and gentlemen of the House, think for 1 minute that these farmers enjoyed asking our Government for aid following this drought that they might keep their livestock alive?

Mr. Speaker, in this bill today much of the huge amount of money involved was loaned to drought-stricken farmers in that era. These loans ought to have been considered direct relief at that time. This legislation will permit the adjustment and compromising of these old debts, provided that the farmer has acted in good faith to try to meet his obligations. Today the Government pays too many collectors to attempt to collect installments on this relief granted by that same Government to distressed people. This legislation will remove these debts from the shoulders of those who have tried but are unable to meet these obligations. I repeat, Mr. Speaker, that I hope there will be no objection to this bill and that it will remove the unfair treatment given the great Midwest in the years of the drought era. Relief was given millions in the cities but the farmer was forced to give his note for feed with which to preserve his livestock so that our Nation need not hunger in the future.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I wish to suggest to the chairman of the Committee on Agriculture that the procedure already adopted amounts to practically the same thing as the procedure that would be adopted under this bill. The difference is that these poor farmers out there are sued and then they are put to the expense of employing counsel.

Mr. FLANNAGAN. That is right.

Mr. O'CONNOR. Then there is the additional expense of court costs which have to be added to the attorney's fees.

Mr. MUNDT. Mr. Speaker, S. 1688 represents legislation which a number of us from the Middle West have been trying to have enacted for 5 or 6 years. It provides a reasonable and equitable method of adjusting, compromising, and settling the loans made to distressed farmers during the severest days of the droughts and the depression.

Not only is it expected that S. 1688 will enable the Government to collect considerable amounts of money not now collectible but this bill provides an opportunity to greatly reduce the existing administrative expense of servicing these loans. Actually, Mr. Speaker, more than 1,100,000 separate accounts are involved in the idebtedness covered by this act and many thousands of these balances are for $10 or less. Passage of S. 1688 is a step in the direction of reducing bureaucracy and of providing a just and equitable formula for bringing to final settlement these long overdue accounts which in the first instance were made to be of assistance to people suffering through no mismanagement of their own and through circumstances entirely beyond their realm of control. It is an act

which deserves the support of the Congress and the country.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture, hereinafter referred to as the Secretary, is hereby authorized and directed to compromise, adjust, or cancel indebtedness arising from loans and payments made or credit extended to farmers under the provisions of the several acts of Congress or programs enumerated in section 2: *Provided*, That the Secretary finds, after such investigation as he deems sufficient to establish the facts, that (1) said indebtedness has been due and payable for 5 years or more; (2) the debtor is unable to pay said indebtedness in full and has no reasonable prospect of being able to do so; (3) the debtor has acted in good faith in an effort to meet his obligation; and (4) the principal amount of said indebtedness is not in excess of $1,000. The Secretary is hereby further authorized at his discretion to cancel and discharge indebtedness arising under said acts of Congress or programs when the amount of said indebtedness is less than $10, or the debtor is deceased and there is no reasonable prospect of recovering from his estate, or his whereabouts has remained unknown for 2 years and there is no reasonable prospect of obtaining collection, or he has been discharged of the indebtedness in any proceeding under the act entitled "An act to establish a uuiform system of bankruptcy throughout the United States." The compromises, adjustments, or cancelations authorized by this section shall be effected through such agencies, upon such terms and conditions, and subject to such regulations, as the Secretary may prescribe, and the Secretary may delegate the exercise of any such powers and functions to such officers or employees of the Department of Agriculture as he may designate.

SEC. 2. The provisions of this act shall apply to any indebtedness of farmers arising from loans or payments made or credit extended to them under any of the following acts or programs: (a) July 1, 1918 (40 Stat. 635); March 3, 1921 (41 Stat. 1347); March 20, 1922 (42 Stat. 467); April 26, 1924 (43 Stat. 110); February 25, 1927 (44 Stat. 1245); February 28, 1927 (44 Stat., part II, 1251); February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3); March 3, 1930 (46 Stat. 78–79), as amended April 24, 1930 (46 Stat. 254); December 20, 1930 (46 Stat. 1032), as amended February 14, 1931 (46 Stat. 1160); February 23, 1931 (46 Stat. 1276); January 22, 1932 (47 Stat. 5); March 3, 1932 (47 Stat. 60); February 4, 1933 (47 Stat. 795); February 23, 1934 (48 Stat. 354); June 19, 1934 (48 Stat. 1056); February 20, 1935 (49 Stat. 28); March 21, 1935 (49 Stat. 50); April 8, 1935 (49 Stat. 115); (Executive Order No. 7305); January 29, 1937 (50 Stat. 5); and February 4, 1938 (52 Stat. 27); (b) Agricultural Adjustment Act (of 1933); Bankhead Cotton Act of April 21, 1934, on account of the several cotton tax-exemption certificate pools; Jones-Connally Cattle Act of April 7, 1934; Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934; Kerr Tobacco Act of June 28, 1934, and Public Resolution No. 76, approved March 14, 1936; section 32 of the act of August 24, 1935, and related legislation; Supplemental Appropriation Act, fiscal year 1936; sections 7 to 17 of the Soil Conservation and Domestic Allotment Act; Sugar Act of 1937; sections 303 and 381 (a) of the Agricultural Adjustment Act of 1938 and related or subsequent legislation authorizing parity or price adjustment payments; title IV and title V of the Agricultural Adjustment Act of 1938 and related legislation; any amendment to any of the foregoing acts heretofore and any other act of Congress heretofore enacted authorizing payments to farmers under programs administered through the Agricultural Adjustment Agency; (c) loans made by or through the Resettlement Administration or the Farm Security Administration out of funds appropriated or made available by or pursuant to the following acts: April 8, 1935 (49 Stat. 115); June 22, 1936 (49 Stat. 1608); February 9, 1937 (50 Stat. 8); June 29, 1937 (50 Stat. 352); the Bankhead-Jones Farm Tenant Act, July 22, 1937 (50 Stat. 522 et seq.); the Water Facilities Act of August 28, 1937 (50 Stat. 869 et seq.); March 2, 1938 (52 Stat. 83, Public Res. No. 80); June 21, 1938 (52 Stat. 809); June 30, 1939 (53 Stat. 927); June 26, 1940 (Public Res. No. 83); flood-restoration loans, Second Deficiency Appropriation Act, 1943 (57 Stat. 537, 542); and subsequent legislation appropriating or making available funds for such loans; commodity loan, purchase, sale, and other programs of the Commodity Credit Corporation; and crop-insurance programs formulated pursuant to title V of the Agricultural Adjustment Act of 1938 (the Federal Crop Insurance Act), and any amendment or supplement thereto heretofore or hereafter enacted. This act shall also apply to any indebtedness of farmers evidenced by notes or accounts receivable, title to which has been acquired in the liquidation of loans to cooperative associations made under the provisions of the act of June 15, 1929 (46 Stat. 11).

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to enable the Secretary to carry out the provisions of this act, and the current and subsequent appropriations to enable the Secretary to administer the respective acts of Congress or programs to which the aforesaid payments or loans or extensions of credit relate shall also be available for the administrative expenses of carrying out this act.

SEC. 4. (a) Whoever makes any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Secretary, or of any person acting under his authority, in connection with any compromise, adjustment, or cancelation of indebtedness provided for herein, shall, upon conviction thereof, be punished by a fine of not more than $1,000 or by imprisonment for not more than 1 year, or both.

(b) No officer or employee of the United States, and no person to whom the Secretary may delegate any power or function under this act, shall accept any fee, commission, gift, or other consideration, directly or indirectly, for or in connection with any transaction or business related to the compromise, adjustment, or cancelation of indebtedness hereunder. Any person violating the foregoing provision shall, upon conviction thereof, be punished by a fine of not more than $1,000 or by imprisonment for not more than 1 year, or both.

SEC. 5. A complete report to Congress shall be submitted at intervals of 6 months of all settlements, cancelations, or adjustments authorized and completed pursuant to this act.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 6, line 8, strike out all of section 5.

Mr. FLANNAGAN. Mr. Speaker, the committee accepts the amendment.

Mr. DIRKSEN. Mr. Speaker, I move to strike out the last word.

Frankly, Mr. Speaker, I should like to know why the gentleman from Missouri objects to having a report made on this matter from time to time.

Mr. COCHRAN. I may say to the gentleman from Illinois that there are dozens and dozens of laws requiring various agencies of Government to make reports every 6 months or every year in reference to the operation of some law. These reports come down here, the CONGRESSIONAL RECORD is full of them all the time; nobody ever looks at them when they do come down. When I was chairman of the Committee on Expenditures they piled up in the committee room. Let us take the gentleman's own State, a list of the sales of property at the Rock Island Arsenal, 5 inches thick, reporting sale of 2 dozen screws, 500 bolts, and all such stuff as that. Compiling such a list causes a lot of work and costs plenty of money.

Mr. DIRKSEN. Just let me proceed for a moment. We go to the trouble every year of taking testimony on this item before the Appropriations Committee, quizzing the Farm Credit Administration as to the disposition of these small loans that are 5 years old or older. Here comes a proposal to strike out the only section in the bill which would give us some kind of a report whether it is brief, skeletonized, or detailed, or any kind of report showing the disposition of probably a hundred millions or more of potential Government assets. That seems a very queer way to pursue the people's business, and I am opposed to the amendment.

Mr. CASE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from South Dakota.

Mr. CASE. Certainly, the gentleman does not mean that his committee will stop its practice of asking for this report every time they come up for hearing.

Mr. DIRKSEN. Certainly not, but why should they not be mandated to make the report, because one must always struggle to get the information one wants as justification for the item.

Mr. McCORMACK. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I do not care what happens. I know the contents of the bill, as I do all bills. I think this is a good bill and, in my opinion, the gentleman's amendment strengthens the bill. A report can be obtained and committees may get these reports. Let me say to the gentleman that I have no farmers in my district, but I would dislike very much to have a report come up from the Department of Agriculture with a list of farmers in my district with their names broadcast and made a permanent record for all time of a settlement, because that to some extent is stigmatizing their names. The report has to include the names and addresses of all settlements. Furthermore, they are all small matters. This is not like calling for the ordinary report. It is a small matter, involving small amounts so far as individuals are concerned, and it seems to me the committee has control over the situation without requiring the Department to make a report in which the names and addresses of all person are included and a permanent record made for all time. I

do not think the gentleman wants to go that far.

Mr. DIRKSEN. I may say to the gentleman from Massachusetts that this is the first time in my experience as a Member of this body that you can compromise a claim owing the Government of the United States without the full details being made available at least to the people's Representatives.

Mr. COCHRAN. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Missouri.

Mr. COCHRAN. May I ask the gentleman how many times has the Appropriations Committee, of which he is a member, asked another committee of the House for some report that a department has filed? Do you not get your own facts when you look into this subject every year?

Mr. DIRKSEN. Yes; but here you will have to go on a fishing expedition every time you want to find out what this is all about. That is too much of a chore within the limits of time that are imposed upon the Members of this body.

Mr. COCHRAN. Mr. Speaker, I insist on the amendment.

Mr. DIRKSEN. Mr. Speaker, I shall want to be recorded in opposition to the amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The question was taken, and the Chair being in doubt, the House divided, and there were—ayes 43, noes 32.

So the amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLOOD CONTROL, PUBLIC WORKS

Mr. WHITTINGTON submitted a conference report and statement on the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the next bill on the Consent Calendar.

EXCHANGE OF LANDS, COLORADO

The Clerk called the bill (H. R. 5409) for the exchange of lands adjacent to the Pike National Forest, in Colorado.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act of March 20, 1922 (42 Stat. L. 465; U. S. C., title 16, sec. 485), entitled "An act to consolidate national forest lands," and the provisions of the act of February 28, 1925 (43 Stat. L. 1090; U. S. C., title 16, sec. 486), entitled "An act to amend an act entitled 'An act to consolidate national forest lands'," and acts amendatory thereto, are hereby extended to include any suitable offered lands within township 11 south, range 69 west, sixth principal meridian, lying within the State of Colorado, adjacent to the Pike National Forest. Lands conveyed to the United States under this act shall, upon acceptance of title, become parts of the national forest nearest to which they are situated, and shall thereafter be subject to the laws, rules, and regulations applicable to said national forest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO SECTION 502 (a) OF THE AGRICULTURAL ORGANIC ACT OF 1944

The Clerk called the bill (H. R. 5566) to amend section 502 (a) of the Department of Agriculture Organic Act of 1944.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, in view of the fact that this bill would operate to cause the United States Treasury to surrender certain annual income, I suggest that a member of the committee explain the bill.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Mississippi.

Mr. RANKIN. I shall be glad to explain it.

This bill was introduced by the gentleman from Tennessee [Mr. MCCORD] who has gone home to make arrangements for entering upon his duties as Governor of the State of Tennessee. Mr. MCCORD consulted me about this matter and we went over it carefully. We also went over it with a representative of the Rural Electrification Administration. The situation is this: When rural electrification began in the Tennessee Valley area, I organized the first cooperative power associations in my own district. The rest of the area followed our example and the Tennessee Valley Authority made loans to those associations to build rural power lines. Later, the R. E. A. was created, and all future loans were made through that agency. Recently a law was passed reducing the interest rate on those loans to 2 percent, and this bill simply permits those associations that have been borrowing through the Tennessee Valley Authority to switch those loans to the R. E. A. and get the T. V. A. out of the loaning business.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The members of this association are, for the most part, farmers, are they not?

Mr. RANKIN. Yes; practically all of them.

Mr. JENNINGS. And these associations carry the electricity out to the farms? And this bill puts these cooperative associations on the same interest rate as is enjoyed by all others?

Mr. RANKIN. Yes; and this bill is to allow the loans to be refunded out of what is known as the carry-over fund. It will not hamper the extension of rural electrification in any way.

We took this matter before the Committee on Agriculture and had the Solicitor of the Rural Electrification Administration present. He assured the committee that it could be taken care of out of what they call the carry-over funds that are now in their hands because of the fact that we do not have the material for the necessary extension to absorb it. It will not hamper the Rural Electrification Administration or any cooperative power association throughout the country in extending its lines. If it did, I would not want it to pass.

Mr. COLE of New York. Will the gentleman point out the difference in the interest rates?

Mr. RANKIN. The T. V. A. is charging, I believe 3½ percent. Last year, by an act of Congress, signed by the President, we reduced the interest rate to all of the R. E. A. cooperatives to 2 percent. This merely gives these cooperative power associations in that area the benefit of that law and enables the T. V. A. to get out of the loaning business.

Mr. COLE of New York. Did I understand the gentleman correctly to say that the T. V. A. interest rate was 1½ percent?

Mr. RANKIN. Three and one-half percent.

Mr. COLE of New York. Can the gentleman advise us of the difference in revenue to T. V. A. by reason of the exchange of this indebtedness over to R. E. A.?

Mr. RANKIN. I can give the gentleman the figure. These cooperative power associations, of course, are situated in the seven States in the T. V. A. area. The amount of the loans involved is $2,808,590.77. So far as the interest rate is concerned, that would simply mean a difference to these farmers of 1½ percent interest.

Mr. COLE of New York. I withdraw my reservation, Mr. Speaker.

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, the gentleman is speaking about the R. E. A. co-ops now?

Mr. RANKIN. The cooperative power associations; yes.

Mr. HOFFMAN. Are those who operate the cooperatives Federal officials?

Mr. RANKIN. No; they are local people.

Mr. HOFFMAN. Where do they get the money to pay them?

Mr. RANKIN. To pay them what?

Mr. HOFFMAN. To pay the officers who are running the co-op—to pay the local officers.

Mr. RANKIN. They get it out of the revenue from the sale of the electricity. The power consumers pay it.

Mr. HOFFMAN. Where do they get their authority? Who elects the officers of the organization?

Mr. RANKIN. The members of the cooperative power associations elect these officials.

Mr. HOFFMAN. Are they in any way connected with the Federal Government?

Mr. RANKIN. No; except through these loans.

Mr. HOFFMAN. We loan them the money?

Mr. RANKIN. Yes.

Mr. HOFFMAN. How is it that those officers take active part in a campaign?

Mr. RANKIN. They have never taken an active part in a campaign where I live.

Mr. HOFFMAN. Yes; they do in Michigan. One of them ran ads this last campaign in the Fourth Congressional District. They ran ads and signed them.

For instance, Otis Klett, one of the officers of the co-op, ran ads stating in substance I was keeping 50,000 women chained to the washtub, though in the preceding sentence he said they could not get material because of the war. Where does he get any authority for that?

Mr. RANKIN. That certainly was not done by these cooperative power associations involved in this measure.

Mr. JENNINGS. Surely that was not a Tennessee farmer. They do not play politics. They are so busy making a living they would not do that.

Mr. HOFFMAN. The southerners have shoved many of the southern voters up to the northern districts and they have taken Federal jobs and money up there, and they bring with them from the South these ideas of political manipulation. We just do not like it.

Mr. RANKIN. The ones we send up there do not farm.

Mr. HOFFMAN. That is right. They live on the Federal pay roll. I accept the correction. The gentleman has that right enough. But I just do not like to be caught supporting these organizations where the consumer's money is taken away and used by the officials for political purposes.

Mr. RANKIN. I may say to the gentleman from Michigan that the cooperative power associations in his State are already getting the benefit of this low interest rate.

Mr. HOFFMAN. Yes, and I am getting the benefit of the political propaganda they put out, and I do not like it. Do I have to come in and vote to give those fellows more money before they will lay off of me? Or do I have to vote to give them loans so they can engage in political campaigns?

Mr. RANKIN. The gentleman will not be giving those cooperative power associations, about which he complains, anything.

Mr. HOFFMAN. We lend them money. They could not do business if we did not lend them Federal money. And as creatures of the Federal Government they have no business carrying on political campaigns.

Mr. RANKIN. That is already loaned to the cooperative power associations of Michigan, and they can get more if they want it. This bill is simply to do what we think is justice to the cooperative power associations in the Tennessee Valley area.

Mr. HOFFMAN. I am going to object to the consideration of this bill now unless I find out more about it.

Mr. RANKIN. I shall be glad to give the gentleman any information he wants on the subject.

Mr. JENNINGS. This relates to the farmers of Tennessee. I am certain they never interfere in any political controversy affecting my friend from Michigan.

Mr. HOFFMAN. They do not do that in Tennessee?

Mr. JENNINGS. They do not do that in Tennessee. I will go their bond if necessary to protect my friend.

Mr. HOFFMAN. The gentleman has been talking of those Tennessee election officials stealing the votes down there. He means they were not R. E. A. fellows?

Mr. JENNINGS. No; of course they were not. Those are men who love darkness rather than the light, because their deeds are evil. These are just a good honest-to-goodness bunch of over-all farmers. I hope the gentleman will not object.

We have another reason. This is sponsored by the incoming Governor of Tennessee, one of the mildest-mannered and one of the finest men who ever served in this House.

Mr. RANKIN. When a Tennessee Republican says that about a Tennessee Democrat, the gentleman from Michigan ought to be satisfied.

This measure also affects farmers in Mississippi, Alabama, and Georgia.

Mr. JENNINGS. I just hope the gentleman will not object.

Mr. HOFFMAN. All I am afraid of is that the gentleman from Mississippi has been tampering with this gentleman from Kentucky in some way.

Mr. JENNINGS. No, he has not. I hope the gentleman will not do that. I will join him the first time he wants to throw a monkey wrench in any improper proposal. This is a just proposal, and means much to these Tennessee farmers.

Mr. HOFFMAN. I want to know about this. These P. A. C. fellows have plenty of money. Your Democratic Party has been taken over by Sidney Hillman and I do not want Sidney getting the benefit of Federal money or agencies to use politically.

Mr. RANKIN. Not my Democratic Party; wait a minute, be careful. Do not say that.

Mr. BARDEN. Mr. Speaker, I reluctantly call for the regular order. If the gentleman will show some inclination to want to bring this to a termination I will not insist upon it, but we have to get along with the call of the calendar.

Mr. HOFFMAN. We just think we ought to have a little time. If the gentleman had had this political propaganda against him—I have heard the gentleman on the Labor Committee yell his head off about the activities of the P. A. C. On top of the P. A. C. I do not want the Rural Electrification Administration working together in politics.

Mr. BARDEN. If the gentleman wants to discuss the bill, all right; otherwise I shall have to call for the regular order.

Mr. HOFFMAN. I wish the gentleman would not intimidate me that way.

Mr. KEAN. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Mississippi a question about the bill?

I note here there seems to be a change in the basic law. The present law reads that all loans shall be self-liquidating for the period of not to exceed 25 years, and this changes it to 35 years.

Mr. RANKIN. That merely complies with the law we passed last year.

Mr. KEAN. That refers only to these specific ones, to comply with the law we passed last year?

Mr. RANKIN. That is right.

Mr. MURRAY of Wisconsin. Reserving the right to object, Mr. Speaker, just to be sure that I get this straight, all this legislation does is provide that these people have the same interest rate as the great bulk of the people who are involved in R. E. A.?

Mr. RANKIN. That is right.

Mr. MURRAY of Wisconsin. It has nothing to do with whether it is too high a rate or too low a rate. But there is no reason why these Tennessee farmers should be left paying 3½-percent interest while the rest of the people are enjoying a 2-percent rate.

Mr RANKIN. That is right.

This is a just measure, and I hope there will be no objection to it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 502 (a) of the Department of Agriculture Organic Act of 1944 (Public Law 425, 78th Cong.) is amended to read as follows:

"SEC. 502. (a) Section 4 of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901–914), is amended to read as follows:

" 'SEC. 4. The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts and cooperative, nonprofit, or limited-dividend associations organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service, and loans, from funds available under the provisions of sections 3 (d) and 3 (e) but without regard to the 10-percent limitation therein contained, to cooperative associations for the purpose of enabling said cooperative associations to discharge or refinance long-term debts owed by them to the Tennessee Valley Authority on account of loans made or credit extended under the terms of the Tennessee Valley Authority Act of 1933, as amended: *Provided*, That the Administrator, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, peoples' utility districts, and cooperative, nonprofit, or limited-dividend associations, the projects of which comply with the requirements of this act. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine and may be made payable in whole or in part out of the income: *Provided further*, That all such loans shall be self-liquidating within a period of not to exceed 35 years, and shall bear interest at the rate of 2 percent per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant to this section prior to the effective date of this amendment shall be adjusted to 2 percent per annum, and the maturity date of any such loans may be readjusted to occur at a date not beyond 35 years from the date of such loan: *And provided further*, That no loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained. Loans under this section and section 5 shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed.' "

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

VIRGINIAN RAILWAY CO.

The Clerk called the bill (S. 1801) to authorize the Secretary of the Navy to convey to the Virginian Railway Co., a corporation, for railroad-yard-enlargement purposes, a parcel of land of the Camp Allen Reservation at Norfolk, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to convey to the Virginian Railway Co., a corporation upon such terms and conditions as he may prescribe, all right, title, and interest of the United States of America in and to a strip or parcel of land of the Camp Allen Reservation, Norfolk, Va., for the enlargement of its railroad yard, said parcel of land being more particularly described as follows:

Beginning at point "C" on PW Drawing Numbered 10,545, on file in the Navy Department, which point is north forty-nine degrees forty-four minutes west and three hundred and twenty feet more or less distant from the center line of the Seventh Avenue entrance into Camp Allen and is on the present right-of-way line of the Virginian Railway Co.; thence north fifty-four degrees twenty-six minutes thirty seconds west two hundred and forty-three and sixty-four one-hundredths feet, more or less, to point "D"; thence north forty-nine degrees forty-four minutes west one thousand and fifty-six and seventy-one one-hundredths feet, more or less, to point "E"; thence north sixty-five degrees nineteen minutes fourteen seconds west three hundred and seventy-three and nine one-hundredths feet, more or less, to point "A"; thence to the right along the arc of a curve having a radius of six hundred and two and eighty one-hundredths feet, more or less, for a distance of three hundred and eighty-six and thirty-two one-hundredths feet, more or less, to point "B"; thence south forty-nine degrees forty-four minutes east one thousand two hundred and ninety-nine and fifty-five one-hundredths feet, more or less, to the point of beginning; containing all told ninety-three one-hundredths acre, more or less, situated in Norfolk, Va.

The bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

BISMARCK INDIAN SCHOOL, NORTH DAKOTA

The Clerk called the bill (S. 209) authorizing the conveyance of certain property to the State of North Dakota.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 25, 1938 (52 Stat. 1173), is hereby amended to read as follows:

"That the Secretary of the Interior be, and he is hereby, authorized to grant and convey to the State of North Dakota, for military and defense purposes, fee simple title to all or any part of the lands and improvements comprising the Bismarck Indian School plant. In any such grant, there shall be reserved to the United States the right to construct and operate over the property granted canals, ditches, transmission lines, and facilities incidental thereto that may be constructed in connection with Federal projects for the irrigation of land."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISSOURI RIVER BASIN

The Clerk called the bill (H. R. 4795) to authorize the undertaking of the initial stage of the comprehensive plan for the conservation, control, and use of the water resources of the Missouri River Basin.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, it is evident this is too important a matter to consider on the Consent Calendar. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

Mr. WHITE. Mr. Speaker, will the gentleman withhold his request?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDING FACT FINDERS ACT

The Clerk called the bill (H. R. 4808) to amend the Fact Finders Act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, in view of the fact that the report accompanying this bill does not comply with the rules of the House, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING SECTION 2 OF THE CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (S. 198) to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I reserve the right to object, in order to ask the chairman of the Committee on the Civil Service to briefly explain this measure for the information of the Members of the House.

Mr. RAMSPECK. Mr. Speaker, this bill deals with two groups of employees of the Government, one, those who may continue in the service of the Government after they have reached retirement age and who have elected upon retirement to divide their annuity with some dependent, and the other, a group comprising employees who having once retired are reemployed. The only purpose of this bill is to protect the widow or other beneficiary named when the employee elects to divide his annuity. The actuaries tell us it will not cost any more money and it will help us to retain in the service of the Government and to bring back into the service of the Government people who are capable of continuing to do a good job during this emergency.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (b) of section 2 of the Civil Service Retirement Act approved May 29, 1930, as amended, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and adding the following: *"Provided, however,* That nothing in this act shall be so construed as to affect the rights of the annuitant's beneficiary if the annuitant has been receiving or had elected and was otherwise entitled to a reduced annuity under section 4 (d) and dies while so reemployed or within 30 days after the termination of his reemployment, but all such rights shall continue and may be enforced in the same manner as if the annuitant had not been reemployed: *And provided further,* That during such reemployment there shall be deducted and withheld from the salary, pay, or compensation of such employee at each pay period a proportionate amount of the annual difference between the life annuity to which the employee would have been entitled and the reduced annuity elected by the employee. The amounts so deducted and withheld shall be deposited in the Treasury of the United States to the credit of civil-service retirement and disability fund."

SEC. 2. The amendment made by the first section of this act shall be effective as of January 1, 1940.

With the following committee amendments:

Page 1, line 11, after the word "reemployed", insert "or continued in the service."

Page 2, line 1, after the word "reemployment", insert "or continuation."

Page 2, line 4, after the word "reemployed", insert the words "or continued."

Page 2, line 5, after the word "reemployment", insert the words "or continuation."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (S. 1481) to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended.

Mr. COLE of New York. Mr. Speaker, reserving the right to object, will the gentleman from Georgia explain the bill?

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on the Civil Service.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

INCREASES IN BACK WAGES FOR CERTAIN EMPLOYEES OF THE ALASKA RAILROAD

The Clerk called the bill (H. R. 4709) to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1, 1943, to September 30, 1943, inclusive.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for services rendered by employees of the Alaska Railroad in Alaska during the period May 1, 1943, to September 30, 1943, inclusive, increases in wages over the amounts or rates paid during said period in accordance with the then cur-

rent wage schedule, are hereby authorized in amounts sufficient to establish the following rates of pay per hour: Conductor, $1.378; baggageman, $1.221; brakeman, $1.194; locomotive engineer, $1.43; locomotive fireman, $1.221; yard conductor, $1.518; yard brakeman, $1.334; yard locomotive engineer, $1.57; yard locomotive fireman, $1.361; hostler—terminal, $1.24; hostler—road, $1.184; hostler helper, $0.995; engine watchman, $0.944; and engineer-hostler, Fairbanks, $1.486.

SEC. 2. That for services rendered during the period May 1, 1943, to September 30, 1943, inclusive, by hourly and per diem employees of the Alaska Railroad in Alaska, other than those specified in section 1, but not including longshoremen and Eska Mine employees, increased in wages over the amounts or rates paid during said periods in accordance with the then-current wage schedule are hereby authorized as follows: For hourly employees, 15 cents per hour and for per diem employees, $1.20 per day.

SEC. 3. The said increases in wages shall be computed in accordance with the regular practice of the Alaska Railroad during that period, and the funds of The Alaska Railroad shall be available for the payment thereof.

With the following committee amendment:

On page 2, line 10, strike out the word "increased" and insert "increases."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OMISSION OR DEFERMENT OF FIVE-YEAR VALUATION OF CIVIL-SERVICE RETIREMENT FUND, FOR DURATION

The Clerk called the bill (H. R. 5571) to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 16 of the Civil Service Retirement Act of May 29, 1930, as amended, be further amended by the addition of the following paragraph:

"The required 5-year valuation of the civil-service retirement and disability fund may be omitted or deferred in the discretion of the Civil Service Commission for the duration of the present war and for 1 year thereafter."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN SERVICE OF THE UNITED STATES

The Clerk called the bill (H. R. 5474) to enable the Department of State, pursuant to its responsibilities under the Constitution and statutes of the United States, more effectively to carry out its prescribed and traditional responsibilities in the foreign field; to strengthen the Foreign Service permitting fullest utilization of available personnel and facilities of other departments and agencies and coordination of activities abroad of the United States under a Foreign Service for the United States unified under the guidance of the Department of State.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from New York [Mr. BLOOM], the distinguished chairman of the Committee on Foreign Affairs, how much this would cost? There seems to be considerable change in the status of the Foreign Service. The report nowhere states the cost. As the gentleman knows, we have an understanding that if a bill is going to cost a great deal of money we will not let it be passed by unanimous consent.

Mr. BLOOM. Mr. Speaker, I will say to the gentleman I do not believe anyone can say at this time what it will cost for this reason: You all know the Foreign Service branch of the State Department has been disorganized on account of the war. This bill allows the State Department to reclassify the people they have there and bring in new people. The present State Department rules and regulations are that if there are 7 or 8 or 10 clerks in one class, they cannot take out one or two who are efficient and raise them without taking the entire group. This has been suggested by Mr. Stettinius. It simply allows the State Department to reorganize the personnel of its foreign service. We all know it is necessary after our State Department has been disorganized on account of the war to reorganize and bring efficiency into the Department. It is not so much how much it will cost as what we will get back out of it.

Mr. KEAN. Of course, the gentleman knows that in any action which we take there is a question of what we get back out of it. We would not pass any legislation if we did not think we would get more out of it for the good of the country than the money we are spending.

Mr. BLOOM. That is right.

Mr. KEAN. Did the gentleman's committee hold any hearings on this bill?

Mr. BLOOM. Oh, yes.

Mr. KEAN. Is this a unanimous report from the gentleman's committee?

Mr. BLOOM. No. Let me explain. There was a bill introduced and there were some objections made. There was another bill introduced and then a third bill, which is the bill now under consideration. There was a conference between the gentleman from South Dakota [Mr. MUNDT] and the gentleman from Ohio [Mr. VORYS] with Mr. G. Howland Shaw, Assistant Secretary of State. The gentleman from South Dakota [Mr. MUNDT] agreed to this after the special conference, and the Committee reported it out favorably, except that the gentleman from Ohio [Mr. VORYS] claimed that one department of the Government should be discharged first. It had nothing to do with the bill at all. There was only one objection in the committee and that was on a minor matter.

Mr. KEAN. It seems to me this bill is going to add a great deal to the cost, but perhaps it is justified.

Mr. BLOOM. Oh, there is no question but that there will be additional cost.

Mr. KEAN. Then, under our regulations, I think I shall ask that it go over.

Mr. BLOOM. Well, this is a very important matter as I have explained to the gentleman.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. BLOOM. That would not do us a bit of good.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDING THE MERCHANT MARINE ACT 1936

The Clerk called the bill, H. R. 5387, to amend sections 101 (a) and 212 (b) (2) of the Merchant Marine Act, 1936, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. PRIEST. Mr. Speaker, this bill would confer very broad authority on the Maritime Commission with reference to a matter that is highly controversial, and one that, in my opinion, constitutes a national policy with reference to aviation, and one that properly should be decided by the Congress itself.

Therefore I object.

CHANGING TERM OF DISTRICT COURT FOR THE DISTRICT OF NORTH DAKOTA

The Clerk called the bill (S. 1898) to amend section 99 of the Judicial Code, as amended, so as to change the term of the District Court for the District of North Dakota at Minot, N. Dak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 99 of the Judicial Code, as amended, is amended by striking out the words "at Minot on the second Tuesday in April" where they appear in the fourth sentence thereof, and inserting in lieu thereof the words "at Minot on the first Tuesday in October."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO INCORPORATE THE REGULAR VETERANS ASSOCIATION

The Clerk called the bill (H. R. 4425) to incorporate the Regular Veterans Association.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-named persons, to wit: William M. Floyd, 1115 Fifteenth Street NW., Washington, D. C.; George A. Williams, 3626 Sixth Street South, Arlington, Va.; David R. Wolverton, 1115 Fifteenth Street NW., Washington, D. C.; Charles A. Wickliffe, United States Soldiers' Home, Washington, D. C.; Frank E. McClernan, 2917 Mosher Street, Baltimore, Md.; Arthur L. McLaughlin, 1337 Havana Street, Aurora, Colo.; Ellis L. Bubb, 1615 Church Street, Baltimore, Md.; and their associates and successors are hereby created a body corporate of the name "Regular Veterans Association" (hereinafter referred to as the "corporation").

SEC. 2. That the purpose of the corporation shall be: To promote loyal and unselfish

service to the United States of America and to bear true faith and allegiance to its Constitution; to assist in the promotion of adequate and efficient national defense; to maintain and extend the institution of American freedom of speech, press, and religion; and to serve active, retired, disabled, and honorably discharged personnel of the Army, Navy, Marine Corps, and Coast Guard, their widows, widowers, children, and other dependents, in accordance with the provisions of this charter.

SEC. 3. Eligibility for membership in the corporation and the rights and privileges of members shall be determined according to the constitution and bylaws of the corporation.

SEC. 4. The persons named in section 1, or their successors, are hereby authorized to complete or revise the organization of the corporation by the selection of officers, the adoption of a constitution and bylaws, and the doing of such other acts as may be necessary for such purpose.

SEC. 5. The corporation shall have perpetual succession and power—

(a) To sue and be sued;

(b) To take, hold, and dispose of such real and personal property as may be necessary for its corporate purposes;

(c) To accept gifts, bequests, legacies, and devises which will further the corporate purposes;

(d) To adopt and alter a corporate seal;

(e) To adopt and alter its constitution and bylaws not inconsistent with law;

(f) To use in carrying out the purposes of the corporation such emblems and badges as it may adopt;

(g) To establish and maintain offices and branch offices for the conduct of the affairs of the corporation;

(h) To establish, regulate, or discontinue subordinate State and Territorial subdivisions and local units; and

(i) To do any and all acts and things necessary and proper to carry into effect the objects and purposes of the corporation.

SEC. 6. Said corporation and its State and local subdivisions shall have the sole and exclusive right to have and to use in carrying out its purposes the name "Regular Veterans Association" and the sole and exclusive right to the use of its corporate seal, emblems, and badges as adopted by said corporation.

SEC. 7. The right of the Congress of the United States to alter, amend, or repeal this act is expressly reserved.

SEC. 8. The corporation may acquire any or all of the existing assets of the organization known as Regular Veterans Association upon discharging or satisfactorily providing for the payment and discharge of all its liabilities.

SEC. 9. The said corporation shall, on or before the 1st day of January each year, make and transmit to the Congress a report of its proceedings for the preceding calendar year, including a full and complete report of its receipts and expenditures.

SEC. 10. The provisions of this act shall take effect on the filing in the office of the recorder of deeds of the District of Columbia, of affidavits signed by the incorporators named in section 1, or their successors, to the effect that the corporation of the District of Columbia known as the Regular Veterans Association has been dissolved in accordance with law, but only if such affidavits are filed within 90 days after the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAME OF THE COLORADO-BIG THOMPSON TUNNEL

The Clerk called the bill (S. 1571) to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the Alva B. Adams tunnel.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the transmountain tunnel constructed in connection with the Colorado-Big Thompson reclamation project shall hereafter be known as the Alva B. Adams tunnel.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERM OF OFFICE OF THE GOVERNOR OF PUERTO RICO

The Clerk called the bill (H. R. 5570) to provide that the term of office of the Governor of Puerto Rico shall expire 60 days from the enactment of this act and at the end of each 4-year period thereafter.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MADDEN. Mr. Speaker, I object.

TO AMEND CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 4683) to amend the Civil Service Retirement Act approved May 29, 1930, as amended, so as to exempt annuity payments under such act from taxation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TARVER. Mr. Speaker, reserving the right to object, I cannot conceive any good reason why retired civil-service employees should not pay income taxes on their retirement income, everybody else in the country does pay on income irrespective of whether they have reached the usual retirement age of civil-service employees or not, and irrespective of the size of their incomes if above exemptions. Everyone else has to pay a tax except on that amount specifically exempted by law. So it seems to me these employees, many of whom receive rather large retirement annuities, ought at least to pay the Federal income tax on their annuities. I can conceive no reason why that should not be true, but if the gentleman from Georgia [Mr. RAMSPECK] is in position to give other facts than those stated in the report of his committee indicating why he thinks it ought to be done, which report states it ought to be done merely because certain other types of recipients of Federal benefits have been accorded similar consideration, I should like to hear him state what the facts are.

Mr. RAMSPECK. Mr. Speaker, the gentleman from Kansas [Mr. REES] is the author of the bill. I will ask him to explain it.

Mr. REES of Kansas. Mr. Speaker, I may say to the gentleman from Georgia that under the present law the veterans' pensions are specifically exempted, also payments under Social Security Act are exempted, likewise payments under the Railroad Retirement Act are exempted. These funds are funds that are paid by the Federal Government to Federal employees, but nevertheless they are funds to which these employees contributed. They are simply getting their own money back plus the contribution that goes with it from the Government. I may say to the gentleman from Georgia that most of these payments are made to individuals who do not receive much income except these payments from the Federal Government under retirement funds which they have contributed. It seems to me if these other groups are entitled to this consideration, then the employees who are retired because of age are entitled to be treated in the same manner, especially when a good share of the payment is really a refund.

Mr. TARVER. I think we should consider the cases of these Federal employees who seek the benefit of this proposed legislation upon their own basis. The fact that Congress may have accorded similar exemptions to other types of beneficiaries of Federal legislation should not control our action here.

Does the gentleman think that when a Federal employee has a good job under the Federal Government receiving, let us say, $4,000 a year for 30 or 35 years, retires and receives a large retirement annuity, part of which is paid from Federal Government funds and only part by himself, that he ought not to pay any income tax, although the farmer in the gentleman's district who has reached the age, let us say, of 65, or 70, or 75, and earns only $1,500 a year has to pay a Federal income tax? Can the gentleman justify exempting the Federal employee who is so much more fortunately placed and still levying a tax on his farmer constituent?

Mr. REES of Kansas. I may say to the gentleman that I appreciate his views, but we are only equalizing a situation. So far as the farmer is concerned he is paying more than his share of taxes right now, but a good share of the money received by the retired Federal employee is his own money that is being paid back to him.

Mr. TARVER. Does the gentleman mean to say that the farmer's money is not the farmer's own money?

Mr. REES of Kansas. Not at all; of course it is his own money. I mean money he paid into the Government. In order to get this money out these Federal employees have to pay part of their salary to the Government while they are employed and it is later paid back to them in annuities. I may say to the gentleman if a farmer pays money into the Federal Government and it is refunded to him, certainly he should not pay a tax on it.

Of course, Federal employees are well treated. Many of them are well paid for the services they perform compared with farmers and many others. It just seemed to me that since Congress saw fit to provide the relief to the other groups I have mentioned, then it would be equitable to include this group, who, generally speaking, receive very moderate payments from funds to which they themselves contributed. Almost all of these people are past age of employment. If Congress made error in other instances, then

perhaps it is a problem that ought to be reconsidered.

Mr. TARVER. Mr. Speaker, I think the gentleman fails totally to justify this legislation, and I object.

RECOGNITION OF OUTSTANDING SERVICE RENDERED BY FIELD MARSHAL SIR JOHN DILL

The Clerk called House Joint Resolution 317, recognizing the outstanding service rendered to the United States by Field Marshal Sir John Dill.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, and I shall not object, now that the bill has reached this stage of the legislative processes, I am curious to inquire of the chairman of the Committee on Foreign Affairs if it is a matter of policy for his committee upon the decease of any person in this war, whether American or foreigner, to pass a resolution of commendation?

Mr. BLOOM. Mr. Speaker, I did not catch the gentleman's question.

Mr. COLE of New York. I would like to inquire if the gentleman's committee has adopted any concerted policy with regard to the adoption of resolutions by the Congress commending persons of prominence in the military, naval, or civilian establishments, whether American or foreigner, connected with this war?

Mr. BLOOM. No.

Mr. COLE of New York. Of course, there is no question about the quality of the service rendered by Sir John Dill, there is no question that nothing can be said about this resolution at the present time, but as the gentleman has pointed out to the House, this is the first time that the Congress has ever formally adopted a resolution memorializing the services of any individual, although in the future no doubt there will be other individuals who will have served as creditably, if not more so, as Sir John Dill. I think the Congress should not recognize these services to the extent of passing formal resolutions of commendation, however meritorious the services may have been. To do so would require that the Congress do nothing else than consider such resolutions.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. COLE of New York. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. General Marshall has sent this up, and Sir John Dill will be buried in the Arlington National Cemetery here in Washington. It is a special case and no objection has been made by anyone on the committee.

Mr. COLE of New York. Then the House can be assured that the Committee on Foreign Affairs has not adopted a policy of sponsoring or recommending resolutions of this sort and that it is only because of very special circumstances that the resolution is presented today?

Mrs. ROGERS of Massachusetts. This is a very special case.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

Whereas the Congress having been informed of the death of Field Marshal Sir John Dill, in Washington, D. C., on November 4, 1944; and

Whereas the Arlington National Cemetery has been chosen as the final resting place of this distinguished soldier; and

Whereas as the senior British representative on the Combined Chiefs of Staff, Field Marshal Sir John Dill, by his wisdom and devotion to the vital cause of British-American military cooperation, rendered a great service to the United Nations: Now, therefore, be it

Resolved, etc., That the outstanding service rendered to the United Nations by Field Marshal Sir John Dill be, and it hereby is, recognized by the American people and the Congress of the United States.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT TO SECTIONS 4, 7, AND 17 OF THE RECLAMATION ACT OF 1939

The Clerk called the bill (H. R. 4932) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Arizona and the gentleman from Idaho to explain this rather complicated bill, which seems to exempt certain authorities from paying taxes.

Mr. COOPER. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Tennessee.

Mr. COOPER. My interest has been challenged by this bill and especially with respect to section 4, and I join with the gentleman from New Jersey in requesting that those in charge of the bill kindly explain the reasons or purposes of section 4 of this bill.

Mr. MURDOCK. Mr. Speaker, if the gentleman will yield, in view of the fact that this is my bill, I might explain that an identical bill has already passed the Senate by unanimous consent. I refer to S. 1782. If this bill is passed, I shall move to substitute S. 1782 for my own bill.

While it would seem this bill is aimed to provide relief from a tax obligation, in our opinion the income-tax assessment is not a legal obligation, but only an asserted technical claim on surplus power revenues. The real aim of this bill is to clarify existing law and apply its principles equally to all projects. It is the spirit of the reclamation law that power may be developed in connection with reclamation projects, and that, if so, the sale of such surplus power shall be used to reduce the cost of the water to the farmers. This reclamation project down in Arizona is, I believe, the very first coming under the new law of 1902.

Roosevelt Dam was begun in 1906 and finished in 1911. This project has grown from that day to this, but at the time it was organized there were no reclamation district laws in the State of Arizona, because Arizona had yet to obtain Statehood, being then a Territory. This project was organized as a water-users' association which was the only type feasible under the circumstances. Since that time many other projects have been organized through these years and the basic law has been changed. It has been the purpose of the law all along to enable the water users to get their water at the very cheapest rate possible, using surplus power revenue to lessen the cost of water to the farmers during those early years.

We specifically exempt from taxation irrigation districts under section 101 of the Revenue Code today. Now, in this bill we are asking that these farmers on this project be exempted in the same way, because there is no difference in the spirit of the law between a water-users' association and an irrigation project. We think that this enactment simply clarifies existing law and frees these 14,000 farmers in Arizona from a tax obligation whose validity we question.

Mr. COOPER. Mr. Speaker, if the gentleman will yield further, of course, the distinguished gentleman from New Jersey is a prominent member of the Committee on Ways and Means. I also have the honor of being a member of that committee.

My interest was attracted by this provision in section 4 of the pending bill, especially after examining the report of the committee. I invite attention to the statements contained in the committee report at the bottom of page 1:

This language is believed to be declaratory of the existing law affecting this project, as found in the general reclamation laws and the special statutes and contracts relating to the Salt River project, but is made necessary as clarifying legislation by the misinterpretation placed upon the reclamation laws by the Bureau of Internal Revenue in a case involving this project now pending in the United States Tax Court.

So the passage of this bill, including section 4, means that the Congress would decide a tax question now pending in the Tax Court. I think that is a dangerous precedent for us to set here; for Congress to decide by legislation a question now pending in the Tax Court.

Then I invite attention to the language appearing on page 3 of the committee report:

This committee intends H. R. 4932 to correct the misinterpretation placed by the Bureau of Internal Revenue upon the reclamation law, and to put an end to the contention that the revenues of the Salt River project ever have been or are now subject to income tax.

The question is now pending in the Tax Court, and I question the feasibility of Congress deciding by this bill a question now pending in the court with respect to income tax.

Mr. REED of New York. If the gentleman will yield, if this were to go through in that form, Congress would just simply be deluged with that type of legislation after court decisions or when matters were pending in the courts.

Mr. COOPER. That is my only purpose in calling the matter to the attention of the House. Of course, my good

friend, the distinguished gentleman from Arizona, is author of the bill. There is no purpose on my part to interfere with the passage of his bill, except that I do think section 4 should be eliminated from the bill, because I do not believe we would be safe in establishing a precedent here to provide by law the decision that is to be made in a case pending in the Tax Court.

Mr. MURDOCK. It is not my intention to try a case before Congress instead of the court. Those farmers down there have paid or are paying for this finest reclamation plant which will be turned over to Uncle Sam and I hate to see them have a lawsuit to preserve it. I simply want to call attention to the fact that the Bureau of Internal Revenue has assessed taxes on them for power revenues and will collect unless this legislation is passed or unless the Government loses its case in that court. It means an expensive lawsuit for everybody and a doubtful gain for the Government if it wins. Existing law is quite clear, as I see it. We are simply reaffirming the intent of the original law by this enactment.

Mr. COOPER. As I see it, the important question here is this. The Internal Revenue Code imposes an income tax on me and I have to pay it unless Congress passes a law saying I do not have to pay it. This is a tax question. It is now pending in the Tax Court, and I think that is the place where the decision should be made.

Mr. WHITE. May I say to the gentleman from Tennessee and the gentleman on the other side that this legislation simply clears the way for the Government to obtain ownership and all the revenue from this power project. Under the original reclamation law, the cost of setting up a reclamation project was assessed to the water users and the income from the sale of any electricity generated in connection with that project became the property of the district to be applied in paying for the construction of the project; the Government retained nominal title as trustee to the project. This law clears the matter up so that when the obligations of the water users are completed the Government takes title, and receives all the revenue, not just the taxes but the entire sum of money that is paid in as revenue from the sale of power; all the revenue under the bill will go to the Government.

PHOENIX, ARIZ., *December 10, 1944.*
The Honorable COMPTON I. WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

Your Irrigation Committee has done a great service for the reclamation farmers in reporting favorably on H. R. 4932. Hundreds of farmers like myself on the Salt River project are asking no privileges not enjoyed by other reclamation projects but we do feel that failure to approve H. R. 4932 will take from us the protection that the reclamation law intends we should have in order to meet our construction-charge payments.

T. J. HUGHES.

TEMPE, ARIZ.

PHOENIX, ARIZ., *December 11, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives:

I sincerely hope that the House passes H. R. 4932. When this project was inaugurated we were advised by Reclamation Bureau that the cost would be prohibitive unless power was installed to help repay the Government and reduce water costs to a price that agriculture could pay. Twice in project history in spite of power revenues financial conditions have been so poor that we were barely able to meet our obligations; one time going so far as to pledge our farmers' private notes with the R. F. C. It is not fair or equitable for another branch of the Government to assess us with income tax as we individually have enjoyed no dividends. All surplus power funds have gone first to repay the Government $9,000,000 and in part to pay the $25,000,000 the farmers have invested for the general development of the project.

SALT RIVER VALLEY WATER USERS ASSOCIATION,
LIN B. ORME, *President.*

PHOENIX, ARIZ., *December 11, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

We are very hopeful that the House takes favorable action on H. R. 4932 at this session. Our project was organized as a private corporation before enactment of irrigation district laws but operate as a cooperative using revenues to repay Government and to keep costs of water service within range that farmers can afford to pay. No dividends have been paid in the past and will not be paid in the future. Power installations made at suggestion of reclamation officials to assure repayment of costs.

H. H. WASSER,
Citrus Grower, Phoenix.

PHOENIX, ARIZ., *December 11, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

I respectfully urge favorable action on H. R. 4932 at this session. Salt River Project was organized on fundamental basis that power and water be treated as one development and the income would not be taxed because the Reclamation Bureau agreed that the cost per acre would be higher than the farmers could pay unless assisted by sale of power. There have been no dividends, all power proceeds going to repay the Government and improve the project development.

WALTER THALHEIMER,
State Senator.

PHOENIX, ARIZ., *December 10, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

Farmers of this district comprising 10,000 acres receiving water and power from Salt River project deeply appreciate the splendid work of your committee for the cause of reclamation by reporting favorably on H. R. 4932. Urge further support of this bill so vital in clarifying reclamation law on our project.

ROOSEVELT AGRICULTURAL IMPROVEMENT DISTRICT No. 1,
F. C. HENSHAW, *Secretary.*

PHOENIX, ARIZ., *December 9, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

Together with all other Salt River project farmers I deeply appreciate your support of H. R. 4932. The passage of this bill will renew faith in our ability to continue our project as a successful reclamation effort. We urge your further strong support.

B. F. REICHENBERGER.

PHOENIX, ARIZ., *December 9, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

As representatives of bargaining unit Salt River project we greatly appreciate the aid you have given to reclamation farmers of this valley in your support of H. R. 4932. We are very hopeful of enactment of this bill.

HAINES JACKSON,
Business Agent,
Local B-266, I. B. E. W., A. F. L.

PHOENIX, ARIZ., *December 9, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

Thank you for favorable report by your committee H. R. 4932. Approval of this bill by House will be a great help to reclamation and will give farmers of Salt River project protection in their efforts to liquidate their reclamation debts as intended when Reclamation Act was adopted.

W. M. SCOTT,
President, Salt River Project,
Agricultural Improvement and Power District.

PHOENIX, ARIZ., *December 9, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

We appreciate your great help to cause of reclamation through support of H. R. 4932.

J. L. DAWSON,
President, New State Irrigation and Drainage District.

PHOENIX, ARIZ., *December 9, 1944.*
Hon. COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

Urgently request your aid in passing H. R. 4932. This bill of vital importance, particularly to all farmers and in general to all residents in the Salt River Valley.

H. J. COERVER,
President, First National Bank of Arizona.

PHOENIX, ARIZ., *December 9, 1944.*
Hon. COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

We urge your strong support for passage of House bill H. R. 4932. Passage of this bill is of utmost importance for the benefit of farmers of this area. Farming is the vital industry of the Salt River Valley and an overwhelming majority of the people in Phoenix, Ariz., and the Salt River Valley are strongly in favor of the passage of this bill.

JOE C. HALDIMAN.
VERLAND M. PALDIMAN.
CHAS. G. SULIVAN.
RALPH A. CASH.

PHOENIX, ARIZ., *December 9, 1944.*
The Honorable COMPTON WHITE,
Chairman, Reclamation Irrigation Committee, House of Representatives, Washington, D. C.:

I am a pioneer of the Salt River project and appreciate with my neighbors the splendid help your Irrigation Committee is giving us through support of H. R. 4932. We must have

the help that the passage of this bill will give if we are to continue as a successful project.

C. T. THOMPSON.

Mr. MURDOCK. I call attention to the fact that title to the Roosevelt Dam and the four other storage dams, with all the accompanying power plants, rests in the United States and the sale of surplus power revenue goes to the repayment of that debt. It is not profit. The present worth of that plant, not counting the land in the Salt River Valley, is between $45,000,000 and $50,000,000. Less than $20,000,000 of that has been put up in the first place by the United States Government. Most of the money that has been put up by the Government has been repaid. That is being repaid—and the other bonded indebtedness—by the sale of power from these power plants. True, the farmers have been reducing their cost of water by applying the income from some of this surplus power sold, but that is true of all other irrigation projects.

This particular project in Arizona, being old and formed under a different law, comes into a special class and is being discriminated against by this tax. Therefore, unless some relief is granted in this case, these 14,000 stockholders and farmers in the Salt River Valley will be assessed taxes which the law never intended they should be asked to pay.

Mr. HARLESS of Arizona. Mr. Speaker, if the gentleman will yield, I just want to say to my colleague, the distinguished gentleman from Tennessee, that this is not truly a tax suit; this is merely clarifying the position of an irrigation project.

Mr. COOPER. But if it is not a tax suit, how did it get into the United States Tax Court? That is the only jurisdiction it has.

Mr. HARLESS of Arizona. This happens to be the oldest irrigation project in the United States. It was established before they had a reclamation law. Therefore, it was necessary that it be established as a private corporation. Now, all the other projects are getting exemption from taxation from the sale of power to apply to the cost of producing and putting the water on the land, and, just because this project happens to have been established before they had the reclamation law, it is discriminated against. In other words, it is said that it is a private corporation, and they impose, or are attempting to impose, I think, contrary to the intent of the law, an income tax on it. This merely puts this project in the same class as all the other projects.

Mr. COOPER. Mr. Speaker, practically all I know about this matter is what I gather from the bill and the committee report on the bill. The report shows that, if this was an irrigation district like all the others, it would come under section 101 of the Internal Revenue Code. This is an irrigation association. There is a distinction, and the Bureau of Internal Revenue has assessed the tax. Now the question is pending in the Tax Court. I do not think it is safe for the Congress to step in and decide the question that is now pending in the Tax Court.

Mr. MURDOCK. Mr. Speaker, the reason that the Arizona project is an association instead of a district is that it was organized back in 1903 at a time when Arizona was not yet a State, and we had no laws for the establishment of districts. If it were a district, it would be exempt, but it would not be to the interest of the association or the Government itself for these farmers to reorganize as a district.

Mr. BARDEN. Mr. Speaker, I think it is very clear that this bill should not be passed now and that it should be discussed further by the gentlemen who are now discussing the bill on the floor. Therefore, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TRIBAL FUNDS OF THE UTE INDIANS

The Clerk called the bill (H. R. 3507) to provide for the disposition of tribal funds of the Ute Indians or any of the tribes or bands of Utes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any other provision of existing law, the tribal funds in the Treasury of the United States now on deposit or hereafter placed to the credit of any tribes or bands of the Ute Indians, or jointly to the credit of any of such tribes or bands with other such tribes or bands or Indians other than Utes, shall to the extent of the interest of the particular Ute tribe or band therein be available without specific appropriation by Congress for such purposes as may be designated by the tribal council of any such tribe or band and approved by the Secretary of the Interior.

With the following committee amendments:

On page 1, line 6, after the word "Indians", insert "organized under the act of June 18, 1934 (48 Stat. 984), as amended:

On page 2, line 5, insert the following:

"SEC. 2. Undistributed funds, now or hereafter accrued to, or held in trust for, the joint benefit of more than one band or tribe of the Ute Indians, may be apportioned by the Secretary of the Interior to the respective bands in such amounts as may be agreed upon by said bands or tribes, notwithstanding the provisions of any other existing statute. The Secretary of the Interior may prescribe the manner in which such agreement of the bands or tribes shall be manifested."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table

INDIANS OF FORT BERTHOLD RESERVATION, N. DAK.

The Clerk called the bill (S. 338) for the relief of the Indians of the Fort Berthold Reservation in North Dakota.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, in view of the fact that certain department heads have registered opposition to the bill, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SHERMAN INSTITUTE, CALIFORNIA

The Clerk called the bill (S. 1580) to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the nonreservation Indian boarding school known as Sherman Institute, California.

Mr. JENSEN. Mr. Speaker, reserving the right to object, will the chairman of the committee explain this bill?

Mr. O'CONNOR. Mr. Speaker, I yield to the gentleman from California [Mr. PHILLIPS] to explain the bill.

Mr. PHILLIPS. Mr. Speaker, Sherman Institute owns three parcels of land, one immediately surrounding the buildings; one of about 100 acres, which has been used up to this time for farming; and a small plot of about 10 acres which was bought for sewage disposal but never used for that purpose. The desire of the institute now is to sell the 100-acre plot and the 10-acre plot and use that money for the purchase of other land which is immediately available, and adjacent to the original property. It cannot be a direct exchange as one is privately owned and the other is owned by the institute. It must be done through purchase and sale as provided in this bill.

I know of no objection to the bill on the part of anyone familiar with the circumstances.

Mr. JENSEN. Mr. Speaker, would the gentleman say that this is the regular procedure? This does not set a precedent?

Mr. PHILLIPS. I see no reason why it should set a precedent unless similar circumstances came up in which Government land was to be sold in order to purchase land which thereupon became Government land. I see no reason for this setting a precedent.

Mr. O'CONNOR. This is not unusual procedure.

Mr. JENSEN. It is not? It has been done before?

Mr. O'CONNOR. It has been done before.

Mr. PHILLIPS. There is no other way in which the same results could be accomplished.

Mr. JENSEN. This does not give the Secretary of the Interior new authority?

Mr. PHILLIPS. It does not.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized in his discretion and subject to such terms and conditions as he may prescribe, to sell or exchange all or any part of those two certain tracts of land containing 10 acres and 100 acres more or less, respectively, heretofore acquired by the United States for the use of the nonreservation Indian boarding school known as Sherman Institute, Riverside, Calif., by deed dated August 30, 1900, from Frank A. Miller and Isabella D. Miller and by deed dated September 10, 1901, from George Frost, president of the Riverside Land

Co. In effecting any sale or exchange hereunder the Secretary of the Interior is authorized to execute such deeds or other instruments as may be necessary to transfer the title to any land so sold or exchanged, and the proportionate share or shares of capital stock of the Riverside Water Co. evidencing the right of the lands so sold or exchanged to participate in the use of water furnished by said company for domestic and/or irrigation purposes. Any exchanges of land and/or water rights effected pursuant to this act shall be on an equal-value basis.

SEC. 2. That the proceeds derived from any sale made under authority of this act shall be deposited in the Treasury of the United States as school revenues, pursuant to the act of May 27, 1926 (44 Stat. 560), and shall be available in the discretion of the Secretary of the Interior for the purchase of other lands for the use of said Sherman Institute, including the water right or shares of water stock representing the right of the lands so purchased to the use of water for irrigation and/or domestic purposes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDIAN LANDS FOR THE GRAND COULEE DAM AND RESERVOIR

The Clerk called the bill (S. 1597) to amend section 1, act of June 29, 1943 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of section 1 of the act approved June 29, 1940 (54 Stat. 703), be amended to read as follows: "That, in aid of the construction, operation, and maintenance of the Columbia Basin project (formerly the Grand Coulee Dam project), authorized by the act of August 30, 1935 (49 Stat. 1028), the act of August 4, 1939 (53 Stat. 1187), and the Columbia Basin Project Act (Public, No. 8, 78th Cong., 1st sess., 57 Stat. 14), there is hereby granted to the United States, subject to the provisions of this act, (a) all the right, title, and interest of the Indians in and to the tribal and allotted lands within the Spokane and Colville Reservations, including sites of agency and school buildings and related structures and unsold lands in the Klaxta town site, as may be designated therefor by the Secretary of the Interior from time to time: *Provided*, That no lands shall be taken for reservoir purposes above the elevation of 1,310 feet above sea level as shown by General Land Office surveys, except in Klaxta town site and except where in the judgment of the Secretary of the Interior, special circumstances concerning the reservoir or its operation and maintenance require the taking of land above that elevation; and (b) such other interests in or to any such lands and property within these reservations as may be required and as may be designated by the Secretary of the Interior from time to time for the construction of pipe lines, highways, railroads, telegraph, telephone, and electric-transmission lines in connection with the project, or for the relocation or reconstruction of such facilities made necessary by the construction of the project."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL-AID ROAD ACT

Mr. ROBINSON of Utah submitted a conference report and statement on the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans, and for other purposes, for printing in the RECORD.

UINTAH AND OURAY RESERVATION

Mr. ROBINSON of Utah submitted the following conference report and statement on the bill (H. R. 837) to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 837) to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, and 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 6, and 7; and agree to the same.

J. W. ROBINSON,
COMPTON I. WHITE,
HUGH PETERSON,
K. M. LECOMPTE,
Managers on the part of the House.
CARL A. HATCH,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 837) to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

This bill represents a compromise, laboriously worked out over a period of many years, of certain controversies between the Ute Indians, white stockmen of eastern Utah, and the agencies of the Government concerned with Indian and public lands in the State of Utah.

The bill as originally passed by the House attempted to settle two of these public-land controversies, as follows:

(1) It disposed of a long-standing controversy between the Ute Indians and the white stockmen as to the future use of approximately 220,000 acres of land, which are held by the United States for the account of the Ute Indians, by restoring approximately 61,000 acres to the Indians and by the United States taking free of trust restrictions the other 159,000 acres which will be made available as public domain for the use of white stockmen. It contemplated that the Indians would be entitled to claim compensation for the 159,000 acres in the Court of Claims and that the United States would hereafter obtain grazing fees for the use of the land. The Senate accepted this proposal but amended it so as to provide that in the suit to be brought by the Indians for the value of these lands no gratuities of any kind should be set off. This is eminently fair since, if the Government were now to take these lands and in a subsequent suit brought for their value set off against the Indians all gratuities made to them over the last 40 years, the latter would get nothing for their land. In reality such an arrangement would amount to confiscation of their lands. Since the Government wants these lands now for other purposes, it should pay in full for them. This is not a case of an ancient and stale claim for which the statute requiring the set-off of gratuities was designed. The amount involved is small, and no one has objected to this provision. It is not thought any proper objection can be made.

(2) The Indians during the last 11 years, largely out of their own moneys, have purchased a substantial amount of bottom lands called "base properties" which entitle them to grazing privileges on the public domain. The bill as passed by the House contemplated the creation of a grazing reserve for the Ute Indians, to be administered by the Secretary of Interior and embrace an area which he would determine. In making such determination the Secretary was permitted to take into consideration the grazing privileges to which the Utes were entitled as well as the amount of lands needed for the proper conduct of a livestock enterprise based upon the "base properties." It was thought that the reserve to be set aside would include about 650,000 acres. The Senate has amended this provision so as to eliminate the creation of an Indian reserve and to provide instead that the extent of the grazing privileges of the Ute Indians shall be determined and administered by the Grazing Service under the provisions of the Taylor Grazing Act. These amendments are not to the liking of the Indian Service or the Indians but are accepted by your conferees because the other parts of the bill are necessary and their acceptance is the only way to work out this complicated problem. These amendments do not deprive the Secretary of Interior or Commissioner of Indian Affairs of any jurisdiction they now have over tribal or individual lands of the Ute Indians. The provision that, in determining the grazing privileges of the Ute Indians, the Grazing Service under the supervision of the Secretary of Interior shall give recognition to the prior use and productive capacity of lands purchased for said Indians as of the time of their purchase was inserted to make sure that the Indians shall receive the maximum of grazing rights to which their "base properties" were entitled at the time of their purchase. The price which was paid for these "base properties" was arrived at by taking into consideration their connected grazing privileges on the public domain and it is not intended to diminish such privileges. In other respects the grazing rights of the Utes are to be determined and administered by the Grazing Service, under the supervision, of course, of the Secretary of Interior in accordance with the provisions of the Taylor Grazing Act.

The Senate also added certain other amendments designed to facilitate the final determination of all disputes between the Ute Indians and the United States, most of which concern public lands. One of these permits the Indians to sue for the value of lands taken from them in the Territory of Utah under an unratified treaty, or treaties, in the 1860's. At that time the Government was very desirous of having the Ute Indians give up their ancestral lands in Utah and sought to negotiate a treaty to accomplish that purpose. The Indians on the other hand at first declined to enter into the treaty. At the request however of Brigham Young, a former Territorial Governor of great influence with the Indians, who was called in by the Indian agent and interceded on behalf of the Government, the Indians finally signed treaties by which they relinquished to the United States all of their lands as defined and set forth in the treaties. The Indians thereupon moved off their land onto a small reservation. Subsequently, however, the Senate failed to ratify the treaties. But the land which the Indians surrendered and

relinquished was never returned to them nor were they paid therefor. The Senate felt that this wrong should now be righted and your conferees agree. Under the Senate amendment the Indians are rightfully permitted to sue now for the taking of their land, which is described in the treaties. The House on a previous occasion passed such legislation. It is favored by the Secretary of Interior; and the Attorney General in a letter dated July 11, 1940, to the chairman of the Committee on Indian Affairs of the United States Senate stated that since it invoked a question of legislative policy he had no recommendation to make.

Recovery is limited to the principal value of the land, which is fixed at $1.25 per acre. This is the minimum price at which the Government, since 1820, has sold its public lands (R. S., sec. 2357). It is also the price which Congress, in a parallel case, fixed for the valuation of land taken from the Indians of California, under a series of 18 unratified treaties in 1852, some 13 years prior to the taking in this case (act of May 18, 1928, (45 Stat. 602)). The Court of Claims as late as December 4, 1944, entered a judgment in behalf of the Indians of California based on this valuation. It is also the price which the Court of Claims, in a suit by the Ute Indians under a prior jurisdictional act in 1910, placed upon land taken from other Ute Indians in Colorado (45 C. Cls. 440). In the protection of the Government it was deemed wise to place this limitation of $1.25 on the land since some of it contained very valuable minerals. Moreover, the amendment prevents any recovery for interest which, figured at 5 percent which was a small return of interest at the time of the taking, would now amount to four times the principal. Under these circumstances, the very least that could be allowed, with any semblance of fairness to the Indians, was the price of $1.25 per acre.

Another Senate amendment provides that, in any suit brought by any band of the Ute Indians against the United States, the latter shall not be permitted to take as a credit or a set-off any educational expenditures made for the Ute Indians. There are many reasons for this provision. One is that the United States, by an agreement of 1880 and for other consideration, provided that until such time as the Utes were able to support themselves the Federal Government would "establish and maintain schools in the settlement of the Utes, and make all necessary provision for the education of their children." Regardless of whether that agreement is still applicable, the Senate felt, and in this your conferees agree, that, since we have taken practically all of the Ute's lands and have thereby deprived them of their main means of livelihood by hunting, the least we could do as a Nation was to educate them without charging them therefor. In one sense, the education of the Indians, which was forced upon them, was for our own benefit because only by being educated could they maintain their existence on much smaller units of land, thereby enabling our Nation to have the balance of the land for its historic growth. This provision is also favored by the Secretary of the Interior, who in other proposed legislation has vigorously opposed the setting-off of educational expenses. The Attorney General in a letter to the chairman of the Committee on Indian Affairs of the United States Senate dated July 11, 1940, stated that it invoked the question of legislative policy and that he therefore had no recommendation to make.

The Senate also amended the bill so as to make it plain that the Indians shall be entitled to assert any claims which have accrued to them since they acknowledged themselves to be under the exclusive jurisdiction of the United States (December 30, 1849), except those claims which have been already litigated. The Ute Indians in 1910 obtained a prior judgment against the United States and it is not intended to reopen questions which were settled in that suit; but it is intended that the Indians shall have the right to assert any other claims whether they arose before or after the institution of that suit. The prior adjudication is to be given full scope as far as the matters there litigated and determined are concerned, but the findings of fact and conclusions of law contained therein are not to be conclusive as to claims not therein actually determined. The language of the Senate amendment was agreed to by the representatives of the Attorney General in a Senate hearing at which similar legislation was proposed. Your conferees have agreed to this amendment.

The Senate amendment providing that in any suit jointly brought by more than one band of Ute Indians the court shall separately ascertain the share of the recovery to which each band is entitled and separately set off the amount of offsets chargeable to each band is a matter of fairness as between bands, some of which have secured far greater allowances from the Government than others. Though several of the bands may be required to join together in one suit, as a suit by the Confederated Bands of Utes, it is unfair to offset the same amount against each band, some of whom, as compared with other bands, have received very little help from the Government. As amended, each band will be charged with the offsets it has actually received.

The other amendments added by the Senate are minor in nature and need no explanation. They are all, except as to the ones on which it is recommended the Senate recede, satisfactory to your conferees.

The amendments on which it is recommended that the Senate recede would have restored to the Ute Indians approximately 30,000 acres of land, in addition to the 61,389.89 acres mentioned in the bill. Your conferees felt that only the 61,389.89 acres should be restored by this bill.

It should be emphasized that the bill represents what is thought to be a fair compromise between all the conflicting interests and must be viewed as a whole. The Indians have strongly urged other claims which have been rejected in working out this compromise. Because of the opposition of the Department of Justice which defends all suits brought by Indian tribes, the bill—

1. Does not permit the Indians to go behind the judgment awarded them in 1910 by the Court of Claims (45 C. Cls. 440) so as to permit them to obtain "just compensation," including interest on the claims there determined. They were denied any such increment in that suit although the Supreme Court subsequently allowed it to other tribes (*United States* v. *Shoshone Tribe of Indians*, 299 U. S. 476; 304 U. S. 111; *Klamath & Moadoc Tribe of Indians* v. *United States*, 296 U. S. 244; 304 U. S. 119);

2. Does not permit the Indians to get interest on their unratified treaty claims; and

3. Does not prevent the Government from setting off against any judgment expenditures made for roads and highways.

Because of the opposition of white stockmen living in Utah, the bill—

1. Does not create a reservation for the Utes of some 650,000 acres, as compensation for a reservation of approximately 2,000,000 acres taken from them shortly before the turn of the century; and

2. Does not restore to the Indians the entire 220,000 acres of land remaining unsold on the old Uintah Reservation.

Considering these concessions that have been made to the Department of Justice—which in this case is assentially an advocate—and to the white stockmen, no one can properly say that the Indians are getting any more under this bill than that to which they are entitled. This bill finally settles and compromises conflicting interests which have required the attention of Congress and various agencies of the Government for 10 years. As now presented by the conferees, it represents the fruits of these years of painstaking study, and should now pass in order to avoid a further serious deterioration in the relations between the various groups of citizens affected.

J. W. ROBINSON,
COMPTON I. WHITE,
HUGH PETERSON,
K. M. LECOMPTE,
JAMES W. MOTT,
Managers on the part of the House.

TO AMEND SECTION 201 (g) OF THE NATIONALITY ACT OF 1940

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5513) to amend section 201 (g) of the Nationality Act of 1940.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. DICKSTEIN. Mr. Speaker, this bill deals with the citizenship of children born to American soldiers on the other side. Under the Nationality Act, if a man who is under 21 is married to an alien abroad and a child is born to them, the child is considered an alien. If that man were over 21, the child would be considered an American citizen. We want to correct that inequity.

I have agreed with the gentleman from New York [Mr. COLE], who will offer an amendment which is agreeable to the committee, that it will be confined to American servicemen only.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr BARDEN. Was that on the consent calender today?

Mr. DICKSTEIN. No; it was on the calendar last week.

Mr. BARDEN. Did I understand the gentleman to say he had contacted all those who had objected?

Mr. DICKSTEIN. I have taken it up with all persons interested who made objections. Only one gentleman asked that the bill be passed over without prejudice.

Mr. BARDEN. The gentleman means that he took it up with those who were registered as objecting?

Mr. DICKSTEIN. Yes. If I did not consult the gentleman, I would like to point out to him now that this is a very meritorious bill. It deals with an important problem faced by many of our servicemen—men who have married on the other side and who have children.

The purpose of this bill primarily is to preserve the citizenship of infant children born abroad to our servicemen who are under 21 years of age at the time of the birth of the child.

Under existing law, when a child is born abroad to a couple, one of whom is a citizen of the United States and the other an alien, the child is born a United States citizen if the citizen-parent had a total of 10 years' residence in the United States, 5 years of which must have been after the parent's sixteenth birthday.

In the present war we have drafted thousands of boys 18 years of age and it is only natural that in their foreign service a certain proportion will marry girls who are citizens of other countries and have children born to them. Since the boys left the United States when they were under 21 years of age and therefore cannot comply with the provision of the law to have spent 5 years in the United States after their sixteenth birthday, their children will not be considered United States citizens because these boys, not having spent 5 years after their sixteenth birthday in the United States are not able to transmit their citizenship to their children born abroad.

In order to meet this problem faced by many of our boys who are now fighting abroad and who think they should have the right to have their children considered United States citizens, the Committee on Immigration and Naturalization, upon recommendation of the Attorney General, reported H. R. 5513, which provides for reduction of the required period of residence in the United States on the part of the citizen-parent from 10 to 5 years and further provides that the 5 years' residence shall take place subsequent to the parent's twelfth birthday instead of his sixteenth.

Mr. BARDEN. I have not the bill here before me now, but I had something to say the other day about the fact that we were constantly amending the immigration laws.

Mr. DICKSTEIN. This bill is strictly a citizenship measure. It does not create any additional class of immigrants and in no way changes our present immigration policy.

Mr. BARDEN. It at least writes some new law into the immigration code.

Mr. DICKSTEIN. No. It is strictly a naturalization problem. When we passed the Nationality Act we did not know that we were on the verge of another war. There was no way of knowing at that time that we would have to draft and send abroad boys of 18 who, if they decided to get married abroad, would have to face the problem of having their children considered aliens. I understand there are a great many such cases which have already been called to the attention of the War and State Departments and a great number of others are expected in the future.

Mr. BARDEN. If it is of that much importance, I am sure the gentleman wants something more than just a casual discussion of it.

Mr. DICKSTEIN. It is enough for me that the War Department and the Departments of Justice and State support it. The American Legion is for it. The boys in the service demand it, and I feel that they are entitled to have their children considered citizens of the country for which they are risking their lives. I believe they are entitled to the relief granted in this legislation and that they are entitled to some speedy action on this bill.

Mr. BARDEN. Let me say to the gentleman from New York that I am just as anxious as he that we have proper legislation on the books. At the same time I have some responsibility for seeing that we have the right kind of legislation on the books. The gentleman's interpretation of it might be somewhat different from mine. But I do think, and I said this the other day in the presence of the gentleman who is chairman of the Committee on Immigration, I do think the House is entitled to a little bit better treatment of the immigration problem than we are getting. All we get is a half dozen or more bills amending the immigration law, whereas I think we should have some general bill to take care of all these things.

Mr. DICKSTEIN. This deals with a specific problem—a naturalization problem—and has nothing at all to do with our immigration policy.

Mr. BARDEN. With 13,000,000 men in the service, we should adopt a regular policy.

The SPEAKER. The Chair was under the impression this was not a controversial matter. The calendar of business before the House today is very heavy. The gentleman from New York informed the Chair, as the Chair understood, that he had consulted all the objectors.

Mr. DICKSTEIN. Do I understand the gentleman from North Carolina has objected?

The SPEAKER. The bill was objected to once. The Chair was under the impression when he recognized the gentleman just now that it would not be controversial. The request is withdrawn.

The gentleman from North Carolina [Mr. DOUGHTON] is recognized.

INTERNAL REVENUE CODE

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5543), an act extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes, with Senate amendments, and concur in a Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 13, strike out "March 15" and insert "June 30."

Page 2, line 15, strike out "March 15" and insert "June 30."

Page 3, line 5, strike out "March 15" and insert "June 30."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

COMPENSATION ON MILEAGE BASIS FOR USE OF PRIVATELY OWNED AIRPLANES ON OFFICIAL BUSINESS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for immediate consideration of the bill (H. R. 4547) to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from West Virginia explain the bill?

Mr. RANDOLPH. Mr. Speaker, I desire to say that the act of February 14, 1931, allows civilians or officers of the Federal Government who are traveling on official business to be compensated at the rate of 5 cents a mile when those individuals use their privately owned automobiles. Under this bill, which was reported unanimously from the Committee on Expenditures in the Executive Departments, we would simply include the use of privately owned aircraft as we now provide for privately owned automobiles and allow the same 5 cents per mile.

There will be a tremendous increase in private flying after the war, and I believe the Federal Government must be alert to its uses in the conduct of business.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of February 14, 1931 (46 Stat. 1103), entitled "An act to permit payments for the operation of motorcycles and automobiles used for necessary travel on official business, on a mileage basis in lieu of actual operating expenses," be amended by the addition of the words "or airplane" after the word "automobile" and before the words "for such transportation," so that as amended it shall read as follows:

"A civilian officer or employee engaged in necessary travel on official business away from his designated post of duty may be paid, in lieu of actual expenses of transportation, under regulations to be prescribed by the President, not to exceed 2 cents per mile for the use of a privately owned motorcycle or 5 cents per mile for the use of a privately owned automobile or airplane for such transportation, whenever such mode of travel has been previously authorized and payment on such mileage basis is more economical and advantageous to the United States. All laws or parts of laws are hereby modified or repealed to the extent the same may be in conflict herewith."

SEC. 3. This act shall become effective 90 days after the approval thereof by the President.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

(Mr. MICHENER asked and was given permission to extend his own remarks in the RECORD and include a telegram.)

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in two instances, in one to include a letter and in the other to include an address by the gentleman from New York [Mr. MERRITT].

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. KEFAUVER]?

There was no objection.

ABOLISHMENT OF JACKSON HOLE NATIONAL MONUMENT

Mr. PETERSON of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the

further consideration of the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential proclamation numbered 2578, dated March 15, 1943, and to restore the area embraced within and constituting said monument to its status as part of the Teton National Forest.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 2241, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

Mr. MOTT. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the purpose of this bill is twofold: first, to correct a very great injustice which has been done the people of the State of Wyoming, and, second, to correct what I consider to be one of the very worst examples of executive usurpation of legislative authority that has ever occurred in the history of our Government.

Several years ago there was created by act of Congress the Grand Teton National Park in the State of Wyoming. It was at first proposed by the Interior Department to include within the limits of the Grand Teton National Park the area of 221,610 acres now incorporated in the Jackson Hole National Monument. After a thorough consideration and examination of that proposal, which was the subject of an investigation by congressional committees which visited the area, the appropriate legislative committees of the House and Senate concluded that they would not incorporate this Jackson Hole National Monument area as a part of the Grand Teton National Park. The Jackson Hole area consisted of 171,493 acres of public domain and 49,177 acres of valuable privately owned land. So the Congress passed upon that definitely at that time. It decided that the Grand Teton National Park should not include the Jackson Hole area.

In 1929 the Interior Department came in with a bill to expand the Grand Teton National Park by including this same land and the proposal was turned down by the appropriate committees of the Congress having exclusive jurisdiction of the subject. Bear in mind that you cannot create or expand a national park except by act of Congress and that the Congress refused to expand the Teton National Park by including the Jackson Hole area.

In 1938 the same executive agency again came in and asked the appropriate committees, the Public Land Committees, to extend the Grand Teton National Park by inclusion of this land, and again the request was refused.

Mr. Chairman, that should have definitely settled the matter. As I have said, there is only one way that a national park can be either created or extended, and that is by act of Congress. But notwithstanding the fact that the Congress repeatedly refused to enact a bill to extend this park last year, the President undertook to do it by a proclamation, setting this area aside as a national monument. It was, as everyone knew, simply and solely an extension of the Grand Teton National Park. It was a subterfuge. The President attempted to do by proclamation what the Congress had refused to do by law.

And by what authority did the President set aside by proclamation this vast area of 221,000 acres of land? He did it under an act known as the Antiquities Act. May I read just what the President may do under the provisions of that act? Here in section 2 of the act is his authority, and his only authority, and the limitation of his authority to create a national monument by proclamation:

SEC. 2. That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

In this Jackson Hole National Monument area there is no historic, prehistoric, or scientific object to be maintained or preserved. All the authority that the President has under the law is to set aside the smallest possible area for the maintenance and protection of those objects, provided there are such objects to be maintained and protected. But on the basis of this restricted and limited authority, which I have just read to you, the President by proclamation created a national monument, comprising 221,000 acres of public domain and privately owned land, simply and solely for the purpose of extending the limits of Grand Teton National Park, which the Congress of the United States on two occasions refused to do by law.

Unless this Jackson Hole National Monument is abolished by legislation, as here proposed, the people in Wyoming will have placed upon their backs a greater tax burden even than that which they now bear. Seventy-two percent of the area of that State already belongs to the Federal Government. The local taxing agencies of Wyoming, and the State itself, are not allowed to tax any of that Federal property. Now along comes an executive agency of the Government, without any authority in law, and takes 49,000 additional acres of privately owned land off of the tax rolls of Wyoming and of Teton County and vests it in the Federal Government. I understand that the privately owned land involved in this Jackson Hole Monument area constitutes one-third of the taxable property of the county in which the land is situated. To take this land off the tax rolls would virtually bankrupt that county.

So, because this action by an executive agency was taken without any authority in law, because it constitutes an executive usurpation of the authority of the Congress, and because it robs the people of the State of Wyoming of the right to tax private property which they legally own, I hope this body will vote to pass this bill, and to right the wrong which has been done to the people of a sovereign State through an Executive order which was made without authority of law.

Mr. PETERSON of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Chairman, as a former member of the Public Lands Committee of this House, it was my pleasure to sit in on the hearings where this bill to abolish the Jackson Hole National Monument was discussed. I listened with interest to the testimony on both sides of the case, and came away at the conclusion of the hearings with the firm conviction that it would be against the best interests of the American people for this bill to pass.

Obviously, as a Californian I have no personal interest in the immediate question at issue, which directly concerns Wyoming, but I do have a very real interest in the larger issue of preserving permanently the Nation's vital scenic and historic assets, of which I believe Jackson Hole to be a unit. It seems to me that the issue of whether or not the Jackson Hole is of sufficient national importance to be preserved as a national monument has been completely lost sight of in discussions of States' rights, methods of establishment, personalities, and personal interests. Certainly we should take no hasty or prejudiced action in the matter, but should weigh most carefully each issue involved, so that we will do nothing that future Congresses and future generations will consider hasty and regrettable.

I do not want to be misunderstood. My own State of California is one that has always stood strongly for States' rights, and it is also one that boasts the greatest acreage in national parks and monuments of any of the 48 States of the Union—in all, approximately four and one-third million acres. There are 12 of these areas, and in addition we have a large acreage in national forests. Moreover, the State, through the Save-the-Redwoods League and the State park commission, has set aside 50 State parks and 16 historical monuments. Were the State or Federal Government to attempt to abolish any of these reservations, I am certain the people of my State would protest loudly and effectively. As a matter of fact, I believe that goes for almost any State, once the people come to realize the value of such areas. We in California have long recognized the economic as well as the esthetic value of unspoiled scenery and the appeal of historic sites, and we have built around them a major industry that has brought us a financial return far beyond our early expectations.

Apart from its national interest, it would seem to me that in voting to abolish the Jackson Hole National Monument, Congress would in the long run be doing a disservice to the people of Wyoming, would, one might say, be killing the goose that lays the golden eggs. For in normal years, tourist travel is a golden egg of no mean proportions. Any State chamber of commerce, any automobile association can give you convincing figures on that subject—figures that should convince the individuals concerned that the preservation of major scenic, scientific, and historic areas in

the national park system is something devoutly to be sought. I stress this point first, because all the practical arguments against the Jackson Hole National Monument seem to boil down to a fear that the State—or some of its individuals—stand to lose revenue through the giving of national monument status to the area. From experience, that fear does not appear to be justified.

However, it is not of revenues and industry and purchase prices that I wish to speak today; rather it is of the underlying philosophy of national parks—a philosophy that developed and could develop only in these United States. It evolved a new form of land use, founded on idealism, but later found to be a money maker of the first order. Such are the paradoxes of America—perhaps even of idealism, if we may believe the old copybook maxims.

Less than three-quarters of a century ago, in 1872, the great Yellowstone region was set aside as our first national park—not as a Berchtesgaden for a Hitler nor for the "princely delight and pleasure" of kings and nobles, as were forests in medieval ages, not for commercial or individual aggrandizement, but for the enjoyment of the people of the entire Nation and for those of other countries able to visit them. I think it is significant of our American way of life that the men who stood to gain most, were the park not established, were the ones who were instrumental in bringing about the creation of Yellowstone National Park. Their vision and foresight—and their sense of public responsibility—were greater than that of many of us today. And from their unselfish action has grown the great national park system that is the envy of the world and the model of national park establishment on all continents.

The national parks, monuments, and historic sites of that system have been preserved so that the American people as a whole, not of any one region, may enjoy them for many years and generations to come. Surely the United States is big enough, and wealthy enough, to put aside and protect a small percentage of its area for this purpose. At present the total area of the national park system is just under 22,000,000 acres—an exceedingly small percentage of the total area of the United States and its Territories. I maintain that we can well afford to preserve that proportion of our lands in our national park system. There are, and should be, no quotas on national parks based upon location, State population, or other mechanical or political measurements. They are established where nature or history has placed them. Like Lincoln, they belong to the ages because of the greatness of their characteristics. And they belong to all Americans.

It seems to me that the testimony before the Public Lands Committee has demonstrated that the Jackson Hole area has the necessary attributes to qualify it fully for continuance in the national park system. Surely it typifies a certain period and mode of life in our history as does no other remaining wilderness area in the United States. For that reason I want to see it preserved; and along with it other unspoiled areas of equal historic significance.

It is immaterial to me whether the area is preserved as a national monument by Presidential proclamation or added to the Grand Teton National Park by act of Congress. The important thing is to preserve it while it still retains its wilderness character. Why it was considered eligible for national preservation is what interests me. Going into the record, I find good reason why the Jackson Hole National Monument should have been established at this time, and why the United States Government, through the National Park Service of the Department of the Interior, should continue to protect it.

The Grand Teton National Park takes in only the higher and most spectacular portions of the Teton Range, offering exciting mountain country and opportunities for mountain climbing to the small group of active outdoorsmen. In it there is little opportunity of development for the great masses of Americans who in normal times take vacations outdoors. The Jackson Hole is the area in which the average tourist spends more time, is the place where he logically will camp while enjoying the spectacle of the Tetons.

And the Jackson Hole is inextricably interwoven into the early history of our West. It is recognized by historians as of especial importance in connection with two significant movements—the fur trade era and the era of frontier settlement. Despite its connection with these early movements, it has remained essentially wilderness in character—the wilderness as the trappers and frontiersmen knew it. The search for furs was the driving force that led to the extension of our geographical knowledge and settlement of the West. In the early 1800's the Teton Mountains became established landmarks for explorers and trappers, and later for immigrants. Jackson Hole, which is really a great valley, was the hospitable region from which the mighty Tetons were viewed. It is said that the Astorians first sighted these mountains on their trip to the Oregon country in 1811. We know that John Colter, of the Lewis and Clark Expedition, visited the area in 1807–08 and that it was the haunt of many famous and picturesque characters of the Old West, such as Kit Carson and Jim Bridger. Washington Irving, in writing of the experiences of the Astorians, says that the travelers hailed the Teton Mountains "with that joy with which a beacon on a seashore is hailed by mariners after a long and dangerous voyage."

And it is interesting that Gen. Hiram Chittenden in his book, The American Fur Trade in the Far West, refers to Jackson Hole as "one of the most celebrated of all mountain valleys, still known by the name first given it, Jackson Hole."

Besides being one of the best known haunts of the early trappers, the Jackson Hole complements the Grand Teton National Park in telling the geological story of one of the most majestic mountain ranges in the United States. According to the geological hypothesis of earlier leveling off and later uplift, the Teton Range is, to quote Professor Fenneman, of the University of Cincinnati, "a perfect example of a mature block mountain of the second generation, the most impressive of its kind in America because of the vast erosion involved and the majesty of the exhumed mass." The Jackson Hole is an integral part of this geologic mass. Prof. F. M. Fryxell, of the United States Geological Survey, who testified before the committee, states that the boundaries of the monument just about encompass the best part of the scientific landmarks, historic and prehistoric structures, and other objects of historical interest of the region. Many other witnesses and writers have given ample evidence of the scientific and historic interest of the area, as well as of its scenic values.

I trust the House will accept this evidence, and will consider the value of the national park system as a whole when it acts upon the bill to abolish the Jackson Hole National Monument.

We should also remember the statement by Secretary Ickes in his testimony before the Public Lands Committee—that 92 percent of the area of the Jackson Hole National Monument is in present or potential—by the latter, of course, meaning the Rockefeller purchase—Federal ownership. That leaves only 8 perment of the lands within the monument in private ownership.

In closing, I want to stress the interest now being taken in our national parks and monuments by members of our armed forces. They are visiting these areas in great numbers. They state, in the parks and afterward, that these national areas must be preserved, and that some day they are coming back to enjoy them at leisure. They write home to their families about the parks which they have visited, and the families become so interested that they write to the National Park Service for printed material on the areas which their husbands, fathers, and sons have mentioned.

During the first 8 months of the present travel year, which began October 1, representatives of our armed forces have accounted for more than 26½ percent of the total travel to the units of the national-park system. Last year only 8 percent of the visitors were of the military.

Since our soldiers and sailors—and I refer to both sexes by those inclusive terms—are discovering the national parks in such numbers, are so enthusiastically enjoying them and writing about them, it behooves those of us who are keeping the home fires burning also to keep the national parks going—to keep them intact, safe from neglect or aggression.

Mr. Chairman, from all over America communications are reaching my desk pleading that we do not abolish Jackson Hole Monument. These letters and telegrams do not come from a particular area, but from all parts of the country where Americans are interested in preserving our national-park system. As part of my remarks, I should like to include here a few of the more representa-

tive of these letters to illustrate the interest that has been aroused in this subject.

SAN FRANCISCO, CALIF., *June 2, 1944.*
Hon. GEORGE E. OUTLAND,
House of Representatives,
Washington, D. C.:

After careful study we have long advocated creation of Jackson Hole National Monument. We urge you strenuously oppose H. R. 2241 designed to abrogate this monument. People entire United States are vitally interested in our splendid park and monument system. Do not permit partisan politics obscure real issue.

SIERRA CLUB OF CALIFORNIA,
DUNCAN MCDUFFIE, *President.*
WM. E. COLBY, *Secretary.*

CONGRESS HAS A FINE CONSERVATION RECORD—WE NOW ASK THE HOUSE TO DEFEAT H. R. 2241

AMERICAN PLANNING AND CIVIC ASSOCIATION,

To the Members of the House of Representatives, Seventy-eighth Congress:

The Barrett bill, H. R. 2241, to abolish Jackson Hole National Monument in Wyoming, which we understand is soon to be voted upon by Congress, if passed, would deal a serious blow to a conservation program of national importance. The American Planning and Civic Association, with members throughout the country, believes that the Jackson Hole National Monument should be allowed to stand, and respectfully calls the following facts to the attention of Congress:

The protection of the scenic and recreational qualities of Jackson Hole either as a national park or a national monument is a nonpartisan measure that has had the support of conservationists for more than 20 years. With the support of the majority of the people in Jackson Hole the Wyoming State officials, and the responsible Federal officers, President Coolidge withdrew from entry the public lands in Jackson Hole, and Mr. John D. Rockefeller, Jr., at a cost of $1,500,000 purchased the essential private lands to be donated as a gift to the people of the United States. President Hoover's administration also supported the project, as have the Senate and House Public Lands Committees and other congressional groups that have studied it in the past.

Last year the President, under authority granted him by Congress in the act of 1906, established the area as a national monument. The President's action was in fulfillment of a program undertaken during President Coolidge's administration and was in accordance with long-accepted conservation precedent. Since 1906, when Congress passed the Antiquities Act authorizing the President to establish national monuments, every President has set lands aside for national monument purposes. More than 80 such national monuments have since been established for public use and enjoyment.

The creation of Jackson Hole National Monument did not impair or damage the rights of the State, the county, or of any individual. The proclamation affected Federal lands only and was issued subject to all valid existing rights.

Certain problems resulting from the creation of this monument should be solved. When the lands purchased by Mr. Rockefeller are transferred to the Federal Government, it appears that some reasonable payment in lieu of taxes should be made in Teton County, in which the lands are situated. The President has indicated that he would favor some such measure. Enactment of the Hayden bill, S. 380, to authorize the payment of a portion of the national park revenues to the counties in which the parks and monuments are situated, would solve the Teton County problem.

To abolish Jackson Hole National Monument, as proposed by the Barrett bill, H. R. 2241, would be a purely negative action, would solve nothing, and would not be in the public interest.

HORACE M. ALBRIGHT,
President,
J. HORACE MCFARLAND,
Chairman of National Parks Committee.
HARLEAN JAMES,
Executive Secretary.

JUNE 1944.

NATIONAL PARKS ASSOCIATION,
Washington, D. C., May 30, 1944.

DEAR CONGRESSMAN: You may know that the bill (H. R. 2241) to abolish Jackson Hole National Monument will come up for action on the floor of the House within a few days.

Much has been said by a small group about the supposed evils of the recent establishment of this national monument.

To show the national importance of the area as a national monument, we enclose herewith a reprint of an article entitled "The Spirit of Jackson Hole" that appeared in the October-December issue of National Parks Magazine. It should be recognized, too, that the establishment of Jackson Hole National Monument is not a party issue. The idea of establishing a National Park Service area here originated many years ago.

The National Parks Association takes the attitude that although there is difference of opinion as to how the boundaries of the monument should have been drawn at the time of establishment, this monument does, nevertheless, embrace one of the great natural areas of our country, and that abolishment of it would constitute a severe blow not only to the national park and monument concept, but also to the entire national conservation effort in which the men and women of the United States are ceaselessly striving to save for posterity a few remnants of our original animal and plant life, and of the general beauty of nature.

We hope that you will give careful consideration to the national viewpoint prior to voting upon H. R. 2241.

Very truly yours,
DEVEREUX BUTCHER,
Executive Secretary.

NATIONAL AUDUBON SOCIETY,
New York, May 29, 1944.

To the Members of the National House of Representatives, Washington, D. C.:

Re: Barrett bill, H. R. 2241.

A conservation matter of national importance will come before the House when the Barrett bill, H. R. 2241, to abolish the Jackson Hole National Monument in Wyoming, will be brought up for vote this week. The National Audubon Society, a conservation organization with Nation-wide membership, is opposed to the passage of this bill and respectfully urges that you vote against it.

There is danger that the red herring of argument over States' rights be introduced into consideration of this bill. As a matter of fact, no question of States' rights is involved.

Since 1906, 71 national monuments have been created by 7 Presidents, 5 of them Republicans. Some of these monuments are 10 or more times the size of the Jackson Hole National Monument.

Of the 221,610 acres contained in the Jackson Hole National Monument established in March 1943, 77 percent were Federal lands, and the establishment of the monument merely shifted them from one Federal jurisdiction to another. Fifteen percent of these lands were purchased by Mr. John D. Rockefeller, Jr., and offered to the United States as a gift for inclusion in the national monument. Only 16,101 acres, representing roughly 8 percent of the total acreage, remains in private hands. These private lands were recently assessed for tax purposes at only $405,000 and involved annual taxes of only $8,750.

The monument proclamation does not affect valid existing rights. Private owners enjoy the full use of their property as they did before the monument was established. The State of Wyoming retains the same jurisdiction that it held over the area prior to the establishment of the monument and can be divested of that jurisdiction only by a voluntary act of the Wyoming State Legislature.

The loss of taxes to Teton County, Wyo., as a result of the gift of the Rockefeller lands would approximate $10,000 annually. The Federal Government recognizes that this is an important consideration in the finances of the county and is in favor of the bill now pending in Congress to provide for allocation to the State or States, for the benefit of the counties in which national parks and monuments are located, of a percentage of the revenues derived from the operation of such parks or monuments.

The Jackson Hole region is nationally famous as an area of great scientific and scenic interest. It is important from the standpoint of wildlife conservation. Its recreational use for the benefit of the people of the Nation as a whole would seem to us to represent its highest and best use. To abolish this monument would, in our opinion, constitute a purely negative action. Constructive action, in our opinion, would be to maintain the monument and work out a solution of the local tax problem and any other minor problems requiring attention.

Sincerely yours,
JOHN H. BAKER,
Executive Director.

Mr. MOTT. Mr. Chairman, I yield 7 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, will it ever be possible for all of us to forget politics after we are elected and just be plain, ordinary citizens? Citizens that have some respect for our oath of office. Citizens who according to that oath will uphold the laws and defend the Constitution of this Nation against all enemies foreign and domestic—mostly domestic. The only question before us is whether a mistake was made. The prestige of the President or the Secretary of the Interior are not involved. But even if they were the question of right or wrong overshadows them. We represent the people—not they.

The majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], in his remarks last Friday was both out of date and out of step with the facts. He stated that it was admitted by all that this monument, Jackson Hole, was a historic landmark of magnificent grandeur and scenery. Of course, nothing could be further from the facts unless he thought that sagebrush and the shooting of a horse thief is an object of historic, scientific and scenic value.

If that is true, then, the President, at the request of the Secretary, could set all western North Dakota aside as a historic monument. I remember as a youngster that the vigilantes in Montana chased a bunch of horse thieves into our State, followed them, and hanged them on bridges and trees. As a youngster I thought the penalty was rather severe because of the kind of horses they had stolen—Montana bronchos which resembled somewhat a cross between a

coyote and a wolf, animals that would kick or paw the life out of you without warning. I felt then that they weren't worth stealing, that these horse thieves had just made a mistake.

I am sure that the majority leader got confused and thought that Jackson Hole was the Grand Teton National Park. His description described that park, but it does not describe the Jackson Hole. Permit me to inform the gentleman that that park embraces 98,000 acres and is only about 6 miles from Yellowstone Park, and that the two together consist of 2,320,000 acres. That should be enough park to satisfy even the gentleman from Massachusetts if he ever gets far enough west to visit the great State of Wyoming.

The question before this House is an additional monument attempted to be created without authority of law, of 221,610 acres, of which 32,117 acres are owned by Rockefeller and approximately 17,000 acres by other owners. There are 231 people living on the 17,000 acres and in the monument, while Rockefeller, the economic royalist, lives in New York.

I shall not go into the evidence before this committee, but if any of you have read it you will agree that the deception was practiced upon the people of Wyoming and the owners from whom Rockefeller acquired these 32,117 acres. His name was concealed and his purpose was concealed. The ranchers and the business people in Wyoming were told that some persons were forming a cattle company—the Snake River Cattle Co.—a very appropriate name.

Then, after Mr. Rockefeller had acquired this 32,117 acres, he offered it as a gift if the Government would proclaim the balance of the 221,610 acres of sagebrush, ranches, farms, or the former rendezvous of a horse thief as a national monument. Later he threatened to withdraw the offer of the gift unless this monument was established according to his whim. It was this pressure that caused the Secretary of the Interior to ask the President to proclaim the monument.

I state, without fear of contradiction, that if you have read the testimony of Mr. Ickes before the committee you will conclude that he was disgusted with the whole thing. He knew that he had made a blunder. He tried to blame the Forestry Department for all the trouble.

The truth is that every member of the Public Lands Committee realizes that a wrong has been done to Wyoming. They differ as to the remedy to be used in remedying the wrong. I am glad that both Democrats and Republicans in the committee joined in recommending this bill for passage. I am glad that both Democrats and Republicans on this floor have and will continue to defend and protect the rights of the citizens of Wyoming. That is a healthy sign for the future of America and the fairness of Members of Congress regardless of political affiliation.

I am glad that even our distinguished chairman, the gentleman from Florida [Mr. PETERSON], realized that there is something wrong here. And I know that if there is any reason that part of these lands should be added to the Grand Teton Mountains that our chairman [Mr. PETERSON] will present a bill in the next session providing for that. Then, it will be done in a legal way—in a way that I am sure will meet with the approval of the people of the State of Wyoming.

If Mr. Rockefeller wishes to dispose of his 32,117 acres of agricultural and grazing lands, he has our permission to do so. He will certainly please the people of Wyoming who want the State developed and its land in the hands of its residents and not in the hands of outsiders living in New York.

Something has been said about the language of the Antiquities Act. I shall read it to you:

> The President of the United States is hereby authorized, in his discretion to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic and scientific interest that are situated in lands owned or controlled by the Government * * * the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Here is part of the debate in the House at the time of the passage of the Antiquities Act, between Mr. Lacey, chairman of the Committee on Public Lands, and Mr. Stephens of Texas:

> Mr. STEPHENS of Texas. How much land will be taken off the market in the Western States by the passage of the bill?
>
> Mr. LACEY. Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.
>
> Mr. STEPHENS of Texas. Would it be anything like the forest-reserve bill, by which seventy or eighty million acres of land in the United States have been tied up?
>
> Mr. LACEY. Certainly not. The object is entirely different. It is to preserve these old objects of special interest and the Indian remains in the pueblos in the Southwest, whilst the other reserves the forests and the water courses.
>
> Mr. STEPHENS of Texas. I will say that that bill was abused. I know of one place where in 5 miles square you could not get a cord of wood, and they call it a forest, and by such means they have locked up a very large area in this country.

I again ask the Members of this House, on both sides of the aisle, to remember their oath of office to "uphold the laws and defend the Constitution against all enemies foreign and domestic." You will agree with me that if you are true to that oath, you must construe that language honestly. You must sincerely construe it in accordance with the meaning of the plain English language.

If you do that and you feel you are bound by your oath I do not believe that you can say that the President of the United States under that language can proclaim 221,610 acres of sagebrush, farms, meadows, range, and hilly grazing lands with a lake and some water holes as coming within that language, not even if there is still a shack where a horse thief once resided.

Mr. PETERSON of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. J. LEROY JOHNSON].

Mr. J. LEROY JOHNSON. Mr. Chairman, it is not a very pleasant task to oppose this bill because apparently it has been made a party issue and practically all of my Republican friends are for the bill, and the author of the bill, being a very close friend of mine, I find it very distasteful to differ with him. However, in my opinion, it would be a fundamental fallacy to pass this bill and a negation of a fixed American policy. As I see the issue, here it is: Are we going to continue the conservation policy that President Theodore Roosevelt started away back in 1904? This is primarily a conservation measure. It is true they talked about all this land being cactus land and worthless land. As I see it, it is of great scientific interest. Also, it has some historical interest. Clearly, this land under the statute could be set aside as a national monument. The Executive order creating this monument is supported by former Secretary of the Interior, Ray Lyman Wilbur, who served in the Hoover Cabinet, and himself is a noted scientist. He said that it is land that has great scientific interest and is a godsend to geologists, and he also pointed out that there are many matters of historic interest connected with the area of this monument that clearly put it within the purview of the act.

Now, what are we talking about here? There are 221,000 acres of land involved; 170,000 acres are already in the hands of the Government; 32,000 acres were purchased by Mr. Rockefeller, and he wishes to give this acreage to the Government of the United States as a part of a monument or part of a park for the use of all the people. There are 17,000 acres left, which are under private ownership, about 8 percent of the area involved.

Much talk has been indulged in to the effect that the Executive order creating this monument is illegal and an evasion of the statute. The monument was created pursuant to the provisions of the so-called Antiquities Act, enacted in 1906. Here is what that law says:

> That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

There is no doubt whatever that the order is perfectly legal and if attacked would be sustained by the courts.

The order is also equitable as it provides that it is made "subject to all valid existing rights." Furthermore, the members of the Public Lands Committee are unanimous that they will do everything possible to permit private landowners to have the right to take their cattle across this land, use the lands in private ownership, unless the Government should purchase them, and in every way recognize private property rights.

Much has been said about the fact that local interests do not want this monument. If that were the criterion it might

be that very few national monuments could ever be established. Local interests are frequently opposed to national monuments. The most conspicuous example is the Grand Canyon of the Colorado, which was designated by President Theodore Roosevelt as a national monument. It was fought bitterly by local interests and the issue was not finally resolved till the decision of the Supreme Court of the United States in the case of *Cameron, etc.* v. *United States* (252 U. S. 450 (1919)), where the Court held that the order creating the monument was legal. Here is what the Supreme Court said on page 455:

> The defendants insist that the monument reserve should be disregarded on the ground that there was no authority for its creation. To this we cannot assent. The act under which the President proceeded empowered him to establish reserves embracing objects of historic or scientific interest. The Grand Canyon, as stated in his proclamation, is an object of unusual scientific interest. It is the greatest eroded canyon in the United States, if not in the world, is over a mile in depth, has attracted wide attention among explorers and scientists, affords an unexampled field for geologic study, is regarded as one of the great natural wonders, and annually draws to its borders thousands of visitors.

President Theodore Roosevelt established conservation as a Republican policy and through the years we have been proud to point to that as one of our great contributions to the progress of the Republic. He did this over violent objection and criticism. And he included in conservation the great scenic areas of our land, which he conceived to be so important that they should be set aside for all our people, even though State or sectional interests objected. Finally the policy became a fixed American policy pursued by all our Presidents after Theodore Roosevelt. By the passage of this bill we will be helping to curtail and even partially destroy the very policy that the Republicans inaugurated in the early days of this century.

The debate has resolved itself into a trial of the Secretary of the Interior instead of a discussion of the merits of the case. Congress empowered the President to create these monuments and certainly if there is anything wrong with the law, we should change it and not inveigh against the executive department for carrying out the provisions of the very statute which we passed. If this procedure were carried to the extreme it means that although we had passed certain laws reposing certain powers and duties in executive officers we would be continually overriding them if the orders they made did not suit our whim or fancy.

The main reason why I will not vote for this bill is that if the same issue were presented in the form of a bill to create a national park of the area described in the President's order as a monument, I would vote for it. This is because I consider this land an essential and necessary part of Teton National Park. It is as essential to the full enjoyment of Teton Park as the floor of Yosemite Valley is to Yosemite National Park. The scenery in each instance, among the grandest and most sublime in all this country, is the gorgeous mountains, wonderful precipices, crags, and waterfalls, but without the setting of the flat valley the scenery is not nearly as majestic, nor can the park be as fully utilized and enjoyed.

Mr. WHITE. Will the gentleman yield?

Mr. J. LEROY JOHNSON. I am sorry, I do not have the time.

I consider the preservation of our wonderful scenic places as truly an act of conservation as the protection of our natural resources such as timber lands, mineral deposits, etc. The lands comprising these scenic places are a resource that should be preserved to all the people and the need therefor increases as our population increases. We should cherish and protect these places so our people may enjoy them.

It seems to me that this matter is a question of viewpoint. If you think that this land is just a piece of cactus land and if it is not used for grazing it will go to waste, then you should vote for this bill. However, if you believe, as I do, that it is the setting for this wonderful group of mountains, the most marvelous in all the West; that the mountains and the valley comprising the monument are a unique creation of nature—or of God, if you please—intended to please the eye and elevate the soul; or that the flat land is the setting for one of the most inspiring mountain scenes in all the world, where our people can get detachment from their worldly cares and troubles and inspiration that will push them to nobler and worthier achievements, then you should vote against this bill and to sustain the order setting this land aside for posterity.

These are some of the reasons why I believe we should vote against the bill under consideration.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PETERSON].

Mr. PETERSON of Georgia. Mr. Chairman, I am confident that my distinguished colleague the gentleman from Wyoming [Mr. BARRETT] is unduly excited about the creation of this Jackson Hole National Monument. I believe I am about as far removed from that area as most any Member of this House and I am in a position to view this in about as impartial a manner as any Member of the House. It has been my pleasure to visit this area and go over this entire proposition. This is one of the most beautiful spots in America. Those who have seen similar places throughout the world say this is one of the most beautiful spots in the world. It is true we have the Grand Teton National Park, but the trouble is the park only embraces the mountains themselves. For an American citizen to get the benefit of a view of the mountains they must go into this area that is embraced in the Jackson Hole National Monument.

Ninety-two percent of this land is either already owned or controlled by the Government, or will be, through the will and desire of private owners as soon as this matter has been definitely settled. That leaves only 8 percent of the land in private ownership. The idea has been given by some, I hope inadvertently, that the Government is taking away this 8 percent of the land from private owners. Such is not the case. The Government is not taking one acre of this land. But the administration has assured and reassured the private owners that their interests will be taken care of.

Mr. WHITE. Will the gentleman yield?

Mr. PETERSON of Georgia. I am sorry I do not have the time. It is true, it may disrupt some of the business practices of some of the individual citizens out there, but all of the private citizens there are not by any means opposed to this proposition. I found some of the finest and most substantial of the local citizens heartily in favor of this monument. This committee has had petition after petition, signed by hundreds of these local people, endorsing the action of the Government in creating this national monument. It is true that some of the local citizens may be using this beautiful area as grazing for their private herds, but this is American property. This is the property of the citizens of the United States and I can see no objection to the United States Government preserving this wonderful scenic area as a playground or as a place of beauty so that private citizens can go there and enjoy it.

This is in the very heart of the dude ranch country where people who have plenty of money can go out there to these privately owned dude ranches and enjoy all the beauty and grandeur of this section. But ought we to preserve it entirely for those who are financially able? Why do we not set aside this great scenic area and make it comfortable and practicable for the average man and his family to get in a little car, ride out there and enjoy the beauty and grandeur just as those who are now able to enjoy it do if they can pay the expense of living in these dude ranches that are scattered over that area? But I wish to call your attention to something else.

This is only 6 miles from Yellowstone National Park. No one has ever questioned but that the Yellowstone National Park is a national park and should be preserved. This area is far superior to the Yellowstone National Park in scenic beauty. Within this area we have the largest herd of elk in America. They are being protected by the Federal Government. I have ridden on roads through this area and seen the wild moose in their wild original state, the only place in America where it can be done. These are just a few of the natural wildlife conditions that we have there.

Certainly the Grand Tetons as seen from this area are one of the most beautiful mountain scenes it has ever been my pleasure to look upon. I wish to state further that I have been to the hospitable town of Jackson Hole. They are indeed a gracious and a hospitable people. This will certainly help them. I cannot for my life see where this thing is going to hurt them. On the other hand it is going to help them when we provide facilities similar to those that

have been provided in Yellowstone National Park and other parks. Hundreds of thousands of Americans annually will come into that section who do not go there now because they have nowhere to sleep or lodge. It is going to help those private citizens, although possibly some of them may have to readjust a little of their private affairs. But I cannot see why my friend is unduly alarmed. In my opinion we should not set aside the order establishing the Jackson Hole National Monument.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Chairman, I, too, have spent a little time out in the Jackson Hole country. I went out there last summer. I did not, although I am a member of the Public Lands Committee, go there officially; I was there on my own and at my own expense. I went there for the purpose of determining for myself the facts with respect to the various things we had heard in the committee regarding this Jackson Hole area; and I am here to report to you that what I saw and my conclusions differ, I am sorry to say, rather sharply with those of the gentleman from Georgia [Mr. PETERSON].

I found an area of almost level land—a few slight hills—an area bounded on one side by the Grand Tetons and on the other by lesser hills and rolling country. I found an area of land that was quite obviously suited to agricultural pursuits and grazing, and I could see nothing at all of scenic beauty on these 221,000 acres.

But they have told us that setting this aside as a national monument was justified from the point of view of having this land as a spot on which to stand to view the Grand Tetons. I cannot see that that is necessary because there is a very fine highway running through this area from the Yellowstone Park down to Jackson and to the main highway; so it seems to me the first issue, the most important issue in this debate is that of the necessity for the establishment of this park. They call it a national monument, but they do that to get around the requirement that national parks shall be established only by the Congress.

It is with reference to that that I am most concerned as a resident of the great West. Why does the National Park Service, why does the Department of the Interior want this land set into a park and who else wants it that way? Why is it necessary? I have heard no clamor nor has the committee heard any clamor from any other source wanting this area in a park. There are some signatures on petitions favoring it, that is true, but the original desire did not come, in my opinion, from any source except the Park Service due to the fact that Rockefeller was pleased with this country out here, bought this land, and offered to give it to the Government for this monument.

Let us look at it in this way: The monument has been established under what is called the Antiquities Act, which gives the President the right to set aside areas solely for the purpose of protecting valuable historic things. There are no valuable historic objects in this area and the total area to be used comprises 221,000 acres, whereas the law specifically says that only a sufficient area to protect the historic object shall be set aside.

Mr. Chairman, it is necessary for the Congress to put a stop now to the abuse of an act passed by this Congress in 1906. The fact that other Presidents have used this same law for this same purpose is not, in my opinion, justification for our turning down this bill, which is a reiteration by Congress that the Antiquities Act of 1906 means exactly what it says and is not to be used for other purposes. In my opinion, as a resident of the West, that is most important because if this policy of setting aside vast areas for no good reason other than that the Park Service seems to want more land to administer, is continued, I can visualize vast areas in our Pacific Northwest being set aside in the same way and for no better reason.

I hope the House will pass this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, for 3 long years we have been legislating in an atmosphere of war. We have become accustomed to government by edicts, directives, and bureau regulations. However, we have before us a bill today which has nothing to do with the war effort. During this period of war legislation it has oftentimes become necessary to disregard the rights of individuals and to disregard the wishes of entire communities and entire States. That had to be done. But surely in a matter that is entirely removed from the war we should get back to that cardinal principle of American government of having respect for the rights and wishes of the people affected.

An eminent Virginian by the name of Thomas Jefferson expressed what I am trying to say far more eloquently than I can when he coined the phrase, "Government with the consent of the governed."

To fail to pass this bill and force this monument onto the people of Wyoming is to disregard the rights, interests, and wishes of those people. It is to ride roughshod over the action of the State of Wyoming. It is to go contrary to the wishes of every elected representative from the State of Wyoming. It certainly does not fit in with the American idea that the people back home are masters of the Government. If we turn this bill down today we do so against the expressed wishes of the people of Wyoming, both Republicans and Democrats alike. That great State is served by a Democratic governor who is opposed to the creation of a Jackson Hole Monument and favors this legislation. In the Senate of the United States Wyoming has one Senator from each party; they stand together in opposition to the Jackson Hole National Monument and in favor of this legislation. Let me read this telegram which was received this morning from the American Farm Bureau Federation. These telegrams are addressed to the gentleman from Wyoming:

> Board of directors of American Farm Bureau Federation in session now adopted resolution supporting Barrett bill (H. R. 2241) to abolish Jackson Hole Monument and urging enactment of this legislation by Congress. Respectfully urge your support of this legislation.
>
> EDWARD A. O'NEAL,
> *President, American Farm Bureau Federation.*

Listen to this one:

> Utah members of the Izaak Walton League request the House of Representatives to pass the Barrett bill withdrawing the Jackson Hole National Monument.
>
> IZAAK WALTON LEAGUE,
> By A. KEATE COOK.

Listen to this one:

> As president of the Wyoming State chapter of the Izaak Walton League we recommend the passage of your bill.
>
> C. H. SIMPSON,
> *President.*

There are many, many more telegrams here, but time will not permit me to read them.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. MOTT. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I was stirred and elevated when I listened to the flaming eloquence of my good friend from Georgia, who, like all of us, appreciates mountain and sky, river and cloud, plain and valley.

I think Dr. Henry Van Dyke perhaps expressed the true sentiments of all lovers of nature when he said:

> These are the things we love and hold of dearest worth:
> Light of the sapphire skies, peace of the silent hills,
> The music of birds, the murmur of rills
> And the shadows of clouds that swiftly pass
> And after the showers the smell of flowers
> And of the good brown earth,
> And, best of all, friendship and mirth.

In our discussion of this controversial issue I trust that we will not allow our appreciation of the beauty and grandeur of nature to destroy any of the friendships among us or to rob us of our sense of mirth or our sense of humor.

While some of the citizens of Wyoming no doubt favor adding 221,000 additional acres to the now existing Teton National Park of 98,000 acres, I think the evidence is clear that the overwhelming majority of the citizens of that sovereign State are in favor of this bill and are against taking 221,000 additional acres and adding to this national monument. There is no particular historic interest in sagebrush and grazing land. The Federal Government already owns one-fifth of all our land.

What is the record for many years past? Not only the Governor and the State officials, regardless of politics, but the representatives of the great sovereign State of Wyoming in both the United States Senate and the United States House of Representatives, regardless of party, have repeatedly gone on record as against the proposal of the

Secretary of the Interior, acting under an Executive order.

It seems to me the whole issue boils down to whether we shall be governed by the will of Congress, the duly chosen and legal representatives of the people of the United States, or whether we shall abdicate our power and become subject to Executive order or Presidential decree.

If this monument is to be established or those additional acres are to be added simply because one of my notorious fellow Missourians, one Jesse James, once spent a night in a cabin out there in Wyoming, I wish to say in defense of my own State that we have a hundred such shacks or cabins in the State of Missouri, and I am afraid that if we establish this precedent the Federal Government will come out and take most of the great State of Missouri for a national park, and that would be calamitous.

Mr. PETERSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Florida.

Mr. PETERSON of Florida. May I remind my friend that one of the first requests made to the Committee on Public Lands was to make a national monument out of the home of George Washington Carver?

Mr. SHORT. There was no man in this House or the other body who assisted me more or gave me fuller cooperation on that than my good friend from Florida. I am deeply grateful because he had the good judgment to decide that a national monument should be erected to this great Negro scientist and benefactor of humanity. But we must judge each one of these monuments upon its own merits.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Oregon.

Mr. MOTT. The great difference in principle between the monument created in the gentleman's State in honor of George Washington Carver and the one created here is that the one in Missouri was created by a mandatory act of Congress, while this was done by Executive order and without any authority of Congress.

Mr. SHORT. I am glad the gentleman pointed out the very difference that was in my mind. I shall mention two other points. The first is that George Washington Carver, I think, should be remembered by the American people a little longer than Jesse James was, and for very different reasons. The other point is that the reason the monument was established in Missouri is that the people of Missouri and the United States Senator from my State, the next Vice President of this Nation, as well as I in this body, championed that legislation, and you were good and kind enough to pass it. The people of Wyoming and their representatives in Congress do not want the Government to take this additional land.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, it is difficult to explain this entire matter in a short time. The record and the hearings were quite lengthy. In my attempt to give as many Members as possible a chance to speak on this bill I yielded most of my time.

I called attention in the original statement I made in the discussion on the rule to the fact that the greater portion of this land is already owned by the Federal Government. It was owned by the Federal Government before the State of Wyoming was created. The inception of this was not during the administration of President Roosevelt or the secretaryship of Mr. Ickes. You will recall the message from Secretary Wilbur. I realize a number of Members of the House are opposed to and suspicious somewhat of the things that Secretary Ickes might do, but I read into the RECORD a statement made by the Secretary of the Interior in President Hoover's administration to the effect that he visited the area and discussed the matter with Mr. Rockefeller, and was instrumental in getting him to start the purchase program, a purchase program that has cost approximately $1,500,000, of land which Mr. Rockefeller was going to contribute to the Government.

That, as many of you know, is one of his hobbies. He assisted at Williamsburg and he assisted at other parks by buying the lands and giving them to the Federal Government. There has been an accusation here that the President acted contrary to and differently from the method in which the other Presidents have acted under the Antiquities Act. But there is ample precedent for the creation of the Jackson Hole National Monument. In 1908 President Theodore Roosevelt established Grand Canyon National Monument, containing 806,400 acres, nearly four times as large as this, as you will note, which was later changed to the Grand Canyon National Park by act of Congress in 1919. In 1909 he also established Olympic National Park containing 608,640 acres, a large portion of which was included in the Olympic National Park in 1938 by act of Congress.

As you will note ofttimes first there is the establishment of a national monument, as is the case here, and then subsequently it is included in a park by act of Congress. I sympathize with my good friend and colleague, the gentleman from Wyoming, in trying to work out this problem. But his bill merely repeals the Executive order. It leaves the whole matter open. It leaves some of the land with the Reclamation Service and a part of it under the Forest Service and part of it under the Fish and Wildlife Service. We must remember there is the great elk herd there. This must be protected. His bill merely repeals the executive order and leaves these agencies there to fight among themselves. I have been working carefully on a bill which I introduced the other day to cover a part of this problem or some of the phases of it and I intended to submit it as a substitute for this bill. But after going into it I have some doubt as to whether it is entirely germane and would probably be subject to a point of order. It is for the purpose of setting forth the boundaries and reducing some of them in part, because part of it should not have been included there. Some were included upon urging of local people so that the town of Jackson could be the entrance, and my bill also provides for a driveway where the cattlemen could drive their cattle from the hills to the valley, so that they would know definitely they are taken care of. But they have no assurance that if Mr. Rockefeller wanted to fence up all of this land that they could continue to drive their cattle back and forth, if it remains in private ownership. It also protects the rights of those men who have grazing there. I also want to call your attention to the fact that the Executive order itself protected the rights of those people who had grazing privileges.

Mr. WHITE. Mr. Chairman, will the gentleman yield for a very simple question?

Mr. PETERSON of Florida. I yield for a question.

Mr. WHITE. The gentleman recognizes the fact that the counties and State can build the public roads through section lands, does he not?

Mr. PETERSON of Florida. Yes.

Mr. WHITE. Mr. Rockefeller, cannot provide for putting roads through on section lands?

Mr. PETERSON of Florida. That is right. That section line road might not be big enough and it must be big enough, because it is not enough to just have room to drive the cattle; that is not sufficient anyway, they need space for these cattle to feed as they drift along. Those things can be worked out in an orderly way and by act of Congress and will be taken care of in my bill. I have assembled the data and I am working on that. I introduced a bill to provide for the reimbursement of Teton County and to the authorities, giving all these rights-of-way there. So, regardless of how you feel about Mr. Ickes and regardless of how you feel about the President of the United States, this bill would merely wipe out the Executive order without doing anything constructive. The Izaak Walton League, the various conservation groups, the American Planning and Civic Association recognize the orderly way of procedure is under the bill which I recently introduced and which, as I say, I would have introduced previously. But I was trying to work out some other problems of theirs and have been awaiting information because I wanted to help the folks out there. This great area should not be spoiled. That great herd of elk should be saved for the American people. The great scenic beauty of this area should be protected against the building of any little shacks out there.

You have to go there to actually appreciate the great beauty of this spot.

As I said before, a great portion of this land was Federal-owned before the State was created. The other part, which Mr. Rockefeller owned, was bought to give to the Federal Government. Only a small amount is in private ownership, and the announcement was made the same day as the Executive order, that

these grazing rights would be protected. That is the situation today.

Going back further, in 1918, President Wilson created a national monument consisting of 2,697,000 acres. President Coolidge created a national monument of 1,064,000 acres. President Hoover created the Death Valley National Monument, 1,800,000 acres. Every President since Theodore Roosevelt has created national monuments from three to ten times as large as this. This one is small in comparison with many others that were created under Executive order, a right which the Congress has recognized in subsequent appropriations for those national monuments which were created by Executive order.

There are a number of resolutions that have come in from time to time opposing the Barrett bill.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MOTT. Mr. Chairman, I yield the remainder of the time, 9 minutes, to the gentleman from Wyoming [Mr. BARRETT].

Mr. BARRETT. Mr. Chairman, I rise today in an appeal to this Congress and to the Nation, as the sole Representative of the people of the great State of Wyoming.

We are justly proud of Jackson Hole. We are proud of the national parks in our State—the great Yellowstone Park with its 2,200,000 acres; the Grand Teton National Park with the most splendid and majestic mountain scenery in the world. But the issue in this case is crystal clear. Twice the Interior Department came to the Congress and asked to include in the Grand Teton National Park the identical 221,000 acres now in this monument. Committees from this Congress went to Wyoming. The people objected. Twice the Interior Department was refused legislative sanction to put this very land into the Park Service.

Congress alone can create a national park or make an extension of a national park. But there is an old Antiquities Act that provides that small areas of historic interest can be taken over by Executive proclamation as national monuments. That law provides that in those monuments there must be some object of historic or scientific interest. It states that the limits shall be confined to the smallest area compatible with the care and management of the object to be protected. But in this case Mr. Ickes took in an area one-third the size of the great State of Rhode Island.

I asked Mr. Ickes when he testified before our committee just what was the specific object that he sought to preserve in this monument. Do you know what his answer was? He said to me, "My personal observation would be the size of the mosquitoes." That was the answer I had to take back to the sovereign State of Wyoming.

Now, Mr. Chairman, that explanation was an insult to the people of my State and to the Congress of the United States. The Executive order creating this monument was proclaimed without giving notice or any opportunity to be heard to the people of Wyoming. The Governor of our State and the United States Senators were as astounded as I was when they heard of Mr. Ickes' action.

Much as we dislike the high-handed, the secret and the un-American manner in which this monument was created, still I undertake to say to you that the issue before this House is of tremendous national importance. The question is whether we are going to live under a government of law or whether we must meekly submit to a government by men. How long will the Congress tolerate a bureaucracy that overrides its expressed will? How long will we stand by and permit these bureaus to usurp the powers of the Congress? How long will we permit a bureaucracy to invade the rights of a sovereign State of our Union? By what right can Ickes contend that he is better qualified to determine what should be done within the boundaries of the great State of Wyoming than the representatives of its people?

As has been said here, numerous monuments have been created by other Presidents, but I call your attention specifically to the fact that the Director of the Park Service in a hearing before our committee said that never was a monument created within a State when the people of the State objected. The Wyoming Legislature in 1919 passed a resolution against this proposal. The people are wholeheartedly against this proposal to this very day.

This monument of 221,000 acres adjoins Teton National Park on the east. To all intents and purposes it is mere park extension and nothing more. Never before, so the Park Service admits, has the Department of the Interior come to Congress and asked to have an area put into a park and then after Congress refused to do it on two separate occasions resorted to the subterfuge of accomplishing its designs by putting it into a monument.

Our committee visited this area. We saw the sagebrush flats, we saw the Mormon Row where there is farm after farm raising the best grain in the West. We saw the thousands and thousands of fine cattle raised in that area. As Chairman PETERSON and I went down through that Mormon Row with the numerous fine farms, we saw on the gatepost of each farm this statement: "Opposed to the monument!" And why should they not be opposed to the monument? Their fathers carved a little empire there out of the wilderness nearly three-quarters of a century ago. That is home to them, and from those homes they sent boys all over the world to preserve the homes of unfortunate people of other lands. They want to bring their boys back to these same homes.

The House has been told that the Rockefeller land will be donated to the Government, but the hearings also show that this donation will be made only on the condition that the United States match the cost of the Rockefeller donation dollar for dollar, in order to provide the money to purchase or condemn these very farms the boys have left to fight in the service of their country. That means that Congress will be called upon to appropriate a million dollars or more to carry out this scheme. To force the hundreds of people owning farms in that area to sell out against their will. This monument is located in Teton County, Wyo. One-third of the assessed valuations in the county is contained within the monument area. If this monument is not abolished, the people owning the remaining two-thirds of the property in Teton County will be required to pay 50 percent more in taxes.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to my distinguished colleague from Missouri.

Mr. SHORT. Is not much of this additional acreage used for cattle-grazing purposes?

Mr. BARRETT. Sixteen thousand cattle are raised in the area.

Mr. SHORT. And here in the midst of war when it is almost impossible to get a good beefsteak or any kind of a beefsteak does the gentleman think it is wise to take this land out of production?

Mr. BARRETT. I think my colleague is exactly right and it is neither wise nor proper.

Mr. PETERSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to my chairman.

Mr. PETERSON of Florida. The gentleman said something to the effect that the Government would have to put up money for this Rockefeller land. The fact of the matter is Rockefeller is making a gift direct to the Federal Government.

Mr. BARRETT. If the gentleman will look at page 302 of the hearings he will see precisely the proposal that was made by the Rockefeller interests as it affects the land to be donated to the United States Government:

1. The land to be donated to the United States Government to be under the jurisdiction of the National Park Service.

2. The United States Government to match the cost of the lands donated up to an amount necessary to purchase all other privately owned land in such area as it may be deemed advisable to include within the jurisdiction of the National Park Service.

My bill has been endorsed by the governors of 6 Western States. It has been endorsed by the American Farm Bureau. It has been endorsed by the National Association of County Officials, by the president of the Wyoming chapter of the Izaak Walton League, by the Utah members of the Izaak Walton League, by the United Sportsmen of Cheyenne, by the Utah Wildlife Federation, by the Izaak Walton League of Cheyenne, by the Eleven Western States' Federated Sportsmen, and by many organizations in my State. While our committee was in Wyoming, a vote was taken at a mass meeting, and 601 people stood up as opposed to this monument, with only 3 in favor. The Governor of my State has written each of you on behalf of my bill. Senator O'MAHONEY and Senator ROBERTSON appeared before our committee and endorsed my bill without reservation. The hearings disclosed that, when Rockefeller acquired this land, it was clearly understood and officially stated that congressional action would be necessary to add it to the na-

tional-park system. But Congress listened to the will of the people of Wyoming and declined again and again to give its sanction to this proposal.

The issue here today is simply this: Shall we permit Mr. Ickes to pervert the old antiquities law and use it as a means to override the will of the Congress, and to seize by proclamation and subterfuge vast acreage which Congress had refused to give him by legal means? Shall we permit him to usurp the power of the Congress of the United States, or shall we, as the Representatives of the people of thi Nation, stand up for an orderly system of government by law?

I submit to you, my colleagues, that the conclusion is irresistible that in fairness to the people of Wyoming this Congress should courageously take such action as will show in unmistakable terms its unequivocal disapproval of the attempt of Mr. Ickes to force his will, not only upon the Congress, but also upon the people of the sovereign State of Wyoming.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, be, and the same is hereby, abolished, and the area embraced within and constituting said Jackson Hole National Monument, being a part of the Teton National Forest, be restored to its status as a part of the said Teton National Forest.

With the following committee amendment:

Page 1, line 5, after the word "abolished", strike out the balance of the bill.

The committee amendment was agreed to.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no interest in this proposed legislation other than the interest of every American who is interested in all the business of government. However, as a representative of the people I do have an interest in this legislation that far transcends the question as to whether or not Grand Teton is the most scenic place in the world or whether we should add some additional land to that national park.

I have taken this time in order to be straightened out if the chairman of the committee or someone else can do so as to the fundamental question herein involved. I rose to ask the chairman a question when he was speaking, but he did not have time to answer it; therefore, I want to ask it now. Does the chairman of the committee who is opposing the present bill conceive of any legal difference between a national park and a national monument?

Mr. PETERSON of Florida. Yes.

Mr. KEEFE. Will the gentleman state what that difference is?

Mr. PETERSON of Florida. So far as national parks are concerned, the national park boundaries are fixed by the Congress under the National Park Act. A national monument is one of those things that ofttimes do not come actually to the dignity of an act, but is established by a proclamation of the President under the Antiquities Act as passed by the Congress.

Mr. KEEFE. The gentleman has answered the question, and I am very glad the gentleman has answered it as he has.

Mr. FERNANDEZ. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I would like to answer part of the gentleman's question. There is also this difference with respect to a national park: The Congress can set it aside and with respect to a monument the President may at any time revoke it if he does not want to continue it as a monument.

Mr. PETERSON of Florida. Will the gentleman yield further?

Mr. KEEFE. I yield to the gentleman from Florida.

Mr. PETERSON of Florida. In the matter of administration, generally they do not allow bathing in parks, whereas in monuments they allow bathing, in a number of instances the chopping of wood, and all that sort of thing.

Mr. MOTT. Will the gentleman yield so that I may ask the gentleman a question which may clear up a question which the gentleman from Wisconsin has asked?

Mr. KEEFE. I yield to the gentleman from Oregon.

Mr. MOTT. May I ask the chairman if it is not a fact that the sole reason for the creation of Jackson Hole National Monument is the extension of Grand Teton National Park?

Mr. PETERSON of Florida. I would not necessarily say the extension, but to actually protect the approaches to the park, prevent unsightly buildings, prevent the rivers from being polluted, and also assist in preventing the destruction of the great elk herd there.

Mr. MOTT. And not for any purposes recited in the Antiquities Act.

Mr. PETERSON of Florida. The Antiquities Act is sufficiently covered by reason of its geological structure and its scenic beauty there.

Mr. KEEFE. Mr. Chairman, in view of these interruptions, I ask unanimous consent that I be given 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is there a single doubt in the chairman's mind, after listening to all of this evidence, that the creation of this national monument in the manner in which it was created, was intended to extend the boundaries of the Yellowstone National Park and connect it up with the Teton National Forest?

Mr. PETERSON of Florida. Not to extend the boundary of the park, but to provide a protective area. That is done in many instances.

Mr. O'CONNOR. Every single bit of testimony points that way.

Mr. KEEFE. The point that impresses me in connection with this little discussion that has now taken place is that it appears quite clear and certain that this monument is sought to be established for the purpose of extending Grand Teton National Park as a park or to extend it so as to protect the approaches to that park, using the language of the chairman of the committee.

After reading the law that is applicable to the situation I cannot conceive how any Member of Congress can vote against this legislation, in view of very clear and manifest abuse to which the Antiquities Act is being put in order to create this monument. Let us turn to the act. Section 2 provides:

That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments.

I have not heard one single word on the floor of this House that would indicate that there was a single thing in this proposed extension or this proposed monument that would qualify it under the plain provisions of the law. It is perfectly obvious to me that when the National Park Act was passed the right to create a national park or to extend a national park was vested entirely in the Congress of the United States and that this Antiquities Act was passed for the very purpose recited in the language of the act, to permit by Presidential proclamation the acquisition and protection of things of historic interest or historic landmarks or other objects of historic or scientific interest.

There has not been a word of justification—and I have listened to every argument of those who oppose this bill—for the issuance of this Executive decree upon the basis stated in the order, namely, the very first line:

Whereas the area in the State of Wyoming known as the Jackson Hole country, including that portion thereof which is located in the Teton National Forest, contains certain historic landmarks and other objects of historic and scientific interest that are situated upon lands owned or controlled by the United States.

What are the historic landmarks? What are the objects of historic or scientific interest that are referred to in the Presidential proclamation making this a national monument? There is not a word from those in opposition to this bill here on the floor that indicates a single thing of historic interest or scientific interest located upon these lands.

The gentleman from Georgia [Mr. PETERSON] made a very oratorical speech in which he pictured the wonders and glories of this addition as a national park. Were he here supporting a bill to extend Grand Teton National Park, his speech and the remarks he then made would have been pertinent. The speech he made is entirely irrelevant to the question which is now before the House. The question is, Shall we permit the Secretary or the President or anyone

else to use the Antiquities Act as a subterfuge for defeating the expressed will of the Congress, which has been expressed legislatively upon two separate occasions? Because I cannot submit to that sort of subterfuge, I shall be compelled to vote for and support the bill of the gentleman from Wyoming.

Mr. DWORSHAK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I shall give my support to the bill sponsored by the gentleman from Wyoming. I desire at this time to add the voice of the people of Idaho in support of that legislation. I wish to point out one aspect which has been entirely overlooked in this debate.

In this area lies Jackson Lake, embracing about 25,000 acres. Jackson Reservoir, which was built about 30 years ago by the Federal Bureau of Reclamation, impounds almost 1,000,000 acre-feet of stored water, which goes down the Snake River to give the lifeblood to many thousands of acres of the arid and semiarid land in the Snake River Valley in eastern Idaho.

Nothing has been said about the administration of that particular area of almost 200,000 acres which, prior to the Presidential proclamation, were embraced within the Teton National Forest.

You who do not live in the West probably are not aware of the fact that there is a vast difference in the administration of national parks and monuments, and national forests. Within the boundaries of national forests there may be conducted lumbering and mining activities, livestock grazing, and reclamation development, which are of vital importance to the people of the West. The great Forest Service of our Federal Government has been administering this acreage for many years. There has been no criticism whatever. That point has been overlooked. Why should the President by this proclamation deprive the Forest Service of the authority vested in that Federal agency for many years to administer and supervise that acreage so efficiently?

Mr. PETERSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. DWORSHAK. I yield to the gentleman from Florida.

Mr. PETERSON of Florida. Is the gentleman familiar with the fact that both President Wilson and President Coolidge withdrew quite a large amount of this land from entry a number of years ago in order to work toward placing it in a monument or in the park?

Mr. DWORSHAK. That has nothing to do with this particular bill.

If this bill does not pass, then the National Park Service will have supervision over this acreage. What is there to give assurance to thousands of farmers in Idaho that the water line of Jackson Lake will not remain static and the interests of reclamation thus be jeopardized? There has been solicitude by some of the Members that we should have some measure of conservation; but should these reclamation interests be ignored?

There may be some reason for some readjustments, but should not the people of the great State of Wyoming and the great State of Idaho having their interests in that project be accorded the right to determine what shall be done, instead of subjecting them to the arbitrary will of the executive department?

When this proclamation was issued by the President there had been no conference whatsoever with the Governor of the State of Wyoming, or with the members of the Wyoming delegation in Congress. If there should be changes in the administration of the acreage formerly embraced in the Teton National Forest, then I submit to you that the people of those States who are directly concerned should have an opportunity for a hearing. They have in the past demonstrated their opposition to any such changes; but if there are to be changes, then I contend the people who have these direct interests should be given some consideration before Presidential decrees like that issued last year are to be made.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DWORSHAK. I yield briefly.

Mr. SHORT. Should not Members also bear in mind this distinction, that national parks are composed of large areas whereas national monuments are usually composed of small areas? Under the Antiquities Act the President has the authority to acquire only small areas. As the chairman of the committee has referred to the George Washington Carver Memorial established in my district in southwest Missouri, the Government took only 200 acres of land which the people of Missouri wanted the Government to take, but here the Government proposes to take 221,000 acres of land, which is by no means a small area, and which is opposed by the citizens of the sovereign State of Wyoming.

Mr. DWORSHAK. Mr. Chairman, it is very obvious this proclamation is a subterfuge to enlarge the boundaries of the Teton National Park.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROBINSON of Utah. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not think there is any such hurry about this matter that we can just be stampeded. I call the attention of the Members to this fact, as a matter of legal significance: One administration passed a law giving the Executive or the President the right to do something. That is, to set aside national monuments. Then when the President does set aside a national monument another administration, which happens to be a Democratic administration, and remember this is a law which was passed by a Republican administration, comes in and repeals the very thing that the previous administration told the President to do. I do not know whether that is correct procedure or whether it is even constitutional, or whether it can be done legally. If the President has exceeded his authority and set aside something that should not be set aside as a national monument, the people that are affected can go into the courts. That is exactly what the people of Wyoming have done. They have gone into the court with this proposition and asked that the Presidential order be set aside. If the conditions are such as some of the people would lead us to believe, such as the gentleman from Wisconsin [Mr. KEEFE] and others, then, of course, the courts will set this order aside. Coming down to the bill before us, the only thing it does is to ask us to set aside the Presidential order. That is the whole story. Why should we do that? A part of your committee at least has gone into this area. A part of the Congress has gone into the area and said that this is the most beautiful area in the world and that the present order should stand as it is. Others have said it is sagebrush. Whom are you going to rely on? It seems to me if we approach this problem we should at least do this, we should come to the Congress with a bill that will do the things we want done.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. No; I do not yield.

If the gentleman from Wyoming were sincere in this matter he would come to the Congress with a bill and say, "We want this much land set aside; not the amount set aside by Presidential order. We want cattle to have the right of running on the land," if that is prohibited by the order issued by the President.

We want this, that, and the other thing done, and we want it done by an act of Congress. When the gentleman comes with that kind of a bill I think the Congress should consider it and would then maintain its control as advocated by the proponents of this bill.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. No; I will not yield. But, when the author of the bill comes to Congress and says, "The administration, under the leadership of the Republican Party, passed a bill giving the President the right to set aside monuments, but now a Democratic President has set aside a monument that does not suit me, and, therefore, I want the Congress to rescind that Presidential order," that is not, as I understand it, the way that Congress should or ordinarily does proceed. We are just out of order. As far as I am concerned, I would be willing to consider the repeal of the entire Antiquities Act, but I am not willing to say to any President, after we have given him the right to do something and he has exercised that right, "Now that you have done that I am going to repeal the very thing we told you to do." It seems to me that is not what we should do as Members of this House.

Therefore, I hope this Congress will not get stampeded by a proposition such as is now before it.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. FERNANDEZ. Mr. Chairman, I have an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: After the end of the first section add another section as follows:

"SEC. 2. That section 2, of the act entitled 'An act for the preservation of American antiquity, approved June 8, 1906 (34 Stat. 225, U. S. C., title 16, sec. 431.),' be, and the same is hereby, amended by adding at the end of said section the following words: '*Provided, however,* That any proclamation hereafter made under authority of this act shall not become effective until approved by act of Congress if the lands embraced within or reserved as a part of the national monument created thereby exceed 10,000 acres in area.'"

Mr. PETERSON of Florida. Mr. Chairman, I make a point of order against the amendment that the amendment is not germane to the bill before the House.

Mr. FERNANDEZ. Will the gentleman reserve his point of order?

Mr. PETERSON of Florida. At the request of the gentleman from New Mexico I reserve the point of order.

Mr. MOTT. Well, Mr. Chairman, I shall make the point of order unless the gentleman confines his remarks to the point of order. That is what he rose for and that is all he can legitimately argue about. If he wants to argue for or against the bill, I shall object. If he desires to contend that his amendment is in order, I will not object.

The CHAIRMAN. Permit the Chair to interrogate the gentleman from Oregon. Does the Chair understand that the gentleman from Oregon objects to the gentleman from New Mexico proceeding to a discussion of his amendment.

Mr. MOTT. Mr. Chairman, I withdraw the objection. If the gentleman wants to discuss an amendment that is clearly out of order, then I am willing to withdraw the objection.

Mr. FERNANDEZ. Mr. Chairman, of course, I could not discuss the amendment without discussing the bill.

I am from New Mexico. Approximately 45 percent of our lands in that State are owned by the Federal Government. When this bill came to Congress I was sympathetic toward it. The cattlemen of my State, the officials of the association there, are also sympathetic with the bill, in principle. But after we had heard the testimony on this bill in the committee, in all fairness I could not support the bill. If we are going to cure the situation at which this bill is directed, then the way to do it is either to repeal the Antiquities Act or let us amend it so that the President cannot take large parcels of land and create them into national monuments by Executive order.

During the debate it has been made to appear that this particular matter had been before Congress and been rejected. The record of the hearings shows clearly that the Congress never has passed upon it, and I am going to point out on page 73 of the record the fact that Senator Carey, of Wyoming, after the lands were purchased by Mr. Rockefeller, introduced a bill creating this as a park by extending the Teton Park to include this. That bill went before the Senate Committee on Public Lands, was reported out favorably, and in the report on that bill this was said:

The passage of this bill will include in the national park system a beautiful scenic area. It will bring about the proper development of the Grand Teton National Park. It will permit Mr. Rockefeller to donate to the United States land which has cost him over a million and a half dollars, and will add to lands already owned by the Biological Survey—lands which are necessary for protection of the largest elk herd in the United States. It will be of inestimable value to the citizens of Teton County, Wyo.—

And so on. The Senate passed the bill, and it came to the House and was referred to the Committee on Public Lands of the House. The Committee on Public Lands reported it out favorably, but on that very day the Congress adjourned, and the bill could not be reached for consideration. At a later session another bill was introduced in the Senate, and the Department of the Interior itself asked that it be held up until provision could be made for the payment of revenue in lieu of taxes on the land that would be taken from the tax rolls. The bill was held up and never acted upon, and the hearings show that never at any time has any committee of the Senate or the House or the Congress itself passed unfavorably on any bill to extend the park.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. BREHM. Is it not true that the issue facing us is whether the Antiquities Act, which gives the President the right to create national monuments, is now being used to create national parks? That is the issue, is it not?

Mr. FERNANDEZ. That is the only issue.

Back in 1922 and 1923 people from the State of Wyoming were asking that this be put into a national park; not only that, but the record shows that in 1922 they raised a fund of $2,000 to interest people in the East to buy the privately owned land to put it in the park. Later on Mr. Rockefeller came out, looked at the land, and in 1926, the record shows, he was there and was very much impressed, so much so that he decided to put up the money to buy it. That was in the hard days of 1922 to 1925. The people of that area requested it. The President merely completed what had been started.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. O'CONNOR. I ask unanimous consent that the gentleman from New Mexico may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question?

Mr. FERNANDEZ. I yield.

Mr. O'CONNOR. I have had the honor and privilege of serving on two committees with the distinguished gentleman now addressing the House. I regard him as one of the best lawyers in this House.

Mr. FERNANDEZ. I thank the gentleman.

Mr. O'CONNOR. I wish to propound this question to the gentleman: Does the gentleman believe the President, by executive authority, had any right under what is known as the Antiquities Act to make what we who have examined the property know to be nothing more than an addition to the Teton Park or the Yellowstone National Park?

Mr. FERNANDEZ. I will be frank and say "Yes"; this is indirectly an extension of the park for which the owners bargained; furthermore, I will be frank and say that I have my doubts that the President has the right technically to do that very thing; but it has been done several times in the past. The courts are now determining the question of whether or not he had the right and, as I understand it, hearings have already been had on this matter and the courts will pass upon it. As I said Friday, if we pass this bill we will encroach upon the prerogatives of the courts and will go in there and decide the case for the courts when they are passing upon the matter.

If this bill needs to be passed it can be passed next year. There is no hurry about it. If it becomes necessary, it can be abolished at any time. The President himself can abolish it or the Congress can abolish it. I do not see any hurry about it.

It has been made to appear that there was great secrecy about it, that there has been a conspiracy to buy this land. As a matter of fact, when Mr. Rockefeller decided to buy the land he had to go about it in that way. He had to organize a land company, otherwise he could not have bought it—the prices would have gone up. I suspect that one of the reasons why there is this opposition is because some out there were not able to sell at a high price. My amendment would take care of the future. Without it we only slap down one act among many such heretofore taken by the Executive.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PETERSON of Florida. Mr. Chairman, I move that all debate on this bill and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. Does the gentleman from Florida insist on his point of order?

Mr. PETERSON of Florida. I understood the Chair sustained the original point of order.

The CHAIRMAN. The Chair has not yet ruled on the point of order.

Mr. PETERSON of Florida. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. Does the gentleman from New Mexico desire to be heard on the point of order?

Mr. FERNANDEZ. No, Mr. Chairman. I have my doubts that it is in order.

The CHAIRMAN. The Chair is ready to rule.

The bill (H. R. 2241) presently before the Committee refers to a very limited subject, applying only to the Jackson Hole National Monument and not to monuments generally. The amendment proposed by the gentleman from New Mexico [Mr. FERNANDEZ] proposes to amend section 2 of an act for the preservation of American antiquities, approved June 8, 1906, as amended, an act

which applies generally in its scope to monuments. It is, therefore, not germane to the bill H. R. 2241. The Chair sustains the point of order made by the gentleman from Florida [Mr. PETERSON].

The Chair now recognizes the gentleman from Connecticut [Mr. COMPTON].

Mr. COMPTON. Mr. Chairman, I want to read a telegram I have just received from a prominent citizen of the State of Connecticut. The telegram is addressed to me and reads as follows:

BRIDGEPORT, CONN., *December 9.*
Congressman RANULF COMPTON,
House Office Building:

Hope you will support House bill 2241 to prevent seizure of Jackson Hole by unjust and arbitrary Government action. As one deeply interested in the public forest and park movement and devoting a large part of my time to it as chairman of the Connecticut State Park and Forest Commission, I am opposed to the methods used in this case. As tending to bring the whole movement into disrepute and to arouse bitter and unnecessary opposition to it.

GEORGE C. WALDO.

Mr. Waldo, as indicated in his telegram, is chairman of the Connecticut State Park and Forest Commission. He is editor of the Bridgeport (Conn.) Post-Telegram and is known as a very prominent Democrat in the State of Connecticut.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. WHITE.]

Mr. WHITE. Mr. Chairman, before we close this debate may I point out the fact that this land in green is in the national park and in Government management. It is closed to settlement and used to graze game and anything that public land can be used for. May I call your attention further to the fact that no matter how much coal or oil is lying under that ground, the minute it is closed as a park it is closed for any use whatever except park purposes.

May I call your attention further to the fact that the people of the county and the great State of Wyoming will lose any taxable revenue the minute that the land goes into the park. They have a big stake in the land continuing in private ownership. Even though Mr. Rockefeller should own it, he will have to pay taxes like everybody else. There is the further fact that all this Grand Teton National Park area that we are talking about, its beauty and the majesty of its mountains, is now in the Government park and subject to Government protection and accessible to anybody who wants to view it. May I also call attention to the fact that this area is the source of the water that irrigates vast areas of densely settled Idaho lands, which are intensely cultivated. If this area is placed in a park, you are forever stopped from increasing the water supply by raising the dam, store additional water in that area, and the use of that water.

I hope the Members will support the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, today we are faced with a fundamental issue. The question before this body is whether or not the mandate of two Congresses shall be carried into effect. That is the only question before us; when Congress in 1929 and in 1938 sent committees out to Wyoming to investigate this matter, whether or not their recommendations should be carried out and the Executive order set aside as proposed in this bill.

Let us see what some of the other Departments have in mind. May I read what Mr. Lyle F. Watts said on what the United States Forest Service is attempting to do. They are trying to get more and more land into the hands of the Government. Here is what Mr. Watts who is Chief of the United States Forest Service said in Indianapolis, Ind., on December 13, 1943:

Within the borders of national forests and purchase units already established are 50,000,000 acres of private land; of these some thirty-six million acres should be acquired by the public * * * 50,000,000 acres outside of existing national forests and purchase units should be given national forest status. For perhaps another 50,000,000 acres, State or community ownership seems desirable.

You know what we did when the Farm Security Administration acquired entirely too much land? The Congress said, "You must liquidate." The particular question we are to decide is whether or not 221,000 acres of land should be included as a monument in the State of Wyoming. It is time to call a halt before it is too late and while we still have the system of private enterprise in this country. What are all of our States and schools and municipalities going to do? Where are we going to get the taxes to operate local institutions when today there are 196,300,000 acres of land owned by the Government of the United States, an area as large as 16 States on the eastern seaboard. This land is tax-free. Now they want more land. I say it is time to call a halt.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. ROWE].

Mr. ROWE. Mr. Chairman, I am puzzled by one situation that presents itself here. It seems to me that this section known as the Grand Teton National Park with 98,000 acres was created by an act of Congress as a national park. Then contiguous thereto is the area known as Jackson Hole which has been created as a national monument by an Executive decree of the President. Now they become one and the same thing. If by Executive decree the Grand Teton National Park has been made a part of the national monument, then the act of Congress creating that national park has been nullified. If, on the other hand, the Jackson Hole Monument has been made a part of the Grand Teton National Park, then it seems to me that by the decree extending the national park you have nullified or abrogated any right of the Congress to create a national park. The very nature of the situation indicates clearly that in the establishment of the Jackson Hole Park as a national monument, such expansion of Executive power was not intended under the Antiquities Act, or else the national monument should have been included at the time Grand Teton National Park was created.

Mr. PETERSON of Florida. Mr. Chairman, yesterday after all the time on this side in general debate had been allotted, the gentleman from Oklahoma [Mr. JOHNSON] asked me for time and I suggested that he speak under the 5-minute rule today, which he intended to do. However, he was not in the Chamber when the time for debate on the bill was limited, so, in order to be fair to him, I ask unanimous consent that he be permitted to address the Committee for 5 minutes at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, let me say at the outset that I am supporting the pending bill that, if enacted by the Senate, will forever settle the Jackson Hole controversy in the State of Wyoming. I am supporting the bill primarily because it was introduced and sponsored by the gentleman from Wyoming [Mr. BARRETT] who represents the area involved. He is not a member of my political party but he was sent here by a sizeable majority by the sovereign voters of the State of Wyoming who knew his position on this controversy. To me the rights of the people of Wyoming cannot be laughed off or ignored by this Congress if we actually believe in the rule of the people.

Permit me to add that I have served for many years in this Congress with the distinguished chairman of the Public Lands Committee, the gentleman from Florida [Mr. PETERSON]. It is well known that I have a high regard and sincere affection for him. He is one of the ablest Members of this House. If the tables were turned and an effort was being made by the Secretary of the Interior, by the Public Lands Committee or any other committee of the Congress to force upon the gentleman from Florida or the people of his State a park or monument, that neither he nor his people desired, I would be forced to take the same position. This question goes far deeper than the mere establishment of a so-called historic monument or the taking of a third of one county from the tax rolls of the State of Wyoming. There is a principle involved that can not be overlooked, sidestepped, or ignored. The paramount question involved here is whether or not the Secretary of the Interior, through subterfuge, can circumvent the expressed will of Congress.

Many of you are familiar with the history of Jackson Hole. A goodly number of you have visited the area as I have. You know that the lands involved lie adjacent to and directly east of the Grand Teton National Park, the boundaries of which were agreed upon by citizens of Wyoming after extended hearings years ago and after a committee of the Congress visited that area. You are aware also of the fact that a national park cannot be established or even extended without an act of Congress. In order to get around this difficulty the Interior Department dug up an old law passed by Congress in 1906, which enabled the establishment of this area as a national

monument without specific approval by the Congress.

In supporting this bill at this time I desire to call your attention to the fact that there are 432,592,260 acres of Federal land west of the Mississippi River. This comprises approximately 32 percent of all the land in this entire area. That, of course, means that 32 percent of the land is nontaxable. Yet, despite that fact, there is a persistent demand on the part of the Department of the Interior to bring in new land under its jurisdiction and, of course, its supervision. It is needless for me to tell you that every time a new monument or an alleged monument is added to the already long list of national monuments that it increases the overhead and adds to our national burden. At this time, when we need every acre of grass or agricultural land to feed our own armies and help feed our allies, it is utterly foolish to establish areas like Jackson Hole as a national monument under the pretext that it has some historic value.

You will recall that a few years ago an effort was made to establish an historic site out of some 200 acres, most of which was swamp and cut-over land in the great State of Virginia, merely, it was discovered, that Patrick Henry had lived on one corner of the estate involved. I opposed the effort of the Department of the Interior then and the item was eliminated from the bill. Other such instances could be given to show the growing tendency of the Department of the Interior to establish monuments and historical sites.

It occurs to me that it might be of interest to Members of this House to know that there are now 169 areas consisting of national parks, monuments, and other areas that comprise a total of approximately 22,597,000 acres now under the jurisdiction of Interior Department. Not one of these acres is on the tax rolls of the State or Nation. And still, they are clamoring for more and more. I agree wholeheartedly with the gentleman from Arkansas [Mr. GATHINGS] that the time has come to call a halt to this mad scramble for more and more territory to extend the jurisdiction of the Interior Department.

I realize full well that a concerted effort is being made on both sides of this aisle to make a political issue out of the pending bill. I deeply regret that anyone should desire to make a partisan political issue out of a matter of this kind. I know that my Democratic brethren will be called upon to condone what has been done or attempted to be done because of the fact that the President was imposed upon to the extent of signing the Executive order which was initiated and no doubt presented to him by the Secretary of the Interior. I yield to no one in my respect and sincere affection for the President of the United States. But we all know that he does not have time to go into the merits or demerits of many things that are presented to him during these hectic and trying wartime days.

Mr. ROBINSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Utah.

Mr. ROBINSON of Utah. If it is not a political issue, then what is the issue?

Mr. JOHNSON of Oklahoma. Let me say to my good friend from Utah that I stated a moment ago that an effort is being made here to make a political issue out of a measure that should not be decided on political grounds. It is too serious a matter to be kicked around and have made of it a political football.

Mr. ROBINSON of Utah. I agree that it should not be, but when you try to set aside an Executive order of the President, when Congress has already given him authority to make that order, is there anything in it but a political issue?

Mr. JOHNSON of Oklahoma. Oh, yes; if the gentleman had heard my opening statement I feel confident he would agree that there is a principle involved here of vastly greater importance than mere partisan politics.

Mr. ROBINSON of Utah. What is it?

Mr. JOHNSON of Oklahoma. I shall be glad to repeat what I stated in the outset. The paramount question for this House to decide today is whether or not the astute and ambitious Secretary of Interior shall be permitted by subterfuge to bypass or circumvent the expressed will of the Congress.

Now, since a concerted action is being made to line up members of my party in this House against the pending bill on political grounds only, let me remind the distinguished gentleman from Utah that the Democratic Governor of Wyoming is bitterly opposed to the establishment of the so-called historical monument of Jackson Hole. Wyoming's Governor strongly favors the passage of the pending bill. The very distinguished Democratic Senator from the State of Wyoming placed a prohibition in the 1944 appropriation bill providing funds for the Department of Interior, and again in the 1945 bill, against using any of such funds to administer the so-called Jackson Hole Monument. That is my answer to the gentleman from Utah; that should be sufficient evidence this is not in fact a partisan political question. If it were a partisan question, however, and I felt that Democratic officials, high or low, had made a mistake, as is the case here, then my answer would be, Why not frankly and honestly admit the mistake rather than attempt to condone a thing that no one can with good grace seriously defend?

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. In closing, let me merely state I sincerely hope that gentlemen on the Democratic side of the aisle will not be stampeded into voting against this bill merely because of purely political considerations. If I know anything about the principles of the Democratic Party it stands for the rule of the people. The people of Wyoming have spoken. There is no question about the attitude of the people of that State or the citizens of the Jackson Hole area. Unless Congress takes a firm and definite action on this bill, it may be your State or district next. The dignity of this House is at stake. If the expressed will of Congress can be circumvented in this instance, what assurance do we have that the same thing would not occur in other States and, perhaps on a larger scale? Again I say it is time to call a halt. Let us pass the pending bill and settle this unfortunate controversy once and for all time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PETERSON of Florida. Mr. Chairman, you have heard detailed discussion on this bill. I want to remind the committee in the closing minutes of this debate that this land was Federal land before the State was created and that the repeal of the Executive order leaves high and dry, so to speak, land, some of which was originally in the Reclamation Service, part in the Forest Service, and part in the Fish and Wildlife Service. This bill does not work out any solution. There is a solution that can be worked out and which can be worked out by this Congress. I have given it thought. There is a bill which I have introduced for the purpose of working out the problem, providing for driveways, providing for reimbursement of taxes. When I talk about taxes, many of the Members know that the funds received on the Yellowstone National Park, which was a park before there was the State of Wyoming, run approximately $150,000 to the State of Wyoming. The Antiquities Act is broad. The wording of the Antiquities Act contains, among other language, the following:

> Objects of historical or scientific interest that are situated upon the land as well as historic landmarks and prehistoric structures.

The Congress has repeatedly recognized proclamations taking in much larger areas, and they have recognized proclamations which made national monuments, such as the Grand Canyon, which subsequently became a national park. Let us not be swept away by prejudices against Mr. Ickes. Let us reason this thing out and work this out in an orderly way. I believe that with the help of your fine committee we can work it out.

The CHAIRMAN. The time of the gentleman from Florida has expired.

All time has expired. Without objection all pro forma amendments will be withdrawn. Under the rule the Committee will arise.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and pursuant to House Resolution 57, he reported the bill back to the House, with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question now is on the passage of the bill.

Mr. PETERSON of Florida. Mr. Speaker, I ask that the vote be taken by division.

The House divided and there were—ayes 143, noes 51.

Mr. PETERSON of Florida. Mr. Speaker, I object to the vote upon the ground that there is no quorum present, and make the point of order that there is no quorum present.

The SPEAKER. The count discloses the absence of a quorum. This is an automatic call. The Clerk will call the roll.

The question was taken; and there were—yeas 178, nays 107, answered "present" 1, not voting 142, as follows:

[Roll No. 124]

YEAS—178

Abernethy	Gillette	Murray, Tenn.
Allen, Ill.	Gillie	Murray, Wis.
Allen, La.	Goodwin	Norman
Andersen, H. Carl	Gossett	O'Brien, N. Y.
Anderson, Calif.	Graham	O'Connor
Andrews, Ala.	Griffiths	O'Hara
Angell	Gross	Phillips
Arends	Gwynne	Plumley
Arnold	Hale	Poulson
Auchincloss	Hall, Edwin Arthur	Powers
Baldwin, Md.	Hancock	Ramey
Barrett	Harless, Ariz.	Rankin
Bennett, Mich.	Harris	Reed, Ill.
Bennett, Mo.	Heidinger	Reed, N. Y.
Bishop	Herter	Rees, Kans.
Bolton	Hess	Rivers
Boren	Hill	Robsion, Ky.
Bradley, Mich.	Hoeven	Rockwell
Brehm	Hoffman	Rodgers, Pa.
Brown, Ohio	Holmes, Mass.	Rogers, Mass.
Buffett	Holmes, Wash.	Rohrbough
Burdick	Hope	Rowe
Butler	Howell	Sauthoff
Canfield	Hull	Schwabe
Carlson, Kans.	Jenkins	Scrivner
Carrier	Jennings	Short
Carson, Ohio	Jensen	Simpson, Ill.
Carter	Johnson, Anton J.	Simpson, Pa.
Case	Johnson, Calvin D.	Smith, Ohio
Chiperfield	Johnson, Ind.	Smith, Wis.
Church	Johnson, Okla.	Springer
Clason	Jones	Stanley
Clevenger	Jonkman	Starnes, Ala.
Cole, Mo.	Kearney	Stevenson
Cole, N. Y.	Keefe	Stewart
Compton	Kinzer	Stigler
Cox	Kleberg	Stockman
Cravens	LaFollette	Sullivan
Crawford	Larcade	Sumner, Ill.
Cunningham	LeFevre	Sundstrom
Curtis	Lemke	Talbot
Day	McConnell	Talle
Dirksen	McCowen	Thomas, Tex.
Disney	McKenzie	Tibbott
Domengeaux	McMillen, Ill.	Tolan
Dondero	Maas	Towe
Dworshak	Manasco	Troutman
Eaton	Martin, Iowa	Vorys, Ohio
Elliott	Martin, Mass.	West
Ellis	Mason	White
Ellsworth	Merrow	Whitten
Engel, Mich.	Michener	Wigglesworth
Fellows	Miller, Mo.	Willey
Fish	Miller, Pa.	Wilson
Fisher	Monkiewicz	Winter
Fuller	Morrison, La.	Wolcott
Gathings	Mott	Wolverton, N. J.
Gavin	Murray, Tenn.	Woodruff, Mich.
Gilchrist	Murray, Wis.	Worley
Gillespie	Norman	Wright

NAYS—107

Barden	Granger	Miller, Conn.
Beckworth	Grant, Ala.	Mills
Bell	Gregory	Monroney
Bloom	Hall, Leonard W.	Mundt
Bonner	Hare	Murdock
Brown, Ga.	Hays	O'Brien, Ill.
Bryson	Hobbs	O'Brien, Mich.
Buck	Hoch	O'Konski
Bulwinkle	Holifield	O'Neal
Burch, Va.	Izac	O'Toole
Byrne	Jackson	Outland
Camp	Jarman	Pace
Cannon, Mo.	Johnson, J. Leroy	Patton
Chapman	Johnson, Luther A.	Peterson, Fla.
Cochran	Johnson, Lyndon B.	Poage
Coffee	Kean	Priest
Colmer	Kefauver	Ramspeck
Cooley	Kelley	Randolph
Cooper	Kerr	Richards
Crosser	King	Robertson
D'Alesandro	Kee	Robinson, Utah
Dawson	Kunkel	Sasscer
Delaney	Lanham	Sheppard
Dickstein	Lea	Snyder
Dilweg	LeCompte	Spence
Dingell	Lesinski	Sumners, Tex.
Doughton, N. C.	Ludlow	Tarver
Drewry	McCormack	Thomason
Durham	McMillan, S. C.	Vincent, Ky.
Eberharter	McMurray	Vinson, Ga.
Feighan	Madden	Voorhis, Calif.
Flannagan	Mahon	Walter
Folger	May	Weaver
Forand	Merritt	Weiss
Furlong	Miller, Nebr.	Whittington
Gamble	Morrison, N. C.	Wickersham
Gordon	Mruk	Zimmerman

ANSWERED "PRESENT"—1

Fernandez

NOT VOTING—142

Anderson, N. Mex.	Gifford	Peterson, Ga.
Andresen, August H.	Gorski	Pfeifer
Andrews, N. Y.	Grant, Ind.	Philbin
Baldwin, N. Y.	Halleck	Pittenger
Barry	Harness, Ind.	Ploeser
Bates, Ky.	Hart	Pracht, C. Frederick
Bates, Mass.	Hartley	Pratt, Joseph M.
Beall	Hébert	Price
Bender	Heffernan	Rabaut
Blackney	Hendricks	Reece, Tenn.
Bland	Hinshaw	Rizley
Boykin	Horan	Rolph
Bradley, Pa.	Jeffrey	Rooney
Brooks	Johnson, Ward	Rowan
Brumbaugh	Judd	Russell
Buckley	Kennedy	Sabath
Burchill, N. Y.	Keogh	Sadowski
Burgin	Kilburn	Satterfield
Busbey	Kilday	Scanlon
Cannon, Fla.	Kirwan	Schiffler
Capozzoli	Klein	Scott
Celler	Knutson	Shafer
Chenoweth	Lambertson	Sheridan
Clark	Landis	Slaughter
Costello	Lane	Smith, Maine
Courtney	Lewis	Smith, Va.
Curley	Luce	Smith, W. Va.
Daughton, Va.	Lynch	Somers, N. Y.
Davis	McCord	Sparkman
Dewey	McGehee	Stearns, N. H.
Dies	McGregor	Stefan
Douglas	McLean	Taber
Ellison, Md.	McWilliams	Taylor
Elmer	Magnuson	Thomas, N. J.
Elston, Ohio	Maloney	Torrens
Engle, Calif.	Mansfield, Mont.	Treadway
Fay	Mansfield, Tex.	Vursell
Fenton	Marcantonio	Wadsworth
Fitzpatrick	Merritt	Ward
Ford	Miller, Nebr.	Wasielewski
Fulbright	Morrison, N. C.	Weichel, Ohio
Fulmer	Mruk	Welch
Gale	Murphy	Wene
Gallagher	Myers	Whelchel, Ga.
Gearhart	Newsome	Winstead
Gerlach	Norrell	Wolfenden, Pa.
Gibson	Norton	Woodrum, Va.
	Patman	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Judd for, with Mr. Merritt against.

Mr. McWilliams for, with Mr. Somers of New York against.

Mr. Rizley for, with Mr. Gifford against.

Mr. Talbot for, with Mr. Heffernan against.

Mr. Chenoweth for, with Mr. Fernandez against.

Mr. Mansfield of Montana for, with Mr. Burchill of New York against.

Mr. McGehee for, with Mr. Celler against.

Mr. Horan for, with Mr. Buckley against.

Mr. Curley for, with Mr. Fitzpatrick against.

Mr. Vursell for, with Mr. Sheridan against.

Mr. Rolph for, with Mr. Fay against.

Mr. Norrell for, with Mr. Rooney against.

Mr. Weichel of Ohio for, with Mr. Cannon of Florida against.

Mr. Fenton for, with Mr. Kennedy against.

Mr. Wolfenden of Pennsylvania for, with Mr. Capozzoli against.

Mr. McGregor for, with Mr. Hendricks against.

Mr. Ploeser for, with Mr. Keogh against.

Mr. Knutson for, with Mr. Pfeifer against.

Mr. Elston of Ohio for, with Mr. Lynch against.

Mr. Halleck for, with Mr. Torrens against.

Mr. Elmer for, with Mr. Klein against.

Until further notice:

Mr. Rabaut with Mr. Taylor.

Mr. Maloney with Mr. Stefan.

Mr. Peterson of Georgia with Mr. Hartley.

Mr. Bland with Mr. Wadsworth.

Mr. Kirwan with Mrs. Luce.

Mr. Slaughter with Mr. Thomas of New Jersey.

Mr. Lane with Mr. Kilburn.

Mr. Courtney with Mrs. Smith of Maine.

Mr. Boykin with Mr. Lewis.

Mr. Gibson with Mr. August H. Andresen.

Mr. Wasielewski with Mr. Shafer.

Mr. Clark with Mr. Baldwin of New York.

Mr. Barry with Mr. Reece of Tennessee.

Mr. Daughton of Virginia with Mr. Beall.

Mr. Winstead with Mr. Pittenger.

Mr. Brooks with Mr. Ellison of Maryland.

Mr. Gorski with Mr. Blackney.

Mr. Hart with Mr. Grant of Indiana.

Mr. Hébert with Mr. Bender.

Mr. Woodrum of Virginia with Mr. Taber.

Mrs. Norton with Mr. Welch.

Mr. Mansfield of Texas with Mr. Harness of Indiana.

Mr. FERNANDEZ. Mr. Speaker, I ask permission to withdraw my vote of "No" and to have the RECORD show I answered "Present." I am paired with the gentleman from Colorado [Mr. CHENOWETH] who is unavoidably absent, and if present, would have voted "yea."

The SPEAKER. The gentleman from New Mexico will be so recorded.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent that all Members who talked on the bill today may have 5 legislative days to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in Committee this afternoon and include therein certain letters.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DAYLIGHT SAVING TIME—STATE OF IDAHO

Mr. BOREN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1997) to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. BOREN, Mr. HARRIS of Arkansas, Mr. PRIEST, Mr. O'HARA, and Mr. HOWELL.

EXTENSION OF REMARKS

Mr. D'ALESANDRO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter I received from the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including two brief newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I find that the speech of Walter Lippmann will cost $121.40 above the amount allowed. Notwithstanding, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding and without objection, the extension may be made.

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that on Thursday next, after the disposition of business on the Speaker's table and any other special orders, I be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

INTERROGATION OF CRIMINAL SUSPECTS

The SPEAKER. Under previous order of the House, the Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, the pending bill, H. R. 3690, presents for legislative answer the question, Should the Constitution be restored to its rightful place as a part of the supreme law of the land?

The Supreme Court of the United States handed down a decision on March 1, 1943, in the case of *McNabb* v. *United States* (318 U. S. 332; 63 S. Ct. 613; 87 L. Ed. 819). That decision established, admittedly without constitutional or legislative authority, a rule of evidence utterly new and variant from the standard set up by the Constitution of the United States in the Bill of Rights. In that part of the Bill of Rights known as the fifth amendment there is the familiar guaranty that no person shall "be compelled in any criminal case to be a witness against himself." The Bill of Rights became fully ratified as a part of the Constitution on December 15, 1791, and from that day until the McNabb decision this had been recognized as the supreme law of the land on this subject. Repeated decisions of the Supreme Court of the United States had so held and it became well settled that the sole test of admissibility of statements made by persons accused of crime while in custody was if they were "made freely, voluntarily, and without compulsion or inducement of any sort"—*Wilson* v. *United States* ((1896), 162 U. S. 613, 623); see also *Lisenba* v. *California* ((1943), 314 U. S. 219, 239).

Whether an individual in custody had or had not been arraigned prior to the obtaining of a confession from him was never, before the McNabb decision, considered a determining factor in considering its admissibility.

For the first time in legal history, in the McNabb decision, the Supreme Court used section 595, title 18, of the United States Code as a factor in determining the admissibility of confessions. This section provides that it shall be the duty of the marshal, or other officer who may arrest a person charged with any crime or offense, "to take the defendant before the United States Commissioner or the nearest judicial officer having jurisdiction under existing laws, for a hearing, commitment, or take bail for trial." A similar statute is found in 5 United States Code, section 300a; requiring agents of the Federal Bureau of Investigation to take arrested persons immediately before a committing officer.

Thus, the Supreme Court has substituted a rule or law of evidence, written and adopted by a majority of the Court, for and instead of the Constitution. The Constitution says that involuntary confessions must not be admitted as evidence in any criminal case. Therefore, by plain implication, supported by ample authority, voluntary confessions should be admitted as evidence. Yet, in the McNabb case the Supreme Court says:

> Quite apart from the Constitution, therefore, we are constrained to hold that the evidence elicited from the petitioners in the circumstances disclosed here must be excluded. For in their treatment of the petitioners the arresting officers assumed functions which Congress has expressly denied them.

The Supreme Court does not say that the confessions of the McNabbs were involuntary, but "Quite apart from the Constitution," and although "Congress has not explicitly forbidden the use of evidence so procured," because the arresting officers failed to comply with the requirement that the defendants should be promptly arraigned, the confessions were inadmissible as evidence. This means that no matter how voluntary the confessions may have been, no matter if the trial judge, jury, and the Circuit Court of Appeals had held them to be voluntary, no matter that Congress had not forbidden the use of evidence so obtained, and no matter what the Constitution provides, such confessions must not be admitted as evidence.

Mr. Justice Rutledge took no part in the consideration or decision of the McNabb case.

Mr. Justice Reed dissented as follows:

> [Supreme Court of the United States. No. 25. October Term, 1942. *Benjamin McNabb, Freeman McNabb, and Raymond McNabb, Petitioners*, v. *The United States of America*. On writ of certiorari to the United States Circuit Court of Appeals for the Sixth Circuit, March 1, 1943. Mr. Justice Reed, dissenting]
>
> I find myself unable to agree with the opinion of the Court in this case. An officer of the United States was killed while in the performance of his duties. From the circumstances detailed in the Court's opinion, there was obvious reason to suspect that the petitioners here were implicated in firing the fatal shot from the dark. The arrests followed. As the guilty parties were known only to the McNabbs who took part in the assault at the burying ground, it was natural and proper that the officers would question them as to their actions.
>
> The cases just cited show that statements made while under interrogation may be used at a trial if it may fairly be said that the information was given voluntarily. A frank and free confession of crime by the culprit affords testimony of the highest credibility and of a character which may be verified easily. Equally frank responses to officers by innocent people arrested under misapprehension give the best basis for prompt discharge from custody. The realization of the convincing quality of a confession tempts officials to press suspects unduly for such statements. To guard accused persons against the danger of being forced to confess, the law admits confessions of guilt only when they are voluntarily made. While the connotation of voluntary is indefinite, it affords an understandable label under which can be readily classified the various acts of terrorism, promises, trickery, and threats which have led this and other courts to refuse admission as evidence to confessions. The cases cited in the Court's opinion show the broad coverage of this rule of law. Through it those coerced into confession have found a ready defense from injustice.
>
> Were the court today saying merely that in its judgment the confessions of the McNabbs were not voluntary, there would be no occasion for this single protest. A notation of dissent would suffice. The opinion, however, does more. Involuntary confessions are not constitutionally admissible because violative of the provision of self-incrimination in the Bill of Rights. Now the Court leaves undecided whether the present confessions are voluntary or involuntary and declares that the confession must be excluded because in addition to questioning the petitioners, the arresting officers failed promptly to take them before a committing magistrate. The Court finds a basis for the declaration of this new rule of evidence in its supervisory authority over the administration of criminal justice. I question whether this offers to the trial courts and the peace officers a rule of admissibility as clear as the test of the voluntary character of the confession. I am opposed to broadening the possibilities of defendants escaping punishment by these more rigorous technical requirements in the administration of justice. If these confessions are otherwise voluntary, civilized standards, in my opinion, are not advanced by setting aside these judgments because of acts of omission which are not shown to have tended toward coercing the admissions.

Our police officers occasionally overstep legal bounds. This record does not show when the petitioners were taken before a committing magistrate. No point was made of the failure to commit by defendant or counsel. No opportunity was given to the officers to explain. Objection to the introduction of the confession was made only on the ground that they were obtained through coercion. This was determined against the accused both by the court, when it appraised the fact as to the voluntary character of the confession, preliminarily to determining the legal question of its admissibility, and by the jury. The court saw and heard witnesses for the prosecution and the defense. The defendants did not take the stand before the jury. The uncontradicted evidence does not require a different conclusion. The officers of the Alcohol Tax Unit should not be disciplined by overturning this conviction.

It may be well to give a brief history of the McNabb litigation.

There were five McNabbs accused of operating an illicit liquor still and also of the murder of Officer Leeper, who participated in the raid in which the still and a quantity of liquor was seized and destroyed. He was killed from the darkness of night by unseen slayers, while in the performance of his duty seeking to apprehend violators of the law he was sworn to enforce. All five of the McNabbs pleaded guilty and served their sentences in the liquor cases. Two of them were acquitted on the murder trial. The other three were convicted in the first trial, of murder in the second degree, and were each sentenced to serve 45 years. From the judgment of conviction the three who had been convicted appealed to the United States Circuit Court of Appeals, Sixth Circuit. Their convictions were affirmed by that court. They then obtained a certiorari to the Supreme Court of the United States, where on March 1, 1943, their cases were reversed. The Solicitor General of the United States filed a motion for leave to file a petition for rehearing. This motion was granted, but the petition for rehearing was denied (319 U. S. 784.) These decisions of the Court read as follows:

[No. 25. *McNabb et al.* v. *United States.* June 7, 1943]

The motion for leave to file petition for rehearing is granted. The petition for rehearing is denied. As the case is for retrial in the district court, it will be open to all parties to adduce all evidence relevant to the admissibility of the confessions, whether adduced in the previous trial or not. Mr. Justice Rutledge took no part in the consideration or disposition of this application (318 U. S. 332).

On the second trial of the three convicted McNabbs they were again convicted, but only of voluntary manslaughter, and sentenced to imprisonment for 9 years and 3 months each. The defendants appealed again to the Circuit Court of Appeals, Sixth Circuit, where the second conviction was affirmed. The McNabbs again applied to the Supreme Court of the United States for certiorari. This application was denied and the litigation of the McNabb case proper came to an end.

It is most interesting to note that at no stage of the McNabb case was any point made by the defendants nor by their counsel that the arresting officers had failed to arraign the defendants promptly. The decision is grounded solely upon the assumption indulged by the Supreme Court that the McNabbs had not been promptly arraigned. The record was silent on this most important point. The truth is that the McNabbs had been promptly arraigned. Yet the Supreme Court, in the McNabb decision, says categorically that none of the McNabbs was brought before a United States Commissioner. This mistake was evidently caused by the silence of the record made on the trial of the murder case because there was no question raised as to prompt arraignment of any of the defendants. As a matter of fact, Freeman, Raymond, and Emuil McNabb were arrested between 1 and 2 o'clock on the morning of Thursday, August 1, 1940, and Barney McNabb at another hour of the same morning. They were all four arraigned between 8:30 and 10:30 a. m. on the same morning before Commissioner James H. Anderson, a United States Commissioner, in Chattanooga, Tenn., pled not guilty, and were bound over to await the action of the grand jury in the sum of $500 each; the fifth McNabb, Benjamin, voluntarily surrendered the next morning, and the three defendants who were afterwards convicted of the murder of Sam Leeper were arraigned on that morning on the charge of murder before the same United States Commissioner, and pled guilty.

So the Supreme Court of the United States in the McNabb decision, grounded its decision on the basic fact which the Court assumed from the absence of a showing of arraignment in the record of the murder trial, that the defendants had not been arraigned before the confession was made. The Supreme Court therefore did not indulge the usual presumption that in the absence of showing to the contrary, officers of the law are presumed to have done their duty. But the Supreme Court assumed in the absence of an affirmative showing of arraignment in the record that the officers did not do their duty and based their decision on this assumption. The defendants challenged the admissibility in evidence of their admissions of guilt solely upon the ground that the methods of interrogation had constituted what is frequently referred to as the third degree. The trial judge suspended the trial, excused the jury for a few minutes, and, in the absence of the jury, heard the motion made by counsel for the defendants to exclude the confessions. The Supreme Court, in its decision, approved this handling of the motion by the judge. After having heard the motion to exclude, the trial judge held that there had been no third-degree methods employed by the officers, denied the motion, and admitted the confessions in evidence, but instructed the jury that the defendants' admissions should be disregarded if found to have been involuntarily made. The jury found the three defendants guilty of murder. So it is clear beyond doubt that throughout the proceedings in the murder case, in the lower court, in the circuit court of appeals, and in the Supreme Court, the McNabbs and their counsel, knowing that there had been prompt and proper arraignment, and that the three McNabbs who confessed participation in the murder had made their confessions while properly detained in perfectly legal custody, based their contention that the confessions should not be admitted in evidence solely on the ground that third-degree methods had been employed in their treatment and questioning, which issue was decided against them by the trial judge, the jury, and by the circuit court of appeals. The utter fairness with which these self-confessed, convicted murderers were treated is further shown by the fact that although upon their prompt and proper arraignment on the murder charge, they pled guilty, this pertinent and pregnant fact was not permitted to influence the jury upon their trial and was wholly omitted from the consideration of their cases.

A careful reading of the decision of the Supreme Court in the McNabb case is urged upon all those who are interested in getting at the truth in this matter. It is set forth at length, together with Mr. Justice Reed's dissenting opinion, on pages 133 to 139 of the hearings on this bill. These hearings have been printed and are available to all Members of the House. While a great deal is said in this decision, a careful reading of it will show clearly that in final analysis, its reversal of the convictions was based, not upon any credence given to the defendants' contention that third-degree methods had been employed in obtaining their confessions, but solely upon the assumption that there had been a failure to arraign the defendants promptly.

This is borne out by the Solicitor General of the United States, who says in his petition to the Supreme Court of the United States for a rehearing of the McNabb case:

This Court granted their petition for a writ of certiorari and reversed their conviction on the ground that the admissions were inadmissible in evidence because obtained while the defendants were confined by officers of the Alcohol Tax Unit in "plain disregard of the duty enjoined by Congress upon Federal law officers" to take the persons arrested before a committing magistrate. In its opinion, the Court said: "The record leaves no room for doubt that the questioning of the petitioners took place * * * before any order of commitment was made."

The United States Court of Appeals for the District of Columbia also gave the same effect to the McNabb decision and held that it was based on the ground that arraignment was delayed in contravention of the statute requiring prompt arraignment. This holding is set forth in the decision of the United States Court of Appeals for the District of Columbia in the case of James P. Mitchell against United States, which I quote:

Before Groner, circuit judge, and Miller and Edgerton, judges:

Per curiam:

Appellant was tried and convicted on two indictments, each charging housebreaking and larceny. The trials were separate, but as the main ground of alleged error is the same, and as the evidence, except as

to the house burglarized and the property stolen, is also the same, the appeals in both cases were consolidated for argument in this court. The evidence against appellant consists of stolen property found in his house and of alleged verbal confessions of guilt. The seizure of the property, without search warrant, was said by the officers to have been made with appellant's consent and as a part of his confession made immediately after his arrest freely, voluntarily, and without compulsion or inducement of any sort. Appellant denied he had given consent to have his house searched and denied that he had made any confession to the police. But the trial judge who heard the question—apart from the jury—admitted the evidence and it is this ruling which is attacked on this appeal. If this were all, the answer would be plain, but as it happens, there is another element in the case which, as we think, places a different aspect on the question. This grows out of the fact that after appellant was arrested and brought from his home to the police station and interrogated by the officers, the confession obtained, and his consent to the search given, he was continued under arrest for more than a week by the police without being brought before a magistrate, commissioner, or court, and this in the very teeth of the statute which commands arraignment "immediately and without delay." It was almost this identical situation which, the Supreme Court in *McNabb* v. *United States* said, makes a confession, voluntary or involuntary, inadmissible in evidence on the trial of the case.

In the McNabb case five uneducated mountain men were arrested for the murder of a revenue officer. They were taken into custody and more or less continuously questioned for 2 days in the Federal Building in Chattanooga, Tenn., by members of the Alcohol Tax Unit before they were committed. Toward the end of the period of their detention they made confessions which the trial court decided were voluntary. After their convictions, on appeal to the Supreme Court, that Court held the confessions inadmissible and reversed the judgments. The principle of the decision was that since the congressional requirement that police officers take an accused person before a judicial officer for commitment with reasonable promptness was designed to avoid "all the evil implications of secret interrogations of persons accused of crime," and to check "resort to those reprehensible practices known as the third degree," the violation of the statute in "flagrant disregard of the procedure which Congress has commanded," was sufficient to require the exclusion of all evidence so obtained from the accused. As to this the Supreme Court said:

"The record leaves no room for doubt that the questioning of petitioners took place while they were in the custody of the arresting officers and before any order of commitment was made. Plainly, a conviction resting on evidence secured through such a flagrant disregard of the procedure which Congress has commanded cannot be allowed to stand without making the courts themselves accomplices in willful disobedience of the law."

This unambiguous language leaves us no alternative but to apply the same rule with the same result to the facts in the present case. That this new rule, as Mr. Justice Reed calls it in his dissent, introduces a far-reaching innovation in the established rules of evidence in criminal cases will hardly be questioned, for heretofore the test of admissibility has been thought to be limited to the question—was the confession free and voluntary. Likewise, that its universal application in the Federal courts will, in some cases, as it may in this, result in a miscarriage of justice is obvious. But doubtless this contingency was fully considered by the Supreme Court, and the conclusion deliberately reached that this in the cases in which it occurs, will prove a lesser evil than the perpetuation by court approval of violation by police of statutes designed to protect the personal rights of the individual and preserve his immunity from abuse and from imprisonment except upon a judgment of his peers and the law of the land. In this view it becomes our duty to reverse the judgments and remand the cases to the District Court for new trials in accordance with the views expressed herein.

The United States Circuit Court of Appeals for the Sixth Circuit in the second appeal of the McNabb case is in accord with the Solicitor General and with the Court of Appeals for the District of Columbia, as evidenced by the following quotation from the decision therein rendered, where, speaking of the decision of the Supreme Court in the McNabb case, it is said:

In the opinion of the Supreme Court, it was categorically stated that none of the appellants was taken before the United States Commissioner but the questioning took place (318 U. S., supra, pp. 334, 337, 63 S. Ct., pp. 610, 611, 87 L. Ed. 819), and, as indicated, this failure, coupled with the examination by the officers, was deemed such a flagrant disregard of statutory procedure as to require reversal.

Any number of other courts have so construed the McNabb decision.

Yet the Supreme Court on certiorari of the Mitchell decision by the Court of Appeals for the District of Columbia, says in its opinion that the reason for and the basis of the McNabb decision was not that the confessions were obtained during illegal detention because of delayed arraignment, as had been plainly indicated in the McNabb decision itself, but because of third-degree methods. Quoting from the Supreme Court's Mitchell decision:

Inexcusable detention for the purpose of illegally extracting evidence from an accused, and the successful extraction of such inculpatory statements by continuous questioning for many hours under psychological pressure, were the decisive features in the McNabb case which led us to rule that a conviction on such evidence could not stand.

Is it not logical to inquire if this had been the reason and basis of the McNabb decision, why was it that that decision did not say so? Why was it that the McNabb decision itself planted its feet on another ground?

Then, further along in the Supreme Court's decision of the Mitchell case, the Supreme Court seeks to contrast and to differentiate the Mitchell case from the McNabb case thus:

Obviously the circumstances of disclosure by Mitchell are wholly different from those which brought about the disclosures by the McNabbs. Here—

In the Mitchell case—

there was no disclosure induced by illegal detention. No evidence was obtained in violation of any legal rights.

This was written after the Supreme Court had been fully advised by the Solicitor General's petition for rehearing in the McNabb case and the affidavits attached thereto that there had never been any illegal detention in the McNabb case.

Again, in the Mitchell decision we find its reversal of the decision of the United States Court of Appeals for the District of Columbia predicated upon this theory: That although there was no arraignment of Mitchell until 8 days after his arrest, his confession was made promptly, before there had been adequate opportunity for arraignment, it may be deduced. So, although Mitchell's detention thereafter became illegal, this illegality came too late to taint the confession. Said the Supreme Court:

But in any event, the illegality of Mitchell's detention does not retroactively change the circumstances under which he made the disclosures. These, we have seen, were not elicited through illegality. Their admission, therefore, would not be used by the Government of the fruits of wrong-doing by its officers. Being relevant, they could be excluded only as a punitive measure against unrelated wrong-doing by the police. Our duty in shaping rules of evidence relates to the propriety of admitting evidence. This power is not to be used as an indirect mode of disciplining misconduct.

Also, in the Supreme Court's decision in the Mitchell case we find this determination expressed:

We adhere to that decision—

The McNabb—

and to the views on which it was based.

This also was written after the Supreme Court was fully advised that the McNabbs had been promptly and properly arraigned and after having pled guilty to the murder, had been committed to custody without bail.

Mr. Justice Douglas and Mr. Justice Rutledge concurred only in the result in the Mitchell case. Mr. Justice Black dissented. Mr. Justice Reed also did not concur in the opinion in the Mitchell case but only in the result, and wrote this opinion:

As I understand *McNabb* v. *United States* (318 U. S. 332), as explained by the Court's opinion of today, the McNabb rule is that where there has been illegal detention of a prisoner, joined with other circumstances which are deemed by this Court to be contrary to proper conduct of Federal prosecutions, the confession will not be admitted. Further, this refusal of admission is required even though the detention plus the conduct do not together amount to duress or coercion. If the above understanding is correct, it is for me a desirable modification of the McNabb case.

However, even as explained I do not agree that the rule works a wise change in Federal procedure.

In my view detention without commitment is only one factor for consideration in reaching a conclusion as to whether or not a confession is voluntary. The juristic theory under which a confession should be admitted or barred is bottomed on the testimonal trustworthiness of the confession. If the confession is freely made without inducement or menace, it is admissible. If otherwise made, it is not, for if brought about by false promises or real threats, it has no weight as proper proof of guilt. *Wan* v. *United States* (266 U. S. 1, 14); *Wilson* v. *United States* (162 U. S. 613, 622); 3 Wigmore Evidence ((1940 ed.) sec. 882).

As the present record shows no evidence of such coercion, I concur in the result.

May I again call attention to the fact that the Supreme Court, after the Solicitor General had called the Court's

attention to the facts of prompt and proper arraignment of the McNabbs and that there was no illegal detention whatsoever in the McNabb case, denied his petition for rehearing.

But over and above all of these considerations the Supreme Court itself showed by its refusal to reverse the second conviction of the McNabbs that its reversal of the first McNabb conviction was based solely on the ground that the confessions had been obtained without compliance with the statute requiring prompt arraignment—as stated in the first McNabb decision: That none of the McNabbs was taken before a United States Commissioner.

The second McNabb decision by the Supreme Court proved beyond question that it was not any alleged third degree methods which caused the reversal, for the same evidence as to the alleged third-degree methods was introduced in evidence in both the first and second trials. There was no change in the evidence on this point. The only change was that on the second trial the facts established by the original official records of the United States Commissioner at Chattanooga, and the testimony of eyewitnesses of those arraignments and commitments were put in evidence. Therefore, as soon as the record of the second McNabb trial affirmatively showed that the unwarranted deduction made by the Supreme Court as the basis of its first McNabb decision had been wrong and that in fact there never had been either absence of prompt arraignment or delayed arraignment, and that there never had been the slightest hint of illegal detention, the Supreme Court denied the McNabbs' second petition for certiorari, thereby in effect affirming their second conviction. So, it was only the erroneous supposition deduced by the Supreme Court, ex mero motu, from a silent record, that caused the first McNabb decision. And it was the insistence upon this erroneous supposition that caused the Supreme Court to deny the rehearing applied for by the Solicitor General and the Supreme Court's attempted explanation of its first McNabb decision in its Mitchell decision. But in spite of all this, the Supreme Court by its statement in its Mitchell decision, "We adhere to that decision and to the views on which it was based," apparently insists that the wrecked derelict which its first McNabb decision now is, should be left to drift upon the sea of law enforcement, jeopardizing every attempt at navigation in any case in which the criminal confesses his guilt.

Almost immediately after the decision in the McNabb case, the administration of justice in criminal courts was thrown into confusion because of that decision. In case after case, defendants were, solely because of the rule there promulgated for the first time, freed by orders of the courts declining to prosecute further, or reversing convictions already obtained, or directing verdicts of juries. Many of such cases are cited in the hearings on this bill as noted in the report.

One of these cases illustrates a case which is wholly beyond the power of appellate courts to correct. The reason that nothing can be done about such cases is that the defendant was put to trial and at its conclusion the trial judge instructed the jury under the law and the evidence because of the McNabb decision the defendant must be acquitted; the jury of course obeyed the instructions of the Court and acquitted the defendant. This was the Wilborn case. In this case, Judge Pine is quoted as having stated from the bench on the trial, that, although his acquittal would constitute a "miscarriage of justice," nevertheless he must be acquitted because of the Supreme Court's decision in the McNabb case. So, Judge Pine directed a verdict of acquittal, that verdict was rendered by the jury in obedience to the mandate of the court, and Wilborn walked out of the court a freeman. The Constitution prohibits another trial, because a second trial would constitute double jeopardy. so Wilborn is as free as anyone could be. What was his self-confessed crime? About 1 a. m. of March 18, 1943, he broke into the apartment occupied by three girls, where he assaulted one of them, inflicting lacerations requiring 11 stitches, though he did not complete the rape because of the screams of the other girls. He was arrested about 2 a. m. on the same night. About 4 a. m. he confessed. About 5 a. m. in the presence of the arresting officers and his victim, he reenacted the circumstances. About 11:30 of the same morning, he signed a written confession and was arraigned about 3 o'clock that afternoon. But the McNabb decision held that no confession could be used as evidence if the self-confessed criminal had not been arraigned promptly, and the judge construed this to mean just that. So, Wilborn, not having been arraigned for several hours after he might have been, was freed by a reluctant jury because of the court's direction, made solely because of the McNabb decision. Is this only a "miscarriage of justice"? or is it a license to rape?

WHAT H. R. 3690 WOULD DO

It would merely nullify the new rule of the McNabb decision.

It would declare that no such policy as that indicated in the McNabb decision underlies the laws Congress passed requiring prompt arraignment.

It would leave the law exactly as it was before the turmoil and confusion caused by the McNabb decision, and wipe out the attempt to bypass and ignore the Bill of Rights, restoring to the full the protective guaranty that no person shall "be compelled in any criminal case to be a witness against himself."

MERELY A TEMPORARY EMERGENCY MEASURE

The bill H. R. 3690 is not designed to be a complete nor permanent solution of the problems involved in arrest, detention, and interrogation of criminal suspects. These problems are many, varied, and important. They cry for adequate remedies—for full, painstaking study and solution.

All of us favor prompt arraignment. Failure to observe the legal requirement thereof should be punished. The punishment, however, should be inflicted upon the guilty—not the innocent! The arresting officers are the guilty when they fail to see to it that prisoners are promptly arraigned. The public, "We, the people" are the innocent! Yet, under the McNabb decision only the law-abiding, innocent citizens, whose safety is jeopardized by turning self-confessed criminals loose, are punished.

A part of the solution should be the enactment into law of the requirement that all arresting officers be bonded, so that any failure on their part to observe the law would make them not only subject to suit, as they are now, but also able to respond in damages.

THE UNIFORM ARREST ACT

The Uniform Arrest Act, by Hon. Sam B. Warner, is a suggested solution that should have careful study.

The suggestion given by the Attorney General of the United States (see his testimony in the hearings, pp. 35, 36, and 37) that the arraignment statutes should be made uniform and should have but one requirement as to time, to wit: "Within a reasonable time," also demands full consideration.

As suggested in the McNabb decision, the English rules for the interrogation of prisoners while in custody prescribed by the judges of the King's bench should also be studied diligently and constructively with a view to seeing how they may be adapted to the administration of the criminal law in the United States. As so adapted, similar rules should be made by law a part of the solution of this problem.

The bill of rights committee of the American Bar Association, under date of May 15, 1944, has furnished the subcommittee that held the hearings on H. R. 3690 with a splendid brief showing clearly and fully the need for protracted and indefatigable study of this whole problem and for the enactment into law of its proper solution. They very kindly offer the services of this committee in collaboration toward these objectives.

CONCLUSION

Therefore, it is manifest that this bill is but an emergency measure, the sole purpose of which is to stop immediately the wrecking of our law-enforcement machinery resulting from the McNabb decision.

The enactment of this bill would do this and give your Committee on the Judiciary time, without the pressure and penalty of suspended law enforcement, within which to study these delicate and difficult problems, and for the preparation of such a bill as may be then agreed upon.

FAREWELL ADDRESS

The SPEAKER. Under previous order of the House, the Chair recognizes the gentleman from New York [Mr. FISH] for 1 hour.

Mr. FISH. Mr. Speaker, I have a disagreeable task to perform in saying farewell to my colleagues in the House and to the House of Representatives in which I have served for almost 25 years.

I have a deep and lasting affection for my colleagues and for the House of Representatives, in which my father and grandfather of the same name served. My grandfather, Hamilton Fish, entered Congress in 1844 as a Whig—just 100 years ago. He was later Governor and United States Senator from New York State, and a Republican Secretary of State for 8 years in the Grant administration. His father before him, Nicholas Fish, was a colonel in Washington's Army and was the first adjutant general of the State of New York. He was appointed by President Washington as the collector of internal revenue in New York City and later ran for Congress as a Federalist.

NATIONAL AND INTERNATIONAL ISSUES

I would not be telling the truth if I did not say that I was disappointed in not being returned to Congress. On the other hand, I am reconciled because it may prove to be a blessing in disguise. For

many years—the last 12—I have been in the front lines fighting the New Deal, bucking up against its entrenched ramparts, and now that it is in power again both in Congress and the administration, I think probably it is for the best that younger and newer blood undertake that thankless and difficult task. I assure my friends on the Democratic side that I have no intention in the time allotted to me this afternoon to discuss the New Deal. If I had, it would take more than an hour or a day or a week to present my views adequately. My remarks, however, will be confined more to national and international issues, and to certain observations and comments from long service, to be addressed directly to both sides of the House, and, more specifically, to my Republican colleagues. At the outset let me say that I believe the House of Representatives is the bulwark and the guardian of personal liberties, of individual freedom, and of representative and constitutional government in the United States. If we surrender our legislative powers, prerogatives, and functions to the Chief Executive, then it is the beginning of the end of free government in America, and the advent of totalitarianism which our sons are fighting against all over the world.

The Starnes Report 2277, of June 25, 1942, clearly sets forth the situation in the following words:

> In America, the issue confronting us is not the restoration but the preservation of the political institutions of free men. This issue compels us to take cognizance of a widespread movement to discredit the legislative branch of our Government. The issue simply stated is whether the Congress of the United States shall be the reality or the relic of American democracy.

And let me say to my colleagues that although the Congress and the House of Representatives have been under attack steadily from various radical groups within the United States, from long associations with its Members on both sides, I say without fear of contradiction that I know of no group in America, whether they be lawyers, doctors, clergymen, businessmen, wage earners, or farmers, that compare with the Members of Congress for ability, integrity, character, patriotism, and desire to promote the public welfare. I have no axe to grind in making this statement except in the interest of truth and the American people, for I am about to leave this great representative body. You my colleagues can, however, be assured that I shall always defend the Members of Congress and uphold the constitutional legislative powers and functions of the House of Representatives which is still the freest and greatest deliberative body in all the world.

Mr. Speaker, many Members of this Congress, among them some who know me well, probably have wondered why so many smear attacks have been made upon me, and so much vituperation, abuse, and vilification has been directed at me publicly in the radical press and over the radio, and why I should be singled out above all others for this type of smear attack. It goes back, Mr. Speaker, before the advent of the New Deal; it goes back to 1930, when I was appointed by the Speaker of this House, Speaker Longworth, as chairman of a special committee of the House to investigate Communist activities and propaganda in the United States. Our committee traveled all over the country, to the far West, and visited San Francisco, Los Angeles, and Seattle, back to Chicago and Detroit, to the eastern cities—Boston, New York, Philadelphia—and even into the South. We made a comprehensive report on the activities and propaganda of the Communists in this country which is still recognized as the most authentic report on communism and its aims and objectives in America. From that time on I became the main target of one of the meanest and most contemptible smear attacks in the history of our country. The Communists are the vilest of the vilifiers, but the fellow travelers and other radicals are not far behind. I think I am loved for the enemies I have made.

This is something new in America. This type of smear attack is a foreign importation from Communist sources, and it has been spreading rapidly all over our country until no one is immune, no Member of this House or any public official who is known to be opposed to communism. The Communists and fellow travelers are only in the beginning of this vicious and malicious form of smear and hate attacks against public officials and against the elected representatives of the people, and particularly the Congress of the United States. It is part and parcel of their political program based on hatred and attempts to purge their opponents and to discredit Congress and all democratic and parliamentary assemblies.

A large part of my remarks today will be devoted to an effort to try to warn the Congress of these enemies from within and from without who would destroy representative government, to point out to you that it is your function and your duty regardless of partisanship and party affiliations to strive to preserve free institutions and representative and constitutional government in this body and in the Congress and in America against these smear attacks from "red" and Communist sources. These "red" termites are working night and day to undermine the confidence and the faith of the American people in Congress and in our republican and constitutional form of government.

I want to call the attention of my Republican colleagues to an editorial in the Kansas City Star of May 7, 1918, written by Theodore Roosevelt in the midst of the last war, that applies equally today:

> To announce that there must be no criticism of the President or that we are to stand by the President, right or wrong, is not only unpatriotic and servile but is morally treasonable to the American people. Nothing but the truth should be spoken about him or anyone else, but it is even more important to tell the truth—pleasant or unpleasant—about him than about anyone else.

I urge the Republican Members of the next Congress to carry out the spirit of this advice from a former Republican President and to be vigorous, militant, and aggressive in their constructive criticisms of the pitfalls of the New Deal and of unwarranted actions by the President. The record of the Republican Party for the next 4 years will be written in Congress. The Republican Members cannot, and must not, evade the responsibility. The preservation of our free institutions and the destiny of America is at stake.

During the recent election Miss Helen Hayes, the well-known actress, campaigned against me and repeatedly stated that I had delayed our entrance into the war for 6 months. I do not deny the charge that I used my utmost efforts in accordance with the will of 80 percent of the American people to keep us out of war until attacked at Pearl Harbor. If it is true that I helped or was partially responsible for delaying our entrance into the war by 6 months, then I am sure that I have served my country well, for if we had gone into the war 6 months before we did Germany would never have attacked Soviet Russia and we would have been holding the war bag and our sons dying by the millions with no assurance of success. Today we are on the march to victory on land, sea, and in the air in Europe and Asia.

I waged a hard campaign to win, expecting that a Republican majority would be returned to the House of Representatives, and would have been heartbroken had that occurred and I was not among them, as I had hoped to be chairman of the Committee on Rules and in a position to help stop the march toward communism and totalitarianism in the United States. In Orange County—the only one left of my old district and where my legislative record is best known—I ran much better than in 1940 and 1942, carrying the county by 7,000, which is about twice my previous majority. I also carried my opponent's home district by 85 votes, and the town of Newburgh where he lives by 600, and the city of Newburgh by 2,200, running ahead of Mr. Dewey there.

Although the Communists, fellow travlers, and Sidney Hillman's P. A. C. in New York City, with a huge slush fund of several hundred thousand dollars, combined in the drive to purge me, and the new dealers joined in with their funds and orators including F. D. R., Mrs. Roosevelt, and HENRY WALLACE, yet they were all only contributing factors. It took most of the New Deal administration, half of Moscow, $400,000, and Governor Dewey to defeat me. I am confident that I would have been able to overcome all these efforts to purge me if it had not been for Governor Dewey's intolerant and false statement denouncing me as un-American, and raising a religious and racial issue for merely predicting that a majority of the Jews in New York City would vote for Roosevelt and the New Deal, which has never been denied by anyone—Jew or gentile.

Mr. Dewey asked for it, and here it is.

I am convinced that his stupid and colossal blunder, for selfish political purposes, was the direct cause of my defeat, as well as his own, and may have kept the Republicans from electing a majority in the House of Representatives. By

his unprovoked attack on me he lost at least a million Democratic votes and a million Republicans, which would otherwise have been cast for him for President and a majority of them for Republican candidates for Congress. In spite of this I supported him, as I was against the fourth term and the New Deal fellow travelers and their efforts to control the administration and to set up a one-man and one-party government. My opponent who was a Republican, and —defeated for Congress in the primaries by me—ran on the Democratic ticket with the Communist American Labor Party and Pink Liberal Party support, and spoke every night for Dewey, stating that he (Dewey) was against me, which lost me enough Republican votes in the three new counties to bring about my defeat by 7,000 votes out of 130,000 cast.

I bitterly resent Governor Dewey's characterizing my remarks that a majority of the Jewish people would vote for F. D. R. and the New Deal as un-American and raising a racial and religious issue. All three of these statements are false, and even if I had said 90 percent it would still have been the truth. Since when is it un-American to tell the truth or to mention the word "Jew," any more than the words "Christian, Irish, Italian, Pole, or Negro?" If it is, then free speech, the essence of Americanism, ceases to exist and the inalienable and constitutional right of every American is placed in jeopardy.

It was Governor Dewey, not I, who raised the racial and religious issue—and for votes—as everyone knows. I have never been anti-Semitic in my life. I happen to be the author of the Palestine resolution, adopted in 1922 and incorporated in the Republican platform of 1944, on which Governor Dewey was supposed to stand. By what right has Governor Dewey to call me un-American, even by inference? I do not remember ever having heard of his serving a day in our armed forces or risking his life fighting the Germans, although he was in his thirties when World War No. 2 started. No wonder he lost the soldier vote by 2 to 1 in New York State and elsewhere.

I hope that Mr. Dewey will not attempt to seek renomination for Governor in New York State, as he would be defeated by half a million votes. At least that number of voters, like myself, who supported him in spite of himself, are now convinced that the best interests of the Nation and the Republican Party requires that he should be eliminated as a spokesman for the party on national and international issues, about which he knows comparatively nothing. In the recent campaign, through his tactlessness, he alienated most of the party leaders and Members of Congress. As Mrs. Kenneth Simpson, wife of the former Republican National Committeeman from New York State, said: "You have got to know him to dislike him." Governor Dewey has, within a short time in Albany, through his dictatorial methods and unbounded conceit, antagonized many Republican members of the State legislature who supported him in the hope of getting him out of Albany.

As an old football player I am tired of the talk of so-called moral victories. Where is the moral victory in Governor Dewey failing to carry a single State east of Ohio, except Maine and Vermont? If Governor Bricker had been the candidate for President on an American platform he would have been elected. We would then have had a veteran of World War No. 1 at the head of the ticket, who knew what war was, instead of a candidate who was of draft age and has never served a day in our armed forces. Where is the moral victory in his losing Michigan, his home State, by 30,000 and the Republican Governor of Michigan winning by 200,000? The same situation applies in the great State of Illinois, and in Massachusetts, Connecticut, New Jersey, and other States where Republican Governors or Senators were elected.

I am sick and tired of so-called moral victories and the alibi that we only lost by 3,500,000 votes. Why, most of the Dewey votes were anti-fourth term, anti-New Deal, anti-Roosevelt, anti-Hillman, or anti-Communist, and not pro-Dewey. The States Governor Dewey carried were the noninterventionist States in the Middle West, and they were about all except for Maine and Vermont. The trouble with Governor Dewey was, in football language, that he ran the wrong way with the ball and scored a touchdown against his own side, purging Republicans and me-tooing the New Deal and Roosevelt's foreign policies that made war inevitable and helped to get us into it.

In New York State he received comparatively his largest votes in Queens and Richmond Counties—noninterventionist centers—and in my district, particularly in Orange County which gave him 17,000 majority where my friends supported him while his were knifing me. Isolationism and noninterventionism were not the issues, but the New Deal, the fourth term, the P. A. C. and communism were. But, after the election, a spokesman for Governor Dewey said that he "was glad that Senator NYE and Representative FISH were defeated." That is political gratitude for supporting the candidate of the Republican Party for President. Tell that to the people of Queens and Richmond Counties, and to the Republicans in up-state New York and in my district where I was elected to Congress before Mr. Dewey was of age or had moved into New York State. Tell that to the noninterventionists in the Middle West who supported him. Tell that to one hundred million noninterventionists in America prior to Pearl Harbor. He was a weak candidate and ran behind in most States.

Governor Dewey's political days are numbered. He has been weighed in the political scales and found wanting. For the best interests of the Republican Party and the Nation, he should be retired to his farm at Pawling and cease giving advice on national and international issues to Republicans in Congress and the Nation.

I see no sound reason for a defeated and repudiated candidate for President to attempt to continue the flimsy and fictitious myth of titular head of the party, and seek to select its national chairman or dictate its policies. That should be the function of the Republican Members of Congress and of the national executive committee. I am in favor of selecting an executive director or chairman, at a substantial salary, who will give his entire time to building up the party by keeping in constant contact with the Republican workers throughout the Nation.

A NEW PARTY ALINEMENT

Although the Republican Party name should, for the time being, be maintained in State and local elections, I believe the time has come to consider changing its name for the next national election, in order to form a union or coalition with real Democrats both in the North and the South whose party has been taken over by the left-wing New Deal and the P. A. C. It might be called the Democratic-Republican Party, the American Party, the Constitutional Party, or any suitable name. I do not favor making a fetish of the name, particularly if a change will unite Democrats and Republicans holding the same views in behalf of American institutions and against communism and totalitarianism.

Sidney Hillman has challenged the American people, and threatens to organize radical pressure groups to dominate and control the Congress and the Government and Russianize America. We Republicans must be prepared to accept the challenge, even to the extent of changing our party name and nominating the best available candidate for President, whether he be a Democrat or a Republican. There are many Democrats, such as Senator Millard Tydings, of Maryland, Senator Harry Byrd, of Virginia, Senator Burton Wheeler, of Montana, Senator Walter George, of Georgia, James Farley, of New York, and Speaker Rayburn, of Texas, who are well qualified through experience and knowledge to head up or be on a united Democratic-Republican-Constitutional ticket. I can testify, from recent experience, what an advantage it is to place a Republican for Congress on a Democratic ticket, and of course it works both ways. In the Republican Party we have such leaders as Bricker and Taft, of Ohio, Stassen, of Minnesota, Warren, of California, and Saltonstall and Martin, of Massachusetts.

Four years, however, is a long way off, and it is possible that a veteran of this war will become the natural and logical candidate upon whom the people can unite against the left-wing New Deal and Sidney Hillman's P. A. C. and other radical and communistic forces seeking to control America.

Last Friday was the third anniversary of our entrance into World War No. 2. I voted, with other Members of Congress, for a declaration of war against Japan, in view of the brazen air attack made upon our fleet at Pearl Harbor. I would have voted for war after this attack under any circumstances, but confess I did not know that on November 26 our Government had served an ultimatum on

Japan to not only get out of Indo-China but of all China as well. In the third and fourth subsections of section 2 of that ultimatum, which was handed to the Japanese Ambassador Nomura by our Secretary of State at Washington, D. C., on November 26, 1941, the following steps were to be taken at our demand:

3. The Government of Japan will withdraw all military, naval, air, and police forces from China and from Indo-China.

4. The Government of the United States and the Government of Japan will not support—militarily, politically, economically—any government or regime in China other than the National Government of the Republic of China with capital temporarily at Chungking.

This could not be considered anything but an ultimatum by the Japanese Government, which was actually at war with the Chungking Government, and the entire series of conferences between our Government and representatives of the Japanese Government were being held with a view to settling this problem peacefully. To have complied with this ultimatum would have meant that Japan would not only have "lost face" but lost the war with China which they had been fighting for 4 years. It was either get out of China and Indo-China and admit your Government is wrong, or it is war.

I do not place a great deal of faith in the statements of Drew Pearson, but in his column which appeared in the Washington Post last Thursday he stated that the Secretary of War, Henry L. Stimson and the Secretary of Navy, Frank Knox, had opposed sending this ultimatum on November 26, as it would mean war, and had signed a statement containing such views which had been submitted to the President. Mr. Pearson gave that as the reason the administration did not dare to have a court martial of Admiral Kimmel and General Short, because these facts would have been brought out into the open and the Secretary of War compelled to testify.

I do not care to proceed any further with this line of argument as history will bring out all the facts in due course, and I expect to include a chapter on the ultimatum to Japan in the book I am now writing on the causes and responsibilities for the war.

For the present I merely want to point out that Congress was not in any way responsible for the naval disaster at Pearl Harbor, or for the ultimatum on November 26, 1941, regarding which the Members of Congress were not informed. It has been the policy of some of the interventionist press to blame the Congress for the lack of preparedness at Pearl Harbor, but Members of Congress, Republicans and Democrats alike, had nothing whatever to do with the fleet being in Pearl Harbor. They had voted for all Navy, Army, and Air Force appropriations, and at the time of Pearl Harbor we had the largest Navy in the world. The administration alone is to blame for placing our ships, like sitting ducks, in Pearl Harbor where they could be picked off by Japanese airplanes within 10 days after our Government had served an ultimatum on Japan.

As I said prior to the election, there will be no court martial of Admiral Kimmel and General Short, unless we elect a Republican President, as the responsibility reaches directly to the doorsteps of the White House.

Certainly I am the last man who can be blamed for the disaster at Pearl Harbor, as I introduced, on January 30, 1939, a bill to prohibit the sale and shipment of scrap iron to Japan, and urged its adoption in the House but could get nowhere as it was opposed by the administration and the State Department. Since that date until the dastardly attack at Pearl Harbor, 10,000,000 tons of American scrap iron were shipped to Japan, and it was this same scrap iron, turned into Japanese bombs, that poured out of the skies on December 7, 1941, and destroyed half of our fleet, killed 3,000 American sailors and soldiers, and wrecked more than 300 of our airplanes. This same scrap iron was also used to build Japanese battleships and the bombs that were hurled against us at Bataan.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield for a brief question.

Mr. O'CONNOR. With reference to the ultimatum which was served upon Japan, which the gentleman just mentioned, has the gentleman any information as to whether or not Admiral Kimmel and General Short or the Army and Navy at Pearl Harbor were notified of that ultimatum?

Mr. FISH. I will say to the gentleman, of course I have no information, that is why I thought it was only fair to the American public that there should have been a court martial as requested by General Short and Admiral Kimmel to bring out these facts.

We know now—I did not know it on December 8, 1941, when we declared war—that an ultimatum had been served on Japan 10 days previously. I now know the terms of the ultimatum and know that it included all of China. I thought it was only Indo-China, but, no, it was to get out of all China, which, of course, was a direct ultimatum, and if General Short and Admiral Kimmel did not know of it, then those officials in Washington who were responsible for not notifying them of the ultimatum are directly accountable for the disaster at Pearl Harbor.

I am practically all of British origin, British, Scotch, and Holland Dutch. I have not a drop of German blood in my veins. My people have lived in America for over 300 years, and everything they have received came from America and from no other nation. I am glad to state that I did everything within my power to keep this country out of the eternal wars of Europe and Asia until we were attacked. Great Britain now knows that in crushing Germany she has destroyed the only potential force and power in Europe able to cope with the armed might of the "red" armies. Churchill, in seeking to maintain the balance-of-power politics in Europe, went to war with Nazi Germany and Fascist Italy, which were becoming too powerful, and in destroying them created a Red Frankenstein far more dangerous to the British Empire. Those nations, including ourselves, that become involved in foreign wars are apt to reap the ensuing whirlwind.

What are we fighting for? Those of us who voted for war did so because we are fighting to defeat our enemies, to defeat Japan and Germany, but just what are we fighting for beyond that? What are our war aims and what are our peace aims? Are we fighting for democracy? Are we fighting to preserve the national sovereignty, independence, and territorial integrity of the small nations of the world against aggression? Are we fighting to restore the British Empire, the French Empire, and the Dutch Empire in the Far East? It is time that we were told simply what we are fighting for. I shall discuss that further in a few minutes.

Mr. ROWE. Mr. Speaker, will the gentleman yield?

Mr. FISH. I would rather proceed, and if I have any time at the end of my remarks, I shall be glad to yield for questions.

The marriage of convenience between the British Empire and world communism has apparently run its course, particularly in Italy, Greece, Belgium, Yugoslavia, and Poland, and probably soon in Spain, Portugal, and France. For years I have predicted this situation. I wonder what side the big eastern international and interventionist newspapers, such as the New York Herald Tribune, the Boston Herald, the Philadelphia Inquirer, and the Baltimore Sun, and many others, that howled for war before Pearl Harbor, will take, in view of the sweep of communism over Europe. The march of communism in Europe is inevitable and soon will engulf all of Europe and a large part of Asia.

I will probably say things with which individual Members of Congress will disagree, and I humbly ask their indulgence in advance, as they are said because they are my convictions and in what I conceive to be the best interests of my country—the only yardstick I know. I do not relish the role of a Cassandra or a Jeremiah and hope my prediction of European and Asiatic communism will not materialize. However these convictions of mine are not of recent date. They go back to 1939, when I repeatedly opposed measures that were steps toward war and tended to make war inevitable, because I knew as a result of defeating and crushing Germany communism would inevitably sweep over Europe. My sympathies have always been with Great Britain short of war, and they are still with her as she faces world communism. I will be unable this afternoon to speak in detail on world communism, the greatest and most menacing issue facing, not only the British Empire but hundreds of millions of free people who believe in democratic principles of government, but I expect to cover this subject thoroughly in a book I am now writing on the causes and responsibility for the war. Stalin has been outsmarting the British at every move

and has merely used them to run interference for the Communists to take over Europe and Asia. Unfortunately, we in America, out of affection for the British, were dragged into the war, and now find ourselves playing Stalin's game. There will be, I predict, a lot of Americans who will soon find their faces red, but it will not be among the 100,000,000 noninterventionists prior to Pearl Harbor whose sons are fighting all over the world.

We are up to our necks in international power politics, and from now on we will be in the deplorable position of having to choose between British and Russian interests, and no matter what we do there will be no thanks and we can be sure of getting it in the neck ourselves. It looks as if this war will hardly be over before a third world war will get underway.

I realize that it is unpopular and distasteful to tell the truth. When you speak of the dangers of communism the people are either bored or indifferent as it seems so far away to them when actually it is at their very doorstep affecting their liberties and the destiny of America and the world. Can it be they are willing to have all of Europe and Asia become the serfs or slaves to a totalitarian Communist state with a mere shrug of the shoulders? What about our own American liberties? Has the flame of liberty burned so low in America—the home of freedom and liberty—that we are indifferent to both world freedom and our own?

In the State of New York in the recent election the Communist-dominated and controlled American Labor Party cast 498,000 votes and the Liberal Party, of pinker shade, composed of fellow travelers and radicals, received 320,000 votes. The issue of communism, at least in New York State, is not to be laughed off or ignored. Let Europe be communized as a result of this war waged for democracy and I predict it will be the end of the British Empire and an almost mortal blow to private enterprise, free institutions, and constitutional government in America.

Just because I am opposed to world communism does not mean that I am a reactionary. Far from it. I have been a liberal in politics all my life. Communism is the direct opposite of liberalism. I believe in free speech, a free press, a free ballot, freemen, and in a free America and also in social and industrial justice as the best way to combat the serfdom of communism and totalitarianism. I have pled frequently in this Congress for a square deal for the 20,000,000 underpaid American wage earners, office workers, and in the stores and factories, who are struggling against high living costs and taxes. The white-collar and low-paid factory workers generally have no lobby to speak for them in Washington. I have urged in this Congress and will continue to urge my friends in the next to pass legislation permitting employers of labor to increase the pay of their hard-working and efficient employees up to 75 cents an hour or $36 a week without obtaining the approval of the War Labor Board. It can only be done up to 50 cents an hour now. This would not in any way affect the Little Steel formula.

I am glad to join with most Americans in giving unstinted praise to Soviet Russia for its military achievements and for the valor and gallantry of her armed forces and her tremendous contributions toward winning the war. That, however, in no way changes my views on the menace of world communism which in my opinion would put Europe back a thousand years into the Dark Ages, liquidate the upper and middle classes, and destroy individual liberty and the freedom for which we were told the war was being fought.

I have pointed out repeatedly on the floor of the House that there is an irrepressible conflict between communism or totalitarianism on one side and democracy and freedom on the other. Anyone who refuses any longer to realize the importance of and takes sides on this vital issue is unwilling to face realities and is merely delaying the awful day of reckoning for civilization, Christianity, and democracy. We cannot trifle or delay much longer or it will be too late. The four freedoms and democratic governments all over the world are hanging in the balance.

What has become of the Atlantic Charter? Is it lost, strayed, or possibly stolen by the Communists? Has it been buried alive, or is it still a living corpse? Can new life be infused into its veins and flesh put onto its bones? If not, then we will have repudiated our pledges to the small nations, including Poland, and thrown them to the Communist wolves. It is incredible that Poland, in whose behalf World War No. 2 was started in order to maintain its territorial integrity and independence, is about to be turned over to the Communists in utter disregard of its terrible sacrifices in fighting the Nazis and the pledges given to the Polish people by the Allies.

On October 28, 1939, in an address over the National Broadcasting Co., I warned the American people as to what would happen as a result of the war, stating:

> I do not like dictators of any kind, here or abroad, but I don't want to see any American lives sacrificed to oust Hitler and pave the way for communism in Germany, and possibly in the rest of Europe. I predict if Germany is beaten to her knees, bled white, and exhausted by a long war that communism will be the natural and inevitable result.

And, again, on November 27, 1939, I said:

> There is nothing more terrible or devastating than war. We naturally sympathize with the democratic nations against those with dictatorial systems. The American people are opposed to dictatorships either abroad or at home. Every day that the European war continues is a victory for communism. There can be no other end, after the belligerents are bled white, their resources consumed and Europe faced with bankruptcy, ruin, and the destruction of civilization and Christianity. When that time comes the Communist vulture will swoop down on the bloody remains of Europe. Once the full fury of modern warfare is let loose every battle will mean a further extension of communism. I predict, if the war lasts, communism will overrun Germany and France, and maybe the rest of Europe—both victor and vanquished will go down together and become an easy prey to communism.

That was the main reason I opposed our entrance into the World War. I knew that Germany was the main bulwark in Central Europe against communism. As a military man, I knew something of the might and potential power of America, and I knew that if we got into that war we would defeat its armies and crush Germany. When we did that we would open the road for communism all over Europe, not in Germany alone but in Poland and all the rest of the European countries, small and large.

That was my prediction then. Now we are faced with a reality, with England and Russia almost at each other's throats, and communism taking over the liberated countries, setting up their puppet governments through their own communistic groups and in the other countries trying to sow the seeds of class hatred and of civil war in their effort to take over the governments of all of Europe.

Pope Pius XII, addressing a group of cardinals at St. Peter's, Vatican City, on December 9, 1944, warned that the Catholic church expects an all-out fight against Russia in returning religious freedom to Europe:

> We must gather courage because the church may have to fight and suffer chahges in its outer structure, but it shall remain firm and stolid in essence—

The Supreme Pontiff declared.

The Vatican News Service said in reference to Russia:

> Premier Stalin's continued intransigeance and hostility, particularly toward Poland, whence news of mass deportation of ecclesiastics to Russia continuously is reaching the Vatican, adds reason to the Holy See's policy of open hostility toward the Soviets.

What have we today? In Finland the Communists have practical domination. In the Balkan and Baltic states the Soviet Union is the master and communism is rampant. We have seen Poland ravished by both Nazi and Communist hordes, and the bloody remains devoured by two hungry aggressive vultures, and now a tug of war is going on over what remains of the carcass.

I want to take this opportunity to read what William Green, president of the American Federation of Labor, had to say in Boston on June 2, 1944, in opposing a Soviet Europe and urging free labor to choose its own destiny. His statement is as follows:

(By the Associated Press)

BOSTON, June 2, 1944.—Acknowledging indebtedness to Russia for its war exploits, President Green, of the American Federation of Labor, declared today that labor did not "consider it right or just or contributory to world peace that all Europe be sovietized" when the war ends.

In a speech for the International Ladies' Garment Workers Union convention, Green declared that labor believes "that each nation of Europe should be accorded the right to work out its own peaceful and democratic

destiny without being subjected to the status of a puppet state."

"And from our own experience," he said, "we know that when Communists seize control of a trade union organization its democratic roots die.

"That past has taught us that communism recognizes no principles and that it worships only the god of expediency—a god with many faces."

Mr. Speaker, I must say there are some things about Communists that I admire and respect. They do not change their fundamental party principles the way Democrats and Republicans do at times in this country. They are steadfast to their principles all over the world, whether they live in Moscow, Berlin, Paris, London, New York, Tokyo, or Peking. They believe in class hatred. They believe in the destruction of private property and the annihilation of religion. They believe in creating a class or civil war in order to set up a totalitarian dictatorship, a soviet form of government, with the world capital at Moscow. They have never deviated from their principles one bit, no matter what they may say in lip service about democracy or other forms of government. The Communists have always maintained the same party principles. They have always despised and held in scorn all parliamentary forms of government, such as our own and that of the rest of the democratic nations of the world. They propose to obliterate them, to annihilate them, to destroy them wherever they can. They propose to carry out their fundamental principles, which I want to put in the RECORD, taken from their bible, the Manifesto on Communism, by Karl Marx and Friedrich Engels. If you want to find out about the Communist aims and purposes, go direct to the Communist manifesto. Go to the original source. Those are their fundamental aims, from which they have never changed or deviated.

The immediate aim of the Communist is the same as that of all the other proletarian parties: Formation of the proletariat into a class, overthrow of bourgeois supremacy, conquest of political power by the proletariat.

In this sense the theory of the Communist may be summed up in the single sentence: Abolition of private property. You must, therefore, confess that by "individual" you mean no other person than the bourgeois, than the middle class owner of property. This person must, indeed, be swept out of the way, and made impossible.

Abolition of the family. Even the most radical flare up at this infamous proposal of the Communist.

On what foundation is the present family, the bourgeois family, based? On capital, on private gain. In its completely developed form this family exists only among the bourgeoisie.

The bourgeois claptrap about the family and education, about the hallowed correlation of parent and child, becomes all the more disgusting, the more, by the action of modern industry, all family ties among the proletarians are torn asunder, and their children transformed into simple articles of commerce and instruments of labor.

The working men have no country. We cannot take from them what they have not got.

But communism abolishes eternal truths, it abolishes all religion, and all morality, instead of constituting them on a new basis; it therefore acts in contradiction to all past historical experience.

These are merely some quotations from the Manifesto.

Communists are steadfast to their principles, but when they sweep over, as they are now doing in Estonia, Latvia, Lithuania, and Poland and other nations throughout eastern Europe, and liquidate the upper and the middle classes, those who have any property left, deport them into Siberia, shoot them down in rivers of blood, it is the result of the war that we are now engaged in, which we are supposed to be fighting in defense of small nations, democracy, and against aggression. We have all been shocked at Hitler's persecution of the Jews. Millions of them were shot and murdered, and yet the same thing is happening today to Christians in eastern Europe, who believe in democracy and are opposed to communism. What a travesty and mockery of international justice when such things can happen while we are fighting in defense of democratic institutions, Christianity, civilization, and against aggression!

The Soviet Union has refused to recognize any but a puppet government; they will not have anything to do with the government in exile, no matter how much the British endeavor to bring about a fair settlement of this problem—they will have a Communist-dominated government or nothing. Even when General Bor was assured by the "reds" that the Soviet Army would back up the underground if they would rise up in Warsaw to throw out the Nazis, the "red" armies were held back until the existing leadership of the underground, which was not under Communist domination, was "liquidated" so that a "red" government of their own choosing could be established and those who might oppose it eliminated. Now, the issue is still drawn and apparently it is merely a question of time as to when the British will accede to the Soviet demands, and Poland will become a Communist state.

In Yugoslavia, General Mihailovich organized a patriot army to fight the Nazi invasion, and made such an impression on the Allies with his valiant guerrilla forces that our Governement promised to aid him in every possible way. But not the Soviets, until they knew exactly where he stood on communism. When it was learned that Mihailovich would have none of communism, and was honest enough to say that he was a Yugoslavian and did not like communism any more than he did nazi-ism, Marshal Stalin immediately dispatched a Russian-born Communist to Yugoslavia to lead a partisan army of his own, and started a propaganda campaign to undermine and destroy General Mikhailovich's followers, smearing him with the virus of being pro-Nazi and charging him with appeasing the Nazis—a man who was a real patriot and had offered his life, if need be, in defense of his native land. But, because he would not surrender to communism, he was displaced by Marshal Tito, whose main job is to establish a Communist state in Yugoslavia, with the consent of the United States and Great Britain.

Then, there is Italy and France, where our armies have routed the Nazis. It was always a coincidence that when our troops took over these occupied countries the "red partisans" were already fully equipped with tommyguns and rifles, and when the cities were liberated as in Rome, took the law into their own hands, hunting down like wolf packs those who were known to oppose communism, charging them with being collaborationist, or Nazi sympathizers, ransacking their homes and standing them up against a wall to be shot, without any semblance of a trial. Perhaps many of these people were collaborationists and deserved death, but we as a civilized Nation are opposed to mob violence and should have seen to it that all those so charged were at least afforded an opportunity to defend themselves and not destroyed because of their political beliefs or activities, or because they opposed communism as some of them may have opposed fascism or nazi-ism.

Now a similar situation has developed in Greece, although this time the British Prime Minister has begun to realize what is going on in these European nations, and has finally come to the conclusion it is time to stop the march of communism in Europe. The Communist propaganda is so strong and so clever, however, that even Mr. Churchill will find he has a Tartar on his hands—these revolutionists hide behind the pretext of loyalty to the Allies—which, of course, include Soviet Russia—and when they stage their demonstrations, fill the air with "Viva America," "Viva Roosevelt," "Viva Britain," while carrying on their drive for Communist domination. They have their goals in all other nations of Europe and in Asia, and will not stop until world communism attains world domination under the Soviet dictatorship.

On June 30, 1941, in a radio address over the N. B. C. I tried to caution the American people as to what our entrance into the war would mean, in the following language:

The fight for democracy, the "four freedoms," and against dictatorships has an appeal to all liberty-loving Americans, but to participate in a war between two aggressors and two dictators, both opposd to the "four freedoms" leaves us icy cold. The attitude of most Americans is "a plague on both your houses." I am opposed to naziism, and can think of nothing too bad to say against its aggressions and ideology, but there is one thing worse—and that is the bloody hand of communism. American mothers will not willingly sacrifice their sons to make the world safe for communism, or to fight and die for the Red flag, Joe Stalin and world revolution under the guise of democracy.

That is the issue today. What are you going to do about it? What is our Government doing about it? Are we going to sit idly by and see communism consume all of Europe and Asia?

We can now expect the communistic forces in America, headed by Earl Browder, with the support of the P. A. C. factions, to begin agitations and demonstrations of sympathy with the "reds" in Greece, Belgium, Italy, and Yugoslavia, or for their comrades wherever any attempt is made to keep them from taking over the control of the practically de-

fenseless peoples of Europe. The "pay-off" will be expected from the New Deal administration because of the support given it during the recent campaign, and its nebulous commitments made at Teheran, with demands that our Government must support the radical and Communist-controlled groups in these nations as they are freed from Nazi control. The "reds" have inferred that to be the administration's policy following the secret Teheran agreement, and the American people have not yet been informed as to our commitments under it.

The one international issue that is superseding all others, and rapidly demanding a decision, is whether world communism will attain its long-proclaimed objective of sovietizing Europe and China, and eventually the world. We must determine in America whether this Nation shall stand as it has always stood—for real democracy, for international justice, and against aggression, oppression, and dictatorial governments no matter what they might call themselves—or continue to appease the Soviet Union and world communism.

Appeasement, against which our international press has railed lo these many years, is still appeasement, even if it is demanded by the "reds" instead of being applied against the now demoralized and beaten Nazis and Fascists. What will we have accomplished, what price our tremendous sacrifices in blood and treasure, if we but destroy one form of totalitarianism merely to set up a more dangerous one to the peace of the world? What price victory, if we lose what we are fighting for? What profit it a nation, if it wins victories over the whole world, only to lose its own soul? The question is, Can Christianity survive the attacks being waged on it daily by the evil "red" front forces?

Mr. HENRY WALLACE sees in Soviet Russia something akin to Christianity. If a Russian disapproves of the government, he is shot down in cold blood. Americans would not consider this a particularly Christian act. The Russian people are brave and gallant fighters, but that does not change the purposes of communism—dictatorship, despotism, and tyranny.

The communism of the early Christians was a communism based on love and the Kingdom of God. Russian communism is based on hatred of class and of religion, and attempts to destroy all faith in God.

REVOLUTION OVER EUROPE

It is time that Americans woke up and became realists regarding world conditions. The black clouds of revolution are gathering fast over Europe. Revolution and chaos are on the march among its starved, embittered, demoralized, and war-wrecked peoples. Communism, under the false guise of democracy is raising its gory hands to stifle any stable or democratic government. "Reds" camouflaged as democrats or masquerading as friends of freedom are spreading violence and terrorism with tommyguns in the liberated nations in an effort to seize power or to create class hatred and civil war. The liberated nations of Europe are aflame with the fires of revolution, which for hatred, terror, and destruction exceeds the horror of wars between nations.

Behind all this seething bitterness and hatred is the "red" hand of communism, which thrives on misery, famine, and despair. Unless the democratic nations take a firm stand now, it will be too late. The Communist-led forces of Europe are determined, unscrupulous, and aggressive, and know that their time to strike deadly blows has come if they are to take over Europe. Nothing can stop them except a determined, united, and forceful stand by the democratic people in the liberated nations backed by Great Britain and the United States. Any policy of appeasement or pussyfooting toward the "red" front forces in Europe means communism, bankruptcy, and loss of freedom and democracy.

Anyone who exposes or denounces the attempts of the "red" front forces to destroy democracy in Europe must be prepared to be called pro-Nazis or pro-Fascists. That is the typical smear that will be hurled at every friend of democracy or free government in Europe by "red" agitators and propagandists, as they have already done against me.

If you are against the Communists swallowing or destroying democratic governments one by one either by armed force or political infiltration, then you will be denounced in the "red" press as playing Hitler's game, and being a Nazi stooge or anti-Semitic—one as meaningless as the other.

There can be no compromise between Americanism and Communism. We do not propose to let the Communists or Sidney Hillman Sovietize us. Let us have faith in America, and its glorious destiny under our own free institutions and constitutional and republican form of government. Let us rise above party affiliations and unite in an effort to save America from its enemies from without and within.

We are united and determined on winning the war as quickly as possible and bringing our servicemen home immediately afterward. But, while they are on the march to victory all over the world, we owe it to them to unite in preserving our own fireside liberties and freedoms for our war veterans when they come home. I am in favor of deporting, after the war, all alien Nazis, Fascists, and Communists to their native countries and giving their jobs to loyal Americans and to our returning veterans.

If there is any country worth living in, fighting for, or even dying for, it is the United States of America. Let us follow the example of Winston Churchill, Prime Minister of Great Britain, who always places the interests of the British Empire first, and even of Marshal Stalin who does the same for the Socialist Soviet Republics. Let us have faith in America, the greatest, richest, most powerful, and freest Nation on earth. Let us follow the example of our allies and put the interests of America first and keep them uppermost all the time, for if we do not do it no other nation will do it for us.

I shall never despair of our free institutions, constitutional government, and the glorious destiny of our country as long as the elected representatives of the people in Congress maintain their constitutional power to legislate and resist all usurpations upon it. I expect to be more active in State and National politics than I have been in years past. I am enlisting in the fight to save America.

Thank God for the Congress of the United States, and more power to you, and especially the House of Representatives, which is the guardian and palladium of the freedom and liberties of the American people.

God bless and preserve America!

EXTENSION OF REMARKS

(Mr. DELANEY asked and was given permission to revise and extend his remarks.)

Mr. MURDOCK. Mr. Speaker, I ask uanimous consent to extend my remarks in the Appendix on the bill I had up today.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERSONAL EXPLANATION

Mr. PETERSON of Georgia. Mr. Speaker, when the vote was taken on the Jackson Hole bill this afternoon, I was called out on official matters and was unable to vote. Had I been present I would have voted "No."

THE JACKSON HOLE BILL

The SPEAKER. Without objection, the title to the bill H. R. 2241, known as the Jackson Hole bill, passed this afternoon, will be amended to read, in accordance with the committee amendment, as follows:

A bill to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943.

There was no objection.

The SPEAKER. Under previous order of the House, the Chair recognizes the gentleman from Connecticut [Mr. COMPTON] for 30 minutes.

FAREWELL ADDRESS

Mr. COMPTON. Mr. Speaker, it is said winners should be modest; losers should be silent.

In spite of that wise saying, and with a deep sense of responsibility, I address the House today. These are my closing days in Congress, and I must of necessity soon relinquish a shield I have borne in behalf of a handful of American heroes in the South Pacific. Unhappily, it is these few men in our armed service whose faith in the justice of Uncle Sam is faltering, for they cannot understand the lack of action of their superiors, and they look to Congress for understanding and as their only hope of relief. I trust some one of you will pick up that shield I now lay down and, with the support of others, carry on where I must leave off—and assure these forgotten soldiers of the Pacific that we do understand and we do mean to be helpful.

I fought on the battlefields of France in the last war, and I have just returned

from a visit to the eastern French war front, where now the greatest American armies ever assembled are engaged. Let me accentuate, I have great respect so far for the ability of our military leaders in the European and in the Pacific theaters of operation. Throughout my term in Congress I have refrained from publicly criticizing the policies of the War Department or its leaders, because I know that without all the facts conclusions are untrustworthy and cannot be authenticated. I also know the sacrifices which are demanded of all in the Nation at war. Therefore you will understand, I am sure, that I gave careful consideration to what I have to say today, for it is close to my heart, and I have a deep conviction that it should be said. This House and the country will judge of its justification and significance.

To begin with, there is a War Department policy which directs that men—quote—with considerable service overseas—end quote—be sent home on temporary duty or be returned home on rotation, which latter furlough means, as an individual, some other soldier takes his place overseas, and he remains in the United States assigned to new duty.

Out on certain islands in the South Pacific—some large and some small—removed mostly from today's active combat area in the Philippines—a few hundred American soldiers from New England and elsewhere are awaiting word from the Secretary of War through their officers that this order is being carried out. If it comes, it will revive their lagging faith in American military justice, but if they continue to be told to "forget the furloughs" they will succumb to complete bitterness. That sudden death may yet come matters little to them, for death is a part of war, and they know it and are still prepared to give their soldier lives if this be their fate. But careless injustice is a factor they cannot understand, and you will agree that should not be a part of war as we Americans wage it. It is against such an injustice to a few members of our armed forces that I raise my voice in this Chamber today. I can only hope its echo will be heard in high military places, and the resulting reverberations will be carried to them—to those small bands of men who have been marooned in the South Pacific for nearly 3 years without relief. They should know, at least, that Members of Congress feel they have had their full share of the perils of the swamps and jungles and all too long have been the prey to disheartening thoughts; and that their morale, and health if need be, ought to be restored by sight of home and family.

The men for whom I speak, from my own State of Connecticut and also from along the eastern seaboard and from the Middle West, were shipped overseas directly after Pearl Harbor. They survived the battles of the island hopping in the South Pacific since those terrible days when Singapore fell. They struggled through the New Guinea and subsequent campaigns. Never before had we heard a word of complaint from these men. Today, however, they are stalled in these island outposts far removed from the present progressive land-combat areas, with a nuisance enemy raid to curse at now and then, and, what is infinitely worse, less tangible but no less real, those dangers from ennui, loneliness, boredom, sickness — heartsickness mostly — that starve and strain men's souls. Imagine their emotions as they look back over the slow-moving, futile 3 years and long—apparently without hope—for the sight of the homeland they have defended so valiantly and the loved ones who have waited so patiently.

Now my knowledge of military tells me that it is proper for orders from the Secretary of War, promulgated by the War Department, to go through channels down along the line to the units, large and small, that must carry them out. But my military experience also tells me that this routine or system is useful in doing what is commonly called the old army game, "passing the buck." The Secretary of War communicated with the commander in the Pacific after my letters requested action. The Secretary directed attention to these men and their eligibility for furlough home. Of course he employed the usual military phrase, "take whatever action deemed appropriate." Apparently nothing has happened—we have heard nothing—nothing will happen unless we insist that justice to a few men is as important as justice to the many, if Army discipline is to be maintained, and others, regulations, and policies require compliance by the commanders as well as by the men.

I cannot understand why the theater commander in the South Pacific has not acted. He has the authority to do so, military necessity prompts it, and circumstances permit—for the War Department policy directs that—and I quote:

> Consideration be given to length of time served overseas * * * the extent of rebuilding of mind and body required. Special consideration be given to men who have been engaged in arduous and hazardous services.

Still there they are, and they have been there overseas for 34 months or more, and this will be their fourth Christmas away from home. Many of them are on the sick list; some have been injured or wounded and are being treated in small station hospitals when they might well be in a general hospital; all of them are fed up, esprit gone, their morale low; they feel themselves—and rightly so—to be the victims of injustice and forsaken by the outfit that somewhere carries their names on the roll.

I hear someone say "there is a war on and more important things than sending a few men home must have prior attention." To that let me say, small units make up great armies and small details properly observed make up a well-disciplined army with high morale and excellent fighting ability that characterize ours. I knew a famous general officer who could spot a missing uniform button half way down a company line, but his leadership and successful battle strategy made him the idol of his men and won him the respect of the Allied General Staff. Someone is responsible for delay in the return of these few men in the Pacific. Let us find out who is overlooking this important detail. Let us have action.

I do not claim nor is it necessary for me to understand many things that are done or left undone by our military leaders today. However, I am astonished and do wonder now and then. Only last week the newspapers were full of the stories of a considerable number of men who were taken out of combat in Europe, after only a few months' service, and brought back to this country to impress upon the people the need to keep up war production. I saw some of them the other day—and fine soldiers they are. But, why bring men from Europe when the South Pacific is the hallowed ground where heroes actually died because of the shortage of guns and ammunition in the early days of the war? Why not bring home these few men who have struggled with and endured continued limitations for three years, and in spite of it have done their share of keeping the enemy from our shores. Their personal story should impress the War Department as it would the country, and meantime the furlough rotation for 30 months' combat soldiers would be a reality in the Pacific. But perhaps they don't want to tell this inside story of the unromantic hardships in the Pacific. We know they haven't yet told us the real story behind the surprise Pearl Harbor attack.

If 350,000 coal miners or workers in industry go on strike, our Government—our Commander in Chief, in fact—minimizes the effect of such actions on the war effort, and blithely and publicly cites the fact that it represents only a fraction of 1 percent of man hours lost to the war effort. We have 11,000,000 men and women in our armed forces today, and I suggest that this handful of heroes, less than one ten-thousandth of 1 percent of our fighting strength, if we will use fractions, can certainly be spared for a furlough—to return home, without any appreciable effect upon the war effort in the Pacific. I respectfully call this to the attention of the Commander in Chief.

Many of us have learned to overlook and find excuses for the inequities to selectees in the Selective Service, but the War Department is working this injustice upon valiant and valued combat soldiers, upon their generous families and upon the grateful American people.

As I said, no sound reason for holding these men in the South Pacific is given—nothing but trite phrases such as "military necessity" and "endangering the success of operations" or "effect on the war effort." I am sick of trite phrases. I am weary and disgusted with what has been hidden and excused in the name of the war. I refuse to believe that the continued successful prosecution of the war depends on a handful of men who have already given as much of themselves in the cause of freedom as any other living men. I refuse to believe that the situation in the South Pacific is such that the release of a few small units and the air or sea transport to bring them home would adversely affect our Pacific war progress. I have not forgotten the reactions and results of men in continuous

action, for I went with them; and I refuse to believe that it is wise to retain these men and send them into new battles. Almost every one is already the victim of battle fatigue. They are no longer the alert and agile men that make good combat soldiers. Their physical and mental reflexes have slowed down. They are dog-tired. They need a trip home. They need it badly. They must have it.

Thirty-four months ago, when we had only a token Army and a few trained men to fight off the invaders in the South Pacific, we placed our trust and our faith in our reserve, the National Guard. A few units of the National Guard, including several New England regiments, who had received some training and were ready to serve, set sail in February of 1942 for Singapore. But before they got there Singapore fell, and they were diverted to the South Pacific. That was a long time ago. Some of us have not served that long in Congress. The second session of the Seventy-seventh Congress and both sessions of the Seventy-eighth Congress have passed into history. In the passing of those 34 months the whole course of the war and the whole course of history have changed. But the lot of these veteran units has not changed. They are still out there in the lonely ugliness of disease-ridden tropical islands wondering if their country has forgotten them. Mark you, it is of men in these National Guard regiments—the small units of them that remain—for whom I speak today.

Can Secretary of War Stimson or General Marshall or General MacArthur expect the American people to believe that the whole course of the Pacific war—the difference between victory and defeat—rests upon the continued presence in these island outposts of a few hundred veteran fighting men? There are plenty of men in the Army, 7,700,000 of them and seven or eight hundred thousand of the new class, the 18-year-olds, coming in every year. There is no dearth of soldiers. Military regulations provide that there shall be relief for all soldiers after heavy duty, guard duty, or battle service. Do not men who for 34 months have been at the front without relief, who have fought the enemy, jungle, muck, heat, fever, loneliness, fear, and hunger—yes, hunger for civilization—not merit consideration and relief. I have reported units by name and number which merit special consideration for arduous and hazardous service. I request the Secretary of War to direct that proper action be taken by our military authorities to correct these obvious cases of oversight or neglect of these units.

I wish you might read my mail. The letters from the men themselves bring tears to the eyes, because of the unaffected simplicity of the pathetic statement of their plight. The letters from their parents, their wives, their brothers, sisters, and sweethearts are something else again. Today I had one which said, and I quote:

> I am sure if more Congressmen took an interest in matters of this nature more irregularities would be uncovered and remedied.

Another one said, and I quote:

> If a few more Congressmen and Senators would do as you have done, these boys might get a break which they certainly deserve.

One of the men in the islands wrote:

> We have reached the end of the rope, we are war weary, tired, homesick, and ill—our fighting spirit is gone—our morale is broken, especially when we hear of boys who have only been out here 18 months getting home—we are told there is no room on the boats, but what about the Australian brides.

From the records I am reliably informed that many and perhaps most of the men and boys for whom I speak voted for the Commander in Chief on November 7, and therefore more than likely they did not vote for me. It must be obvious that no political motive prompts me to speak, but only a desire to let these men know that every Member of Congress who in his campaign for reelection appealed for servicemen's support was not indulging in mere campaign oratory.

I am near the end of my allotted time today and my time in office is only a matter of a few days. It is my hope to get action before I leave, surely, I trust, in time for some of these men to get home by Christmas. But for the others, evidently it will take looking after. I shall be happy to turn over the correspondence to whoever will take up the work. The matter is worthy of the attention of every Member of this House.

I cannot leave the well of this Chamber today without taking the opportunity to pay my respects to the Members of the House. To me it is worthy of mention that I have invariably received on this floor full measure of consideration and recognition from our honorable Speaker, and every courtesy and many kindnesses from the Members on both sides of the aisle. In my 2 years here I have been blessed with many warm friendships and scores of pleasant acquaintanceships. To have been afforded the honor of being a Member of the Seventy-eighth Congress in the midst of the great war is, to my mind, second only in honor to serving the country in uniform, which it was my privilege to do in World War No. 1 and which I wanted to do again in this war. I confess I lay down my duties here with reluctance, because I believe it is a distinction, as well as a pleasure, to be of service to others. It is a source of pride to me to observe that my colleagues in Congress, each according to his ability and opportunity, serve their districts with painstaking care and with unstinted energy and constant attention to their duties. I am very proud to be numbered among those who have sat in this—the truly representative body and the bulwark of the people and the greatest legislative assembly in the world. It has been a privilege to have taken my place here, to share with you in greeting and to listen to some of the great men and women of our time.

Reluctant though I am to leave, I bear no ill will, personal or political, to anyone here or within my district. I am gratified that the electors in my district entrusted me with the duty of representing them in this Seventy-eighth Congress. I gave them my best endeavors without fear or favor.

I learned in military uniform to obey a proper order without question, and by that same token when the majority of the electors in my district speak I can but cheerfully hand over my duties to my successor. For the sake of the Third Connecticut District and our country, I can only wish him well. Mr. Speaker, to the Members present and absent, may I say:

> Fare thee well! And if forever,
> Still forever, fare thee well.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KILDAY (at the request of Mr. LUTHER A. JOHNSON) for today, on account of official Government business.

To Mr. DILWEG, for 10 days, on account of official business.

To Mr. MILLER of Nebraska (at the request of Mr. CURTIS), for 2 days, on account of personal illness.

To Mr. WASIELEWSKI, for 10 days, on account of official business.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1434. An act to provide for voluntary apprenticeship in the District of Columbia; to the Committee on the District of Columbia.

S. J. Res. 155. Joint resolution establishing a commission to select a site and design for a National Memorial Stadium to be erected in the District of Columbia; to the Committee on the District of Columbia.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1951. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942;

H. R. 2116. An act to amend the laws of the District of Columbia relating to exemption of property from judicial process, the assignment of salary or wages, and the advance payment of salary or wages for the purpose of preventing attachment or garnishment;

H. R. 3150. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 3313. An act to amend section 10 of the act of March 3, entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," as amended;

H. R. 3619. An act to amend sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia;

H. R. 3621. An act to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Colum-

bia, increase the number of judges of the police court, and for other purposes";

H. R. 3720. An act to authorize the Commissioners of the District of Columbia to appoint notaries public;

H. R. 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell townsite, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming;

H. R. 4916. An act to amend the act of June 19, 1934 (Public Law 435, 73d Cong.);

H. R. 4993. An act to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942;

H. R. 5029. An act to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes;

H. R. 5494. An act to amend the act entitled "An act authorizing the President to appoint an Under Secretary of War during national emergencies, fixing the compensation of the Under Secretary of War, and authorizing the Secretary of War to prescribe duties," approved December 16, 1940;

H. J. Res. 289. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes;

H. J. Res. 290. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945; and

H. J. Res. 291. Joint resolution to provide for the quartering in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 963. An act relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States;

S. 1954. An act to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943;

S. 1962. An act extending the provisions of Public Law 47, seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System; and

S. 2194. An act authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN from the Committee on Enrolled Bills, reported that that committee did on December 9, 1944, present to the President, for his approval, bills of the House of the following titles:

H. R. 933. An act for the relief of Conrad H. Clark and Rocco Cellette;

H. R. 3929. An act for the relief of Katherine Scherer; and

H. R. 5564. An act to fix the rate of tax under the Federal Insurance Contributions Act on employer and employees for the Calendar year 1945.

ADJOURNMENT

The SPEAKER. Without objection, the House will stand adjourned until 12 o'clock noon tomorrow.

There was no objection; thereupon (at 5 o'clock and 44 minutes p. m.) the House adjourned until tomorrow, Tuesday, December 12, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2072. A letter from the Chairman, National Mediation Board, transmitting a quarterly estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board and the National Railway Labor Panel, for the period ending March 31, 1945; to the Committee on the Civil Service.

2073. A letter from the Vice President, Panama Railroad Company, transmitting on behalf of the United States offices of the Panama Railroad Company a quarterly estimate of personnel requirements for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2074. A letter from the Chairman, Reconstruction Finance Corporation, transmitting the report of the Reconstruction Finance Corporation for the month of September 1944; to the Committee on Banking and Currency.

2075. A letter from the Chairman, War Production Board, transmitting the fifteenth progress report of the operations of the Smaller War Plants Corporation, October 1–November 30, 1944; to the Committee on Banking and Currency.

2076. A letter from the Assistant Secretary, Department of Agriculture, transmitting the report on forest roads and trails for the fiscal year 1944; to the Committee on Roads.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JARMAN: Committee on Printing. House Resolution 669. Resolution authorizing the printing of the prayers of the Chaplain of the House of Representatives; without amendment (Rept. No. 2050). Referred to the House Calendar.

Mr. BLOOM: Committee on Foreign Affairs. S. 469. An act to terminate further commercial use of the heraldic emblem of the red cross on a white ground formed by the reversal of the Federal colors of Switzerland, and of the names "Red Cross" and "Geneva Cross," as referred to in articles 19 and 28 of the Geneva Convention of 1929; with amendment (Rept. No. 2054). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. Report pursuant to House Resolution 30. Resolution on investigations of the progress of the war effort (Rept. No. 2056). Referred to the Committee of the Whole House on the state of the Union.

REPORT OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McGHEE: Committee on Claims. S. 1935. An act for the relief of Sigurdur Jonsson and Thorolina Thordardottir; without amendment (Rept. No. 2055). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DISNEY:

H. R. 5603. A bill relating to the statute of limitations on assessment of certain taxes where return was not filed because of reliance on existing interpretation of law; to the Committee on Ways and Means.

By Mr. RANKIN:

H. R. 5609 (by request). A bill to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War No. 2, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. COLE of New York:

H. R. 5610. A bill to establish the grade of general in the Marine Corps, and for other purposes; to the Committee on Naval Affairs.

By Mr. DILWEG:

H. R. 5611. A bill to reduce the war tax rate on furs; to the Committee on Ways and Means.

By Mr. COLMER:

H. Res. 676. Resolution authorizing the printing of additional copies of House Report No. 1855, current session, entitled "Economic Problems of the Reconversion Period," for the use of the Special Committee on Post-war Economic Policy and Planning; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER:

H. R. 5612. A bill for the relief of Lily L. Carren; to the Committee on Claims.

By Mr. REED of New York:

H. R. 5613. A bill for the relief of Marlin-Rockwell Corporation with respect to the jurisdiction of the Tax Court of the United States to redetermine its excessive profits for its fiscal year ending December 31, 1942, subject to renegotiation under the Renegotiation Act; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6241. By the SPEAKER: Petition of the Board of Estimate of New York City, petitioning consideration of their resolution with reference to urging Congress to make necessary appropriation for a post-war public-works program; to th Special Committee on Post-war Economic Policy and Planning.

SENATE

TUESDAY, DECEMBER 12, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Merciful Father, in the sanctuary of our spirits we beseech Thee to hallow our lives with the grace of contrition and humility and prepare our hearts to receive the heavenly Guest. Be Thou unto us as the morning with light upon our darkness. Come to us in the bleak winter of despair and lead us to where

fountains of living waters flow; shepherd us to the green pastures of the spirit.

If we have lost a luster from the pattern of life our days are weaving, if for us a glory has departed from the earth and the fresh wonder of childhood no longer is in our eyes, if amid the busy quest of restless days Thy rest has ceased to make our hearts the abode of peace, take Thou the dimness of our souls away. Reveal unto us the knowledge hidden from the wise and haughty and restore unto us the joy of Thy salvation.

As time draws near when good will bending from the singing heavens kisses the tear-stained face of a blind and blundering humanity, may the radiant prophecy of a Holy Family, when all men shall brothers be, put in our hearts and on our lips with a new and deeper longing our daily prayer the Master taught: "Thy kingdom come * * * as in heaven, so on earth." In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, December 11, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, anounced that the House had passed without amendment the following bills of the Senate:

S. 209. An act authorizing the conveyance of certain property to the State of North Dakota;

S. 1571. An act to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the Alva B. Adams tunnel;

S. 1580. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the nonreservation Indian boarding school known as Sherman Institute, Calif.;

S. 1597. An act to amend section 1, act of June 29, 1940 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes;

S. 1801. An act to authorize the Secretary of the Navy to convey to the Virginian Railway Co., a corporation, for railroad yard-enlargement purposes, a parcel of land of the Camp Allen Reservation at Norfolk, Va.;

S. 1898. An act to amend section 99 of the Judicial Code, as amended, so as to change the term of the district court for the District of North Dakota, at Minot, N. Dak.;

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto; and

S. 2205. An act to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets.

The message also announced that the House had passed the bill (S. 198) to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended, with amendments in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 1688) to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1997) to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BOREN, Mr. HARRIS, Mr. PRIEST, Mr. O'HARA, and Mr. HOWELL were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 2644. An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes; and

H. R. 4867. An act to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 4327. An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes; and

H. R. 5543. An act extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes.

The message further announced that the House had passed the following bills and joint resolution in which it requested the concurrence of the Senate:

H. R. 2241. An act to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943;

H. R. 3507. An act to provide for the disposition of tribal funds of the Ute Indians, or any of the tribes or bands of Utes;

H. R. 4425. An act to incorporate the Regular Veterans Association;

H. R. 4547. An act to amend the act of February 14, 1931, as amended, so as to permit the compensation, on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business;

H. R. 4709. An act to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1, 1943, to September 30, 1943, inclusive;

H. R. 5002. An act granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E;

H. R. 5206. An act to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.;

H. R. 5409. An act for the exchange of lands adjacent to the Pike National Forest in Colorado;

H. R. 5448. An act to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia;

H. R. 5566. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944;

H. R. 5571. An act to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter; and

H. J. Res. 317. Joint resolution recognizing the outstanding service rendered to the United Nations by Field Marshal Sir John Dill.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 963. An act relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States;

S. 1954. An act to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943;

S. 1962. An act extending the provisions of Public Law 47, Seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System; and

S. 2194. An act authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hall	Revercomb
Bilbo	Hatch	Reynolds
Brewster	Hawkes	Robertson
Brooks	Hayden	Russell
Buck	Hill	Shipstead
Burton	Holman	Smith
Bushfield	Jenner	Stewart
Butler	Johnson, Calif.	Taft
Byrd	Johnson, Colo.	Thomas, Idaho
Capper	Kilgore	Thomas, Okla.
Caraway	La Follette	Thomas, Utah
Chandler	Langer	Truman
Chavez	Lucas	Tunnell
Clark, Mo.	McCarran	Vandenberg
Connally	McClellan	Wagner
Cordon	McFarland	Walsh
Danaher	McKellar	Weeks
Davis	Maloney	Wheeler
Downey	Maybank	Wherry
Eastland	Mead	White
Ellender	Millikin	Wiley
Ferguson	Murray	Willis
George	Nye	Wilson
Gerry	O'Daniel	
Gillette	Overton	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Kentucky [Mr. BARKLEY] are absent from the Senate because of illness.

The Senator from Utah [Mr. MURDOCK] is detained on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

SENATOR FROM MASSACHUSETTS—CREDENTIALS

Mr. WEEKS presented the credentials of LEVERETT SALTONSTALL, duly chosen by the qualified electors of the Commonwealth of Massachusetts a Senator from that State for and during the remainder of the term ending January 3, 1949, which were read and ordered to be filed, as follows:

COMMONWEALTH OF MASSACHUSETTS.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1944, LEVERETT SALTONSTALL was duly chosen by the qualified electors of the Commonwealth of Massachusetts a Senator from said Commonwealth to represent said Commonwealth in the Senate of the United States for and during the remainder of the term of 6 years, beginning on the 3d day of January, 1943.

Witness: His Excellency our Governor, LEVERETT SALTONSTALL, and our seal hereto affixed at Boston, this 6th day of December, in the year of our Lord 1944.

LEVERETT SALTONSTALL,
Governor.

By the Governor:
[SEAL] F. W. COOK,
Secretary of the Commonwealth.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

FINAL ASCERTAINMENT OF ELECTORS

A letter from the Secretary of State, transmitting, pursuant to law, copies of the certificates of the Governors of the States of Delaware, Louisiana, and Minnesota of the final ascertainment of electors for President and Vice President in their respective States at the election of November 7, 1944 (with accompanying certificates); ordered to lie on the table.

FOREST ROADS AND TRAILS

A letter from the Assistant Secretary of Agriculture, transmitting pursuant to law, a report on forest roads and trails for the fiscal year 1944 (with an accompanying report), to the Committee on Post Offices and Post Roads.

SMALLER WAR PLANTS CORPORATION

A letter from the Chairman of the War Production Board, transmitting, pursuant to law, the fifteenth progress report for the period October 1–November 30, 1944, on the operations of the Smaller War Plants Corporation (with an accompanying report); to the Committee on Banking and Currency.

PERSONNEL REQUIREMENTS

Letters from the Chairman of the War Production Board, Chairman of the National Labor Relations Board, Deputy Alien Property Custodian, and Administrator of the National Gallery of Art, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The VICE PRESIDENT laid before the Senate monthly reports from the chairmen of certain Senate committees in response to the Senate Resolution 319 (agreed to August 29, 1944), which were ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE MILITARY AFFAIRS COMMITTEE, SUBCOMMITTEE ON WAR MOBILIZATION

DECEMBER 1, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of November, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Boyce, Virginia W	3810 W St. SE., Washington, D. C	Department of Interior, Washington, D. C	$1,800
Gertler, Ann S	3721 39th St. NW., Washington, D. C	do	2,000
Heslep, Hope C	2 East Maple St., Alexandria, Va	War Manpower Commission, Washington, D. C	2,000
Larson, C. Theodore	3917 North 5th St., Arlington, Va	National Housing Agency, Washington, D. C	5,600
Manuel, Fritzie P	1621 T St. NW., Washington, D. C	War Manpower Commission, Washington, D. C	3,800
McConkey, Darel	Rural Free Delivery Box 153, Alexandria, Va	War Production Board, Washington, D. C	4,600
Moen, Cora L	5327 16th St. NW., Washington, D. C	Office of Price Administration, Washington, D. C	2,000
Olexsy, Elizabeth H	1620 Fuller St. NW., Washington, D. C	War Production Board, Washington, D. C	2,600
Rosenberger, Francis C	5814 64th Ave., East Riverdale, Md	Office of Price Administration, Washington, D. C	4,600
Schimmel, Herbert	3604 Minnesota Ave. SE., Washington, D. C	War Production Board, Washington, D. C	8,000

H. M. KILGORE, *Chairman.*

SPECIAL COMMITTEE INVESTIGATING THE NATIONAL DEFENSE PROGRAM

DECEMBER 1, 1944.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of December, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Joe L. Martinez (investigator)	208 Massachusetts Ave. NW	U. S. Maritime Commission, Commerce Bldg., 14th St. between E St. and Constitution Ave.	$3,800
Franklin N. Parks (investigator)	4021 Benton St. NW. (apartment 106)	Office of Price Administration, 2d and D Sts. NW	3,800
Brig. Gen. Frank E. Lowe	1316 New Hampshire Ave	Finance Office, Pentagon Bldg	6,000
Col. Harry Vaughan	1609 Oakcrest Drive, Alexandria, Va	do	4,000

JAS. M. MEAD, *Chairman.*

PETITION

The VICE PRESIDENT laid before the Senate a letter from the mayor of New York City, transmitting a resolution of the board of estimate of that city, favoring appropriations for a post-war public works program, which, with the accompanying paper, was referred to the Committee on Education and Labor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RUSSELL, from the Committee on Immigration:

H. R. 1643. A bill for the relief of Mary Lovis Elliott; without amendment (Rept. No. 1373).

By Mr. RADCLIFFE, from the Committee on Immigration:

H. R. 2016. A bill for the relief of William H. Linhart; without amendment (Rept. No. 1374).

By Mr. McFARLAND, from the Committee on Interstate Commerce:

H. R. 4910. A bill authorizing the Atchison, Topeka & Sante Fe Railway Co., or its successors, to convey to the State of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.; without amendment (Rept. No. 1375).

By Mr. WHEELER, from the Committee on Interstate Commerce:

H. R. 5219. A bill to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa., without amendment (Rept. No. 1376).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BREWSTER (for Mr. BARKLEY), from the Joint Select Committee on the

Disposition of Executive Papers, to which were referred for examination and recommendation three lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, December 12, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 963. An act relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States;

S. 1954. An act to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943;

S. 1962. An act extending the provisions of Public Law 47, Seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System; and

S. 2194. An act authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, as indicated:

H. R. 3507. An act to provide for the disposition of tribal funds of the Ute Indians; or any of the tribes or bands of Utes to the Committee on Indian Affairs.

H. R. 4425. An act to incorporate the Regular Veterans Association; to the Committee on the Judiciary.

H. R. 4547. An act to amend the act of February 14, 1931, as amended so as to permit the compensation on a mileage basis of civilian officers or employees for the use of privately owned airplanes while traveling on official business; to the Committee on Expenditures in the Executive Departments.

H. R. 5002. An act granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E; and

H. R. 5206. An act to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.; to the Committee on Commerce.

H. R. 2241. An act to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943; and

H. R. 5409. An act for the exchange of lands adjacent to the Pike National Forest in Colorado; to the Committee on Public Lands and Surveys.

H. R. 5448. An act to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia; to the Committee on the District of Columbia.

H. R. 5566. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944; to the Committee on Agriculture and Forestry.

H. R. 4709. An act to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1, 1943, to September 30, 1943, inclusive; and

H. R. 5571. An act to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter; to the Committee on Civil Service.

H. J. Res. 317. Joint resolution recognizing the outstanding service rendered to the United Nations by Field Marshal Sir John Dill; to the Committee on Foreign Relations.

AMENDMENT OF TRANSPORTATION ACT OF 1940—AMENDMENT

Mr. SHIPSTEAD submitted an amendment intended to be proposed by him to the bill (H. R. 4184) to amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic, which was ordered to lie on the table and to be printed.

ASSISTANT CLERK, COMMITTEE ON PATENTS

Mr. PEPPER submitted the following resolution (S. Res. 351), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution No. 12, agreed to January 27, 1941, authorizing the Committee on Patents to employ an assistant clerk during the Seventy-seventh Congress to be paid from the contingent fund of the Senate at the rate of $2,400 per annum, hereby is continued in full force and effect until the end of the Seventy-ninth Congress.

EXTENSION OF AUTHORITY AND TIME TO FILE REPORT ON LEGAL AUTHORITY FOR THE ISSUANCE OF EXECUTIVE ORDERS

Mr. McCARRAN submitted the following resolution (S. Res. 352), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the date for submission of the report called for by Senate Resolution 252, Seventy-eighth Congress, agreed to March 30, 1944 (relating to a study into the legal and constitutional authority for the issuance of Executive orders of the President and of departmental regulations), is hereby extended to not later than the end of the Seventy-ninth Congress; and that the authority contained in said Senate Resolution 252, Seventy-eighth Congress, and the availability of unexpended balances of funds provided thereby, are hereby continued during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress.

A FIVE-POINT POST-WAR PROGRAM FOR PEACE—ARTICLE BY ARCHBISHOP STRITCH

[Mr. DAVIS asked and obtained leave to have printed in the RECORD a five-point post-war program for peace by Archbishop Stritch, published in Pan-American's Forum of the Future, which appears in the Appendix.]

FARLEY URGES MORE INDUSTRIAL DEVELOPMENT IN THE SOUTH—EDITORIAL FROM THE FLORIDA TIMES UNION

[Mr. GILLETTE (for Mr. ANDREWS) asked and obtained leave to have printed in the RECORD an editorial entitled "Farley Urges More Industrial Development in the South," from the Florida Times Union of Jacksonville, Fla., of November 22, 1944, which appears in the Appendix.]

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The VICE PRESIDENT. The clerk will read the unanimous-consent agreement arrived at yesterday.

The legislative clerk read as follows:

Ordered (by unanimous consent), That on Tuesday, December 12, 1944, at not later than 3 o'clock p. m., the Senate shall proceed to vote upon the pending amendment (St. Lawrence waterway) and all amendments pertaining thereto, the time to be equally divided and controlled by the Senator from Vermont [Mr. AIKEN] for the proponents and the Senator from Louisiana [Mr. OVERTON] for the opponents.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN obtained the floor.

Mr. DANAHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Connecticut?

Mr. AIKEN. How much time does the Senator wish? My time is limited.

Mr. DANAHER. I ask unanimous consent that the time of the Senator from Vermont be expanded by the 3 minutes I shall require.

Mr. OVERTON. May I ask the Senator from Connecticut to withhold his request until we conclude this debate? The debate is under a time limit.

Mr. DANAHER. I am glad to do so. I had conferred with the Senator from Louisiana, in charge of the bill, and supposed that this was an appropriate time for me to proceed. I shall be glad to withhold the matter and take it up later.

Mr. OVERTON. As soon as we finish with the St. Lawrence amendment, the Senator may proceed.

Mr. DANAHER. Very well.

Mr. AIKEN. Mr. President, I wish to present this morning information which has come to me over the past week-end indicating to what length the opponents of the St. Lawrence project are willing to go to obstruct the completion of this great navigation and power development.

The material I am about to present shows that the public has been grievously misled, that the House Committee on Rivers and Harbors was imposed upon to include certain lists purported to be of opponents of the project in the 1941 hearings, and that the Senate itself has been given a false impression of the numbers of chambers of commerce throughout the United States which are represented as being opposed to the St. Lawrence project and are presumed to be contributing to propaganda against the seaway development.

On last Wednesday, the Senator from North Carolina [Mr. BAILEY] stated on the floor of the Senate that he did not know whom Dr. Edward L. Borchard, of Yale University, represented in his appearance at the recent hearings before the subcommittee of the Committee on Commerce. It will be recalled that Dr. Borchard was the only witness heard by the subcommittee in opposition to the St. Lawrence agreement. Dr. Borchard vigorously attacked the agreement and

the procedure followed by Secretary Hull as irregular, dangerous, and in violation of the Constitution.

I replied to the Senator from North Carolina that I had in my possession a printed brief on the same subject, written by Dr. Borchard, and circulated under date of May 25, 1944, by the National St. Lawrence Project Conference, which opposes the St. Lawrence development. I expressed the view that that organization derived its sustenance and support from utility and other special interests in its active and continuous opposition and propaganda against the improvement of the St. Lawrence River.

On Thursday, Mr. Tom J. McGrath, executive director of the National St. Lawrence Project Conference, wrote me denying that his organization had received any contributions from utilities.

I ask leave to have this letter inserted in the RECORD in full at this point.

The PRESIDING OFFICER (Mr. HALL in the chair). Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ST. LAWRENCE
PROJECT CONFERENCE,
Washington, D. C., December 7, 1944.

Hon. GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Your statement appearing in CONGRESSIONAL RECORD of December 6, page 8892, to the effect that this conference is "composed mostly of public utility people" is entirely unfounded. No utility company engaged in generation, distribution, or otherwise connected with electric business holds membership in this organization and none have made financial contributions. I shall be very glad to submit proof of the above statement in the form of books of account duly verified under oath to any appropriate committee in the Senate if such is desired.

I am enclosing herewith a list of the membership of this organization as of August 1, 1944. There have been no additional affiliations since that date.

It will be noted that the conference consists of approximately 260 organizations representative of business, transportation, shipping, and production with members in every State of the Union.

While nothing said herein is intended to be in derogation of public utilities, I think you will wish to present only the facts as they exist and that you will desire to correct the erroneous impression that your statement may have given.

Yours truly,

TOM J. MCGRATH,
Executive Director.

Mr. AIKEN. It will be noted that Mr. McGrath says in one paragraph:

I am enclosing herewith a list of the membership of this organization as of August 1, 1944. There have been no additional affiliations since that date.

Printed on the back of Mr. McGrath's letter is an extensive list of chambers of commerce and other organizations which are designated as being opposed to the St. Lawrence development, and designated as members of the National St. Lawrence Project Conference. I compared this list with the one used at the hearings of the House Committee on Rivers and Harbors by Mr. McGrath when he testified before that committee in 1941. The two lists are similar, and include chambers of commerce in all parts of the country. The list presented by Mr. McGrath 3 years ago was printed in the published hearings of the House committee on pages 370 and 2205. The list printed on the back of Mr. McGrath's letter I have no doubt has reached many Members of the Senate and many of the mailing lists to which this organization has been sending out its pamphlets and propaganda for a period of nearly 4 years.

In view of the denials made that the National St. Lawrence Project Conference was financed in its extensive activities by special interests, I determined to find out, if I could, just where the money was coming from.

Accordingly, on Friday I sent an inquiry to over 100 of the chambers of commerce listed as members of the National St. Lawrence Project Conference, inquiring if they were members of the McGrath organization, and the amount of any contributions.

Mr. President, I have been astounded at the replies I have received from the chambers of commerce to whom I addressed my inquiry. Nearly half the chambers advise me that they are not now and never have been members of the National St. Lawrence Project Conference. Their names have been used without their consent. Only seven out of the entire list I inquired of admit that they have ever contributed a cent to the financial support of the organization.

The chambers of commerce which have contributed advise me that they have given $100 in two cases, $50 in another, $25 in another case, and $10 in a fourth instance. This makes $285. Two chambers report "nominal" contributions, but $285 is the total amount which can thus far be traced to chambers of commerce, out of tens of thousands of dollars which the McGrath organization itself acknowledges it raised more than 3 years ago to start propagandizing this country and to oppose the St. Lawrence development bill which is incorporated in the amendment now before the Senate.

Mr. President, I wish to read to the Senate some of the telegrams I have received from cities and communities throughout the country, to show how cleverly this organization set itself up. First, it adopted a name which would give the impression that it was for the St. Lawrence development, then with a view to the geography, it carefully selected cities all over the United States from which it could report the chambers of commerce as being opposed to the St. Lawrence project. I wish now to read some of these telegrams.

The first is from Memphis, Tenn., as follows:

MEMPHIS, TENN., *December 9, 1944.*

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.:

Memphis Chamber of Commerce not member St. Lawrence project and does not contribute to the organization.

MEMPHIS CHAMBER OF COMMERCE.

The next is from Gloucester, Mass.:

GLOUCESTER, MASS., *December 8, 1944.*

Hon. GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.:

Gloucester Chamber of Commerce not a member and does not contribute to National St. Lawrence Project Conference.

L. J. HART, *Manager.*

Telegram from East St. Louis, Ill.:

EAST ST. LOUIS, ILL., *December 9, 1944.*

Hon. GEORGE D. AIKEN,
Senate Office Building:

This organization not a member. Makes no contribution National St. Lawrence Project Conference.

M. R. NOACK,
President, East St. Louis Chamber of Commerce.

From Gloversville, N. Y.:

GLOVERSVILLE, N. Y., *December 8, 1944.*

GEORGE D. AIKEN,
United States Senator,
Washington, D. C.:

To my knowledge we are not member or contributor to National St. Lawrence Project Conference.

ANNA D. KUKLA,
Executive Secretary, Chamber of Commerce.

These are all signed by the secretary or some official of the chamber of commerce.

From Ogden, Utah:

OGDEN, UTAH, *December 8, 1944.*

GEORGE D. AIKEN,
United States Senator,
Washington, D. C.:

Ogden Chamber of Commerce not member St. Lawrence Project Conference. Have not contributed any money to this organization.

OGDEN CHAMBER OF COMMERCE.

But Mr. McGrath says that these people are all participating in a campaign against the St. Lawrence.

From Bluefield, W. Va.:

BLUEFIELD, W. VA., *December 8, 1944.*

Senator GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.:

Bluefield Chamber of Commerce has never contributed to National St. Lawrence Project Conference and is not member of this organization.

BLUEFIELD CHAMBER OF COMMERCE,
LILA TAYLOR, *Acting Secretary.*

Telegram from Montgomery, W. Va.:

MONTGOMERY, W. VA.,
December 9, 1944.

GEORGE D. AIKEN,
United States Senator:

Not a member; no contribution.

MONTGOMERY CHAMBER OF COMMERCE,
W. L. MONTGOMERY, *Secretary.*

Another from Mishawaka, Ind.:

MISHAWAKA, IND., *December 8, 1944.*

GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

Mishawaka Chamber of Commerce is not a member and does not contribute to the national St. Lawrence project.

MISHAWAKA CHAMBER OF COMMERCE.

A telegram from Long Island City, N. Y.:

LONG ISLAND CITY, N. Y.,
December 12, 1944.

Hon. GEORGE D. AIKEN,
Senate Office Building:

Chamber of Commerce, Borough of Queens, not members of nor contributors to national St. Lawrence Project Conference.

P. W. MOORE,
Executive Vice President.

Mr. McGrath is not at all shy. He picks out some large chambers of commerce as well as some small ones to misrepresent.

I have a telegram from the New Haven (Conn.) Chamber of Commerce, the home of the New Haven Railroad, which admitted membership in this organization.

A telegram from Bridgeport, Conn., reads as follows:

BRIDGEPORT, CONN., *December 8, 1944.*
Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.:

Retel. Do not contribute to the National St. Lawrence Project Conference and are not a member of this organization.

BRIDGEPORT CHAMBER OF COMMERCE.

Mr. McGrath says that chamber of commerce is a member.

From Williamstown, W. Va.:

WILLIAMSTOWN W. VA., *December 8, 1944.*
GEORGE D. AIKEN,
United States Senate,
Washington, D. C.:

Retel. No contribution made to National St. Lawrence Project Conference and we are not members of this organization.

CHAMBER OF COMMERCE.

From Dubuque, Iowa:

DUBUQUE, IOWA, *December 8, 1944.*
Hon. GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.:

Dubuque Chamber of Commerce has never contributed one cent to National St. Lawrence Project or to membership of that organization. We are, however, definitely opposed to the proposed seaway.

J. A. KERPER,
Secretary, Dubuque Chamber of Commerce.

From Lewiston, Maine:

LEWISTON, MAINE, *December 8, 1944.*
GEORGE D. AIKEN,
United States Senate,
Washington, D. C.:

Lewiston Chamber of Commerce does not contribute nor are we members National St. Lawrence Project.

CARRIE A. WILLS,
Acting Secretary.

From Meridian, Miss.:

MERIDIAN, MISS., *December 8, 1944.*
GEORGE D. AIKEN,
United States Senate,
Washington, D. C.:

Meridian Chamber of Commerce not a member of the National St. Lawrence Project and have not contributed anything to their support.

E. P. MCNEILL,
Secretary-Manager, Chamber of Commerce.

From Cortland, N. Y.:

CORTLAND, N. Y., *December 8, 1944.*
GEORGE D. AIKEN,
United States Senate,
Washington, D. C.:

Our Cortland County Chamber of Commerce is not a contributor to National St. Lawrence Project nor a member of the conference. We have already and on numerous occasions opposed the project.

CARL C. COOPER,
Secretary, Cortland County Chamber of Commerce.

From Hornell, N. Y.:

HORNELL, N. Y., *December 9, 1944.*
Senator GEORGE D. AIKEN,
United States Senate Office Building:

We are not a member of and contribute nothing to the National St. Lawrence Project Conference. We are still opposed to this project.

HORNELL BOARD OF TRADE, INC.,
PAUL T. KOCH, *President.*

From Moline, Ill.:

MOLINE, ILL., *December 8, 1944.*
Senator GEORGE D. AIKEN,
Senate Office Building,
Washington, D. C.:

Neither contributed nor member National St. Lawrence Project Conference to our knowledge.

MOLINE ASSOCIATION OF COMMERCE,
GEORGE F. REEDER, *Secretary.*

Also a telegram from Sapulpa, Okla. I call attention to how they distributed these chambers so as to cover every part of the country. The telegram is as follows:

SAPULPA, OKLA., *December 8, 1944.*
Hon. GEORGE D. AIKEN,
United States Senator,
Washington, D. C.:

We do not contribute and are not a member of the National St. Lawrence Project Conference.

SECRETARY, SAPULPA CHAMBER OF COMMERCE.

From Bradford, Pa.:

BRADFORD, PA., *December 8, 1944.*
GEORGE D. AIKEN,
United States Senator,
Washington, D. C.:

No contribution and not a member.

BRADFORD BOARD OF COMMERCE,
B. M. KIRSCH, *President.*

From Amsterdam, N. Y.:

AMSTERDAM, N. Y., *December 8, 1944.*
Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.:

Telegram received. We are not members of National St. Lawrence Project Conference, nor have we ever contributed any funds to this organization.

AMSTERDAM CHAMBER OF COMMERCE.

From Wilmington, N. C.:

WILMINGTON, N. C., *December 8, 1944.*
Senator GEORGE D. AIKEN,
Senate Building:

Chamber of commerce not member St. Lawrence Conference and contributes nothing.

WILMINGTON CHAMBER OF COMMERCE,
WALTER J. CARTIER.

From Newark, N. J.:

NEWARK, N. J., *December 11, 1944.*
Hon. GEORGE D. AIKEN,
Senate Office Building:

Your telegram St. Lawrence project. Not member or contributor. Disfavored project from inception. Our position influenced solely by our own thinking.

E. W. WOLLMUTH,
Chamber of Commerce of the City of Newark.

There at least the chamber of commerce wants Mr. McGrath to know that they will do their own thinking, even though they happen to agree with him.

From Lackawanna, N. Y., just outside Buffalo:

LACKAWANNA, N. Y., *December 10, 1944.*
Senator GEORGE D. AIKEN,
Washington, D. C.:

Lackawanna Chamber of Commerce definitely does not contribute to National St. Lawrence Conference and is no member of this organization.

THEODORE WIENCEK,
Executive Secretary, Lackawanna Chamber of Commerce.

Then I come to seven chambers of commerce which have contributed. Twenty-five which I heard from state definitely that they have never contributed and are not now and never have been members of this organization.

Here is a big organization, and I hope the junior Senator from Ohio [Mr. BURTON] will notice this one. Mr. McGrath claims that the Chamber of Commerce of Cleveland, Ohio, is a member of the organization which opposes the St. Lawrence seaway, and here is a telegram:

CLEVELAND, OHIO, *December 8, 1944.*
GEORGE D. AIKEN,
United States Senator,
Washington, D. C.:

Cleveland Chamber of Commerce neither belongs nor contributes to National St. Lawrence Project Conference.

PARKER HILL,
Vice President-Secretary, Cleveland Chamber of Commerce.

Mr. McGrath says that the Cleveland (Ohio) Chamber of Commerce is a member of his outfit, and so he lists it in his advertising material and on his stationery.

Mr. McGrath is not too careful to check some of his localities before listing their chambers of commerce as being opposed to the St. Lawrence project, because he listed Clay County, as I recall the name, in which Dundon, W. Va., is located, and that was one place from which I asked for information, and was advised:

DUNDON, W. VA., *December 8, 1944.*
GEORGE D. AIKEN,
United States Senator,
Washington, D. C.:

Re telegram. Have no chamber of commerce in Clay, W. Va. Therefore, no contributions to St. Lawrence Project Conference and not members.

W. H BOWER,
Councilman of Town of Clay.

Mr. McGrath included a locality which did not even have a chamber of commerce. Then there were some so-called trade associations. I do not know what they were. I telegraphed to one or two of them. I telegraphed to one in New York, the so-called Bronx Traffic Club. The telegraph company could not locate any Bronx Traffic Club, so I did not telegraph to any more associations.

Those who did contribute were the Cincinnati Chamber of Commerce, which contributed a nominal amount; Lima (Ohio) Chamber of Commerce, which contributed a very nominal amount; Pawtucket (R. I.) Chamber of Commerce, which contributed $25; Scranton (Pa.) Chamber of Commerce, which, worried to death over the coal industry, contributed $10 to keep it from being destroyed by the St. Lawrence seaway. That would buy 1,200 pounds of coal in Vermont. Rochester, N. Y.: somebody in the name of the Rochester Chamber of Commerce contributed $100. That will probably be interesting to the people of Rochester, who are already making plans for development when the St. Lawrence seaway goes through. I think it is safe to say that the city of Rochester is not less than 90 percent in favor of the seaway, and yet someone in that city contributed $100 to oppose it. Boston, Mass., the city which has suffered more

at the hands of the opponents of the seaway than any other city of the United States, contributed $50 to fight the one thing that would bring them out of the depths.

The Buffalo Chamber of Commerce admits it contributed $100.

Mr. President, it will be quite evident to every Member of the Senate from the telegrams that the membership list of the National St. Lawrence Project Conference is heavily padded and that this outfit is not collecting its funds from the local chambers of commerce of this country.

On June 24, 1941, Mr. McGrath appeared before the House Committee on Rivers and Harbors, in his capacity as executive director of the National St. Lawrence Project Conference, as a witness against the very bill which is incorporated in the present amendment. Mr. McGrath testified at length against the bill. The bill was recommended at that time by the President, by Secretary Hull, the Secretaries of War, Navy, Commerce, and Agriculture, by the Maritime Commission, by General Knudson, and by every other official agency of the Government as a project which would contribute to the power, aluminum, shipping, or transportation needs of this country for national defense.

At that hearing, Mr. McGrath and the National St. Lawrence Project Conference went on record against the St. Lawrence development as a pre-war emergency defense measure.

Let me remind the Senate, Mr. President, that at that time the war clouds were coming nearer and nearer, and every agency of Government was pleading with the Congress to start at once the St. Lawrence seaway so that it might be available for use when war should come. And Mr. McGrath and his outfit put every obstacle they could conceive of in the way of that great development. But not a soul, so far as I know, put any obstacle in the way of starting the Shipshaw project up in Canada, and making a present of $100,000,000 of our taxpayers' money to aid the private aluminum cartel and Power Trust. However, they opposed the St. Lawrence. Mr. McGrath testified that the organization had been set up in January 1941 and that it had the active support of the Association of American Railroads and the National Coal Association.

The hearings before the House committee show that the National St. Lawrence Project Conference in 1941 had collected about $20,000 in the first 5 months of its existence. Others said the amount was $40,000, but Mr. McGrath denied it, and would admit only $20,000. He testified that it was conducting a Nation-wide propaganda campaign; that it was circularizing all Members of Congress with its lists and other material; that it was circularizing labor organizations and chambers of commerce; and that such circulars alone cost more than $7,000. That is what he admitted. Others claimed that they cost more. He testified that the organization was maintaining a Washington headquarters and a Washington staff.

Mr. McGrath was the first witness to challenge the procedure which was then being followed by Secretary of State Cordell Hull on the United States-Canadian agreement of March 19, 1941. His organization made the first charge, 3 years ago, that Secretary Hull was violating the Constitution and seeking to bypass the Senate by cloaking a treaty in agreement form.

When Professor Borchard appeared before the Senate subcommittee last month he took the same line and referred by name to Mr. McGrath in the course of his testimony. For example, Dr. Borchard presented a portion of a memorandum written in 1941 by J. E. Read, legal adviser of the Canadian Department of External Affairs, which, Dr. Borchard purported to show, indicated Mr. Read's opinion that the 1941 agreement was not contemplated by the 1909 boundary waters treaty. In submitting this 3-year-old memorandum, which I understand created quite a sensation in the hearing, Dr. Borchard stated on the record that it had been called to his attention by Mr. McGrath.

A statement made by Mr. Read to the State Department under date of December 5—last week—completely repudiates the interpretation placed upon his memorandum by Mr. McGrath and Professor Borchard.

Misinterpretation is one of the commonest stocks in the trade of the seaway opponents. At the 1941 House hearings they attempted to construe a statement contained in Dr. Wallace McClure's book, International Executive Agreements, as sustaining their contention that the St. Lawrence development is subject for a treaty, and not an agreement.

Dr. McClure promptly repudiated their misinterpretation, and in a letter to Judge Mansfield, chairman of the House committee, stated definitely that the St. Lawrence was a proper subject for an agreement; and they have not tried to quote Dr. McClure since.

Mr. President, it is perfectly clear that the National St. Lawrence Project Conference is the front of the organized interests obstructing the St. Lawrence improvement, and that, by its own statements, it has raised and expended substantial amounts of money, maintained extensive Washington activities, utilized a Nation-wide mailing list, and conducted a continuous propaganda campaign against the St. Lawrence development.

I make no objection whatever to the raising and expenditure of reasonable amounts of money either for or against any bill, amendment, or other public measure which is a matter of interest and concern to the public. But I do say that we ought to know where the money comes from, and we certainly ought not to have our printed hearings, our official files, and our legislative proceedings cluttered up with padded lists which are false or fraudulent, or with lists which are completely misleading insofar as they purport to show the character and the extent of the opposition to the St. Lawrence improvement.

If the money which has been raised and spent to obstruct the St. Lawrence did not come from the chambers of commerce which comprise the majority of its published membership—and I have found conclusively that it does not—where does it come from? Two hundred and eighty-five dollars is all that came from chambers of commerce. In the hearings before the House committee 3 years ago members of the House committee tried to find out where the money came from. They could get nowhere. Mr. McGrath is perfectly willing to certify certain organizations which do not contribute to this utility front organization of his, but he is not willing to tell where the money does come from. He will tell where it does not come from, but he will not say where it does come from.

We all know that if money or its equivalent in expert propaganda and public-relations services were needed, it could have come from certain railroad interests. These interests, as Mr. McGrath testified, are represented in the National St. Lawrence Project Conference through the Association of American Railroads.

On October 16, 1941, the Senator from Montana [Mr. WHEELER] and the Senator from Missouri [Mr. TRUMAN] filed a report for a subcommittee of the Committee on Interstate and Foreign Commerce after an investigation of railroad propaganda and other activities to influence legislation in their behalf.

I quote from the report of the committee:

> Between 1920 and 1936 the railroads of the United States paid in excess of $182,000,000 [1] to over 130 national, State, and regional organizations concerned with railroad matters.[2] These organizations ranging from the Association of American Railroads, composed of 99 percent of the class I roads, down to small local associations, were formed for the purpose of dealing with the operating, management, traffic, legal, financial, and research problems peculiar to the railroad industry.[3]
>
> In addition to membership in their own associations, the railroads have been active in many other bodies which are directly or indirectly concerned with transportation questions, such as shippers and manufacturers' organizations,[4] security owners' associations,[5] safety councils,[6] taxpayers' groups,[7] chambers of commerce, and so forth.[8]
>
> Through these varied channels the railroads of the country have not only dealt with specific problems of railroad operations but have carried on educational and legislative programs and have endeavored to institute a system of self-regulation within the railroad field.

[1] Exhibits Nos. 3440–3443, hearings, pt. XXIII, pp. 10441–10449, 10068–10070.

[2] Ibid., pp. 10063–10064. The subcommittee was unable to obtain complete information on the number of railroad organizations and the amount of money spent on them. The total may therefore be much larger than these figures. See hearings, pt. XXIII, p. 10070.

[3] Ibid., pp. 10067, 10070; exhibit No. 3437, ibid., pp. 10435–10436.

[4] Ibid., pp. 10147, 10134, et seq.

[5] Ibid., p. 10013 et seq.

[6] Exhibits Nos. 3566, 3545, ibid., pp. 10564, 10544.

[7] Ibid., p. 10171.

[8] Ibid., pp. 10159–10160.

One hundred and eighty-two million dollars was contributed for certain purposes, among them so-called educational programs. That is another name for propaganda.

If the railroads have not contributed the money or its equivalent in expert services to support the fight against the St. Lawrence, then we are certainly justified in looking to other utility interests as a possible source of the funds required for the extensive activities of the National St. Lawrence Project Conference.

I do not need to remind the Senate of the methods used by certain utilities in obstructing legislation to which they are opposed. These methods are fully set forth in the voluminous hearings and reports of the Federal Trade Commission. They show that the utilities introduced textbooks in the public schools down to the primary grades and in the universities and colleges of the land; that they retained college professors to lecture and present their cause; and that they consistently hid behind respectable organizations and individuals in spending their money and spreading their propaganda to mislead and deceive the country on the power question. More recently we have the case in which Mr. Hopson and his associates flooded Members of Congress with telegrams, signed by individuals who did not know their names were being used, names that were taken out of telephone directories, from business directories, or lists of chambers of commerce, or that might have been copied from the very tombstones of the dead.

The utility connections of one of the leading members of the National St. Lawrence Conference are well known. I refer to the Niagara Frontier Planning Board, which presented numerous witnesses from Buffalo against the St. Lawrence project, filling hundreds of pages of the hearings of the house committee.

The Niagara Frontier Planning Board is authorized by a legislative act of the State of New York but is wholly dependent for its support upon modest funds voted by boards of supervisors and city councils in the immediate vicinity of Buffalo, where the most ruthless opposition to the St. Lawrence is centered. The board, however, cooperates with another organization known as the Niagara Frontier Planning Association, and I understand it shares with that association common office headquarters in Buffalo and at least a part of its staff.

In 1940 it was brought out in the New York Assembly by Assemblyman Grant Daniels that the board and the association worked as one team. The same statement was made on the floor of the Senate on Friday, December 8, by the Senator from Wisconsin [Mr. LA FOLLETTE]. The Senator conclusively demonstrated that the Niagara Frontier Planning Association is the mere creature of some of the largest utility interests in the world, interests which today exploit Niagara Falls for private profit, and have for years opposed the public development of St. Lawrence power.

Mr. President, we have reached a point where we must decide whether the utility companies and cartels or the State Department is going to interpret our Constitution for us.

Very soon we will vote on whether we will support the opinion of Professor Borchard, whom the utilities employed as being the best man they could get for their purpose, or whether we will support the 6 years of work which Cordell Hull gave to formulating an agreement with Canada. If we turn down this agreement now we not only are overthrowing the work of Secretary Hull but we are postponing the development of the St. Lawrence River and the additional security and prosperity which such development would give to our country.

When the private utility companies themselves desired to obstruct the international boundary waters, they were given permission to do so under the treaty of 1909, and not a voice was raised in the Senate in protest. When the navigation channels of the boundary waters were deepened by the United States on the Canadian side of the border, primarily for the benefit of the lake carriers who now oppose us, not a voice was raised to protest this, even though we spent over $20,000,000 in Canada with no authorization other than a simple act of Congress. When the United States contributed $100,000,000 to the construction of a gigantic power and aluminum plant on the Saguenay River, wholly owned and controlled by private interests—the same interests who have moved heaven and earth for 20 years, first, to steal the St. Lawrence, and, failing in that, to prevent its ever being developed for public benefit—not a voice was raised in protest by the Members of this body, who now oppose the St. Lawrence amendment.

We have 6,000,000 men overseas today, Mr. President, and 6,000,000 more are getting ready to go. When they come home are they going to find that we have preserved their heritage, or will they find that the private utility companies have taken control of our remaining natural resources while they were away? Are they going to find that we have made provision for jobs and homes and happiness for them in the years that lie ahead, or are they going to find that we have let the most ruthless and selfish interests on the face of the earth block the plans which we ought to be making for their future?

There should be one answer to those questions, Mr. President. I cannot conceive that any Member of this body will vote against this magnificent St. Lawrence project, which means so much to the future of all America. Let us put sectionalism aside. Let us vote for America today.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Vermont [Mr. AIKEN].

Mr. OVERTON. Mr. President, I should like to inquire of the Senator from Vermont whether any other Senator on his side of the question is to speak at this time.

Mr. AIKEN. Mr. President, I have on my list of those who are to speak—but I think they are engaged in committee at the present time—the names of the senior Senator from New York [Mr. WAGNER], the junior Senator from Montana [Mr. MURRAY], and the junior Senator from Florida [Mr. PEPPER]. I think they are all engaged in committee at this moment.

I do not know whether there are other Senators who wish to speak for the St. Lawrence project.

Mr. OVERTON. I thank the Senator; I have received the information I desired.

Mr. President, the amendment relative to the St. Lawrence seaway proposed by Mr. AIKEN for himself, Mr. SHIPSTEAD, and Mr. FERGUSON, to the pending river and harbor bill, has as its objective the approval of the proposed agreement to be entered into between the United States on the one side and the Dominion of Canada and the British Empire on the other side. I shall not, Mr. President, within the limited time which I have assigned to myself, discuss the merits or demerits of the St. Lawrence seaway pact or the constitutional and international issue of whether the proposed arrangement between the two countries should be classified as a treaty or a mere executive agreement. I shall buttress my attack against the Aiken-Shipstead-Ferguson amendment by showing both the impropriety and the futility of incorporating such an international arrangement into a river and harbor authorization bill.

While the rule of germaneness is not observed in the Senate, it is, I think, worthy of consideration that the suggested amendment is foreign to the purpose and objective of the river and harbor bill. The pending measure authorizes projects solely and wholly within the territory of the United States, over which our Government exercises exclusive jurisdiction. But the Aiken amendment relates to public works not only in the United States but within the domain and jurisdiction of a foreign government. Large parts of the public works to be authorized by the amendment are to be constructed extraterritorially, over and beyond the international boundary between the United States and Canada, and, furthermore, much of it within the jurisdiction of the Canadian Government. Our Government is to obligate itself to supply the funds with which Canada is to construct a considerable part of its allocation of the proposed improvement under Canadian supervision and with Canadian labor.

Can such an extraterritorial project be ratified and approved in a river and harbor bill that authorizes projects solely within the territory and jurisdiction of the United States? The answer should be unequivocally in the negative.

The Aiken amendment was never proposed to the river and harbor bill when it was under consideration by the Senate Committee on Commerce. It was, in fact, not proposed as an amendment to the pending measure until at the close of yesterday afternoon's session. Its authors have elected, apparently, not to

bring it in the limelight of committee hearing and accustomed public scrutiny.

Through their own dilatory tactics, the proponents of the St. Lawrence international compact have denied a committee investigation and consideration. Will it be said that the Senate of the United States will agree to so important an amendment without the benefit of committee hearing and a committee report?

There is not in the pending bill—there has not been in any river and harbor bill—the authorization of a project that has not undergone committee hearing and investigation, with the exception of a very few isolated projects which are readily distinguishable from a project as large and as complicated as the St. Lawrence seaway proposal.

Mr. President, when we legislate with respect to river and harbor projects, no authorization is required beyond our own. The approval of the proposed international arrangement between Canada and the United States involves reciprocal obligations of a complex and complicated character and the creation of an international commission to effectuate alike the details and the plan.

Furthermore, Mr. President, we are, at the very threshold of this international arrangement, brought face to face with the serious problem as to whether the arrangement is in fact and effect a treaty to be ratified by two-thirds vote of the Senate, or a mere executive agreement to be approved only by a majority vote of both Houses of the Congress. The Commerce Committee has that very crucial and jurisdictional question under present consideration. A decade ago a proposed similar arrangement was submitted in the form of a treaty. Every pact between Canada and the United States respecting boundary waters has been presented to the Senate as a treaty; and, Mr. President, there have been a number of such treaties.

Is the just solution of so important a problem to be brushed aside by the adoption of the Aiken amendment? Shall we, by agreeing to the pending amendment, subscribe to the theory seriously advanced by the State Department that the characterization and denomination of an international arrangement are to be determined solely by the method of its submission by the executive department, rather than by the well-considered judgment of the Senate? If this theory of the State Department be correct, then grave and important national arrangements that lie almost immediately ahead of us will be handled either as executive agreements or as treaties, according to the whim or political maneuvering of the President.

The proposed international arrangement concerning the St. Lawrence seaway was submitted by our Chief Executive as a compact to be acted upon independently of any other measure. The only bill undertaking to effectuate the compact has been the Aiken bill, and up to yesterday it was pending before the Senate as a separate and independent measure. It was referred to the Senate Committee on Commerce, which is now conducting an investigation of it. It was the Senate that referred the Aiken bill to the Commerce Committee. Will the Senate, by adopting the Aiken amendment to this bill, unceremoniously discharge the Commerce Committee without its having had an opportunity to report upon the measure?

Mr. President, will it be heralded to the American people that the Senate of the United States has approved an international compact relating to an international project without the benefit of hearings, and a report of the committee to which it referred the bill for consideration? Will the Senate be put in the unenviable position of legislating into a river and harbor bill a project of which the moneyed magnitude alone exceeds the total authorizations of all the projects in the pending bill, without a committee hearing or report, and upon the ex parte presentation on the floor of the Senate by its proponents? Mr. President, we cannot legislate in this way and retain the respect and confidence of the people of this country.

Let me solemnly warn those who feel friendly to the pending river and harbor bill that, in my humble judgment, the adoption of the St. Lawrence amendment will sound the death knell of the passage of this bill, at the present session of Congress, at least; and with the death of the river and harbor bill dies also the St. Lawrence amendment. I think that I might add that the adoption of the Aiken amendment presents a hazard and a danger to the final enactment of the flood control bill.

Mr. President, I yield 15 minutes to the senior Senator from North Carolina [Mr. BAILEY].

Mr. BAILEY. Mr. President, I find it very difficult to believe what I see here. It is difficult to believe that it is being seriously proposed that the Senate shall at this time adopt as an amendment to the river and harbor bill a document providing for a program of the utmost gravity, and of the most far-reaching consequences. It is difficult to believe that Senators would seriously entertain the suggestion that, without a report having been received from any committee of the Senate and without any serious debate here, or any examination of what is implied, during the last hours of a dying Congress, we should proceed to adopt an amendment calling for an expenditure in excess of $200,000,000, such suggestion being predicated absolutely upon the approval of one great technical document which no Member in the Senate has read. If any Senator has read it, let him say so.

The proposal also calls for the approval of a document executed by plenipotentiaries in the form of a treaty representing His Majesty the King of Great Britain and of the Dominion of Canada, and the United States of America. Are we to adopt that under such circumstances?

Waiving for a moment the question of whether it is a treaty or is not a treaty, it is a document that would bind the Government of the United States in perpetuity. It is not proposed that we shall authorize an executive agreement to be negotiated by the President in accordance with existing law, but that we shall enter into obligations of a perpetual character between the Government of the United States, the King of Great Britain, and the Dominion of Canada. It is proposed that we shall enter into such obligation merely by a majority vote of the House and of the Senate. It is proposed that we shall bind ourselves, our heirs, and all who come after us to obligations not hitherto existing, and not hitherto contemplated. For example, we are called upon by the Aiken amendment to give to Great Britain perpetual rights of navigation in our great inland sea, Lake Michigan. Those rights would not be determined by a treaty. They would not be rights renounceable by the Government, but would be vested rights in perpetuity. Whether we call that a treaty or not, I have my own opinion. But it is certainly of very great gravity. Yet, it is proposed that we go into that matter with perhaps only a dozen Senators present in the Chamber. Probably at no time during the discussions upon the matter have there been more than 25 or 30 Senators present. The discussions have taken place during the last hours of the Congress, and without the slightest regard to any committee of the Congress, whether it be the Committee on Foreign Relations or the Committee on Commerce. Adoption of the Aiken amendment would mean discharging the Committee on Commerce, to which the amendment in the form of a bill was duly referred, and which, at the present moment, is proceeding to prepare in printed form the hearings which the committee has held at the expense of the Government and at the instance of the Senate.

But we are not to wait to hear from those hearings; we are not to consider anything which the subcommittee may have to say; we are not allowed, as the Committee on Commerce, the opportunity to read conclusions of our studies. We are to proceed and go into this vast enterprise upon such debate as we have had here—and I leave it to my colleagues to testify as to what sort of debate there has been—and not by way of independent legislation but as a rider on a rivers and harbors bill, and not in the midst of the Congress when its life was long and it could carefully and painstakingly consider matters, but in its last hours. And so ardent are the proponents of this project that, notwithstanding they have been solemnly informed by the chairman of the subcommittee in charge of the bill, the senior Senator from Louisiana [Mr. OVERTON] that this proposition will defeat the rivers and harbors bill, they propose, nevertheless, to proceed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BAILEY. I yield to the Senator if he will take the interruption out of his time and not mine.

Mr. AIKEN. I will take it out of my time. I have heard many times lately the suggestion that, if this amendment were attached to the bill, it would defeat

the rivers and harbors bill. If the proponents have votes enough to put this amendment on the rivers and harbors bill, why have they not sufficient votes to pass the rivers and harbors bill?

Mr. BAILEY. I did not understand the Senator.

Mr. AIKEN. If the proponents have votes enough to attach this amendment to the rivers and harbors bill, why does it not naturally follow they have sufficient votes to pass the rivers and harbors bill.

Mr. BAILEY. I think the Senator thinks his votes are frozen, but, so far as I know—and I have been here a long time—I have never yet seen anybody freeze the votes of the Senate.

Mr. AIKEN. The statement that it would defeat the rivers and harbors bill is certainly a baseless statement, because I am sure everybody who would vote for the St. Lawrence project would also vote to pass the rivers and harbors bill.

Mr. BAILEY. The Senator may have his theory; I do not know how the vote will stand, but he is overlooking some facts. Sometimes a measure is defeated not by votes; sometimes time is killed, and I think in recent weeks and recent days I have seen a lot of it killed by the proponents of this project. I speak respectfully, but the time is dead.

Mr. AIKEN. Can the Senator give any good reason why the rivers and harbors bill necessarily has to pass at this session when not a project can be started until 6 months after the war? I want the Senator's reply, however, to be in his time.

Mr. BAILEY. I think the same argument could be applied to the St. Lawrence seaway. Why all the haste? The project is not to proceed until after the war.

I had not intended to refer to it, but I regret to say now that, whereas many of us entertained high hope of an end of the war in Europe before the year was out, no one entertains such a hope now in any high degree. We had thought at one time that our boys would soon be coming home, but our hearts stand still now at the thought of the blood that must be shed and the tears that must flow before we see them again—and we do not know when. And yet there must be hurry about this matter. The Senator from Vermont wants to know why we cannot wait on the rivers and harbors bill. I think we may wait; and probably nothing would be lost; but, if that be true, why should we not wait on the St. Lawrence seaway, one of the gravest propositions that could be presented to this Congress? But the Senator from Vermont is in a hurry about that; and he has occupied the last days of the time of the Senate day after day—I do not complain of him; he had a perfect right to do it—by way of practically driving the advocates of the rivers and harbors bill into a corner and pointing a pistol at them and saying, "Give me a vote before the Congress adjourns or you will not have a final vote on your bill." And he is consistent in his statement. He does not see why we should be in such a hurry about the rivers and harbors bill, and that squares perfectly with the course of his procedure here.

I merely say that by way of passing. What I am driving at is this: In the first instance, we are proposing to pass upon a matter of the utmost gravity, of the most far-reaching importance without one scintilla of a report from any committee of the Congress in its favor. That is one of the most extraordinary procedures I ever heard of. It looks to me as if the Senate were practically repudiating its great character as a parliamentary body. We say that we are the greatest deliberative body on earth. I have heard that said many a time; I have never said it; I have some doubt about it; I am not going to make any claim; but if the St. Lawrence seaway Aiken bill can be driven through the Senate under these circumstances in the last days of this Congress without a report, then, I say we, at any rate, have forfeited our title to being deliberative in any meaning of the word, and we should call ourselves the greatest body on earth, and be laughed at.

On that phase of it I am going to read from Mr. Hackworth. I am going to read from Mr. Hackworth's statement printed with approval in the RECORD by the Senator from Vermont. Mr. Hackworth is the adviser to the State Department. Here is his brief printed in the RECORD of December 11 at page 9155:

Although it would not be a treaty—

That is House Document 153, which it is proposed to have approved here—

Although it would not be a treaty in the constitutional sense, it would be the supreme law of the land as are treaties.

Very well. Now we have the statement from their side, from the advocates' side, from the St. Lawrence seaway side, that the document proposed to be approved here in the form of the Aiken bill may not be a treaty, but "it would be the supreme law of the land as are treaties."

Mr. President, that is the very substance of this whole matter, and I wish Senators present to hear me on this point. We do not approve treaties by a majority vote, wholly because they are supreme law; we do not amend the Constitution except by more than a majority vote and a proper ratification by more than a majority of the States, because it is supreme law; and yet here we come—

I have 10 minutes more I understand.

Mr. OVERTON. I yield 10 minutes more to the Senator from North Carolina.

Mr. BAILEY. And yet here we come with the cool proposition by a majority vote in the House and the Senate on a rider that has never been considered by the committee, on which there is no report and in the last days of the Congress, to erect such a supreme law as Mr. Hackworth says it is; that it is just as supreme as a treaty itself would be. That is the proposition.

When the Senate does that, the Senate's province as the ratifying body in the matter of treaties is functus officio. It is out; it is done.

Now let us see what the effect of favorable action on the amendment would be. The supreme law of the land, in the sense used here by Mr. Hackworth with respect to treaties, is law superior to any State law. We would assert power to wipe out every State law in America, and it is proposed that we do it by a majority vote of the Congress. Do that if you wish to, and as a consequence it will soon be unnecessary for any legislature to meet.

Consider that. I am not talking in terms of extravagance. Standing on the statement of the adviser to the State Department, Mr. Hackworth, an eminent lawyer, printed with approval in the speech of the chief advocate of the pending amendment, I say that it is proposed that by a majority vote of Congress we should erect a law here, and approve an agreement here, which would override any State law which has been made or may be made in the United States. If we can do that, send word down to North Carolina that it is unnecessary hereafter for the legislature to meet, Congress can override anything it might undertake to pass, and that by a mere majority vote.

That is not the worst of it. The supreme law of the land, as here proposed, is law which overrides the constitution of every State in the American Union. That has been established, not recently, but it has been confirmed recently in the Belmont case, and in the Russian case, and in the Minsk case in very recent years.

Now hear me about that. It is proposed here to enact and to approve a document called an agreement, which the chief adviser to the State Department declares will be supreme law, by a majority vote of the Congress, and without a report from any committee we are asked to assert our power to strike down the constitution of every State in the American Union. Now, do that if you wish to and answer to an avenging future for the consequences.

Mr. President, that is not all. In the same expression, "supreme law of the land," we might override the tenth amendment to the United States Constitution, and also set aside the fifth amendment to the Constitution of the United States. That sounds like the language of extravagance, but that is the language of the courts and other authorities; and if any Senator cares to refer to it, he can go to the migratory bird case, involving a situation where the tenth amendment and the fifth amendment were swept out of the Constitution by an agreement of the same character as treaties are.

Senators may think that is new doctrine. John C. Calhoun was Secretary of State of the United States in the second decade of the last century, and he said that the treaty-making power was a power which could override the tenth amendment. We all know the tenth amendment is one of the great cornerstones of the Constitution. It limits the powers of the Congress to the powers expressly granted. It reserves to the States and to the people all the powers

which are not expressly granted. But the doctrine of the courts, and unchallenged, is that the same treaty-making power is the power to go beyond the tenth amendment, and assert a congressional power not written anywhere, and to take away the power which we thought was reserved to the States. The same applies to property rights under the fifth amendment.

In the Russian case, a case which arose out of the recognition of Russia by the President of the United States, property rights of citizens of the State of New York were swept aside and extinguished, and the fifth amendment to the Constitution availed them nothing.

Mr. President, hear me just this; I stake everything on this: Granted that the St. Lawrence seaway is the best project on earth, granting everything that is claimed for it, granting everything that is said by way of its usefulness, granting that the President is for it, granting anything anyone pleases to say about it, in the name of a kindly heaven, do not enact here an approval of an agreement—if we may call it that; I will waive the treaty matter—an agreement which would be the supreme law of the land, as are treaties, using the words of Mr. Hackworth, an agreement stronger than the law of any State, stronger than the constitution of any State, strong enough to override the tenth amendment to the Constitution of the United States, strong enough to strike down the fifth amendment to the Constitution of the United States, and do it—in the name of heaven—by a majority vote of the House and Senate of a dying Congress, and without a report from any committee of this body.

Mr. President, that is the proposal. I find it difficult to believe that if the vote were taken the proposal would be approved. I would think I was in the midst of some foul dream. I cannot think that the Senate of the United States has so far forgotten its functions, so far forgotten its domain, so far forgotten its integrity as the repository of a great trust from every State in the Union, as a repository of a great trust from every human being in the Republic—I cannot believe that Senators, however attached they may be to the St. Lawrence seaway, will insist that we shall write here an approval of a solemn agreement having the same character as a treaty with respect to being the supreme law of the land, and that by a mere majority vote of the House and Senate. I will not believe it until it happens.

Mr. BURTON. Mr. President——

Mr. OVERTON. I yield 10 minutes to the junior Senator from Ohio.

Mr. BURTON. Mr. President, I speak as a member of the Committee on Commerce and of the two subcommittees considering, respectively, the rivers and harbors bill and the St. Lawrence seaway bill. I believe I speak as an unprejudiced member of those subcommittees, and it seems to me clear that the pending amendment, which seeks to attach the St. Lawrence seaway bill to the pending rivers and harbors bill, should be defeated.

My reason for recommending the defeat of the amendment is not because of an opinion opposed to the merits of the proposal itself, for I have not reached a conclusion upon those merits. My primary reason for recommending rejection of the amendment is that the St. Lawrence seaway proposal is now pending before a Senate committee and subcommittee, and because the Senate has before it no committee recommendation on this proposal, either on its merits as a project, or upon the equally important question of whether it properly may be included in an act of Congress such as a rivers and harbors bill, or should be reserved for consideration as a treaty, subject to the recommendations of the Senate Committee on Foreign Relations, and approval on the floor of the Senate by two-thirds of the Senators present.

It seems to me that the Senate should not act on a measure involving permanent international relations and rights, involving the expenditure of hundreds of millions of dollars in and near international boundary waters, involving important effects upon the economic future of many parts of America, some of which will be adverse and some of which may be beneficial, and involving the construction of large permanent dams, channels, and power developments, without a specific and well-considered recommendation on those subjects by some committee of the Senate.

On the issue of procedural policy there are three important questions to be considered. I believe that the issue presented by each question calls for a negative vote on this motion, regardless of what later may be the final decision of the Senate on the merits of the seaway proposal when it comes before the Senate on its merits.

First. The St. Lawrence seaway project should not be attached to this rivers and harbors bill because it would either kill that bill or be stricken from the bill in conference. It seems obvious that there is no time in the remainder of this session for the House of Representatives to consider the rivers and harbors bill as it stands and also, for the first time at this session, the St. Lawrence seaway. It seems equally obvious that the House conferees could not possibly justify adding to the bill in conference such a controversial and tremendous project as the St. Lawrence seaway in the absence of some committee recommendation as to it either in the Senate or the House. The rivers and harbors bill contains many vitally important and beneficial projects. These projects should be permitted to be authorized on their own merits before the end of this Congress. Under these circumstances and on this ground, without calling for others, I believe the amendment should be rejected as a futile and inappropriate legislative step.

Second. There is so much to be said in favor of the economic justification of the St. Lawrence seaway as well as against its economic justification that it is essential that some committee of the Senate take the full time necessary to evaluate those claims and submit an impartial and well-considered recommendation to the Senate upon them before the Senate is called upon to act. As a Senator from one of the States vitally affected by this proposal I have not reached a conclusion upon the economic justification of the project, and, with all respect to those who have ably presented their personal views on this subject on the floor, the recent general discussion in the Senate can hardly be an adequate substitute for a full presentation in a committee of the case against the seaway as well as the case for it. For this second reason, therefore, I believe the Senate should reject this amendment in the absence of any committee recommendation as to its merits and at a time when the seaway bill itself still is pending before a Senate committee and under active consideration by that committee.

Third. Finally, although this specific constitutional question still is under debate and consideration in the subcommittee of the Committee on Commerce, before which the St. Lawrence seaway bill is pending, I am convinced that, according to the testimony thus far presented, the Senate has the constitutional obligation to act upon such terms as are proposed in the seaway agreement only as a treaty, and only with the advice and consent of two-thirds of the Senators present. The Senate therefore should not act upon this proposal by statute and by agreement as is here proposed. A similar proposal was submitted to the Senate on January 19, 1933, but it was submitted as a treaty. It failed in 1934 to receive the necessary two-thirds vote of the Senators present. And as a matter of fact, that very proposal today is still in the hands of the Senate as a treaty.

The subcommittee of the Committee on Commerce, to which the seaway bill has been assigned, recently has held extended open hearings on the precise issue as to whether the proposed contract properly may be acted upon by agreement, approved by statute, or whether it should be acted upon by treaty, ratified by the Senate. The oral hearings before that subcommittee are now concluded, but the committee record, I believe, even now is being held open at the request of the Secretary of State so that a brief may be filed by him with the subcommittee, attempting to support this new procedure by way of an agreement to be approved by congressional statute.

Under these circumstances, in advance of the submission of such a brief by the Secretary of State, and in advance of a recommendation by either the subcommittee or by the general committee of the Committee on Commerce on this precise point referred to it, I feel that the Senate should not attempt to pass finally upon the issue by adopting this amendment in the absence of some recommendation on the question of approving the seaway contract by agreement and statute, instead of by treaty and ratification, which has been the procedure in the past. However, inasmuch as this issue has been thrust upon the Senate to some extent by the pending motion, I feel that I should indicate that the evidence thus far submitted to the

subcommittee and the discussions thus far had of this issue in the subcommittee point clearly to the conclusion that the procedure by treaty followed in 1871, 1909, and 1932, and on many other occasions, is the proper procedure to be insisted upon by the Senate. As late as 1941 the Senate has advised upon and consented to modifications of our boundary water rights by exchanges of notes submitted for the advice and consent of the Senate as treaties.

The first of the three bases suggested in the hearing before the subcommittee for supporting the procedure by agreement and statute, is that the action now proposed comes under the commerce clause of the Constitution giving Congress the right to regulate commerce with foreign nations. The hearings developed, however, that this proposal calls for numerous obligations to be assumed by the respective parties to it in the nature of contracts, which lift the project out of the realm of unilateral statutes subject to unilateral repeal. These obligations place it in the field of irrevocable contracts and treaties binding upon both parties for years to come in the eyes of international law.

Mr. President, the second basis suggested by the administration for supporting this procedure is that the present proposal comes within the scope of certain types of special agreements recognized by the existing treaty of 1909, and that therefore no new treaty ratification is needed to support the proposal. An examination of the terms of the new proposal, however, shows that it extends beyond the scope prescribed for those special agreements.

The third basis suggested by the administration to support the new procedure is that the subject matter of this proposal is such that under the Constitution it may be included either in a treaty, subject to ratification by the Senate, two-thirds of the Senators present concurring, or in an agreement approved by a majority of both Houses of Congress in the usual statutory form. It was argued that in the present case the latter alternative now is deemed preferable by the present administration, although in 1933 a similar proposal was presented by the preceding administration in treaty form, and was considered in treaty form by the Senate in the early days of this administration in 1934.

On this subject of alternative procedure the Senate is confronted with a serious and fundamental obligation of interpreting for itself the constitutional meaning of the treaty clause of the Constitution. The action of the majority of the Senate in passing a statute approving such an agreement as this may as a practical matter——

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. BURTON. Mr. President, will the Senator from Louisiana yield 2 minutes to me?

Mr. OVERTON. I yield 2 more minutes to the Senator from Ohio.

Mr. BURTON. The action of the majority of the Senate in passing a measure approving such an agreement as this may, as a practical matter, be the final action on that issue, because, although there is a possibility of litigation which might carry the issue to the Supreme Court, there is also a substantial probability that this issue could not be raised in any manner in that court.

In any event, serious consequences by way of expenditure of funds and establishment of rights and constitutional precedents would flow from such action by the Senate. From the discussion presented to the subcommittee, therefore, I believe that the important contractual nature of the international obligations, including the emphasis on their permanency and size, makes the St. Lawrence seaway proposal the kind of international contract which in good faith is intended by the Constitution to be handled by way of treaty in the future as it has been handled consistently in the past.

Both as a matter of constitutional law and as a matter of sound public policy, seeking genuinely to recognize, rather than to evade the treaty-making procedure of the Constitution, I believe that this subject should be acted upon as a treaty and ratified by the Senate, two-thirds of the Senators present being necessary to such ratification.

Personally, I believe that the treaty-making procedure of the Constitution might well be amended to provide for the making of treaties with the advice and consent of the majority of the two Houses of Congress. However, that is not the issue here; and I believe that as long as the Constitution requires ratification by a vote of two-thirds of the Senators present, one of the most important constitutional duties of the Senate is to protect and exercise that special responsibility. Therefore I believe that the Senate should not today, by way of an amendment to the rivers and harbors bill, abandon the treaty-making procedure on a subject of this kind without at least receiving a specific recommendation on the subject from a duly constituted committee of the Senate, and certainly not while a subcommittee of the Senate is at this very moment holding open its record of hearings so that the Secretary of State may file a brief with it on this issue, and thus enable it to make a fully considered recommendation to the Senate.

For these reasons, Mr. President, I believe that the amendment should be rejected.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Does the Senator from Louisiana yield to the Senator from Florida?

Mr. OVERTON. Mr. President, the Senator from Florida will not speak on my time. He will speak on the time of the Senator from Vermont.

Mr. AIKEN. That is correct, Mr. President. I am glad to yield 15 minutes to the Senator from Florida.

Mr. PEPPER. I doubt whether I shall require that long.

Mr. President, I feel that the merit of this amendment commends it to the Senate, and very much hope that the amendment will be agreed to.

It has been made manifest by the able Senator from Vermont [Mr. AIKEN] that in no sense is he endeavoring to delay the passage of this bill, but is advocating the adoption of an amendment which is already preceded by formal action on the part of our Government with the Government of Canada.

If the Senate will permit me a personal reference, happening to be in Ottawa on the day when this agreement between the United States and Canada, which is the subject of this amendment, was signed, I was permitted to be present at the ceremonies of signature. I saw those ceremonies and learned from what I was able to hear from members of the Government and the people of Canada how cordially the Canadian Government had entered into this agreement and how hopeful that Government was of the salutary effect which the agreement would have upon the development of the St. Lawrence River, happily not separating but holding together our countries, and in the development of the power resources of that river.

Therefore, Mr. President, I believe that this is a very meritorious proposal. It contemplates the development of the St. Lawrence River for navigation and for the development of power. It contemplates that that power shall be used in a way agreeable to the Governments of the two countries in the public interest. Anyone who believes in public power—and by that I mean the development of hydroelectric power by the harnessing of water resources—will find that purpose very creditably served in the agreement which is the subject of this amendment. Of course, those who do not believe in the development of hydroelectric resources for the public interest will not favor the amendment or the proposal.

I am not prepared to say what has been the source of the delay in the ratification of this agreement by the Congress. Personally, I feel that the good faith of the United States has been committed to this proposal, and that this agreement was negotiated by one of the most illustrious Secretaries of State ever to hold that high office for the United States of America. I refer to Hon. Cordell Hull. I know that for a long time his heart has been very much in this project. I know that he endeavored in every way within his power to induce the Congress to ratify or agree to the understanding arrived at with the Government of Canada largely through his good offices. I am sure that the aids to navigation which the consummation of this agreement would make possible, and the hydroelectric power which it would provide, would vastly contribute to the promotion of the economic well-being of Canada and the United States.

Mr. President, the objection which is urged most strongly, it seems to me, to this agreement is not against the merit of the proposal, but against the form in which it is presented to the Senate; for it is said that we are violating an article of the Constitution in proposing that

this agreement shall be consummated merely by legislation rather than by a formal instrument called a treaty. Some say that that is a constitutional irregularity or impossibility.

To that view, Mr. President, I do not agree. In the first place, it seems to me that this is the kind of thing which ought to be the subject of an agreement rather than a treaty, if a choice between the two methods should be made. At least it seems to me that all should agree that it is the sort of understanding which may be the subject either of a treaty or of an executive international agreement. Therefore the proponents of this amendment are not required to take the position that this proposal can be only the subject of an executive agreement. On the contrary, it is our position that it may be the subject either of a treaty or of an executive agreement; and when it is negotiated by our Government as an agreement with the Government of Canada, and when it is submitted to the Congress as an agreement by our own Government, it is a subject to which the Congress of the United States may lend its assent in the form of an agreement. I know of nothing in the Constitution which forbids the Congress to deal with this matter in the form in which it is now presented.

It was pointed out by the Solicitor for the State Department that there is a serious question as to whether an agreement submitted to the Congress in the form of an agreement can be altered by the Congress into some other form. It is my opinion that, while the Senate might possess the power to endeavor to transform this instrument from an agreement into a treaty, it certainly would not be an act of propriety for the Senate to endeavor to do so. The Senate certainly has the right to reject the proffered agreement, but it seems to me that when it has been negotiated as an agreement, and when it has been submitted by the State Department and the President as an agreement, it should be dealt with by the Congress as an agreement, and accepted or rejected in that character.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. AIKEN. Is it not a fact that the only witness who appeared before the committee insisting that this must be a treaty and not an agreement was a witness representing the opponents whom we all know are made up principally of the utility interests of this country? And is it not a further fact that he was the only witness to testify to the effect that it must be an agreement and that he took issue with Dr. McClure and all the other great authorities on constitutional law in this country?

Mr. PEPPER. Mr. President, I was not able to attend all the hearings. But from reading the record and from my recollection of what occurred, my understanding is in accord with the statement made by the Senator from Vermont.

Mr. AIKEN. Mr. President, I will ask the Senator from Florida whether it is not a fact that we now have reached a point where we must decide whether we are to have our Constitution interpreted by men like Secretary of State Hull or by witnesses for the utility companies.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. AIKEN. Mr. President, I will yield 5 minutes more to the Senator from Florida.

Mr. PEPPER. Only 5 or 10 minutes more should suffice.

Mr. President, Secretary of State Hull—and I hope the Senator from Vermont or any other Senator will correct me if I am not stating the matter correctly—has taken the position that this understanding between the United States and Canada may be the subject either of a treaty or of an executive agreement. It would have been proper for the State Department to have negotiated this understanding in the form of a treaty. I contend, and Secretary Hull took the position, and supports it, that it could also have been negotiated in the form of an executive agreement. That alternative form was chosen by the State Department and by the President, and the matter comes before the Senate in that form.

Mr. President, what is there in the Constitution of the United States which forbids the Congress of the United States to enact legislation, in response to a recommendation of the executive department of the Government, which would carry out and put into effect an agreement entered into between the executive departments of the two countries? What is there in the Constitution which makes it impossible for the Congress to pass such legislation? If we do pass such legislation, it will commit the United States Government morally at least as much as a treaty would. I have no sympathy for the suggestion, which I have heard made, that only treaties are morally obligatory on the Government and people of the United States.

What is the difference in moral terminology or concept between having the President, through his representatives, solemnly affix the name of our Government to an instrument and having the Congress solemnly agree to it by a majority vote of both Houses and subsequently having the Executive affix his name, and in the President having his representative affix his signature to an instrument and having that instrument solemnly agreed to by two-thirds of the United States Senate? Of course, there is no difference between the moral and binding obligation of the two actions on the part of our Government.

Mr. President, I believe the forefathers contemplated that there should be an alternative procedure by which our Government could enter into understandings with other governments. That alternative procedure is the Executive agreement. The Constitution in its very language recognizes the term "agreement" in its permission for the States to enter into agreements with other countries or with one another, provided they have the concurrence and permission of the Congress.

But, Mr. President, I do not base the authority for the execution of this agreement only on the express language of the Constitution relative to agreements. I say it is an inherent function and attribute of sovereignty for a sovereign government and people to enter into an understanding and an undertaking with another government and another people, and that the form of that understanding and agreement depends upon the constitutions and the institutions of the two governments or the governments affected.

Mr. President, when the Congress of the United States, by a majority vote of each House, joins and concurs with the executive department of the Government and lends its assent to an international agreement, what is the impropriety in binding the Government and the people of the United States by that action? What could be more properly a subject which should receive the consideration of the House of Representatives than an agreement of this character which contemplates continuity of action on the part of our Government, which contemplates the expenditure of large sums of public money, which contemplates the formulation of policies with respect to the use of hydroelectric power and navigation, and which becomes an integral part of the policy and program of the Government of the United States of America?

It would seem to me, therefore, Mr. President, that if it is technically possible for both Houses of Congress to have a voice in the consummation of such an agreement as this one, it is desirable that the House of Representatives have a voice, and it is preferable——

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. PEPPER. Mr. President, I ask that the Senator from Vermont yield me only 2 minutes more.

Mr. AIKEN. I do so.

Mr. PEPPER. Mr. President, it is preferable that the form be such that the House of Representatives may participate, rather than that the House of Representatives should be excluded from participation.

I say that I favor the encouragement of the principle of the executive agreement, because it makes easier and more flux our policy in dealing with other nations, and I think that to be distinctly in the public interest.

So, Mr. President, I heartily approve the action of our State Department in using the executive-agreement method which permits a majority of this body to lend the assent of the Senate to this agreement, and which makes it possible for the House of Representatives also to have a voice in giving its concurrence or in withholding its assent to the consummation of this agreement.

Mr. President, I very much hope that it will be the pleasure and the good judgment of the Senate to lend its assent by majority vote to the agreement which is the subject of the amendment of the able junior Senator from Vermont.

Mr. WHITE. Mr. President——

Mr. OVERTON. I yield 10 minutes to the senior Senator from Maine.

Mr. WHITE. Mr. President, I have no disposition to discuss the merits or the demerits of the pending amendment in an argumentative spirit. However, I wish to call attention to two or three matters which raise doubts in my mind as to the wisdom of what is here proposed, and to state certain conclusions at which I have arrived.

The amendment is proposed as a means of aiding in effectuating the agreement entered into between the United States and Canada, published in House Document No. 153, Seventy-seventh Congress, for the completion of the St. Lawrence waterway. We must look, therefore, to the proposed arrangement if we are to ascertain the matters to which we will be bound if the pending amendment is adopted.

I first invite the attention of Senators to what I regard as an unlimited authorization of expenditures and an unlimited authorization for the expansion of the projected works in connection with the St. Lawrence seaway. Paragraph 2 of article I of the 1941 treaty, as I prefer to call it, provides—and I quote in substance, although not in identical language—"that the Commission shall have authority * * * to make such expenditures as may be necessary to carry out the duties set forth in this agreement." I assume that the word "duties" also comprehends "powers," so that there is conferred by that paragraph the authority to make such expenditures as may be necessary to carry out the powers as well as the duties set forth in the agreement.

In paragraph 4 of the same article it is provided that the Governments may by exchange of notes—not by treaty ratified by the Senate, not by legislation passed by the Senate and the House of Representatives, but may by an exchange of notes—prescribe rules and regulations for the conduct of the Commission, and that they, the Governments, may by the same means—namely, by the exchange of notes, without any regard whatsoever to the treaty-making powers of the Senate, and without regard to congressional thought—extend or abridge its—the Commission's—powers and the Commission's duties.

Mr. President, in effect, these two paragraphs of this article give the commission unlimited authority to extend its powers and its duties, and unlimited authority for unlimited expenditures in behalf of initial or extended powers provided for in the 1941 document. In my opinion, this would be an unprecedented grant of power, an unprecedented authorization of expenditures, and an unprecedented grant of authority to the President, to enter into, by the exchange of notes, unlimited commitments with the nation to the north. I look with hesitation and alarm upon the grant of such power.

I doubt, too, if there is adequate security in this agreement, as some would call it, against unwise diversion of water from the Great Lakes. Let us look at this instrument which is a treaty or, as some would choose to call it, an agreement. Subparagraph (d) of article 4 of the 1941 treaty provides that upon completion of the works provided for in the International Rapids section the flow of water out of Lake Ontario into the St. Lawrence River shall be controlled, and the flow of water through the international section shall be regulated—for what purpose? So that the navigable depths of water in the harbor of Montreal and throughout the navigable channel of the St. Lawrence River below Montreal—that is between Montreal and the sea, as such depths now exist, or may hereafter be increased or dredged by other harbor or channel improvements—shall not be injuriously affected by the construction of or operation of such works.

Mr. President, this suggests to me the fear that there is imposed an obligation to release through Lake Ontario a volume of water which will meet the demands of channel depths and other improvements created now, or created hereafter, at Montreal and on to the sea, whatever may be the effects upon water depths in the harbors of Lake Ontario or upon other water depths in the harbors elsewhere of the Great Lakes area.

The third doubt which assails me is whether, under this agreement or treaty, equality of right is accorded citizens of the United States, and ships of the United States, in the navigation of the St. Lawrence River waters. Article 1 of the 1909 treaty provides that the navigation of all navigable boundary waters—and those are the only waters referred to in the 1909 treaty—shall continue free and open to the inhabitants and to the ships of both countries equally.

That relates only to the navigable boundary waters, and it assures free and open navigation and equality of navigation rights as between the citizens of Canada and the citizens of the United States. The whole 1941 treaty deals with boundary waters. It does not deal with the waters of the St. Lawrence from Montreal to the sea. Specifically, the quoted portions of article I establish no equality of right outside the navigable boundary waters, but along the miles which stretch from the easterly end of the boundary waters to the sea there is no obligation in the 1909 treaty to assure this equality of right within the boundary waters. We must look elsewhere if we are to find equality of right accorded to American citizens and American ships in other parts of the river.

The treaty of 1871 contains, in substance, the provision that the navigation of the St. Lawrence, from where it ceases to be the boundary between the two countries, from, to, and into the sea, shall forever remain free and open for the purposes of commerce to the citizens of the United States.

The significant thing is that the language deals with the waters stretching from the eastern end of what I shall call the navigable boundary waters to the sea. It is significant that nothing is said in the 1871 treaty about equality of right assured to American ships. The navigation is to be free and open, but there is no assurance in the 1871 treaty, as there is in the 1909 treaty, of any equality of right to the American ship and the American citizen in those waters.

Mr. President, as I read the 1871 treaty, it does not prevent Canada from granting preferential rights to her own people, or preferential rights to the flag ships of other nations. It accords us open and free navigation, and that is the limit of its grant, or of its assurances to the Government of the United States.

Mr. President, the doubts which I have expressed have been created in my mind with respect to this treaty. I do not know whether my contentions are right or wrong, but they are in my mind, and so long as they remain there, unremoved by any Senator—and I have not heard these matters discussed on the floor since the subject came before the Senate—I shall not vote to create this great waterway, or to spend hundreds of millions of dollars, and discover hereafter that we bought a pig in a poke.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHITE. Mr. President, I have some rather affirmative convictions about this matter. I believe in the development of American waterways. I should prefer seeing the great Mississippi River carrying on its bosom to the seas a commerce which rightly belcngs to a great inland stream of that character. I should prefer to development of the St. Lawrence the development of a canal across the State of New York wholly within the boundaries of the United States, wholly within the jurisdiction of a State of this union, or of the United States itself.

There is another possibility which I have heard discussed at times in the past. I wonder why we could not come down through Lake Champlain and seek the sea via the Hudson River. I shall be in favor of exploration and development of those possibilities long before I shall be willing to cast my vote to expand or authorize the expenditure of unlimited amounts, or to authorize the extension in any unlimited way of any works in Canada. I am not willing to vote at this time for untold hundreds of millions of dollars to be spent in what, after all, is a foreign nation, although up to this time it has been, and I hope always will be, a friendly nation.

Mr. AIKEN. Mr. President, I should like to propound a question to the Senator from Maine in my own time.

The Senator from Maine seems to be greatly alarmed over something, and he has made a very impassioned speech. I do not believe that the points which he brought out in his speech will hold water; but he seems to be alarmed, and I ask him if he was equally alarmed when the New Brunswick Power Co. made two applications, which were granted to them, to put a dam on the St. John River between the State of Maine and Canada.

Mr. WHITE. I never knew anything about it, and I am not disturbed about it.

Mr. AIKEN. No; I do not think the Senator is disturbed.

Mr. WHITE. I do not know when the application to which the Senator has referred was made, but I believe there is

quite a difference between building a dam across a boundary water and what is here being proposed.

Mr. AIKEN. The St. John River is a boundary water, and the St. Lawrence River is a boundary water. I agree with the Senator from Maine that there is a difference, whether the right to construct works is granted to a private utility company or to the Government for the benefit of the public. I simply wanted to find out, if I could, if he was equally alarmed when the power companies were doing these things.

Mr. WHITE. The Senator is indulging in an insinuation which I do not like.

Mr. AIKEN. I meant no insinuation.

Mr. WHITE. It cannot be anything else, whatsoever name the Senator may call it.

Mr. AIKEN. I am saying now that we have got to make up our minds whether we are going to have our Constitution interpreted by the professional witnesses of the utility companies or by men like Secretary of State Hull who have devoted their lives to such matters, and I may add like President Taft, the revered father of our colleague from Ohio.

Mr. TAFT. Mr. President, will the Senator yield on a question as to which I am not clear?

Mr. AIKEN. I have not much time, and there are other speakers; but I yield to the Senator.

Mr. TAFT. The Senator referred to the question of boundary waters which are covered by various treaties. Is the Welland Canal a boundary water and is there any treaty in existence which would give us the right to use the Welland Canal without discrimination?

Mr. AIKEN. I think there is a treaty. I am not sure which one it is, but I believe it is the treaty of 1871. The Welland Canal, however, is wholly in Canada, as I understand.

Mr. TAFT. It is not a boundary water.

Mr. AIKEN. It was built and paid for by Canada.

Mr. TAFT. What I am questioning is whether as a result of the St. Lawrence undertaking we will ever have free rights to the Welland Canal and whether there is anything to prevent Canada from imposing tolls on the Welland Canal against American vessels without imposing them against Canadian vessels.

Mr. AIKEN. Yes; there is. I believe it is the treaty of 1871. We have perpetual rights in the lower St. Lawrence, and I am sure the Welland Canal also.

Mr. TAFT. The treaty of 1871 does not deal with that. I think the treaty of 1871 deals with waters from the point where the boundary leaves the river to the ocean.

Mr. AIKEN. I am sure we have rights on the Welland Canal, and Canada would have rights on the canal which we propose to build on our side of the river.

Mr. OVERTON and Mr. SHIPSTEAD addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. OVERTON. If the Senator from Vermont desires to yield more time on his side, I yield to him.

Mr. AIKEN. Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Vermont has 31 minutes left.

Mr. AIKEN. I yield up to 10 minutes to the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. McKELLAR. Mr. President, I wonder if the Senator from Vermont and the Senator from Minnesota would yield to me long enough to bring up the conference report on the roads bill?

Mr. AIKEN. I am sorry, but we only have about 25 minutes left and we need every minute of the time. A vote will be taken at 3 o'clock.

Mr. McKELLAR. Very well.

Mr. SHIPSTEAD. Mr. President, in addressing the Senate on the pending amendment the other day, I said I would present to the Senate a record of the history of the St. Lawrence seaway and power project. That project has a history which is recorded, over the past 35 years, in the reports of engineering boards, correspondence between the State Department and Canada, and in committee hearings and reports in both branches of Congress.

No other project in our history has been so thoroughly studied in all its phases. Every engineering board and every congressional committee which has considered the merits of the St. Lawrence development over the past generation has recommended its construction.

In order to summarize the reports which have been made and to review briefly the steps which led up to the March 19, 1941, St. Lawrence agreement between the United States and Canada, a chronology has been prepared by the Power Authority of the State of New York which gives valuable background and factual information pertinent to the pending amendment. This chronology includes the principal recommendations made to advance the project during the administrations of Presidents Wilson, Harding, Coolidge, Hoover, and Roosevelt, together with similar recommendations from Secretaries of State Bryan, Hughes, Kellogg, Stimson, and Hull.

I ask that for the information of the Senate the chronology be inserted in the body of the RECORD from page 4 of the document through page 15a.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

HISTORICAL CHRONOLOGY ON THE ST. LAWRENCE PROJECT—INCLUDING REFERENCES TO THE PRINCIPAL SURVEYS, REPORTS, TREATIES, AGREEMENTS, AND LEGISLATION, 1909–44

January 11, 1909: The Boundary Waters Treaty, negotiated by Secretary of State Elihu Root for the United States and Ambassador James Bryce for Great Britain and the Dominion of Canada, was signed at Washington. An earlier treaty, signed in 1871, had declared the waters and improved channels of the Great Lakes-St. Lawrence system open on equal terms to navigation by ships of both countries. The treaty of 1909 provided for the settlement of controversies arising out of the use of boundary waters between the United States and Canada. It created the International Joint Commission, with three members from the United States and three from Canada, to investigate and report on projects for the further improvement of the Great Lakes-St. Lawrence system. It also provided that special agreements between the two countries, involving the use of boundary waters, might be effectuated by separate treaties or by concurrent legislation. The treaty of 1909 was ratified by the United States Senate and proclaimed by President Taft on May 13, 1910.

July 10, 1913: A resolution offered by Senator Townsend, of Michigan, requesting President Wilson to open negotiations for an international agreement to provide for further improvement of the Great Lakes-St. Lawrence system for navigation, was unanimously adopted by the United States Senate.

February 24, 1914: The United States under the Wilson administration requested reference to the International Joint Commission, for examination and report, the question of developing the Great Lakes-St. Lawrence system for navigation by ocean-going vessels, for hydroelectric power, and other purposes, and the practicability of providing for construction of the project "by concurrent or reciprocal legislation or by special agreement." No further action was taken on this request during the First World War, 1914–18.

January 10, 1920: Both Governments joined in instructions to the International Joint Commission to make a comprehensive survey of the project and to prepare plans and estimates for the improvement of the St. Lawrence River, between Lake Ontario and Montreal, for navigation and power purposes. A joint board of engineers representing the United States and Canada was created to assist the Commission in engineering phases of the survey.

January 16, 1922: The International Joint Commission unanimously reported, after public hearings in both countries, that of the various routes proposed for a deep waterway from the interior to the sea, none offered the advantages, for navigation and power, of the St. Lawrence route. The Commission recommended that engineering plans and specifications be prepared and that the two Governments enter into an agreement by way of a treaty to authorize the project.

May 17, 1922: In a note to the Dominion of Canada, Secretary of State Charles Evans Hughes recommended on behalf of the United States that the United States and Canada "conclude a treaty pledging the two Governments to undertake the execution of the project on the basis of the recommendations submitted by the International Joint Commission, or such modifications as might be agreed upon." Prime Minister Mackenzie King requested more time to study the report of the Commission before entering into active negotiations.

November 17, 1923: Secretary of State Hughes renewed the request of the United States Government and inquired in a note whether the Canadian Government was prepared to enter into negotiations on the line suggested by the United States on May 17, 1922.

December 6, 1923: In his first annual message to Congress, President Coolidge recommended a program for improvement of the Colorado and Mississippi Rivers and for "the development of the great power and navigation project of the St. Lawrence River, for which efforts are now being made to secure the necessary treaty with Canada." Referring to the projects included in the program in general, the President said: "This is not incompatible with economy, for their nature does not require so much a public expenditure as a capital investment which will be reproductive * * *. Upon these projects depends much future industrial and agricultural progress. They represent the protection of large areas from flood, and the

addition of a great amount of cheap power and cheap freight by use of navigation, chief of which is the bringing of oceangoing ships to the Great Lakes."

February 27, 1924: The United States accepted the proposal of the Canadian Government for a further engineering investigation of the project and an enlarged Joint Engineering Board, with three engineers from each country, was accordingly created.

March 14, 1924: President Coolidge appointed the St. Lawrence Commission of the United States, consisting of six members, with Secretary of Commerce Herbert Hoover as Chairman. In Canada, a similar body, the National Advisory Committee, was set up with Hon. G. P. Graham, Minister of Railways and Canals, as chairman.

November 23, 1926: The Joint Engineering Board presented a report recommending construction of the project. The Board differed on plans for the power development, the United States member favoring a single-staged project, with one dam at the foot of Barnhart Island, and the Canadian members favoring a two-stage project, with two power dams in the International Rapids section.

December 27, 1926: Chairman Hoover presented an exhaustive report from the St. Lawrence Commission of the United States declaring that "the shipway from the Great Lakes to the sea is imperative" for "the future development of a vast area in the interior of the continent" and "should be constructed on the St. Lawrence route." The report also recommended that "development of the power resources of the St. Lawrence should be undertaken" and that in negotiations with Canada "the United States should recognize the proper relations of New York to power development in the international section."

January 29, 1927: The United States Department of Commerce published a report prepared by the Transportation Division, based on a study of navigation phases of the St. Lawrence project. A saving of from 36.4 percent to 54.5 percent in combination grain rates from Duluth to Liverpool was estimated in the report.

April 13, 1927: In a note to the Canadian Minister at Washington, Secretary of State Frank B. Kellogg declared that "the Government of the United States adopts the recommendations of the St. Lawrence Commission." The note stated that the United States Government took the position "that the necessary increase in railway rates due to the war, and the modern practices respecting the generation and transmission of hydroelectric power, have increased the importance and practicability of early development" and that "there only remains to be effected an understanding as to the methods and means for its earliest accomplishment."

July 12, 1927: Prime Minister Mackenzie King replied that the Canadian Government would discuss the proposals contained in the note from the United States Secretary of State after receiving a report from the Canadian National Advisory Committee and further findings of the Joint Engineering Board.

July 30, 1927: The Joint Engineering Board again recommended construction of the project, submitting an alternative compromise plan for a two-stage project in the International Rapids Section.

January 11, 1928: The Canadian National Advisory Committee made its report, concurring in the finding of the Joint Engineering Board that the project was feasible, and proposing that works to be constructed in the International Rapids section should provide a minimum depth of 27 feet.

March 12, 1928: The Secretary of State, replying to a note from the Canadian Minister, dated January 31, 1928, declared that the United States regarded "as an acceptable basis of negotiation" the Canadian proposals that the prosecution of the improvement of the St. Lawrence waterway be based on the undertaking by the United States of the deepening of the necessary channels through the interconnecting waters of the Great Lakes and the improvement of the international section of the St. Lawrence both for navigation and for power; and the undertaking by Canada of the construction of the waterway in the sections wholly Canadian, that is, the Welland Canal and the works in the St. Lawrence below the international boundary.

March 29, 1930: The St. Lawrence Power Development Commission was created by an act of the New York Legislature, chapter 207, laws of New York, 1930. The act directed the Governor to appoint a commission to study and report plans for the development of St. Lawrence power and declared in section 1 that "the natural water-power sites in, upon, or adjacent to the St. Lawrence River owned or controlled by the people of the State or which may hereafter be recovered by them or come within their ownership and control, shall remain inalienable to, and ownership and control shall remain always vested in the people of the State."

January 15, 1931: The St. Lawrence Power Development Commission submitted its report and recommendations to the Governor and the legislature. The Commission recommended that a public power authority, to be known as the Power Authority of the State of New York, be created and that this body be authorized to proceed with the improvement of the International Rapids section, in cooperation with public agencies of the United States and Canada, with all necessary reservations of the State's rights in the power development on the New York side of the St. Lawrence River. The report was accompanied by the findings of the Commission's advisory board of engineers, recommending construction of the project, with a single-stage plan for the power development.

April 27, 1931: The New York Legislature, without a dissenting vote, enacted the Power Authority Act, chapter 772, Laws of New York, 1931.

This act, for the first time, authorized full development of the International Rapids section of the St. Lawrence River on the part of the State of New York, and created the first power authority set up in the United States, by State or Federal Government.

The authority was authorized and directed to proceed with the development of the St. Lawrence, to market hydroelectricity at the lowest possible cost to consumers, and to conserve the power resources of the State in this section of the river under the inalienable ownership of the people.

The act directed the trustees to cooperate with the appropriate agencies and officials of the United States to the end that any project undertaken on behalf of the State shall be consistent with and in aid of the plans of the United States for the improvement of commerce and navigation along the St. Lawrence River, and shall be so planned and constructed as to be adaptable to the plans of the United States therefor, so that the necessary channels, lock, canals, and other navigational facilities may be constructed and installed by the United States in, through, and as part of the said project.

The legislature also directed the power authority to apply to Congress for legislation, or take such other action in the premises as it may deem necessary or advisable, in the furtherance of the project and for the protection of its rights and those of the State.

October 7, 1931: The Canadian Government, in a note to the Secretary of State, declared its readiness to enter into negotiations for a treaty to provide for construction of the St. Lawrence project for navigation and power purposes. The negotiations were initiated in conferences at Washington on November 14, 1931, and continued at intervals over the next 8 months.

April 9, 1932: The joint board of engineers concluded a series of six engineering conferences initiated in December 1931 and in its final report recommended a modified two-stage plan for the development in the International Rapids section.

July 9, 1932: In a telegram to President Hoover, Governor Roosevelt urged early agreement upon the question of allocation of the costs to be assumed by the State of New York in connection with the St. Lawrence project. "I am sure that you agree with me," the Governor wrote, "that prompt and speedy settlement of this only question remaining unsettled is a matter of vital necessity. * * * This great project involves two objectives of equal importance and cannot in public justice accomplish one without the other. I am deeply interested in the immediate construction of the deep waterway as well as in the development of abundant and cheap power. The State of New York not only owns this potential power but seeks, through a State agency, to make it available to millions of people at reasonable cost. * * * Determination of the share of the total cost of construction to be paid for by this State is a present factor which should not be relegated to later negotiations. * * * With such an agreement between the Federal administration and the State of New York, it would be my hope that it would be possible to submit a treaty to the Senate for immediate and, I hope, favorable action."

July 18, 1932: The Great Lakes-St. Lawrence Waterway Treaty was signed at Washington by the Secretary of State on behalf of the United States and the Minister to the United States on behalf of the Dominion of Canada. In a public statement accompanying the announcement of the signing of the treaty, President Hoover said: "The signing of the Great Lakes-St. Lawrence Waterway Treaty marks another step forward in this the greatest internal improvement yet undertaken on the North American Continent. * * * It provides for the construction of a 27-foot waterway from the sea to all Canadian and American points on the Great Lakes. Such a depth will admit practically 90 percent of ocean shipping of the world to our lake cities in the States of New York, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota. Its influence in cheapening transportation of overseas goods will stretch widely into the interior from these points. Its completion will have a profoundly favorable effect upon the development of agriculture and industry throughout the Midwest. The large by-product of power will benefit the Northeast. * * * Normal growth of traffic in the Nation will far more than compensate for any diversions from American railways and other American port facilities. The economic gains from improved transportation have always benefited the whole people." The President said in his statement that he had referred to the War Department the question of whether the treaty provided for a sufficient diversion of water from Lake Michigan to meet the needs of the waterway from Chicago to the Mississippi River, and made public the reply of Maj. Gen. Douglas MacArthur, Acting Secretary of War: "I am glad to confirm that the provision in the treaty does provide the necessary diversion for this purpose."

July 30, 1932: Under a resolution adopted by the United States Senate before taking its summer recess, Chairman William E. Borah, of the Committee on Foreign Relations, appointed a subcommittee to conduct public hearings on the project. Representatives of the State Department, the War Department, and other agencies of the Federal administration appeared with representatives of the power authority and public agencies of other States in support of the project at public hearings held in November-December 1932.

January 31, 1933: Upon the recommendation of the power authority, and with the

approval of the State Department and the Committee on Foreign Relations, representatives of the Power Authority and the Corps of Engineers, United States Army, met for the purpose of agreeing upon a formula for the allocation of costs to be assumed by the Power Authority in connection with the power development in the International Rapids section.

February 7, 1933: A Federal-State accord on the allocation of costs, recognizing the right of the State of New York to the ownership and operation of the power development, was agreed to at a conference of the Power Authority and the Corps of Engineers and jointly recommended for favorable action by Congress.

February 22, 1933: The Committee on Foreign Relations, by a vote of 15 to 5, favorably reported the Great Lakes-St. Lawrence Waterway Treaty to the United States Senate and upon the recommendation of the State Department and the War Department, approved the proposed Federal-State accord.

April 26, 1933: The United States House of Representatives adopted a joint resolution, H. J. Res. 157, favorably reported by the Committee on Interstate and Foreign Commerce after public hearings, confirming the accord recommended by the Power Authority and the Corps of Engineers on February 7, 1933. The accord and the joint resolution fixed a ceiling of $89,726,000 on costs of construction to be assumed by the Power Authority on behalf of the State to be assumed by the Power Authority on behalf of the State for the self-liquidating power development. The Senate on June 9 voted against including the terms of the joint resolution as an amendment to the then pending national recovery bill and adjourned for the summer recess without referring the resolution to a committee or taking further action under its regular procedure.

September 14, 1933: An interdepartmental board was created to submit up-to-date reports on economic phases of the St. Lawrence project. Independent surveys were conducted over the next 4 months by the War Department, the Department of Commerce, the Federal Power Commission, and the Power Authority.

January 10, 1934: In a report submitted to Congress (Doc. No. 116, 73d Cong., 2d sess.) the Interdepartmental Board recommended "that the Great Lakes-St. Lawrence project for power and navigation should be undertaken without delay. The navigation project is comparable in economic value and importance to the Panama Canal. It is combined with the development of the largest and cheapest block of hydroelectric power available in North America * * *. Its completion will unquestionably confer important national benefits and stimulate the future growth and development of the United States." In a message accompanying a summary of the report, President Roosevelt recommended ratification of the St. Lawrence Treaty negotiated under the preceding Federal administration and submitted to the Senate January 19, 1933, by President Hoover.

March 14, 1934: By a division of 49 to 43, including pairs, a majority of the United States Senate approved the St. Lawrence Treaty but, lacking the required two-thirds majority, the treaty failed of ratification. The State Department and Chairman Pittman, of the Committee on Foreign Relations, announced that negotiations to revise the treaty would be resumed with Canada and that the treaty would be resubmitted at an early session of the Senate.

May 28, 1938: In a note to the Canadian Minister, Secretary of State Cordell Hull submitted a draft of a proposed revision of the 1932 treaty which had been under discussion between United States and Canadian Governments at intervals since November 1936. "The United States would immediately undertake the development of the International Rapids section of the St. Lawrence River, in accordance with the provisions of the treaty," Secretary Hull wrote, "and would complete all proposed works except the Canadian powerhouse superstructures and their equipment * * *. The State of New York would be able to proceed immediately with the development of the 1,100,000 horsepower of cheap hydroelectric power which constitutes the American share of the power available * * *. This additional power supply at a cost of less than $8 per horsepower-year would thus be assured to meet its future market requirements."

September 10, 1940: Upon being advised that the Federal administration had no plans for active resumption of negotiations with Canada on the St. Lawrence project, the Power Authority submitted proposals for the immediate preparation of plans and specifications for that part of the project located in the International Rapids section of the St. Lawrence River.

The power authority proposed that the power development should be expedited as an aid to the national defense in both countries and that a small engineering board should be created for this purpose, consisting of representatives of the power authority, the Hydro-Electric Power Commission of Ontario, the Corps of Engineers, United States Army, and the corresponding engineering agency of the Dominion of Canada. The board, as proposed by the power authority, was expanded by the United States and Canadian Governments to include other agencies of the two countries. A total of $1,350,000 was alloted to the Corps of Engineers, United States Army, to complete preliminary engineering work in the International Rapids section and to prepare plans and specifications.

January 3, 1941: In a joint meeting held at Ottawa, Canada, the United States and Canadian committees on the St. Lawrence project adopted a report recommending immediate initiation of the project in the International Rapids section. The committees also approved the engineering report, signed by representatives of the Corps of Engineers, United States Army, and the General Engineering Branch, Department of Transport, Dominion of Canada, recommending a controlled single-stage project as "the best from an engineering and economic point of view, bearing in mind the requirements of navigation and power and the protection of downriver interests."

March 19, 1941: The United States and Canada signed at Ottawa an agreement, subject to approval by concurrent legislation, providing for construction of the works in the International Rapids section and for completion of the navigation improvements in other sections of the Great Lakes-St. Lawrence system by 1948. The agreement incorporated many of the features of the draft treaty of July 18, 1932. Preceding the signing of the agreement on March 19, 1941, the Dominion of Canada and the Province of Ontario entered into a collateral arrangement renewing their 1932 accord, under which the Hydro-Electric Power Commission of the Province was given the right of ownership and operation of the power project on the Canadian side of the river, upon payment of an allocated share of the construction costs, estimated in 1941 at $90,000,000.

May 21, 1941: Following conferences between the power authority and the Corps of Engineers, agreement was reached, subject to the approval of Congress and the legislature, on a formula of cost allocation derived from the 1933 Federal-State accord, establishing a "ceiling" of $93,375,000 on costs to be assumed by the power authority and to be reimbursed to the Federal Government over a period of 50 years, with interest, from the operation of the self-liquidating power project in New York.

June 2, 1941: Chairman JOSEPH J. MANSFIELD, of the House Committee on Rivers and Harbors, introduced a bill (H. R. 4927) to confirm the agreement of March 19, 1941, and providing for the allocation of costs recommended by the power authority and the Corps of Engineers on May 21, 1941.

August 8, 1941: The St. Lawrence project authorized by the Mansfield bill was approved at a meeting of the Committee on Rivers and Harbors by a vote of 17 to 8.

June 17-August 6, 1941: Public hearings were held at intervals over this period by the Committee on Rivers and Harbors, comprising one of the most exhaustive investigations ever conducted by the committee on a river-development project. (See published hearings, 2 vols., 2284 pp., 1st sess., 77th Cong.)

In addition to hearing testimony from more than 100 witnesses, the committee made an inspection trip, visiting the sites of all proposed works on the St. Lawrence River between the outlet of Lake Ontario and Montreal.

Among public officers and agencies of the Federal and State Governments heard by the committee, or who filed statements recommending the project and the pending bill, were: Secretaries of State, War, Navy, Agriculture, and Commerce; Chairman, United States Maritime Commission; Acting Chief of Engineers, Corps of Engineers, United States Army; Chairman, Federal Power Commission; Director-General, Office of Production Management; Administrator, Rural Electrification Administration; Administrator, Federal Works Agency; Chairman, Board of Directors, Federal Deposit Insurance Corporation; Governors of New York, New Jersey, Michigan, Montana, Wisconsin, Minnesota, North Dakota, and the Power Authority of the State of New York.

The committee heard testimony or received statements in opposition to the project from State officials as follows; Governors of Alabama, Louisiana, and Oklahoma; the Niagara Frontier Planning Board of the State of New York.

In the course of the hearings, the Secretary of Commerce presented to the committee, with his approval of their findings and conclusions, a series of reports prepared by the St. Lawrence Survey, Department of Commerce, after a 2-year study of economic phases of the proposed seaway and power development. These reports were published by the Department as follows:

THE ST. LAWRENCE SURVEY

Part I. History of the St. Lawrence Project, December 20, 1940.

Part II. Shipping Services on the St. Lawrence River, December 20, 1940.

Part III. Potential Traffic on the St. Lawrence Seaway, July 14, 1941.

Part IV. The Effect of the St. Lawrence Seaway Upon Existing Harbors, December 20, 1940.

Part V. The St. Lawrence Seaway and Future Transportation Requirements, February 25, 1941.

Part VI. The Economic Effects of the St. Lawrence Power Project, December 24, 1940.

Part VII. Summary Report of the St. Lawrence Seaway, Including the National Defense Aspects of the St. Lawrence Project, November 3, 1941.

November 21, 1941: Chairman MANSFIELD favorably reported the bill to the House on behalf of the Committee on Rivers and Harbors. With the entrance of the United States into the war in December 1941, action on this and other measures reported by the committee was deferred.

March 4, 1942: A bill authorizing the St. Lawrence project, identical in terms with the bill reported by the committee November 21, 1941, was introduced in the House by Representative GEORGE A. DONDERO, Michigan (H. R. 6724).

October 10, 1942: At a press conference at Watertown, N. Y., Thomas E. Dewey declared that he "strongly advocated the development of the power resources of the State by government" and reiterated earlier public statements endorsing the St. Lawrence seaway and power project, which he said "clearly indicated approval of the entire St. Lawrence project." Commenting editorially upon the statement of Mr. Dewey, the Watertown Times said:

"He stands upon the statement he made March 27, 1940. At that time he said: 'I favor the St. Lawrence seaway and always have.'"

March 23, 1943: Three identical bills were reintroduced at the first session of the Seventy-eighth Congress by Representative FRANCIS D. CULKIN, New York (H. R. 2278); Representative WILLIAM A. PITTENGER, Minnesota (H. R. 2280); Representative THAD F. WASIELEWSKI, Wisconsin (H. R. 2284).

September 28, 1943: United States Senator GEORGE D. AIKEN, of Vermont, introduced in the Senate the St. Lawrence project bill, S. 1385, identical in terms with the bills previously offered in the House. The Aiken bill was referred to the Committee on Commerce of the Senate, for public hearings in 1944 before a subcommittee appointed in November 1943.

March 15–16, 1944: By unanimous vote the Senate and the Assembly of the New York Legislature adopted the Graves-Daniels resolution placing the State of New York on record in favor of prompt measures "to provide for the development of the power resources of the St. Lawrence River, under the inalienable ownership of the people." The resolution recites the facts that "there is an ever-increasing need in the State of New York for cheap hydroelectric power;" that "the State of New York has no cheap hydroelectric power to offer to any new industry" or to 4,000,000 small commercial, rural, and domestic consumers; and that "already the lack of this cheap power has sent countless industries elsewhere." Accordingly, the resolution declares it is the sense of the legislature that "prompt measures should be taken to provide for development of the power resources of the St. Lawrence River with adequate provisions to safeguard the rights and interests of the people of the State of New York in these resources under the inalienable ownership of the people."

March 22, 1944: Senator GEORGE D. AIKEN, of Vermont, presented for the CONGRESSIONAL RECORD in the United States Senate the full text of the resolution. As the author of the pending bill (S. 1385) to authorize the Great Lakes-St. Lawrence seaway and power project, as a post-war measure, Senator AIKEN also presented a statement from the joint authors of the New York resolution, in which they declared that the "true intent and effect" of its adoption was to place the State of New York on record in favor of the St. Lawrence development, and "to advance New York's power project as provided for under the terms of the pending congressional legislation." (CONGRESSIONAL RECORD, March 22, pp. 2876–2877.)

(For detailed chronologies of the status of the St. Lawrence project during the calendar years 1942 and 1943, see section V, Twelfth Annual Report of the Power Authority and section IV, Thirteenth Annual Report. The latter includes statements by the Premier of Ontario and the Chairman of the Hydroelectric Power Commission of the Province, issued late in 1943 and early in 1944, recommending joint action by Ontario and New York to complete the project in the International Rapids section as a needed post-war development.)

Mr. SHIPSTEAD. Mr. President, there has been a great deal said about treaties and executive or international agreements. I shall not take the time to discuss that question now, because the time is too short, but I have some documents here that bear upon the subject and which are interesting. I think it is admitted that John Bassett Moore has as high standing as an authority on international law as any man in the United States. In 1905 he wrote an exhaustive article on the question of treaties and executive agreements, which was published in Political Science Quarterly, in volume XX, September 1905. This great authority, in thoroughly expounding various theories about treaties and international agreements, finally comes to the conclusion that the line of demarkation between the two is so indefinite that it is hard even for him to determine what is really a treaty and what is an international agreement as such. Of course, he calls attention to the fact that a treaty must be ratified by two-thirds of the Senate, while a so-called international agreement has been approved by a majority vote of the Congress.

There are many questions involved in definitions that I shall not take the time to go into this afternoon, but it is deplorable that the line of demarkation is so indefinite and that so much fog has pervaded the question through years of constant practice and despite apparently plain provisions of the Constitution. The practice of negotiating executive or international agreements which has grown up and been acquiesced in has become a confusing practice. This haphazard method should be clarified.

As to this particular agreement, considerable correspondence was conducted between the Government of the United States and the Government of Canada as to whether or not this should be a treaty or an agreement, and if it was an international agreement whether it could be governing in law on both Canada and the United States. I have some of that correspondence with the Canadian Government and the State Department in this official document, Legal Opinions, Summary of Outstanding Features of Correspondence and Documents Relating to the Great Lakes-St. Lawrence Basin Development. The legal opinion on the question of this agreement is written by J. E. Read, legal adviser of the Canadian Department of External Affairs. Mr. Read's legal opinion is based upon a careful study, and is to the effect that this agreement with the Government of the United States, if agreed to by both countries, will be binding in law both on Canada and the United States. I ask that Mr. Read's opinion be printed in the RECORD following my remarks, as well as the article by John Bassett Moore, to which I have already referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matters referred to are as follows:

[Correspondence and documents relating to the Great Lakes-St. Lawrence Basin development]

GREAT LAKES-ST. LAWRENCE BASIN DEVELOPMENT—PROCEDURE BY AGREEMENT BASED UPON THE LEGISLATIVE AUTHORITY OF CONGRESS

(Memorandum by the legal adviser of the Department of External Affairs, March 12, 1941.)

1. In the course of negotiation of the arrangements with the United States for the development of navigation and power in the Great Lakes-St. Lawrence Basin, the question has arisen whether such arrangements should be embodied in a treaty, or in an agreement based upon the legislative authority of Congress.

2. The United States Government has taken the position that it was desirable that procedure by agreement should be adopted, rather than procedure by treaty. The United States representatives have urged that such a course would be justified by the provisions of the Boundary Waters Treaty of 1909. Further, they have urged that, apart from the Boundary Waters Treaty, procedure by agreement could be justified on the basis of the constitutional law of the United States and international law and practice.

3. The following points need to be examined:

(a) Whether procedure by concurrent legislation or by agreement could be supported by the authority of the provisions of the Boundary Waters Treaty.

(b) Whether, apart from the Boundary Waters Treaty, procedure by agreement might be justified. This point would divide itself into two subordinate questions:

(i) Whether an agreement, based upon the legislative authority of Congress, would give rise to a valid obligation, recognized by the courts of the United States;

(ii) Whether such agreement would create an obligation recognized in international law and cognizable by international tribunals.

(c) Whether an arrangement, based upon the legislative authority of Congress, would give rise to an obligation that would be as effective from the international point of view as an arrangement based upon treaty.

4. The first point is whether procedure by concurrent legislation or by agreement could be supported by the authority of the provisions of the Boundary Waters Treaty. Article XIII provides:

"ARTICLE XIII

"In all cases where special agreements between the high contracting parties hereto are referred to in the foregoing articles such agreements are understood and intended to include not only direct agreements between the high contracting parties but also any mutual arrangement between the United States and the Dominion of Canada expressly by concurrent or reciprocal legislation on the part of Congress and the Parliament of the Dominion."

There are two articles which refer to "Special Agreement." Article III provides:

"ARTICLE III

"It is agreed that, in addition to the uses, obstructions, and diversions heretofore permitted or hereafter provided for by special agreement between the parties hereto, no further or other uses or obstructions or diversions, whether temporary or permanent, of boundary waters on either side of the line, affecting the natural level or flow of boundary waters on the other side of the line, shall be made except by authority of the United States or the Dominion of Canada within their respective jurisdictions and with the approval, as hereinafter provided, of a joint commission, to be known as the International Joint Commission."

Article IV provides:

"ARTICLE IV

"The high contracting parties agree that, except in cases provided for by special agreement between them, they will not permit the construction or maintenance on their respective sides of the boundary of any remedial or protective works or any dams or other obstructions in waters flowing from boundary waters or in waters at a lower level than the boundary in rivers flowing across the boundary, the effect of which is to raise the natural level of waters on the other side of the boundary unless the construction or

maintenance thereof is approved by the aforesaid International Joint Commission."

It will be observed that in both of these instances the provisions with regard to special agreements are in the nature of exceptions from the general operation of the articles, in requiring certain types of works to be submitted for the approval of the International Joint Commission. They do not, in themselves enable developments to be undertaken by special agreement, they merely except cases covered by special agreement from the requirement of approval by the Commission.

It has been contended that article XIII should be construed as authorizing arrangements for the development of boundary waters to be effected by special agreements.

The objections to this contention are as follows:

(a) It is contrary to the position taken by the Governments over a period of 30 years;

(b) In other cases, in which it has appeared to be desirable to work out arrangements for the development of boundary waters, independent conventional arrangements have been adopted; e. g., the Lake of the Woods Convention, the Rainy Lake Watershed Convention, and the Niagara Convention of 1929. The Governments have assumed that it would not be possible to carry out these arrangements by special agreement under article XIII;

(c) It is difficult to justify the argument on the basis of the wording of the Boundary Waters Treaty. Article XIII does not lend itself to a construction that would make it an enabling article. The straightforward and simple meaning, that one is bound to attribute to this article, is that the special agreements under articles III and IV do not need to be treaties sanctioned by the Senate. They may be direct agreements between the high contracting parties or mutual arrangements expressed by concurrent or reciprocal legislation. It seems to be clear that this article cannot be interpreted as enabling a special agreement to be made in such a manner as to endow the agreement with elements of validity drawn from the Boundary Waters Treaty. It can only be interpreted as enabling a special agreement to except specific works from the requirements of articles III and IV.

5. The second point is whether, apart from the Boundary Waters Treaty procedure by agreement might be justified. This would depend upon two questions:

(i) Whether such an agreement would give rise to a valid legal obligation which would be recognized by the courts of the United States;

(ii) Whether such an agreement would create an obligation recognized in international law and cognizable by international tribunals.

The question as to whether an agreement based upon the legislative authority of Congress would give rise to a valid obligation is one that would depend primarily upon the constitutional law of the United States. It is one upon which it is not possible for a Canadian lawyer to speak with confidence and it is necessary to rely upon the formal opinion submitted by the advisers of the United States Government in legal matters.

This would not be an ordinary case of reliance upon a legal opinion. It is more than that. It is understood that the United States authorities will place upon record in a formal manner opinions by the legal adviser of the Department of State and by the Attorney General of the United States to the effect that an agreement based upon congressional legislation would give rise to a valid obligation, binding upon the United States as respecting Canada. It would be impossible for the Government of the United States, after following such a course, to maintain successfully, either in diplomatic negotiation or before an international tribunal, that such an agreement had no legal validity. International tribunals are accustomed to recognize as an important source of law the formal opinions submitted by persons in the position of the legal adviser of the State Department or of the Attorney General. One could have complete confidence that an international tribunal seized of a dispute of this character would decide that such an agreement created a legal obligation of which it could properly take cognizance.

Notwithstanding the difficulty in pronouncing upon a question of this sort, closely related to the constitutional law of the United States, it is submitted:

(a) That an agreement based upon the legislative authority of Congress would give rise to a valid obligation, recognized by the courts of the United States;

(b) That is would not be possible for the Government of the United States, either in diplomatic negotiation or in the course of arbitration before an international tribunal, successfully to challenge the validity of such an agreement as creating an obligation recognized in international law and cognizable by international tribunals.

6. The third point is whether an arrangement of this sort, based upon legislation authorized by Congress, would give rise to an obligation that would be as effective from the international point of view as an arrangement based upon a treaty.

An agreement of this sort must be tested from various points of view. A contractual arrangement concerning the Great Lakes-St. Lawrence system should satisfy certain tests.

There should be a good prospect of its being carried to completion by the high contracting parties.

After completion, there should be a certainty that the high contracting parties would live up to its terms.

Assuming that an arrangement was concluded, it would take from 4 to 6 years for completion. Progress would depend on continued governmental interest and upon continued annual votes by Parliament and Congress. The only thing that could prevent completion would be abandonment by one or both of the Governments or failure on the part of Parliament or Congress or both to vote the necessary money.

From this point of view, there can be no doubt that procedure by legislation would be as satisfactory as procedure by treaty. Indeed, there would be certain advantages as compared with the other procedure. Approval by legislation would commit both the Senate and House of Representatives to the policy of making the annual appropriations which would be needed to complete the work. It would be of some advantage to have had the House of Representatives actively take responsibility for the approval of a measure which would require that House to vote vast sums of money from year to year over a period of from 4 to 6 years.

After completion, it is important that the high contracting parties should live up to the terms of the arrangement. From this point of view it might be contended that authorities in the United States would be inclined to give more weight to a treaty than to a legislative pact. It should not be overlooked that a treaty could be overridden by inconsistent legislation in the United States just as a legislative pact could be overcome by the repeal of the legislation which invested it with authority. It should also be borne in mind that the precedents, in which this procedure has been used, extend over many generations and that there has been no instance in which an arrangement based upon agreement and legislation has been questioned by any government in the United States. Bearing in mind these factors, there can be no doubt that the two countries concerned would live up to the terms of an arrangement based upon a legislative pact and it could be safely assumed that such an arrangement would be as permanent as one based upon a treaty.

In considering this problem, it is necessary to go behind the screen of legalism and to examine fundamental aspects of the problem. The strength of a St. Lawrence pact would not lie in legalistic concepts. It would lie in the fact that a state of affairs had been brought about which could only work on the basis of both countries loyally carrying out their undertakings. Upon completion, there would be a dam at Cornwall and one near Iroquois Point. There would be locks at both places on the United States side. In theory, it might be possible to argue that it would be open to the United States to close these locks to Canadian shipping. It would be equally possible to argue that it would be open to Canada to close the locks at Beauharnois, Lachine, and the Welland. Navigation would then be impossible to both countries (excepting, of course, the 14 feet navigation on the Canadian side which would not be affected).

Again, in theory, it would be possible to argue that the United States could blow up the Cornwall dam and thus destroy the power on the Canadian side. The power on the New York side would be destroyed by the same act.

These are theoretical speculations. In reality, a situation would be brought about in which the facts would compel both the Governments to carry out an agreement upon which the welfare of the people in the two countries was dependent. No government would dare to contravene the pact. There is no way in which the Canadian Government could contravene the pact without causing as much disadvantage to Canadians as to interests in the United States. In the same way Congress could not repeal the legislation authorizing the agreement without causing as much disadvantage to United States interests as to Canadian. Further, Congress could not in this manner gain any advantage whatsoever for United States interests.

7. The foregoing considerations lead to the following conclusions:

(a) Procedure by concurrent legislation or by agreement could not be supported by the authority of the provisions of the Boundary Waters Treaty.

(b) Apart from that treaty, an agreement based upon the legislative authority of Congress would give rise to a valid obligation which would be recognized by the courts of the United States. Further, it would not be possible for the Government of the United States, either in diplomatic negotiations, or in the course of arbitration before an international tribunal, successfully to challenge the validity of such an agreement.

(c) An agreement based upon legislation would give rise to an obligation that would in fact be as effective from the international point of view as an arrangement based upon treaty.

J. E. READ,
Legal Adviser of the Department of External Affairs.

[From Political Science Quarterly for September 1905]

TREATIES AND EXECUTIVE AGREEMENTS

1. QUESTION AS TO GENERAL ARBITRATION TREATIES

During November and December 1904, and January 1905, there were signed at Washington by Mr. Hay, on the part of the United States, and by the ministers of various other countries, 10 general treaties of arbitration. The treaties first concluded were those with France and Switzerland, which were signed on November 1, 1904. Then came treaties in the order of date with Portugal, Great Britain, Italy, Spain, Austria-Hungary, Mexico, and Sweden and Norway, that with Sweden and Norway being signed on January 20, 1905. All these agreements were duly submitted to the Senate. A similar treaty was

afterward signed with Japan but, in view of the differences which had arisen as to the instruments previously negotiated, it was not transmitted to the Senate.

All the treaties above mentioned were based upon the same model, namely, a treaty of arbitration between Great Britain and France, which was concluded at London, on October 14, 1903. The signing of this treaty was followed by the conclusion of numerous conventions between other European powers in precisely similar terms. The treaties signed by Mr. Hay varied from them only in the formal parts, the language defining the questions to be arbitrated and the mode of procedure being precisely the same.

The substantive clauses of the American treaties, like those of the European treaties, were embraced in two articles. Of these, the first reads as follows:

Differences which may arise of a legal nature, or relating to the interpretation of treaties existing between the two contracting parties, and which it may not have been possible to settle by diplomacy, shall be referred to the permanent court of arbitration established at The Hague by the convention of the 29th July 1899, provided, nevertheless, that they do not affect the vital interests, the independence or the honor of the two contracting states, and do not concern the interests of third parties.

The second article reads thus:

In each individual case the high contracting parties, before appealing to the permanent court of arbitration, shall conclude a special agreement defining clearly the matter in dispute and the scope of the powers of the arbitrators, and fixing the periods for the formation of the arbitral tribunal and the several stages of the procedure.

While the treaties were pending before the Senate, various questions were raised as to their probable effect. It was suggested, among other things, that they might require the United States to submit to arbitration claims against some of the individual States of the Union, on account of repudiated or unpaid debts. In order to obviate this apprehension, the President addressed a letter to Senator Cullom, chairman of the Foreign Relations Committee of the Senate, setting forth his views as to the inadmissibility of such claims and giving an assurance that during his administration they would not be entertained. A more serious question afterward arose.

On January 20, 1905, there was signed at Santo Domingo City, by Commander A. C. Dillingham, United States Navy, and Mr. Dawson, the American Minister, on the one part, and by the Dominican Minister of Foreign Affairs, on the other, a protocol under which the United States was to guarantee the integrity of the Dominican territory, undertake the adjustment of foreign claims, administer the finances on certain lines, and assist in maintaining order. As it was stipulated that the arrangement should take effect February 1, the inference was widely drawn that there existed an intention to treat the protocol as a perfected international agreement without submitting it to the Senate. Such an intention was soon afterward disclaimed by the administration; but the incident resulted in the raising of the broad question as to the power of the President to enter into international agreements of any kind without the advice and consent of the Senate, and the discussion was soon found to involve the second article of the arbitration treaties. By this article, as we have seen, it was provided that the President should in each individual case, before appealing to the Permanent Court of Arbitration, conclude a "special agreement," defining the matter in dispute and the scope of the arbitrators' powers and fixing the periods for the formation of the arbitral tribunal and the several stages of the procedure. As announced in the press, the position was taken by Senators that the special agreement required in each case must be in the form of a treaty, duly submitted to the Senate for its advice and consent. The President, on the other hand, took the ground that the arbitration treaties, if approved by the Senate and afterwards ratified, would in themselves constitute complete legislative acts, which it would be within his powers as Executive to carry into effect, as occasion might arise; and that, if a new treaty were required in each particular case, the general treaties would fail to accomplish their primary purpose and would in reality constitute a step backward, rather than a step forward, in the development of the practice of international arbitration by the United States. These views the President embodied in a letter to Senator Cullom, which was in the nature of a protest against the position which Senators were understood to have taken. On receiving this letter, the Senate, with only seven dissenting votes, immediately amended the treaties by striking out of the second article the word "agreement" and substituting for it the word "treaty," so that it would be necessary in each individual case before proceeding to arbitration to conclude a special treaty, defining the matter in dispute and the scope of the arbitrators' powers, as well as fixing the periods for the formation of the tribunal and the several stages of the procedure. When the treaties as thus amended were returned to the President, it was announced that he would not submit them in their amended form to the other governments concerned but would consider the action of the Senate as constituting in principle a disapproval of them.

As the record stands, issue was thus joined on the broad question whether it is within the power of the President to conclude any "agreement," or at any rate any arbitral agreement, with a foreign power without the advice and consent of the Senate. As regards this question, the President appears upon the affirmative side, and the Senate apparently upon the negative. No doubt, if the subject had been further discussed, the issue might have been brought within narrower limits. It will not be pretended by any one that the President can make any and every kind of an international agreement without the cooperation of the Senate, for the constitution expressly requires that "treaties" shall be made by him "by and with the advice and consent" of that body, signified by the approving vote of two-thirds of the Senators present. On the other hand, it can easily be demonstrated that the word "treaties," as used in the constitutional law of the United States, does not embrace any and every kind of international agreement.

2. THE TERMS "TREATY," "CONVENTION," "PROTOCOL"

In diplomatic literature, the words "treaty," "convention," and "protocol" are all applied, more or less indiscriminately, to international agreements. The words "convention" and "protocol" are indeed usually reserved for agreements of lesser dignity, but not necessarily so. In the jurisprudence of the United States, however, the term "treaty" is properly to be limited, although the Federal statutes and the courts do not always so confine it, to agreements approved by the Senate. Such an agreement may be and often is denominated a "convention," and perchance might be called a "protocol"; but it is also, by reason of its approval by the Senate, in the strict sense a "treaty," and possesses, as the product of the treaty-making process, a specific legal character. By the Constitution of the United States, a "treaty" is a "supreme law of the land," having the force of an act of congressional legislation and overriding any inconsistent provisions not only in the constitutions and laws of the various States, but also in prior national statutes. It is at once an international compact and a municipal law, and in its latter character directly binds the courts and the individual inhabitants of the country. In this respect the legal system of the United States differs from that of most other governments, under which a "treaty," although it represents a binding international compact, becomes legally operative upon courts and individuals only when the legislature adopts it and enacts it into law. In England, for instance, an extradition treaty may be executed only where an act of Parliament already exists, or is passed, to render it effective; in the United States such a treaty may be immediately executed by virtue of its double character as an international compact and a municipal law. By reason of its added municipal character, a "treaty" in the United States has a superior legal efficacy; but it is for the same reason peculiarly exposed to degradation by the action of the legislature, since the courts have held that it is, as a "law," subject to abrogation or "repeal," even by implication, by a later and inconsistent act of Congress. The international obligation may not be thus destroyed, but the Government of the United States is disabled from performing it.

3. EXAMPLES OF PURELY EXECUTIVE AGREEMENTS

Such being the nature and meaning of the term "treaty" in the jurisprudence of the United States, we find that the Government has been in the habit of entering into various kinds of agreements with foreign powers without going through the process of treaty-making. The conclusion of agreements between governments, with more or less formality, is in reality a matter of constant practice, without which current diplomatic business could not be carried on. A question arises as to the rights of an individual, the treatment of a vessel, a matter of ceremonial, or any of the thousand and one things that daily occupy the attention of foreign offices without attracting public notice; the governments directly concerned exchange views and reach a conclusion by which the difference is disposed of. They have entered into an international agreement; and to assert that the Secretary of State of the United States, when he has engaged in routine transactions of this kind, as he has constantly done since the foundation of the Government, has violated the Constitution because he did not make a treaty would be to invite ridicule. Without the exercise of such power it would be impossible to conduct the business of his office.

But, in addition to agreements made in the transaction of current business, we find that the Executive has entered into international agreements of a more formal kind, without resorting to the treaty-making process.

The agreement of 1817, for the limitation of naval armaments on the Great Lakes, was made and carried into effect by the Executive, though it was afterwards submitted to the Senate. By a protocol signed at London, December 9, 1850, by Abbott Lawrence, American Minister, on the part of the United States, and by Viscount Palmerston, on the part of Great Britain, it was agreed that the British Crown should cede to the United States Horseshoe Reef in Lake Erie, and that the United States should accept it, on the conditions of erecting a lighthouse there and maintaining no fortifications. On receipt of the protocol, Mr. Webster, as Secretary of State, on January 7, 1851, instructed Mr. Lawrence to acquaint the British Government that the arrangement was approved by the Government of the United States. This Mr. Lawrence did on the 17th of the succeeding month. Congress made appropriations for the erection of the lighthouse, which was built in 1856.[1] The validity of

[1] 9 Stat. L. 380, 627; 10 ibid. 343.

the title thus gained will hardly be disputed. The cession, which the Executive had arranged, having been adopted by Congress, the territory came completely within the jurisdiction and control of the United States without any treaty. We hold the Hawaiian Islands by no better tenure. Two successive attempts to annex them by treaty having failed, they were acquired under a joint resolution of Congress. Texas, also, was annexed by a joint resolution, but, as it was at the same time admitted as a State, it stands in a legal category distinguishable from that of Hawaii.

In 1882, an arrangement was effected between the United States and Mexico, by means of an exchange of notes, for the reciprocal passage of troops of the two countries across the border when in pursuit of hostile Indians.[2] On June 25, 1890, an agreement, in the form of a protocol, was entered into on the same subject, and this agreement was from time to time renewed with amendments. The Federal troops of the two countries were permitted to cross the international boundary in pursuit of certain hostile Indians in the uninhabited and desert part of the line, which were defined as "all points that are at least 10 kilometers distant from any encampment or town of either country." It was expressly stipulated that no such crossing should take place between two certain specified points. There were various other provisions requiring notice of crossing to be given if possible, and permitting the chastisement of other hostiles whom the troops might chance to meet.[3]

One of the most important agreements ever made by the Executive without submission to the Senate was the peace protocol with Spain of August 12, 1898. By this protocol provision was made for a general armistice between the two countries. This stipulation was no doubt within the powers of the President as Commander in Chief of the Army in time of war, but there were other provisions of a different nature and of far-reaching importance. Not only did the protocol stipulate that Spain should relinquish all claim of sovereignty over and title to Cuba, and should cede to the United States Puerto Rico and other islands under Spanish sovereignty in the West Indies and an island in the Ladrones to be selected by the United States, but it also provided that Spain should immediately evacuate Cuba, Puerto Rico, and other Spanish islands in the West Indies, and to this end within 10 days should appoint commissioners, who within 30 days were to meet commissioners of the United States at Habana, in Cuba, and San Juan, in Puerto Rico, respectively, for the purpose of arranging and carrying out the details of the evacuation of Cuba and the adjacent islands. Commissioners to negotiate the definitive peace were to meet at Paris not later than October 1, 1898. They met accordingly, and, pending the negotiations which resulted in the signature of the treaty of peace on December 10, 1898, Puerto Rico was evacuated and the preparations for the evacuation of Cuba were proceeding. It may be said that the evacuation of Cuba was clearly within the scope of the joint resolution under which the President was directed to intervene in Cuba, but this could not be said with regard to the anticipatory evacuation of Puerto Rico and other Spanish islands in the West Indies, which was clearly an incident of the cession.

Another remarkable exercise by the President alone of the power to make agreements with foreign countries is found in the protocol concluded at Peking on September 7, 1901, between China and the allied powers who had cooperated in the march to Peking for the relief of the foreign legations. This protocol was signed on the part of the United States by Mr. W. W. Rockhill, now Minister to China, who was then acting as a special commissioner to China by Executive appointment alone. It embraced numerous topics, including reparation by China for the murder of the German Minister at Peking, the infliction of punishment on the principal authors of the outrages and crimes committed against foreign governments and their nationals, the prohibition by China of the importation of arms and ammunition as well as of the materials exclusively used for their manufacture, the payment to the Allies of an indemnity of 450,000,000 taels, the constitution of an extraterritorial quarter for the use of the foreign legations in Peking, the temporary occupation by the powers of certain points in order to keep open the communication between the capital and the sea, and undertakings on the part of China to negotiate amendments to her existing treaties, to improve the navigability of the Peiho River, and to transform her office of foreign affairs into a ministry of foreign affairs which was to take precedence over the six ministries of state.[4]

4. AGREEMENTS UNDER ACTS OF CONGRESS

There are certain definite classes of international agreements which are made by the Executive under acts of Congress. It is a peculiarity of these agreements that, so long as the statute under which they are concluded stands unrepealed, they have precisely the same municipal force as treaties, being in effect laws of the land. And sometimes they relate to subjects which might be and perhaps have been dealt with by the treaty-making power.

(1) Postal "treaties"

As the first illustration of this type of agreements we may take postal "treaties" or conventions. Originally it seems to have been supposed that such agreements must be submitted to the Senate. On March 6, 1844, a postal convention was signed between the United States and New Granada, with special reference to the Isthmus of Panama. It was transmitted by President Tyler to the Senate May 7, and on the 13th it was read the first and second times by unanimous consent, and was ordered to be referred to the Committee on Foreign Relations and to be printed in confidence for the use of the Senate. It was approved without amendment June 12.[5] A similar course was taken in other cases; but the procedure was altogether changed by the act of Congress of June 8, 1872, entitled "An act to revise, consolidate and amend the statutes relating to the Post Office Department."[6] By section 167 of this act it was provided that, "for the purpose of making better postal arrangements with foreign countries, or to counteract their adverse measures affecting our postal intercourse with them," the Postmaster General, "by and with the advice and consent of the President," might "negotiate and conclude postal treaties or conventions," and might "reduce or increase the rates of postage on mail-matter conveyed between the United States and foreign countries."[7] By section 20 of the same act, the Postmaster General is required to transmit a copy of each postal convention concluded with a foreign government to the Secretary of State, who is to furnish a copy to the Public Printer for publication; but the proofsheets are to be revised in the Post Office Department.[8] These provisions have since governed the negotiation and conclusion of postal treaties, and they are now embodied in the revised statutes of the United States, as sections 398 and 399.

(2) Reciprocity arrangements

Another class of international agreements, concluded by the Government of the United States under the authority of an act of Congress, is that of arrangements with foreign powers in relation to commercial reciprocity. such were the agreements made by the United States under section 3 of the act of October 1, 1890, commonly called the McKinley Act. By section 3 of this act the President was authorized to impose duties at certain rates on specified articles, whenever, in his judgment, the duties imposed by the country of exportation on goods imported from the United States were, in view of the free admission of such specified articles into the United States, "reciprocally unequal or unreasonable." This retaliatory provision was used for the purpose of securing reciprocal commercial agreements with other powers; and 10 such agreements were in fact concluded with Austria-Hungary, Brazil, the Dominican Republic, Germany, Great Britain, Guatemala, Honduras, Nicaragua, Salvador and Spain. These agreements remained in force till they were terminated by section 71 of the tariff of August 27, 1894, generally known as the Wilson-Gorman Act.

The subject of commercial arrangements is also provided for by the act of July 24, 1897, called the Dingley Act. By section 3 of this act, the President is authorized to enter into negotiations with the governments of countries exporting to the United States certain specified articles, with a view to making commercial agreements "in which reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States"; and whenever an agreement is made by which the products and manufactures of the United States are, in his judgment, admitted on reciprocal and equivalent terms, he is authorized to suspend by proclamation the imposition and collection of duties on the articles in question. By section 4 of this act, the President is also authorized to make certain concessions whenever he shall have entered into a reciprocity treaty with a foreign country by and with the advice and consent of the Senate. Under the third section of the act, the President has concluded and carried into effect commercial agreements with France, May 23, 1898; with Portugal, May 22, 1899, and January 11, 1900; with Germany, July 10, 1900; and with Italy, February 8, 1900.

(3) Discriminating duties, copyrights, and trade-marks

In numerous cases, in addition to those first mentioned, the President has been invested by Congress with power the exercise of which has involved the making of formal or informal international agreements. As examples, we may take the acts of March 3, 1815; January 7, 1824; May 24, 1828; June 19, 1886; April 4, 1888; and July 24, 1897, with reference to the suspension of discriminating duties. The power thus vested in the President constantly has been and still is exercised by him, sometimes on the strength of understandings reached by ordinary correspondence, and sometimes on the strength of more formal diplomatic agreements.

A power similar to that exercised by the President with regard to the suspension of discriminating duties is conferred upon him by section 13 of the act of March 3, 1891, amending the provisions of the Revised Statutes of the United States in relation to copyrights. By this section the President is authorized by his proclamation to admit

[2] Foreign Relations of the United States, 1882, pp. 419–426.

[3] Report of Mr. Olney, Secretary of State, to the President, Dec. 7, 1896, Foreign Relations 1896. See also, ibid. p. 438.

[4] See report of Mr. Rockhill, November 30, 1901, S. Doc. 67, 57th Cong., 1st sess.; reprinted as Appendix to Foreign Relations, 1901, vol. iii, pp. 312–318.

[5] Executive Journal of the Senate, vol. vi (1841–45), pp. 275, 276, 321.

[6] 17 U. S. Stat. L., 283.

[7] 17 ibid. 304.

[8] 17 U. S. Stat. L. 287.

the citizens of foreign nations to the privileges of copyright in the United States, either when such nations extend the benefits of copyright to citizens of the United States on substantially the same basis as to their own citizens, or when they are parties to a reciprocal international copyright agreement to which the United States may at its pleasure adhere. Under the first condition the President, after exchange of correspondence, has by proclamation extended the benefits of the law to citizens of Belgium, Chile, Costa Rica, Cuba, Denmark, France, Germany, Great Britain, Italy, Mexico, the Netherlands, Portugal, and Spain.[9]

Agreements with regard to the protection of trade-marks have been concluded by the exchange of notes, under section 1 of the act of March 3, 1881, with the Netherlands, February 10 and 16, 1883, and with Switzerland, April 27 and May 14, 1883.[10] In 1894 Mr. Gresham, as Secretary of State, declined to approve a declaration for the protection of trade-marks signed at Athens by the American Minister and the Greek Minister of Foreign Affairs, on the ground that a formal convention should be submitted to the Senate.[11] In numerous instances the subject patents and trade-marks and the general protection of industrial property have been regulated by treaties duly submitted to the Senate.

(4) Indian treaties

During the first 80 years of government under the Constitution, agreements with the Indian tribes were made exclusively by the President and the Senate, in the exercise of the treaty-making power. Since 1871, however, the subject has been dealt with exclusively by the President and Congress. This circumstance is due to the act of Congress of March 3, 1871,[12] now incorporated in section 2079 of the Revised Statutes, by which it is expressly provided that "no Indian nation or tribe within the territory of the United States shall be acknowledged or recognized as an independent nation, tribe, or power with whom the United States may contract by treaty." Previously to this statute, the President, by the act of July 5, 1862,[13] now embodied in section 2080 of the Revised Statutes, was, whenever the tribal organization of any Indian tribe was in actual hostility to the United States, authorized by proclamation to declare all treaties with such tribe to be abrogated, if in his opinion it could be done consistently with good faith and with legal and national obligations.

The passage of the act of 1871 was strongly opposed by certain Members of the House as well as of the Senate, on the ground that it involved an infringement of the treaty-making power vested in the President and the latter body. It was admitted that if the President should undertake to make a treaty with the Indians, Congress could not interfere with his doing so, by and with the advice and consent of the Senate; but it was, on the other hand, maintained that Congress had the power to declare whether the tribes were independent nations for the purposes of treaty-making, and to render its declaration effective by refusing to recognize any subsequent treaties with them; and this view prevailed.[14]

(5) The modus vivendi

The first examples given above of international pacts made by the President, without consulting the Senate, were agreements entered into by him alone, in the exercise of his own authority. There is a well-defined type of agreement, known as the modus vivendi, which has been regarded as falling within the President's powers. As the name indicates, a modus vivendi is in its nature a temporary or working arrangement, made in order to bridge over some difficulty, pending a permanent settlement.

By an exchange of memoranda and correspondence in April and June 1885, a diplomatic agreement was entered into between the United States and Great Britain, by which the fishing privileges granted to American citizens in Canadian waters by the treaty of May 8, 1871, which would otherwise have expired on July 1, 1885, were to continue throughout the season of 1885. This arrangement in no way affected the collection of duties on fish and fish products in the United States, but was entered into by the British Government in consideration of the President's undertaking to recommend to Congress, on its assembling in December 1885, the appointment of a joint commission to consider the question of fisheries and trade relations.[15]

On February 15, 1888, a treaty commonly known as the Bayard-Chamberlain convention, was signed at Washington with a view to the permanent settlement of the fisheries controversy. This treaty was in the following August rejected by the Senate; but, on the day on which it was signed, a modus vivendi was entered into by the negotiators by which a temporary arrangement was made for a period not exceeding 2 years. This arrangement was communicated by the President to the Senate, for its information, when the treaty was submitted for ratification.

By a modus vivendi concluded at Washington on June 15, 1891, the killing of fur seals in Bering sea, whether by American citizens or by British subjects, was suspended until the following May. This suspension, which applied only to that part of Bering Sea eastward of the water line of demarcation in the Treaty of Cession of 1867, was established with a view to the conclusion of a treaty for the arbitration of the entire dispute. Such a treaty was made in the following year.

On October 20, 1899, a modus vivendi was effected by means of an exchange of notes between Mr. Hay, Secretary of State, and Mr. Tower, British Chargé d' Affaires ad interim, at Washington, for the purpose of fixing a provisional boundary between Alaska and the Dominion of Canada in the vicinity of Lynn Canal. This agreement remained in force till the boundary question was definitely settled by the decision of the joint commission under the treaty of January 24, 1903.

Protocols of agreement have on various occasions been made by the Executive with a view to future negotiations. Protocols of this kind were signed with Costa Rica and Nicaragua on December 1, 1900, with a view to negotiations for the construction of an interoceanic canal by way of Lake Nicaragua.

(6) The settlement of pecuniary claims

Agreements of another class, the making of which has been considered to be within the competence of the Executive, are those providing for the settlement of pecuniary claims, especially of private individuals, against foreign governments. Such an agreement the President no doubt may in any case submit to the Senate, if he sees fit to do so; and we find, especially in former times, that this course was often taken.

I. By Treaty

Thus, provision was made for the settlement of pecuniary claims, either directly or by means of arbitration, under article VI of the treaty with Great Britain, commonly called the Jay treaty, of November 19, 1794, for the adjudication of claims of British subjects against the United States growing out of legal impediments interposed to the collection of debts under the treaty of peace of 1782–83; under article VII of the same treaty, for the adjudication of claims of citizens of the United States against Great Britain on account of violations of neutral rights and of claims of British subjects against the United States growing out of failures of neutral duty; under article V of the convention with Great Britain of October 20, 1818, for the arbitration of claims of citizens of the United States against the British Government, growing out of the carrying away of slaves in violation of article I of the treaty of Ghent; under the convention with Great Britain of February 8, 1853, for the arbitral adjustment of claims of the citizens of each country against the Government of the other; under the convention with Great Britain of July 1, 1863, for the adjudication of the claims of the Hudson's Bay Co. and the Puget's Sound Agricultural Co. against the United States; under articles I–XI, inclusive, of the treaty of Washington of May 8, 1871, for the arbitration of the Alabama claims; under article XII of the same treaty for the determination of claims of citizens of each country against the Government of the other, other than the Alabama claims, arising during the Civil War in the United States; under articles XX–XXV, inclusive, of the same treaty for the arbitration of the question what, if anything, was due to the British Government from the United States on account of the arrangement made with regard to the fisheries; under the convention of February 8, 1896, for the adjudication of British claims against the United States growing out of the Bering Sea controversy; and under the tripartite convention between the United States, Germany, and Great Britain, of November 7, 1899, for the adjudication of the question of liability for the payment of claims of the citizens or subjects of the contracting parties growing out of the unwarranted military action of any of them in Samoa. By article XXI of the treaty with Spain of October 27, 1795, provision was made for the adjudication of claims of citizens of the United States against Spain in consequence of the seizure of their vessels and cargoes by subjects of his Catholic Majesty during the then recent war between Spain and France. Provision was made by the convention of August 11, 1802, for the adjudication of other claims of American citizens against Spain and of Spanish subjects against the United States; but, although the ratifications of this convention were afterward exchanged, it was never carried into effect, and the subject to which it related was dealt with in the Florida treaty of February 22, 1819, by which all claims of the citizens of either country against the Government of the other were renounced and the United States undertook (article XI) to make satisfaction for the claims of its own citizens to an amount not exceeding $5,000,000.

By article IX of the same treaty the United States undertook to compensate the Spanish inhabitants of Florida for injuries suffered by the operations of the American Army in that Province. Claims against Spain arising during her war with her American colonies were directly settled by the Van Ness convention of February 17, 1834. Many claims on the part of citizens of the United States against France grew out of the wars in which that country was involved prior to the peace of Amiens. Some of these were settled under the indemnity convention of April 30, 1803, which forms one of the series of treaties relating to the Louisiana cession, as part of the price of which certain classes of the claims were assumed and paid by the United States. Subsequent claims against France, as well as certain claims of France against the United States, were directly settled by

[9] For the act of Mar. 3, 1891, see 26 U. S. Stat. L. 1110; also, Foreign Relations, 1892, pp. 258–266.

[10] 21 U. S. Stat. L. 502; S. Doc. 20, 56th Cong., 2 sess., pp. 334, 337.

[11] Foreign Relations, 1895, pp. 759, 763, 765.

[12] 18 Stat. L. 176.

[13] 12 ibid., 528.

[14] See, especially, CONGRESSIONAL GLOBE, 41st Cong., 3d sess. (1870–71), p. 2, pp. 763–765; p. 3, pp. 1821–1825.

[15] Foreign Relations, 1885, pp. 460–469.

the Rives convention of July 4, 1831. A mutual adjustment of claims by the same countries through a mixed commission was accomplished under the convention of January 15, 1880. Claims of citizens of the United States against Denmark originating in the Napoleonic wars were directly settled by the treaty of March 28, 1830, as likewise were similar claims against Naples by the convention of October 14, 1832. Provision was made by the treaty of April 11, 1839, for the adjudication of claims of citizens of the United States against Mexico, and various claims which failed of adjustment under this convention were assumed and paid by the United States under the treaty of Guadalupe Hidalgo. By a convention of July 4, 1868, all claims of the citizens of either country against the other which had arisen since the signature of the last-named treaty were submitted to arbitration. Claims of citizens of the United States against Peru were directly settled by a convention signed at Lima on March 17, 1841. By a convention with the same country of December 20, 1862, the claims of the owners of the American vessels *Georgiana* and *Lizzie Thompson* against the Government of Peru were submitted to the King of the Belgians as arbitrator, but the claims were afterward withdrawn by Mr. Seward, and no decision was rendered. A convention for the mutual adjustment of claims as between the United States and Peru by means of a mixed commission was concluded on January 12, 1863. A similar convention was entered into on December 4, 1868. Claims of citizens of the United States against Brazil were directly settled by the convention of January 27, 1849. By a treaty signed on February 26, 1851, the claims of citizens of the United States against Portugal growing out of the destruction of the brig *General Armstrong* by the British at Fayal, in 1814, was submitted to Louis Napoleon as arbitrator. On September 10, 1857, a convention was concluded at Washington for the adjudication of claims of citizens of the United States against New Granada, especially of those growing out of the Panama riot of 1856, and the powers of the commission organized under this convention were extended by the convention of February 10, 1864.

In 1821, a quantity of silver, representing the proceeds of sales of merchandise imported into Peru by the American barque *Macedonian* was forcibly taken in the valley of Sitaña by order of Lord Cochrane, then a vice admiral in the Chilean Navy. The claims growing out of this transaction were, under a convention concluded November 10, 1858, referred to the King of the Belgians. Numerous claims against China were settled by a convention of November 8, 1858. By a convention of February 4, 1859, the claims of the United States and Paraguay Navigation Co. against the Government of Paraguay were submitted to arbitration. A settlement of all claims of citizens of the United States against Costa Rica for injuries to persons or property was effected by means of a mixed commission under the convention of July 2, 1860. A mutual adjustment of claims as between the United States and Ecuador was effected in a similar manner under the convention of November 25, 1862. The claim of Julio R. Santos, a naturalized citizen of the United States, against the Government of Ecuador, growing out of his arrest and detention in that country in 1884 and 1885, was adjudicated under the convention of February 28, 1893. Provision was made for the arbitral settlement of claims against Venezuela by the convention of April 25, 1866; but the proceedings of the commission were set aside and the claims retried under the convention of December 5, 1885. The claim against Venezuela, growing out of the seizure of the vessels of the Venezuela Steam Transportation Co., an American corporation, was settled by a mixed commission under the convention of January 19, 1892. By a convention between the United States and Denmark of December 6, 1888, the claims against Denmark, known as the Carlos Butterfield claims, were submitted to Sir Edward Monson, then British Minister at Athens, as arbitrator. Under a convention between the United States and Chile of August 7, 1892, all claims of citizens of either country against the government of the other, growing out of acts committed by the civil or military authorities, were adjudicated by means of a mixed commission. This convention was revived by the convention of May 24, 1897, in order that unfinished business might be disposed of. We thus have 39 cases in which treaties have been made by the United States for the purpose of settling pecuniary claims. It is to be observed, however, that in only 20 cases were the claims against the foreign government alone. In 14 cases there were claims against both governments, and in 5, claims against the Government of the United States alone; in other words, in 19 instances the settlement embraced claims against the United States; and, as the Executive is forbidden to bind the Government of the United States to the payment of money in the absence of authority of law, the President has never undertaken to settle claims against the United States except by means of a treaty, or by means of an agreement concluded ad referendum to Congress.

II. By Executive Agreement

But, as has heretofore been pointed out, pecuniary claims against foreign governments have constantly been settled by the President, and no question as to his possession of such a power, apart from discussion as to its possible limitations, appears ever to have been seriously raised. We, therefore, find in the books little that bears upon the subject; but, in at least one case in which a foreign government sought to qualify an agreement made with the President, the validity and finality of his action were vigorously asserted by the Government of the United States.

On November 29, 1886, Mr. Moret, Spanish minister of foreign affairs, informed Mr. Curry, the American minister at Madrid, that the council of ministers had decided to settle the claim of Antonio Maximo Mora, a naturalized citizen of the United States of Cuban origin, against the government of Spain, growing out of the embargo of his property in Cuba, by paying the sum of $1,500,000. This sum, said Mr. Moret was to be paid by a charge on the Cuban budget; but, as the colonial budget was not in a condition to support such a sum at one time, the government had reserved the determination of the most practicable mode of payment, of which due information would be given. On December 7, Mr. Curry, under instructions of his Government, accepted this offer; and a clause was inserted in the Cuban budget of 1887–88 for the payment of the money. This budget, however, was not passed, the Cortes avoiding action upon it by renewing the appropriations of the preceding year; and when, in April, 1888, the colonial budget for 1888–89 was submitted, the provision for payment was omitted. When Mr. Curry inquired as to the reason for the omission, Mr. Moret replied that, in view of the debates which had taken place in the Chamber of Deputies, the government was convinced that the Chamber would not vote the money unless the "totality" of American claims was settled, including those of Spain against the United States. At the same time, Mr. Moret declared that the government did not assume to alter what had been agreed on, but must judge when it would be opportune to lay the matter before the Cortes.

The Government of the United States expressed its confidence that the Spanish Government would not repudiate the arrangement which was deliberately concluded in its name and by its authority. Nevertheless, in consequence of the opposition manifested in the Cortes to the settlement which had been made, Mr. Moret was transferred to the ministry of the interior, and was succeeded in the ministry of foreign affairs by the Marquis de la Vega de Armijo. The latter, in August 1888, stated that the government intended to satisfy, as far as lay in its power, the Government of the United States, and expressed the belief that the Cortes would vote the money if the payment of the Mora claim coincided with the payment of the claims of Spain against the United States. With reference to this statement, Mr. Bayard, as Secretary of State, on September 17, 1888, declared that, so far as the minister's note affirmed the inviolability of the settlement arrived at in the Mora case and its removal from the sphere of discussion, it was satisfactory and fulfilled the expectations that had been confidently entertained in regard to the observance by the Spanish Government of the agreement heretofore concluded. Mr. Bayard was not indisposed to include the payment of the Mora claim with the settlement of other claims, if this could be done within a reasonable time; but he declared that the sum agreed to be paid in the Mora case might fairly be treated as a debt due and withheld by Spain from the United States, upon which interest should justly be computed from the time the agreement was concluded. Again, on December 18, Mr. Bayard declared that the claim had been conclusively adjusted for a specific sum and only awaits payment by the Spanish Government. Similar ground was taken by Mr. Blaine, Mr. Bayard's successor as Secretary of State, who adopted the statement of Mr. Curry that by the settlement the case was raised from the debatable and negotiable ground which it had previously occupied to the height of an international compact, binding upon both governments. In the same paper, Mr. Blaine said that by the most formal and sacred of international compacts the faith and honor of the Spanish Government had been directly pledged to the payment of the claim, and that the President was unwilling to allow the execution of the absolute settlement of the Mora case to be made dependent upon the further settlement of other claims. In February 1893, Mr. Foster, Mr. Blaine's successor, referring to a remark made by the American Minister at Madrid as to the possible conclusion of a convention for the adjustment of the Mora claim and the claims of Spanish subjects against the United States, said:

"The Mora claim has been regarded by this Government as already a liquidated and adjusted claim, only awaiting an appropriation by the Spanish Cortes for its final payment. It should not therefore be placed in the category of unadjusted claims." Mr. Gresham, Mr. Foster's successor, writing to Mr. Taylor, the American Minister at Madrid, on July 14, 1893, declared that the United States "could not recognize parliamentary difficulties in the way of securing an appropriation for the Mora claim as in any way relieving Spain from her distinct and unconditional obligation to pay that claim." In a note of December 29, 1894, to the Spanish Minister of State, Mr. Taylor declared that the United States had reached the "irrevocable conclusions," (1) that, "when the proposition of settlement was accepted, an international convention was concluded," precluding the discussion of all questions but that of payment; (2) that the "unconditional promise to pay carried with it the obligation to pay in a reasonable time;" (3) that the United States would "not consent" that payment should "depend upon the willingness of the Cortes to make the appropriation," or upon the final adjustment of claims asserted by Spain against the United States. This presentation of the subject was approved by Mr. Gresham, who, in reply to arguments of the Spanish Government that the Mora case was not "one of

those matters of strict justice which require immediate reparation," and that the agreement to pay the claim was conditional and not unconditional, reaffirmed the position that the agreement was "unconditional," and further declared that all departments of the Spanish Government were bound by it, and that no one department could nullify it, and that, whether the Spanish Government did or did not receive the income from Mora's estates was a question "immaterial" to the "rights" of the United States or the "obligations" of Spain. Nevertheless, delay in the payment of the money continued, and at length Congress, by a joint resolution approved March 2, 1895, requested the President "to insist upon the payment of the sum agreed upon between the Governments of Spain and the United States in liquidation of the claim of Antonio Maximo Mora against the Government of Spain, with interest from the time when the said amount should have been paid under the agreement."[16] Instructions in conformity with the resolution were sent to the legation of the United States at Madrid, and like representations were made to the Spanish Minister at Washington, urging an immediate payment on account and an arrangement for the early discharge of the remainder, should Spain be unable to pay the full amount at once.

On July 20, 1895, the Spanish Minister at Washington handed to Mr. Olney the text of a resolution of the council, approved by the Queen Regent, in which it was stated that, "in view of the facts shown of record and of the conclusions formulated by the Ministers and a subcommittee of reference," it had been decided to notify the United States that Spain, "in fulfillment of the engagement contracted by the notes exchanged on the 29th of November and the 7th of December, 1886," was prepared to proceed to the payment of 1,500,000 pesos in three installments, the form and date of payment to be determined by agreements. On the 10th of the following August an agreement, signed by Mr. Olney, as Secretary of State, and by Mr. Depuy de Lôme, Spanish Minister, and by two representatives of the claimant and other interested persons, was entered into for the payment, on or before September 15, of 1,500,000 gold pesos, "in full discharge and satisfaction not only of the principal sum agreed to be paid," but also of any amount that might be claimed to be due as interest. This payment was duly made.[17]

The conclusiveness of the settlement was thus finally maintained, in spite of Spain's contention that the agreement should be treated as having been made subject to the approval of the Cortes. No matter what view might be taken of this contention, the way was open to Spain to make it, since the country was in a state of tranquillity and all the departments of the Government were in the full exercise of their constitutional functions. Had a dictatorship existed and the constitutional guarantees been suspended, the case would have been obviously different. Such a condition of things has often existed even in recent years, especially in the countries of Spanish America, where international agreements of the most important character have been entered into and carried into effect by the chief executive in the exercise of dictatorial powers. Even territorial questions have been so settled. The treaty of commerce, navigation, boundaries, and extradition between Brazil and Bolivia of March 27, 1867, was concluded and ratified on the part of Bolivia by the President ad interim of that country.

The arbitral agreements made with Venezuela in 1903, under which claims against that Government amounting to millions of dollars were settled, were ratified and put into effect by President Castro in virtue of dictatorial powers. Likewise, the agreement between the United States and the Dominican Republic of January 31, 1903, for the settlement of the claims of the San Domingo Improvement Co. and its allied companies, was executed and put into effect by President Vasquez, in the exercise of similar powers. From May 2, 1902, till July 20, 1903, there was no congress, the constitutional guarantees being in suspense and all powers being exercised by the President. In such cases the only authority in existence is necessarily dealt with, it being inadmissible to hold that the national powers and responsibilities are in abeyance and cannot be discharged because powers ordinarily exercised by one department of the Government have for the time being been assumed by another.

III. Arbitrations Under Executive Agreements

Not only is the power of the President to settle the claims of citizens of the United States against foreign governments firmly established, but he has repeatedly employed arbitration for the purpose. An eminent authority has observed that this "at first glance would seem to be an independent exercise of the treaty-making power," but that "in a strict sense" it "cannot be so regarded"; and it has therefore been placed among "certain acts of an international character, binding the Government, which the President may perform without the interposition of the Senate."[18] The legal theory on which such settlements rest is simple. Arbitration is in such cases only one of the modes by which the President exercises his power to settle the claims of individuals against foreign governments. If, in the exercise of this power, differences arise which apparently cannot be directly solved, it is a natural and obvious thing to submit them to the judgment of impartial persons. As early as September 5, 1793, Mr. Jefferson, as Secretary of State, when discussing with the British Minister the question of losses sustained by vessels unlawfully captured within American jurisdiction, proposed as a provisional measure that the collector of customs of the particular district and the British consul, "or any other person you please," should "appoint persons to establish the value of the vessel and cargo."[19]

It would be a work of supererogation to attempt to cite all the cases in which the Executive of the United States has settled individual claims against foreign governments without reference to the Senate, but the more important examples may be given, including those in which the process of arbitration has been employed.

By a convention signed at Caracas on May 1, 1852, claims of citizens of the United States against Venezuela, growing out of the seizure of certain vessels, were settled for the sum of $90,000, with interest to date of payment. An agreement, concluded 7 years later (January 14, 1859), for the settlement of claims of citizens of the United States on account of their expulsion from the Aves Islands, was submitted to the Senate, President Buchanan remarking that "usually" it was "not deemed necessary to consult the Senate in regard to similar instruments relating to private claims of small amount when the aggrieved parties are satisfied with their terms," but that it was thought advisable in the present instance on account of the instability of the Venezuelan Government.[20] By a protocol signed at Washington on February 17, 1903, all claims of citizens of the United States against Venezuela, which had not been previously settled by diplomatic agreement, were submitted to a mixed commission. The claims, with interest, amounted to upward of $81,000,000; the awards of the commission, with interest, to $436,450.70. In connection with this settlement the nonblockading powers concurred with the blockading powers, under agreements concluded by the latter with Venezuela on May 7, 1903, in submitting to The Hague tribunal the question whether the blockading powers had a right to the preferential payment of their claims.

In 1858 it was agreed by an exchange of notes between Mr. Reed, the American Minister, and the Chinese authorities that a fund of 600,000 taels should be raised in China out of duties collected on American goods and bottoms at three treaty ports for the payment of American claims. This agreement Mr. Reed afterward modified by concluding the convention of November 8, 1858. In 1884 the American Minister arranged with the taotai of Swatow to refer to two of the foreign consuls at that port the claim of an American citizen, named Ashmore, for injuries to a fishery by native trespassers in 1872.[21]

On May 4, 1864, the American minister in Salvador agreed with the government of that country for the arbitration of the claim of an American citizen, named Savage, against Salvador on account of losses in connection with the exportation of a quantity of gunpowder.[22] By a protocol, signed at Washington, December 19, 1901, the claims of the Salvador Commercial Co. and other citizens of the United States, stockholders in the Salvadorian corporation styled "El Triunfo Co., Ltd.," were submitted to a mixed commission composed of the chief justice of Canada, a citizen of the United States, and a citizen of Salvador. An award was made in favor of the United States for $523,178.64.[23]

By a protocol, signed at Rio de Janeiro, March 14, 1870, it was agreed to submit to the British Minister at Washington, as arbitrator, the claims of the owners of the American whaling ship *Canada* and her cargo against the Government of Brazil because of losses incurred, as it was alleged, by the illegal interference of Brazilian officials with the master of the vessel when he was attempting to pull her off a reef. An award was rendered in favor of the United States for the sum of $100,740.04.[24] By another protocol, signed at Rio de Janeiro, September 6, 1902, the claim of the owners of an American vessel against the Government of Brazil, for indemnity for damages inflicted on the vessel and her long boat by the firing of Brazilian soldiers and by her detention at Rio de Janeiro, was submitted to the arbitration of the Ministers of Sweden and Norway at Washington.

By an exchange of correspondence in 1870, it was left to arbitrators to assess the damages in the claim of the American steamer *Lloyd Aspinwall* against the Government of Spain on account of the seizure and detention of the vessel by the Spanish authorities in Cuba. By a similar agreement in 1885 the claims growing out of the seizure of the American barque *Masonic* by the Spanish authorities at Manila was referred to Baron Blanc, Italian Minister at Madrid. But far more important than these was the agreement effected at Madrid by an exchange of notes on February 11–12, 1871, under which all claims of citizens of the United States against the Government of Spain, for wrongs and injuries committed against their persons

[16] For the correspondence and the joint resolution, see Foreign Relations, 1894, appendix I, pp. 364–450; ibid. 1895, pt. ii, p. 1163.

[17] Foreign Relations, 1895, pt. ii, pp. 1162, 1163, 1166, 1170, 1171, 1176.

[18] John W. Foster, the Treaty-Making Power, Yale Law Journal, December 1901, vol. xi, pp. 77, 79.

[19] American State Papers, Foreign Relations, vol. i, pp. 174, 175.

[20] Executive Journal, vol. xi, p. 142.

[21] Moore, International Arbitrations, vol. ii, p. 1857.

[22] Moore, International Arbitrations, vol. ii, p. 1855.

[23] Foreign Relations, 1902, pp. 857, 861.

[24] Moore, International Arbitrations, vol. ii, pp. 1733–1747.

and property by the authorities of Spain in Cuba since the commencement of the insurrection in 1868, were submitted to a mixed commission, consisting of two arbitrators and an umpire. These claims involved questions of great international importance, including the validity of decrees of the Spanish Government and of legal proceedings against both persons and property in Cuba. Questions analogous to those involved in the Virginius case eventually came before the commission, as well as many questions of nationality or citizenship. The commission remained in existence more than 10 years. It adjourned December 27, 1882, and the last awards of the umpire were filed on February 22, 1883. The amount of the claims presented to the commission was more than $30,000,000, exclusive of interest. The total sum awarded was $1,293,450.55. Immediately after the conclusion of the agreement Congress appropriated $15,000 for the United States share of the expenses. Appropriations were thereafter regularly made for the same purpose, the whole amount contributed by the United States being $126,324.59.[25]

The seizure and detention of the American steamer *Montijo* in Colombia, in 1871, gave rise to claims against that Government. These claims involved various important questions, including that of the liability of a government for the acts of insurgents. They were submitted to arbitration under a protocol signed at Bogota August 17, 1874, and an award was rendered in favor of the United States.[26]

On several occasions claims against Haiti have been settled in a similar manner. The award of the arbitrator in the cases of Pelletier and Lazare under the protocol signed at Washington, May 28, 1884, was not enforced, because in the case of Pelletier the arbitrator misconstrued his power, and in the case of Lazare, as it was alleged, he did not have the benefit of certain important evidence. By an exchange of correspondence at Port au Prince, in 1885, the American Minister arranged for the adjustment by a mixed commission of claims of citizens of the United States against the Government of Haiti growing out of riots at Port au Prince. The claims were of small amount.[27] In the case of C. A. Van Bokkelen, a citizen of the United States, against Haiti, growing out of his imprisonment and detention in violation of treaty rights, an award was rendered in favor of the United States under a protocol signed at Washington on May 24, 1888, for the sum of $60,000.[28] The claim of certain citizens of the United States against the Government of Haiti, on account of the seizure and sale of their goods, was adjusted in a similar manner under a protocol signed at Washington on October 18, 1899. The arbitrator, the Honorable William R. Day, rendered an award in favor of the claimant for $23,000.[29]

The claims of two American citizens, named Oberlander and Messenger, against the Government of Mexico were disposed of by arbitration under a protocol signed on March 2, 1897, by Mr. Olney, Secretary of State, and Mr. Romero, Mexican Minister.[30] Under a protocol concluded on May 22, 1902, the claim of the Pious Fund of the Californias was referred to The Hague tribunal, which decided that Mexico should pay to the United States the sum of $1,420,682.67, and in each succeeding year in perpetuity the sum of $43,050.99, in money having legal currency in Mexico.[31]

Under a protocol signed at Washington February 23, 1900, a claim of a citizen of the United States named May against the Government of Guatemala, to a debt alleged to be due him under certain railway construction contracts with that Government and for damages caused by the Guatemalan civil and military authorities was submitted to the British Minister in Central America, who awarded the claimant $143,750.73.[32]

Claims against Nicaragua of small amount were submitted to arbitration under a protocol signed at Washington, on March 22, 1900.[33] So, by a protocol signed at Washington, on May 17, 1898, the claim of a citizen of the United States against Peru was referred to the Chief Justice of Canada. In 1897, the complaint of E. V. Kellett, United States vice consul general in Siam, on account of an assault committed upon him by soldiers of that Government, was disposed of by a joint commission.[34] In the same year the claim of a citizen of the United States against the Siamese Government, growing out of breaches by the latter of an agreement for the working of the teak forests, was submitted, under a protocol signed at Bangkok July 26, 1897, to the Governor of the Straits Settlements, by whom an award was rendered in favor of the United States for $200,000 in gold.[35] Certain claims against Chile were directly settled by an agreement concluded on May 24, 1897. By an agreement with Russia, signed September 8, 1900, various claims for the detention of American sealing vessels by Russian cruisers were submitted to arbitration. The submission involved important questions as to marine jurisdiction.

One of the most interesting of the arbitrations of the United States, under executive agreement, is that relating to the Delagoa Bay Railway, under a protocol between the United States, Great Britain, and Portugal, signed at Berne on June 13, 1891. The railway was constructed under a concession originally granted to an American citizen named McMurdo. McMurdo transferred his concession to a Portuguese company, which was in turn financed by an English company. The taking possession of the railway by the Portuguese Government in 1889 gave rise to interesting and complicated questions as to the rights of McMurdo as well as of the English investors. Both the United States and Great Britain intervened for the protection of the interests of their respective citizens, and, on the demand of the United States, which was supported by the British Government, the case was referred to three Swiss jurists, who, in 1899, rendered an award in favor of the United States and Great Britain for the sum of $4,670,000.

On several occasions claims against the Dominican Republic have been settled under executive agreements. In 1898 an American engineer, acting under such an agreement, rendered an award in favor of the United States for $74,411.17, with interest at 6 percent for 2½ years, on account of the seizure of the Ozama Bridge by the Dominican Government. On April 30, 1904, an award was made by arbitrators of the sum of $215,812, on account of arms, ammunition, and other articles furnished by the firm of Sala & Co. to the Dominican Government while General Heureaux was President. The arbitral proceeding was conducted under a convention signed on April 28, 1902.

By a protocol signed at Santo Domingo City, January 31, 1903, provision was made for submitting to a mixed commission the question of the terms on which the Dominican Government should pay the sum of $4,500,000, which that Government had agreed to pay in consideration of the cession to it of all accounts, claims, and properties of the San Domingo Improvement Co. and its allied companies, including their rights in the railway from Puerto Plata to Santiago, and in settlement of all differences, as well as in consideration of the relinquishment by the improvement company of its right to collect the revenues at all the ports of the Republic. The protocol expressly required the arbitrators to fix the mode in which the moneys to be paid under it should be collected. By the award rendered on July 14, 1904, it was decreed that the money should be paid in certain monthly installments, and that, in case of default, it should be collected at certain Dominican ports by an agent to be appointed by the United States. It thus appears that, if we include only the more formal settlements, there have been 31 cases in which claims against foreign governments have been settled by executive agreement, and that 27 arbitrations have been held under such agreements as against 19 under treaties, where the settlement embraced claims against the foreign government alone and not against the United States.

In connection with the arbitration under the protocol with the Dominican Republic of January 31, 1903, it may be pointed out that on various occasions the customs or other specific revenues of foreign countries have been pledged for the payment of American claims.[36] Provision has also been made in certain cases for the direct collection of such revenues, in the event of the failure of the local government to make the stipulated payments; but, as the cases in which such an arrangement has been necessary have been comparatively infrequent, at any rate in the experience of the United States in such matters, it is proper to refer particularly to certain precedents in which the subject has been either discussed or practically dealt with.

In 1880, the Venezuelan Government appealed to the United States for its interposition in difficulties which had arisen between Venezuela and France, because the former government had fallen into arrears in payments due to the latter on the settlement of claims against Venezuela effected in 1864. As it was represented that there was danger that France would institute a blockade of Venezuelan ports and take possession of the customhouses for the purpose of collecting the money, and as there were conflicting claims as to preference among foreign creditors, Venezuela proposed to deliver certain monthly sums to the Government of the United States, which was to distribute the money among all the foreign creditors. Mr. Evarts, who was then Secretary of State, intimated that the proposal would be favorably entertained if it should prove to be acceptable to all the creditor governments. Subsequently, no arrangement having been effected, Mr. Evarts' successor, Mr. Blaine, acting in the name of the President, instructed the American minister at Paris to suggest that the United States would place an agent in Caracas to receive such monthly sums from Venezuela as might be agreed upon and distribute them among the creditor nations, and that, in case the Venezuelan Government should default for more than 3 months in the regular installments, the agent appointed by the United States should be "authorized to take charge of the customhouses at Laguayra and Puerto Cabello, and reserve from the monthly receipts a sufficient sum to pay the stipulated amounts, with 10

[25] Moore, International Arbitrations, vol. ii, pp. 1019–1053.
[26] Ibid., vol. ii, pp. 1426–1446.
[27] Moore, International Arbitrations, vol. ii, p. 1859.
[28] Ibid., vol. ii, p. 1809.
[29] Foreign Relations, 1901, p. 276.
[30] Ibid., 1897, pp. 382–388.
[31] Ibid., 1902, appendix ii.
[32] Ibid., 1900, p. 674.
[33] Foreign Relations, 1900, p. 824.
[34] Moore, International Arbitrations, vol. ii, p. 1862.
[35] Foreign Relations, 1897, p. 479; Moore, International Arbitrations, vol. ii, p. 1908.
[36] E. g., conventions with China, November 8, 1858, and September 7, 1901; with Colombia, September 10, 1857, art. iii; with Costa Rica, July 2, 1860, art. iv; with Ecuador, November 25, 1862, art. iii; with Mexico, April 11, 1839, art. vi, and January 30, 1843, art. iv; with Peru, March 17, 1841, art. vi; with Venezuela, February 17, 1903, art. v.

percent additional, handing over to the authorized agent of the Venezuelan Government all the remainder collected.

It was, said Mr. Blaine, the judgment of the President that an arrangement of this kind would give all reasonable security to each of the creditor nations.[37] The French Government afterward arranged its differences directly with the Venezuelan Government, and the proposal of the United States was not carried into effect.

An actual arrangement, to which the United States is a party, for the collection of moneys from a foreign government by means of the sequestration of custom duties, is that effected by the protocol between China and the allied powers, which was signed at Peking, September 7, 1901. By this protocol, China agreed to pay to the allied powers, one of which was the United States, an indemnity of 450,000,000 taels, to cover the claims of governments, companies or societies and private individuals. For the collection of this debt a commission of bankers was created on which each of the foreign powers is represented by a delegate, and specific revenues are assigned for the payment of the debt. These revenues embrace (1) the balance of the revenues of the imperial maritime customs (the foreign service under Sir Robert Hart), after payment of the amounts previously pledged as security for prior loans; (2) the revenues of the native customs, which are administered in the open ports by the imperial maritime customs; and (3) the total revenues of the salt gabelle, exclusive of the portion previously set aside for other foreign loans.

A still later example, which is specially interesting because it substantially carries out in Venezuela, under another form, the proposal made by the United States in 1881, is that of the settlement with Venezuela under the agreements signed at Washington in 1903, among which is the protocol between the United States and Venezuela of February 17 in that year. By article V of this protocol, following the stipulations made in the other agreement, it is provided that the Venezuelan Government shall set apart in each month, for the payment of claims, 30 percent of the customs revenues of Laguayra and Puerto Cabello, and that, in case of failure to carry out this stipulation, "Belgian officials shall be placed in charge of the customs of the two ports, and shall administer them until the liabilities of the Venezuelan Government in respect of the above claims shall have been discharged." These precedents directly sustain the protocol with the Dominican Republic of January 31, 1903, and the award of the arbitrators thereunder.

7. EXECUTIVE ENFORCEMENT OF STATUTES AND TREATIES

In view of what has been set forth, it is evident that the position that the President can make no agreement with a foreign power except in the form of a treaty approved by the Senate, cannot be maintained; and that, if he had consented to be deprived, by amendment of the arbitration treaties, of the right to agree to the submission of any question whatsoever thereunder except by means of a new treaty, he would have waived the exercise of a power which he has constantly used. If the Senate had amended the treaties by inserting, after the word "agreement," the words "or treaty," the issue would have been more correctly drawn; but it must in fairness be admitted that this would not have accomplished the Senate's object in assuring to itself an opportunity to exercise its judgment upor the propriety of Executive action in each particular case. It should also in fairness be admitted that they go too far who assert that the Senate, in amending the treaties, committed an act that was not legally justifiable. The law of the Constitution is not more to be found in the letter of that instrument than in the practice under it, and the Senate has from the foundation of the Government exercised the power of amending treaties. It has constantly given its "advice and consent" in that form. The practical question to be considered, so far as arbitration is concerned, is whether a general treaty might not be put into such form that the Senate would approve it without requiring each case actually submitted to be made the subject of a new treaty, so that the formulation of the issue to be determined by arbitrators and of the periods within which they were to act might be treated merely as a matter of procedure to be carried out by the Executive.

To assert, as an abstract proposition, that the Senate cannot, without abdicating its constitutional functions, approve a general arbitration treaty in such a form, would be to claim for it a more extensive supervision of executive action than is enjoyed by other parliamentary bodies which have a voice in the making of treaties. By article 8 of the constitutional law of France of July 16, 1875, it is provided that "treaties of peace and of commerce, treaties which involve the finances of the state, those relating to the persons and property of French citizens in foreign countries, shall become definitive only after having been voted by the two chambers."[38] The constitutions of other countries contain similar or analogous clauses. And yet the Anglo-French arbitration treaty, on which the American treaties were modeled, was approved by the French chambers; and it is believed that in no case was any parliamentary difficulty created in carrying into effect the other European treaties. Nothing therefore can be drawn from the constitutional law and practice of other countries to support the proposition that the Senate of the United States cannot legally approve any general arbitration treaty in such a form that it can be executed without making subseqeunt special treaties. The Hague Convention, which was approved by the Senate, has so far been carried into effect by the President by special executive agreements, but the only questions so submitted have related to pecuniary claims against foreign governments.

It may be affirmed that in the execution of every law the Executive is invested with more or less discretion, and in some cases the powers thus committed to him have been of a very sweeping character. For example, by the act of June 4, 1794, the President was authorized, during a certain period when Congress was not in session, to lay an embargo on ships in American ports, "whenever, in his opinion, public safety shall so require."[39] By the act of June 13, 1798, suspending commercial intercourse between the United States and France, the President was authorized to restore such intercourse in case France should, before the next session of Congress, "clearly disavow" and "refrain from aggressions, depredations and hostilities" which she had encouraged and maintained against the vessels and other property of American citizens, and should also acknowledge the claim of the United States to be considered as neutral in the then existing European war.[40] By the act of December 19, 1806, the President was authorized to suspend the operation of the nonimportation act, "if in his judgment the public interest should require it."[41] Similar powers were conferred on the President by the nonintercourse acts of March 1, 1809, and May 1, 1810.[42]

Power has also repeatedly been conferred upon the President to suspend the imposition of discriminating duties, in case he should be satisfied that the discriminating or countervailing duties of other foreign nations had been so modified as not to operate to the disadvantage of the United States.[43] By the act of March 23, 1879, the President was authorized to suspend the judicial functions of United States consuls in Egypt whenever he should receive satisfactory information that tribunals competent to render impartial justice had been organized there.[44] Under the act commonly known as the civil service law, wide discretionary powers were committed to the President. The validity of legislation of this character has repeatedly been affirmed, one of the later instances being the action of the Supreme Court of the United States in sustaining the constitutionality of section 3 of the tariff act of October 1, 1890, by which, as has heretofore been seen, the President was empowered to impose certain duties on various articles imported from foreign countries in case he should be of opinion that the duties charged in such countries on products of the United States were "reciprocally unequal and unreasonable."[45] It was contended that this section was unconstitutional, as delegating to the President both legislative and treaty-making powers. The Court, after an exhaustive examination of the subject, decided that the section was constitutional, holding that it merely made the President the "agent of the law-making department to ascertain and declare the event upon which the expressed will was to take effect." It is true that the Court in another place spoke of the imposition of duties being required when the President ascertained the existence of a "particular fact;" but it is obvious that under the statute the so-called fact was the declaration by the President of the opinion that, in his judgment, the duties imposed were "reciprocally unequal and unreasonable." The unconstitutionality of an act of Congress is a fact, after the Court has announced it; but prior to such announcement the question whether the act is unconstitutional involves not the ascertainment of a fact but the exercise of judgment. In no other sense was the President's declaration that certain duties were "reciprocally unequal and unreasonable" the declaration of a fact.

JOHN BASSETT MOORE.

Mr. OVERTON. Mr. President, I yield 10 minutes to the Senator from New York.

Mr. MEAD. Mr. President, at the very outset I want to state my position on this very important matter. I want to say that I am deeply interested and concerned about it. As a member of the Committee on Commerce we have been considering this matter now for several weeks, and I believe I should say for the committee that they have gone about their work in a conscientious manner. They have treated it as a very important legislative proposal, as it is. We are now in a position where our hearings on the matter as to whether it is a treaty or in agreement are concluded, and the committee is not holding up action in that connection. We are waiting for information from the State Department.

Mr. President, my position in this matter is simply this: I believe that the appropriate committee should be given an opportunity to hear the parties in interest. I am not concerned as to whether the document be treated as a treaty or as an agreement. In fact, I have not yet decided as to whether or not I shall sup-

[37] Foreign Relations, 1881, pp. 1217–1218.

[38] Crandall, Treaties, Their Making and Enforcement, p. 178.

[39] 1 Stat. L. 372.

[40] 1 ibid. 565, 566.

[41] 2 ibid. 411.

[42] 2 ibid. 528 605, 606.

[43] 3 ibid. 224; 4 ibid. 3.

[44] 18 ibid. 23: 19 ibid. 662.

[45] 26 ibid. 567.

port the legislative proposal which may be coming over from the House changing the Constitution with reference to the treaty-making power.

Mr. President, I want this matter to be heard on its merits and its demerits. I want the people who are interested in it to be given an opportunity to be heard. It is true that the question was taken up in the Senate 10 years ago; but there are very few Senators here today who considered it 10 years ago, and when it was taken up at that time it was defeated. If the defeat of a matter years ago is a criterion as to why it should be considered without hearings today, it is a new departure in legislative procedure, in my estimation. Therefore, Mr. President, I am asking for hearings.

Mr. CLARK of Missouri. Will the Senator yield?

Mr. MEAD. I have only 10 minutes.

Mr. CLARK of Missouri. The treaty was debated in the Senate for 3 weeks, and debated very fully.

Mr. MEAD. That is correct, and there are only 14 Senators now Members of this body who voted for it, and only 16 left who voted against it. The rest of the Senators now Members of the Senate have never heard it debated, and I believe it is a matter which should be heard.

Mr. President, I wish to say that I have supported projects of this kind, and shall continue to do so, if an opportunity be given to demonstrate their usefulness. In this connection, I am in favor of the hydroelectric feature attached to the present proposal, and I think my own State can be criticized for not having accomplished the completion of this hydroelectric unit long before this. It should have been done. Why it has been delayed is beyond my understanding.

Mr. President, I believe that if we refer this matter to an appropriate committee it will help the project, and it will be in the interest of the proposal, because it is my opinion that Members will vote against the bill as a rider attached to the rivers and harbors bill who might otherwise support it. Beyond that, I fear it might result in the defeat of the rivers and harbors bill at this session of Congress, and that would mean the defeat of both measures. So, if it were referred to a committee, as was the case with the proposal sponsored by the junior Senator from Montana [Mr. MURRAY], I am sure it would be considered, and considered expeditiously, and I am certain it would receive greater support on the floor of the Senate than it will under present circumstances.

Mr. President, there is no real necessity for the consideration of this matter today, because it has not yet been considered in the Parliament of Canada, and I do not know whether it will be considered there in the immediate future. If it were a case in which we had to act now, and if the action had been completed in the Dominion of Canada, I would say that was a valid reason why it should be considered immediately. But it has not been approved in Canada.

Mr. President, I come from the city of Buffalo, largest inland port in all the world, and the interests there affected by the proposal, those who work in the terminals, the elevators, and on the Lakes, those who work on the railroads and others who are interested in their operation, have asked me if it would not be possible for me to secure hearings for them on this vital legislative proposal, which means so much to them and to their future well-being. The railroad employees of the State of New York, members of the railroad brotherhoods, have appealed to me for hearings on the proposal, and I have their letters and resolutions, but I shall not go into them in further detail at this time. Hundreds of chambers of commerce in the State of New York, some favoring the project and some opposing it, and others in support of the hydroelectric development but in opposition to the seaway, have asked for hearings or for information, copies of the bill, and so forth.

Mr. President, some years ago we spent a good deal of money in the State of New York before we improved the barge canal system of that State. That improvement I understand cost somewhere in the neighborhood of $200,000,000. But before we invested in the improvement, we made an inquiry as to the practicability of the barge canal over the seaway. As a result of that study, it was determined that the barge canal, and the barge canal operation, was by far the most economical in its operation in bringing the cargoes of the Great Lakes to tidewater and from tidewater to the lake ports.

In that connection I think we should have hearings, we should inquire also into a recent innovation in shipping, a development which has resulted from the war. Perhaps we have the seaway now. Perhaps every city on the Lakes and on the barge canal will be to all intents an ocean port, if we believe that the development, as a result of the war, on the beachheads in France, which has proved so revolutionary and efficient, will be carried on after the war is over. There is every reason to believe that great changes are to be made in the transportation field.

I have here a statement, a part of which I should like to include in the RECORD, from an expert, a designer, the one who designed many of the amphibious ships which were so effective in Normandy. He says:

> The present war has been a war of transportation. The Allied Nations, especially the United States, turned almost certain defeat into a glorious victory due to new ideas in transportation.
>
> "Amphibious operations" has become a new phrase in military strategy, a phrase that developed in this war, a phrase that meant a combination of land and sea operations. In all previous wars men, guns, ammunition, and supplies were shipped to the country where the fighting was to be done, to well-equipped ports where cranes, warehouses, and docks were available, from where the goods were transshipped to vehicles or railroads to reach the front. * * *
>
> On the scheduled date, amphibious craft by the thousands rushed across the English Channel, ramps dropped, doors opened, and the amphibious craft disgorged hundreds of thousands of vehicles of all kinds, vehicles loaded with men, vehicles loaded with gasoline, vehicles loaded with food supplies, guns of every caliber mounted on truck wheels and drawn by tractors. Without the aid of cranes or docks or warehouses or organized ports, amphibious craft put nearly a million men on the beach in the first few days of the invasion. For every man landed on the beach, 8 tons of equipment and supplies were unloaded with him. The Nazis never dreamed of such efficiency. * * *
>
> Amphibious water craft means the elimination of the building of docks and warehouses. Cities along the Hudson River and the New York Barge Canal will all have their amphibious landing beaches with paved or graveled waterfronts.

He proceeds to say that every city and community on the barge canal system of our State, and every city and every community on the Great Lakes, will become an ocean port if this development carries over in the post-war period.

Mr. President, I do not know whether this expert is right or wrong, but I should like to have him given an opportunity to come before our committee. I should like to see a study made of that subject, which would not take long, and would not delay the legislation, to ascertain whether or not we already have the seaway, and if all we need now is the hydroelectric development.

Mr. President, I shall not have opportunity to insert in the RECORD an article in November 20, 1944, issue of Life magazine entitled "New York's Harbor: War Is Fed Through the World's Biggest and Busiest Harbor." I should like to have the representatives of the Port of New York Authority, and the Maritime Association of that great port, come before the committee and tell us whether there is anything to their fears, whether they are alarmed about the proposed legislation, and whether it would adversely affect the greatest port in all the world. This proposal involves three great ports, the port of Buffalo, greatest inland port in the world, the port of Albany, one of the largest; and the port of New York, greatest seaport in all the world. All I am asking for those who have an interest in those ports is an opportunity to be heard by the Congress.

Mr. President, I have some requests for the enactment of the pending amendment from farmers' organizations and from labor organizations, and I think those who sponsor the amendment should likewise be given a chance to be heard.

There is another matter which I think we should go into. I yield to no man in my friendship for the people of the Dominion of Canada. We have proved to the world, we have set an example for the world, that we know the value of peace, and that we know how to keep the peace between these two great countries; but I think we should inquire into the possibilities of an enemy coming into these inland lakes in time of war. What would happen to this waterway if one or the other of the countries involved, and that includes Great Britain, happened to be at war? What protection have we in connection with the operation of this proposed seaway?

Some will say that we have constructed a base at Argentia, in Newfoundland. But I have looked into that base. It is a fog-bound base and not always dependable.

We wanted to locate an air base at Goose Bay, in Labrador, but I understand objection was made, and we will not be given permission to use this base after the war unless some action is taken in the future contrary to that taken in the past.

In view of the fact that this seaway will be built for the most part in Canada, I think that before we consummate the agreement we should determine that it will be adequately defended by American fortifications, if necessary, along its banks, by bases along the improvement, so there would be no chance of enemy craft entering even the mouth of the St. Lawrence.

Mr. President, there is a serious crisis in Quebec, and I think that should be of double interest to us in connection with defending the seaway, before we consummate the agreement.

I have here a copy of PM of Thursday, November 30, and I quote from the article by Harold Lavine on the Canadian crisis over the question of conscription for overseas service:

> It's unhappy choice, with undertones of irony, one which even the most puckish character wouldn't have dared to envisage 4 or 5 weeks ago.

The writer proceeds to say:

> "I will put it this way," said one.

He refers to one of the members of Parliament.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. MEAD. Could I have 1 more minute?

Mr. OVERTON. I yield the Senator 2 more minutes.

Mr. MEAD. I read further from this article:

> "I will put it this way," says one. "If Mr. Laurent (Minister of Justice) decided to speak publicly in Quebec City, I would award him the Victoria Cross for that decision. It would almost entail a degree of bravery that is required on the battlefield. And I am not any too sure but the award would not, in the end, have to be made posthumously."

Mr. President, I wish to say that in view of the fact that there exists at the present time in the Province of Quebec a situation having to do with their participation and our participation in the war, the proposed legislation should be the subject of hearings, and we ought to determine that our rights to defend the waterway are so emphasized and safeguarded in it that there would never be a question about those rights.

In conclusion, I wish to say, Mr. President, that I am in favor of the St. Lawrence hydroelectric development. I have always been for it. But I believe that before legislation is passed dealing with the proposal, all the interests, those who favor and those who oppose, and labor organizations and industries and communities, should be given an opportunity to come before a committee of the Congress on so vital and so important a matter, and state their position. I hope, Mr. President, that those interested will be heard, and I believe that if they are heard, the proposal will receive more support here and more support in the other House of Congress if it remains in the form of an agreement for approval by Congress instead of as a treaty to be considered by the Senate.

Mr. AIKEN. Mr. President, I should like to take a minute or two of my time to ask the Senator from New York how he would secure the hydroelectric development, which he advocates so earnestly?

Mr. MEAD. If I had an opportunity to make the decision that hydroelectric development, which was planned by the State of New York when it created the authority for that purpose, would be the subject of negotiation by the State of New York and the Province of Ontario, and it would be constructed, and it would not be necessary in the construction of such hydroelectric development to have any more than the approval of Congress, and it would not contain the seaway provisions which are contained in the Senator's measure. That should have been done years ago, and it could have been done years ago under legislation which would not be so difficult to secure as is the proposed legislation.

Mr. AIKEN. I wish to ask the Senator from New York this question: Is it not a fact that in 1933 and 1934 a measure of that nature was introduced into the Congress?

Mr. MEAD. If a measure was introduced into the Congress at that time it should have been continued before Congress until it was passed. The legislature of my State every year, including last year, has gone on record approving the hydroelectric development.

Mr. AIKEN. I know the Senator's State is for the hydroelectric development. I am sure it is for the seaway also. But what I was asking the Senator was this: Was not a measure introduced into the Congress to provide this hydroelectric development in 1933 and 1934, and did not the Senator from New York, as a Member of the House then, oppose that measure?

Mr. MEAD. No; I do not recall at the moment that I opposed that measure, but I will say to my distinguished colleague that there was also a treaty submitted to the Senate with reference to that whole project, and it was defeated by the Senate, but that does not deter my distinguished colleague from introducing subsequent legislation, nor would it deter me from introducing subsequent legislation of the character of which the Senator speaks. What happened before evidently is not disturbing to us now, and does not set a precedent for what we may do in the future. It is my opinion that the State of New York and the Province of Ontario should proceed without delay to secure enabling legislation for the construction of a hydroelectric plant along the St. Lawrence.

Mr. OVERTON. Mr. President, I yield 5 minutes to the Senator from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. President, I rise in the closing moments of this debate for the purpose of stating my position upon this exceedingly important piece of legislation. As one of the Senators representing the State of Illinois, I wish to say that in that section of the Midwest we are vitally concerned with respect to any treaty or executive agreement affecting the Great Lakes and the St. Lawrence River. A cursory examination of the past indicates that in January of 1932 the Honorable Herbert Hoover, then President of the United States, sent a message to the Senate, which contained, as he termed it at that time—

> A treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway.

And in the beginning of that message he stated:

> To the end that I may receive the advice and consent of the Senate to ratification, I transmit herewith a treaty between the United States and the Dominion of Canada for the completion of the Great Lakes St. Lawrence deep waterway, signed at Washington on July 18, 1932.

Then article X of that message reads as follows:

> This treaty shall be ratified in accordance with the constitutional methods of the high contracting parties. The ratification shall be exchanged in Washington or in Ottawa as soon as practicable and the treaty shall come into force on the day of the exchange of ratifications.

It is my understanding, Mr. President, that after 3 weeks of debate upon the floor of the Senate the treaty which was sent to the Senate by the former President of the United States was defeated, the yeas being 46 and the nays being 42.

From that time nothing was done with the St. Lawrence Waterway Treaty until a message came to Congress from the President of the United States on March 21, 1941, practically 10 years later. That message stated in substance:

> I transmit herewith for the information of the Congress the text of an agreement between the Government of the United States and the Government of Canada—

And so forth. Then turning, Mr. President to the last article—article XI of that agreement—it states:

> This agreement shall be subject to approval by the Congress of the United States of America and the Parliament of Canada. * * * It shall enter into force on the day of the exchange of the instrument of ratification and a copy of the proclamation, which shall take place at Washington.

I believe I am correct in stating that the message which was sent by the President of the United States to the Senate submitting the matter as an executive agreement in March 1941 has never been acted upon in any way whatsoever by the Senate. Now we have House bill 3961 before us, and the amendment of the able Senator from Vermont [Mr. AIKEN] is pending. That amendment seeks to carry into effect the agreement which was sent to the Senate by the President in March 1941.

As the debate has proceeded I have listened with a great interest to one phase of the colloquy among the Senators dealing with the question which is now before the Committee on Commerce with respect to the determination of whether this is an executive agreement or a treaty.

Unlike my able friend from New York, I am concerned, Mr. President, as to whether this is an executive agreement or a treaty. It seems to me that in fairness to the Senate, in fairness to the country as a whole, and certainly in line with the integrity of the Constitution of the United States, we of the Senate should be concerned. The least the Senate should do is to permit the Committee on Commerce to continue upon its course in the taking of testimony and the briefing of the situation from a legal standpoint so that the Commerce Committee may in time intelligently inform the Senate whether this is a treaty or whether it is an executive agreement. To me that question is of vital importance. I know of no war emergency existing with respect to the St. Lawrence-Great Lakes treaty at this time which would compel me to lay aside my deep convictions with respect to the difference between a treaty and an executive agreement.

As I stated in the beginning, we in Illinois are vitally concerned about the proposed legislation. Lake Michigan is one of the chain of lakes in the Great Lakes system. The Illinois River and the Chicago Canal, which run from Chicago through Illinois and finally empty into the Mississippi, are a part of this entire project and waterway system.

Back in 1934, when this question was debated for 3 weeks, it is my understanding that the two Illinois Senators at that time, the late Senator J. Hamilton Lewis and the late Senator William Dieterich, were opposed to this treaty.

Mr. President, I do not know where I stand on this question. There is little or nothing before the Senate upon which I might reach a just decision.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. OVERTON. Mr. President, I yield 1 minute more to the Senator from Illinois.

Mr. LUCAS. Mr. President, I agree with the Senator from New York and other Senators who take that same position. This is too serious a matter to gloss over without having the hearings brought up to date. As one Senator, I cannot support such procedure. Even though I should favor the project in principle, I cannot at this hour cast a vote in favor of the proposal solely on the basis of arguments made on the floor of the Senate by three or four Senators. I must have more information before I make up my mind.

Furthermore, the adoption of this amendment will imperil the river and harbor bill. I hope the time will come in the very near future when the Commerce Committee may decide whether the St. Lawrence waterway proposal is a treaty or executive agreement; I also hope that the proper committee may in the next Congress develop through hearings all the facts, engineering and otherwise, so that we may intelligently reach a conclusion which will be fair and right.

Mr. HATCH. Mr. President——

Mr. OVERTON. Mr. President, I yield a few minutes to the Senator from New Mexico.

Mr. HATCH. Mr. President, I requested the Senator from Louisiana to yield me a moment or two, because of the fact that I am one of the Senators who was present in 1934 when this subject was debated, and voted upon at that time. I voted then in favor of the St. Lawrence seaway project. So far as I know, nothing has occurred to change my mind as to the fundamental aspects of that project; and very likely, if and when the question arises in the future, unless other facts are developed, I shall support the project at the appropriate time.

But today, Mr. President, as a practical matter, I know that we are confronted with an entirely different situation. It is my opinion that if this project should be attached to the pending bill, it might very well ultimately result in the defeat of the river and harbor bill, and also the St. Lawrence seaway project.

To my mind, this is a very bad way to legislate. The river and harbor bill is entitled to its chance for success or failure on its own merits; and I wish it to have that chance. By the same token, the St. Lawrence seaway is entitled to success or failure on its own merits. At the proper time I shall be very happy to vote upon that measure when it comes before us on its own merits; but today, in the light of the peculiar legislative situation, I am compelled to vote "nay."

Mr. RADCLIFFE. Mr. President——

Mr. OVERTON. I yield 2 minutes to the junior Senator from Maryland.

Mr. RADCLIFFE. Mr. President, I shall not take up the time of the Senate today in rehearsing the arguments which have been brought forward quite fully in this matter or attempt to advance any new points for discussion. However, I wish to emphasize my belief that I consider it very unwise indeed to take chances when there is no necessity whatever for doing so.

The question whether the pending amendment is in essence an executive agreement or a treaty is necessarily involved and it is vital. Personally, I believe that the subject matter should be handled as a treaty. Certainly there is considerable doubt at least as to whether it is a treaty or an executive agreement. If this matter is to be handled as a treaty, then our constitutional course is clear. If, however, there is an element of doubt, there is surely no reason on earth why we should expose ourselves to any menace because of that doubtful element. Passing legislation clearly open to constitutional objections should be avoided if possible.

So far as the proposition of a Great Lakes-St. Lawrence waterway is concerned, I am not in favor of it on its intrinsic merits, whatever they may be. But at this time we are not examining into the merits of the project primarily. On the contrary we are really considering the question of procedure, and the decision on that point is exceedingly important. Consequently, I feel that it would be unduly hazardous for us to attempt to adopt a method of approach in this matter which might expose us not only to criticism but also to grave uncertainty as to whether the suggested procedure is sound constitutionally. We should not take such a chance. I hope the amendment will be defeated.

Mr. AIKEN. Mr. President, I wish to read a news item published in the Buffalo Courier-Express of Wednesday, December 6, 1944:

C. I. O. REAFFIRMS APPROVAL OF POWER PROJECT—GREATER BUFFALO UNIT FORESEES NEW BENEFITS

Reaffirming its stand of months ago, the Greater Buffalo C. I. O. Industrial Union Council last night expressed approval of the St. Lawrence seaway and power project. The council vigorously defeated a motion which would have tabled a letter from the Northern Federation of Chambers of Commerce, asking agitation for the plan.

Michael Kearns, National Maritime Union, said his union favored the project, despite its original position that the plan would be detrimental to lake sailors.

PROVINCIALISM ASSAILED

"It's time we got away from provincialism," he said. "This idea that the Lakes are for the lake sailors only and Buffalo for Buffalonians is all wrong. The same moneyed interests that opposed the Tennessee Valley Authority are against the St. Lawrence program.

"If the idea is carried out we can develop the whole northeastern part of the State and that means more and better jobs for the workers."

Hugh Thompson, regional C. I. O. director, declared that the project would reduce the cost of electric power in Buffalo from 9 cents to two-thirds of a cent.

That, Mr. President, is what 110,000 labor union members of Buffalo think of the St. Lawrence seaway and power project.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "More Conversation?" from the Chicago Daily News of November 20, 1944; an editorial entitled "Why the St. Lawrence?" from the Chicago Sun of November 19, 1944; an editorial entitled "Geographic Accident," from the December 6, 1944, issue of the Independent, of Ashland, Ky.; an article entitled "St. Lawrence Seaway Is Ideal Investment for Jobs and Power," by Carroll Kilpatrick, published in the Chicago Sun of December 4, 1944; an editorial entitled "A Red Herring in the St. Lawrence," from the Wisconsin State Journal of December 4, 1944; and an editorial entitled "Chicago's Attitude Toward the Seaway," from the Chicago Sun of December 6, 1944.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News of November 20, 1944]

MORE CONVERSATION?

Senator ALBEN W. BARKLEY says that "there will be some conversation at least" about the St. Lawrence seaway during the present session of Congress.

We wish the Senate Democratic floor leader were a little more enthusiastic than his words suggest. Why more conversation about the seaway? The plans are all set for work to begin when the war ends.

The project was taken out of politics this year. Both Roosevelt and Dewey favored it

and both worked hard for it as Governors of New York.

New York City opposition to the seaway has faded to negligible proportions, as New Yorkers more and more have grasped the fact that the seaway would open the Great Lakes to the port of New York just as it would open the ocean highways to the Great Lakes ports.

Now is the time for Congress to fix up the lawyer papers, so that the engineers can be ready to say it with shovels.

We are, of course, aware that lawyers are at odds over the more or less metaphysical issue of whether the necessary agreements with Canada are treaties or contracts. What better time to get that disposed of than during the last session of an expiring Congress which has nothing else very momentous to handle?

[From the Chicago Sun of November 19, 1944]

WHY THE ST. LAWRENCE?

Senator AIKEN's effort to attach an amendment to the rivers and harbors bill authorizing construction of the Great Lakes-St. Lawrence seaway and power project is being opposed on the ground that the matter should be presented in treaty form. But the real dispute is not juridical. It is a contest between vested interests in the status quo on one side, and the public interest on the other.

There are three strong reasons why the St. Lawrence project should be built after the war. It would open a 27-foot channel from the Atlantic to the heart of the continent, and so make Chicago and 26 other cities ports for oceangoing ships. It would generate vast blocks of cheap power, and so benefit industry, consumers, and farmers. It would create employment during the transition.

Shall these powerful considerations of public interest be overridden by the narrow and shortsighted opposition of railroads, private power monopolies, and sectional interests which mistakenly fear this development of wasted resources might harm them?

The same interests fought the Panama Canal, but they were not hurt. The same interests fought T. V. A., but they were not hurt. Indeed, nobody is ever hurt, from a national point of view, by the sound development and use of natural resources. The new wealth and new commerce thus created always outweigh the anticipated losses which exist chiefly in the minds of those who fear any change.

Senator AIKEN's movement deserves to succeed.

[From the Ashland (Ky.) Independent of December 6, 1944]

GEOGRAPHIC ACCIDENT

John D. Hickerson, State Department Chief of British Commonwealth Affairs at Washington, puts the pending St. Lawrence seaway project rather neatly. If it were not "an accident of geography," he says, "the Great Lakes ports and the Atlantic Ocean would have been linked long ago. Nature meant well, and pointed the way. But political action by the two countries involved has been made unnecessarily slow and difficult, in spite of the general good will and cooperation existing between Canada and the United States.

The proposed seaway and incidental power development by both nations is obviously a mere matter of common sense. There can be no better time to negotiate an agreement than now, when the two friendly nations are linked more closely than usual by partnership in a great war.

It will cost money, of course, to deepen the channel between Lake Ontario and Quebec. But that will soon pay for itself, and navigation will prosper on the world's greatest frontier—all the way from midcontinental Duluth eastward to the sea.

[From the Chicago Sun of December 4, 1944]

NEW ENTERPRISE AFTER THE WAR—ST. LAWRENCE SEAWAY IS IDEAL INVESTMENT FOR JOBS AND POWER

(By Carroll Kilpatrick)

WASHINGTON.—When politicians and businessmen talk about jobs for the veteran and the war worker, they should be specific. There are many ways to provide jobs, but a do-nothing policy and glib promises are not among them.

Charles E. Wilson, president of the General Electric Co., is one businessman who has talked a lot about jobs in the post-war years. He has a specific plan. It is to keep the prices of his products as low as possible, making it possible for consumers to buy more of them, and thus keep G. E. employees on the job.

Senator AIKEN, a Vermont Republican, is a politician who has talked a lot lately about full employment after the war. He has a specific plan, too. He thinks that the United States and Canada should go ahead and complete the Great Lakes-St. Lawrence deep waterway, more commonly known as the St. Lawrence seaway and power development.

WORK FOR 100,000

That project would provide jobs for nearly 100,000 persons for 4 years. It would make it possible for New Englanders and New Yorkers to receive cheaper electric power and thus have more money to spend on automobiles and new clothes. There is no better way to stimulate employment than for people to buy more cars and clothes.

The project also would make it possible for some 40,000,000 Americans in the Great Lakes region to ship and receive freight at a lower cost. With the money they save on express charges they can keep a good many people in jobs building them new houses and schools.

The St. Lawrence project and the Missouri Valley Authority are two projects that will create jobs, lower the cost of living for a great majority of the American people, and make the country much more powerful in the event of war.

FAVORED BY MAJORITY

Calvin Coolidge was the first President to make a real effort to get the St. Lawrence project approved. Other Presidents had talked about the desirability of opening the St. Lawrence from its mouth to the Great Lakes to ocean-going shipping. But Coolidge went to Congress with the idea after his Secretary of Commerce, Herbert Hoover, had made a careful study of the whole problem.

Coolidge told Congress that the project was "not incompatible with economy." In fact, he explained, it "does not require so much a public expenditure as a capital investment which will be reproductive." He said that he foresaw "much future industrial and agricultural progress" as a result of the St. Lawrence development and "the addition of a great amount of cheap power and cheap freight by use of navigation."

But when the St. Lawrence treaty with Canada finally got to Congress in early 1933, and although it had the blessing of Coolidge, Hoover, and Roosevelt, and the support of powerful minority Members like Borah, and of the administration leaders, a minority of Senators, acting almost entirely for selfish and local reasons, defeated the majority. A majority of the Senators voted for the treaty, but a two-thirds majority was necessary for ratification.

Now Senator AIKEN believes that early in the new Congress the proposal should be voted on again. He argues, and the President agrees with him, that the 1909 boundary-waters treaty with Canada gives Congress the right to authorize the project by a simple act, requiring a majority vote of both houses. If Congress approves the Aiken bill, cities like Chicago, Milwaukee, Duluth, Toledo, Cleveland, and Buffalo will become ports for ocean-going vessels.

In the post-war period, when new enterprise is needed to keep the economy functioning at a high level, the St. Lawrence development should be an almost ideal public investment for the American taxpayer.

[From the Wisconsin State Journal of Dec. 4, 1944]

A RED HERRING IN THE ST. LAWRENCE

Southern Senators who oppose the Great Lakes-St. Lawrence seaway project under any and all circumstances are raising the bugaboo of Presidential interference with peace treaties to defeat it in the present Congress.

Their tactics are effective. Such supporters of the St. Lawrence project as Senators VANDENBERG, of Michigan, BURTON, of Ohio, and WILEY, of Wisconsin, are wavering under the southerners' attack by indirection.

The argument which the waterway opponents are using with devastating effect is that acceptance of the St. Lawrence plan between the United States and Canada as an executive agreement, the form in which it is now before them, instead of a treaty will set a dangerous precedent carrying over into the realm of peace making.

Treaties require a two-thirds Senate vote for confirmation. Executive agreements are approved by a majority vote of both Houses. The bugaboo with which St. Lawrence waterway supporters are being scared is the prediction that if they accept an Executive agreement covering this project, the President will submit all international compacts, including peace arrangements, as agreements rather than treaties to avoid the necessity of a two-thirds Senate approval. This, in effect, would amount to a nullification of constitutional provisions, and the threat of it is proving an excellent obstacle to completing action on the waterway project now.

It is purely a false issue, fomenting enough talk to last until Congress adjourns. If the President does contemplate trying to put his peace plans across by any such subterfuge method, he does not require the precedent of the St. Lawrence pact to pave the way for their submission in the form of agreements. We already have executive agreements between the United States and other countries which would serve that purpose.

This is merely another of the many obstacles which opponents of the entire waterway project have thrown in its path repeatedly, and supporters who happen to be suspicious of the President politically or by other inclination are being thrown off the course by it.

[From the Chicago Sun of December 6, 1944]

CHICAGO'S ATTITUDE TOWARD THE SEAWAY

Whatever the outcome of the congressional debate this week on the St. Lawrence waterway, a revision of the typical Chicago attitude toward that enterprise is long overdue.

The attitude is well expressed in a letter we publish today, Chicago and the Seaway. It has also been expressed in past resolutions of the Association of Commerce condemning the project and opposing any action which "impairs United States sovereignty over Lake Michigan" or "imposes any limit on the diversion of water at Chicago."

This is not only narrow provincialism, unworthy of a great city. It is also reckless obfuscation of the real issues. No actual conflict exists between Chicago's need for Lake Michigan water and the Nation's need for a deep-channel seaway and power project. To the few private interests which oppose the project, Chicago has played cat's-paw long enough.

Neither the bill now before Congress, nor the executive agreement with Canada which

it implements, would take one drop of water away from the sanitary district canal or the Mississippi watershed. Neither would impair American sovereignty over Lake Michigan.

The purpose of the bill is to authorize dams, locks, and canals which would open the Great Lakes-St. Lawrence system to oceangoing vessels; and to utilize the same dams for generation of cheap public power.

Lake Michigan water flows ultimately into the St. Lawrence, but it does not follow that the building of the seaway would limit the volume of water diverted at Chicago. The volume of that diversion, serving the double purpose of sanitation and Mississippi River navigation, is already curtailed—not by Canada, not by President Roosevelt, but by a decree of the United States Supreme Court, which held that the rights of other Lake States were impaired by the sanitary district's earlier practices.

If Chicago needs more water from the lake, the remedy lies not in blocking the seaway but in creating the conditions under which the Supreme Court decree can be modified. That means making enough Lake Michigan water available for all purposes, and that in turn requires regional cooperation rather than sectional infighting.

The logical goal is a Great Lakes-St. Lawrence watershed authority, which would operate the seaway, generate power, and build works to sustain lake levels, thereby making possible greater diversion at Chicago.

There is no real conflict, either, between barge navigation on the Mississippi and ship navigation on the St. Lawrence. The two would complement each other more than they would compete; together they would compose a vast continental system of inland waterways. It is a false choice, therefore, when Chicago chooses the Mississippi system as its proper water outlet to the sea.

Chicago's interest, like the Nation's, demands the development of all natural resources, East, South, and West. Chicago's interest and the Nation's demands immediate approval of the St. Lawrence project as the first step toward a watershed authority.

Mr. AIKEN. Mr. President, we have sat here for an hour and a half listening to the same old shopworn arguments against the St. Lawrence seaway that we have heard for years—the old arguments for delay and more delay and the raising of technicalities and more technicalities. But not one word has been spoken against the St. Lawrence seaway on its merits, because the opponents know they cannot defeat it on its merits. The only hope they have is to obtain delay after delay and to raise technicality after technicality. Today they have raised many points about why the matter should be handled by treaty, rather than by agreement. They have taken their stand with the utility interest witness, Dr. Borchard, and they have taken their stand against that for which Secretary of State Hull worked for many years.

The other day I spoke on this floor on the subject of Secretary of State Hull and the St. Lawrence seaway. The next day I received from him a letter in which he stated how much he appreciated the remarks I had made on the floor of the Senate.

Mr. President, not a single point on the basis of why the matter should be handled by treaty, rather than agreement, is defensible. Every one of them could be shot to pieces. But the opponents have delayed in raising those points until they know there remain only about 10 minutes in which to answer them.

So it goes on, with delay after delay after delay. That is the only weapon the opponents have, except the raising of technicalities. They have kept that up for 12 years. They succeeded in having it sent back once for revision, and it was 6 years before it came out again. Now they hope to do that again. They even go so far as to threaten to kill their own rivers and harbors bill with a filibuster if we attach the St. Lawrence project amendment to it. Mr. President, the St. Lawrence seaway project is more important by far than any other item in the whole rivers and harbors bill. Yet there is a threat to kill it. To my mind there is very little of an attitude of statesmanship or sportsmanship in threats of that kind.

If we have votes to adopt this amendment we have votes to pass the bill. If the bill is filibustered to death, the responsibility will lie wholly upon those who would give up almost everything in the way of legislation in order to keep the people of the northeastern part of the United States from obtaining reasonable power rates and in order to prevent the people of the Midwest from having access to the sea.

The opponents have resorted to all kinds of arguments and tricks of the trade in order to kill the St. Lawrence project. Someone even went so far, yesterday, as to start the circulation of a rumor—I heard it from two or three sources—to the effect that the President said he did not care whether the St. Lawrence seaway went through or not. I thought I would find out, so I telegraphed the President. I have received in return a telegram dated at the White House at 12:15 p. m. today. It reads as follows:

THE WHITE HOUSE,
Washington, D. C.

The Honorable GEORGE D. AIKEN:

Of course, I want action as soon as possible on St. Lawrence seaway. It is logical and inevitable. The quicker the better.

FRANKLIN D. ROOSEVELT.

Yet, Mr. President, many of our friends on the other side of the aisle take a stand directly opposed to the stand taken by the President and by our former great Secretary of State, Cordell Hull. I do not know how the opponents can justify taking the stand they do. I could not do so. I could not live with myself if I had an attitude of that sort. Let them do it if they insist, and let them thereafter make peace with the world, as well as with the people of their States when they get home.

Mr. President, how much time do I have remaining?

The VICE PRESIDENT. The Senator has 7 minutes.

Mr. AIKEN. Mr. President, I wish to take up that time by reiterating what I stated when I opened my discussion of the pending question this afternoon. At that time I stated in conclusion—and it is just as good now as it was 3 hours ago—that we have reached a point where we must decide whether the utility companies and cartels or the State Department is going to interpret our Constitution for us.

Very soon we will vote on whether we will support the opinion of Professor Borchard, whom the utilities employed as being the best man they could get for their purpose, or whether we will support the 6 years of work which Cordell Hull gave to formulating an agreement with Canada. If we turn down this agreement now, we not only are overthrowing the work of Secretary Hull, but we are postponing the development of the St. Lawrence River and the additional security and prosperity which such development would give to our country.

When the private utility companies themselves desired to obstruct the international boundary waters, they were given permission to do so under the treaty of 1909, and not a voice was raised in the Senate in protest. When the navigation channels of the boundary waters were deepened by the United States on the Canadian side of the border, primarily for the benefit of the lake carriers who now oppose us, not a voice was raised to protest this, even though we spent over $20,000,000 in Canada with no authorization other than a simple act of Congress. When the United States contributed $100,000,000 to the construction of a gigantic power and aluminum plant on the Saguenay River, wholly owned and controlled by private interests—the same interests who have moved heaven and earth for 20 years, first to steal the St. Lawrence and, failing in that, to prevent its ever being developed for public benefit—not a voice was raised in protest by the Members of this body, who now oppose the St. Lawrence amendment.

We have 6,000,000 men overseas today, Mr. President, and 6,000,000 more are getting ready to go. When they come home are they going to find that we have preserved their heritage, or will they find that the private-utility companies have taken control of our remaining natural resources while they were away? Are they going to find that we have made provision for jobs and homes and happiness for them in the years that lie ahead, or are they going to find that we have let the most ruthless and selfish interests on the face of the earth block the plans which we ought to be making for their future?

There should be one answer to those questions, Mr. President. I cannot conceive that any Member of this body will vote against this magnificent St. Lawrence project which means so much to the future of all America. Let us put sectionalism aside. Let us vote for America today.

Mr. President, have I any more time remaining?

The VICE PRESIDENT. The Senator has approximately 4 minutes.

Mr. AIKEN. I thank the Chair.

I wish to mention one other matter, which, I believe, was raised by the Senator from Louisiana. He said we never offered the St. Lawrence project as an amendment to the river and harbor bill. The river and harbor bill which was reported to the House of Representatives

in 1941 contained the St. Lawrence project as one part of it. The Senator from Minnesota and I attended a meeting of the Commerce Committee and requested permission to speak for 1 hour in behalf of the St. Lawrence project as an amendment to the river and harbor bill, but we were denied even 1 minute, and when the record of those hearings was printed we found that even our official request and the denial of it had been deleted from the record of the hearings. The Senator from Minnesota was with me, and he is now present in the Chamber and will vouch for every word I am saying.

Mr. SHIPSTEAD. The Senator's statement is correct.

Mr. AIKEN. So they cannot tell us that we never offered it to the river and harbor bill. They simply denied us an opportunity to present it before the committee.

Mr. President, the opponents have now choked off the St. Lawrence development project for 14 months, and they intend to choke it off indefinitely. They know we could not get any action on it in the committee at this session, and so they have gone through the farce of holding hearings on one thing and another.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me for a moment?

Mr. AIKEN. I yield.

Mr. SHIPSTEAD. Let me say that a measure of this character should not have gone to the Commerce Committee.

Mr. AIKEN. Mr. President, in conclusion I wish to say again, let us vote for America today.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LANGER. I should like to ask the distinguished Senator whether President Hoover did not recommend the St. Lawrence seaway when he was President.

Mr. AIKEN. President Hoover did recommend it, and President Coolidge also urged it.

Mr. President, I ask unanimous consent to have printed at this point of the RECORD, as a part of my remarks, the power record of Gov. Thomas E. Dewey of New York, who apparently agrees with the President on this matter.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

POWER RECORD OF GOV. THOMAS E. DEWEY, OF NEW YORK

(Compiled from public records, September 1944, Watertown Daily Times)

From the outset of his administration at Albany, as well as during his rise to leadership in New York State, Gov. Thomas E. Dewey has upheld a clear-cut program for the conservation, development, and use of natural resources of water power.

Two of the greatest water powers in the world are potentially available in boundary waters of the Niagara and the St. Lawrence Rivers, which carry the outflow of the Great Lakes to the sea. About 587,000 kilowatts of additional hydro capacity on the Niagara and 826,000 kilowatts on the St. Lawrence can be utilized in New York State through post-war hydro developments at these sites.

An impartial review of the public record of Governor Dewey shows that he has clearly defined in public statements, in messages to the legislature, and by his official acts a power program which includes the following basic policies:

Conservation and development of water-power resources for the public benefit, rather than for the benefit of any private monopoly.

Opposition to the sale, lease, or licensing of the State's water powers, including the Niagara and the St. Lawrence, to private interests.

Exaction of rentals to the State for waters now being diverted from Niagara Falls for power purposes by private utilities under Federal licenses permitting such diversions.

Completion of the Great Lakes-St. Lawrence seaway and power project.

Support of State agencies in affirmative action to safeguard the public interest in the waterpower resources of the State.

Once the pioneer State in the establishment of the electrical industry and in the large scale generation of hydroelectricity, New York suffered a virtual stagnation in development of its water power resources over a period of more than a decade preceding Governor Dewey's election in 1942.

The first central steam generating and distribution plant in the United States, Thomas A. Edison's Pearl Street Station, went into operation in New York City in 1882. The first modern hydro plant was completed in 1895 at Niagara Falls, where the installations had expanded to about 450,000 kilowatts on the New York side by 1927, then the largest in the United States. Thereafter, hydro development in New York State practically ceased. The State's rich undeveloped water power resources on the Niagara and the St. Lawrence were neglected while the capacity of steam generating plants rose by 1943 to 4,814,000 kilowatts. When Governor Dewey took office the State had thus become dependent upon the use of imported coal, oil, and gas for about four-fifths of its generating capacity.

BEGINNINGS OF CONSERVATION PROGRAM IN NEW YORK UNDER GOV. THEODORE ROOSEVELT AND GOV. CHARLES E. HUGHES

In his official acts dealing with the Niagara and St. Lawrence water powers, Governor Dewey has followed a consistent policy, logically developed from conservation principles first set forth in New York State by Gov. Theodore Roosevelt and Gov. Charles Evans Hughes.

In an address at Watertown, N. Y., on October 10, 1914, Theodore Roosevelt reviewed the conservation program which he had initiated as Governor and later as President had put into execution on public lands in many Western States. Applying the principles of this program to the St. Lawrence, he said:

"You have in this section a most valuable asset in your natural water power. You have elected too many men in the past who have taken what belongs to the Nation. * * * There has been a persistent effort to give private corporations control of the water power in this country. * * * We are poor citizens if we allow the things worth most to get into the hands of a few."

The potential worth of the water powers of the State had also been emphasized by Governor Hughes. In a message to the New York Legislature on January 2, 1907, he said:

"It is well to consider the great value of the undeveloped water powers * * * under State control. They should be preserved and held for the benefit of all the people and should not be surrendered to private interests. It would be difficult to exaggerate the advantages which may ultimately accrue from these great resources of power if the common right is duly safeguarded."

At intervals between the Hughes administration and into the twenties, repeated efforts were made by utility interests to gain control over the St. Lawrence power resources. Governors Alfred E. Smith, Franklin D. Roosevelt, and Herbert H. Lehman in many State campaigns advocated public development and distribution of this power. In 1931 the New York Legislature, without a dissenting vote, enacted the power-authority law. This act established the first power authority set up anywhere in the United States under a mandate to conserve and develop a major power resource. The act directed the authority to provide for development of the St. Lawrence River, in cooperation with United States and Canadian agencies, and declared that the power resources of the St. Lawrence "shall always remain inalienable to, and ownership, possession, and control thereof shall always be vested in, the people of the State."

NEW YORK'S POWER PROJECT UNDER THE ST. LAWRENCE DRAFT TREATY OF 1932

In 1934, a majority of the United States Senate voted approval of a treaty with Canada, signed July 18, 1932, under which it was proposed to complete the Great Lakes-St. Lawrence seaway with a minimum channel depth of 27 feet throughout the system.

In connection with the 1932 treaty, a Federal-State accord was signed February 7, 1933, in which the State's plan to proceed with the United States' half of the power development on the St. Lawrence River was incorporated. This accord was approved by the United States House of Representatives and the Senate Committee on Foreign Relations. The treaty, however, failed of ratification when it received a majority in the Senate but fell short of the two-thirds required.

WATER-POWER PROGRAMS IN 1938 AND 1942

As a candidate for Governor of New York in 1938, Thomas E. Dewey wrote into the platform of his party conservation principles which stemmed from policies originally outlined by Gov. Theodore Roosevelt and Governor Hughes. The water-power plank adopted at the Republican State Convention in 1938 read as follows:

"We shall continue to oppose the sale of the people's interest in the State's water-power resources. This opposition includes the licensing or leasing to any private enterprise of the people's undeveloped water-power resources."

In an address in New York City, November 2, 1938, Mr. Dewey made a full presentation of his views on the power and utility question, in part, as follows:

"This is the age of electricity. Power has raised our standard of living, lifted burdens from the backs of our people. It has made life happier and removed drudgery. But have the people of New York received those full benefits? Let us see. The fact is that I opened that issue in this campaign. I took it up in my acceptance speech. I said then and I repeat: 'For 30 years the ownership and use of the natural resources of this State for the production of electric power have been the subject of sterile political controversy. Elements of our own party have opposed the inevitable and perpetual ownership of our natural resources by the people of the State. On the other hand, the Democratic Party has exploited water power as a political issue for many years, accomplishing no substantial result except the election of its candidates for public office.'

"That was true when I said it. It is true today * * *

"Who is going to operate the undeveloped waterpower of the State of New York? On that issue my opponent [Governor Lehman] and I are in complete agreement. New York shall never alienate its undeveloped water-power resources * * *

"I have had some experience in the past 8 years in digging out facts for the people of New York. Utility facts are just like any other facts * * *

"The utility companies, the utility investors, and the consuming public will discover that the problem is not one of rates. It is one of merchandising. Let's look at the other States. During the last 6 years of lethargy in New York, what has happened? Progressive companies under progressive

leadership in many States have embarked on a real scale of rate reduction. For example, look at Atlanta, Charleston, Washington, D. C., Flint, Mich., Akron, Ohio. Between 1932 and 1937, while New York was sleeping, the average rates in those cities went down more than 30 percent. At the same time the average use of electricity went up more than 70 percent. In those cities the companies maintained or increased their net income and every family in those cities was vastly benefited.

"This is an electric age. Our last frontier has come and will be conquered by cheap power. Every home in New York State, whether in city or country, should gain the benefits so long denied them * * *

"As in every other State where the government has been live and vital, investors will receive the benefits of stable and large-volume production, and the people shall get electricity instead of promises. We shall remove the State of New York from the list of backward States. We shall bring it up to the forefront where all the people shall have the fruits of real progress."

Defeated by a slim margin in the 1938 election, Mr. Dewey was renominated in 1942 and again wrote into the platform adopted by the Republican State Convention the same plank upon which he had stood in 1938.

At a press conference at Watertown, N. Y., on October 10, 1942, Mr. Dewey reaffirmed a statement he had made on March 27, 1940, as follows:

"I favor the St. Lawrence seaway and always have."

Amplifying his earlier declaration, Mr. Dewey said:

"I have always strongly advocated the development of the power resources of the State by government for the benefit of all the people and not for any private monopoly."

CHARGING OF RENTAL FOR USE OF WATER DIVERTED UNDER FEDERAL LICENSE BY PRIVATE UTILITIES AT NIAGARA FALLS

Following his election in November 1942, Governor Dewey again took up the question of water power in his first annual message to the New York Legislature, on January 6, 1943. In this message, the Governor said:

"It was recently decided by the Court of Appeals that the present law prevents collection by the State of rental for its water-power resources now being diverted to the use of private utility companies. It is my hope that as one of the first acts of 1943 it shall be declared by law that the water-power resources of the State shall be preserved for the benefit of the people in perpetuity. Now is the time to make that policy effective by legislation requiring a proper rental for water power used under previously existing authority. I earnestly commend such legislation to your honorable bodies."

In the decision referred to by the Governor, the court of appeals had determined that the water power and control commission of the State lacked authority under existing law to levy a rental against the Niagara Falls Power Co. for the use of 15,100 cubic second feet of water, already being diverted for power purposes under a Federal license.

A bill authorizing the commission to levy an equitable rental was introduced at the 1943 session of the legislature responsive to Governor Dewey's message. This administration measure amended the conservation law of the State by providing that the water power owned by the State "shall remain subject to the power and control of the State for the purposes of regulating, licensing, controlling, or terminating the use and disposition of the same" by private persons or corporations, "as well as for the purpose of exacting any rentals or charges therefor."

The Niagara rental bill, as enacted into law with the approval of Governor Dewey on March 4, 1943, gave authority to the water power and control commission to levy and collect a rental from the Niagara Falls Power Co. It expressly reserved the right of the State at any time to terminate the use of Niagara water so that the State itself might provide for the redevelopment of Niagara Falls. The act also contained a proviso, protecting the St. Lawrence power from being leased to any private interest, and maintaining in full force the Power Authority Act of 1931 which expressly provides for public development of the resources of the St. Lawrence River.

In a public statement issued March 4, 1943, after signing the Niagara Rental Act, Governor Dewey said:

"The legislature, by this bill, has acted in agreement with my recommendations. This bill will bring to the State for the first time a reasonable compensation for the use of water now being diverted from the Niagara River. For many decades not less than a daily diversion of 15,100 cubic feet a second of water has been taken from the river and used in the production of gigantic quantities of hydroelectric power without any compensation to the State. This bill completely remedies that situation. In addition, the bill, for the first time, declares that the waters of the State, over which it may constitutionally declare that power, shall always remain subject to its power and control.

"This bill, however, accomplishes but one step in the direction of the movement to bring within the control and power of the State all of its water-power resources. It is my hope that after this law shall have become effective, and after it shall have withstood attacks, if any, that may be brought upon it in the courts, a complete revision of legislation affecting water power will be enacted to make the system of State control more efficient, more economic, and to avoid the possibility of unjust private exploitation of the resources that belong to all of the people. * * *"

Attacks upon the constitutionality of the Niagara Rental Act, foreseen by Governor have proceeded during 1943 and 1944. In an injunction suit and in an action brought against the water power and control commission to restrain the commission from levying a rental, the Niagara Falls Power Co. has laid claim to the proprietary ownership of the Niagara power as against the State.

Under Governor Dewey, the Attorney General, the solicitor general, and the power authority have vigorously disputed private claims and asserted the public ownership of Niagara power by the people of the State. The case involving the constitutionality of the Niagara Rental Act is now pending before the Court of Appeals.

PROPOSED CONSOLIDATION OF UP-STATE NEW YORK FACILITIES

In 1943 the Niagara Hudson Power Corporation filed a consolidation plan with the Securities and Exchange Commission and the New York Public Service Commission seeking permission to merge its principal subsidiaries throughout up-State New York in the Niagara Falls Power Co.

The proposed consolidation would have created a single gigantic operating utility was Governor he * * * made State de- the power and electricity sold in up-State New York, allied with a similar utility which dominates generation and distribution in the metropolitan area.

The power authority, the Attorney General, and the Solicitor General presented to the Public Service Commission briefs and memoranda in opposition to the consolidation plan as submitted. On January 21, 1944, the Public Service Commission in a sweeping decision disapproved the consolidation plan on the ground that it was not in the public interest.

RESOLUTIONS ADOPTED BY THE 1944 SESSION OF THE NEW YORK LEGISLATURE ON THE ST. LAWRENCE PROJECT

On January 31, 1944, the New York State Power Authority reported to the Governor and the legislature that engineering plans and specifications had been completed and would be available for post-war use in the full development of the St. Lawrence River. The report declared that bills introduced in Congress during the first year of Governor Dewey's administration by Senator AIKEN, of Vermont, and Representative PITTENGER, of Minnesota, provided a basis for Federal-State cooperation in post-war construction of the project, with full protection of the public interest in New York's power development on the St. Lawrence.

Early in the 1944 session of the legislature a public statement was issued by Senator Rhoda Fox Graves, Assemblyman Grant Daniels, and Trustee George S. Reed, of the power authority, calling attention to New York State's lack of low-cost hydroelectricity to serve industrial, commercial, and domestic consumers during the reconversion period.

The statement cited the loss of leadership in the aluminum industry by New York State and urged congressional enactment of the Aiken-Pittenger bill introduced in 1943 to authorize post-war construction of the St. Lawrence seaway and power project.

With the support of Governor Dewey, a resolution was introduced in the legislature and was adopted without a dissenting vote in either branch. This resolution recited the need for development of St. Lawrence power "under the inalienable ownership of the people."

As adopted March 15, 1944, in the senate and March 16, 1944, in the assembly, with the support of the administration leaders, the resolution declared:

"Whereas there is an ever-increasing need in the State of New York for cheap hydroelectric power not only to attract new industries to the State but also to retain those which are already established; and

"Whereas the State of New York has no cheap hydroelectric power to offer to any new industry and already the lack of this cheap power has sent countless industries elsewhere; and

"Whereas the development of the water power of the St. Lawrence River will directly benefit more than 4,000,000 small commercial users, farm homes, and domestic consumers of electricity in this State, comprising the greatest potential market for low-cost electricity in the world; and

dicates its willingness and desire to bring to the people the untold benefits of cheap

"Whereas unless the State of New York in- hydroelectric power and takes effective steps to this end, this New York State power will remain the only important hydroelectric power undeveloped in the entire United States; and

"Whereas the Province of Ontario, through the chairman of the Ontario hydroelectric power commission, has expressed a desire to proceed at once with the development of this power resource in cooperation with the State of New York: Now, therefore, be it

"*Resolved (if the senate concur)*, That it is the sense of the Legislature of the State of New York that prompt measures should be taken to provide for development of the power resources of the St. Lawrence River with adequate provisions to safeguard the rights and interests of the people of the State of New York in these resources under the inalienable ownership of the people."

At the same session of the legislature, another resolution was offered proposing to memorialize Congress in opposition to the pending St. Lawrence seaway and power project bill, introduced by Senator AIKEN, of Vermont, and Representative PITTENGER, of

Minnesota. This resolution was rejected in committee and was not brought to a vote in either branch of the legislature.

Senator AIKEN, of Vermont, on March 22, 1944, presented in the United States Senate the resolution adopted by the New York State Legislature. A nonpartisan effort to provide for post-war completion of the St. Lawrence project, Senator AIKEN said on the floor, had been greatly advanced by the "very prompt response from the forthright young Republican Governor of New York, Thomas E. Dewey, and the New York State Legislature, which unanimously, in both houses, endorsed this project."

Later it was announced that 12 Republican Members of the United States Senate had joined in sponsoring the St. Lawrence seaway and power project, under the Aiken-Pittenger bill, as follows: GEORGE D. AIKEN, Vermont; HENRIK SHIPSTEAD, Minnesota; ARTHUR H. VANDENBERG, Michigan; RUFUS HOLMAN, Oregon; ARTHUR CAPPER, Kansas; HOMER FERGUSON, Michigan; JOSEPH H. BALL, Minnesota; CLYDE REED, Kansas; JOHN THOMAS, Idaho; EDWARD V. ROBERTSON, Wyoming; GUY CORDON, Oregon; KENNETH WHERRY, Nebraska.

Representative PITTENGER, of Minnesota, in May 1944 made it known that the entire delegation from his State and Members from North Dakota, Nebraska, and other States had taken note of Governor Dewey's previous statements on the subject and had joined in giving active support to the St. Lawrence development, as advocated by the Governor.

At a press conference at Albany on May 17, 1944, Governor Dewey again publicly declared his support of the St. Lawrence seaway and power project.

Reporting the Governor's statement of May 17, on the eve of his nomination for President, the Buffalo Evening News published a dispatch from Albany, in part, as follows:

"At a press conference today Mr. Dewey was asked for his current opinion of the St. Lawrence seaway and power project and let it be known that what he said in the past still stood.

"In 1942, when he was running for the governorship, he came out squarely for development of the State's power resources.

"'I have always strongly advocated the development of the power resources of the State by Government for the benefit of all the people and not for any private monopoly,' said a statement issued by Mr. Dewey in Watertown. * * *

"In the opinion of many Republican leaders, New York State definitely will undertake the development of the power resources of both the Niagara and St. Lawrence Rivers immediately after the war. Such a project, it was pointed out, would provide work for thousands of men now employed in war industries.

"Twenty years ago when Alfred E. Smith was Governor he * * * made State development one of the major issues in his campaigns for the governorship. * * * With the Republican Party in this State now definitely on record in favor of development of the power resources of the St. Lawrence, the old issue between the two major political parties has completely vanished. * * *

"It also became apparent that if Governor Dewey is nominated for the presidency, he will not hesitate to reiterate a statement which he made in 1940 in favor of the proposed St. Lawrence seaway. The Governor is known to feel that eventually the seaway will be put through in order to provide greater and cheaper transportation facilities."

The VICE PRESIDENT. The Senator from Louisiana has 6 minutes.

Mr. OVERTON. Mr. President, while I am opposed to the St. Lawrence project, I have not discussed it on its merits. I have presented solely the one fundamental question before the United States Senate. The Senate deliberately and solemnly referred to the Committee on Commerce a bill of the Senator from Vermont [Mr. AIKEN], which would carry into execution an agreement or treaty, whatever it may be called, between the United States of America and Canada. The fundamental question to which I referred is this: Is the committee to be discharged in the midst of its deliberation by the adoption of an amendment to the river and harbor bill?

Mr. President, the Senator from Vermont has said that he appeared before the Senate Committee on Commerce and asked for a hearing upon an amendment to the river and harbor bill. That statement was refuted the other day by the senior Senator from North Carolina [Mr. BAILEY] and by myself when the Senator from Vermont first made the statement before the Senate. The Senator from Vermont and the Senator from Minnesota [Mr. SHIPSTEAD], did appear before the Senate Committee on Commerce when it was conducting hearings on the river and harbor bill, for the purpose of asking that the committee hear them upon the Aiken bill, and not on any amendment. They did not come with any amendment in their hands. They did not come with any proposal to amend the river and harbor bill. They wanted the Senate Committee on Commerce to discontinue hearings on the river and harbor bill in order to take up the Aiken bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. OVERTON. Mr. President, I cannot yield in the limited time at my disposal.

The Senator has made the statement over and over again. I know what he was about to say, but the Senator from North Carolina [Mr. BAILEY] and myself differ with him, and I believe our memories are absolutely accurate on the question.

But, Mr. President, that is neither here nor there. Certainly the Senator from Vermont never submitted in the Senate an amendment to the river and harbor bill proposing to put into execution the St. Lawrence seaway project and have it referred to the Commerce Committee. If he had intended to do so, would he not have submitted the amendment and had it referred to the committee. He never did. But, Mr. President, as I have said, that is neither here nor there.

Whether the Senator from North Carolina and I are correct or faulty in our memories, the proposition which now addresses itself to the determination of the United States Senate is primarily this: Will an amendment to a river and harbor bill be adopted containing so tremendous a proposal as the St. Lawrence seaway, without any hearing having been conducted by any committee, whether it be the Senate Foreign Relations Committee or the Senate Committee on Commerce, or any other committee? Are we to go before the people of this country and say, "Yes, we have authorized a compact in perpetuity between the United States of America, the Dominion of Canada, and the British Empire, without having received a committee report, and without a committee hearing having been held"? I do not believe so, Mr. President. I hope not.

Mr. AIKEN. Mr. President, I invite attention to the fact that at last the Senator from Louisiana admits that the Senator from Minnesota [Mr. SHIPSTEAD] and I appeared before his committee. As a matter of fact, the bill was in my pocket at the time, and the committee did not give us an opportunity to suggest it as an amendment. Perhaps, now that the Senator has admitted that we appeared before the committee——

Mr. OVERTON. I have never denied it.

Mr. AIKEN. Perhaps the Senator will explain how it happened that our request and its denial were stricken out of the record at the hearing.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Austin	Guffey	Pepper
Bailey	Gurney	Radcliffe
Ball	Hall	Reed
Bilbo	Hatch	Revercomb
Brewster	Hawkes	Reynolds
Brooks	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Smith
Butler	Johnson, Calif.	Stewart
Byrd	Johnson, Colo.	Taft
Capper	Kilgore	Thomas, Idaho
Chandler	La Follette	Thomas, Okla.
Chavez	Langer	Thomas, Utah
Clark, Mo.	Lucas	Truman
Connally	McCarran	Tunnell
Cordon	McClellan	Vandenberg
Danaher	McFarland	Wagner
Davis	McKellar	Walsh
Downey	Maloney	Weeks
Eastland	Maybank	Wheeler
Ellender	Mead	Wherry
Ferguson	Millikin	White
George	Murray	Wiley
Gerry	Nye	Willis
Gillette	O'Daniel	Wilson

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

The question is on the amendment offered by the Senator from Vermont [Mr. AIKEN]. On that question the yeas and nays have been demanded. Is the demand sufficiently seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Washington [Mr. WALLGREN]. I have not been informed how either of those Senators would vote if present, but, under the transfer, I am at liberty to vote. I vote "yea."

Mr. HILL (when Mr. TYDINGS' name was called). On this vote the Senator from Maryland [Mr. TYDINGS] and the Senator from Idaho [Mr. CLARK], both of whom are unavoidably detained, are paired; I am advised that if present and voting the Senator from Idaho would vote "yea," and the Senator from Maryland would vote "nay."

The roll call was concluded.

Mr. HILL. I further announce that the Senator from Virginia [Mr. GLASS] and the Senator from Kentucky [Mr. BARKLEY] are absent from the Senate because of illness.

The Senator from Utah [Mr. MURDOCK] is detained on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Idaho [Mr. CLARK], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Maryland [Mr. TYDINGS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. If present he would vote "nay." His general pair and its transfer have heretofore been announced.

The Senator from Oklahoma [Mr. MOORE] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent. If present he would vote "yea."

The result was announced—yeas 25, nays 56, as follows:

YEAS—25

Aiken	Johnson, Calif.	Thomas, Idaho
Ball	La Follette	Thomas, Utah
Bushfield	Langer	Truman
Capper	Murray	Vandenberg
Ferguson	Nye	Wagner
Gurney	Pepper	Wiley
Hayden	Reed	Wilson
Hill	Reynolds	
Holman	Shipstead	

NAYS—56

Austin	George	Millikin
Bailey	Gerry	O'Daniel
Bilbo	Gillette	Overton
Brewster	Green	Radcliffe
Brooks	Guffey	Revercomb
Buck	Hall	Robertson
Burton	Hatch	Russell
Butler	Hawkes	Smith
Byrd	Jenner	Stewart
Chandler	Johnson, Colo.	Taft
Chavez	Kilgore	Thomas, Okla.
Clark, Mo.	Lucas	Tunnell
Connally	McCarran	Walsh
Cordon	McClellan	Weeks
Danaher	McFarland	Wheeler
Davis	McKellar	Wherry
Downey	Maloney	White
Eastland	Maybank	Willis
Ellender	Mead	

NOT VOTING—14

Andrews	Clark, Idaho	Scrugham
Bankhead	Glass	Tobey
Barkley	Moore	Tydings
Bridges	Murdock	Wallgren
Caraway	O'Mahoney	

So Mr. AIKEN's amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

RIVER AND HARBOR IMPROVEMENTS

The Senate resumed the consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. DAVIS. Mr. President, I offer the amendment, which I send to the desk, and to which I think the Senator in charge of the bill will have no objection.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 41, after line 15, it is proposed to insert:

Schuylkill River, Pa., particularly with a view to providing a deeper channel.

Mr. OVERTON. I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. DAVIS].

The amendment was agreed to.

Mr. DANAHER. Mr. President, yesterday I offered an amendment to the pending bill and the amendment was favorably acted upon, as will appear at pages 9139 and 9140 of the RECORD of yesterday. Since that time I have discussed the matter at some length with the Senator from Louisiana [Mr. OVERTON], in charge of the bill, and it is his belief that we can the better reach the issue both of us have in mind if reconsideration is had of the amendment which was yesterday adopted, and if a substitute be offered in lieu thereof. Accordingly, Mr. President, I ask unanimous consent that the vote by which the amendment I offered yesterday was agreed to be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. DANAHER. Mr. President, in lieu of the amendment which I offered yesterday, I offer the following amendment: "*Provided,* That the authorization for the Thomaston River in the Housatonic River Basin as contained in Public Law —, previously known as H. R. 4485, is hereby rescinded."

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

Provided, That the authorization for the Thomaston River in the Housatonic River Basin, as contained in Public Law —, previously known as H. R. 4485, is hereby rescinded.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

Mr. MALONEY. Mr. President, I found it difficult, because of the noise and confusion in the Chamber, to follow the amendment. I should like to be sure it does not strike out the entire project. Will my colleague inform me as to that?

Mr. DANAHER. It does. I will say to my colleague that the Senator from Louisiana felt that the best way to reach the situation and permit our having an adequate review of the project, to the end that all interests might be heard, was to strike it from the bill.

Mr. MALONEY. Mr. President, I shall wish to be heard on the amendment.

Mr. WEEKS. Mr. President——

The VICE PRESIDENT. The Senator from Connecticut has the floor.

Mr. MALONEY. Mr. President, there are a great many people in the State of Connecticut, and particularly in this river valley, who feel the great need for this project. There is some opposition on the upper reaches of the river, but not very great opposition.

This is not a proposal of mine; it was written in the House as a result of the efforts of the Representative from the district which includes the area affected. He held more than one meeting in the valley, and had the support in his efforts of a number of city and town officials in the valley.

I myself have some doubt about the wisdom of the project, which involves a considerable sum of money and a large reservoir, but I understand the proposal had the careful study of the House committee, and has the continuing support, the urgent support, of the man who represents in the House of Representatives the district affected.

Because there may be a serious need, because there may come a serious flood—serious floods are not uncommon in Connecticut—I think it would be a mistake now, at this late date, to strike the project from the bill.

This is only an authorization bill. Before the work could be undertaken an appropriation would be necessary. There would be a chance for those interested to appear before the Committee on Appropriations, and if I were here at that time, and still a member of the Committee on Appropriations, I would resist the project if I thought any considerable number of people in the area affected were opposed to it. The only opposition I know of comes from the town of Thomaston, in which the proposed reservoir would be built. All down through the valley there is an urgent appeal for the adoption of the proposal in connection with the pending bill. Below the city of Waterbury, I am told, every single city or community head in the valley has urged the adoption of the project.

Mr. President, this may be the last bill of its kind to come before the Congress for a long, long time. It has been several years since a similar bill was considered by Congress, and I think that we may adopt this project without any fear that the Army engineers will go ahead if there is real and serious opposition in Connecticut.

I have a strong natural desire to be in agreement with my colleague. I favored the amendment which he offered earlier, and which was, to my disappointment, stricken from the bill. I am anxious to see take place the kind of conference he

had in mind when he offered the amendment. But it is still possible, even without the amendment, and I am told that the Army engineers will be very anxious to discuss the matter further with the people of Connecticut. I have been told, further, that they would not think of going ahead with this particular project unless they felt it had pretty nearly the complete support of the people of the affected area.

I do not wish to see this item stricken from the bill. It has had very careful consideration. I think I can say with safety—and I ask the chairman of the subcommittee to confirm this—that the Army engineers will not build this dam unless the people of Connecticut want it. I ask the chairman of the subcommittee if he does not share that feeling.

Mr. OVERTON. Mr. President, I share that feeling; but the difficulty which now confronts me in handling the bill is that an amendment was adopted. My attention was diverted at the time, and I did not catch the purport of the amendment. It provided that this project could not be constructed without the consent of the State of Connecticut. It is faulty legislation in any river and harbor bill or flood-control bill to undertake to provide that Congress cannot legislate without the consent of a State, and so I promptly advised the junior Senator from Connecticut that in conference I certainly would take the position that that provision should be eliminated, but that I would have no objection if he desired the elimination of the project, if that were agreeable to both Senators from Connecticut. I mentioned the matter to the senior Senator from Connecticut.

Mr. MALONEY. And I told the Senator that I would resist such a proposal.

Mr. DANAHER. Will my colleague yield?

Mr. MALONEY. I yield.

Mr. DANAHER. Now that the sentiment has been canvassed in this triangular fashion, the fact is that in the flood-control bill, H. R. 4485, an amendment which would have protected all interests was adopted by the Senate, but it was not carried through in the conference. In order to remove that defect, I offered the amendment yesterday. I realize that the point made by the Senator from Louisiana is cogent, and I have sought to reconcile his thought and mine in order to achieve the best possible presentation when the bill goes to conference.

The suggestion contained in the argument submitted by my colleague coincides exactly with what I personally wish to do, namely, save the project, but to give the people of the State of Connecticut an opportunity to be heard. Only yesterday I read into the RECORD a letter from the chairman of the Connecticut Flood Control Commission, Gen. Sanford H. Wadhams, in which he specifically points out the position of the State of Connecticut with reference to this matter, and says in his communication to me that his submission of his views has had the approval of the Governor of the State of Connecticut.

Mr. President, in order that we may properly reconcile all these viewpoints, however conflicting or however they may approximate accord, I shall withdraw the amendment which I have sent to the desk, and in lieu thereof submit the following:

Provided, That the provisions of section 1 (a) of Public No. —, commonly known as H. R. 4485, shall apply to the project known as the Thomaston Dam in the Housatonic River Valley Basin.

Mr. President, this amendment would bring the matter squarely back to the amendment which my colleague says he wants to see adopted, and which the Senate has already adopted. The amendment correctly presents the view of the State of Connecticut and my view. Therefore, Mr. President, I offer it as an amendment to the pending bill.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. MALONEY. I should like to point out something first, and then I shall be pleased to yield.

This is a very unusual project. There is no power involved in it, and only one river is involved. The only problem involved is that of flood control. If the very able chairman of the committee has in his mind that a precedent might herein be established, I urge him to consider the fact that this project is different from most projects in this kind of a bill, in that it involves not a single solitary matter except flood control. I hope the Senator from Louisiana will feel, although I, myself, should not have proposed the amendment, because I have no fears about the construction of the project unless the people of Connecticut approve it, that he can accept this amendment and defend it and support it wholeheartedly and completely in conference.

Mr. OVERTON. Mr. President, will the Senator now yield?

Mr. MALONEY. I yield.

Mr. OVERTON. That is the self-same amendment which the junior Senator from Connecticut [Mr. DANAHER] offered to the flood-control bill.

Mr. MALONEY. That is correct.

Mr. OVERTON. The House conferees would not agree to it. It is very bad legislation because it would subject that project and, if anyone else should urge it, any other project in the bill, to section (a) review.

I think I can satisfy both Senators. If the amendment be withdrawn by the junior Senator from Connecticut I can assure him, speaking for the Chief of Engineers, that this dam will not be constructed in the face of any serious local opposition. Furthermore, let me say, that I will secure a review report from the Commerce Committee for the Senator which will serve exactly the same purpose as his amendment.

Mr. MALONEY. I should like to say, Mr. President, that there is very little, if any, remaining opposition to the project on the part of the people who would be affected, but there is a feeling, a long-time feeling, with which I have been in sympathy, on the part of certain State officials who resent what they feel is an intrusion upon State rights. I have long since come to the conclusion, Mr. President, as I have said before, although a strong advocate of States' rights, that I do not feel we can maintain States' rights where flood control is concerned. In certain States, such as the State of Vermont, reservoirs are needed to prevent floods in another State. If we insist upon States' rights in connection with a bill of this sort, the officials of the State of Vermont could veto a project which would have a bearing upon the lives and property of the people of my State, and that cannot be done.

Mr. MALONEY subsequently said: Mr. President, I wish to invite the attention of the Senate, and particularly of my able colleague [Mr. DANAHER] to that part of the conference report referring to amendment No. 27, which is the amendment which he offered and which was adopted by the Senate and was stricken out in conference. I read:

Amendment No. 27: The conferees recommend that the Senate recede from this amendment which would have required a further report and subsequent authorization prior to the initiation of the House-approved project for the Thomaston Reservoir on the Naugatuck River for flood control in the Housatonic River Basin, Conn., at an estimated cost of $5,151,000.

I lay particular emphasis on the sentence which I am now about to read:

If further study discloses that the project should be abandoned or modified extensively, the Chief of Engineers will withhold the initiation of construction.

Mr. President, that was what I referred to in my brief statement. I have tried to assure my colleague and the Senate that that is what would happen; and I am sure that this language in the conference report will sufficiently satisfy him.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Connecticut [Mr. DANAHER] for the amendment offered by him and agreed to yesterday, which has been reconsidered.

The amendment in the nature of a substitute was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER] on yesterday, which was reconsidered a moment ago.

Mr. OVERTON. I ask that the amendment be rejected for the reasons I have stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. DANAHER. Mr. President, I ask unanimous consent that there appear in the RECORD at this point a copy of my letter to the conferees on the amendment to House bill 4485.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 4, 1944.

Senator JOHN H. OVERTON,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: You will recall our discussion about the Housatonic River Basin project set forth on page 10 in lines 14 to 20 inclusive, supplemented by my amendment.

You will recall that our purpose was to bring this project within subparagraph (a) of the O'Mahoney amendment to give the Connecticut authorities a chance to review the proposition and to be heard with reference to it. As I previously told you, there can be no doubt that at rare intervals there has been some slight flooding in the Housatonic Valley. However, the chief cause of the trouble has always been that the Housatonic River and the Naugatuck River, when at flood stage, sometimes encounter high tides from Long Island Sound, which work back up to Derby, Conn., where the two rivers have their confluence. Under those extraordinary conditions, the water in the Housatonic sometimes backs up and whatever difficulty is encountered is due simply to the lack of runoff. These circumstances have led a very great many thoughtful and respected citizens to question the advisability of a project requiring an outlay of more than $5,000,000 at Thomaston, particularly since, even if the dam were built, the situation at the confluence of the two rivers would not be remedied anyhow. The acreage of water to be held back by the proposed Thomaston Dam would be less than 6 percent of the total area of the water at the confluence, hence the alleged advantages of the dam are dubious at best. On the other hand, there would be made necessary the relocation of the railroad tracks at Thomaston, the reconstruction of certain highways, the inundation of much good land, the cutting off of certain property owners from access to highways and the railroad, and all at a very substantial initial cost, not to mention annual upkeep. As a matter of further fact, the estimated annual cost can be shown to exceed the estimated annual benefits.

It may be that some engineers can claim that the whole project is justified and thus that a case can be made out for the dam. There are plenty of people who would remain unconvinced, and that is why it seemed to me that the whole matter should be more fully studied. This is particularly true where the present bill is only an authorization, and no benefits could be created anyhow before the next possible flood stage in spring of 1945. Meantime, and before your appropriation bill will come along pursuant to this authorization, the whole matter can be canvassed, the State water commissioner can intervene, and if satisfactory modifications of plan can be agreed to, there need be no difficulty whatever. I shall add that the position of the State of Connecticut has not hitherto been made known in the premises and the State water commission, headed by Gen. Sanford H. Wadhams, an extremely capable engineer, would undoubtedly like to be heard. In fact, I talked over my amendment with General Wadhams, who expressed himself as favorable to it, 100 percent.

You asked me to write to you that you might have this memorandum at hand at the time of the conference on the bill. You might also like to examine the comments of a very highly respected citizen of Watertown, bordering on Thomaston, who writes in part:

"I have lived in Watertown since 1912 and have had occasion to cross the river twice daily at least on working days since then and do not recall in that period any interference with travel. I do recall one occasion, which was probably in 1936, when the highway on the west side of the West Main Street Bridge in Waterbury was flooded to the extent of about a foot, for I recall driving through it in an automobile. For the past 10 years my office has been immediately on and overlooking the river at Freight Street in Waterbury and in that period I recall nothing alarming in the river flow except that one year a rather flimsy iron bridge was washed away. Since that time an adequate stone bridge has been erected and I do not believe any further damage of that character is to be anticipated. In that same year and possibly in 1938, the basement of the building in which I work was flooded, but no particular damage was done.

"You may very properly say that the above is all personal recollection, not backed by a tabulation of flood records or damages, which is true, and for that reason I would very much like to see both a copy of the engineer's report on the subject and a copy of that part of the bill which covers the building of the dam in question.

"If, as I believe was the case, there was some slight flooding of property in Waterbury in these 2 years of extraordinary floods, namely, 1936 and 1938, cannot similar most extraordinary conditions be alleviated by deepening or smoothing out the channel of the river through Waterbury and perhaps increasing the discharge area of the Bank Street bridge, all for very, very much less money than is involved in the erection of the proposed dam?

"I happen to sit often at lunch at the same table with Mr. R. L. French, president of the Plume & Atwood Manufacturing Co., which has plants on the river, one at Thomaston and one in Waterbury, and while he was hesitant to bring his company into the picture and preferred to speak, like me, as an individual citizen, he authorized me to say that his views fully coincided with those expressed above, namely, that the building of the proposed dam seemed to him a wasteful expenditure of public money. Anyone who knows him cannot fail to give weight to his long and intimate personal knowledge of the local conditions involved and to his sound common sense."

I hope the conferees will agree to retain my amendment, and that you will insist upon it in behalf of the Senate. No possible harm can come from retaining it, and a great deal of good may result, not the least phase of which is the possible saving of the greater part of $5,000,000.

Please believe me, with appreciation for your interest, and with my very best wishes to you,

Faithfully yours,

JOHN A. DANAHER.

P. S.—I enclose three additional copies of this letter for your convenience at the time of the conference.—J. A. D.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WEEKS. Mr. President, I offer an amendment to the survey provision, which I understand is acceptable to the chairman of the committee.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 39, line 21, after the word "Harbors", it is proposed to insert "and the Acushnet River"; and in line 23, after the word "basin", to insert "and for the improvement of navigation, and related purposes", so as to make lines 21 to 23 read:

New Bedford and Fairhaven Harbors and the Acushnet River, Mass.; particularly with a view to providing greater depth in the eastern portion of the anchorage basin and for the improvement of navigation, and related purposes.

Mr. OVERTON. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WEEKS].

The amendment was agreed to.

Mr. OVERTON. Mr. President, there is contained in the flood-control bill which has been passed by both Houses and has been acted upon by the conference committee and agreed to in conference, a provision in respect to the Savannah River below Augusta, Ga., known as the Clark Hill Reservoir project. That provision was agreed upon and is contained in the conference report, which in a few minutes I shall submit to the Senate for adoption, as soon as we complete the pending bill, or perhaps sooner. Therefore, the project is authorized in the flood-control bill. It properly belongs, I understand, to the flood-control legislation. But the identical language is repeated in the river and harbor bill. Therefore we will have the same project authorized in identically the same language in both bills. That matter came up in conference between the Senate conferees and the House conferees on the flood-control bill. After some discussion we entered into an agreement that I would undertake to have the duplication stricken from the river and harbor bill. I first went to both Senators from Georgia and discussed the matter with them, hoping that they felt that they would be in a position to cooperate with me in that regard. I understand that there will be some objection on the part of at least one of the Senators from Georgia. I regret that this is so, but in good faith it is necessary for me to present an amendment. There is no objection to the project. The sole purpose of the amendment I shall offer is to avoid reenacting the same project in two different bills.

I therefore offer the amendment on page 13, to strike out lines 1 to 10, both inclusive.

The PRESIDING OFFICER. Is there objection to the amendment?

Mr. GEORGE. Yes, Mr. President; there is.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 13, it is proposed to strike out lines 1 to 10, both inclusive, as follows:

Savannah River below Augusta, Ga.; Senate Document No. 66, Seventy-sixth Congress: *Provided*, That whenever any power project, not under Federal license, is benefited by the Clark Hill Reservoir project, the Federal Power Commission, after notice to the owner or owners of such unlicensed project and after opportunity for hearing, shall determine and fix a reasonable and equitable annual charge to be paid to the United States on account of such benefits by said owner or owners or other recipients of such benefits.

Mr. GEORGE. Mr. President, the situation is entirely as stated by the distinguished Senator from Louisiana, in charge of the bill. Of course, those who are interested in the Clark Hill project do not want the project constructed more than once, and it cannot be constructed more than once. If it is authorized in two different measures certainly the engineers when they are ready to proceed will select the project they wish to carry into execution. I feel that this project ought to be left in the bill, at least until it goes to conference, and it can then be determined whether it is necessary to retain it in the bill. It is true that the conferees have agreed on the flood-control bill, which contains this item in somewhat enlarged form, and calling for the expenditure of more

money than the provision in the pending bill, as I understand; but there is no assurance that that bill will receive Presidential approval. For some reason the Executive might veto the bill. As I understand, the appropriation in the flood-control bill is for $10,000,000 or $12,000,000 more than the appropriation authorized in the pending bill. In the interest of trying to secure legislation which has been under consideration and has been favorably reported by commissions as well as by the Board of Army Engineers over a long period of time, it seems to me that this provision ought to stand. Certainly there could be but one expenditure of money. It would be simply a case of deciding under which bill—if both should become law—the engineers would elect to proceed. In my opinion, there is no legal difficulty; and, in view of the uncertainty as to what may happen to the flood-control bill, particularly since it carries a larger sum of money, I believe that, in all fairness to those of us who have been interested in this project for a great many years, this item should be approved and at least go to conference.

Mr. RUSSELL. Mr. President, I hope the Senate will not agree to the pending amendment striking this item from the bill. As stated by my colleague, this project has been pending in the Congress in one form or another for a number of years. It was in one bill which was vetoed by the President; and certainly there is no reason why this project should be removed from the river-and-harbor bill and subjected to the possibility of adverse presidential action on the flood-control bill.

The projects in the two bills are not identical. However, one is embraced within the other. In the river-and-harbor bill, the bill now before the Senate, there is provision merely for the construction of one dam. In the flood-control bill there is provision for the improvement of the entire river system, but not more than one project can be built in any one place; and even if one portion of the project is carried in both measures, not one dollar more of Federal funds can possibly be expended, nor will any more construction be done.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McKELLAR. The Senator and I are both members of the Appropriations Committee, as is our distinguished friends, the author of the amendment, the Senator from Louisiana [Mr. OVERTON]. I think we can all assure the Senate that there will be but one appropriation made. There will not be an appropriation made for more than one of these items. I can easily see that something might happen to one of the bills, and this project would be safe if it were in the other.

Mr. RUSSELL. Even with the provisions in the two bills, only one appropriation could be made. Of course, as the Senator from Tennessee says, the matter can be handled through the Appropriations Committee. Only one appropriation can be made, because the smaller project, carried in the pending bill, is a portion of the larger project, identical in nature. If it is carried in the other bill, I can see no substantial reason for striking the project from the pending bill. We have been laboring with it for a number of years. It has been approved by every agency of the Government which has ever examined it, as being the best power project of all those which have been submitted to the Congress in either bill. I do not believe that it should be stricken from the pending bill merely to satisfy a desire to keep the two bills regular. The project in this bill is embraced within the project in the flood-control bill. Only one dam can possibly be built at the site at Clark's Hill, without regard to whether it appears in this bill and the flood-control bill, or whether it appears in only one measure.

This project has been the subject of a most exhaustive investigation. Back in 1935 or 1936 the President appointed a special commission to examine the project. It has been examined by the Federal Power Commission. It has been approved by the Board of Army Engineers on two or three occasions; and there is no reason for endangering this very valuable project by striking it from the bill. It cannot cost the Treasury a dime more if it is left in the bill, because, as I say, it is part and parcel of the same project, and I can see no substantial reason for striking it from the bill.

Mr. MAYBANK. Mr. President, I should like to add a few words to what the distinguished Senators from Georgia have said regarding the Clark's Hill project.

The project is on the Savannah River, which separates South Carolina and Georgia. The major portion of the project is in South Carolina. For many years we have been struggling and working in that section as best we could to have this project developed and constructed by the United States Government. On every occasion since the beginning of the P. W. A. administration in 1933, this project has been approved by almost every agency of government having to do with it. In keeping with what the senior Senator from Georgia has said, and for the reasons he has stated, namely, that we are not sure whether or not one of these bills may be vetoed, I hope that the distinguished Senator from Louisiana will take this item to conference, and I hope it will be approved.

Once before, after all the plans were made for the commencement of this project, which, as the junior Senator from Georgia has said, is the cheapest and best hydroelectric project in the entire Southeast, and after the project was approved by this body, unfortunately, because of other projects in the bill, the President vetoed the bill. I hope the project will remain in the pending bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LANGER. Mr. President, I offer the following amendment: On page 53, in line 8, after the words "South Dakota", add the words "and North Dakota." The language in line 8 then will read:

Missouri River, in South Dakota and North Dakota.

I understand that the distinguished chairman of the committee, the senior Senator from Louisiana [Mr. OVERTON] has no objection to the amendment.

Mr. OVERTON. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. LANGER].

The amendment was agreed to.

Mr. PEPPER. Mr. President, on December 1, the able senior Senator from North Carolina [Mr. BAILEY], the chairman of the Commerce Committee, on behalf of the senior Senator from Florida [Mr. ANDREWS], was kind enough to offer an amendment providing for a survey. The text of the amendment appears on page 8678 of the CONGRESSIONAL RECORD of December 1. The item, as it appears in the RECORD, and as it was offered by the chairman of the committee, reads as follows:

Channel leading from Tampa Bay channel directly north to the vicinity of Mullet Key and with a view to providing a protected harbor and turning basin.

My attention has been called to the fact that the amendment as offered uses the words "directly north," whereas it should have read "in a northerly direction."

I ask unanimous consent that the amendment be modified so as to strike out the words "directly north", in the amendment as offered, and insert "in a northerly direction."

The PRESIDING OFFICER. Is there objection? The Chair hears none; and, without objection, the amendment is modified accordingly.

Mr. PEPPER. Mr. President, I should like to request the attention of the able senior Senator from Louisiana [Mr. OVERTON] who is handling the bill. Let me state by way of explanation of the matter to which I wish to call his attention that there is a project which is recommended by the Board of Army Engineers for Rivers and Harbors, as stated in House Document No. 768. It provides for the enlargement of the turning basin at Port Everglades, Fla. I am advised that the Navy contemplates the establishment at that place, which now is being largely used by the Navy, of an anti-submarine school, and also to have it large enough for aircraft carriers to be brought there.

The report came from the Board of Engineers, and is published as House Document 768. But the matter did not reach the Capitol in time to clear the Senate Commerce Committee.

I desire to ask the able senior Senator from Louisiana if he will be kind enough to allow this amendment to be inserted in the bill as an authorized project, with the understanding that if the Navy does not confirm the impression I have re-

ceived, the amendment will be deleted in conference.

I think it would be in the public interest for that presumption to attend the project. I wonder if the able Senator will be kind enough to accept the amendment. I have spoken to the chairman of the Committee on Naval Affairs about it.

Mr. OVERTON. Mr. President, I cannot accept that amendment. The report was submitted after the bill had been reported. There were no committee hearings whatsoever on it.

I submit that is not the proper way to legislate. These projects should be submitted in time for hearings, in order that the committee may understand them and in order that the Senate may have full knowledge of them, and, furthermore, in order that the people living in the locality concerned may know about them.

In the course of consideration of this bill in two or three cases the committee itself hastily recommended projects which had just been reported by the Chief of Engineers, but which the Senators from the States concerned later had to have stricken from the bill or else very much modified.

Therefore, Mr. President, I think that any project, especially a project such as this one, which amounts to approximately a million dollars, should undergo a committee hearing and a committee investigation.

Mr. PEPPER. Mr. President, the able Senator is undoubtedly correct as a matter of policy in not wishing to include projects which have not been passed upon and favorably reported by the committee. I should not ask for it at all if my request were not predicated upon the arrival of a written request by the Navy. If the Navy does not in writing request the inclusion of the project as in the interest of the Navy, I would not expect exception to be made in favor of the project.

But the Navy has not had time to send a communication of that sort to the Capitol. So, I have predicated my request upon the receipt of a request for the project by the Navy, before it shall be permitted to remain in the bill in conference. If that safeguard were not thrown around the matter, I should feel it would be letting down the bars too far.

I wish it were possible for the Senator from Louisiana to allow the inclusion of the amendment upon that condition, because I am sure that if prior to this time the Navy had made request to him in writing for the inclusion of the project, he would feel very much disposed to acquiesce in the Navy's request. I do not have such a paper here at the present time, but I have been hoping that the Senator would agree to the adoption of the amendment upon the express condition that if it is not requested in writing by the Navy before the bill goes to conference, the amendment will be deleted in conference.

Mr. OVERTON. Mr. President, I have hoped that the bill, when passed by the Senate, will not go to conference. I am hopeful that the House of Representatives, in view of the extreme lateness of the session, will agree to amendments without any conference. Therefore, if the amendment should be agreed to, under that program it would become the law.

Very much to my regret, I have had to decline to go along with other Senators in respect to similar requests. They have understood that, and they have not insisted upon having their projects included in the bill. If we open the door to the Senator from Florida, we shall have to stand here and open the door to other Senators who have made similar requests.

Mr. President, I did state to the Senator from Florida that if the Secretary of the Navy would send to the Congress a letter in which he stated that this project is immediately necessary in the interest of prosecution of the war, I would agree to its inclusion. But no such evidence as that is before the Senate, and I certainly cannot agree to the Senator's request.

The Senator from Florida has not offered such a request; has he?

Mr. PEPPER. No; I have not.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida.

Mr. PEPPER. Mr. President, I do not wish to ask for a vote on the amendment, unless, of course, it should be agreeable to the Senator in charge of the bill. The Senator from Louisiana was kind enough to state that if a letter came from the Navy requesting this project and stating that it was necessary, he would be agreeable to its inclusion. I have been in contact with the Navy. But the Navy has not been able to send a communication here before the time of the vote on the bill, which I assume is now about to occur. It was that situation which caused me to make the request that if the Navy's request did not come down subsequently, the amendment should be deleted. Of course, if there is no subsequent opportunity for the Senator from Louisiana to delete the amendment, I do not wish to impose upon him or to take advantage of my colleagues.

I was merely thinking that later there would be some opportunity for the Senator from Louisiana to delete the amendment if he were not satisfied with the nature of the request by the Navy. Are there not a number of other amendments which have been added by the Senate, to go to the House of Representatives, I ask the Senator.

Mr. OVERTON. I am hopeful that the House will not send the bill to conference, but will concur in the amendments of the Senate.

Mr. PEPPER. There are a great number of Senate amendments which will go to the House and require concurrence. It would be very easy for the House Members handling the bill not to agree to the amendment if the request from the Navy Department were not received. I should like to have that understanding in the RECORD.

Mr. OVERTON. Mr. President, I should like to oblige the Senator from Florida, but we are merely complicating matters. Certainly the Senator from Florida cannot complain about this bill. I do not speak facetiously, but rather seriously, when I say that the bill is loaded down with Florida projects. I do not know whether any stream in Florida that could possibly be improved, has not already been improved by past authorizations, or will be improved by the pending bill.

Mr. PEPPER. Mr. President, I appreciate the kindness of the remarks of the Senator from Louisiana, but Army engineers do not make favorable recommendations merely because Senators want them to be made. If many Florida projects have been provided for by Congress, I can assure the Senator that it was due to the merits of the projects as discovered by the Army engineers, and not because of any other influence.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

The amendment was rejected.

Mr. WHERRY. Mr. President, I offer an amendment on page 53, following line 8, to insert:

Missouri River in Nebraska.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY].

The amendment was agreed to.

Mr. LANGER. Mr. President, will the distinguished Senator from Nebraska explain the purpose of the amendment?

Mr. WHERRY. The amendment has already been agreed to. It is for exactly the same purpose as was the amendment which was offered by the Senator from North Dakota.

Mr. LANGER. I wish to be sure that I understand the purpose of the amendment. At the present time the Missouri River washes away land—often thousands of acres—by changing its course.

Mr. WHERRY. Yes.

Mr. LANGER. And the purpose of the amendment is to prevent further washing by providing money for riprap, and the use of dredges in keeping the river from changing its course and cutting away land from farmers' farms, and for other purposes.

Mr. WHERRY. I thank the Senator for his explanation, and especially his statement that the amendment includes not only provision for revetment, but also for other purposes.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill, H. R. 3961, was read the third time and passed.

Mr. OVERTON. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. OVERTON, Mr. BAILEY, Mrs. CARAWAY, Mr. CLARK of

Missouri, Mr. BILBO, Mr. JOHNSON of California, Mr. VANDENBERG, Mr. BREWSTER, and Mr. BURTON conferees on the part of the Senate.

Mr. OVERTON. Mr. President, I ask unanimous consent that the clerks be authorized to correct the section numbers, and that the bill be printed as it passed the Senate today with the Senate amendments numbered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

The bill H. R. 3961 was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., In connection with the exercise of jurisdiction over the rivers of the Nation through the construction of works of improvement, for navigation or flood control, as herein authorized, it is hereby declared to be the policy of the Congress to recognize the interests and rights of the States in determining the development of the watersheds within their borders and likewise their interests and rights in water utilization and control, as herein authorized to preserve and protect to the fullest possible extent established and potential uses, for all purposes, of the waters of the Nation's rivers; to facilitate the consideration of projects on a basis of comprehensive and coordinated development; and to limit the authorization and construction of navigation works to those in which a substantial benefit to navigation will be realized therefrom and which can be operated consistently with appropriate and economic use of the waters of such rivers by other users.

In conformity with this policy:

(a) Plans, proposals, or reports of the Chief of Engineers, War Department, for any works of improvement for navigation or flood control not heretofore or herein authorized, shall be submitted to the Congress only upon compliance with the provisions of this paragraph (a). Investigations which form the basis of any such plans, proposals, or reports shall be conducted in such a manner as to give to the affected State or States, during the course of the investigations, information developed by the investigations and also apportunity for consultation regarding plans and proposals, and, to the extent deemed practicable by the Chief of Engineers, opportunity to cooperate in the investigations. If such investigations in whole or part are concerned with the use or control of waters arising west of the ninety-seventh meridian, the Chief of Engineers shall give to the Secretary of the Interior, during the course of the investigations, information developed by the investigations and also opportunity for consultation regarding plans and proposals, and to the extent deemed practicable by the Chief of Engineers, opportunity to cooperate in the investigations. The relations of the Chief of Engineers with any State under this paragraph (a) shall be with the Governor of the State or such official or agency of the State as the Governor may designate. The term "affected State or States" shall include those in which the works or any part thereof are proposed to be located; those which in whole or part are both within the drainage basin involved and situated in a State lying wholly or in part west of the ninety-eighth meridian; and such of those which are east of the ninety-eighth meridian as, in the judgment of the Chief of Engineers, will be substantially affected. Such plans, proposals, or reports and related investigations shall be made to the end, among other things, of facilitating the coordination of plans for the construction and operation of the proposed works with other plans involving the waters which would be used or controlled by such proposed works. Each report submitting any such plans or proposals to the Congress shall set out therein, among other things, the relationship between the plans for construction and operation of the proposed works and the plans, if any, submitted by the affected States and by the Secretary of the Interior. The Chief of Engineers shall transmit a copy of his proposed report to each affected State, and, in case the plans or proposals covered by the report are concerned with the use or control of waters which rise in whole or in part west of the ninety-seventh meridian, to the Secretary of the Interior. Within 90 days from the date of receipt of said proposed report, the written views and recommendations of each affected State and of the Secretary of the Interior may be submitted to the Chief of Engineers. The Secretary of War shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of affected States and of the Secretary of the Interior. The Secretary of War may prepare and make said transmittal any time following said 90-day period. The letter of transmittal and its attachment shall be printed as a House or Senate document.

(b) The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes.

(c) The Secretary of the Interior, in making investigations of and reports on works for irrigation and purposes incidental thereto shall, in relation to an affected State or States (as defined in paragraph (a) of this section), and to the Secretary of War, be subject to the same provisions regarding investigations, plans, proposals, and reports as prescribed in paragraph (a) of this section for the Chief of Engineers and the Secretary of War. In the event a submission of views and recommendations, made by an affected State or by the Secretary of War pursuant to said provisions, sets forth objections to the plans or proposals covered by the report of the Secretary of the Interior, the proposed works shall not be deemed authorized except upon approval by an act of Congress; and subsection 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and subsection 3 (a) of the act of August 11, 1939 (53 Stat. 1418), as amended, are hereby amended accordingly.

That the following works of improvement of rivers, harbors, and other waterways are hereby adopted and authorized in the interest of national security and the stabilization of employment, and shall be prosecuted as speedily as may be consistent with budgetary requirements, under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That no project herein authorized shall be appropriated for or constructed until 6 months after the termination of the present wars in which the United States is engaged unless the construction of such project has been recommended by an authorized defense agency and approved by the President as being necessary or desirable in the interest of the national defense and security, and the President has notified the Congress to that effect: *Provided further*, That penstocks or other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam herein authorized when approved by the Secretary of War upon the recommendation of the Chief of Engineers and of the Federal Power Commission, and such recommendations shall be based upon consideration of the proper utilization and conservation in the public interest of the resources of the region.

Northeast Harbor, Maine; House Document No. 132, Seventy-sixth Congress;

Isle au Haut Thoroughfare, Maine; Senate Document No. 15, Seventy-seventh Congress;

Hendricks Harbor, Maine; Senate Document No. 40, Seventy-sixth Congress;

Portland Harbor, Maine; House Document No. 560, Seventy-sixth Congress; and the maintenance of Soldier Ledge Channel in Hussey Sound, Casco Bay, at a depth of 40 feet, in accordance with the report of the Chief of Engineers dated October 26, 1942;

Josias River, Maine; House Document No. 227, Seventy-sixth Congress; except that the useful work done on the project by local interests shall be accepted toward the fulfillment of the requirements of local cooperation;

Newburyport Harbor, Mass.; House Document No. 703, Seventy-sixth Congress;

Gloucester Harbor and Annisquam River, Mass.; House Document No. 329, Seventy-seventh Congress;

Manchester Harbor, Mass.; House Document No. 447, Seventy-seventh Congress;

Salem Harbor, Mass.; House Document No. 701, Seventy-sixth Congress;

Marblehead Harbor, Mass.; House Document No. 85, Seventy-seventh Congress;

Boston Harbor, Mass.; in accordance with the report of the Chief of Engineers dated April 28, 1943;

Boston Harbor, Mass.; House Document No. 472, Seventy-eighth Congress; except that the construction of a seaplane channel at an alternate location is not authorized;

Dorchester Bay and Neponset River, Mass.; House Document No. 394, Seventy-seventh Congress;

Weymouth Fore River, Mass.; House Document No. 291, Seventy-seventh Congress;

Cohasset Harbor, Mass.; House Document No. 425, Seventy-sixth Congress;

Duxbury Harbor, Mass.; Senate Document No. 115, Seventy-seventh Congress;

Chatham (Stage) Harbor, Mass.; House Document No. 456, Seventy-seventh Congress;

Wellfleet Harbor, Mass.; House Document No. 557, Seventy-sixth Congress;

Hyannis Harbor, Mass.; House Document No. 98, Seventy-seventh Congress;

Cape Cod Canal (Onset Bay), Mass.; House Document No. 431, Seventy-seventh Congress;

Nantucket Harbor, Mass.; House Document No. 115, Seventy-seventh Congress;

Menemsha Creek, Marthas Vineyard, Mass.; House Document No. 365, Seventy-sixth Congress;

Wickford Harbor, R. I.; Senate Document No. 105, Seventy-seventh Congress;

Great Salt Pond, Block Island, R. I.; House Document No. 330, Seventy-seventh Congress;

Pawcatuck River, R. I. and Conn.; House Document No. 839, Seventy-sixth Congress;

Mystic River, Conn.; House Document No. 349, Seventy-seventh Congress;

Thames River, Conn.; House Document No. 367, Seventy-sixth Congress;

Connecticut River below Hartford, Conn.; House Document No. 368, Seventy-sixth Congress;

Clinton Harbor, Conn.; House Document No. 240, Seventy-sixth Congress;

Guilford Harbor, Conn.; House Document No. 149, Seventy-seventh Congress;

New Haven Harbor, Conn.; House Document No. 307, Seventy-sixth Congress, except the further improvement of Quinnipiac River;

Bridgeport Harbor, Conn.; House Document No. 819, Seventy-sixth Congress;

Norwalk Harbor, Conn.; House Document No. 220, Seventy-sixth Congress;

Mianus River, Conn.; House Document No. 549, Seventy-eighth Congress;

Greenwich Harbor, Conn.; House Document No. 125, Seventy-sixth Congress;

Larchmont Harbor, N. Y.; House Document No. 697, Seventy-sixth Congress;

Great Lakes to Hudson River waterway; in accordance with the report of the Chief of Engineers dated April 14, 1942;

Jamaica Bay, N. Y.; House Document No. 700, Seventy-sixth Congress;

Jones Inlet, N. Y.; House Document No. 409, Seventy-seventh Congress;

Northport Harbor, N. Y.; House Document No. 109, Seventy-sixth Congress;

Peconic River, N. Y.; House Document No. 237, Seventy-sixth Congress;

Lake Montauk Harbor, N. Y.; House Document No. 369, Seventy-sixth Congress;

Orowoc Creek, N. Y.; House Document No. 126, Seventy-sixth Congress;

Passaic River, N. J.; House Document No. 430, Seventy-sixth Congress;

Newark Bay, Hackensack and Passaic Rivers, N. J.; in accordance with the report of the Chief of Engineers dated May 20, 1942;

Way Cake Creek, N. J.; House Document No. 624, Seventy-seventh Congress;

Compton Creek, N. J.; House Document No. 673, Seventy-sixth Congress;

Shark River, N. J.; House Document No. 102, Seventy-sixth Congress;

New Jersey Intracoastal Waterway; House Document No. 133, Seventy-sixth Congress;

Manasquan River, N. J.; House Document No. 356, Seventy-seventh Congress;

Toms River, N. J.; House Document No. 393, Seventy-seventh Congress;

Cold Spring Inlet, N. J.; House Document No. 262, Seventy-seventh Congress;

Delaware River, Philadelphia to the sea; House Documents Nos. 580, Seventy-sixth Congress, and 340, Seventy-seventh Congress; and the maintenance of enlarged channel opposite the Philadelphia Navy Yard in accordance with the report on file in the Office, Chief of Engineers;

Delaware River at Camden, N. J.; House Document No. 353, Seventy-seventh Congress;

Inland waterway between Rehoboth Bay and Delaware Bay, Del.; House Document No. 344, Seventy-seventh Congress;

Indian River, Del.; House Document No. 330, Seventy-sixth Congress;

Nanticoke River, Del. and Md.; Senate Document No. 69, Seventy-seventh Congress;

Susquehanna River, above and below Havre de Grace, Md.; Senate Document No. 67, Seventy-sixth Congress;

Baltimore Harbor and Channels, Md.; in accordance with the report of the Chief of Engineers dated June 30, 1942; and channel in Curtis Creek in accordance with plans on file in the Office, Chief of Engineers;

Mill Creek, Md.; House Document No. 100, Seventy-sixth Congress;

Broadwater Creek, Md.; House Document No. 622, Seventy-seventh Congress;

Cadle Creek, Md.; House Document No. 465, Seventy-sixth Congress;

Channel to Island Creek, St. George Island, Md.; House Document No. 99, Seventy-sixth Congress;

St. Catherines Sound, Md.; House Document No. 242, Seventy-sixth Congress;

Black Walnut Harbor, Md.; House Document No. 217, Seventy-sixth Congress;

Town Creek, Md.; House Document No. 219, Seventy-sixth Congress;

Duck Point Cove, Md.; House Document No. 241, Seventy-sixth Congress;

Lower Thoroughfare, Deals Island, Md.; House Document No. 238, Seventy-sixth Congress;

Crisfield Harbor, Md.; House Document No. 457, Seventy-sixth Congress;

Pocomoke River, Md.; House Document No. 429, Seventy-sixth Congress;

Waterway on the coast of Virginia; House Document No. 268, Seventy-sixth Congress;

Occohannock Creek, Va.; House Document No. 223, Seventy-eighth Congress;

Oyster Channel, Va.; House Document No. 716, Seventy-sixth Congress;

Onancock River, Va.; House Document No. 358, Seventy-sixth Congress;

Tangier Channel, Va.; House Document No. 141, Seventy-seventh Congress;

Cranes Creek, Va.; House Document No. 687, Seventy-sixth Congress;

Totuskey Creek, Va.; House Document No. 686, Seventy-sixth Congress;

Hoskins Creek, Va.; House Document No. 129, Seventy-seventh Congress;

Urbanna Creek, Va.; House Document No. 285, Seventy-sixth Congress;

Whitings Creek, Va.; House Document No. 582, Seventy-sixth Congress;

Broad Creek, Va.; House Document No. 381, Seventy-sixth Congress;

Pamunkey River, Va.; House Document No. 671, Seventy-sixth Congress;

Appomattox River, Va.; House Document No. 223, Seventy-sixth Congress;

Hampton Creek, Va.; House Document No. 559, Seventy-sixth Congress;

Cape Charles City Harbor, Va.; in accordance with the report of the Chief of Engineers dated May 12, 1942;

Norfolk Harbor, Va.; House Document No. 224, Seventy-sixth Congress;

Little River, Va.; maintenance work in accordance with the report on file in the Office, Chief of Engineers;

James River, Va.; House Document No. 738, Seventy-seventh Congress;

Inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.; House Document No. 117, Seventy-sixth Congress;

Chowan River, N. C., and Blackwater River, Va.; House Document No. 101, Seventy-sixth Congress;

Pembroke Creek, N. C.; House Document No. 235, Seventy-sixth Congress;

Channel from Pamlico Sound to Rodanthe, N. C.; House Document No. 234, Seventy-sixth Congress;

Channel from Pamlico Sound to Avon, N. C.; House Document No. 316, Seventy-sixth Congress;

Rollison Channel, N. C.; House Document No. 236, Seventy-sixth Congress;

Waterway connecting Swan Quarter Bay with Deep Bay, N. C.; House Document No. 239, Seventy-sixth Congress;

Neuse and Trent Rivers, N. C.; House Document No. 623, Seventy-seventh Congress;

Channel connecting Thoroughfare Bay with Cedar Bay, N. C.; Senate Document No. 87, Seventy-sixth Congress;

Waterway connecting Pamlico Sound and Beaufort Harbor, N. C.; House Document No. 99, Seventy-seventh Congress, and Senate Document No. 247, Seventy-seventh Congress;

Channel from Back Sound to Lookout Bight, N. C.; House Document No. 746, Seventy-seventh Congress;

Beaufort Harbor, N. C.; House Document No. 334, Seventy-sixth Congress;

Inland waterway, Beaufort to Cape Fear River, N. C., including waterway to Jacksonville, N. C.; House Documents Nos. 660, Seventy-sixth Congress, and 346, Seventy-seventh Congress;

Cape Fear River, N. C., at and below Wilmington; House Document No. 131 and Senate Document No. 83, Seventy-sixth Congress;

Northeast (Cape Fear) River, N. C.; Senate Document No. 170, Seventy-sixth Congress;

Intracoastal Waterway from Cape Fear River, N. C., to Winyah Bay, S. C.; House Document No. 327, Seventy-sixth Congress;

Winyah Bay, South Carolina; House Document No. 211, Seventy-sixth Congress;

Beresford Creek, S. C.; House Document No. 602, Seventy-sixth Congress;

Santee and Congaree Rivers, N. C., and S. C.; Senate Document No. 189, Seventy-eighth Congress; and the sum of $25,000,000 is hereby authorized to be appropriated for the initial and partial accomplishment of said project: *Provided*, That this authorization is not to be construed as final approval for the construction of a dam at Buckingham Landing;

Charleston Harbor, S. C.; House Document No. 156, Seventy-seventh Congress;

Shipyard River, S. C.; report of the Chief of Engineers dated April 11, 1942;

Abbapoola Creek, S. C.; House Document No. 97, Seventy-sixth Congress;

Russell Creek, S. C.; Senate Document No. 41, Seventy-sixth Congress;

Savannah River below Augusta, Ga.; Senate Document No. 66, Seventy-sixth Congress: *Provided*, That whenever any power project, not under Federal license, is benefited by the Clark Hill Reservoir project, the Federal Power Commission, after notice to the owner or owners of such unlicensed project and after opportunity for hearing, shall determine and fix a reasonable and equitable annual charge to be paid to the United States on account of such benefits by said owner or owners or other recipients of such benefits;

Savannah Harbor, Ga.; House Document No. 283, Seventy-sixth Congress;

Altamaha, Oconee, and Ocmulgee Rivers, Ga.; House Document No. 610, Seventy-seventh Congress;

Intracoastal Waterway from Cape Fear River, N. C., to St. Johns River, Fla.; House Document No. 114, Seventy-seventh Congress;

Fernandina Harbor and Amelia River, Fla.; House Document No. 284, Seventy-seventh Congress;

St. Johns River, Fla., Jacksonville to the ocean; House Document No. 322, Seventy-seventh Congress, and in accordance with the report of the Chief of Engineers dated May 23, 1944, and plans for the alteration of channel alinement on file in the office of the Chief of Engineers, with such modifications as he may deem advisable;

St. Johns River, Fla., Palatka to Lake Harney; House Document No. 603, Seventy-sixth Congress;

St. Johns River, Fla., Jacksonville to Lake Harney; House Document No. 445, Seventy-eighth Congress;

Intracoastal Waterway from Jacksonville, to Miami, Fla.; in accordance with the report of the Chief of Engineers dated October 26, 1942;

Intracoastal Waterway from Jacksonville, to Miami, Fla.; House Documents Nos. 261 and 336, Seventy-sixth Congress;

Canaveral Harbor, Fla.; House Document No. 367, Seventy-seventh Congress;

St. Lucie Inlet, Fla.; House Document No. 391, Seventy-seventh Congress;

Lake Worth Inlet, Fla.; House Document No. 530, Seventy-eighth Congress;

New River, Fla.; House Document No. 553, Seventy-sixth Congress;

Miami Harbor, Fla.; in accordance with the report of the Chief of Engineers dated June 24, 1942, with such modifications, including rearrangement of the harbor facilities and turning basin, as in the discretion of the Secretary of War and the Chief of Engineers may be advisable;

Miami River, Fla.; in accordance with the report of the Chief of Engineers dated March 19, 1942;

Intracoastal Waterway from Miami to Key West, Fla.; in accordance with the report of the Chief of Engineers dated October 26, 1942;

Caloosahatchee River and Lake Okeechobee drainage areas, Florida; House Document No.

696. Seventy-sixth Congress; and in accordance with the report of the Chief of Engineers dated June 5, 1943;

Intracoastal Waterway from the Caloosahatchee River to the Anclote River, Fla.; House Document No. 371, Seventy-sixth Congress;

Little Manatee River, Fla.; House Document No. 552, Seventy-sixth Congress;

Tampa Harbor, Fla.; Senate Document No. 16, and House Document No. 119, Seventy-seventh Congress and Senate Document No. 183, Seventy-eighth Congress;

Anclote River, Fla.; House Document No. 243, Seventy-sixth Congress;

Pithlachascotee River, Fla.; House Document No. 86, Seventy-seventh Congress;

St. Marks River, Fla.; House Document No. 345, Seventy-seventh Congress;

Intracoastal Waterway from Apalachicola Bay to St. Marks River, Fla.; House Document No. 442, Seventy-sixth Congress;

Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Fla.; House Document No. 342, Seventy-sixth Congress;

St. Josephs Bay, Fla.; Senate Document No. 17, Seventy-seventh Congress; and in accordance with the report on file in the office, Chief of Engineers;

Watson Bayou, Fla.; House Document No. 555, Seventy-sixth Congress;

Pensacola Harbor, Fla.; in accordance with the report of the Chief of Engineers dated April 3, 1943;

Alabama-Coosa River, Ala.: Initial and ultimate development of the Alabama-Coosa River and tributaries for navigation, flood control, power development, and other purposes, as outlined in House Document No. 414, Seventy-seventh Congress, is hereby authorized substantially in accordance with the plans being prepared by the Chief of Engineers with such modifications thereof from time to time as in the discretion of the Secretary of War and the Chief of Engineers may be advisable for the purpose of increasing the development of hydroelectric power; and that for the initiation and accomplishment of the ultimate plan appropriations are authorized in such amounts as Congress may from time to time determine to be advisable, the total of such appropriations not to exceed the sum of $60,000,000. The aforesaid authorization and approval shall include authorities for all powerhouses, power machinery, and appurtenances found to be desirable by the Secretary of War upon the recommendation of the Chief of Engineers and the Federal Power Commission;

Mobile Harbor, Ala.; in accordance with the report of the Chief of Engineers dated October 26, 1942;

Warrior and Tombigbee Rivers, Ala. and Miss.; House Documents Nos. 276, Seventy-sixth Congress, and 382, Seventy-seventh Congress;

Dauphin Island Bay Channel, Ala.; House Document No. 333, Seventy-sixth Congress;

Bayou Coden, Ala.; House Document No. 824, Seventy-seventh Congress;

Bayou Le Batre, Ala.; House Document No. 281, Seventy-sixth Congress;

Biloxi Harbor, Miss.; House Documents Nos. 253 and 326, Seventy-sixth Congress;

Pass Christian Harbor, Miss.; Senate Document No. 214, Seventy-seventh Congress;

Bayou, Galere, Miss.; House Document No. 112, Seventy-sixth Congress;

Bayous LaLoutre, St. Malo, and Yscloskey, La.; Senate Document No. 116, Seventy-seventh Congress;

Mississippi River, Baton Rouge, La., to the Gulf of Mexico; House Document No. 215, Seventy-sixth Congress;

Intracoastal Waterway in the vicinity of Algiers at New Orleans, La.; Senate Document No. 188, Seventy-eighth Congress;

Bayous Petit Anse, Tigre, and Carlin, La.: House Document No. 594, Seventy-eighth Congress;

Calcasieu River and Pass, La.; House Document No. 465, Seventy-seventh Congress;

Louisiana and Texas Intracoastal Waterway; House Documents No. 428, Seventy-sixth Congress, and No. 383, Seventy-seventh Congress;

Louisiana and Texas Intracoastal Waterway to Harlingen, Tex.; House Document No. 402, Seventy-seventh Congress; the depths and widths to be the same as authorized for the main stem of the waterway in Public Law No. 675, enacted July 23, 1942;

Louisiana and Texas Intracoastal Waterway; Senate Document No. 248, Seventy-eighth Congress;

Sabine-Neches Waterway, Tex.; House Document No. 685, Seventy-sixth Congress, and Senate Documents Nos. 60 and 158, Seventy-seventh Congress;

Neches and Angelina Rivers, Tex.; Senate Document No. 98, Seventy-sixth Congress;

The improvement of the Trinity River and tributaries, Texas, for navigation, flood control, and allied purposes is hereby approved and authorized in accordance with the reports contained in House Document No. 403, Seventy-seventh Congress;

Lavon Reservoir on East Fork of Trinity River, Tex.; House Document No. 533, Seventy-eighth Congress;

Houston Ship Channel, Tex.; House Documents Nos. 226 and 256, Seventy-sixth Congress; and in accordance with the report of the Chief of Engineers dated August 21, 1943;

Clear Creek and Clear Lake, Tex.; House Document No. 319, Seventy-seventh Congress;

Chocolate and Bastrop Bayous, Tex.: House Document No. 337, Seventy-sixth Congress;

Channel from Pass Cavallo to Port Lavaca, Tex.; in accordance with the report of the Chief of Engineers dated December 10, 1943;

Lavaca and Navidad Rivers, Tex.; House Document Nos. 314, Seventy-sixth Congress, and 659, Seventy-seventh Congress;

Guadalupe River, Tex.; House Document No. 247, Seventy-sixth Congress: *Provided*, That whenever any power project, not under Federal license, is benefited by the Canyon Reservoir project, the Federal Power Commission after notice to the owner or owners of such unlicensed project and after opportunity for hearing, shall determine and fix a reasonable and equitable annual charge to be paid to the United States on account of such benefits by said owner or owners or other recipients of such benefits;

Aransas Pass-Corpus Christi Channel, Tex.; House Document No. 544, Seventy-eighth Congress;

Brazos Island Harbor, Tex.; House Document No. 335, Seventy-sixth Congress, and House Document No. 347, Seventy-seventh Congress;

Ouachita and Black Rivers, Ark. and La.; House Document No. 104, Seventy-sixth Congress;

Mississippi River between the Ohio and Missouri Rivers; House Document No. 231, Seventy-sixth Congress;

Mississippi River between Missouri River and Minneapolis: The existing project for lock and dam No. 2 is hereby modified in accordance with the recommendation in House Document No. 432, Seventy-seventh Congress;

Mississippi River between Missouri River and Minneapolis: The construction of lock and dam No. 26 at Alton, Ill., is hereby declared to be in accord with the project authorized by the River and Harbor Act approved August 30, 1935;

Mississippi River between Missouri River and Minneapolis; House Documents Nos. 103 and 547, Seventy-sixth Congress; 263, Seventy-seventh Congress; and 449, Seventy-eighth Congress;

Mississippi River between Missouri River and Minneapolis: The existing project is hereby modified to provide for remedial works in accordance with the recommendations of the district engineer in the report submitted in House Document No. 137, Seventy-sixth Congress, and for such remedial works or land acquisitions in any levee or drainage district, with respect to which payments, remedial works, or land acquisitions were recommended in Rivers and Harbors Committee Document No. 34, Seventy-fifth Congress, and authorized by the act of August 26, 1937, as the Chief of Engineers deems advisable, in addition to or in lieu of the payments, remedial works, or land acquisitions so recommended and authorized;

Illinois Waterway, Ill., and Indiana Harbor and Canal, Ind.; House Document No. 145, Seventy-sixth Congress;

Missouri River between Sioux City, Iowa, and the mouth; House Document No. 214, Seventy-sixth Congress;

The general comprehensive plans set forth in House Document No. 475 and Senate Document No. 191, Seventy-eighth Congress, second session, as revised and coordinated by Senate Document No. 247, Seventy-eighth Congress, second session, are hereby approved and the initial stages recommended are hereby authorized and shall be prosecuted by the War Department and the Department of the Interior as speedily as may be consistent with budgetary requirements;

The general comprehensive plan for flood control and other purposes in the Missouri River Basin approved by the act of June 28, 1938, as modified by subsequent acts, is hereby expanded to include the works referred to in paragraph (a) to be undertaken by the War Department; and said expanded plan shall be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers;

Subject of the basin-wide findings and recommendations regarding the benefits, the allocations of costs and the repayments by water users, made in said House and Senate documents, the reclamation and power developments to be undertaken by the Secretary of the Interior under said plans shall be governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), except that irrigation of Indian trust and tribal lands, and repayment therefor, shall be in accordance with the laws relating to Indian lands;

In addition to previous authorizations there is hereby authorized to be appropriated the sum of $200,000,000 for the partial accomplishment of the works to be undertaken under said expanded plans by the Corps of Engineers;

The sum of $200,000,000 is hereby authorized to be appropriated for the partial accomplishment of the works to be undertaken under said plans by the Secretary of the Interior;

Scioto River at Portsmouth, Ohio; such works as the Chief of Engineers may find advisable to provide a harbor channel equivalent to that existing prior to initiation of the Portsmouth flood control project; the cost of such works in no event to exceed $75,000;

Coasts of the Great Lakes; harbors of refuge for light-draft vessels; House Document No. 446, Seventy-eighth Congress;

Baudette Harbor, Minn.; House Document No. 216, Seventy-sixth Congress;

Harbor at Knife River, Minn.; House Document No. 686, Seventy-seventh Congress;

Ashland Harbor, Wis.; House Document No. 337, Seventy-seventh Congress;

Menominee Harbor and River, Mich. and Wis.; House Document No. 228, Seventy-sixth Congress;

Green Bay Harbor, Wis.; House Document No. 95, Seventy-sixth Congress;

Sturgeon Bay and Lake Michigan Ship Canal, Wis.; House Document No. 421, Seventy-eighth Congress;

Milwaukee Harbor, Wis.; Senate Document No. 29, Seventy-sixth Congress;

Racine Harbor, Wis.; House Documents Nos. 816, Seventy-seventh Congress, and 255, Seventy-eighth Congress;

Waukegan Harbor, Ill.; House Document No. 116, Seventy-seventh Congress;

Calumet Harbor and River, Ill. and Ind.; House Document No. 233, Seventy-sixth Congress;

St. Joseph Harbor, Mich.; House Document No. 129, Seventy-sixth Congress;

Grand Haven Harbor and Grand River, Mich.; House Document No. 661, Seventy-sixth Congress;

Manistee Harbor, Mich.; House Document No. 360, Seventy-seventh Congress;

St. Marys River Mich., South Canal; in accordance with the report of the Chief of Engineers dated August 14, 1944, and contained in House Document No. 679, Seventy-eighth Congress, second session;

St. Marys River, Mich.; the construction of a new hydroelectric power plant in accordance with the plan recommended in House Document No. 339, Seventy-seventh Congress: *Provided*, That only the first step of the recommended development, involving an installation of approximately 14,000 kilowatts at an estimated cost of $3,500,000, shall be constructed at this time, and no further development in addition to said first step shall be undertaken until hereafter authorized by law: *Provided further*, That the existing United States hydroelectric power plant at Sault Sainte Marie shall be abandoned upon completion of the new plant: *And provided further*, That the electric energy generated in the operation of said new plant shall be sold by the Secretary of War, and any surplus water available to the United States which is not required for the operation of facilities owned by the United States may be leased by the Secretary of War upon such terms and conditions as he shall determine: *And provided further*, That pending construction of the new United States plant he may also enter into such arrangements for continued operation of the existing Government plant and the use of water as he may deem advisable in the public interest.

St. Clair River at Southeast Bend, Mich.; The widening of the existing project channel, in accordance with alternative plan B, as outlined in the report of the district engineer in House Document No. 309, Seventy-seventh Congress, is hereby authorized;

Detroit River, Mich., in accordance with the report of the Chief of Engineers dated October 26, 1942;

Sandusky Harbor, Ohio; House Document No. 328, Seventy-sixth Congress;

Lorain Harbor, Ohio; House Document No. 161, Seventy-seventh Congress; and in accordance with the report on file in the office, Chief of Engineers;

Cleveland Harbor, Ohio; House Document No. 232, Seventy-sixth Congress; and the extension of the channel in the Cuyahoga River in accordance with the report of the Chief of Engineers, dated February 14, 1942;

Ashtabula Harbor, Ohio; House Document No. 321; Seventy-seventh Congress;

Erie Harbor, Pa.; protection of that portion of the peninsula south of the waterworks settling basins at an estimated annual cost of $15,000 is hereby authorized;

Erie Harbor, Pa.; in accordance with the report of the Chief of Engineers dated October 26, 1942;

Buffalo Harbor, N. Y.; House Document No. 352, Seventy-eighth Congress;

Black Rock Channel and Tonawanda Harbor, N. Y.; in accordance with the report of the Chief of Engineers dated April 16, 1942;

Wilson Harbor, N. Y.; House Document No. 679, Seventy-sixth Congress;

Rochester Harbor, N. Y.; House Document No. 139, Seventy-sixth Congress;

Sackets Harbor, N. Y.; in accordance with the report of the Chief of Engineers dated January 6, 1944;

Cape Vincent Harbor, N. Y.; House Document No. 363, Seventy-sixth Congress;

San Diego Harbor, Calif.; House Document No. 390, Seventy-seventh Congress;

Newport Bay Harbor, Calif.; Senate Document No. 138, Seventy-eighth Congress;

Santa Barbara Harbor, Calif.; House Document No. 348, Seventy-seventh Congress;

Morro Bay, Calif.; House Document No. 283, Seventy-seventh Congress; and further harbor development as desired by the Navy Department in accordance with the plans on file in the Office, Chief of Engineers;

Monterey Harbor, Calif.; House Document No. 266, Seventy-sixth Congress;

Monterey Bay (Moss Landing), Calif.; in accordance with the report on file in the Office, Chief of Engineers;

Redwood Creek, Calif.; in accordance with the report of the Chief of Engineers dated November 3, 1941;

Oakland Harbor, Calif.; House Document No. 466, Seventy-seventh Congress;

Oakland Harbor, Calif.; in accordance with the report on file in the Office, Chief of Engineers;

Richmond Harbor, Calif.; House Document No. 715, Seventy-sixth Congress;

San Pablo Bay and Mare Island Strait, Calif.; House Document No. 217, Seventy-seventh Congress;

Noyo Harbor, Calif.; House Document No. 682, Seventy-sixth Congress;

Crescent City Harbor, Calif.; House Document No. 688, Seventy-sixth Congress, and the construction of an inner breakwater in accordance with the plans on file in the office, Chief of Engineers;

Chetco River, Oreg.; House Document No. 817, Seventy-seventh Congress;

Coquille River, Oreg.; House Document No. 672, Seventy-sixth Congress;

Umpqua Harbor and River, Oreg.; Senate Document No. 86, Seventy-sixth Congress;

Umpqua River, Oreg.; Senate Document No. 191, Seventy-seventh Congress;

Yaquina Bay and Harbor, Oreg.; Senate Document No. 119, Seventy-seventh Congress;

Depoe Bay, Oreg.; House Document No. 359, Seventy-seventh Congress;

Salmon River, Oreg.; House Document No. 551, Seventy-sixth Congress;

That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $120,000, to be immediately available as an emergency fund to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for repairing damage to and checking erosion on the Bayocean Peninsula, in Oregon, caused by a storm in January 1939, in order to provide adequate protection to property on such peninsula and in Tillamook, Oreg.;

Willamette River, Oreg.: The construction of the New Willamette Falls lock and navigation works in accordance with the plan submitted in House Document No. 544, Seventy-fifth Congress;

Snake River, Oreg., Wash., and Idaho: The construction of such dams numbered as are necessary, and open channel improvement for purposes of providing slack-water navigation and irrigation in accordance with the plan submitted in House Document No. 704, Seventy-fifth Congress, with such modifications as do not change the requirement to provide slack-water navigation as the Secretary of War may find advisable after consultation with the Secretary of the Interior and such other agencies as may be concerned: *Provided*, That surplus electric energy generated at the dams authorized in this item shall be delivered to the Secretary of the Interior for disposition in accordance with existing laws relating to the disposition of power at Bonneville Dam: *Provided further*, That nothing in this paragraph shall be construed as conferring the power of condemnation of transmission lines;

Columbia River at Bonneville, Oreg.: The Secretary of War is hereby authorized, under such terms and conditions as he may deem advisable, to acquire lands and provide facilities in the States of Oregon and Washington to replace Indian fishing grounds submerged or destroyed as a result of the construction of Bonneville Dam: *Provided*, That not to exceed $50,000 may be expended for this purpose from funds heretofore or hereafter appropriated for maintenance and improvement of existing river and harbor works: *Provided further*, That such lands and facilities shall be transferred to the Secretary of the Interior for the use and benefit of the Indians, and shall be subject to the same conditions, safeguards, and protections as the treaty fishing grounds submerged or destroyed;

Columbia River and tributaries above Celilo Falls to the mouth of Snake River, Oreg. and Wash.; Senate Document No. 28, Seventy-sixth Congress; and House Document No. 324, Seventy-seventh Congress;

Columbia River, Oregon and Washington: The construction of the Umatilla Dam for purposes of navigation, power development, and irrigation in accordance with the plan submitted in House Document No. 704, Seventy-fifth Congress: *Provided*, That surplus electric energy generated at said dam shall be delivered to the Secretary of the Interior for disposition in accordance with existing laws relating to the disposition of power at Bonneville Dam: *Provided*, That nothing in this paragraph shall be construed as conferring the power of condemnation of transmission lines: *Provided further*, That said dam shall be so constructed as to provide a pool elevation of 340 feet above sea level if a dam of that height is found to be feasible. In the design, construction and operation of the Umatilla Dam adequate provision shall be made for the protection of anadromous fishes by affording free access to their natural spawning grounds or by other appropriate means. Studies and surveys necessary for fish protection shall be made by the Fish and Wildlife Service of the Department of the Interior, and designs for structures and facilities required for fish protection shall be prepared in cooperation with that agency. Funds appropriated for the design, construction, or operation of said dam shall be available for transfer to the Department of the Interior for the foregoing purposes. The aforesaid dam heretofore referred to as the Umatilla Dam shall when completed be named the McNary Dam in honor of the late Senator Charles L. McNary, and shall be dedicated to his memory as a monument to his distinguished public service;

Columbia River between Vancouver, Wash., and Bonneville, Oreg.; House Document No. 218, Seventy-sixth Congress;

Columbia and Willamette Rivers below Vancouver, Wash., and Portland, Oreg.; House Documents Nos. 341 and 630, Seventy-seventh Congress;

Baker Bay, Columbia River, Wash.; House Document No. 443, Seventy-sixth Congress;

Willapa River and Harbor, Wash.; House Document No. 481, Seventy-sixth Congress;

Grays Harbor and Chehalis River to Aberdeen, Wash., maintenance work in accordance with report on file in office, Chief of Engineers;

Quillayute River, Wash.; House Document No. 218, Seventy-eighth Congress;

Port Angeles Harbor, Wash.; House Document No. 331, Seventy-seventh Congress;

Olympia Harbor, Wash.; House Document No. 699, Seventy-sixth Congress;

Tacoma Harbor, Wash.; House Document No. 124, Seventy-sixth Congress;

Stillaguamish River, Wash.; House Document No. 286, Seventy-seventh Congress;

Lake Crockett, Wash.; House Document No. 303, Seventy-seventh Congress;

Metlakatla Harbor, Alaska; House Document No. 138, Seventy-sixth Congress;

Craig Harbor, Alaska; House Document No. 558, Seventy-sixth Congress;

Meyers Chuck Harbor, Alaska; House Document No. 222, Seventy-sixth Congress;

Wrangell Harbor, Alaska; House Document No. 284, Seventy-sixth Congress;

Wrangell Narrows, Alaska; House Document No. 260, Seventy-sixth Congress;

Sitka Harbor, Alaska; in accordance with the report of the Chief of Engineers dated March 14, 1944;

Skagway Harbor, Alaska; in accordance with the report of the Chief of Engineers dated April 11, 1942;

Petersburg Harbor, Alaska; House Document No. 670, Seventy-sixth Congress;

Port Alexander, Alaska; House Document No. 578, Seventy-sixth Congress;

Gastineau Channel, Alaska; House Document No. 325, Seventy-seventh Congress:

Elfin Cove, Alaska; House Document No. 579, Seventy-sixth Congress;

Seldovia Harbor, Alaska; House Document No. 702, Seventy-sixth Congress;

Keehi Lagoon, Oahu, T. H.; House Document No. 379, Seventy-seventh Congress;

Port Allen Harbor, Hawaii; House Document No. 180, Seventy-seventh Congress;

San Juan Harbor, P. R.; maintenance of existing entrance channel and turning basin to Army terminal;

Ponce Harbor, P. R.; in accordance with the report of the Chief of Engineers dated May 21, 1942; and

Fajardo Harbor, P. R.; House Document No. 280, Seventy-sixth Congress.

SEC. 2. That the Secretary of War is hereby authorized to allot not to exceed $300,000 from any appropriations heretofore or hereafter made for any 1 fiscal year for improvement of rivers and harbors, for removing accumulated snags and other debris, and for protecting, clearing, and straightening channels in navigable harbors and navigable streams and tributaries thereof, when in the opinion of the Chief of Engineers such work is advisable in the interest of navigation or flood control.

SEC. 3. That (a) the consent, permission, and authority granted the Commissioners of Lincoln Park, now superseded by the Chicago Park District, a municipal corporation organized and existing under the laws of the State of Illinois to exercise jurisdiction over the navigable waters of Lake Michigan which lie within the following-described boundaries:

Beginning at a point at the intersection of the existing bulkhead along Lake Shore Drive in Chicago, Ill., with the existing pier which is parallel to and north of Ohio Street extended and south of Ontario Street extended; thence easterly along said pier to a point in a line parallel to and 350 feet easterly of said bulkhead along the Lake Shore Drive; thence northwesterly along said last-described line to a point in a curve of 200-feet radius and tangent both to said last-described line and to a line 350 feet southerly from the southerly side of and parallel to the shore arm extension breakwater extending into Lake Michigan from a point near the intersection of Oak Street and Lake Shore Drive; thence along said curve to a point in said line last described; thence easterly along said line to a point in a line at right angles with said shore arm extension breakwater at the eastern extremity thereof; thence northward along said last-described line to said shore arm extension breakwater; thence westward along said shore arm extension breakwater to the shore line; and (b) the right granted to said The Commissioners of Lincoln Park, now superseded by the Chicago Park District, to destroy the navigability of the above-described waters altogether, and (c) the right granted to said The Commissioners of Lincoln Park, now superseded by the Chicago Park District, to erect an additional breakwater to connect the said shore arm extension breakwater near the intersection of Oak Street and Lake Shore Drive with the shore line, and (d) the transfer of possession of said shore arm extension breakwater to said The Commissioners of Lincoln Park, now superseded by the Chicago Park District, and the obligation for the permanent care, custody, and maintenance of said shore arm extension breakwater by The Commissioners of Lincoln Park, now superseded by the Chicago Park District, all as provided for by the act entitled "An act granting to The Commissioners of Lincoln Park the right to erect a breakwater in the navigable waters of Lake Michigan, and transferring jurisdiction over certain navigable waters of Lake Michigan to The Commissioners of Lincoln Park," approved March 3, 1931, be rescinded.

The United States of America hereby resumes jurisdiction over the above-described waters and the above-described shore arm extension breakwater and hereby discharges the Chicago Park District, successor to the superseded The Commissioners of Lincoln Park, from its liability for the permanent care, custody, and maintenance of said shore arm extension breakwater.

Said Chicago Park District shall signify its acceptance of this act by written notice to the Secretary of War within 60 days after the passage of this act, and this section shall become effective immediately upon its acceptance by said Chicago Park District. In the event of nonacceptance within 60 days this section shall become null and void.

SEC. 4. Hereafter whenever, the Secretary of War determines, upon recommendation by the Secretary of the Interior, that any dam and reservoir project operated under the direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and after subsequent specific authorization of the Congress by an authorization act; and, within the limits of the water users' repayment ability such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the Federal reclamation laws and the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing. This section shall not apply to any dam or reservoir heretofore constructed in whole or in part by the Army engineers, which provides conservation storage of water for irrigation.

SEC. 5. The Chief of Engineers may authorize the employment of physicians under agreement, to make such physical examinations of employees or prospective employees as he may consider essential, on a fee or regular employment basis without regard to civil-service requirements, and all agreements heretofore entered into for such purposes are hereby validated and the Comptroller General is authorized and directed to allow credit in the accounts of disbursing officers for reasonable payments heretofore made for such services.

SEC. 6. Except as may be otherwise authorized by other sections of this act relating to the Umatilla Dam and Snake River project, electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

SEC. 7. The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as required by law on any examination, survey, project, or work under way or proposed are submitted no supplemental or additional report or estimate shall be made unless authorized by law: *And provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this act until the project for the proposed work shall have been adopted by law: *Provided further*, That reports of surveys on beach erosion and shore protection shall include an estimate of the public interests involved, and such plan of improvement as is found justified, together with the equitable distribution of costs in each case: *And provided further*, That this section shall not be construed to interfere with the performance of any duties vested in the Federal Power Commission under existing law:

Beals Harbor, Maine.

Blue Hill Harbor, Maine.

Macks Point, Searsport, Maine, with a view to the construction of a harbor.

Scarboro River, Maine, between Prouts Neck and Pine Point.

Bunganuc Creek, Maquoite Bay, Maine.

Cathance River, Maine.

Winterport Harbor, Maine.

Boothbay Harbor, Maine, particularly the Mill Cove area.

Cundys Harbor, Maine.

Wood Island Harbor, Maine, and the pool at Biddeford.

For a continuous waterway between Portland, Maine, and Boston, Mass., inland where possible.

Waterway from Plum Island Sound to the Annisquam River, Essex County, Mass.

Ipswich River, Plum Island Sound and Fox Creek, Mass.

Mattapoisett, Mass.

Channel from Buzzards Bay to Buttermilk Bay, Mass.

Fall River Harbor, Mass.

Mystic River, Mass.

Falmouth Harbor, Mass.

Channel to Hog Island, Hingham Bay, Mass.

New Bedford and Fairhaven Harbors and the Acushnet River, Mass.; particularly with a view to provide greater depth in the eastern portion of the anchorage basin and for

the improvement of navigation and related purposes.

Eightmile River, Conn.

Moriches Inlet, N. Y.

Centerport Harbor, Long Island, N. Y.

Shinnecock Inlet, Long Island, N. Y.

Peconic River, Long Island, N. Y.

At Smithtown, Long Island, N. Y.

The southern coast of Long Island, from the New York City line to Montauk Point, N. Y., with a view to the protection and improvement of the beaches along said coast, such examination and survey to be made under the provisions of section 2 of the River and Harbor Act approved July 3, 1930, and the act entitled "An act for the improvement and protection of the beaches along the shores of the United States," approved June 26, 1936.

Nissequogue River, N. Y.

St. James Harbor, N. Y.

Fire Island Inlet, N. Y.

Saw Mill River, N. Y.

Bronx River, N. Y.

Westchester Creek, N. Y.

Hutchinson River, N. Y.

Steinway Creek, Astoria, N. Y.

Champlain Canal, N. Y., with a view to its improvement without taking title to said canal and its appurtenances.

Hudson River, N. Y., from Albany to New York City.

Hudson River, at or near North Germantown, Columbia County, N. Y.

Hudson River at the mouth of Endikill Creek, N. Y., with a view to constructing a small-boat anchorage basin.

Mohawk River, N. Y.

Arthur Kill, N. Y. and N. J., between a point 1,000 feet north of the mouth of Smiths Creek and a point 1,000 feet south of Buckwheat Island.

Hackensack River, N. J.

Sandy Hook Bay, N. J., with a view to providing a channel to, and navigation improvements at, Leonardo.

Coast of New Jersey, from Sandy Hook to Cape May, with a view to the improvement and protection of the beaches along said coast, such examination and survey to be made under the provisions of section 2 of the River and Harbor Act approved July 3, 1930, and the act entitled "An act for the improvement and protection of the beaches along the shores of the United States," approved June 26, 1936.

Salem River, Salem County, N. J.

Fishing Creek, Cumberland County, N. J.

Cheesequake Creek, N. J.

Schuylkill River, Pa., particularly with a view to providing a deeper channel.

Schuylkill River, Pa., to determine whether navigation conditions may be improved, and if the increasing cost of maintenance due to silting in the channels of the Schuylkill and Delaware Rivers may be lessened, and flood heights controlled, by the construction of impounding and settling reservoirs to prevent the encroachment of mining wastes.

Mispillion River, Del., up to Milford.

Waterway from Indian River Inlet to Rehoboth Bay, Del.

Ocean City Harbor and Inlet, and Sinepuxent Bay, Md.

Marumsco Creek, lower Somerset County, Md.

Websters Cove, Somerset County, Md., with a view to constructing a jetty in the project channel.

Pocomoke River, Md., from Old Rock Buoy to Williams Point.

Crisfield Harbor, Md.

Taylors Landing, Worcester County, Md.

Channel from Charlestown, Northeast River, Md., to Havre de Grace.

Channel from Havre de Grace, Md., to Red Point, via Stump Point and Carpenter Point.

Bear Creek and Lynch Cove, Md.

Deep Creek and Fresh Water Pond, Md.

Honga River and Tar Bay, including channel into and harbor in Back Creek, Hooper Island, Md.

Channel in Honga River, to the plant of White & Nelson, Hoopersville, Md.

Harbor at Public Landing, Worcester County, Md.

Cambridge Harbor, Md.

Rockhall Harbor, Md.

Ross Cove (Magothy River), Md.

Cambridge Harbor, Md.

Coxes Creek, tributary of Stony Creek, Md.

Channels to Lake Ogleton and Walnut Lake, Anne Arundel County, Md.

Walnut Creek, Anne Arundel County, Md., lying between Bay Ridge and Arundel-on-the-Bay.

Channel from Kent Island Narrows to Well Cove, Chester River, Md.

Port Tobacco Creek, Md.

Hellens Creek, Calvert County, Md.

Channel from Rhodes Point to Tylerton, Somerset County, Md.

Saint Patricks Creek, Md.

Big Kingston Creek, St. Marys County, Md. Md.

Tanners Creek, St. Marys County, Md.

Parkers Creek, Calvert County, Md.

Chester River Channel, Md.

Nanticoke River, Bivalve, Wicomico County, Md., with a view to providing a harbor for small boats.

Governor's Run, Calvert County, Md., with a view to providing a harbor for small boats

Channel between Ramsey Bay and Chesapeake Bay, and other measures for the prevention of damage from erosion near the mouth of South River, Anne Arundel County, Md.

Potomac and Anacostia Rivers and adjacent waters in and near the District of Columbia, with a view to attaining a comprehensive and coordinated improvement and development of such waters and their shores. In determining the recommendations to be made with respect to such improvement and development, consultations shall be had with, and consideration given to the recommendations of, the National Capital Park and Planning Commission and the Commissioners of the District of Columbia.

Potomac River and tributaries at and below Washington, D. C., with a view to elimination of the water chestnut.

Potomac River at and near Washington, D. C.

Potomac and Anacostia Rivers at and near Washington, D. C., with a view to providing a municipal sailing base.

Farnham Creek, Richmond County, Va.

Southwest side of Rappahannock River, in vicinity of Bowlers Wharf, Essex County, Va., to secure harbor of refuge and connecting channels.

Finneys Creek, Accomac County, Va., and the channel connecting said creek with Wachapreague Inlet and the Atlantic Ocean.

Jackson Creek, Westmoreland County, Va.

Bonum Creek, Westmoreland County, Va.

Kings Creek, Northampton County, Va.

Bransons Cove, lower Machodoc River, Va.

Taskmers Creek, Northumberland County, Va.

Davis Creek, Mathews County, Va.

Dyer Creek, Mathews County, Va.

Deep Creek, Accomac County, Va.

Browns Bay, Gloucester County, Va., and the channel connecting said bay with Mobjack Bay.

Parrotts Creek, Middlesex County, Va.

The Hague (Smith Creek), Va.

Southern Branch of Elizabeth River, Norfolk Harbor, Va.

Chuckatuck Creek, Nansemond and Isle of Wight Counties, Va.

Little Creek, Princess Anne County, Va.

Lynnhaven Inlet and Bay and connecting waters, Virginia, with a view to preparing a plan of improvement and estimate of cost, particularly to prevent shoaling, in the interest of shellfish production and navigation.

Inland waterway from Norfolk, Va., to Beaufort, N. C., with a view to providing a side channel 12 feet deep through Pasquotank River and Albemarle Sound to Elizabeth City.

Channel from the Thoroughfare to Albemarle Sound, N. C., either by way of lower Cashie River, Middle River, and Bachelors Bay, or by way of any other route.

Purviance Creek, New Hanover County, N. C.

Little Pee Dee River, S. C., from junction of the Lumber River to the Great Pee Dee River, with a view to removing logs, debris, and other obstructions.

Santee-Congaree Buckingham Landing Site, S. C.

Jefferys Creek, Florence County, S. C.

Murrells Inlet, S. C.

Cooper River, S. C., from Charleston Harbor to the Pinopolis power plant.

North River, Ga.

St. Marys River, Ga. and Fla.

St. Johns River, Fla., Palatka to Lake Harney.

Intracoastal Waterway from Jacksonville to Miami, Fla., with a view to providing an auxiliary side channel from the Intracoastal Waterway near Titusville through and easterly of Merritt Island via Banana Creek and River, to or near Eau Gallie, Fla.

Side channels, or spur channels, leading from the Intracoastal Waterway from Jacksonville to Miami, Fla., to and turning basins or harbors at the various communities on or near the banks of said waterway, having particular reference to providing such improvements to and at Titusville, Flagler Beach, New Smyrna, Fort Pierce, and to the Lighthouse Service Depot at Taylor Creek, adjacent to Fort Pierce Harbor.

St. Augustine Harbor and vicinity, Florida.

Kissimmee River, Fla.

Jupiter Inlet, Fla.

Oklawaha River, Fla., from Lake Apopka through Lake Dora to Lake Eustis and adjoining waterways.

Oklawaha River, Fla., from Lake Eustis to Lake Griffin, and thence from Lake Griffin to Silver Springs Run.

Oklawaha River and its tributaries, Florida, with a view to improvement in the interest of navigation, flood control, and related purposes.

For a system of interlocking open-river and canalized channels having a depth of 12 feet, and of suitable width, to be constructed through rivers and lakes, and by land cuts, as follows: From Palatka, Fla., to the Indian River at Sebastian, Melbourne, Eau Gallie, Cocoa, or such other locality as may be found most suitable; from Titusville westerly to the St. Johns River, thence to Lake Tohopekaliga; from Lake Tohopekaliga to Leesburg, on Lake Harris; from Lake Harris to the St. Johns River near Dexter Lake or alternately from Lake Harris to the Wekiwa River, thence to the St. Johns River; and from Lake Tohopekaliga via the Kissimmee River and Lake Okeechobee to a connection with the Okeechobee Cross-Florida Channel; all with a view to improvement in the interest of navigation, flood control, and water conservation.

Orange Lake Basin, Fla.

Wacasassa River and its tributaries, Florida, with a view to improvement in the interest of navigation, flood control, and related purposes.

Channel and harbor at Everglades, Collier County, Fla.

Bakers Haulover Inlet, Fla.

Waterway from packing house and railroad terminal at Belle Glade, Fla., to Lake Okeechobee and to the Intracoastal Waterway through the Hillsboro and West Palm Beach Canals.

Peace River, Fla.

Channel to Pahokee, on Lake Okeechobee, Fla.

Lake Okeechobee and its tributary streams, Florida, with a view to removing the water-hyacinth.

Fisheating Creek, Fla.

Channel from bridge at Bradenton, Fla., to deep water in Gulf of Mexico (Tampa Bay).

Channel from Tampa Bay to Safety Harbor, Fla.

Channel from Old Tampa Bay to Oldsmar, Fla.

Channel leading from Tampa Bay Channel directly north to the vicinity of Maximo Point near St. Petersburg, Fla.

Channel leading from Tampa Bay Channel directly north to the vicinity of Mullet Key and with a view to providing a protected harbor and turning basin.

St. Petersburg Harbor, Fla., to provide for a channel up to the depth of 30 feet from the main Tampa Bay ship channel past the port of St. Petersburg in front of the recreation pier.

Hillsboro Inlet, Fla., in the vicinity of Pompano.

Channels through Big Pass and Little Pass, from Clearwater Bay, Fla., to deep water in the Gulf of Mexico.

Sarasota Bay, Fla.: Channel from Caseys Pass (Venice Inlet), through Dona Bay to the bridge on the United States Highway No. 41, including a turning basin at the eastern terminus of the channel.

Hudson River, Fla.

Suwannee River, Ga. and Fla., with a view to improvement in the interest of navigation and flood control.

Channel from the deep water in St. Joseph Sound to, and turning basin at, Ozona, Fla.

Chassahowitska River, Fla.

Crystal River, Fla.

Channel, turning basin, and improvements at Horseshoe. Dixie County, Fla.

Sante Fe River, from bridge on Federal Highway No. 41, near High Springs, to the Suwannee River, and from this bridge upstream to Camp Blanding, Kingsley Lake, Fla.

Waterways from Camp Blanding, Kingsley Lake, Fla., via Black Creek to St. Johns River, and (or) via Black Creek and Doctors Inlet to St. Johns River.

Canal from St. Marks to Tallahassee, Fla.

Chipola River, Ala. and Fla., with a view to its improvement in the interest of navigation, flood control, power, and other related purposes.

Waterway from the Intracoastal Waterway south across Santa Rosa Island, Fla., to a point at or near Deer Point Light.

La Grange Bayou, Fla.

St. Josephs Bay, Fla.

Aucilla River, Fla.

East Pass from the Gulf of Mexico into Choctawhatchee Bay, Fla.

Bayou Texar, Fla.

Pensacola Harbor, Fla.

Entrance to Perdido Bay, Ala. and Fla., from the Gulf of Mexico to deep water in Perdido Bay, via the most practicable route.

Columbus, Ga., to Pensacola, Fla.; waterway via Chattahoochee, Conecuh, and Escambia Rivers.

Waterway from the Escambia River to the Alabama River, Fla. and Ala.

Tombigbee River, Ala. and Miss., and canal connecting the Tombigbee and Tennessee Rivers.

Tennessee, Tombigbee, and Mobile Rivers, with a view to securing a through waterway of 12 feet depth and suitable width between the Ohio River and the Gulf of Mexico.

Fly Creek, Fairhope, Ala.

Channel 40 feet deep, to serve as a deep-water outlet to the Gulf of Mexico from the harbors of Mobile, Ala., and Pascogoula, Biloxi, and Gulfport, Miss.

Pearl River, in the interest of flood control in Pearl River, Marion and Lawrence Counties. Miss.

Pearl River, in the interest of flood control in Hinds County, Miss.

Grand Bayou Pass, La., from the Gulf of Mexico to Buras and Empire.

Bayou Schofield, La., from the Gulf of Mexico to Buras and Empire.

Ship canal to extend from the Mississippi River at a point at or near the city of New Orleans, La., to the Gulf of Mexico, by way of the best available route or routes.

Barge channel in vicinity of Baton Rouge, La., extending from the Mississippi River through Devils Swamp or along its eastern edge.

Grand Bayou, connecting Bayou Boeuf and Bayou Chevreuil, La.

Barataria Bay and connecting channels, Louisiana, to provide a continuous waterway from the Gulf of Mexico to the Intracoastal Waterway.

Bayou Boeuf, La Fourche Parish, La.

Lake Pontchartrain, La., with a view to the construction of a seaplane base in the vicinity of New Orleans and with a view to the protection of the shore line and repairs to the existing protective works on Lake Pontchartrain at Mandeville, La.

For flood control, irrigation, navigation, and drainage, and for the prevention of stream pollution and salt water intrusion, on all streams and bayous in southwest Louisiana, west of the West Atchafalaya Basin protection levee, and south of the latitude of Boyce; on all streams and bayous in Louisiana lying between the East Atchafalaya Basin protection levee and the Mississippi River; and on Amite and Tangipahoa Rivers and tributaries, Louisiana.

Mermentau River, La., from Grand Chenier to the Gulf.

Bell City Drainage Canal, La.

Bayou La Fourche, La., from the Gulf of Mexico to Leeville or to Golden Meadow.

Bayou La Fourche, La., from Donaldsonville to the Intraccastal Waterway, via Bayou Boeuf, Assumption Parish, or other streams, in the interest of navigation, flood control, beneficial uses of water, malarial control, prevention of stream pollution, and of the location of locks at the head of said bayou at or near Donaldsonville, La.

North Prong, Schooner Bayou, Vermilion Parish, La.

Gulf Intracoastal Waterway and connecting streams, lakes, and bays in Louisiana between Bayou Sale Ridge and the Calcasieu River in the interest of navigation, flood control, irrigation and drainage, and for the prevention of stream pollution and salt water intrusion.

The shore of Galveston Bay, Tex., with a view to preventing its erosion.

Galveston Bay and contiguous waters, Texas, with a view to providing a seaplane channel.

Pine Island Bayou, Tex.

Cedar Bayou Pass, Corpus Christi Pass, and Pass at Murdocks Landing, Tex.

Little Bay, Tex.

Sabine River and tributaries, Texas, in the interest of navigation, flood control, and other water uses.

Neches River and tributaries, Texas, in the interest of navigation, flood control, and other water uses.

Big Sandy Creek, Tex.

Cypress Creek, Tex.

Sabine-Neches Waterway, Tex., with a view to further improvements in the interest of navigation and the prevention of damage by floods.

Dickinson Bayou, Tex.

Jones Creek, Tex., with a view to improvement in the interest of navigation and flood control.

Waterway from the Neches River, by way of Pine Island Bayou and extension, to Trinity River, Tex.

Double Bayou, Tex.

Colorado River, Tex.

Waterway from Alvin, Tex., to the Intracoastal Waterway.

Ouachita River, with a view to the construction of a dam at or near Rockport, Ark., in the interest of navigation, flood control, and the development of hydroelectric power.

Loosahatchie River, Tenn., from its mouth to the O. K. Robertson Road and including the area west of the Illinois Central Railroad and north of Wolf River, with a view to extending the navigation facilities of Memphis Harbor.

Mississippi River: Davenport (Iowa) harbor of refuge.

Mississippi River at Cassville, Wis.

Mississippi River at Prairie du Chien, Wis.

Mississippi River at Alma, Wis.

Mississippi River at Maiden Rock, Wis.

Illinois and Mississippi Canal, Ill.

St. Croix River Basin, Minn. and Wis., including consideration of the construction of dam below the mouth of Kettle River.

Minnesota River, Minn., up to a point 10 miles above New Ulm, with a view to improvement in the interest of navigation and related purposes.

Red River of the North Drainage Basin, Minn., S. Dak., and N. Dak.

Missouri River in South Dakota and North Dakota.

Missouri River in Nebraska.

Allegheny River, up to Olean, N. Y.

Tofte Harbor, Minn.

Grand Portage Harbor, Minn.

Lake Kabetogama, Minn.

Waterway connecting Lake Superior and Lake Michigan, from Au Train Lake to Little Bay de Noc, Mich.

Harbor at mouth of Au Train River, Mich.

Shelldrake Harbor, Mich.

St. Marys River at Sault Ste. Marie, Mich., with a view to providing facilities for light-draft navigation.

Harbor at St. Ignace, Mich.

Kenosha Harbor, Wis.

Mackinac Harbor, Mich.

Galien River, Berrien County, Mich.

Pine River, Mich.

Pinconning River, Mich.

Clinton River, Mich.

Waterway from Lake Erie, at or near Toledo, Ohio, to the southerly end of Lake Michigan by way of the Maumee River and the city of Fort Wayne, Ind., or other practicable route.

St. Marys River, Ohio and Ind.

Maumee River, Ind. and Ohio.

The coast of Lake Erie, with a view to the establishment of harbors of refuge for light-draft vessels for commercial and/or recreational purposes.

Harbor at Ballast Island, Ohio.

Vermilion Harbor, Ohio, with a view to improvement in the interest of navigation and related purposes.

Rocky River, Ohio.

The south shores of Lake Erie and of Lake Huron with a view to the establishment of harbors and harbors of refuge for light draft commercial and fishing vessels and for recreational craft.

At or near Northeast, Pa., with a view to constructing a harbor of refuge.

Harbor at Hamburg Township, N. Y.

Little River (branch of Niagara River), at Cayuga Island, Niagara Falls, N. Y.

Port Bay, N. Y.

Oswego Harbor, N. Y.

Chaumont River, N. Y.

At and in the vicinity of Henderson, N. Y., with a view to constructing a harbor.

At and in the vicinity of Sackets Harbor, N. Y., with a view to providing additional harbor facilities.

Point Dume, Calif.

Santa Monica Harbor, Calif.

The coast of southern California, with a view to the establishment of harbors for light-draft vessels.

Pillar Point, Half Moon Bay, San Mateo County, Calif.

Monterey Bay, Calif.

Carquinez Strait and Alhambra Creek, Calif., with a view to providing harbor im-

provements at, and in the vicinity of, Martinez.

Noyo River, Calif.

Napa River, Calif.

Humboldt Bay, Calif.

Bays, inlets, and rivers along the coast of Oregon with a view to providing an adequate number of deep-draft harbors.

Nelscott, Oreg., with a view to protection of the beach.

Harbor at Empire, Oreg.

Alsea Bay, Oreg., with a view to the construction of a harbor of refuge.

Coos Bay, Oreg.

Channel at Charleston, South Slough, Oreg.

Tillamook Bay and Bar, Oreg.

Nehalem Bay and River.

Columbia Slough.

Astoria, Oreg., with a view to the construction of a mooring basin for fishing boats within the harbor.

Willapa Harbor, Wash., with a view to providing a channel to, and turning basin at, Tokeland Dock; also with a view to providing a mooring basin and breakwater at and near Nahcotta Dock, Nahcotta.

Grays Harbor, Wash., with a view to constructing a channel into Bay City.

Grays Harbor, Wash., with a view to providing a breakwater and other improvements at and near Westport.

Grays Harbor, Wash., with a view of providing a deep-sea fishing base at Hoquiam.

Friday Harbor, Wash.

Sitka Harbor, Alaska.

Cordova Harbor, Alaska.

Kodiak Harbor, Alaska.

Neva Strait and Olga Strait, Alaska.

Upper Kvichak River, Alaska.

Skagway Harbor, Alaska.

Valdez Harbor, Alaska, with a view to its improvement, and particularly with respect to the expansion of facilities for harborage of small boats.

Cook Inlet, Alaska, with a view to improvement for navigation, providing harbor facilities for the city of Anchorage, and the development of hydroelectric power.

Anchorage Harbor, Alaska, with a view to its improvement, and with the view of determining the advisability of providing additional harbor facilities for small boats.

Kalaupapa Landing, Island of Molokai, T. H.

Kalepolepa Boat Harbor, Island of Maui, T. H.

Humacao Playa, Punta Santiago, P. R.

Arecibo Harbor, P. R., with a view to determining whether modifications in the authorized project would be desirable.

Christiansted Harbor, St. Croix, V. I., with a view to improvement for navigation.

SEC. 8. The Secretary of War is hereby authorized and directed to ascertain as nearly as can be estimated the amounts of damages resulting to manufacturers on the Oswego River, by the improvement of the Oswego and Erie Canals by the State of New York in accordance with the project adopted by the River and Harbor Act, approved August 30, 1935.

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. HILL, from the Committee on Expenditures in the Executive Departments:

H. R. 4547. A bill to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business; without amendment (Rept. No. 1377).

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

H. R. 5566. A bill to amend section 502 (a) of the Department of Agriculture Organic Act of 1944; without amendment.

COMPROMISE, ADJUSTMENT, OR CANCELATION OF INDEBTEDNESS BY SECRETARY OF AGRICULTURE

The PRESIDING OFFICER (Mr. LUCAS in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1688) to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes, which was, on page 6, to strike out all of section 5.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate concur in the House amendment.

Mr. WHITE. Mr. President, will the Senator be good enough to explain the bill?

Mr. THOMAS of Oklahoma. The bill is Senate bill 1688. It authorizes the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness on account of farm-security loans of various kinds, and the section stricken out was section 5 on page 6. Section 5 provided that the Secretary of Agriculture should make a report to the Congress and the House struck out the requirement.

Mr. WHITE. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. THOMAS].

The motion was agreed to.

CROP INSURANCE

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1317, House bill 4911, to amend the Federal Crop Insurance Act.

The PRESIDING OFFICER. The bill will be stated by its title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4911) to amend the Federal Crop Insurance Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAYBANK submitted an amendment intended to be proposed by him to the bill (H. R. 4911) to amend the Federal Crop Insurance Act, which was ordered to lie on the table and to be printed.

FEDERAL AID FOR POST-WAR HIGHWAY CONSTRUCTION — CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That, when used in this Act, unless the context indicates otherwise—

"The term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of a highway, including locating, surveying, and mapping, costs of rights-of-way, and elimination of hazards of railway-grade crossings.

"The term 'urban area' means an area including and adjacent to a municipality or other urban place, of five thousand or more, the population of such included municipality or other urban place to be determined by the latest available Federal census. The boundaries of urban areas, as defined herein, will be fixed by the State highway department of each State subject to the approval of the Public Roads Administration.

"The term 'rural areas' means all areas of the State not included in 'urban areas'.

"The term 'secondary and feeder roads' means roads in rural areas, including farm-to-market roads, rural-mail routes, and school-bus routes, and not on the Federal-aid system.

"SEC. 2. For the purpose of carrying out the provisions of the Federal Highway Act, approved November 9, 1921, as amended and supplemented, there is hereby authorized to be appropriated the sum of $1,500,000,000 to become available at the rate of $500,000,000 a year for each of three successive post-war fiscal years: *Provided*, That of the sums authorized to be appropriated for the first of such fiscal years $100,000,000 may be appropriated in accordance with the provisions of this Act to become available immediately upon apportionment of the authorization for said fiscal year for the making of surveys and plans and for construction: *Provided further*, That except for the sum appropriated pursuant to the preceding proviso, no part of the funds made available pursuant to this Act shall be used to pay costs incurred under any construction contract entered into by any State before the beginning of the first post-war fiscal year. The first post-war fiscal year shall be that fiscal year which ends on June 30th following the date proclaimed by the President as the termination of the existing war emergency, or following the date specified in a concurrent resolution of the two Houses of Congress as the date of such termination, or following the date on which the Congress by a concurrent resolution of the two Houses finds as a fact that the war emergency hereinbefore referred to has been relieved to an extent that will justify proceeding with the highway construction program provided for by this Act, whichever date is the earliest. The authorization for the first post-war fiscal year shall be apportioned among the States within thirty days from the passage of this Act. The authorization for the second post-war fiscal year shall be apportioned among the States within twelve months after the date of such termination or finding as above specified, and the authorization for the third post-war fiscal year shall be apportioned among the States wtihin twelve months after the apportionment of the authorization for the second

post-war fiscal year. As soon as the funds for each of the post-war fiscal years have been apportioned, the Commissioner of Public Roads is authorized to enter into agreements with the State highway departments for the making of surveys and plans, the acquisition of rights-of-way, and the post-war construction of projects. His approval of any such agreement shall be a contractual obligation of the Federal Government for the payment of its pro rata share of the cost of construction: *Provided, however,* That the Commissioner of Public Roads shall not, as a condition of approval of any project for Federal aid hereunder, require any State to acquire title to, or control of, any marginal land along the proposed highway in addition to that reasonably necessary for road surfaces, median strips, gutters, ditches, and side slopes and sufficient width to provide service roads for adjacent property to permit safe access at controlled locations in order to expedite traffic, promote safety, and minimize roadside parking.

"SEC. 3. The sum authorized in section 2 for each year shall be available for expenditures as follows:

"(a) $225,000,000 for projects on the Federal-aid highway system.

"(b) $150,000,000 for projects on the principal secondary and feeder roads, including farm-to-market roads, rural free delivery mail and public-school bus routes, either outside of municipalities or inside of municipalities of less than five thousand population: *Provided,* That these funds shall be expended on a system of such roads selected by the State highway departments in cooperation with the county supervisors, county commissioners, or other appropriate local road officials and the Commissioner of Public Roads: *Provided further,* That in any State having a population density of more than two hundred per square mile, as shown by the latest available Federal census, the said system may be selected by the State highway department with the approval of the Commissioner of Public Roads without regard to included municipal boundaries: *Provided further,* That any of such funds for secondary and feeder roads which are apportioned to a State in which all public roads and highways are under the control and supervision of the State highway department may, if the State highway department and the Commissioner of Public Roads jointly agree that such funds are not needed for secondary and feeder roads, be expended for projects in such State on the Federal-aid highway system.

"(c) $125,000,000 for projects on the Federal-aid highway system in urban areas.

"SEC. 4. After making the deductions for administration, research, and investigations as provided in section 21 of the Federal Highway Act of 1921, the sums authorized shall be apportioned as follows:

"(a) The $225,000,000 per year available for projects on the Federal-aid highway system shall be apportioned among the States as provided in section 21 of the Federal Highway Act.

"(b) The $150,000,000 per year available for projects on the secondary and feeder roads shall be apportioned among the States in the following manner: One-third in the ratio which the area of each State bears to the total area of all the States; one-third in the ratio which the rural population of each State bears to the total rural population of all the States, as shown by the Federal census of 1940; and one-third in the ratio which the mileage of rural delivery and star routes in each State bears to the total mileage of rural delivery and star routes in all the States: *Provided,* That no State shall receive less than one-half of one per centum of each year's allotment under subsection (a) and this subsection.

"(c) The $125,000,000 per year available for projects on highways in urban areas shall be apportioned among the States in the ratio which the population in municipalities and other urban places, of five thousand or more, in each State bears to the total population in municipalities and other urban places, of five thousand or more, in all the States as shown by the latest available Federal census: *Provided,* That Connecticut and Vermont towns shall be considered municipalities regardless of their incorporated status.

"(d) Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for one year after the close of the fiscal year for which such sums are authorized, and any amount so apportioned remaining unexpended at the end of such period shall lapse: *Provided,* That such funds shall be deemed to have been expended if covered by formal agreement with the Commissioner of Public Roads for the improvement of a specific project as provided by this Act.

"SEC. 5. (a) The Federal share payable on account of any project provided for by the funds made available under the foregoing provisions of this Act shall not exceed 50 per centum of the construction cost thereof other than costs of rights-of-way and as to costs of rights-of-way shall not exceed one-third of such costs: *Provided,* That in the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 per centum of the total area of all lands therein the Federal share shall be increased in each of the three post-war years by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of its total area: *Provided further,* That the entire construction cost of projects for the elimination of hazards of railway-highway crossings, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade crossing structures, and the relocation of highways to eliminate grade crossings, may be paid from Federal funds, except that not more than 50 per centum of the right-of-way and property damage costs, paid from public funds, on any such project, may be paid from Federal funds: *Provided further,* That not more than 10 per centum of the sums apportioned to any State under the terms of this Act for each of such post-war fiscal years shall be used for such railway-highway projects, to be expended in accordance with the Federal Highway Act, as amended and supplemented, and the provisions of this section.

"(b) Any railway involved in any project for the elimination of hazards of railway-highway crossings paid for in whole or in part from funds made available under this Act, shall be liable to the United States for a sum bearing the same ratio to the net benefit received by such railway from such project that the Federal funds expended on such project bear to the total cost of such project. For the purposes of this subsection, the net benefit received by a railway from any such project shall be deemed to be the amount by which the reasonable value of the total benefits received by it from such project exceeds the amount paid by it (including the reasonable value of any property rights contributed by it) toward the cost of such project; and in no case shall the total benefits to any railway or railways be deemed to have a reasonable value in excess of 10 per centum of the cost of any such project. The liability of any railway to the United States with respect to any such project may be discharged by paying to the United States, within six months after the completion of such project, such amount as the Commissioner of Public Roads determines to be the amount of such liability. Any such determination of the Commissioner shall be made on the basis of recommendations made to him by the State highway department and on the basis of such other information and investigation, if any, as the Commissioner deems necessary or proper. If any such railway has failed so to discharge its liability to the United States with respect to any project within six months after the completion thereof, the Commissioner of Public Roads shall request the Attorney General to institute proceedings against such railroad for the recovery of the amount for which it is liable under this subsection. The Attorney General is authorized to bring such proceedings on behalf of the United States in the appropriate district court of the United States, and the United States shall be entitled in such proceedings to recover such sums as it is considered and adjudged by the court that such railway is liable for in the premises. Any amounts paid to or recovered by the United States under this subsection shall be covered into the Treasury as miscellaneous receipts.

"SEC. 6. If the Commissioner of Public Roads shall determine that it is necessary for the expeditious completion of projects undertaken pursuant to this Act, he may advance to any State from funds heretofore or hereafter made available the Federal share of the cost thereof to enable the State highway department to make prompt payments for work as it progresses: *Provided,* That such State, after June 30, 1945, does not divert to other than highway uses road user revenues in violation of section 12 of the Highway Act of June 18, 1934. The funds so advanced shall be deposited in a special trust account by the State treasurer, or other State official authorized under the laws of the State to receive Federal-aid highway funds, to be disbursed solely upon vouchers approved by the State highway department for work actually performed in accordance with plans, specifications, and estimates approved by the Public Roads Administration under the provisions of this Act. Any unexpended balances of funds so advanced shall be returned to the credit of the appropriation from which the funds have been advanced: *Provided,* That any advance made to any State under the provisions of this section and not repaid shall be deducted from any apportionment allocated to such State under the provisions of this Act for the year next succeeding the year in which such advance is made, and no agreement made in accordance with the provisions of section 2 of this Act shall be valid for any pro rata share of the cost of construction in excess of such apportionment less such advance.

"SEC. 7. There shall be designated within the continental United States a National System of Interstate Highways not exceeding forty thousand miles in total extent so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico. The routes of the National System of Interstate Highways shall be selected by joint action of the State highway departments of each State and the adjoining States, as provided by the Federal Highway Act of November 9, 1921, for the selection of the Federal-aid system. All highways or routes included in the National System of Interstate Highways as finally approved, if not already included in the Federal-aid highway system, shall be added to said system without regard to any mileage limitation.

"SEC. 8. With the approval of the Federal Works Administrator, not to exceed 1½ per centum of the amount apportioned for any year to any State under the Federal Highway Act, as amended and supplemented, except sections 3 and 23 thereof, shall hereafter be used with or without State funds for surveys, plans, engineering, and economic investigations of projects for future construction in such State, on the Federal-aid highway system and extensions thereof within

municipalities, on secondary or feeder roads, urban highways or grade-crossing eliminations, and for highway research necessary in connection therewith.

"SEC. 9. For the purpose of carrying out the provisions of section 23 of the Federal Highway Act (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of $25,000,000 for the first post-war fiscal year and a like amount for each of the second and third post-war fiscal years; and (2) for forest development roads and trails the sum of $12,500,000 for the first post-war fiscal year and a like amount for each of the second and third post-war fiscal years: *Provided*, That the apportionment for forest highways in Alaska shall be for each year $1,500,000 and that such additional amount as otherwise would have been apportioned to Alaska for each of said years shall be apportioned among those States, including Puerto Rico, whose forest highway apportionment for such year otherwise would be less than 1 per centum of the entire apportionment for forest highways for that year.

"SEC. 10. (a) For the construction, reconstruction, improvement, and maintenance of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the Act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of $12,750,000, to become available at the rate of $4,250,000 a year for each of the three successive post-war fiscal years.

"(b) For the construction and maintenance of parkways, to give access to national parks and national monuments, or to become connecting sections of a national parkway plan, over lands to which title has been transferred to the United States by the States or by private individuals, there is hereby authorized to be appropriated the sum of $30,000,000, to become available at the rate of $10,000,000 a year for each of the three successive post-war fiscal years.

"(c) For the construction, improvement, and maintenance of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the Act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of $6,000,000 for the first post-war fiscal year and a like amount for each of the second and third post-war fiscal years: *Provided*, That the location, type, and design of all roads and bridges constructed shall be approved by the Public Roads Administration before any expenditures are made thereon, and all such construction shall be under the general supervision of the Public Roads Administration.

"SEC. 11. Federal highway funds shall not be used for the reconstruction or relocation of any highway giving access to an airport (if such airport has been constructed or extended after the date of enactment of this Act), or for the reconstruction or relocation of any highway which has been or may be closed or the usefulness of which has been or may be impaired by the location or construction of any airport (if such airport has been constructed or extended after the date of enactment of this Act), unless, prior to such extension or construction, as the case may be, the State highway department and the Public Roads Administration have concurred with the officials in charge of the airport that the location of such airport or extension thereof and the consequent reconstruction or relocation of the highway are in the public interest.

"SEC. 12. On any highway or street hereafter constructed with Federal aid in any State, the location, form, and character of informational, regulatory, and warning signs, curb and pavement or other markings, and traffic signals installed or placed by any public authority, or other agency, shall be subject to the approval of the State highway department with the concurrence of the Public Roads Administration; and the Commissioner of Public Roads is hereby directed to concur only in such installations as will promote the safe and efficient utilization of the highways.

"SEC. 13. If any section, subsection, or other provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

"SEC. 14. This Act may be cited as the 'Federal-Aid Highway Act of 1944'."

And the House agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
JOSIAH W. BAILEY,
CLYDE M. REED,
WILLIAM LANGER,
Managers on the part of the Senate.

J. W. ROBINSON,
WILL M. WHITTINGTON,
JENNINGS RANDOLPH,
JESSE P. WOLCOTT,
JAMES W. MOTT,
HUGH PETERSON,
PAUL CUNNINGHAM,
Managers on the part of the House.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. McKELLAR. Mr. President, I believe all Senators know what was done in the road bill, but I shall refer very briefly to the principal changes made by the conferees.

As Senators will recall, the Senate appropriated $1,350,000,000 for roads. That amount has been increased to $1,500,000,000, or an increase of $150,000,000.

The next important change is in the appropriation of $150,000,000 for principal, secondary, and feeder roads, including farm-to-market roads.

The next important change is an appropriation of $150,000,000 made available—through an increase in each case—for feeder roads to be apportioned among the States in the manner set forth in the conference report.

The next appropriation is for $125,000,000 instead of $100,000,000, to be available for projects on highways in urban areas.

The next amendment of importance is for the purpose of carrying out section 23 of the Federal Highway Act as amended. There is authorized to be appropriated for forest highways the sum of $25,000,000. There is a proviso that the apportionment for forest highways in Alaska shall be $1,500,000 for each year.

The next change involves the construction, reconstruction, improvement, and maintenance of roads and trails, including necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks. The amount for that purpose was fixed at $12,750,000, or at the rate of $4,250,000 a year.

Another addition is $30,000,000 for the construction and maintenance of parkways, giving access to national parks and national monuments. That was agreed to.

The next provision is for the construction, improvement, and maintenance of Indian reservation roads, $6,000,000, or $2,000,000 a year.

Those are the principal changes made in the bill. This is the best road bill Congress has ever passed, and I think I have been familiar with them all from the beginning. It appropriates more money, it makes a fair and proper adjustment of the entire road situation.

Mr. REED. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. REED. I am one of the conferees, and support the report, but did I miss the Senator's explanation of the change regarding the participation by the Federal Government in the purchase of rights-of-way?

Mr. McKELLAR. The Senator did, and I overlooked it. The House wanted the Senate to agree to equal participation on the part of the Federal Government in the purchase of rights-of-way. In conference, a compromise provision was adopted by which one-third of the appropriation should be used for the purchase of rights-of-way. I thank the Senator for calling my attention to the omission.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WEEKS. Would the provision as to the purchase of rights-of-way apply to urban areas?

Mr. McKELLAR. Oh, yes; it applies to all rights-of-way, wherever they may be.

Mr. WEEKS. And the one-third participation feature is standard in all three divisions?

Mr. McKELLAR. It is required that the States provide two-thirds in the purchase of rights-of-way, and that the Federal Government provide one-third.

Mr. REED. With the permission of the Senator from Tennessee, may I read the provision?

Mr. McKELLAR. Certainly.

Mr. REED. Section 5 reads:

> The Federal share payable on account of any project provided for by the funds made available under the foregoing provisions of this act shall not exceed 50 percent of the construction cost thereof other than costs of rights-of-way, and as to costs of rights-of-way shall not exceed one-third of such costs.

The Senator will find that at the bottom of page 3.

Mr. McKELLAR. The Senator is correct, and that is what was done. I think I have mentioned the principal provisions changed in the bill as it passed the Senate; indeed, practically all the changes have been covered.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CHAVEZ. On page 2 of the report, in defining the purposes of the Federal Highway Act, there is this language:

> There is hereby authorized to be appropriated the sum of $1,500,000,000 to become

available at the rate of $500,000,000 a year for each of 3 successive post-war fiscal years.

Mr. McKELLAR. Yes.

Mr. CHAVEZ. Later the bill defines what a post-war fiscal year is.

Mr. McKELLAR. Yes.

Mr. CHAVEZ. But there is a proviso:

That of the sums authorized to be appropriated for the first of such fiscal years—

Which means post-war years—

$100,000,000 may be appropriated in accordance with the provisions of this act to become available immediately upon apportionment of the authorization for said fiscal year for the making of surveys and plans and for construction.

Can the Senator advise the Senate at this moment if it is proposed that a fiscal year or a post-war year is to be defined by a proclamation of the President, or as provided by law? What does the bill mean by "construction"?

Mr. McKELLAR. From what is the Senator reading?

Mr. CHAVEZ. I am reading from page 2 of the report, about line 9.

Mr. McKELLAR. It reads:

The authorization for the first post-war fiscal year shall be apportioned among the States within 30 days from the passage of this act.

Mr. CHAVEZ. No; that is not what I was reading. I read from section 2, as follows:

For the purpose of carrying out the provisions of the Federal Highway Act, approved November 9, 1921, as amended and supplemented, there is hereby authorized to be appropriated the sum of $1,500,000,000——

Mr. McKELLAR. That is correct.

Mr. CHAVEZ. I continue reading:

to become available at the rate of $500,000,000 a year for each of 3 successive post-war fiscal years: *Provided*, That of the sums authorized to be appropriated for the first of such fiscal year $100,000,000 may be appropriated in accordance with the provisions of this act to become available immediately upon apportionment of the authorization for said fiscal year for the making of surveys and plans for construction.

What I should like to know is, what does "for construction" mean, since no construction is authorized?

Mr. HAYDEN. Perhaps I could help in making the explanation.

Mr. McKELLAR. I yield to the Senator.

Mr. HAYDEN. The idea was that this bill would become a law, say 10 days from now.

Mr. CHAVEZ. Yes.

Mr. HAYDEN. Thirty days thereafter the President would make the apportionment for the first post-war fiscal year. The bill provides that no appropriations normally could be made until the war is over, until the President proclaims it by proclamation, until Congress by concurrent resolution decides it, or if the Congress finds as a fact that the progress of the war is such that work can proceed.

Anticipating that the war with Japan will be a long one, this hundred million dollars is authorized, so that if an emergency arises between the end of the war and the time when the bill becomes operative, and manpower and materials are available, something could be done by sending up a Budget estimate for a certain sum of money.

Mr. CHAVEZ. Who is to determine that?

Mr. HAYDEN. The Bureau of Public Roads and the Bureau of the Budget send the estimate to Congress.

Mr. McKELLAR. The Bureau of Public Roads may send in a requisition to the Bureau of the Budget, and the Bureau of the Budget may send a requisition for either the whole or a part of the appropriation desired. That is the way it will be handled.

Mr. President, if there is no other question, I shall be glad to have the conference report voted on.

Mr. RUSSELL. Mr. President, I wish to obtain some information about the report.

Mr. McKELLAR. Certainly.

Mr. RUSSELL. I should like to have some Senator explain just what the conferees did with the provision inserted in the Senate having to do with the contributions of railroads to overhead or the construction of crossings which might benefit the railroads.

Mr. McKELLAR. We provided for that, and I shall read the provision as soon as I can find it.

Mr. HAYDEN. The Senator will find it in section 5 of the bill. There is the general provision which we have made with respect to the elimination of railroad grade crossings, but there is a further provision, subsection (b), on page 4, which meets the situation confronting the conferees.

We were told that if an attempt were made, as was proposed by the Senate, to impose any part of the cost of a right-of-way upon a railroad, and the railroad refused to pay it—that was the sole condition—no money could be expended at all on that crossing. To avoid that difficulty, the senior Senator from North Carolina [Mr. BAILEY] made the suggestion, which was finally adopted, and which will be found in subdivision (b) on page 4, the substance of which is that there shall be a finding by the Commissioner of Public Roads, after consultation with the State highway department, or using any other means he may determine, that the benefit to the railroad amounts to a certain percentage of the cost of the right-of-way, say 10 percent. Then he is authorized to assess that benefit against the railroad.

In the meantime, the construction proceeds, the construction is not stopped because the railroad company has not put up its money; but if the railroad company does not make its contribution within 6 months after the assessment is made, then the Commissioner of Public Roads certifies the matter to the Department of Justice, and a suit is to be instituted in the appropriate district court to require the railroad to pay. Then, of course, the court will pass on the question whether the Commissioner of Public Roads was correct in his judgment. The court will fix the amount ultimately. So the railroads may have their day in court; but the bill does provide the means whereby a railroad company can be compelled to make some contribution toward the construction of a railroad grade crossing without tying up the entire project.

Mr. McKELLAR. Mr. President, this, in a sense little, provision, I think, caused more discussion among members of the conference committee than almost any other provision. It finally seemed as if we had reached an impasse, when the distinguished Senator from North Carolina [Mr. BAILEY] prepared this particular amendment. It was accepted by the House and Senate conferees, and I believe is an admirable arrangement, and I believe it will be carried out.

Senators will see that the only amount the railroads will have to pay is 10 percent or less, and I believe the railroads will gladly pay that, because it is inconceivable that the change in a crossing would be of less value to any railroad than 10 percent. I hope the Senator will feel as the members of the conference committee felt and will think that the provision is proper and should become law.

Mr. RUSSELL. I was very much interested in this amendment originally.

Mr. McKELLAR. I know the Senator was.

Mr. RUSSELL. I worked somewhat with those who sponsored it here, and appeared before the committee originally.

I think the arrangement of the conferees is far superior to the arrangement in the original amendment, with one very glaring exception, and that is the matter of limiting it to 10 percent. It does not matter what benefits accrue to the railroad, whether they are 50 or 60 percent of the cost of the grade crossing; under this arrangement, in no case can a railroad be assessed more than 10 percent of the cost of the project. The method of arriving at the values and the benefits to the railroads in this provision is far superior to the arbitrary rule of thumb of 15 percent which was contained in the original amendment; but it seems to me to be a mistake to set 10 percent as a maximum, because one railroad might benefit simply 5 percent in the case of one crossing, and in that case the railroad would not have to contribute more than 5 percent of the cost of the crossing, but in another case the railroad might benefit 50 percent, but in no event could the railroad be assessed higher than 10 percent of the cost of the crossing.

Mr. President, I did not understand that the 10-percent provision was in the report. I had heard of the formula which had finally been arrived at by the conferees, and I believed it to be an excellent formula, because it would permit the railroads to pay for whatever benefit accrued to them, but, with the 10-percent provision in the report, it seems to me that in many cases the general public will be taxed to pay for benefits accruing to the railroads, which would be far in excess of 10 percent of the cost of the project.

Mr. McKELLAR. Mr. President, the Senator from Georgia has served on so many conferences that he must know that in a conference one cannot always obtain what one wants. There was very great opposition to this entire amend-

ment, so great was the opposition in fact that negotiations were broken off. The House conferees simply said they would not agree to any amendment. It was after that that the Senator from North Carolina came forward with the present amendment. In the interest of obtaining legislation, in the interest of doing what the Senator from Georgia took such an active part in obtaining, we thought that it was better to take that than to have an impasse on the bill and not have any bill at all at the present session of Congress.

Furthermore, wherever the elimination of a crossing is worth a great deal to the railroad company it is also worth a great deal to the general public, and I am inclined to think that 10 percent is not far from the mark. As I remember the Senator's amendment, which was adopted by the Senate, it contained a provision of 15 percent, did it not?

Mr. HAYDEN. That is correct.

Mr. McKELLAR. It struck me that rather than not obtain anything—and we were confronted with that situation, for the House conferees walked out on us—we should agree as we did.

Mr. RUSSELL. Mr. President, I have served on conferences with the Senator from Tennessee and with the Senator from Arizona, and I know how tenaciously they espouse the position of the Senate.

Mr. McKELLAR. We used the name of the Senator from Georgia dozens of times in the discussion.

Mr. RUSSELL. I was not being critical of the Senate conferees.

Mr. McKELLAR. I am sure of that.

Mr. RUSSELL. I was merely expressing my own personal disappointment that there was not a broader provision which would enable the Government to recapture the actual benefits which accrue to the railroads by virtue of this provision.

Mr. McKELLAR. I, too, would rather have had 15 percent, but it was impossible to obtain it from the House conferees, and we did the best we could.

Mr. HAYDEN. Would the Senator from Georgia at least concede that it is highly important to establish the principle which has been established in this bill?

Mr. RUSSELL. I heartily agree with that statement, and I think I have so stated. I think this method is fair and just. It is better than the original method which permitted an assessment of 15 percent in every case against the railroads. It would do more justice in that respect than would the original Senate provision. But I had understood that the total benefits which accrued to the railroads could be recaptured by the Federal Treasury, and now it appears that the amount is limited to 10 percent.

Mr. HAYDEN. I may have been responsible for that; but what we were faced with was a flat declaration of 15 percent, no more, no less, or there would be no grade-crossing elimination. This permits the work to be done, as I have pointed out. So the difference between 10 and 15 percent is something that we can correct in future bills, because this is the first time such a provision as this has appeared in legislation. But we have established a correct method, as the Senator agrees, in assessing what the benefits are. That is important.

Mr. RUSSELL. I think the method provided is infinitely superior to anything we have had before, and I congratulate the conferees on working out this method.

I am not sure that I understand the provision for the use of Federal funds for the acquisition of rights-of-way. That was also the subject of considerable debate, and a couple of days were spent on it in the Senate.

Mr. HAYDEN. That is all covered in one place in the conference report. It is at the bottom of page 3, section 5.

SEC. 5. (a) The Federal share payable on account of any project provided for by the funds made available under the foregoing provisions of this act shall not exceed 50 percent of the construction cost thereof other than costs of rights-of-way, and as to costs of rights-of-way shall not exceed one-third of such costs:

That is to say, the State shall put up twice as much as the Federal Government.

Mr. RUSSELL. The Senate bill, as I recall, provided originally that none of the Federal funds could be used for the acquisition of rights-of-way.

Mr. HAYDEN. Yes.

Mr. McKELLAR. As it passed the Senate.

Mr. RUSSELL. And now the formula provides that the local sponsor of the project has to put up $2 for every Federal dollar.

Mr. McKELLAR. Yes.

Mr. RUSSELL. That is better than the House bill was.

Mr. McKELLAR. It is the result of a compromise again.

Mr. RUSSELL. I do not think it is quite as good as it could be.

Mr. McKELLAR. There was very vigorous opposition to it.

Mr. REED. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REED. The Senator from Georgia and myself had exchanges in the debate in the Senate on two points. One was whether the Federal Government should participate in the cost of the right-of-way. The second was the extent to which railroads should be required to participate in grade-crossing separations. We passed the bill without permitting the Federal Government to do anything in connection with rights-of-way. The House restored the provision without any limitation on the railroads, whereas we had written into the bill a figure of 15 percent. The House eliminated it. We were in a position, if we were to get a bill, of reaching an agreement with the House upon those two points, which perhaps caused more discussion than any other two points. I know that the Senator from Georgia and I have tangled many times on questions of this sort. Let me say to the Senator from Georgia that I think we emerged from the conference with the best bill it was possible for us to obtain and have any legislation.

Mr. RUSSELL. I congratulate the conferees on what they have achieved. I believe that they compromised considerably in connection with the 10 percent on railroad crossings, but I believe that the compromise is a very fair one, and I have no complaint to make against it.

However, I wish to make a prediction to those who have referred to this bill as a public works bill. I absolve the Senator from Arizona [Mr. HAYDEN] of ever having called it a public-works bill, but I predict that not 20 percent of the funds provided for municipalities will ever give anyone any employment without some provision of this kind, because the money will all be used for the acquisition of rights-of-way.

Mr. REED. Mr. President, I will make the Senator from Georgia two promises: In the first place, I have always held the view that separation of grade crossings was primarily for the safety of the public using the highways. We have never had any determination of the costs as between the railroads and any public agency, such as the State or county. This is the first time we have had an opportunity to determine the costs. If we find that a share greater than 10 percent belongs to the railroads—and I think we may so find—I will join the Senator from Georgia at any time in raising the percentage required from the participating railroads to whatever is found to be equitable.

In connection with the right-of-way matter, if we find from experience that in the urban centers money is being wasted in the purchase of rights-of-way, I will join the Senator from Georgia in amending the law at some time in the future.

Mr. RUSSELL. The statement of the Senator from Kansas is most gratifying.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). The question is on agreeing to the conference report on Senate bill 2105.

The report was agreed to.

FLOOD-CONTROL PROJECTS—CONFERENCE REPORT

Mr. OVERTON submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4485) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 27: That the Senate recede from its amendment numbered 27.

Amendment numbered 30: That the Senate recede from its amendment numbered 30.

Amendment numbered 36: That the Senate recede from its amendment numbered 36.

Amendment numbered 39: That the Senate recede from its amendment numbered 39.

Amendment numbered 44: That the Senate recede from its amendment numbered 44.

Amendments numbered 87 and 88: That the Senate recede from its amendments numbered 87 and 88.

Amendment numbered 91: That the Senate recede from its amendment numbered 91.

Amendments numbered 2, 3, 4, 5, 6, and 7: That the House recede from its disagreement

to the amendments of the Senate numbered 2, 3, 4, 5, 6, and 7 and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10 and agree to the same.

Amendments numbered 12, 13, 14, 15, 16, 17, and 18: That the House recede from its disagreement to the amendments of the Senate numbered 12, 13, 14, 15, 16, 17, and 18 and agree to the same.

Amendments numbered 20, 21, 22, 23, 24, and 25: That the House recede from its disagreement to the amendments of the Senate numbered 20, 21, 22, 23, 24, and 25 and agree to the same.

Amendments numbered 28 and 29: That the House recede from its disagreement to the amendments of the Senate numbered 28 and 29 and agree to the same.

Amendments numbered 31 and 32: That the House recede from its disagreement to the amendments of the Senate numbered 31 and 32 and agree to the same.

Amendments numbered 34 and 35: That the House recede from its disagreement to the amendments of the Senate numbered 34 and 35 and agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38 and agree to the same.

Amendments numbered 40, 41, 42, and 43: That the House recede from its disagreement to the amendments of the Senate numbered 40, 41, 42, and 43 and agree to the same.

Amendments numbered 45, 46, 47, 48, 49, 50, and 51: That the House recede from its disagreement to the amendments of the Senate numbered 45, 46, 47, 48, 49, 50, and 51 and agree to the same.

Amendments numbered 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, and 81: That the House recede from its disagreement to the amendments of the Senate numbered 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, and 81 and agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84 and agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90 and agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92 and agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In said Senate amendment, on page 1, strike out lines 3 through 11 and on page 2, strike out lines 1 through 4; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In said Senate amendment, on page 8, line 4, insert commas after the word "generally" and after the word "charge"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with amendments, as follows: In said Senate amendment, on page 8, line 24, after the period insert the following: "Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years"; on page 9, line 2, before the word "to" insert the following: "from funds to be appropriated by the Congress"; line 2, strike out the word "and" and insert in lieu thereof the word "or"; line 2, after the word "acquire" insert the words "by purchase or other agreement"; line 8, after the period insert the words "All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In said Senate amendment, line 13, after the word "uses" insert the word "for"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with amendments, as follows: In said Senate amendment, line 23, after the word "prosecuted" insert the words "on any project authorized in this Act to be constructed by the War Department"; page 14, line 11, strike out the word "herein" and after the word "authorized" insert the words "in this Act for construction by the War Department"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with amendments, as follows: In said Senate amendment, line 17, after the word "provided" insert the words "that the Secretary of War determines that"; line 18, after the word "and" insert the word "that"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In said Senate amendment, on page 21, strike out lines 10 through 25, and on page 22, strike out lines 1 and 2 and insert in lieu thereof the following: "Paragraph (d) of the Lower Mississippi River item in section 3 of the Flood Control Act of August 18, 1941, is hereby construed to authorize reimbursement for the actual market value of lands, rights-of-way, and easements, furnished subsequent to August 18, 1941, for set-backs of main-line Mississippi River levees, regardless of State laws limiting payments to local tax assessment valuations"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In said Senate amendment, change the colon on line 17 to a period and strike out the remainder of that line and all of lines 18 and 19.

Amendment numbered 40½: That the House recede from its disagreement to the amendment of the Senate numbered 40½, and agree to the same with an amendment, as follows: In said Senate amendment, on line 3, strike out the words "his report of" and on line 4, strike out the words "November 16, 1944", and insert the words "House Document Numbered 802, Seventy-eighth Congress, Second Session,"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with amendments, as follows: In said Senate amendment, line 9, strike out the words "No provision of this or any other Act" and insert the words "Neither this authorization nor any previous authorization"; line 11, change the period to a comma and insert the following "pending submission and adoption by Congress of the report authorized in the Flood Control Act of August 11, 1939."

And the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with amendments, as follows: In said Senate amendment, line 23, strike out the figures "$959,465,000" and insert in lieu thereof the figures $950,000,000; line 24 after the word "herein" insert the words "by the War Department"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows: In said Senate amendment, line 14, before the word "protection" insert the word "bank"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows: In said Senate amendment, line 17, delete the period after the word "government" and add the following: "until the legislature of the state in which the land lies shall have consented to the acquisition of lands by the United States for the purposes within the scope of this section: *Provided further*, That there shall be paid annually to the county in which any lands acquired under this section may lie, a sum equal to one per centum of the purchase price paid for the lands acquired in that county or, if not acquired by purchase, one per centum of their valuation at the time of their acquisition."

And the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows: In said Senate amendment, line 6, strike out the figures "$418,000" and insert in lieu thereof the figures "$434,000"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows: In said Senate amendment, on page 52, line 2, strike out the figures "$12,500,000" and insert in lieu thereof the figures "$21,700,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows: In said Senate amendment, line 10, strike out the figures "12" and insert in lieu thereof the figures "13"; and the Senate agree to the same.

JOSIAH W. BAILEY,
JOHN H. OVERTON,
THEO. G. BILBO,
HAROLD H. BURTON,
OWEN BREWSTER,
HATTIE W. CARAWAY,
BENNETT CHAMP CLARK,
HIRAM W. JOHNSON,
Managers on the part of the Senate.

WILL M. WHITTINGTON,
A. LEONARD ALLEN,
A. J. ELLIOTT,
CHARLES R. CLASON,
CARL T. CURTIS,
Managers on the part of the House.

Mr. AIKEN. Mr. President, may I ask if it is the intention to take up this conference report tonight?

Mr. OVERTON. It is.

Mr. AIKEN. I ask the Senator from Louisiana if he is willing to let this matter go over until tomorrow. The amendment in which I am interested is one which would provide for construction in my

valley in Vermont. I should like to have an opportunity to study it and let the Senate know what it is doing before it acts upon it.

Mr. OVERTON. Mr. President, let me say to the Senator from Vermont that we adopted exactly the amendment which the distinguished Senator from Vermont [Mr. AUSTIN] offered.

Mr. AIKEN. There were a few words added.

Mr. OVERTON. Nothing was added except a clarifying amendment.

Mr. AIKEN. I do not understand that it is a clarifying amendment.

Mr. OVERTON. Mr. President, I shall not be present tomorrow, and I shall insist upon proceeding with the consideration of the conference report tonight. I shall be unavoidably detained from the Senate tomorrow. We can take it up and thresh it out this evening. I should like to dispose of the conference report. It would be very inconvenient for me to be present tomorrow.

Mr. AIKEN. How does the Senator interpret that amendment?

Mr. OVERTON. Let me state exactly what the amendment is.

The amendment which was offered in the Senate and agreed to by the Senate is word for word what was agreed to in conference, except that the words "that the Secretary of War determines that" have been inserted, so as to make the amendment provide that the alternate plan will be carried into execution upon an agreement between the Board, the Secretary of War, and the Chief of Engineers, provided that the Secretary of War determines that the total costs of the alternate plan shall not exceed the sum of $11,000,000. As I understand, the objection of the Senator is that he does not want the Secretary of War to make that determination.

Mr. AIKEN. No; I should like to have the Senator's interpretation of what the amendment means. Will he let me say what I have been told it means?

Mr. OVERTON. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, this amendment, as adopted by the Senate, authorized, and I believe directed, the War Department to adopt the States' alternative plan of eight dams in place of one large dam, which was in the program for the West River Valley.

As I recall, it was further provided—I do not have the bill, the amendment, or the conference report before me—that the dams in the States' alternate plan should impound not less than 75 percent as much water as the one large dam which was originally proposed by the War Department, and that the costs should not exceed the sum of $11,000,000. The amendment reads:

Provided, That the Secretary of War determines that the total costs of the alternate plan shall not exceed the sum of $11,000,000.

I have been told by Mr. CLASON, one of the House conferees, that if the Secretary of War finds that the cost of the eight alternate dams exceeds the sum of $11,000,000, then he is authorized to go back to the original big dam, which would destroy this valley. It might easily happen that we would have inflation to a degree of 10 or 15 percent, so that the Secretary of War might find that the cost of the dams would exceed $11,000,000. Then if what I am told is correct, the amendment passed by the Senate would be meaningless; it would have no effect; and the big dam could be built, destroying the valley, which the Senate emphatically stated it did not wish to do, and which the New England Senators and Representative CLASON agreed should not be done.

Mr. OVERTON. Mr. President, it is all very simple. Everything the Senator says is contained in the amendment adopted by the Senate. That amendment provided that the alternate plan should go into effect, provided the work could be done at a cost not to exceed $11,000,000. Who is to make that determination? The House conferees, including a representative from one of the New England States, stated that someone must make the determination. So it was suggested that the Secretary of War make the determination. Certainly it could not be left in the air. The amendment which was suggested by both Senators from Vermont and the Senators from Massachusetts and Connecticut, declared emphatically that the alternate plan of reservoirs on the tributaries of the West River should go into effect and be executed if the cost were not in excess of $11,000,000. The only thing the conferees did was to say that the Secretary of War should make the determination. Someone must make the determination. That is the only difference.

Mr. AIKEN. Does the Senator understand that if the Secretary of War should determine that the cost would be $11,200,000, the State plan would be thrown into the discard, and the Secretary might revert to the original plan of one big dam in the valley?

Mr. OVERTON. That is correct. That could have been done anyway.

Mr. AIKEN. That is not my understanding of the intention of the Senate in adopting the amendment. I will confess that I did not see the amendment until perhaps 20 minutes before it was adopted. Perhaps I should have insisted on seeing it; but I had the idea that the cost of the alternate plan, as modified, should not exceed $11,000,000.

Mr. MALONEY. Mr. President, I should like to ask the Senator in charge of the bill a question.

Mr. OVERTON. I yield.

Mr. MALONEY. As I understand, the figure $11,000,000 was proposed by the Senators from Vermont.

Mr. OVERTON. It was proposed in the amendment offered by the Senator from Vermont [Mr. AUSTIN].

Mr. AIKEN. I did not offer the amendment.

Mr. MALONEY. It is my understanding that the figure was proposed by the State of Vermont. I should be deeply disappointed now, Mr. President, if after the long discussion we had here and the agreement which we felt we had reached, a difference of $100,000 or $200,000 should upset the hopes and ambitions of the distinguished Senator from Vermont.

I am wondering whether it is possible that the State of Vermont, through its water commission, might be able to bid on the construction of these dams in order to protect itself if the need arose.

Mr. AIKEN. I do not know about that, but I should be disappointed if the Senator from Connecticut or any other Senator persisted in attempting to destroy our Vermont valley merely because the dam would cost $200,000 more than the limitation.

Mr. MALONEY. Mr. President, I am sorry the Senator from Vermont did not hear what I said a moment ago. I rose to say that I felt as he did, and that I would be deeply disappointed if the plans were changed.

Mr. AIKEN. I was sure the Senator would feel that way; but as the matter now stands, according to the interpretation given by the Senator from Louisiana, if the dams cost $200,000 more 3 or 4 years from now, the Secretary of War will be authorized to revert to the one big dam which would destroy the valley.

Mr. OVERTON. That would have been my answer when we voted on the amendment on the floor of the Senate.

Mr. AIKEN. Then, Mr. President, I accepted the amendment under a misapprehension.

Mr. OVERTON. I am sorry.

Mr. MALONEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The Senator from Louisiana has the floor. Does he yield, and if so, to whom?

Mr. OVERTON. Mr. President, I think it is best to take up the items in the conference report in order, so as to dispose of it.

Mr. MALONEY. Mr. President, the Senator from Louisiana yielded to me.

Mr. OVERTON. Very well; I yield to the Senator from Connecticut.

Mr. MALONEY. If my memory serves me correctly, the Senator from Vermont [Mr. AUSTIN] is the one who used the figure in the debate. I think he pointed out that in using the $11,000,000 figure, he was allowing considerable leeway.

I assume that the alternative for the State of Vermont is to bid on the construction of the dam. If $11,000,000 is used as the figure, I think there will yet be a possibility of constructing the dam under the auspices of the State of the Senator from Vermont.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. OVERTON. I yield.

Mr. AIKEN. As I understand the matter, the original estimate of the cost was between $9,000,000 and $10,000,000. Then the figure was set at $11,000,000, to allow some leeway in costs. However, I would call attention to the fact that the Army engineers have already increased the cost for the construction of the one big dam at Williamsville by 25 percent, although the figures have not yet been officially presented to Congress or to any committee. But I have a letter from the War Department covering the matter.

It follows that if the estimate of cost for the small dams which the Senate supposed it was voting for are increased 25 percent, then the plan the Senate supposed it was voting for would be thrown out, and just one big dam would

be built on the river. That would destroy the valley. There would be an absolutely destructive loss to the State of Vermont, although the dam might be of value in maintaining the flow of the Connecticut River farther downstream.

It seems to me it is not proper, when the Senate thought it was voting for the alternate plan, to put in any other amendment or to do anything else which would cause any different interpretation to be placed upon the amendment we considered.

Mr. OVERTON. Mr. President, this Connecticut River Basin project has been before the Congress for years, and it has been legislated frequently. The Senators from Vermont were not satisfied with the Williamsville site dam, and they went before the House committee. It was agreed to in the House of Representatives, as I understand, that it would be satisfactory if the Williamsville site dam were made a flood-control dam. and if it were not a high dam.

So the item came over to us from the House of Representatives with that provision, as I understand, agreed to by the Senators from Vermont. When it came to the Senate, I spent hours with the Senators from Vermont and the members of the committee in attempting to obtain something which we could recommend and something which would be satisfactory to them. I thought we had the matter settled when we agreed that no higher dam would be constructed at the Williamsville site and that none of the dams would be used for the generation of power.

Then the row which has been before the Senate all these years broke out again.

Then the Senators from Connecticut and Vermont solemnly conferred, and they returned with what might be termed a State compact between the States. They offered it. When it was adopted, the junior Senator from Vermont [Mr. AIKEN] arose and expressed his gratification over adoption of the amendment. The same amendment was agreed to in conference, with the sole addition of the provision that the Secretary of War shall determine the cost. Someone must determine the cost. That is the only addition which has been made.

Mr. WEEKS. Mr. President, will the Senator yield to me?

Mr. OVERTON. I yield.

Mr. WEEKS. The amendment concerning the Connecticut River Valley is exactly the same as the one which we discussed when the bill was before the Senate. It has been changed only by adding the provision that the Secretary of War shall have power to decide in this particular instance.

The amendment was discussed. It was agreed to by the Senators from Vermont, Massachusetts, and Connecticut. It has not been changed in any respect from the amendment which was the subject of the agreement which we made when we discussed the whole project, with the single exception that someone has been given authority under the amendment to decide what the facts are.

When that particular amendment was before the committee of conference, one of the conferees on the part of the House discussed these particular words with the senior Senator from Vermont and with me. We still found ourselves in agreement that it did not change in any respect the substance of what we had agreed to when we discussed this matter when the bill was before the Senate.

Mr. OVERTON. Mr. President, the Senator is correct.

Mr. REED rose.

Mr. OVERTON. I yield to the Senator from Kansas.

Mr. REED. Mr. President, as I understand the matter, the Senator from Louisiana is submitting the conference report on House bill 4485. I do not mind depending upon the generosity and courtesy of the Senator from Louisiana, but I think I might discuss the conference report in my own right as a Senator, whenever that time comes.

Mr. OVERTON. Mr. President, I do not think anyone is questioning the right of the Senator to address the Senate. But I thought I would explain the conference report first.

So I will explain the report, and then I shall yield to any Senator who wishes to discuss it.

Mr. President, the Senate receded from the amendments covering the following projects:

The Housatonic River project, the subject matter of which was discussed on the floor of the Senate this afternoon. It yielded on the Yadkin-Pee Dee River Basin project; the Pugatoire River, Colo.; Trinidad area project; and the project on the Galena River at Galena, Ill. The Senate reduced the authorization from $418,000 to $300,000.

The Senate also receded from its amendment striking out the Tuttle Creek project on the Big Blue River for the protection of Kansas City. The Senate had provided in the bill that the Department of Agriculture should not acquire any lands for water retardation and prevention of soil erosion.

The House had authorized acquisition of certain lands. The House yielded with the amendment that no land should be acquired in any State without the consent of the legislature of the State; and furthermore that the Federal Government should pay to the county in which the land lies, for reimbursement for taxes, a sum equivalent to 1 percent of the purchase price.

Mr. President, those are the amendments on which the Senate yielded either in whole or in part.

The House receded with certain amendments. The most important one is what is known as the electric-power amendment, which has been fully discussed on the floor of the Senate.

The main amendment to this provision, agreed upon in conference, is on page 8, line 24, after the word "commission" to insert the following:

Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years.

That is the Bonneville provision and it is inserted bodily in the pending bill.

There were also one or two minor amendments which did not change the meaning of the provisions affected.

In respect to the irrigation amendment, the House agreed to it. It has been said that the President desired that the Senate amendment should cover what is known as the California projects. The Senate amendment does cover those projects, as explained on the floor of the Senate when they were under consideration. It applies to all projects which are subject to the irrigation law. It makes the projects authorized in the bill subject to the irrigation law. Section 8 of the bill clearly places reclamation uses of water from these projects under the Secretary of the Interior, and under the applicable reclamation law. No project in this bill—which may include irrigation features—is exempted from the reclamation laws. I say "in this bill" because there is an exception, namely, the John Martin Dam in Colorado, which is exempted from the provisions of the reclamation laws.

Mr. President, the total authorizations in the bill as it comes from conference are $950,000,000 as against $959,465,000 as passed by the Senate. The reduction arises from striking out certain projects and modifying certain others. The House receded on a very large number of amendments which the Senate had incorporated in the bill, and which it is not necessary to deal with in detail because they are all in the Senate amendments which were agreed to. The amendment offered by the Senator from South Dakota authorizing an appropriation of $500,000 as an emergency fund for construction of emergency protection works, was agreed to with the inclusion of the word "bank" so that it would read "emergency bank protection works."

Mr. President, I have stated the amendments. I have a detailed statement and I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FLOOD CONTROL CONFERENCE REPORT

SENATE RECEDES

Senate amendment 27, page 17, line 23: Housatonic River Basin (Thomaston Reservoir on Naugatuck River).

The Senate amendment provided that the project for this reservoir is authorized "when approved pursuant to provisions of paragraph (a) of section 1 of this act." The Senate amendment was a floor amendment proposed by the junior Senator from Connecticut. A review report can be obtained on resolution of either Senate Commerce Committee or House Flood Control Committee. If further study shows that the project is undesirable under present circumstances, the Chief of Engineers will withhold construction.

Senate amendment 30, page 19, line 18: Yadkin-Pee Dee River Basin.

The Senate amendment provided for referring the general plan for the comprehensive development of the Yadkin-Pee Dee River Basin for flood control and other purposes to the Committee on Commerce, to the end that hearings might be had with the people concerned and with instructions to re-

port back to the Senate within 6 months. The receding by the Senate leaves this plan unauthorized.

Senate Amendment 36, page 24, line 20: Pugatoire River, Colo., Trinidad area.

The House bill authorized the project on this river for local flood protection at Trinidad, Colo. The amendment of the Senate provided for modification of the project to include storage and reservoirs upstream from Trinidad. This modification has heretofore been studied and rejected by the engineers. The author of the Senate amendment, the junior Senator from Colorado, may ask for a review report through committee resolution. A restudy is already in progress as part of an authorized investigation of the upper Arkansas River and tributaries.

Senate Amendment 39, page 26, line 19: Project on Galena River for local flood protection at Galena, Ill.

The Senate reduced authorization from $418,000 to $300,000.

Senate Amendment 44, page 29, line 20:

The Senate receded from its amendment striking out Tuttle Creek Dam on the Big Blue River for protection of Kansas City. Conferees understand that the engineers are now engaged in studying a review of the project.

Senate Amendment 85, page 50, line 15.
Senate Amendment 86, page 51, line 1.
Senate Amendment 87, page 51, line 12.
Senate Amendment 88, page 51, line 20.
Senate Amendment 89, page 51, line 21.
Senate Amendment 91, page 53, line 22.

The bill authorizes certain works of improvement for run-off and waterflow retardation and soil erosion prevention to be prosecuted by the Department of Agriculture. The House bill authorized the acquisition of various tracts of land aggregating 1,458,000 acres at an estimated cost of $12,378,350 in California, Texas, Mississippi and the Washita and Little Tallahatchie River watersheds. The Senate amendment inhibited the acquisition of any land for this purpose by the Federal Government and eliminated from the bill the amounts corresponding to the estimated costs of such land acquisition. The Senate and House made joint recessions from these amendments with amendments which provided that no lands can be acquired by the Department of Agriculture for the purposes above mentioned "until the legislature of the State in which the land lies shall have consented to the acquisition of lands by the United States for the purposes within the scope of this section: *Provided further*, That there shall be paid annually to the county in which any lands acquired under this section may lie, a sum equal to 1 percent of the purchase price paid for the lands acquired in that county, or if not acquired by purchase, 1 percent of their valuation at the time of their acquisition."

HOUSE RECEDES WITH AMENDMENTS

Senate Amendment No. 1: The House receded from Senate amendment No. 1 with an amendment striking out all of the first paragraph of this amendment. The first paragraph is what is known as the McClellan amendment establishing a definite policy of making use of existing Federal agencies for construction, operation, and maintenance of all public improvements provided for in the act in connection with navigation, flood control, and Allied activities, and so forth. The remainder of Senate Amendment No. 1 is what is known as the O'Mahoney-Millikin amendment sponsored by 22 Senators. No change was made in the Senate-adopted O'Mahoney-Millikin amendment.

Senate Amendment 9, section 5, page 8, line 15: Being the electric power amendment.

The House receded with the following amendment: Line 24, after the word "commission" insert the following: "Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years."

(b) On page 9, line 2, after the word "authorized", insert "from funds to be appropriated by the Congress."

(c) On page 9, line 2, after the word "construct", strike out "and" and substitute "or."

(d) After the word "acquire", insert "by purchase or other agreement."

So that as amended the provision reads: "The Secretary of the Interior is authorized from funds to be appropriated by the Congress to construct or acquire by purchase or other agreement only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale," etc.

(e) Page 9, line 8, after the word "companies." insert the following: "All moneys received from such sale of power shall be deposited in the Treasury of the United States as miscellaneous receipts."

Senate Amendment No. 26, page 16, line 2: Connecticut River Basin.

The House receded with the clarifying amendment: on line 17 after the word *"Provided"* insert "That the Secretary of War determines that" so as to authorize the Secretary of War to determine that the total costs of the alternate plan of eight reservoirs in the West River Basin shall not exceed the sum of $11,000,000.

Senate Amendment No. 33, page 21, line 10: Set-back levees.

The House receded with an amendment in the nature of a substitute for the purposes of clarifying the provision without any alteration of the intended purpose of the Senate amendment. The substitute reads as follows: Strike out the language on line 13 through line 2, page 22, and insert in lieu thereof: "Paragraph (d) of the lower Mississippi River item in section 3 of the Flood Control Act of August 18, 1941, is hereby construed to authorize reimbursement for the actual market value of lands, rights-of-way, and easements, subsequent to August 18, 1941, for set-backs of main-line Mississippi River levees, regardless of State laws limiting payments to local tax assessment valuations."

Senate amendment 37, page 25, line 12: The House bill authorized appropriations for continuation of the previously approved comprehensive plan for the Upper Mississippi River Basin and the Senate amendment includes therein the project for the Red Rock Dam on the Des Moines River for flood control and other purposes, with the following proviso: "Provided that the elevation of the crest of the spillway of the dam shall not exceed 780 feet above mean sea level." (Senator GILLETTE.) The House receded with an amendment striking out the proviso. It was felt by the conferees that the engineers will take proper precautions against damage being inflicted upon the city of Des Moines by the construction of the project.

Senate amendment 52, page 34, line 9 (Senator JENNER): Strike out "No provision of this or any other act, etc." and insert: "Neither this authorization nor any previous authorization shall be construed to authorize the construction of the Shoals Dam on the East Fork of the White River in Martin County, Ind., pending submission and adoption by Congress of the report authorized in the Flood Control Act of August 11, 1939."

Senate amendment 82, page 48, line 22: The Senate amendment authorized $959,465,000 to be appropriated, carrying out the improvements by the War Department. The House receded with an amendment reducing this sum to $950,000,000. This was due to the elimination and modification of various projects in the bill.

HOUSE RECEDES

On all remaining Senate amendments not above referred to the House receded with only several occasional minor clarifying amendments.

The main Senate amendments on which the House receded are the following:

Senate amendment 17, page 10, beginning at line 9, and continuing to the end of line 24, on page 11, being the irrigation amendment.

Senate amendment 18, page 11, line 25, and continuing to end of line 11 on page 13, being section 9 (a), putting into effect the projects in the Missouri Basin agreed upon between the Chief of Engineers and the Department of the Interior.

Senate amendment 20, page 14, lines 14 to 20, inclusive, Lake Champlain Basin, modification of existing Waterbury, Wrightsville, and East Barre Dams in the Winooski River Basin.

Senate amendment 21, page 14, line 21, to end of line 2, page 15, Blackstone River Basin, authorization of project for the West Hill Reservoir on the West River, Mass.

Senate amendment 23, page 15, lines 3 to 8, inclusive, authorization of project on Blackstone River at Worcester, R. I.

Senate amendment 24, page 15, lines 9 to 14, inclusive, authorization of project on Blackstone River at Woonsocket, R. I.

Senate amendment 25, page 15, lines 15 to 20, inclusive, authorization of project on Seekonk River, Pawtucket, R. I.

Senate amendment 29, page 19, lines 7 to 17, inclusive, approval of general plan for the comprehensive development of the Roanoke River Basin in Virginia and North Carolina, and authorization of the construction of the Buggs Island Reservoir on the Roanoke River in Virginia and North Carolina, and the Philpott Reservoir on the Smith River, Va.

Senate amendment 31, page 20, lines 3 to 8, inclusive, authorization of project on Edisto River, S. C.

Senate amendment 32, page 20, lines 9 to 18, inclusive, approval of comprehensive development of Savannah River Basin and construction of Clark Hill Reservoir on Savannah River in South Carolina and Georgia authorized.

Senate amendment 34, page 23, lines 6 to 13, inclusive, authorization of project on Red River in vicinity of Shreveport, La.

Senate amendment 35, page 23, lines 14 to 20, inclusive, authorization of Blakely Mountain Dam on Ouachita River, Ark.

Senate amendment 38, page 26, lines 3 to 8, inclusive, authorization of project on Des Moines River.

Senate amendment 40, page 27, lines 18 to 24, inclusive, authorization of project for Bald Hill Reservoir on Sheyenne River, N. Dak.

Senate amendment 41, page 27, line 25, and page 28, lines 1 to 6, inclusive, authorization of reservoir on Pembina River and reservoir on Tongue River, N. Dak.

Senate amendment 42, page 28, lines 7 to 13, inclusive, authorization of reservoir on South Branch of Park River, N. Dak.

Senate amendment 45, page 31, lines 11 to 16, inclusive, authorization of plan for local flood protection on Chariton River, Mo.

Senate amendment 46, page 32, lines 24 and 25, and page 33, lines 1 to 3, inclusive, authorization of plan of improvement in Kentucky River Basin.

Senate amendment 47, page 33, lines 4 to 8, inclusive, authorization of local flood protection works at Middlesborough on Yellow Creek, Ky.

Senate amendment 48, page 33, lines 9 to 13, inclusive, authorization of local flood protection works on Rough River and tributaries, Kentucky.

Senate amendment 49, page 33, lines 14 to 18, inclusive, authorization of Turtle Creek Reservoir on Turtle Creek, Pa.

Senate amendment 50, page 33, lines 24 and 25, and page 34, lines 1 to 3, inclusive, elimination of Rowlesburg Reservoir on Cheat River

Senate amendment 51, page 34, lines 4 to 8, inclusive, elimination of improvement in Youghiogheny River Basin.

Senate amendment 53, page 35, lines 12 to 17, inclusive, authorization of project for Mount Morris Reservoir on Genesee River, N. Y.

Senate amendment 54, page 36, lines 15 to 20, inclusive, Great Salt Basin, authorization of project on Sevier River at Redmond, Utah.

Senate amendments 55 and 56, page 36, lines 21 to 24, inclusive ,and page 37, lines 1 and 2, Colorado River Basin, authorization of project for Alamo Reservoir on Bill Williams River, Ariz.

Senate amendment 57, page 37, lines 3 to 8, inclusive, authorization of project on Little Colorado River at Holbrook, Ariz.

Senate amendment 53, page 38, lines 15 to 21, inclusive—Pajaro River Basin—plan of improvement on Pajaro River and tributaries, California, authorized.

Senate amendment 59, page 38, lines 24 and 25, and page 39, lines 1 to 7, inclusive—Sacramento-San Joaquin River Basin, Sacramento River, modification of projects on Sacramento River, Calif.

Senate amendment 60, page 39, line 25, and page 40, lines 1 to 6, inclusive, authorization of project for Folsom Reservoir on American River, Calif.

Senate amendment 61, page 42, lines 4 to 9, inclusive, authorization of plan of improvement for flood control on Calaveras River and Littlejohn Creek and tributaries, California.

Senate amendment 62, page 42, lines 10 to 16, inclusive, authorization of project for Conn Creek Reservoir on Conn Creek, in Napa River Basin, Calif.

Senate amendment 63, page 44, lines 11 to 17, inclusive, Chehalis River Basin—authorization of project on Chehalis River at Hoquiam, Aberdeen, and Cosmopolis, Wash.

Senate amendment 64, page 44, lines 19 to 24, inclusive, authorization of project on Hanapepe River, T. H.

All Senate amendments for preliminary examination and survey items were agreed to.

Senate amendment 83, page 49, lines 10 to 20, inclusive, authorization of appropriation of $500,000 as emergency fund for construction of emergency bank protection works to prevent flood damage to highways, bridge approaches, and public works.

Mr. HILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HILL. There still seems to be confusion on the part of some Senators with reference to the application of reclamation laws in regard to some of these projects.

I heard the distinguished senior Senator from Louisiana, when the bill was under consideration, and I think he made it very clear. However, I wish to ask this question: Is it not a fact that section 8 of this bill, as agreed to in conference, makes some reclamation laws applicable to the handling of irrigation water of any of the projects, including California projects, where it is found that irrigation may be carried out? I ask the Senator in charge of the bill whether it is not a fact that the President wanted the California projects in this bill constructed under the Bureau of Reclamation so that the water policies would conform to reclamation laws?

Mr. OVERTON. The Senator is correct with respect to the projects in the so-called Central Valley of California. The President wrote me and the chairman of the subcommittee in this regard. However, in view of the fact that the Senate amendment made not only the California projects but all such projects subject to irrigation laws, and in view of the fact that the House concurred in this action by agreeing to section 8 of the Senate bill, I am sure that the President will feel that we have met the problem that he raised. Section 8 of the bill clearly places reclamation uses of water from these projects under the Secretary of the Interior and under the applicable reclamation laws. No project in this bill which may include irrigation features is exempted from the reclamation laws.

Mr. HILL. I thank the Senator.

Mr. OVERTON. The Senate amendment made not only the California projects, but all such projects subject to the irrigation law. In view of the fact the House concurred in that action by agreeing to section 8 of the bill, I am sure the Senator from Alabama will feel that we have met the question which he has raised. As I stated a while ago, section 8 of the bill clearly places reclamation uses of waters from all projects authorized in this bill under the Secretary of the Interior, and under the applicable reclamation laws.

Mr. HILL. I thank the Senator.

Mr. OVERTON. Mr. President, I yield the floor.

Mr. REED. Mr. President, I wish to say just a few words. I wish to dwell first on the treatment given the people of Massachusetts, Vermont, and Connecticut, and the treatment given to the people of Kansas in the bill. There is a difference of opinion between Vermont on the one hand and Massachusetts and Connecticut on the other. There is a difference of interest and opinion and of sentiment on some projects embodied in the bill as to Kansas, but all the people happen to live in Kansas.

The senior Senator from Kansas [Mr. CAPPER] a few days ago offered an amendment to the bill touching what is known as the Tuttle Creek Dam. That is a big dam, and its construction will result in drowning out one of the most prosperous and most beautiful valleys in the United States, for about 125 miles, in Kansas. What the people of that valley would prefer would be more small dams, and not just this one big dam. The people of Vermont were permitted to substitute eight small dams for the one large dam. We were denied any opportunity to do that.

The second thing is that this Tuttle Creek Dam is included in the bill before us, which is a flood control bill. The Tuttle Creek Dam is not only a flood control project. Admittedly the Army engineers have included a part of the height of that dam, to which the people of that valley take serious exception, for navigation purposes. That is admitted, because they have told me that the dam is to be made higher than it need be for flood control, in order to provide water for navigation in the Missouri River, where sometimes the bed of the stream becomes so dry that the catfish get dust in their eyes as they swim up the stream.

I was told by the conferees that they rejected our amendment partly because of the insistence of Kansas City, Mo., whose main interest is in navigation on the Missouri. I do not mean to say they are without interest in flood control, but their main interest is in navigation on the Missouri. Our main interest is in flood control, and now, at this late hour, in this flood control bill, we find an item and a policy which will absolutely ruin one of the most beautiful and fertile valleys to be found anywhere.

Surely if Massachusetts and Connecticut could agree on a different policy with Vermont so as to substitute eight small dams for one large dam, and the eight small dams, even at that, Mr. President, had to have only 75 percent as much water as the one large dam would have had, and solely on the ground of the destruction of fertile land in Vermont, then I say we in Kansas were denied what we were reasonably and fairly entitled to have in the bill, so far as this item is concerned.

Mr. President, this is the first comprehensive attempt that has been made to meet the flood-control problem. Like every other Senator on this floor, I want to see something done about the flood-control problem, but I want it done fairly and reasonably, and always with the various projects justified economically, with the benefits to be derived as much or more than the cost and the damages to the people. This bill is not built on that basis. The so-called river and harbor bill and the flood-control bill are loosely drawn, are recklessly put together, without any regard to cost, so that the cost may reach to $2,000,000,000 for the two bills, according to the discretion of the Army engineers.

I have not seen two pieces of pork-barrel legislation during my 6-year term in the Senate such as are found in these two bills, which we are passing as carelessly and recklessly, and without regard to cost, as though it were a small sum, as though we were out of debt, as though we had an overflowing Treasury, as though our taxes were already down to a point where the people could pay.

I do not intend to oppose the adoption of the conference report despite these serious defects. I want to make a start on a flood-control policy, and to some extent future legislation may minimize the evils of the present bills.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. MALONEY. Did the Senator vote to strike out any of the projects in the bill when it was under consideration?

Mr. REED. We offered an amendment, which the chairman of the subcommittee accepted, with the usual suggestion that he would take it to conference; and I knew what that meant, of course, that it went to conference, and in conference it was pitched out on its neck.

Mr. MALONEY. I did not hear the Senator propose any amendment which would strike out projects in the bill.

Mr. REED. We wrote an amendment; I have forgotten the exact language which my colleague, the senior

Senator from Kansas [Mr. CAPPER], offered, which the chairman of the subcommittee accepted, which would have stricken out the provision for this big dam in Kansas called the Tuttle Creek Dam, language, as I recollect it, to the effect that "nothing herein contained shall be considered to authorize the construction of the Tuttle Creek Dam." Some consideration was given Vermont as against the lower valley. Kansas did not get such consideration.

Mr. MALONEY. Is the Senator now objecting to the so-called Vermont proposal?

Mr. REED. No; of course not; what I am objecting to is that a reasonable program substituting eight small dams for one large dam was granted to Vermont, to protect its interests, and denied to Kansas.

Mr. MALONEY. That was not withdrawn.

Mr. REED. I did not say it was withdrawn. I do not know how the Senator got any such idea.

Mr. MALONEY. The Senator said this was the worst "pork barrel" bill he had known of during his term of service.

Mr. REED. Yes.

Mr. MALONEY. There were scores of projects in the bill, and the Senator sat in his place and, at least by his silence, acquiesced in the projects.

Mr. REED. If my vote could have defeated the river and harbor bill, it certainly would have been defeated. It is one of the worst "pork barrel" bills I have ever heard of.

Mr. MALONEY. The Senator did not object out loud.

Mr. REED. If the Senator had been here last week when I was discussing it, he would have known that was what I said, as the Senator from Montana and other Senators can attest. I may be saying it a little more emphatically this afternoon, but 3 or 4 days ago I said the same thing, if it pleases the Senator from Connecticut, perhaps when he was not present.

Mr. MALONEY. Yes, the Senator from Connecticut was present, and the Senator from Connecticut was a member of the committee which reported the bill under consideration, and the Senator from Connecticut does not think these are "pork barrel" bills. There are some projects in them to which I am opposed, and some have been adopted to which I am opposed, but I say it is very unfair for a Senator to stand on the floor of the Senate after a bill is passed and say it is "the worst 'pork barrel' bill I have seen during my 6 years," when during the consideration of the bill he sat silent.

Mr. REED. I have not asked the Senator from Connecticut for his approval; I am indifferent whether I have it or not. The fact remains that in the financial circumstances of this country, when we are going to end the war, even if we end it next year, with a debt so overwhelming that no one can figure out a way to take care of it, we recklessly, carelessly, without due thought, without due consideration, pass two bills which will allow an expenditure of $2,000,000,000 to be added to the national debt.

Mr. OVERTON. Mr. President, I should like to invite the attention of the Senator from Kansas to a thought or two.

The Senator proceeds upon the theory that if the Senate conferees keep one amendment in a bill they should be able to keep other amendments in the bill. The House had to yield on some amendments, and it yielded a great many more times than the Senate had to yield. Both had to yield on certain items or we would not have had a bill.

It happens that we got through with the Connecticut River Basin provision. There was no disagreement. The House did not object to it, with the single modification which has already been discussed on the floor of the Senate.

When we came to the Tuttle Creek Reservoir, to start with, the Tuttle Creek Reservoir was authorized back in 1936. The bill as it passed the House had nothing to do with Tuttle Creek, except that it was a project approved June 22, 1936. The language of the bill read:

> The project adopted by the act of June 22, 1936, to provide flood protection for the Kansas Citys, Kansas and Missouri, is hereby modified and extended to provide for improvement substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 342, Seventy-eighth Congress, first session.

And so forth. The House conferees objected to the amendment adopted by the Senate which eliminated the Tuttle Creek Reservoir, and they did so because they received scores of telegrams from Kansas City saying that unless Tuttle Creek Reservoir were built Kansas City would be in danger of very serious damage from flood. They insisted upon it. Furthermore, it was stated by the engineers that this project was undergoing restudy. It may be that in the restudy some substitute can be found for Tuttle Creek. But the Senate conferees yielded. I have no apologies to make for yielding. Certainly there exists quite a strong feeling in Kansas City, Mo., that Tuttle Creek should remain in the bill.

Mr. REED. Mr. President, will the Senator yield?

Mr. OVERTON. I yield the floor.

Mr. REED. May I inquire of the Senator from Louisiana when Kansas City, Mo., commercial interests superseded the two Senators who here speak on the Senate floor for the entire State of Kansas? When did Kansas City, which commercially is principally concerned in navigation on the Missouri, come to a place of such power in this body that it can supersede the two Senators who were duly elected to speak for Kansas?

Mr. OVERTON. I was simply giving the Senate a historical narration of facts as to the events which occurred in conference.

Mr. REED. And a very frank admission as to why the views of the Senators from Kansas were disregarded.

Mr. OVERTON. Why the views of the House conferees were accepted.

Mr. JENNER. Mr. President, may I ask the Senator a question?

Mr. OVERTON. Yes.

Mr. JENNER. I should like an explanation of amendment numbered 52, which appears on page 11 of the conference report. The amendment which was adopted in the Senate was changed, and I should like an explanation of the change.

Mr. OVERTON. That was the amendment which the Senator from Indiana offered on the floor.

Mr. JENNER. I offered the amendment, and it has been modified and changed. I should like to know why.

Mr. OVERTON. The change in phraseology, as agreed to in conference, is:

> Neither this authorization nor any previous authorization shall be construed to authorize the construction of the Shoals Dam on the East Fork of the White River in Martin County, Ind., pending submission and adoption by Congress of the report authorized in the Flood Control Act of August 11, 1939.

There is pending an investigation, as I understand, by the Army engineers with respect to this project and they have not submitted their report. So the provision is that neither the authorization nor any previous authorization shall be construed to authorize the construction of the Shoals Dam pending submission and adoption by the Congress of this report. It holds the matter in abeyance until submission and adoption by the Congress of the report.

Mr. JENNER. It does not change the fact that under this act the Shoals Dam cannot be constructed. The only way it can ever be constructed is by some future act of Congress.

Mr. OVERTON. The Senator from Indiana is correct.

Mr. AIKEN. Mr. President, I should like to get the situation with regard to the West River a little bit clearer in my mind. I am wondering perhaps if my colleague can help clear it up. I should like to ask if he considers $11,000,000 to be ample to construct the State's alternate plan on the West River.

Mr. AUSTIN. I have had to depend wholly on the representatives of the Vermont board for that information, and I did rely upon it, and they told me that it would be adequate, and gave me a digest of the cost of the various dams, which totals less than $11,000,000. I cannot state the exact amount, but my recollection is that it was between nine and ten million dollars.

Mr. AIKEN. That is correct.

Mr. AUSTIN. I do not rely on memory very much for figures, but that is my recollection. No other representation was made to the Senator and to me when we were negotiating the terms of this amendment. No other figure was given than that. In any event, if my colleague wishes me to proceed, I might say that I feel that we are well protected by the text of the amendment as it appears in the conference report.

Shall I proceed and state why I think we are?

Mr. AIKEN. Yes; I wish my colleague, the senior Senator from Vermont would proceed. As I understand, a representative of the Army engineers was present

at the conference between my colleague and the Senators from Connecticut and Massachusetts, and he certainly should have had some idea as to whether this amount was adequate.

Mr. MALONEY. Mr. President, will the Senator yield? I may be able to throw a little light on that point.

Mr. AUSTIN. Yes. I think the Senator from Connecticut can help us, too.

Mr. MALONEY. The figure which was used in the discussion by the senior Senator from Vermont, as I recall it, was $9,400,000, and that, I should like to point out, is a 1944 figure. It was a figure given by a Boston engineering firm, as I understand, and based on 1944 prices.

Mr. AUSTIN. I thank the Senator from Connecticut very much. If I may now proceed, I shall explain what I understand the language of the amendment provides in the way of two things:

First, flood control for the benefit of Massachusetts and Connecticut to the extent of 75 percent of the volume of flood control which would have been provided if the Williamsville Reservoir had been utilized for flood control instead of an alternate plan.

Second, as to protection of the people in the valley of the West River. The essential protection in this language lies in the necessity of an agreement between the Vermont authorities and the Federal authorities before any construction whatever can be undertaken.

Mr. AIKEN. Is the Senator satisfied that the West River Valley is included in that provision?

Mr. AUSTIN. Yes. I shall read what I think covers it.

Mr. AIKEN. I wish the Senator would.

Mr. AUSTIN. It is language beginning in line 9 on page 16:

Provided further, That the Army engineers are authorized and directed to construct eight reservoirs in the West River Basin in Vermont instead of the flood control reservoir authorized by existing law, known as the Williamsville Reservoir in the above mentioned towns, in accordance with an alternative plan submitted by the Vermont State Water Conservation Board as the same may be modified by agreement between the said Board and the Secretary of War and the Chief of Engineers, provided that the Secretary of War determines that the total cost of the alternate plan shall not exceed the sum of $11,000,000 and that the amount of flood control secured by them at the entrance of the waters of the West River into the Connecticut River shall not be less than 75 percent of the flood control which may be secured from the single so-called Williamsville Reservoir now authorized to be constructed by the Army engineers.

Mr. President, that is not the entire section, but it is that part which I say protects the two objectives which I have mentioned. There is one step necessary before any plan can be started. The Army engineers cannot begin operations until there has been an agreement between the Vermont State Water Conservation Board and the Secretary of War and the Chief of Engineers upon the modification which may be necessary.

What modifications does this bill contemplate? Those in particular which are contained in the proviso that the Secretary of War shall determine that the costs shall not exceed $11,000,000, and that the quantity of flood control shall be as much as 75 percent.

This is the picture, as I see it, in practice: As a Congress, we have determined the policy that we will take a substitute for the single dam. What shall that substitute be? It shall be eight dams, according to the plan submitted by the Vermont board, or it shall be seven dams, or six dams, or five dams, or any number of dams on which the respective authorities agree. That is a part of the modifying power. The Vermont State Water Conservation Board, the Secretary of War, and the Chief of Engineers must get together. They must agree on a plan which will do two things: First, provide 75 percent of flood control; and second, keep within the limit of cost of $11,000,000.

How are the affected States perfectly secure? We do not agree to any modification unless it conforms to the policy of Congress as declared in this bill. It is up to us. What is the position of the Federal Government? It refuses to agree unless the modified plan conforms to the policy expressed in this bill. Someone must find the facts as to cost. I never had a doubt that it would be the Secretary of War. That is the sole method that I know of for finding the facts. The modified plan would cost so much. Therefore, we will submit whatever agreement we wish to make to the Secretary of War to have him say whether the modified plan is within the proviso relating to costs, and within the proviso relating to efficiency of flood control.

Mr. President, I should like to ask the distinguished Senators from the States of Massachusetts and Connecticut if I have correctly stated their understanding of the provision.

Mr. MALONEY. Mr. President, I was called from the Chamber for a few moments while the Senator was speaking; but to the extent that I heard him, my understanding is in accord with his.

I should like to point out to him—it may or may not be of interest to him—that earlier, while he was detained from the Chamber by an important committee meeting, I stated that Vermont has the further protection, as I see it, of itself bidding on these dams. The Water Commission of the State of Vermont could build the dams. As the Senator knows, projects of this sort are largely constructed by private concerns. The commission has the figure of $9,400,000. It could protect itself pretty well by offering to construct the dams for $11,000,000.

Mr. AUSTIN. The plan may be modified so as to cost even less.

Now let me ask the Senator from Massachusetts [Mr. WEEKS] if I have correctly stated the situation as he understands it to be.

Mr. WEEKS. Mr. President, I think I may answer the Senator's question simply by repeating what I previously stated, namely, that the amendment to which we agreed has been altered only by inserting the words "that the Secretary of War determines that," providing that the Secretary of War is the individual who shall determine whether or not the conditions are met. Otherwise, I believe that the agreement as spelled out in the amendment is exactly the agreement which we arrived at, and the understanding we all had. I subscribe to the statement made by the distinguished senior Senator from Vermont insofar as I believe I understand what he is describing.

Mr. AUSTIN. Mr. President, I should like to ask a simple question which will narrow this thing down so that we cannot have any quibble about it in the future. Am I not correctly stating the meaning of the amendment to be this: With respect to the subject of cost and the quantity of flood control, the Secretary of War is the person or officer chosen by us to pass upon the question whether the plan as modified by agreement between the Federal Government and the State governments conforms to the policy of Congress?

Mr. MALONEY. I believe the Senator is quite correct.

Mr. AUSTIN. What does the Senator from Massachusetts say?

Mr. WEEKS. In answer to the question, I understand that the Senator from Vermont has stated the facts.

Mr. AUSTIN. Before any plan can go into effect, Mr. President, there must be an agreement between the Federal and State governments; and we can be sure that both parties to such agreement will have it conform to the policy of not exceeding $11,000,000 in cost, and not going below 75 percent of flood control at the mouth of the river. It is all within the scope of the doctrine of cooperation between the Federal Government and the State governments.

Mr. WEEKS. Mr. President, I should like to add my further understanding that if in the final analysis those conditions cannot be met, then Massachusetts and Connecticut are to be provided with the flood control contemplated in the general over-all program. I believe that is spelled out by the amendment, and clearly understood.

Mr. AUSTIN. Provided that no modification of it is made. That is another protection. In the latter part of this amendment is the following language:

Plans, proposals, or reports heretofore authorized for construction at Cambridgeport, Ludlow, South Tunbridge, and Gaysville, in the Connecticut River Basin, or any modification hereafter made of the comprehensive plan for the Connecticut River Basin in Vermont under authority of the Flood Control Act approved June 28, 1938, or of section 3 of the Flood Control Act approved August 18, 1941, shall not be carried out until after compliance with the provisions of paragraph (a) of section 1 of this act.

Mr. AIKEN. Does that include the West River Valley?

Mr. AUSTIN. Oh, yes; of course it does.

Mr. AIKEN. Is it the understanding of the Senator from Massachusetts also that it includes the West River Valley?

Mr. WEEKS. Mr. President, I do not quite understand the Senator's question.

Mr. AIKEN. The proviso which relates to contemplated dams at Cambridgeport, Ludlow, Gaysville, and South Tunbridge, and, I believe, to other dams which may be contemplated in the future, must be subject to objection on the part of the State. I wonder whether the West River Valley is included in that category in the

event the Secretary of War finds he cannot construct the dams included in the State's alternate plan for $11,000,000.

Mr. WEEKS. Mr. President, I do not understand that the West River Valley is covered. It seems to me that the West River Valley situation is spelled out from start to finish in the first part of the amendment.

Mr. AUSTIN. Mr. President, the words my colleague used are not the words upon which I rely for the claim that modifications hereafter made must be sent to us for consideration as a State. The provision to which I refer follows the language my colleague cited. I rely on the following provision:

> Any modification hereafter made of the comprehensive plan for the Connecticut River Basin in Vermont under authority of—

I will not repeat the citation of the authority—

> shall not be carried out until after compliance with the provisions of paragraph (a) of section 1 of this act.

Mr. AIKEN. However, the plans for the big dam at West River are not hereafter to be made. They are already made. That is why I ask whether the West River Valley would be included in that category.

Mr. AUSTIN. If we find that no agreement whatever, by way of modification or otherwise, can be made of the Vermont plan so that a system of dams in lieu of one dam can be constructed at a cost of not more than $11,000,000, such dams to produce flood control of 75 percent, then—and only then—we come to a consideration of the single dam.

Mr. AIKEN. Does the Senator consider that if the Secretary of War determines that the other dams cannot be built for $11,000,000, he will be authorized to revert to the single dam? I understand that is the interpretation of the Senator from Massachusetts.

Mr. AUSTIN. Oh, no. He cannot revert to that until we have agreed to disagree. If we agree that we cannot construct the Vermont plan, or any modification of it, for $11,000,000, then, of course, we revert to the Williamsville Dam.

Mr. AIKEN. Then we revert to the single dam.

Mr. AUSTIN. Yes; then we revert to the single dam.

Mr. AIKEN. If prices increase during the next 3 or 4 years, so that the series of dams would cost $11,500,000 or $12,000,000, and if the Secretary of War so determined, then he would be authorized to construct the one big dam at Williamsville, the cost of which might have increased in the meantime to $15,000,000.

Mr. AUSTIN. He would not be authorized to do that until we had opportunity to make an effort to agree upon a modification of the Vermont plan which would conform to this proviso.

It is all within our power. Every step is within the scope of our agreement. No cloud should be thrown on that interpretation of the amendment. I think the amendment is very clear in all its provisions.

Mr. WEEKS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. WEEKS. I think the last statement made by the distinguished senior Senator from Vermont [Mr. AUSTIN] clarifies the problem, when he said that the single dam can be built only if in the final analysis it is determined that no series of 8, or 9, or 10 dams can be erected.

Mr. AUSTIN. Or six or five.

Mr. WEEKS. Or six or five dams within the projected $11,000,000 cost providing the 75 percent flood protection. Only if in the final analysis a solution cannot be reached, then, as the senior Senator from Vermont has said, do we revert to the single dam.

Mr. AUSTIN. That is a very clear statement.

Mr. AIKEN. The final analysis comes when the Secretary of War says, "I cannot build those dams for $11,000,000."

In the meantime prices may have become inflated 25 or 30 percent.

Mr. President, I have a letter from Colonel Goethals under date of September 27, 1944, in which he states:

> The cost of a dam for flood control only at mile 8.3, which is the site of the Williamsville Dam referred to in House Document No. 724, Seventy-sixth Congress, third session, was estimated at $6,280,000 in that report.

That was the report, I believe, which the Committee on Rivers and Harbors considered, and it considered a cost of $6,280,000.

But Colonel Goethals further states in his letter:

> Under present economic conditions, it is expected that the structure proposed in that report would cost $8,400,000.

There is an increase of approximately 32 or 33 percent.

If the Army engineers or the State engineers have estimated that the alternate plan would cost $9,000,000, and if subsequently they find that the cost of materials and labor has increased 30 percent, the total cost will be far in excess of the $11,000,000 limit. Under such conditions the Army engineers could not agree with the State that the series of dams could be built for $11,000,000. Then would they not be authorized to go ahead with the construction of the big dam which had been authorized in the first place?

Mr. AUSTIN. Mr. President, we provided for a factual condition, namely, a $11,000,000 limitation of cost and the provision of a minimum protection of 75 percent. That agreement—and it was an agreement—was made on the basis of information afforded by our own engineer and acquiesced in by the Army engineers' representatives here. We could do nothing else except take their figures on that matter. We assumed that to be the fact which would be our guide in connection with this legislation.

If they had said $15,000,000, we would not have agreed to anything else, of course.

Now we have all agreed to it, and we have assumed that fact. We have gone ahead and enacted this legislation with that fact ahead of us. It has to be a fact, not a whimsey, not an arbitrary ruling. This legislation can not be diverted or frustrated by having someone arbitrarily say, "You have made the agreement now, and it will cost more than $11,000,000."

That is not the spirit of this bill. It is not the provision of the bill. We expect that such a distinguished officer of the United States as the Secretary of War will deal honestly, and that he will give us, in advance of any agreement between his representative and us, the information whether the design we are negotiating is within the proviso or without it. We will not agree unless he does. His engineers will not agree unless he does. Only in the event that it is impossible to construct the series of dams will the single dam be constructed.

Mr. AIKEN. If the Secretary of War determines that the project cannot be built for $11,000,000, what recourse will Vermont have?

Mr. AUSTIN. Vermont will have no recourse under the law except to hold the Federal Government to the terms of the amendment, which would be that in constructing the single dam the flood-control type of dam would be used.

That is all there is.

Mr. AIKEN. What is the difference between a flood-control type of dam, as the Senator defined it the other day, and a storage type of dam? In my original amendment I had the words "detention" or "retention," a type of dam such as may be found in Ohio, and which has an opening in it so that the water cannot be held back indefinitely.

Mr. AUSTIN. That was explained to me by the Army engineers as being the difference between a dam with a fixed opening and one with several openings which could be closed during the peak of a flood when it is necessary to completely shut off the water for short periods.

Mr. AIKEN. With that type of dam in the valley would it not be possible to hold back the water all summer?

Mr. AUSTIN. No; I think not. I believe that would be a violation of the law.

Mr. AIKEN. It would be a violation of the intent of the law.

Mr. AUSTIN. Certainly.

Mr. AIKEN. I agree with the Senator.

Mr. AUSTIN. What does this mean? Has my colleague departed from the agreement which he made?

Mr. AIKEN. I certainly did not interpret the agreement as permitting the construction of a big dam on the West River.

Mr. AUSTIN. How did the Senator interpret the following language:

> Nothing in this act or in any previous authorization shall be construed to authorize the construction of a dam, other than a flood control type dam, on the main stream of the West River in the towns of Dummerston or Newfane in the State of Vermont.

Mr. AIKEN. That is a part of the amendment which I wrote, and which the Senator incorporated, and I had the word "detention" or "retention" in the language, referring to the type of dam which would have a perpetual opening in it so that it could not be used to flood the

valley indefinitely. When the Senator added the remainder of the language, and we authorized and directed the Secretary of War to construct a series of dams in accordance with the Vermont alternative plan, it appeared to me, as a layman, that Vermont was secure against the construction of a big dam which would destroy the valley, whether the dam was for retention, detention, flood control, power, or storage.

Mr. AUSTIN. Mr. President, I find it not very helpful to review what occurred before the amendment was agreed to. My colleague asked the question when the bill and the amendment were before the Senate for consideration. I do not think he should be confused at this moment as to the difference between a flood-control dam and a retention or detention type of dam. If he is, he has no one to blame but himself. We discussed the matter in advance and the Senate acted upon the amendment after discussion was had. I do not understand what is sought to be done now.

Mr. AIKEN. I am seeking to protect the State of Vermont.

Mr. AUSTIN. Perhaps I am not. It seems the insinuation is that I am not.

Mr. AIKEN. There is no insinuation. I had hoped the Senator would say what I have said.

Mr. AUSTIN. Mr. President, I have nothing further to say than this: After a great deal of discussion this amendment in its present terms, without the words which are found in line 17 relating to the proviso governing the cost and the question of flood control, namely, that the Secretary of War determines that the cost is so much, and the amount of flood control is so much, was agreed to by the Senate. The change in phraseology does only what the Senator from Massachusetts and the Senator from Connecticut have said it would do. It designates the person who will find the fact; and he will find it before we conclude our negotiations relating to the number and types of dams which are in the Vermont plan. So far as Vermont is concerned, I leave it to the Senate whether we are protecting Vermont in this respect.

Mr. AIKEN. Mr. President, I wish to ask my colleague a question. I am not impatient when I ask whether he is satisfied that this amendment completely protects the State of Vermont and insures the people of the West River Valley against being flooded out. That is all I want to be sure of.

Mr. AUSTIN. Mr. President, in my opinion, this is the best legislation that we could obtain which would accommodate the two purposes to which reference has been made, namely, 75 percent of the flood control of the single dam, and the construction of several smaller dams which would do less damage to the valley, within the limit of $11,000,000. I believe the legislation is clear on that point. I believe it is an excellent piece of legislation in principle, and in its specific provisions. I sincerely expect the Federal Government to carry out the spirit of the law. So far as Vermont is concerned, I may say that I talked with a representative of the Vermont State Water Conservation Board today, and I can announce that the board has no intention of causing delay which might result in increased cost.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. AIKEN. Mr. President, I try not to become impatient with anyone, but once in a while I backslide. I did not ask any questions of my colleague in an impatient frame of mind. I want the valley in Vermont to be protected. It is a valley which means more to me than any other valley in the United States. I told the people of that valley that I would do the best I could to protect them. We have had to fight for protection for 15 or 20 years. At one time the utility companies wanted control of it, then the Federal Government tried to get it from us, and then the utility companies came again and wanted it. When I saw the amendment in the bill as originally written, authorizing a great dam to be constructed on the West River, and then the amendment which was put in by the Committee on Commerce, and when I saw the amendment which would have prohibited the generating of power on any of those dams in the State of Vermont, it meant just one thing to me, namely, that our valleys were to be taken by the Federal Government, that great dams were to be constructed with Federal funds, and that no power could be generated there for the benefit of the State or the people who live there, but that the dams could be used only as storage reservoirs for the benefit of private utility companies farther down the river.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from Vermont yield to the Senator from Massachusetts?

Mr. AIKEN. I yield.

Mr. WEEKS. Let me point out to the junior Senator from Vermont that the language of the amendment agreed to by the conference committee has not changed in any degree whatsoever the language of the amendment adopted by the Senate. I should like to read from the RECORD what the junior Senator from Vermont said at the time of the adoption of the amendment.

Mr. AIKEN. I do not disagree with the Senator from Massachusetts as to the wording of the amendment, but I will say that certainly I myself never at any time—and I interpreted it as a layman, of course; I admit I am a layman, I am not a lawyer—interpreted it to mean that a large dam which would destroy the West River Valley was authorized under any circumstances. If the series of small dams costing a maximum of $11,000,000 could not be built for $11,000,000, I do not see why the Congress could not appropriate $2,000,000 more, why the Army engineers could not come back for more, just as they do in the case of other dams. I do not understand why anyone should even insist that we would have to modify the plan or change the plan to permit the destruction of this valley. It is one of the most beautiful valleys in the world. I dare say the Senator has driven through the valley, and if he has he will agree with me.

Mr. WEEKS. Will the Senator yield to allow me to read from the RECORD?

Mr. AIKEN. I yield.

Mr. WEEKS. Just prior to the adoption of the amendment, and after we had worked hard to perfect an amendment which would be satisfactory to all parties concerned, the junior Senator from Vermont said:

> We have, and, I think, rightfully, insisted that such protection be afforded with a minimum of damage to our State.
>
> It seems to me that the agreement reached here this afternoon attains that end, and that the program can go forward providing for the protection of the people of Massachusetts and Connecticut, while at the same time depriving Vermont of as little of her resources as possible.

Mr. President, I do not think the situation is any different today, at this moment, from what it was when the junior Senator from Vermont made that statement.

Mr. AIKEN. Mr. President, did the Senator from Massachusetts understand when the amendment was agreed to that if the Secretary of War determined these dams could not be built for $11,000,000, he could revert to the one great storage dam in the West River Valley? Call it any name one may care to, that is what it would be. It might as well be a storage dam as to destroy those villages and ravage the countryside. I would just as soon see water there as mud.

Mr. WEEKS. I can only say what I said before and what the senior Senator from Vermont has said, that if in the final analysis nothing can be done through the medium of a group of smaller dams—and we asked only 75 percent of the protection—then we do revert, but the engineers of the State of Vermont and the Army engineers will be in constant communication on this project. If they fall short by a small amount, Congress can always remedy that situation. I do not think there is anything the Senator from Vermont need be afraid of.

Mr. AIKEN. Does the Senator from Massachusetts think the Congress would remedy the situation if the cost amounted to $12,000,000?

Mr. WEEKS. No one wants to do Vermont irreparable damage in any degree.

Mr. AIKEN. I know that was not quite a fair question. If the Senator knew what this valley means to me, he would know why I feel the way I do about it.

As I stated, Mr. President, if we have great dams built across our valleys, and they are used for storage of water to maintain the flow of the Connecticut, the principal beneficiaries, of course, will be the private utility companies down the river. I have a list of them here on the whole Connecticut River system.

Beginning at the upper end there are two small dams, Lyman Falls and Canaan, one with an installed kilowatt capacity of 1,200, and the other with an installed kilowatt capacity of 1,100.

The one at Lyman Falls in 1943 generated 6,847,000 kilowatt-hours of electricity, and the one at Canaan 5,847,000. Those are small dams, owned by the Public Service Co. of New Hampshire.

Then as we go down the river, we come to the larger ones, first the one at Wilder, owned by the Bellows Falls Hydroelectric Corporation. That has a capacity of 5,220 kilowatts, and in 1943 generated 33,192,000 kilowatt-hours. It is contemplated by the utility company which owns that dam to increase the output about five times.

Then there is a dam at Bellows Falls, a still larger one, which last year generated 265,908,000 kilowatt-hours of electricity. Those dams are owned by the Bellows Falls Hydroelectric Corporation, a subsidiary of the New England power group.

Then there are the Comerford Dam, the Vernon Dam, and the McIndoes Dam, which last year generated over 500,000,000 kilowatt-hours of electricity. They are owned by the Connecticut River Power Co., another subsidiary of the New England power group.

Then there is the Western Massachusetts Electric Co., which owns two dams, the Cabot Dam, and the Turners Falls No. 1 Dam, which together generated about 300,000,000 kilowatt-hours of electricity last year.

The city of Holyoke has a small municipal plant, which gnerated 12,301,000 kilowatt-hours of electricity last year.

The Holyoke Water Power Co.—and I do not know to what group, if any, it belongs—has two plants on the Connecticut River generating 49,000,000 kilowatt-hours and 20,000,000 kilowatt-hours, respectively.

With the exception of the dam owned by the city of Holyoke, these dams are owned by private utilities.

I do not object to the private utilities getting an increased flow of water on the Connecticut River, but I do object to any attempt on the part of anyone to prevent the generating of power from our small dams up in Vermont.

As I have said, I have told the people of the West River Valley that I would fight just as long as I could to save that valley for them. I say again that when this amendment was agreed to, I could not interpret it as it has since been interpreted. I suppose it is because I have a layman's mind. I thought we were prohibiting the construction of a great dam on the West River. It seems, however, that as it is interpreted now we have prohibited it only under certain conditions.

As I have said, the War Department has already estimated that the dam at Williamsville will cost in excess of 30 percent more than the estimate they had last spring, and it seems reasonable to believe that the smaller dams might also increase in cost. With the cost of labor going up, and the cost of materials likely to rise, I cannot understand why there is a limitation put on this cost. The Senate certainly thought it was authorizing a series of smaller dams for this valley, this valley which is desirable as a place in which to live, a place in which to build homes, as a great many people from outside the State have done during the last few years. It is a fairly good agricultural valley.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr AIKEN. I yield.

Mr. CONNALLY. Does the Senator want us to defeat the conference report?

Mr. AIKEN. I should like to have the conferees agree.

Mr. CONNALLY. That is not the question.

Mr. AIKEN. I understand that.

Mr. CONNALLY. The question is, Shall we agree to the conference report? Does the Senator want us to reject the conference report?

Mr. AIKEN. I know I cannot have the conference report rejected.

Mr. CONNALLY. I am merely asking what the Senator's purpose is.

Mr. AIKEN. This matter should be cleared up. The Senators from Vermont were very much pleased when the Senate adopted the amendment. They thought they had achieved protection for the West River Valley.

Mr. CONNALLY. Will the Senator yield further?

Mr. AIKEN. I yield.

Mr. CONNALLY. The Senator says he knows he cannot defeat the conference report. If he cannot, what is the use of attempting to kill the report? We must either adopt the report or kill the report.

Mr. AIKEN. I am not trying to kill it. I want Senators to know what they are doing to that valley.

Mr. CONNALLY. I do not know anything in the world about the valley except that it is a beautiful valley. I have driven up and down the valley. The scenery is wonderful. But how that has anything to do with the conference report I do not know.

Mr. AIKEN. I realize I cannot kill the conference report, but I want to make it clear that I never in the world placed the interpretation on the amendment which has been put upon it since it went to conference. If any such interpretation was put upon it before, I was not aware of it.

Mr. CHAVEZ. Mr. President, I do not want to kill the conference report, but I do want the Senator from Vermont to make his position clear. He is not killing any time at all. I want him to take all the time he needs to present his case.

Mr. AIKEN. Mr. President, so I say that I hope the State and the Army engineers will agree that this protection can be afforded by the smaller dams, and be kept within the $11,000,000. I know it is too late to change the amendment now, but I will say that if any attempt is made to take from Vermont her resources or to destroy her valleys without giving back any compensation whatsoever, I shall fight every such attempt as strongly as I can.

It is almost beyond my understanding, Mr. President, that without hesitation we struck out a dam in North Carolina. Without any hesitation the Senate struck out a dam which the Senator from North Carolina [Mr. BAILEY] wanted eliminated from the bill. There were no conditions about that except that a resurvey could be made. We struck out a dam in West Virginia without any question. We struck out one in Indiana, as I recall, without qualifications. Yet there is objection to striking out unequivocally the one dam in Vermont which would do a tremendous amount of harm to my State. I know that I cannot kill the amendment now. I have nothing more to say, but I sincerely hope that the big dam which would destroy my valley, never will be built.

The PRESIDING OFFICER. The question is on agreeing to the conference report on House bill 4485.

The report was agreed to.

ESTATE OF CHARLES NOAH SHIPP, DECEASED

Mr. HILL. Mr. President, on the 22d day of June the Senate passed Senate bill 1464, which had been introduced by the distinguished senior Senator from Kentucky [Mr. BARKLEY], authorizing the appropriation of $7,500 for the relief of the estate of one Charles Noah Shipp, deceased. When that bill went to the House of Representatives, instead of the House acting on the Senate bill, which had been passed last June, it passed a House bill identical with the Senate bill, except that the House bill provides damages in the amount of $5,361 instead of $7,500.

I ask that the House bill be laid before the Senate.

The PRESIDING OFFICER laid before the Senate a bill (H. R. 3791) for the relief of the estate of Charles Noah Shipp, deceased, which was read twice by its title.

Mr. HILL. Mr. President, I ask for the present consideration of the House bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 3791) was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Henry A. Schweinhaut, of Maryland, to be an associate justice of the District Court of the United States for the District of Columbia, vice Oscar R. Luhring, deceased.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). If there be no further reports of committees, the clerk will state the nominations on the Calendar.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Mrs. Grace Gavin Lewis, to be register of the land office, The Dalles, Oreg.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. HILL. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the Executive Calendar.

Mr. HILL. I ask that the President be notified forthwith of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE PROGRAM

Mr. WHITE. As in legislative session, may I inquire of the distinguished acting majority leader whether he can tell us what will be before the Senate tomorrow?

Mr. HILL. I will say to the distinguished Senator from Maine that the crop-insurance bill will be the pending business when the Senate reconvenes tomorrow. As soon as we can dispose of that bill, I shall ask unanimous consent that the Senate proceed to the consideration of unobjected-to bills on the calendar, beginning at the point where we left off at the last call of the calendar.

Mr. WHITE. I thank the Senator.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 57 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, December 13, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 12 (legislative day of November 21), 1944:

DEPARTMENT OF THE INTERIOR

REGISTER OF THE LAND OFFICE

Mrs. Grace Gavin Lewis to be register of the land office at The Dalles, Oreg.

IN THE NAVY

TO BE VICE ADMIRALS IN THE NAVY, FOR TEMPORARY SERVICE, TO RANK FROM THE DATES INDICATED

Samuel M. Robinson, from January 31, 1942.

Willis A. Lee, Jr., from March 21, 1944.

Theodore S. Wilkinson, from August 12, 1944.

TO BE REAR ADMIRALS IN THE NAVY, FOR TEMPORARY SERVICE, TO RANK FROM THE DATES INDICATED

Ralph S. Riggs, from June 16, 1943.

Ralph E. Jennings, from September 5, 1943.

TO BE A COMMODORE IN THE NAVY, FOR TEMPORARY SERVICE

Bernard L. Austin, to continue while serving as Assistant Chief of Staff to the Commander in Chief, United States Pacific Fleet and Pacific Ocean areas.

TO BE PLACED ON THE RETIRED LIST, WITH RANK OF VICE ADMIRAL

Rear Admiral Wilson Brown, when retired on December 1, 1944.

POSTMASTERS

ILLINOIS

Emma L. Marinko, Alhambra.
Clarence J. Hendron, Clifton.
Hugh Thompson, Dwight.
Ralph O. Johns, Madison.
William Herman Truebe, Pocahontas.
Carroll E. Taylor, Shipman.

LOUISIANA

Mollie E. Walther, Gibson.

MASSACHUSETTS

Arthur K. Bates, Danvers.

MISSISSIPPI

Norma B. Johnston, Enid.

NEW YORK

Mable G. Evans, Branchport.
Agnes C. VanDemark, Brooktondale.
Leo F. Sellers, Burke.
Hildege N. Cataracte, Cadyville.
Francis McDonald, Carle Place.
Hollis F. Stowell, Cassadaga.
Anna V. Herron, Centereach.
Thomas E. Havens, Center Moriches.
Vivian E. Shaw, Chafee.
Elmer B. Weston, Chemung.
Alfred C. Brondstatter, Cold Brook.
Ruth Babcock Henry, Congers.
Nellie S. Andrews, Conklin.
Anna H. Callahan, Constable.
Carl F. Seibel, Durhamville.
Emil Peter Luc, East Williston.
Milo J. Delong, Ellenburg Center.
Mary A. Murphy, Forestport.
John A. Bush, Hartwick.
Pauline Trainor, Heuvelton.
Frances A. Kinney, Locke.
Frank H. Tymeson, Maine.
Ragnhild O. Chester, Mastic Beach.
Edward Phillips, Middleport.
Harry B. Ecker, Mount Tremper.
Francis T. Callan, Mumford.
Mamie C. Foley, Ontario Center.
Helen W. Aumick, Pine City.
George A. Lortscher, Pittsford.
Eunice H. Raynor, Quogue.
Alice M. Smith, Richford.
Alice E. Colburn, Rose.
William E. Worcester, Rotterdam Junction.
W. Paul Blancher, South Lansing.
Helen M. Cronk, Staatsburg.
Joseph F. Marshall, Waterloo.
Lula E. Joyce, West Hurley.
Louise Knapp, Wolcott.

OKLAHOMA

Sloan S. Stringer, Ochelata.
Paul R. Fulfs, Randlett.

PENNSYLVANIA

Laurence A. Gossman, North Girard.

TENNESSEE

Paul E. Sams, Erwin.

HOUSE OF REPRESENTATIVES

Tuesday, December 12, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Most merciful and gracious God, we have been privileged to enter upon a new day filled with many blessings and ladened with tasks and responsibilities which challenge the consecration of our noblest manhood and womanhood. May there never be an hour when we shall be recreant to any duty or turn away cowardly from any difficulty.

Grant that in our need of guidance and strength we may avail ourselves humbly and confidently of those resources which Thou hast placed at our disposal. May we be inspired to think clearly and to act courageously in achieving the glorious victory of those ideals and principles of justice and righteousness which Thou hast ordained.

We pray that our President, our Speaker, and all the chosen Representatives of our beloved country may be the honored instruments of the Lord whereby the spirit of good will and brotherhood shall be mediated to the heart of humanity. Help us to pray and labor more fervently for that blessed time when men everywhere shall dwell together in the fellowship and friendship of the Prince of Peace.

Hear us in the name of the Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1033. An act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts; and

H. R. 5408. An act to amend the Mustering-out Payment Act of 1944, to provide a method for accomplishing certain mustering-out payments on behalf of mentally disabled veterans, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1159. An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2019. An act to establish the grade of Fleet Admiral of the United States Navy, and for other purposes.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by the Honorable Manley O. Hudson on the international law of the future.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that at the conclusion of the address of the gentlewoman from Ohio [Mrs. BOLTON] this afternoon I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an article by Lester Allen which appeared in the Boston Post last Sunday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a poem.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in three instances in the RECORD and to include an article from the Dallas News, the East Texas Chamber of Commerce Journal, and a letter from General Hines.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include several editorials.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Miss STANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one to include an editorial concerning former Secretary of State Cordell Hull and in the other a statement on the Postal Service employees' increase in salary.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter showing the plight of the farmer and the need of work clothing and gloves.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

THE LATE CHARLES D. MILLARD

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, it is with a feeling of profound sorrow that I have just learned of the tragic death of a former Member of this House, the Honorable Charles D. Millard, Republican, of Tarrytown, Westchester County, N. Y., who served in the Seventy-second, Seventy-third, Seventy-fourth, and Seventy-fifth Congresses from the Twenty-fifth Congressional District of New York. Those of us who have been here for some years remember Charlie D. Millard as one of the most popular men in this House. I can almost see him now, for he invariably sat right here in the front row, and he made it his business to see that the House was in order. If the House was ever out of order, he made the point of order to see that it was in order. He rendered a fine service to his district, and was afterward honored by his people as surrogate of Westchester County. He had been retired from his judicial position because of having reached the age limit. He served in Congress with distinction. I sympathize deeply with his lovely and cultured daughter who survives him.

Charles D. Millard was born in Tarrytown, N. Y., in the congressional district which he represented; educated at Phillips Academy, Andover, Mass.; Brown University, Providence, R. I.; New York Law School, New York City; admitted to the bar on May 2, 1898, and practiced law from that time in New York City and Westchester County, N. Y.; was president of Westchester County Bar Association, 1927–28; member of the Westchester County Board of Supervisors since 1907 and chairman of that board, 1916–17 and 1927–28; for 23 years supervisor of the town of Greenburgh; Republican State committeeman from the fourth assembly district of Westchester County.

Mr. GAMBLE. Mr. Speaker, the sudden death yesterday of the Honorable Charles D. Millard, of Tarrytown, N. Y., who represented the Twenty-fifth Congressional District of New York, which has just been announced, brings a feeling of sadness to me and to his many friends still serving here.

Charlie Millard was born in Tarrytown, N. Y., December 1, 1873. He was educated at Phillips Academy, Andover, Mass., and graduated from Brown University in 1895. A member of the university football team, Charlie Millard was named All-America halfback in his senior year. He was also a member of the Brown baseball team and its captain. Upon his graduation from New York Law School in 1898 he was admitted to practice the same year.

Mr. Millard began his long political career when he was elected town clerk of Greenburgh in 1889 and remained in that post until 1907 at which time he was elected supervisor of the town of Greenburgh, serving continuously for 23 years. He was twice elected chairman of the board of supervisors. Mr. Millard was also a past president of the Westchester County Bar Association.

A lifelong Republican, Charlie Millard was one of the most popular political figures in Westchester County.

Mr. Millard was elected to the Congress, representing the present Twenty-fifth Congressional District of New York, in 1931 and served until 1937 when he resigned to accept the nomination as surrogate of Westchester County to which office he was elected in the fall of that year and served a full term of 6 years, retiring on December 31, 1943, when he reached the statutory retirement age.

COMBAT PAY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am glad to note by the press that General Eisenhower has recommended that the Medical Corps be given the combat increase in pay. I took the matter up with the chairman of the Committee on Military Affairs when I came back from Europe and also with the War Department. The War Department has not recommended it as yet. General Eisenhower's recommendation should be agreed to. The Medical Corps is unarmed, unable to defend itself, and should be given the increase in pay in combat areas. The stretcher bearers go out unarmed, up mountain trails, under fire, on the fields of battle to care for and carry out the wounded, totally unprotected, and many of them are wounded and some lose their lives in saving others. The nurses and doctors and other personnel of the Medical Corps are very near the actual firing line and are in constant danger. It is truly a brave corps.

AMERICAN RED CROSS

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, in April 1942, the President requested of Congress a bill to protect the name and emblem of the American Red Cross, to stop its commercial exploitation, and to implement the international Red Cross treaty. It was urged by the State, War, Navy, and Justice Departments, by the Army and Navy as needed in the war effort, by the staff and volunteer membership of the Red Cross. It was opposed by the half dozen companies who commercialize the name and emblem of the Red Cross.

The bill came out of committee so late in 1942 that it died on the Union Calendar in the Seventy-seventh Congress. I wish to report that the same thing is now happening in the Seventy-eighth Congress. The Red Cross bill, which this time originated in the Senate, has been in our committee since April. A substitute came out of our committee this week, which gives commercial imitators more protection than the present law. The American Red Cross is opposed to this substitute bill. The bill will probably die on the calendar. In the meantime, except for the Red Cross Shoe Co. in Ohio, which has patriotically changed its trade-mark to Gold Cross during the war, the other commercial users are continuing to cash in on their alleged vested rights to confuse the public and to commercialize this sacred international emblem of mercy—the Red Cross.

NATIONAL MEMORIAL STADIUM, DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 155) establishing a commission to select a site and design for a national memorial stadium to be erected in the District of Columbia.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand the committee has reported the resolution favorably and has also made a change in it so that the commission would have the right to recommend the site.

Mr. RANDOLPH. Yes. The distinguished minority leader is correct. His objection yesterday afternoon during the previous consideration of this measure was met by the Committee on the District of Columbia at a special session today. We reported the joint resolution unanimously with the suggested change calling for a recommendation of the site rather than the actual selection.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby established a commission to be composed of three Members of the Senate to be appointed by the President of the Senate, three Members of the House of Representatives to be appointed by the Speaker of the House, and three persons to be appointed by the Commissioners of the District of Columbia. Such commission is authorized and directed (1) to consider and select a suitable site for an athletic field and stadium to be constructed in the District of Columbia as a permanent memorial to the men and women who gave their lives while serving as members of the armed forces of the United States during World War No. 1 and World War No. 2; (2) to procure such plans and designs and make such surveys and estimates of the cost thereof as it deems advisable; (3) to endeavor particularly to formulate a method of financing the project on a self-liquidating basis; and (4) to make a report to the Congress, together with its recommendations, at the earliest practicable date.

SEC. 2. (a) The members of the commission shall serve without compensation; but travel, subsistence, and other necessary expenses incurred by them in connection with the work of the commission may be paid from any funds available for expenditure by the commission.

(b) The commission is authorized, within the limits of appropriations made therefor, to employ and fix the compensation of such officers, experts, and other employees as may be necessary to carry out its functions.

SEC. 3. There are hereby authorized to be appropriated such sums, not to exceed $25,000, as may be necessary to carry out the provisions of this joint resolution.

Mr. RANDOLPH. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANDOLPH: On page 1, line 9, strike cut "and select."

The amendment was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A joint resolution establishing a commission to consider a site and design for a national memorial stadium to be erected in the District of Columbia."

RED CROSS EMBLEM

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I listened a moment ago to the observations of the gentleman from Ohio [Mr. VORYS] relative to the bill that is pending both in the House and Senate to prohibit in the future, with some modifications, the use of the heraldic emblem of the Red Cross. That matter is not quite so simple as it would appear. I do not understand, as a matter of fact, notwithstanding all the legalisms and the fine-spun court decisions, why the United States Government should undertake to say to a man who has used that emblem for 75 years that as of a given day such use must end. I see no harm to the Red Cross itself. I see, however, the Government stepping in constantly through the exercise of the sovereign power to deny people a usage that has been going on for a long time.

There is a little cannery in Maryland; there is Johnson & Johnson, which makes bandages, gauze, and surgical apparatus; there is a shoe company in Ohio; there is a macaroni factory in Illinois where that emblem has been used continuously through three or four generations, for 75 years; and others who have used the Red Cross as a commercial emblem and trade-mark; and suddenly and very abruptly the Government says, "On and after a given day you cannot use it."

Despite the legalisms, is there anything fair about that?

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a column by Roger W. Babson.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(Mr. WEISS asked and was given permission to extend his remarks in the RECORD.)

Mr. HARLESS of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a telegram from various citizens in Tucson, Ariz.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD by including therein an article by Charles A. Merrill, from the Boston Sunday Globe.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEDERAL-AID HIGHWAY ACT, 1944

Mr. ROBINSON of Utah. Mr. Speaker, I call up the conference report on the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That, when used in this Act, unless the context indicates otherwise—

"The term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of a highway, including locating, surveying, and mapping, costs of rights-of-way, and elimination of hazards of railway-grade crossings.

"The term 'urban area' means an area including and adjacent to a municipality or other urban place, of five thousand or more, the population of such included municipality or other urban place to be determined by the latest available Federal census. The boundaries of urban areas, as defined herein, will be fixed by the State highway department of each State subject to the approval of the Public Roads Administration.

"The term 'rural areas' means all areas of the State not included in 'urban areas.'

"The term 'secondary and feeder roads' means roads in rural areas, including farm-to-market roads, rural-mail routes, and school-bus routes, and not on the Federal-aid system.

"SEC. 2. For the purpose of carrying out the provisions of the Federal Highway Act, approved November 9, 1921, as amended and supplemented, there is hereby authorized to be appropriated the sum of $1,500,000,000 to become available at the rate of $500,000,000 a year for each of three successive post-war fiscal years: *Provided*, That of the sums authorized to be appropriated for the first of such fiscal years $100,000,000 may

be appropriated in accordance with the provisions of this Act to become available immediately upon apportionment of the authorization for said fiscal year for the making of surveys and plans and for construction: *Provided further,* That except for the sum appropriated pursuant to the preceding proviso, no part of the funds made available pursuant to this Act shall be used to pay costs incurred under any construction contract entered into by any State before the beginning of the first post-war fiscal year. The first post-war fiscal year shall be that fiscal year which ends on June 30th following the date proclaimed by the President as the termination of the existing war emergency, or following the date specified in a concurrent resolution of the two Houses of Congress as the date of such termination, or following the date on which the Congress by a concurrent resolution of the two Houses finds as a fact that the war emergency hereinbefore referred to has been relieved to an extent that will justify proceeding with the highway construction program provided for by this Act, whichever date is the earliest. The authorization for the first post-war fiscal year shall be apportioned among the States within thirty days from the passage of this Act. The authorization for the second post-war fiscal year shall be apportioned among the States within twelve months after the date of such termination or finding as above specified, and the authorization for the third post-war fiscal year shall be apportioned among the States within twelve months after the apportionment of the authorization for the second post-war fiscal year. As soon as the funds for each of the post-war fiscal years have been apportioned, the Commissioner of Public Roads is authorized to enter into agreements with the State highway departments for the making of surveys and plans, the acquisition of rights-of-way, and the post-war construction of projects. His approval of any such agreement shall be a contractual obligation of the Federal Government for the payment of its pro rata share of the cost of construction: *Provided, however,* That the Commissioner of Public Roads shall not, as a condition of approval of any project for Federal aid hereunder, require any State to acquire title to, or control of, any marginal land along the proposed highway in addition to that reasonably necessary for road surfaces, median strips, gutters, ditches, and side slopes and sufficient width to provide service roads for adjacent property to permit safe access at controlled locations in order to expedite traffic, promote safety, and minimize roadside parking.

"SEC. 3. The sum authorized in section 2 for each year shall be available for expenditures as follows:

"(a) $225,000,000 for projects on the Federal-aid highway system.

"(b) $150,000,000 for projects on the principal secondary and feeder roads, including farm-to-market roads, rural free delivery mail and public-school bus routes, either outside of municipalities or inside of municipalities of less than five thousand population: *Provided,* That these funds shall be expended on a system of such roads selected by the State highway departments in cooperation with the county supervisors, county commissioners, or other appropriate local road officials and the Commissioner of Public Roads: *Provided further,* That in any State having a population density of more than two hundred per square mile, as shown by the latest available Federal census, the said system may be selected by the State highway department with the approval of the Commissioner of Public Roads without regard to included municipal boundaries: *Provided further,* That any of such funds for secondary and feeder roads which are apportioned to a State in which all public roads and highways are under the control and supervision of the State highway department may, if the State highway department and the Commissioner of Public Roads jointly agree that such funds are not needed for secondary and feeder roads, be expended for projects in such State on the Federal-aid highway system.

"(c) $125,000,000 for projects on the Federal-aid highway system in urban areas.

"SEC. 4. After making the deductions for administration, research, and investigations as provided in section 21 of the Federal Highway Act of 1921, the sums authorized shall be apportioned as follows:

"(a) The $225,000,000 per year available for projects on the Federal-aid highway system shall be apportioned among the States as provided in section 21 of the Federal Highway Act.

"(b) The $150,000,000 per year available for projects on the secondary and feeder roads shall be apportioned among the States in the following manner: One-third in the ratio which the area of each State bears to the total area of all the States; one-third in the ratio which the rural population of each State bears to the total rural population of all the States, as shown by the Federal census of 1940; and one-third in the ratio which the mileage of rural delivery and star routes in each State bears to the total mileage of rural delivery and star routes in all the States: *Provided,* That no State shall receive less than one-half of one per centum of each year's allotment under subsection (a) and this subsection.

"(c) The $125,000,000 per year available for projects on highways in urban areas shall be apportioned among the States in the ratio which the population in municipalities and other urban places, of five thousand or more, in each State bears to the total population in municipalities and other urban places, of five thousand or more, in all the States as shown by the latest available Federal census: *Provided,* That Connecticut and Vermont towns shall be considered municipalities regardless of their incorporated status.

"(d) Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for one year after the close of the fiscal year for which such sums are authorized, and any amount so apportioned remaining unexpended at the end of such period shall lapse: *Provided,* That such funds shall be deemed to have been expended if covered by formal agreement with the Commissioner of Public Roads for the improvement of a specific project as provided by this Act.

"SEC. 5. (a) The Federal share payable on account of any project provided for by the funds made available under the foregoing provisions of this Act shall not exceed 50 per centum of the construction cost thereof other than costs of rights-of-way, and as to costs of rights-of-way shall not exceed one-third of such costs: *Provided,* That in the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 per centum of the total area of all lands therein the Federal share shall be increased in each of the three post-war years by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of its total area: *Provided further,* That the entire construction cost of projects for the elimination of hazards of railway-highway crossings, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade crossing structures, and the relocation of highways to eliminate grade crossings, may be paid from Federal funds, except that not more than 50 per centum of the right-of-way and property damage costs paid from public funds, on any such project, may be paid from Federal funds: *Provided further,* That not more than 10 per centum of the sums apportioned to any State under the terms of this Act for each of such post-war fiscal years shall be used for such railway-highway projects, to be expended in accordance with the Federal Highway Act, as amended and supplemented, and the provisions of this section.

"(b) Any railway involved in any project for the elimination of hazards of railway-highway crossings paid for in whole or in part from funds made available under this Act, shall be liable to the United States for a sum bearing the same ratio to the net benefit received by such railway from such project that the Federal funds expended on such project bear to the total cost of such project. For the purposes of this subsection, the net benefit received by a railway from any such project shall be deemed to be the amount by which the reasonable value of the total benefits received by it from such project exceeds the amount paid by it (including the reasonable value of any property rights contributed by it) toward the cost of such project; and in no case shall the total benefits to any railway or railways be deemed to have a reasonable value in excess of 10 per centum of the cost of any such project. The liability of any railway to the United States with respect to any such project may be discharged by paying to the United States, within six months after the completion of such project, such amount as the Commissioner of Public Roads determines to be the amount of such liability. Any such determination of the Commissioner shall be made on the basis of recommendations made to him by the State highway department and on the basis of such other information and investigation, if any, as the Commissioner deems necessary or proper. If any such railway has failed so to discharge its liability to the United States with respect to any project within six months after the completion thereof, the Commissioner of Public Roads shall request the Attorney General to institute proceedings against such railroad for the recovery of the amount for which it is liable under this subsection. The Attorney General is authorized to bring such proceedings on behalf of the United States in the appropriate district court of the United States, and the United States shall be entitled in such proceedings to recover such sums as it is considered and adjudged by the court that such railway is liable for in the premises. Any amounts paid to or recovered by the United States under this subsection shall be covered into the Treasury as miscellaneous receipts.

"SEC. 6. If the Commissioner of Public Roads shall determine that it is necessary for the expeditious completion of projects undertaken pursuant to this Act, he may advance to any State from funds heretofore or hereafter made available the Federal share of the cost thereof to enable the State highway department to make prompt payments for work as it progresses: *Provided,* That such State, after June 30, 1945, does not divert to other than highway uses road user revenues in violation of section 12 of the Highway Act of June 18, 1934. The funds so advanced shall be deposited in a special trust account by the State treasurer, or other State official authorized under the laws of the State to receive Federal-aid highway funds, to be disbursed solely upon vouchers approved by the State highway department for work actually performed in accordance with plans, specifications, and estimates approved by the Public Roads Administration under the provisions of this Act. Any unexpended balances of funds so advanced shall be returned to the credit of the appropriation from which the funds have been advanced: *Provided,* That any advance made to any State under the provisions of this section and not repaid shall be deducted from any apportionment allocated to such State under the provisions of this Act for the year next succeeding the year in which such advance is made, and no agreement made in accordance with the provisions of section 2 of this Act shall be valid

for any pro rata share of the cost of construction in excess of such apportionment less such advance.

"SEC. 7. There shall be designated within the continental United States a National System of Interstate Highways not exceeding forty thousand miles in total extent so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico. The routes of the National System of Interstate Highways shall be selected by joint action of the State highway departments of each State and the adjoining States, as provided by the Federal Highway Act of November 9, 1921, for the selection of the Federal-aid system. All highways or routes included in the National System of Interstate Highways as finally approved, if not already included in the Federal-aid highway system, shall be added to said system without regard to any mileage limitation.

"SEC. 8. With the approval of the Federal Works Administrator, not to exceed 1½ per centum of the amount apportioned for any year to any State under the Federal Highway Act, as amended and supplemented, except sections 3 and 23 thereof, shall hereafter be used with or without State funds for surveys, plans, engineering, and economic investigations of projects for future construction in such State, on the Federal-aid highway system and extensions thereof within municipalities, on secondary or feeder roads, urban highways or grade-crossing eliminations, and for highway research necessary in connection therewith.

"SEC. 9. For the purpose of carrying out the provisions of section 23 of the Federal Highway Act (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of $25,000,000 for the first post-war fiscal year and a like amount for each of the second and third post-war fiscal years; and (2) for forest development roads and trails the sum of $12,500,000 for the first post-war fiscal year and a like amount for each of the second and third post-war fiscal years: *Provided*, That the apportionment for forest highways in Alaska shall be for each year $1,500,000 and that such additional amount as otherwise would have been apportioned to Alaska for each of said years shall be apportioned among those States, including Puerto Rico, whose forest highway apportionment for such year otherwise would be less than 1 per centum of the entire apportionment for forest highways for that year.

"SEC. 10. (a) For the construction, reconstruction, improvement, and maintenance of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the Act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of $12,750,000, to become available at the rate of $4,250,000 a year for each of the three successive post-war fiscal years.

"(b) For the construction and maintenance of parkways, to give access to national parks and national monuments, or to become connecting sections of a national parkway plan, over lands to which title has been transferred to the United States by the States or by private individuals, there is hereby authorized to be appropriated the sum of $30,000,000, to become available at the rate of $10,000,000 a year for each of the three successive post-war fiscal years.

"(c) For the construction, improvement, and maintenance of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the Act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of $6,000,000 for the first post-war fiscal year and a like amount for each of the second and third post-war fiscal years: *Provided*, That the location, type, and design of all roads and bridges constructed shall be approved by the Public Roads Administration before any expenditures are made thereon, and all such construction shall be under the general supervision of the Public Roads Administration.

"SEC. 11. Federal highway funds shall not be used for the reconstruction or relocation of any highway giving access to an airport (if such airport has been constructed or extended after the date of enactment of this Act), or for the reconstruction or relocation of any highway which has been or may be closed or the usefulness of which has been or may be impaired by the location or construction of any airport (if such airport has been constructed or extended after the date of enactment of this Act), unless, prior to such extension or construction, as the case may be, the State highway department and the Public Roads Administration have concurred with the officials in charge of the airport that the location of such airport or extension thereof and the consequent reconstruction or relocation of the highway are in the public interest.

"SEC. 12. On any highway or street hereafter constructed with Federal aid in any State, the location, form, and character of informational, regulatory, and warning signs, curb and pavement or other markings, and traffic signals installed or placed by any public authority, or other agency, shall be subject to the approval of the State highway department with the concurrence of the Public Roads Administration; and the Commissioner of Public Roads is hereby directed to concur only in such installations as will promote the safe and efficient utilization of the highways.

"SEC. 13. If any section, subsection, or other provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

"SEC. 14. This Act may be cited as the 'Federal Aid Highway Act of 1944'."

And the House agree to the same.

J. W. ROBINSON,
WILL M. WHITTINGTON,
JENNINGS RANDOLPH,
JESSE P. WOLCOTT,
JAMES W. MOTT,
HUGH PETERSON,
PAUL CUNNINGHAM,
Managers on the part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
JOSIAH W. BAILEY,
CLYDE M. REED,
WILLIAM LANGER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2105) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all after the enacting clause of the Senate bill and inserted in lieu thereof an amendment which was a complete substitute for the text of the Senate bill. However, the provisions of the Senate bill and the House amendment were in large part identical. The following statement indicates the differences between the Senate bill and the House amendment and the action of the conferees with respect to these differences.

Section 1 of the Senate bill defined the term "construction" so as to exclude the costs of rights-of-way. The effect of this exclusion was to prevent the use of Federal funds to pay any part of the costs of rights-of-way for highway projects undertaken under the bill. The House amendment defined the term "construction" so as to include costs of rights-of-way. The effect of this, under the bill, was to permit Federal funds to be used to pay 50 percent of the costs of rights-of-way as well as 50 percent of the other costs for highway projects. The conference agreement follows the House amendment in the definition of the term "construction", however the language of section 5 is modified to provide that, while Federal funds may be used to pay up to 50 percent of the costs other than the costs of rights-of-way, such funds may not be used to pay more than one-third of the cost of rights-of-way.

The Senate bill defined the term "urban area" so as to include urban places other than municipalities. The House amendment omitted the reference to such other urban places. The conference agreement follows the Senate bill in this respect. This has the effect of including along with incorporated municipalities certain other densely populated areas of 5,000 or more persons which are recognized by the Bureau of the Census as urban areas. The House amendment also made a technical change in the definition of the term "urban area" which is retained in the conference agreement.

Section 2 of the Senate bill authorized the appropriation of $450,000,000 for each of three successive post-war fiscal years. The corresponding amount authorized to be appropriated by the House amendment was $500,000,000 for each of such years. The conference agreement follows the House amendment with respect to these amounts. Under the Senate bill the first year for which the funds would be available would be that fiscal year ending on June 30, following the termination of the present war emergency, except that $100,000,000 could be appropriated to be available immediately. Under the House amendment the first year for which the funds would be available would be the fiscal year ending June 30, 1945. In both cases, it was provided that the first year might be as otherwise directed by the Congress. The conference agreement follows the Senate bill in this respect, except that it is specified that the termination of the war emergency may be proclaimed by the President or declared in a concurrent resolution of the two Houses of Congress, and it is also provided that the funds may become available when the Congress by concurrent resolution of the two Houses finds as a fact that the war emergency has been relieved to an extent that will justify proceeding with the highway program. The conference agreement also retains a provision of the Senate bill which provided that no part of the funds made available under the act, except the $100,000,000 which is to become immediately available, should be used to pay costs incurred under contracts entered into by the States before the beginning of the first post-war fiscal year.

The provision of the House amendment, which was not in the Senate bill, prohibiting the Commissioner of Public Roads from requiring the States to acquire excess marginal land along proposed highways is retained in the conference agreement with a modification which permits requiring the acquisition of sufficient land to provide service roads to permit safe access to highways.

Section 3 of the conference agreement follows the House amendment in providing $225,000,000 for each year for projects on the Federal-aid highway system, rather than $200,000,000 as was provided in the Senate bill, and in providing $150,000,000 for each year for projects on secondary and feeder roads, rather than $125,000,000 as was provided in the Senate bill.

Section 4 of the conference agreement provides that of the funds available for projects on the Federal-aid highway system outside of urban areas, and of the funds available for projects on secondary and feeder roads, no State shall receive less than one-half of 1 percent. The conference agreement also follows the House amendment in omitting the definition of the term "State" which specifically included the District of Columbia, Hawaii, and Puerto Rico, as they will share in the funds made available by the act on the same basis as if they were States by reason of provisions of existing law. The conference agreement makes a technical change which provides that funds apportioned under the act shall be available for expenditure for 1 year after the close of the year for which they are authorized, rather than 2 years after the date of apportionment.

Section 5 of the conference agreement, as indicated above, provides that not more than 50 percent of the construction costs of highway projects other than costs of rights-of-way may be paid from Federal funds, and as to cost of rights-of-way not more than one-third of such cost There were also a number of differences between the provisions of this section in the Senate bill and the House amendment relating to projects for the elimination of hazards at railway-highway crossings. The Senate bill provided that not less than 10 percent of the funds apportioned to any State should be available for such projects. The House amendment provided that not more than 15 percent of such sums should be used for such projects. The conference agreement provides that not more than 10 percent of such funds shall be so used. Under the Senate bill any part of the construction cost of such projects could be paid from Federal funds, except that no Federal funds could be used to pay for rights-of-way and the railway involved in any such project was required to pay not less than 15 percent of the construction cost. The House amendment provided that the entire construction cost of such projects could be paid from Federal funds, except that not more than 50 percent of the right-of-way and property damage costs, paid from public funds, could be paid from Federal funds. The conference agreement follows the House provisions in this respect except as to the requirement relating to contributions by the railways involved. Instead of providing that the contributions by the railways should be a condition upon the expenditure of Federal funds for railway-highway projects as did the Senate bill, the conference agreement provides that such projects may be proceeded with and constructed, whether or not the railways have agreed to pay any part of the cost, and that a share of the costs will be subsequently collected from the railway The amount which the railway will be required to pay is to be measured by the benefits received by the railway, in no case to exceed 10 percent of the cost of the project. The railway may discharge its liability with respect to any such project by paying the amount which the Commissioner of Public Roads determines to be the amount for which it is liable under this provision. If the railway does not elect to pay the amount so determined by the Commissioner, suit may be brought against the railway by the United States for the recovery of the amount which it is required to pay under this provision. In the court proceedings, the court would be free to determine the benefits to the railway and would in nowise be bound by the determination of the Commissioner.

The conference agreement omits the provisions of the Senate bill, which were not contained in the House amendment, providing that under certain specified circumstances Federal funds should be made available without matching to States which were unable to match the Federal funds.

Section 6 of the House amendment contained a provision, which was not in the Senate bill, providing that advances under the section should not be made to States which had diverted taxes intended for highway purposes to other uses. This provision is retained in the conference agreement in a modified form which will permit advances to be made if the State, after June 30, 1945, does not divert more of its revenues derived from road users to other than highway uses than is permitted by section 12 of the Highway Act of June 18, 1934. The provision contained in this section of the House amendment relating to the deduction from State apportionments with respect to advances made under the section is retained in the conference agreement with a clarifying change.

Section 7 of the conference agreement follows the House bill in designating the system of highways contemplated by the section as the National System of Interstate Highways.

Section 10 of the conference agreement follows the House bill in authorizing the appropriation of $30,000,000 for parkways, rather than $15,000,000 as was provided by the Senate bill. The conference agreement also retains (as section 10 (c)), with technical changes, the provisions of section 11 of the House amendment authorizing the appropriation of funds for Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands.

Section 11 of the conference agreement is a modification of section 11 of the Senate bill The House amendment contained no comparable provision. This section, as retained in the conference agreement, provides that Federal funds shall not be used for the reconstruction or relocation of highways giving access to airports, or highways which have been closed or had their usefulness impaired by the location of airports, if such airports are hereafter constructed or extended, unless prior to such extension or construction the State highway department and the Public Roads Administration have concurred in the location of such airport or extension.

Section 12 of the conference agreement, relating to the regulation of signs on highways and streets hereafter constructed with Federal aid, follows the provisions of this section of the House amendment, which made a number of technical changes in the corresponding section of the Senate bill.

The conference agreement omits section 13 of the Senate bill imposing certain restrictions upon the location of new bridges near existing toll bridges.

Section 13 of the conference agreement contains the ordinary separability clause.

Section 14 of the conference agreement contains a short title for the act.

J. W. ROBINSON,
WILL M. WHITTINGTON,
JENNINGS RANDOLPH,
JESSE P. WOLCOTT,
JAMES W. MOTT,
HUGH PETERSON,
PAUL CUNNINGHAM,
Managers on the part of the House.

Mr. ROBINSON of Utah. Mr. Speaker, this is a unanimous report from the conference committee. A great deal of time was spent in conference on this bill. The House maintained all of the important features of the House bill. There have been a few amendments made to the House bill, but in my judgment, most of the amendments have improved the bill over what it was when it left the House.

I do not care to make any extended remarks, but if there are any questions, I will be glad to yield.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. JENKINS. I am not sure that I am right about this, as I have read this very hastily. However, it seems to me, you have changed very materially the formula by which you apportion money to the rural highways. You adopt a new formula, new terms entirely, which I have never seen before.

Mr. ROBINSON of Utah. No. This is exactly the formula as it passed the House. The formula is new in one or two particulars. The old formula divided all of the funds—that is, at times it did and at times it did not—but it was the purpose to divide the funds on the basis of one-third population, one-third area, and one-third length of road. This formula divides the funds that are used on Federal-aid highways on the old formula. The funds that are used on farm-to-market and rural roads are divided substantially on the old formula, except instead of taking the population of the State we take the population of the counties, which makes a little better division of the funds as far as the counties are concerned. The $125,000,000 that goes to urban areas is divided entirely on the basis of population. That is a new feature of the highway bill, and a departure from the formula and also from the Federal-aid highway bill.

Mr. JENKINS. I have only read this casually, but I notice you provide that the apportionment for rural roads, such as rural carrier roads and bus roads shall be in the same proportion as those are to the bus roads of the Nation. That is a new proposition, is it not? For instance, Ohio's proportion would be fixed by finding out the proportion of school-bus roads in Ohio as compared with the whole United States?

Mr. ROBINSON of Utah. That is for local roads; country roads.

Mr. JENKINS. Is that not a new proposition?

Mr. ROBINSON of Utah. It is the same basis, only that it is based on the county roads instead of State roads, which, in the opinion of the committee, gave the local counties a little better break.

Mr. JENKINS. I thought so, but when I read this I am not sure. In that event, if you are careful to base it on the rural unimproved roads, that are not either on a county or State system, you will be carrying the benefits to the school-bus roads.

Mr. ROBINSON of Utah. That is correct.

Mr. MILLER of Connecticut. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. MILLER of Connecticut. Was there any reason given to the committee for the language in section 11, which I believe was also in the House bill, that prohibits the use of Federal funds for

the relocation of highways giving access to airports?

I have in mind that we have two airports in Connecticut, owned by the State, in connection with which for the duration they have had to close one of the through State highways.

Mr. ROBINSON of Utah. I may say to the gentleman from Connecticut that when the bill passed the House it contained no provision for flight strips; we have eliminated that from the bill. The Senate bill contained a provision for flight strips. The conference report does away with the flight strips, providing simply for the arrangement or concurrence, we might say, of the two organizations with reference to the reconstruction or relocation of any highway giving access to an airport.

Mr. MILLER of Connecticut. Will it be possible, if the Public Roads Administration approves, for the States to use Federal-aid funds on State highways giving access to an airport?

Mr. ROBINSON of Utah. Yes; I think that is correct.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. LUTHER A. JOHNSON. As I understand, the bill contains three different formulas. The first is for Federal-aid roads where the formula remains as it was, one-third, one-third, and one-third; secondly, there is the farm-to-market roads, where the formula has been changed. Will the gentleman explain it?

Mr. ROBINSON of Utah. It too is one-third, one-third, and one-third, only we use the county roads instead of the State roads.

Mr. LUTHER A. JOHNSON. The length of the county roads rather than the length of the State roads.

Mr. ROBINSON of Utah. The gentleman is correct.

Mr. LUTHER A. JOHNSON. Then in the case of urban roads it is on a population basis only and does not take into consideration either of the other elements.

Mr. ROBINSON of Utah. It takes into consideration the population of all cities over 5,000.

Mr. LUTHER A. JOHNSON. I am a little afraid we are getting away from the old formula, one-third population, one-third length of highway, and one-third area which was in the original act of 1916. We have just in recent years begun to depart from that formula, have we not?

Mr. ROBINSON of Utah. No; we have departed from it many times. In some of our bills we have apportioned one-eighth on population. We have not held exactly to the formula.

Mr. LUTHER A. JOHNSON. I thought this was a recent innovation.

Mr. ROBINSON of Utah. It is, so far as apportioning money directly to urban areas is concerned; that is new, but the committees in each House felt it was absolutely necessary to give the cities separate treatment.

Mr. LUTHER A. JOHNSON. How much money will the farm-to-market roads get under this bill?

Mr. ROBINSON of Utah. One hundred and fifty million dollars per annum.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. BONNER. I wish to ask the chairman if there has been any change whatsoever in the requirement of matching funds allocated to the States?

Mr. ROBINSON of Utah. No; I think not. They are required to match funds on a 50–50 basis.

Mr. BONNER. I call attention to section 8:

> With the approval of the Federal Works Administrator, not to exceed 1½ percent of the amount apportioned for any year to any State out of the Federal Highway Act, as amended and supplemented, except sections 3 and 23 thereof.

It states may be matched or may not be matched. What does that mean? It reads:

> Shall hereafter be used with or without State funds for surveys—

And so forth. That is with matching or without matching.

Mr. ROBINSON of Utah. That is where they used it simply for planning.

Mr. BONNER. Which States will be required to match and which not?

Mr. ROBINSON of Utah. As I understand, none of the States will be required to match.

Mr. BONNER. There will be no matching requirement whatsoever for planning.

Mr. ROBINSON of Utah. The gentleman is correct.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. CASE. First, I wish to express my appreciation to the conferees in retaining the amendment authorizing construction and maintenance of Indian reservation roads, which was adopted when the bill was before the House. Now, then, I wish to ask the chairman the reason for reducing from 2 years to 1 the period of time in which a State may match its allotments of Federal aid.

Mr. ROBINSON of Utah. We have not done that; they still have 2 years. The way we had it before it was on the date of apportionment. Under the bill as agreed to in conference the States will really have 2 years.

Mr. CASE. I think it is well to have that explanation in the RECORD because the conference report changes the language in paragraph (d) of section 4 from 2 years to 1 year and on the surface it would appear to be reducing the matching period that much.

Mr. ROBINSON of Utah. It is apportioned every year. We think as it is now we have really given the States 2 full years.

Mr. WHITTINGTON. There was some question and the language of the conference clarified it so as to make it definite with reference to the extended time.

Mr. RANKIN. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from Mississippi.

Mr. RANKIN. I refer to subsection (b) of Section 10, where we doubled the amount of funds for the construction and maintenance of parkways, such as the Natchez Trace, Blue Ridge, and so forth, raising it from $15,000,000 to $30,000,000. I understand the conferees have agreed to that amendment?

Mr. ROBINSON of Utah. That is correct.

Mr. RANKIN. Just as it was adopted by the House?

Mr. ROBINSON of Utah. That is correct.

Mr. O'CONNOR. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from Montana.

Mr. O'CONNOR. It occurs to me that the committee has done splendid work and the gentleman is to be congratulated on the work he has done in connection with procuring funds for roads in States like my own State and his State, following long and extensive hearings. Referring to paragraph (b) on page 3 of the report where it says "one-third in the ratio which the area of each State bears to the total area of all of the States," I feel confident the gentleman has made a study of just what that means.

Mr. ROBINSON of Utah. That is the law as it has been since 1916.

Mr. O'CONNOR. What proportion of that fund for feeder roads and county roads would the States have to provide?

Mr. ROBINSON of Utah. They match this on a 50–50 basis, all of it.

Mr. O'CONNOR. The whole works?

Mr. ROBINSON of Utah. All of it; yes.

Mr. THOMASON. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from Texas.

Mr. THOMASON. Did the conferees retain the provision about Federal aid for approach roads to national parks?

Mr. ROBINSON of Utah. Yes.

Mr. THOMASON. In those cases the Federal Government pays the entire amount?

Mr. ROBINSON of Utah. That is correct.

Mr. WICKERSHAM. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Can the Chairman assure me that States like Oklahoma that have set up their tax structure along certain lines for a number of years will not be affected?

Mr. ROBINSON of Utah. Under this bill they are treated the same as they have been treated under previous highway bills.

Mr. MILLER of Connecticut. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Do I understand the report correctly that as agreed upon not more than one-third of the cost of rights-of-way will be paid by Federal funds?

Mr. ROBINSON of Utah. That is correct. Under the House bill we paid one-half of the costs of the rights-of-way

and under the Senate bill none was provided. This is a compromise between the House and Senate bills.

Mr. MILLER of Connecticut. Is that not going to make it difficult for congested areas to provide their part of the funds where the cost of rights-of-way is very, very important and mighty expensive?

Mr. ROBINSON of Utah. I agree with the gentleman and I was in sympathy, of course, with the 50 percent, but the Senate did not provide for any Federal contribution and we thought it was better to get one-third than nothing at all.

Mr. MILLER of Connecticut. From zero to 33⅓ percent, I suppose is a good compromise.

Mr. IZAC. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from California.

Mr. IZAC. Will the gentleman assure the House that the location of the highways under this allocation of funds will be up to the highway commissions of the various States?

Mr. ROBINSON of Utah. The bill so provides. There is no question about that. The State highway commissions will have the say as to the location of the roads in the various States.

Mr. HARRIS. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from Arkansas.

Mr. HARRIS. As I understand it, the original language of the bill has been adopted with reference to when the bill will become effective, namely, at the termination of the present emergency?

Mr. ROBINSON of Utah. We adopted that with an amendment. We have changed it somewhat, but it has the effect of our amendment.

Mr. HARRIS. It will be following the termination of the present emergency and not a specific time as was provided by the amendment offered in the House?

Mr. ROBINSON of Utah. That is correct.

Mr. KEEFE. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I have not had time to read this report in its entirety. Will the gentleman state whether or not the provision inserted in the House bill providing against diversion of State taxes for highway purposes, gasoline taxes, and so forth, is incorporated in the present bill and what the effect of that is?

Mr. ROBINSON of Utah. We have maintained the same law. We have kept the provision in and really made it apply to all of the funds, and the same law with respect to diversion that now exists will apply to the funds carried in this bill.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from Ohio.

Mr. JENKINS. I have in my hand a copy of the bill, and on page 14 I find this language which I do not quite understand:

The authorization for the first post-war fiscal year shall be apportioned among the States within 30 days from the passage of this act.

That does not mean that you are going to pay out any of this money within 30 days from the passage of this act, does it?

Mr. ROBINSON of Utah. It is just apportioned.

Mr. JENKINS. What does the word "authorization" in this section mean?

Mr. ROBINSON of Utah. It means that we tell the Commissioner of Public Roads that he can tell the States just how much they will receive under this bill.

Mr. JENKINS. In other words, within 30 days after this law is passed, it will be Mr. MacDonald's duty to compute what each State is entitled to, and to publish this authorization or allocation.

Mr. ROBINSON of Utah. That is right.

Mr. JENKINS. I thank the gentleman.

Mr. ROBINSON of Utah. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FLOOD CONTROL, PUBLIC WORKS

Mr. WHITTINGTON. Mr. Speaker, I call up the conference report on the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, and ask unanimous consent that the statement on the part of the managers of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4485) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 27: That the Senate recede from its amendment numbered 27.

Amendment numbered 30: That the Senate recede from its amendment numbered 30.

Amendment numbered 36: That the Senate recede from its amendment numbered 36.

Amendment numbered 39: That the Senate recede from its amendment numbered 39.

Amendment numbered 44: That the Senate recede from its amendment numbered 44.

Amendments numbered 87 and 88: That the Senate recede from its amendments numbered 87 and 88.

Amendment numbered 91: That the Senate recede from its amendment numbered 91.

Amendments numbered 2, 3, 4, 5, 6 and 7: That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6 and 7 and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10 and agree to the same.

Amendments numbered 12, 13, 14, 15, 16, 17 and 18: That the House recede from its disagreement to the amendments of the Senate numbered 12, 13, 14, 15, 16, 17 and 18 and agree to the same.

Amendments numbered 20, 21, 22, 23, 24 and 25: That the House recede from its disagreement to the amendments of the Senate numbered 20, 21, 22, 23, 24 and 25 and agree to the same.

Amendments numbered 28 and 29: That the House recede from its disagreement to the amendments of the Senate numbered 28 and 29 and agree to the same.

Amendments numbered 31 and 32: That the House recede from its disagreement to the amendments of the Senate numbered 31 and 32 and agree to the same.

Amendments numbered 34 and 35: That the House recede from its disagreement to the amendments of the Senate numbered 34 and 35 and agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38 and agree to the same.

Amendments numbered 40, 41, 42, and 43: That the House recede from its disagreement to the amendments of the Senate numbered 40, 41, 42 and 43 and agree to the same.

Amendments numbered 45, 46, 47, 48, 49, 50 and 51: That the House recede from its disagreement to the amendments of the Senate numbered 45, 46, 47, 48, 49, 50 and 51 and agree to the same.

Amendments numbered 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80 and 81: That the House recede from its disagreement to the amendments of the Senate numbered 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80 and 81 and agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84 and agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90 and agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92 and agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In said Senate amendment, on page 1, strike out lines 3 through 11 and on page 2, strike out lines 1 through 4; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In said Senate amendment, on page 8, line 4, insert commas after the word "generally" and after the word "charge"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with amendments, as follows: In said Senate amendment, on page 8, line 24, after the period insert the following: "Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years"; on page 9,

line 2, before the word "to" insert the following: "from funds to be appropriated by the Congress"; line 2, strike out the word "and" and insert in lieu thereof the word "or"; line 2, after the word "acquire" insert the words "by purchase or other agreement"; line 8, after the period insert the words "All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts", and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In said Senate amendment, line 13, after the word "uses" insert the word "for"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with amendments, as follows: In said Senate amendment, line 23, after the word "prosecuted" insert the words "on any project authorized in this Act to be constructed by the War Department"; page 14, line 11, strike out the word "herein" and after the word "authorized" insert the words "in this Act for construction by the War Department"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with amendments, as follows: In said Senate amendment, line 17, after the word "provided" insert the words "that the Secretary of War determines that"; line 18, after the word "and" insert the word "that"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In said Senate amendment, on page 21, strike out lines 10 through 25, and on page 22, strike out lines 1 and 2 and insert in lieu thereof the following: "Paragraph (d) of the Lower Mississippi River item in section 3 of the Flood Control Act of August 18, 1941, is hereby construed to authorize reimbursement for the actual market value of lands, rights-of-way, and easements, furnished subsequent to August 18, 1941, for setbacks of main-line Mississippi River levees, regardless of state laws limiting payments to local tax assessment valuations"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In said Senate amendment, change the colon on line 17 to a period and strike out the remainder of that line and all of lines 18 and 19.

Amendment numbered 40½: That the House recede from its disagreement to the amendment of the Senate numbered 40½, and agree to the same with an amendment, as follows: In said Senate amendment, on line 3, strike out the words "his report of" and on line 4, strike out the words "November 16, 1944", and insert the words "House Document Numbered 802, Seventy-eighth Congress, Second Session,"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with amendments, as follows: In said Senate amendment, line 9, strike out the words "No provision of this or any other Act" and insert the words "Neither this authorization nor any previous authorization"; line 11, change the period to a comma and insert the following "pending submission and adoption by Congress of the report authorized in the Flood Control Act of August 11, 1939."; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with amendments, as follows: In said Senate amendment, line 23, strike out the figures "$959,465,000" and insert in lieu thereof the figures "$950,000,000"; line 24, after the word "herein" insert the words "by the War Department"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows: In said Senate amendment, line 14, before the word "protection" insert the word "bank"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows: In said Senate amendment, line 17, delete the period after the word "government" and add the following: "until the legislature of the state in which the land lies shall have consented to the acquisition of lands by the United States for the purposes within the scope of this section; provided further that there shall be paid annually to the county in which any lands acquired under this section may lie, a sum equal to one per centum of the purchase price paid for the lands acquired in that county or, if not acquired by purchase, one per centum of their valuation at the time of their acquisition."; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows: In said Senate amendment, line 6, strike out the figures "$418,000" and insert in lieu thereof the figures "$434,000"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows: In said Senate amendment, on page 52, line 2, strike out the figures "$12,500,000" and insert in lieu thereof the figures "$21,700,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows: In said Senate amendment, line 10, strike out the figures "12" and insert in lieu thereof the figures "13"; and the Senate agree to the same.

WILL M. WHITTINGTON,
A. LEONARD ALLEN,
A. J. ELLIOTT,
CHARLES R. CLASON,
CARL T. CURTIS,
Managers on the Part of the House.

JOSIAH W. BAILEY,
JOHN H. OVERTON,
THEO G. BILBO,
HAROLD H. BURTON,
OWEN BREWSTER,
HATTIE W. CARAWAY,
BENNETT CHAMP CLARK,
HIRAM W. JOHNSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4485) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control and for other purposes" submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

AMENDMENTS

Amendment No. 1: This amendment of the Senate as modified declares it to be the Federal policy to recognize the interest and rights of the States in determining the development of watersheds within their borders and their interests and rights in water utilization and control. It provides for review of reports of the Chief of Engineers and of the Secretary of the Interior by the State or States affected by the reports, and the comments of such affected States will become a part of the report when transmitted to Congress and published as a House or Senate document. In cases of plans or proposals concerned with the use or control of waters which rise in whole or in part west of the ninety-seventh meridian, the written views and recommendations of the Secretary of the Interior also become a part of the report of the Chief of Engineers and the written views and recommendations of the Secretary of War become part of the report of the Secretary of the Interior. The amendment also provides that in connection with the operation and maintenance of projects authorized in this act, the use of waters of the western States for navigation shall not conflict with beneficial consumptive use of the water for domestic, municipal, stock-water, irrigation, mining, or industrial purposes.

Amendment No. 2: This amendment of the Senate changes the designation of section 1 of the bill passed by the House to section 2 of the bill passed by the Senate.

Amendment No. 3: This amendment of the Senate changes the designation of section 2 of the bill passed by the House to section 3 of the bill passed by the Senate.

Amendment No. 4: This amendment of the Senate changes the designation of section 3 of the bill passed by the House to section 4 of the bill passed by the Senate.

Amendments Nos. 5, 6, and 7: These amendments of the Senate insert additional wording for clarification of the bill.

Amendment No. 8: This amendment of the Senate provides that preference in the granting of leases for the use of areas suitable for public park and recreational purposes shall be given to Federal, State, or local governmental agencies; that water areas shall be open to the general public without charge; and that no use of any area to which section 4 applies shall be permitted which is inconsistent with the laws for the protection of fish and game of the State in which such area is situated.

Amendment No. 9. This amendment of the Senate, as modified, authorizes the Secretary of the Interior to dispose of electric energy generated at reservoir projects under control of the War Department not required in the operation of such projects; authorizes, from funds to be appropriated by the Congress, the construction, or acquisition by purchase or other agreement, of such transmission lines or related facilities as may be necessary in order to make the power and energy generated at such projects available in wholesale quantities on fair and reasonable terms and conditions; it establishes a preference in the sale of such power and energy to public bodies and cooperatives; and it provides that all moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts. It follows the formula previously established by law for the Bonneville project that rate schedules shall be drawn with regard to recovering to the Government the cost of producing and transmitting the electric energy, including the amortization of the capital investment allocated to power, over a reasonable period of years.

Amendment No. 10: This amendment of the Senate changes the designation of section 4 of the bill passed by the House to section 6 of the bill passed by the Senate.

Amendments Nos. 11 and 13: These amendments of the Senate recognize the established laws and principles pertaining to ownership of the waters in the Western States and clarifies the House-approved language by authorizing contracts for storage of surplus water at War Department reservoirs rather than sale of such water.

Amendment No. 12: This amendment of the Senate protects existing lawful uses of surplus water available at reservoirs under the control of the War Department.

Amendment No. 14: This amendment of the Senate changes the designation of section 5 of the bill passed by the House to section 7 of the bill passed by the Senate.

Amendment No. 15: This amendment of the Senate clarifies the bill by substituting the word "allocated" for "available".

Amendment No. 16: This amendment of the Senate defines and limits the authority of the Secretary of War with regard to the reservoirs under the jurisdiction of the Tennessee Valley Authority to only the issuing of instructions for release of water from the Tennessee River into the Ohio River at such times as there is danger from floods on the lower Ohio and Mississippi Rivers.

Amendment No. 17: This amendment of the Senate replaces section 6 of the House approved bill with certain modified language substantially as requested by the Secretary of the Interior and constitutes section 8 of the Senate approved bill. The Senate language will provide for more effective administration in relation to the various technical features of the Federal reclamation law. It establishes a procedure for the utilization of multiple-purpose projects for irrigation purposes when the Secretary of War determines upon recommendations of the Secretary of the Interior that a project operated under the direction of the Secretary of War may be utilized for irrigation purposes.

Amendment No. 18: This amendment of the Senate is a new section which authorizes the comprehensive plans for the development of the Missouri River Basin proposed by the War Department and the Department of the Interior, as coordinated by the joint report of the Chief of Engineers and the Commissioner of Reclamation (S. Doc. No. 247 of the 78th Cong.), and it authorizes the appropriation of $200,000,000 to be expended by the Corps of Engineers and $200,000,000 to be expended by the Secretary of the Interior for the partial accomplishment of the works authorized in this section to be undertaken by the Corps of Engineers and by the Secretary of the Interior. This section replaces the item in the House-approved bill, which expanded the approved general comprehensive plan for flood control in the Missouri River Basin to include the work recommended by the Corps of Engineers and authorized an appropriation of $200,000,000 for the partial accomplishment of that work. The Senate has recently accepted an amendment to the river and harbor bill (H. R. 3961) the effect of which is to provide duplicate authorization for the coordinated comprehensive plans for the Missouri River Basin. Such duplicate authority is undesirable and the Senate conferees have given assurances that if this conference report is approved by the House and Senate the duplicating item will be eliminated from the river and harbor bill.

Amendment No. 19: This amendment of the Senate, as modified, changes the designation of section 7 of the bill passed by the House to section 10 of the bill passed by the Senate; and clarifies the language in the House-approved bill to show that the authority for planning projects and for installation of penstocks applies to all projects authorized in this bill for the War Department and does not exclude War Department projects in the Missouri River Basin contained in an earlier section of the bill.

Amendment No. 20: This amendment of the Senate modifies the existing Waterbury, Wrightsville, and East Barre Dams in the Winooski River Basin to provide adequate spillway capacity for present design floods, at an estimated cost of $2,120,000.

Amendment No. 21: This amendment of the Senate adds a title for an additional river basin; namely, the Blackstone River Basin.

Amendment No. 22: This amendment of the Senate authorizes the construction of the West Hill Reservoir on the West River in Massachusetts for flood control and other purposes, at an estimated cost of $1,070,000.

Amendment No. 23: This amendment of the Senate authorizes a project on the Blackstone River for local flood protection at Worcester, Mass., by means of a diversion conduit and channel, at an estimated cost of $2,232,000.

Amendment No. 24: This amendment of the Senate authorizes a project on the Blackstone River for local flood protection at Woonsocket, R. I., by means of channel improvement, at an estimated cost of $803,000.

Amendment No. 25: This amendment of the Senate authorizes the project for local flood protection on the Seekonk River at Pawtucket, R. I., by means of levees for the protection of the city and adjacent areas, at an estimated cost of $82,000.

Amendment No. 26: This amendment of the Senate authorizes the Army engineers to construct eight reservoirs in the West River Basin in Vermont instead of the flood-control reservoir authorized by existing law at the Williamsville site in the towns of Dummerston or Newfane, in accordance with an alternative plan submitted by the Vermont State Water Conservation Board as that plan may be modified by agreement between the board and the Secretary of War and the Chief of Engineers; provided that the total cost of the alternate plan as determined by the Secretary of War does not exceed the sum of $11,000,000, and that 75 percent of the flood control can be secured from that plan which may be secured from the Williamsville Reservoir. In the event that the eight-reservoir plan does not satisfy the above requirements, the Army engineers are authorized to proceed with the construction of the Williamsville project for flood control. The amendment also requires a further report and subsequent authorization by Congress before the projects at Cambridgeport, Ludlow, South Tunbridge, and Gaysville can be built. And it prohibits the construction of a dam or reservoir at the Sugar Hill site on the Ammonoosuc River under previous authority or that contained in this bill. It is understood that an alternate site is under study and if found feasible authority exists for initiation of such project.

Amendment No. 27: The conferees recommend that the Senate recede from this amendment which would have required a further report and subsequent authorization prior to the initiation of the House-approved project for the Thomaston Reservoir on the Naugatuck River for flood control in the Housatonic River Basin, Conn., at an estimated cost of $5,151,000. If further study discloses that the project should be abandoned or modified extensively the Chief of Engineers will withhold initiation of construction.

Amendment No. 28: This amendment of the Senate eliminates the Raystown Reservoir on the Raystown branch of the Juniata River, Pa., for flood control and other purposes, for which the House-approved bill authorized $2,000,000, for the initiation and partial accomplishment.

Amendment No. 29: This amendment of the Senate approves a general plan for the long range comprehensive development of the Roanoke River Basin for flood control and other purposes, and authorizes the construction of the Buggs Island Reservoir on the Roanoke River in Virginia and North Carolina and the Philpott Reservoir on the Smith River in Virginia, at an estimated cost of $36,140,000.

Amendment No. 30: The conferees recommend that the Senate recede from this amendment, thereby eliminating the Yadkin-Pee Dee project from the bill. It is expected that a restudy of the basin may be authorized by committee resolutions at a later date.

Amendment No. 31: This amendment of the Senate authorizes a project for the Edisto River Basin in South Carolina, consisting of channel and bank clearing along 43 miles of Edisto River and its north and south forks, at an estimated cost of $139,000.

Amendment No. 32: This amendment of the Senate approves the general plan for the long-range comprehensive development of the Savannah River Basin for flood control and other purposes and authorizes the construction of the Clark Hill Reservoir on the Savannah River in South Carolina and Georgia, at an estimated cost of $35,300,000. The rivers and harbors bill, H. R. 3961, as passed by the House contains an item for the Savannah River, the effect of which is to provide duplicate authorization for the Clark Hill Reservoir project. Such duplicate authority is undesirable and the Senate conferees have given assurances that if this conference report is approved by the House and Senate the duplicating item will be eliminated from the river and harbor bill.

Amendment No. 33: Under the laws of the State of Louisiana and existing Federal laws, local interests in acquiring easements and levee rights-of-way may not pay more than the assessed value of the property, and the assessed value is usually lower than the actual market value. This amendment of the Senate establishes a construction of existing law to allow reimbursements for levee rights-of-way at actual market value regardless of State laws, limiting payments to local tax assessment valuations, thereby placing Louisiana and other States on the same basis for reimbursement.

Amendment No. 34. This amendment of the Senate authorizes local flood control and bank protection in the vicinity of Shreveport, La., at an estimated cost of $3,000,000.

Amendment No. 35: This amendment of the Senate authorizes the Blakely Mountain Dam and Reservoir on the Ouchita River for flood control and other purposes, at an estimated cost of $11,080,000.

Amendment No. 36: The conferees recommend that the Senate recede from this amendment, thereby eliminating the authority for modifying the project to include reservoirs upstream from Trinidad. The conferees agree that a modification of this magnitude should be undertaken only after full report by the Chief of Engineers and authorization by Congress. The appropriate investigation and report to Congress are now in progress.

Amendment No. 37: This amendment of the Senate as modified incorporates a project for the construction of the Red Rock Dam on the Des Moines River for flood control and other purposes into the approved general comprehensive plan for flood control in the upper Mississippi River Basin. The estimated cost of the Red Rock Dam and Reservoir on the Des Moines River is $15,000,000. The modification agreed to by the conferees removes the rigid restriction on elevation of spillway crest. The Chief of Engineers will, within existing authority, make any modifications in the design needed to protect existing sewers and public facilities.

Amendment No. 38: This amendment of the Senate authorizes a project for local flood protection on the Des Moines River at the city of Des Moines, Iowa, by means of levees, at an estimated cost of $270,000.

Amendment No. 39: The conferees recommend that the Senate recede from this amendment, thereby restoring the estimated cost of the project as contained in the bill passed by the House.

Amendment No. 40½: This amendment of the Senate as modified authorizes five small detention reservoirs for local flood control on Farm Creek, Ill., and for the protection of East Peoria, in accordance with the recommendations of the Chief of Engineers, at an estimated cost of $3,017,900.

Amendment No. 40: This amendment of the Senate authorizes the construction of the Bald Hill Reservoir on the Sheyenne River for flood control and other purposes at an estimated cost of $810,000.

Amendment No. 41: This amendment of the Senate authorizes the construction of one reservoir on the Pembina River and one on the Tongue River for flood control and other purposes in the Pembina River Basin in North Dakota, at an estimated cost of $333,800.

Amendment No. 42: This amendment of the Senate authorizes the construction of a reservoir on the south branch of Park River for flood control and other purposes, at an estimated cost of $358,610.

Amendment No. 43: This amendment of the Senate eliminates the language in the House-approved bill for the Missouri River Basin, which has been superseded by Senate amendment No. 18.

Amendment No. 44: The conferees recommend that the Senate recede from this amendment, thereby eliminating the language which would have removed the Tuttle Creek project from the comprehensive plan for the Missouri River Basin. The Chief of Engineers is now making an investigation of possible alternate projects and if feasible will recommend them as substitutes for Tuttle Creek. The conferees, however, in eliminating the amendment recognize the necessity for adequate reservoir control in the plan for protecting the Kansas Citys and leave the way open for selection of Tuttle Creek Reservoir if alternates are found to be infeasible.

Amendment No. 45: This amendment of the Senate authorizes a project for local flood protection on the Chariton River, Mo., consisting of channel and levee improvements, at an estimated cost of $1,610,300.

Amendments Nos. 46, 47, 48, and 49: These amendments of the Senate expand the approved general comprehensive plan for flood control in the Ohio River Basin adopted by the act approved June 28, 1938, as modified by the act approved August 18, 1941, to include: (*a*) Improvement in the Kentucky River Basin, consisting of the construction of a cut-off at the north fork of Kentucky River at Jackson and local flood protection at that community, and the modification of the plan for the Jessamine Creek, and Booneville projects to include the development of hydroelectric power at these sites, all at an estimated cost of $23,822,000; (*b*) local flood protection at Middlesborough on Yellow Creek, Ky., by means of supplemental levees, at an estimated cost of $205,200; (*c*) local flood protection on the Rough River and tributaries, Kentucky, by means of clearing of the channel banks of the lower Rough River and channel improvement in the lower portion of Barnett Creek, a tributary of the Rough River, all at an estimated cost of $360,000; and (*d*) the construction of the Turtle Creek Reservoir on Turtle Creek, Pa., for local flood protection in the lower Turtle Creek Valley, at an estimated cost of $2,613,000.

Amendments Nos. 50 and 51: These amendments of the Senate eliminate from the bill the Rowlesburg Reservoir on the Cheat River and the improvement of the Youghiogheny River Basin which the House-approved bill placed into the comprehensive plan for flood control in the Ohio River Basin.

Amendment No. 52: This amendment of the Senate, as modified, provides that neither this authorization nor previous authorizations shall be construed to authorize the construction of the Shoals Dam on the east fork of the White River, Indiana, pending congressional action subsequent to submission by the Chief of Engineers of the report on the Wabash River and tributaries now in progress under authority of the Flood Control Act of August 11, 1939.

Amendment No. 53: This amendment of the Senate authorizes the construction of the Mount Morris Reservoir, on the Genesee River, N. Y., at an estimated cost of $5,360,000.

Amendment No. 54: This amendment of the Senate authorizes the construction of local protection works at Redmond, Utah, on the Sevier River, by the construction of a leveed channel, at an estimated cost of $281,000.

Amendment No. 55: This amendment of the Senate adds a title for an additional river basin, namely, the Colorado River Basin.

Amendment No. 56: This amendment of the Senate authorizes the construction of the Alamo Reservoir on the Bill Williams River in Arizona, at an estimated cost of $3,202,000.

Amendment No. 57: This amendment of the Senate authorizes the project on Little Colorado River for local flood protection at Holbrook, Ariz., by means of levees, at an estimated cost of $258,000.

Amendment No. 58: This amendment of the Senate authorizes the construction of local flood protection on the Pajaro River and tributaries, California, by means of levees and bank protection works along the lower Pajaro River and on Carnadero Creek at Gilroy, at an estimated cost of $511,160.

Amendment No. 59: This amendment of the Senate modifies the language of the House-approved item, based on the report of the Board of Engineers for Rivers and Harbors, to reflect the views and recommendations of the Chief of Engineers which became available subsequent to the passage of this item by the House.

Amendment No. 60: This amendment of the Senate authorizes the construction of the Folsom Reservoir on the American River in California, at an estimated cost of $18,474,000. The Folsom project will control flood peaks on the American River and thereby reduce the threat to the city of Sacramento resulting from an uncontrolled flood on the American River synchronized with a major flood crest on the Sacramento River.

Amendment No. 61: This amendment of the Senate authorizes improvements in the Calaveras River and Littlejohn Creek stream group consisting of the Farmington Reservoir on Littlejohn Creek; channel enlargements, diversions and dikes; and enlargement of Hogan Reservoir, all at an estimated cost of $3,868,200.

Amendment No. 62: This amendment of the Senate authorizes construction of the Conn Creek Reservoir on Conn Creek for flood control and other purposes in the Napa River Basin in California, at an estimated cost of $460,000.

Amendment No. 63: This amendment of the Senate authorizes local flood protection in the Chehalis River at Aberdeen, Hoquiam, and Cosmopolis, by means of earth levees, concrete sheet piling, walls, and appurtenant works, at an estimated cost of $669,000.

Amendment No. 64: This amendment of the Senate authorizes the construction of local flood protection works at Hanapepe on the Hanapepe River in the Territory of Hawaii, by means of concrete flood walls, at an estimated cost of $73,000.

Amendment No. 65: This amendment of the Senate changes the designation of section 8 of the bill passed by the House to section 11 of the bill passed by the Senate.

Amendments Nos. 66, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, and 80: These amendments of the Senate authorize preliminary examinations and surveys of certain streams not in the bill passed by the House.

Amendment No. 67: This amendment of the Senate clarifies an item for a preliminary examination and survey.

Amendment No. 81: This amendment of the Senate changes the designation of section 9 of the bill passed by the House to section 12 of the bill passed by the Senate.

Amendment No. 82: This amendment of the Senate as modified raises to $950,000,000 (increase of $140,000,000) the authorization provided by the bill, in order that sufficient authority may be available to cover the additional improvements included in the bill by Senate amendments and it clarifies the intent of this authorization to show clearly that the amount specified is for work authorized to be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers. The $200,000,000 authorization for War Department projects in the Missouri River Basin is included in this amount. The $200,000,000 authorization for Department of the Interior projects in the Missouri River Basin is contained in section 9 and is not included in this amount.

Amendment No. 83: This amendment of the Senate as modified authorizes the expenditure of $500,000 as an emergency fund under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the construction of emergency bank-protection works to prevent flood damage to highways, bridge approaches, and public works.

Amendment No. 84: This amendment of the Senate changes the designation of section 10 of the bill passed by the House to section 13 of the bill passed by the Senate.

Amendment No. 85: This amendment of the Senate as modified provides that in connection with the works authorized to be undertaken by the Department of Agriculture land may be acquired only with the consent of the States and it lessens the burden on local communities of removal of large areas from taxation by providing for payments to local governments in lieu of taxes on the land acquired.

Amendment No. 86: This amendment of the Senate as modified authorizes works of improvement in the Santa Ynez River watershed to be undertaken by the Department of Agriculture, at an estimated cost of $434,000. The increased amount is to cover land acquisition as recommended by the Department of Agriculture in House Document No. 518.

Amendment No. 87: The conferees recommend that the Senate recede from this amendment, thereby restoring the full amount of the estimated cost ($32,000,000) including cost of land acquisition as recommended by the Department of Agriculture in House Document No. 708.

Amendment No. 88: The conferees recommend that the Senate recede from this amendment, thereby restoring the full amount of the estimated cost ($4,221,000) including cost of land acquisition as recommended by the Department of Agriculture in House Document No. 892.

Amendment No. 89: This amendment of the Senate, as modified, authorizes works of improvement in the Yazoo River watershed to be undertaken by the Department of Agriculture, at an estimated cost of $21,700,000. The increased amount is to cover land acquisition as recommended by the Department of Agriculture in House Document No. 564.

Amendment No. 90: This amendment of the Senate authorizes works of improvement in the watershed of Buffalo Creek and its tributaries, Cayuga and Cazenovia Creeks to

be undertaken by the Department of Agriculture, at an estimated cost of $739,000.

Amendment No. 91: The conferees recommend that the Senate recede from this amendment, thereby restoring the full amount of the estimated cost ($11,234,000) including cost of land acquisition as recommended by the Department of Agriculture in House Document No. 275.

Amendment No. 92: This amendment of the Senate changes the designation of section 11 of the bill passed by the House to section 14 of the bill passed by the Senate.

Amendment No. 93: This amendment of the Senate as modified changes the reference to a number of a section in the bill passed by the House to the corresponding number of the section of the bill as passed by the Senate.

Amendment No. 94: This amendment of the Senate changes the designation of section 12 of the bill passed by the House to section 15 of the bill passed by the Senate.

WILL M. WHITTINGTON,
A. LEONARD ALLEN,
A. J. ELLIOTT,
CHARLES R. CLASON,
CARL T. CURTIS,
Managers on the part of the House.

Mr. WHITTINGTON. Mr. Speaker, the House will recall that this bill passed the House on May 9 with authorizations for flood-control works for post-war construction aggregating $810,000,000. It passed the Senate on December 1. When passed by the Senate, it included projects on which the Chief of Engineers had submitted favorable reports that had been transmitted to the Congress since the passage of the bill in the House and before the report of the Senate Committee on Commerce.

The conference agreement eliminates four projects that were in the bill as it passed the House or as it was reported to the Senate. It eliminates for further consideration the Yadkin-Pee Dee project in North Carolina, at an estimated cost of around $11,000,000. It eliminates the reservoir at Raystown, at an estimated cost of $21,000,000. It eliminates the Rawlesburg Reservoir on the Cheat River, at an estimated cost of $30,000,000, and the improvement along the Youghiogheny, at an estimated cost of $38,000,000. This was done on the theory, after further consideration, that a majority of these projects probably have more power than flood control in them, and on the further theory that interested areas desire a review and further study of these three projects.

The House will also recall, Mr. Speaker, that in the consideration of this bill both in the House and the Senate the chief controversy centered around the projects for the improvement of the Missouri Basin.

After the passage of this bill and before the final passage in the Senate, there was a reconciliation of the views of the Chief of Engineers and the Director of the Bureau of Reclamation, and that reconciliation was transmitted to the Congress by the President on November 27, 1944, after the bill was reported in the Senate, and it is found in House Document 784, Seventy-eighth Congress, second session.

The conference agreement contains the reconciliation of the views as between these two agencies of the Government and provides for the construction of the works that are predominantly flood control by the Chief of Engineers and for the construction of the works that are predominantly reclamation by the Bureau of Reclamation. In a word, the conference agreement retained the so-called O'Mahoney amendment embodied in the bill as it passed the Senate, agreed to, as we understand, generally, by all of the conflicting interests in the Missouri River Basin. It retains the authorization of $200,000,000 for flood-control work under the Chief of Engineers as passed by the House and it provides for an authorization of $200,000,000 for reclamation projects under the Bureau of Reclamation.

The House will also recall that when this bill passed the House there was no provision for the present disposition of power generated in any of the dams authorized to be constructed by the War Department. There was a great deal of debate in the Senate with respect to that question. The so-called Bailey power amendment was debated at length. The conference agreement provides for the disposal by the Secretary of the Interior of the surplus power generated at the projects under the control of the War Department in substantially the same language which now obtains in legislation previously passed by the Congress for the disposal of power at Bonneville, at Fort Peck, and under Executive orders for the disposal of power in the Southwest at the reservoirs at Dennison, Pensacola, and Norfork, with amendments to the language as agreed to in the conference to the Senate amendment. Three amendments were agreed to in the conference. The first provides that the rates shall give consideration to the cost of producing and transmitting power so that there may be the recovery of reasonable amortization of the cost. Secondly, it provides that these funds that are derived from the sale of power shall be deposited to the credit of miscellaneous receipts in the Treasury. And the third provides that the provision for disposition and for transmission lines shall be by appropriations to be made by Congress. It also provides that transmission lines and related facilities can be acquired by purchase or other agreement.

There was another matter, Mr. Speaker, that was in controversy to some degree in the House and to a greater degree in the Senate, and that was the authorizations with respect to dams in the Connecticut River Basin. The language as agreed to in the amendment of the Senate by the interested Senators and Representatives from the New England area is substantially retained in the conference agreement.

I might add, Mr. Speaker, that there are included in the bill as recommended by the Chief of Engineers, between the passage of the bill by the House and the final passage of it by the Senate, by Senate amendments, projects aggregating about $185,000,000 for construction under funds hereafter to be appropriated. The bill as it finally passed the Senate carried an authorization of $959,465,000. As stated in the conference agreement, the authorizations aggregate $950,000,000, a reduction of substantially $10,000,000 from the bill as passed by the Senate. The projects in Senate amendments embraced in the conference agreement are in accordance with the recommendations of the Chief of Engineers, in about two instances being substantially in accord with his recommendations.

I extend by saying that the House agreed to amendment No. 1, as modified, by eliminating the first paragraph, which is the so-called McClellan amendment in the Senate with respect to the declaration of policy, which declaration may be changed by subsequent legislation, as a part of the compromise agreed to by the conflicting interests in the Missouri River Basin. This amendment provides for a recognition of the interests and rights of the States for a review of reports of the Chief of Engineers and of the Secretary of the Interior by the States affected and for comments by such affected States, their written views becoming a part of the report. This amendment provides that in connection with the operation and maintenance of projects authorized in this act, the use of water of the Western States for navigation shall not conflict with beneficial consumptive use of water for domestic, municipal, stock-water, irrigation, mining, or industrial purposes. The amendment thus becomes section 1 of the bill as agreed to in conference and is intended to protect and safeguard the rights of the States and at the same time to promote flood control and navigation under the commerce clause of the Constitution.

Amendment No. 18, now section 9 (a) of the bill as agreed to in conference, authorizes the comprehensive plans for the development of the Missouri River Basin proposed by the War Department and the Department of the Interior as coordinated by the joint report of the Chief of Engineers and the Commissioner of Reclamation in Senate Document No. 247, Seventy-eighth Congress, second session, and it authorizes the appropriation of $200,000,000 to be expended by the Corps of Engineers and $200,000,000 to be expended by the Secretary of the Interior for the partial accomplishment of the works authorized in this section, to be undertaken by the Corps of Engineers and by the Secretary of the Interior. This section replaces the item in the House-approved bill which authorized $200,000,000 for the partial accomplishment of the comprehensive plan for flood control in the Missouri River Basin. The Senators recently accepted an amendment in substantially the same language in the river and harbor bill now pending in the Senate to provide duplicate authorization for the coordination for the comprehensive plan for the Missouri River Basin. I emphasize that such duplicating authority is undesirable. I report that the Senate conferees have given assurance that if this conference report is approved by the House and Senate, the duplicating item will be eliminated from the river and harbor bill.

In connection with amendment No. 1, which has become section 1 of the bill as

agreed to in conference, in further protection of the rights and privileges of the States, in the event either the affected State or the Secretary of War makes objections to the plans or proposals of the Secretary of the Interior, his proposal shall not be deemed feasible, and the proposed work shall not be deemed authorized except upon the approval by an act of Congress, and section 9 (a) of the Reclamation Project Act of 1939 and section 3 (a) of the act of August 11, 1939, as amended, are accordingly amended by said amendment No. 1, which has become section 1 of the bill.

Section 9 (a), authorizing the Missouri River Basin improvement, provides, as I have indicated, that the works that are predominantly flood control shall be constructed by the Chief of Engineers, and the works that are predominantly reclamation shall be constructed by the Bureau of Reclamation.

In connection with the Connecticut River Basin covered by amendment No. 26, agreed to as modified by stipulating that the Secretary of War is to determine the total cost of the alternate plan for the so-called Williamsville Reservoir, the amendment authorizes the substitution of an alternate plan for the Williamsville Reservoir provided the Chief of Engineers finds that the total cost of the alternate plan will not exceed $11,000,000, and provided the Secretary of War and Chief of Engineers approve the alternate plan. The effect of the amendment is that if the so-called eight-reservoir alternate plan does not satisfy the requirements of the amendment, the Chief of Engineers is authorized to proceed with the construction of the Williamsville Reservoir for flood control. The further effect of the amendment is that a subsequent report and authorization by Congress must be made before the projects at Cambridgeport, Ludlow, South Tunbridge, and Gaysville can be built. The amendment prohibits the construction of a dam or reservoir at the Sugar Hill site on the Ammonoosuc River, but it is understood that an alternate site is under study and, if found feasible, authority exists for the initiation of such a project.

The Savannah River project is embraced in amendment No. 32, inserted by the Senate, and it approves a comprehensive development of the Savannah River Basin for flood control and other purposes and authorizes the construction of the Clark Hill Reservoir on the Savannah River in South Carolina and Georgia. In the pending river and harbor bill, H. R. 3961, as passed by the House, there is an item for the Savannah River, the effect of which is to provide duplicate authorization for the Clark Hill Reservoir. Such duplication is undesirable, and the Senate conferees have given assurance that if this report is approved by the House and Senate this duplicating item will also be eliminated from the river and harbor bill.

The conference report eliminates Senate amendment No. 36 to modify the Trinidad project to include upstream reservoirs. The conferees believe that a modification of the amendment adopted by the Senate should be undertaken only after a full report has been submitted by the Chief of Engineers and authorization by Congress. The appropriate investigation and report to Congress are now in progress.

Senate amendment No. 44 was eliminated, inasmuch as the Chief of Engineers is now making an investigation of possible alternate projects and, if found feasible, will recommend them as substitutes for the Tuttle Creek project. If a substitute is not recommended and adopted and if alternates are found to be infeasible, the construction of the Tuttle Creek Reservoir to protect the Kansas Citys remains. In other words, the Tuttle Creek project will remain authorized and be available for selection for future construction.

As I have indicated, amendment No. 9, as modified, authorizes the Secretary of the Interior to dispose of electric energy generated at reservoir projects under the control of the War Department and not required in the operation of such projects. The Secretary of the Interior is authorized from appropriations to be made by Congress to construct or acquire by purchase or other agreement only such transmission lines and facilities as may be made necessary in order to make the power available in wholesale quantities for sale on fair and reasonable terms. The rates are to be approved by the Federal Power Commission. The formula established by law for the Bonneville project is followed so that the rate schedules shall be drawn with regard to recovering to the Government the cost of producing and transmitting the electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference is given to public bodies and cooperatives. Sound business principles are to govern the transmission and disposal of surplus power. Congress retains control over the construction and acquiring of transmission lines and related facilities, inasmuch as funds must be provided hereafter by Congress for such lines and facilities. They may be constructed, but they can only be acquired by purchase or other agreement.

The bill as passed by the House included the soil erosion and water-flow retardation projects favorably recommended in reports submitted to Congress by the Department of Agriculture. Subsequent favorable reports have been submitted to Congress since the bill passed the House and were included by Senate amendments. The conference agreement authorizes the approval of the projects as recommended by the Department of Agriculture. The bill provides that the balance remaining from the authorization of $10,000,000 in section 7 of the Flood Control Act approved June 28, 1938, shall be available for the prosecution of the works authorized for construction by the Department of Agriculture with the provision that not more than 20 percent of the authorization is made available on any one project.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to interrogate the gentleman from Mississippi, my distinguished colleague, about amendment No. 9, I believe it is, with reference to the disposition of the electric power generated at these projects.

Is this amendment as it is printed in the copy of the bill now available to the Members, the complete amendment?

Mr. WHITTINGTON. As I stated a few moments ago, that amendment embraces language as it passed the Senate, or the Senate amendment, with three modifications which I mentioned in detail. The first modification was that all moneys derived from the sale of power by the Secretary of the Interior shall be deposited in the general fund of the Treasury. The second amendment was that he could acquire transmission lines or related facilities by agreement with the owner—by purchase and by agreement with the owner. The third amendment to the Senate amendment, agreed to in the conference, contains this language that does not appear in the Senate amendment:

> Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years.

That is the identical language that is contained in legislation heretofore passed by this body for the disposal of power at Bonneville.

Mr. RANKIN. Now, right on that point I want to ask the gentleman another question. I thoroughly agree with that principle because it is fundamentally sound. That provision applies to all projects provided for in the bill where power is to be generated, does it?

Mr. WHITTINGTON. Wherever generated by the War Department.

Mr. RANKIN. All projects provided for in this bill?

Mr. WHITTINGTON. That is, that are constructed by the War Department. There may be in some of the reclamation projects power developed that will be disposed of in accordance with existing reclamation law.

Mr. RANKIN. Now, right there is one trouble we are up against. The cooperative power associations are having to pay higher rates for power generated at dams built by the Bureau of Reclamation than they are paying at other dams constructed by the Federal Government. I wondered why an exception was made as to them.

Mr. WHITTINGTON. We have made no exception. This bill deals with projects that are constructed by the Corps of Engineers. We have limited our amendment, and I think properly, to those projects.

Mr. RANKIN. This applies to all proposed projects on the Missouri River, as I understand?

Mr. WHITTINGTON. Yes; to be constructed by the Chief of Engineers.

Mr. RANKIN. And also on the Connecticut River?

Mr. WHITTINGTON. Yes; to be constructed by the Chief of Engineers.

Mr. RANKIN. In other words, at all projects provided for in this bill, which generate electricity, the electricity is to be turned over to the Department of the Interior to be distributed to public bodies, which, of course, includes municipal bodies which own their own facilities—I presume that is right; is it not?

Mr. WHITTINGTON. Yes; to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Mr. RANKIN. In other words, all public bodies, whether owned by the Federal Government, cooperative power associations, or municipally owned systems, are to be able to purchase this power at such a rate as will amortize only that part of the development charged to power. That is correct, is it not?

Mr. WHITTINGTON. That is true with respect to all projects constructed by the Chief of Engineers.

Mr. RANKIN. In other words we do not propose to unload onto the power consumers the costs of flood control, navigation, and reclamation?

Mr. WHITTINGTON. Not at all. I may say further in answer to the gentleman's question, there is preference to the public bodies and cooperatives in this bill and in this agreement, just as there is in the existing law passed by this body on the disposal of power at Bonneville.

Mr. RANKIN. And by the Tennessee Valley Authority.

Mr. WHITTINGTON. I cannot say about the Tennessee Valley Authority because this bill has no control over disposal of power by the Tennessee Valley Authority.

Mr. RANKIN. I understand, but I was coauthor with Senator Norris of the bill creating the Tennessee Valley Authority, and that was the understanding we had, even before the bill was ever introduced.

Mr. WHITTINGTON. I am afraid, if this bill covered all projects including the Tennessee Valley Authority, that the gentleman would have objected; so we have confined it to the projects constructed by the Corps of Engineers.

Mr. RANKIN. This provision of the law would not in any way interfere with the power generated either on the Columbia River or on the Tennessee River.

I wish to congratulate the conferees, and also the Senate, on this great step forward in protecting the power consumers in the use of the electricity generated at the projects provided for under this bill.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. REED of New York. I assume that it will expedite the survey of flood conditions on Cattaraugus Creek that are causing so much damage to the village of Gowanda, N. Y., and also the survey of the Genesee River and a tributary in Wellsville, N. Y., and to have each of these projects handled as they have been by resolutions rather than in this legislation now under consideration.

Mr. WHITTINGTON. Yes; the gentleman is referring to a matter that may be handled in one of two ways, one by consideration in this bill to provide for examination and survey, or by a resolution of the Flood Control Committee for review; and the quickest way to handle it in his case was by resolution, and the resolutions were adopted, providing for reviews of both vicinities. Upon the submission of favorable reports, the Flood Control Committee will give consideration to authorizing the projects in the next authorization bill.

Mr. CARLSON of Kansas. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. I call attention to amendment No. 44. The conferees rejected the Senate amendment which had authorized the Tuttle Creek Reservoir. I wonder if the chairman would tell us the reason for eliminating that amendment?

Mr. WHITTINGTON. In response to the gentleman's question I may say that the reasons are set forth on page 11 of the report dealing with amendment No. 44. That project was included in the Flood Control Act some years ago. It protects one of the most populous and valuable areas not only in the Missouri Basin but in the entire country. Among other municipalities that are protected are those of Kansas City, Mo., and Kansas City, Kans. The committee felt that inasmuch as this project had been carefully considered by Congress that it would be unwise utterly to ignore the recommendation of the Chief Engineer, because the amounts authorized for expenditure for local protective works would be futile without adequate provision to supplement those works by reservoirs above and I would say to the gentleman that the Chief of Engineers, as stated in this report, is now making an investigation of possible alternate projects under authority previously given to him. If the Chief of Engineers finds he can construct other projects that will give the same relief he will so report; and our thought is that every possible consideration has been and will be accorded to those who oppose the project. It often happens that projects are opposed by those whose lands are taken and whose property is taken by the Government—fully compensated in this case as in others. In my judgment that is as far as the committee was warranted in going.

Mr. CARLSON of Kansas. I may say the conferees gave this consideration. I want to mention, however, that in view of the fact that it is going to receive further study by the engineers, I sincerely hope they will go into the fact that the construction of this large reservoir would inundate seven towns and eliminate a large area of valuable real property. With the chairman's assurance that this is going to be done I am not going to insist that it go back to conference.

Mr. WHITTINGTON. I may say that I am in entire sympathy with the gentleman. We have been told the exact number of citizens who would be affected and the villages that would be inundated, and we gave full consideration to these facts; but when all has been said and done we must either follow or not follow—after consideration if a project is to be adopted—the agencies of the Government making the investigation. We felt, as the gentleman from Kansas [Mr. CARLSON] has suggested, we should provide for a restudy, that is now being made, and the committee will be glad to give it consideration as soon as it is reported.

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to extend at this point in the RECORD the preliminary survey of the Big Blue River, Kans., submitted by the Chief of Engineers on March 4, 1938.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

(The matter referred to follows:)

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, March 4, 1938.

Subject: Preliminary examination of Big Blue River, Kans., with a view to the control of floods.

To: The Secretary of War.

1. I submit for transmission to Congress my report with accompanying papers on preliminary examination of Big Blue River, an affluent of the Kansas River, and its tributaries, with a view to the control of their floods, authorized by an act of Congress approved June 4, 1936, and by the Flood Control Act approved June 22, 1936.

2. The Big Blue River rises in southeastern Nebraska, flows generally southeast 283.3 miles into Kansas, and joins the Kansas River at Manhattan 142.5 miles above its mouth. It drains an area of 9,600 square miles of gently rolling uplands devoted primarily to agriculture. The basin has a population of about 230,000 and is adequately served by railroads and highways.

3. No damaging floods of major importance have occurred on the Big Blue River in the period of record, but studies indicate that floods substantially greater than any recorded are a distinct probability. Flood flows from the Big Blue River are also a factor in Kansas River floods. Some 60,000 acres in the Big Blue Basin are subject to flooding and of the 36 towns located within the flood plain proper, 6 have experienced extensive flooding in the past. Flood damages are estimated to average $97,000 annually. No protection works of importance have been undertaken in the basin. Local interests desire construction of a series of reservoirs for the purpose of controlling floods within the basin and on the Kansas River, but no indication has been given of willingness to provide funds for lands and damages incident to such works.

4. The district engineer reports that levees for the protection of municipalities are not justified and channel rectification as a means for reducing flood heights would be ineffective. The plan found most suitable for controlling floods on the Big Blue River provides for the construction of four reservoirs controlling 40 percent of the drainage area. While this plan would prevent about 60 percent of the flood losses in the basin and would be of value in reducing floods on the Kansas River, the cost of the project would greatly exceed the flood losses that would be prevented thereby. It is found impracticable to combine power development with flood-control reservoirs for the purpose of reducing the over-all costs of the project. The district engineer concludes that there is not sufficient justification for the control of floods on the Big Blue River and its tributaries, and recommends that no survey be made. The division engineer concurs.

5. The reports have been referred, as required by law, to the Board of Engineers for

Rivers and Harbors, and attention is invited to its report herewith concurring in the views of the district and division engineers, and reporting that control of floods of the Big Blue River is impracticable, and that a survey is not warranted.

6. After due consideration of these reports I concur in the views of the Board. While there is a distinct possibility of floods much greater than any of past record occurring on the Big Blue River and its tributaries, flood losses that may be expected under existing conditions of development in the basin do not warrant the high cost of a reservoir system necessary for the control of floods. Levees for the protection of municipalities also would cost considerably more than is justified by the damages that would be prevented thereby. Available data permit a full understanding of the flood situation, and additional studies are not required. I therefore report that control of floods of the Big Blue River and its tributaries in Nebraska and Kansas is impracticable, and that a survey is not warranted.

J. L. SCHLEY,
Major General, Chief of Engineers.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CURTIS. It should be said in reference to the Blue River system that not only has the Committee on Flood Control of the House of Representatives authorized a restudy of the Tuttle Creek Dam, but that said study is under way and the engineers are now and have been for some time at work on it.

Mr. Speaker, I wish to take this opportunity to say something in reference to the plans for the Missouri River Basin carried in this bill, H. R. 4485, which originated in the committee of which I am a member. It was also my privilege to serve as a conferee in getting the House and Senate together on this legislation.

This bill as now carried in the conference report provides for an authorization of $200,000,000 for the partial accomplishment of the program of the Army engineers for the Missouri River and its tributaries. It also authorizes $200,000,000 for the partial accomplishment of the program to be undertaken by the Bureau of Reclamation in the Missouri River Basin, or a total works program of $400,000,000.

The Army engineers' plan has been referred to as the "Pick Plan," House Document 475, Seventy-eighth Congress, second session. This is the plan that is approved and authorized in the legislation that we are passing today. The plan of the Bureau of Reclamation was known as the "Sloan Plan," Senate Document 191, Seventy-eighth Congress, second session. It, too, is approved and authorized. Originally, these two plans were in conflict as to certain parts of the program. However, the Army engineers and the engineers for the Bureau of Reclamation were able to get together on these engineering plans. The result of the meeting of the minds of these engineers has been set forth in a revised and coordinated plan and has been published as Senate Document 247, Seventy-eighth Congress, second session.

The great Missouri River Basin comprises one-sixth of the area of the United States. Much of that territory is confronted with the problem of floods and the problem of drought, oftentimes in the same year. There is a definite need for both the Army engineers and their program of flood control and the work of the Bureau of Reclamation and their program of irrigation. This legislation authorizes both programs and gives to each agency a $200,000,000 authorization. For instance, in the Republican River system, which is one of the important tributaries of the Missouri, we had not only the tragic flood of 1935, taking in excess of 110 lives, but we have continued losses by floods. Also, in the Republican River watershed, there is an urgent need for irrigation development. Thousands of fertile acres need supplemental waters for a prosperous agriculture. This legislation approves and authorizes General Pick's plan for the Republican River and the Bureau of Reclamation's plan for the Republican River, and coordinates the two plans.

The Harlan County dam is to be built. The tributary dams are to be built. General Pick had proposed five. The Bureau of Reclamation had proposed about an equal number. The revised plan changes slightly the location and scheme of some of these tributary dams, all of which is set forth in the coordinated plan, Senate Document 247, Seventy-eighth Congress, second session. These authorizations are broad enough to permit further changes, should the additional studies make such changes advisable. I am advised that, should the engineers agree on the feasibility of an on-river dam at or near Culbertson, Nebr., this authorization is broad enough to cover that.

An authorization is not an appropriation of money for construction. It means that Congress has approved the general plans of the engineers, and it means that these plans are authorized by law and are, therefore, eligible for future appropriations. Without such an authorization, no appropriation can be had.

This legislation retains for the Army engineers authority over flood control and retains for the Bureau of Reclamation authority over irrigation. It lays down a pattern for their future cooperation. Section 8 provides:

Hereafter, whenever the Secretary of War determines, upon recommendation by the Secretary of the Interior that any dam and reservoir project operated under the direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and after subsequent specific authorization of the Congress by an authorization Act; and, within the limits of the water users' repayment ability such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing: *Provided*, That this section shall not apply to any dam or reservoir heretofore constructed in whole or in part by the Army engineers, which provides conservation storage of water for irrigation purposes.

A settlement of the conflict of interests between navigation and irrigation has been arrived at in this legislation by a declaration of policy by the Congress of the United States. It reads as follows:

The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes.

This legislation also lays down a pattern for cooperation not only between the Federal agencies involved, but between the Federal Government and the several States of the Missouri River Basin. It goes a long way in arriving at a settlement of the problem of Federal jurisdiction and State rights. I wish to quote again from the legislation, which we are today approving:

In connection with the exercise of jurisdiction over the rivers of the Nation through the construction of works of improvement, for navigation or flood control, as herein authorized, it is hereby declared to be the policy of the Congress to recognize the interests and rights of the States in determining the development of the watersheds within their borders and likewise their interests and rights in water utilization and control, as herein authorized to preserve and protect to the fullest possible extent established and potential uses, for all purposes, of the waters of the Nation's rivers; to facilitate the consideration of projects on a basis of comprehensive and coordinated development; and to limit the authorization and construction of navigation works to those in which a substantial benefit to navigation will be realized therefrom and which can be operated consistently with appropriate and economic use of the waters of such rivers by other users.

In conformity with this policy:

(a) Plans, proposals, or reports of the Chief of Engineers, War Department, for any works of improvement for navigation or flood control not heretofore or herein authorized, shall be submitted to the Congress only upon compliance with the provisions of this paragraph (a). Investigations which form the basis of any such plans, proposals, or reports shall be conducted in such a manner as to give to the affected State or States, during the course of the investigations, information developed by the investigations and also opportunity for consultation regarding plans and proposals, and, to the extent deemed practicable by the Chief of Engineers, opportunity to cooperate in the investigations. If such investigations in whole or part are concerned with the use or control of waters arising west of the ninety-seventh meridian, the Chief of Engineers shall give to the Secretary of the Interior, during the course of the investigations, information developed by the investigations and also opportunity for consultation regarding plans and proposals, and to the extent deemed practicable by the Chief of Engineers, opportunity to cooperate

in the investigations. The relations of the Chief of Engineers with any State under this paragraph (a) shall be with the Governor of the State or such official or agency of the State as the Governor may designate. The term "affected State or States" shall include those in which the works or any part thereof are proposed to be located; those which in whole or part are both within the drainage basin involved and situated in a State lying wholly or in part west of the ninety-eighth meridian; and such of those which are east of the ninety-eighth meridian as, in the judgment of the Chief of Engineers, will be substantially affected. Such plans, proposals, or reports and related investigations shall be made to the end, among other things, of facilitating the coordination of plans for the construction and operation of the proposed works with other plans involving the waters which would be used or controlled by such proposed works. Each report submitting any such plans or proposals to the Congress shall set out therein, among other things, the relationship between the plans for construction and operation of the proposed works and the plans, if any, submitted by the affected States and by the Secretary of the Interior. The Chief of Engineers shall transmit a copy of his proposed report to each affected State, and, in case the plans or proposals covered by the report are concerned with the use or control of waters which rise in whole or in part west of the ninety-seventh meridian, to the Secretary of the Interior. Within ninety days from the date of receipt of said proposed report, the written views and recommendations of each affected State and of the Secretary of the Interior may be submitted to the Chief of Engineers. The Secretary of War shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of affected States and of the Secretary of the Interior. The Secretary of War may prepare and make said transmittal any time following said ninety-day period. The letter of transmittal and its attachments shall be printed as a House or Senate document.

The legislation provides also:

The Secretary of the Interior, in making investigations of and reports on works for irrigation and purposes incidental thereto shall, in relation to an affected State or States (as defined in paragraph (a) of this section), and to the Secretary of War, be subject to the same provisions regarding investigations, plans, proposals, and reports as prescribed in paragraph (a) of this section for the Chief of Engineers and the Secretary of War. In the event a submission of views and recommendations, made by an affected State or by the Secretary of War pursuant to said provisions, sets forth objections to the plans or proposals covered by the report of the Secretary of the Interior, the proposed works shall not be deemed authorized except upon approval by an Act of Congress; and subsection 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and subsection 3 (a) of the Act of August 11, 1939 (53 Stat. 1418), as amended, are hereby amended accordingly.

This legislation also deals with a matter of public power generated at reservoir projects under the control of the War Department. The language finally agreed upon may not be the ultimate solution. The conference report, which we are approving today, contains the following language:

Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized from funds to be appropriated by the Congress to construct or acquire by purchase or other agreement only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts.

I have mentioned what this legislation proposes for the Republican River Basin. I shall not take time to discuss the proposals for dams and reservoirs and other works in the States outside of Nebraska, lying in the Missouri River Basin. I do wish to mention what this legislation will do for eastern Nebraska that borders on the Missouri River. It calls for a continucus unified system of levees from Sioux City down to the mouth of the river of adequate height and strength to protect the farm land and the cities and towns. These local levees and other works alone are not adequate. The over-all plan calls for major reservoirs in North and South Dakota, Montana, and Wyoming, which will hold back great volumes of water during the flood stages. By a combination of up-stream reservoirs and local protections the flood problem of the Missouri Valley will be overcome.

Mr. Speaker, this legislation means a great deal to Nebraska and to all the States which comprise the bread basket of the Nation, known as the Missouri River Basin. The annual losses from floods have run into millions and millions of dollars. The ravages of drought and dust storms have been a curse to much of our area. The ultimate construction of the projects that we are authorizing today will give the people of that region a chance to use the great resources that God has given to them. It will mean a more prosperous people. It will mean a greater return in taxes to the Federal Government. The increased revenue for the Federal Government in income taxes alone from an irrigated area as compared to a nonirrigated section in the drought area over a reasonable period of years will amount to much more than the cost of the irrigation projects. I am glad for this legislation today and I hope that as soon as the war is over construction can begin in a big way.

Mr. EDWIN ARTHUR HALL. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. I want to call the gentleman's attention on page 40 to a number of projects for which surveys are to be made after the war with particular reference to possible flood-control improvement, and I thank the gentleman and his committee for including the Susquehanna River in the vicinity of Endicott, Johnson City, and Vestal.

Mr. WHITTINGTON. I may say to the gentleman that the construction of works will occur during the post-war period but that examinations and surveys are now being made and there will not be any delay until the post-war period so far as these examinations and survey reports are concerned.

Mr. EDWIN ARTHUR HALL. I am safe in assuming, however, if a favorable survey is made of these sections, there will be improvement after the war?

Mr. WHITTINGTON. They will be considered by the Committee on Flood Control. I emphasize that funds are now available for preliminary examination and surveys previously authorized, as well as now authorized in this bill.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Montana.

Mr. O'CONNOR. As a member of the distingiushed gentleman's committee I heard all of the testimony with reference to the Army engineers and the Bureau of Reclamation with reference to the Missouri River Basin, and I take it that amendment No. 18, which appears in the amended bill, is what is known as the O'Mahoney amendment?

Mr. WHITTINGTON. I so stated.

Mr. O'CONNOR. I want to see if the chairman agrees with me on this: My recollection of the testimony is that there was very little variance between the contentions of the Army engineers and the Bureau of Reclamation on the proposition incorporated in the O'Mahoney amendment?

Mr. WHITTINGTON. The gentleman is correct. There was substantially no difference on the engineering works proposed. The only difference was a question of who was going to construct them.

Mr. O'CONNOR. Is it not true it was largely a newspaper fight over practically nc contention between these departments?

Mr. WHITTINGTON. I may say to the gentleman that the newspapers, according to the information I have, did not neglect their opportunity.

Mr. WICKERSHAM. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Am I right in my assumption that the entire Ouachita River watershed project is retained, including cost of acquisition of the land?

Mr. WHITTINGTON. It is as passed by the House.

Mr. WICKERSHAM. I want to thank the chairman on behalf of the Oklahoma delegation for that, and I wish to thank

him individually for retaining in the bill the amendments which I submitted and which the gentleman presented during debate on this matter.

Mr. CASE. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from South Dakota.

Mr. CASE. I wish to congratulate the gentleman and the members of his committee on the monumental work they have achieved by their year-long labors in hearings and conferences necessary to bring about agreement on the many matters in this bill, and particularly those involved in the Missouri River program. This will bring into the national picture for the first time a flood-control and river-use project in the great north central part of the country. It will inaugurate a new era in the life of the largest river basin of the Nation. Now, then, I would like to ask the gentleman one question. My understanding of amendment No. 9 relating to power is that it centralizes the disposition of power generated in the dams in the Secretary of the Interior?

Mr. WHITTINGTON. That is right.

Mr. CASE. And limits him in the construction or acquisition of lines to such lines as are necessary for distribution on a wholesale basis?

Mr. WHITTINGTON. Exactly so. I am glad that the gentleman brings this matter to my attention. I should have pointed out that therein is the difference between the sale of power generated at some of the other dams. This disposal is limited to wholesale. I may say that in my judgment the provision is entirely proper.

The House will recall that the Senate spent much time in considering the so-called Bailey amendment which would have restricted the disposal of the power to the dam site which I think would have been unsound.

Mr. CASE. The limitation to wholesale distribution seems to me to be an appropriate compromise. The Secretary of the Interior, thereby, will not be urged or tempted to go into competition with the R. E. A. or any other distributing agency, private or public, yet should be in a position to extend the use of the power to the maximum public benefit through whatever distributor is interested and available.

Mr. CHENOWETH. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I call the attention of the distinguished chairman to amendment No. 36 relating to a project at Trinidad, Colo., wherein the conferees eliminated an amendment adopted by the Senate which provided for the Army engineers to make a further study of this project and to recommend a reservoir up the river if found feasible. Will the gentleman explain why this amendment was stricken?

Mr. WHITTINGTON. The amendment proposed by the Senate was eliminated among other reasons because there is no limit as to the cost of the substitute. It would be possible for almost every project to have a substitute unless there was the further stipulation that the cost of the substitute did not substantially exceed the cost of the original project. We were advised by the Chief of Engineers that if that proviso had been included as a part of the conference agreement it would mean that there would be no construction of the substitute project until he, the Chief of Engineers, came back to Congress and obtained further authority. In view of the fact that the House provision had been most liberal and had followed the idea of the Chief of Engineers, who recommended the elimination of $60,000 of the local contribution recommended by the district engineer for flood control, the conferees felt the interest of Trinidad would be better served by retaining the House provision, knowing that at present, under an existing authorization, there is a review being made, and if that on reexamination a substitute could be recommended in accordance with the desires manifested in the Senate amendment, it could be considered by the two committees of the House and Senate for subsequent authorization.

Mr. CHENOWETH. Do I understand the conferees to be in accord with the provision that there shall be a review of this project by the Army engineers and a report made of their findings at a later date?

Mr. WHITTINGTON. Yes; the Chief of Engineers so advised us.

Mr. CHENOWETH. And if the engineers do not now have that authority, it will be provided. I might state the district engineer at Albuquerque has already attended several conferences in Trinidad relative to including a reservoir in this project, and I understand the Army engineers are favorable to a review.

Mr. WHITTINGTON. The gentleman may get that authority by request for a proper resolution from the Committee on Flood Control.

Mr. NORRELL. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Arkansas.

Mr. NORRELL. If the gentleman will turn to amendment 33 on page 21, as I understand the Arkansas River is considered a part of the main channel of the Mississippi River up to the vicinity of Pine Bluff. I am wondering if that language is sufficiently broad to give the Army engineers the power to reimburse for set-back levies on the north as well as on the south bank of the Arkansas River?

Mr. WHITTINGTON. No; that was never contemplated, and the original act of August 18, 1941, does not make any such provision.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. WHITTINGTON. Mr. Speaker, I yield myself 3 additional minutes.

The amendment to which the gentleman refers is limited entirely as heretofore to the main line Mississippi River levees. It does not have application to any other river.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Oregon.

Mr. ANGELL. Am I correct in understanding that under the provisions as agreed upon by the conferees, the Secretary of the Interior has the power either to buy transmission facilities or construct them and to dispose of power at wholesale?

Mr. WHITTINGTON. Yes; he has the power to construct or acquire by purchase or other agreement, but the funds have to be provided by the Congress of the United States, and the Congress thus retains the purse strings of the Treasury——

Mr. ANGELL. It does not affect any project on the Columbia River?

Mr. WHITTINGTON. No; it does not.

Mr. BENNETT of Missouri. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Missouri.

Mr. BENNETT of Missouri. Is it true that this report nowhere changes the status of the so-called Osceola Reservoir on the Osage River in Missouri?

Mr. WHITTINGTON. It does not, because that project was not at issue in the conference.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Mississippi.

Mr. RANKIN. In response to a statement made a moment ago may I say that neither the Tennessee Valley Authority, nor the Bonneville Administration, nor the authorities in charge of Boulder Dam are engaged in the retail distribution of power. That power is sold wholesale. The power generated by the Tennessee Valley Authority is delivered wholesale to municipalities or cooperative power associations, and they distribute it. The same thing is true at Bonneville and Grand Coulee on the Columbia River and at Boulder Dam on Colorado River. I did not want the impression left here that these authorities were engaged in the retail distribution of electricity.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Ohio.

Mr. JENKINS. I think amendment numbered 9 is very significant. Would it be safe for me to assume from this language that this bill pronounces the power policy of the Nation? Heretofore, as I understand it, we have never had any pronouncement of our national power policy. But by this language you practically announce a power policy for the Nation. I think I can see in the language an effort to be cautious and careful. I think you should have been even more careful, for heretofore I think those responsible authorities in the Government have been very careful not to commit the Government to any definite policy.

May I ask the gentleman this question? Suppose there is a project now that is being built and it can be built without equipment to manufacture power. Does the gentleman mean that the Secretary of the Interior would have sufficient authority under this bill to

compel the building of that project so that he would have power-generating facilities?

Mr. WHITTINGTON. He has no authority whatsoever with respect to the construction. The necessity for this language is this: In some of these reservoirs that are authorized to be constructed there is a generation of power. The concrete proposition that confronted our committee was this: Shall we authorize these projects where power is incidental and make no provision for the disposal of it, or shall we leave it to the President of the United States to set up an executive authority as he has done in Arkansas, Texas, and Oklahoma?

Mr. JENKINS. The gentleman has outlined a case I have in mind exactly. Suppose the Secretary of War says, "I do not think this project should be equipped with power facilities," and the Chief of the Army Engineers says, "I do not think it should be done," but the Secretary of the Interior comes along and says, "I know it has great possibilities of power, and I think it should be done," and he seeks the aid of the President and the President encourages it until it is done. Does not that settle the matter so that one could reasonably conclude that this bill does fix and announce a policy that the Secretary of the Interior and the President can control the power policy of the Nation?

Mr. WHITTINGTON. We have settled that. We have said that the matter of power is to be passed on by the Chief of Engineers and by the Federal Power Commission. We have provided that there shall be a transmittal of projects hereafter so that each can get the benefit of the other's views. I may say in reply to the gentleman's question that the Secretary of the Interior has no control whatever over the construction of any dam under the control of the War Department.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. WHITTINGTON. Mr. Speaker, I yield myself 2 additional minutes.

Mr. JENKINS. Can the Secretary of the Interior under the language and authority of this law build a foundation upon which he and the President can scatter some more T. V. A.'s all over the nation? I should hope it does not.

Mr. WHITTINGTON. No; he has no power whatever with respect to building and construction, and his power is limited only to the sale and transmission of the excess power generated at dams authorized and constructed by the War Department.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Kentucky.

Mr. MAY. I was about to inquire along the line of the question of the gentleman from Ohio [Mr. JENKINS], whether or not this bill established the Federal policy of this Government with respect to the manufacture, sale, and distribution of power.

Mr. WHITTINGTON. I would say it is confined only to the projects where power is to be generated, at reservoir projects under the control of the War Department not required for the operation of the projects.

Mr. MAY. In each instance each project is controlled by the provisions of the bill?

Mr. WHITTINGTON. That is correct. It might be changed hereafter by Congress.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. I direct attention to amendment No. 26, the Connecticut River project. In reading the Senate debate on this bill, I noticed that members of the other body paid a very well deserved tribute to the efforts of the gentleman from Massachusetts [Mr. CLASON]. I understand that members of the Senate from Vermont, Massachusetts, and Connecticut, who were trying to work out a satisfactory compromise for the section relating to the Connecticut River project, invited Mr. CLASON to join in the conferences held to work out this compromise. I am certain that the section approved by the conferees is satisfactory not only to the State of Vermont, but to the States of Massachusetts and Connecticut as well.

At this point I wish to incorporate the remarks that appeared in the RECORD of November 29, made by Senator AIKEN of Vermont:

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to my colleague.

Mr. AIKEN. I should like the RECORD also to show that the Member of the House of Representatives from Springfield, Mass., Mr. CLASON, was present at the conference at which this compromise was agreed upon.

Mr. AUSTIN. That is correct.

Mr. WALSH of Massachusetts. It was suggested to the Member of the House, Mr. CLASON, to whom the Senator from Vermont has referred, that his name be mentioned as one of those who cooperated, but out of his extreme modesty he said he would just as soon not be included. I think, however, he is deserving of having his name appear, for no one in the Congress has been more interested or has been more helpful during the years in urging flood control in the Connecticut Valley.

Mr. AIKEN. I think we should overwhelm his modesty and have his name show in the RECORD.

May I add my own expression of appreciation to my distinguished colleague from Massachusetts, Mr. CLASON.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Missouri.

Mr. COCHRAN. On the White River project $45,000,000 additional is authorized. Does that include the construction of two additional dams in connection with the Norfolk Dam?

Mr. WHITTINGTON. That includes the $45,000,000 that may be used on the two additional dams to be selected by the Chief of Engineers. There was nothing in dispute as to this item in conference. The authorization is just as it passed the House.

Mr. MILLER of Connecticut. If the gentleman will yield further, in line 6 on page 16 appear the words "other than a flood-control type dam." Does that mean that that particular reservoir can be used for nothing but flood control?

M. WHITTINGTON. It means just what it says. That is a flood-control dam.

Mr. MILLER of Connecticut. They cannot generate power there?

Mr. WHITTINGTON. No; you cannot generate power because it is for flood control and not for power. It is not a multiple-purpose project.

Mr. MILLER of Connecticut. There will be no units built into the dam?

Mr. WHITTINGTON. I do not know what will happen hereafter, but under this bill there cannot be so built.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

ESTABLISHING DENTAL CORPS OF THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4216) to provide more efficient dental care for the personnel of the United States Navy, a rule having been previously granted.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4216) to provide more efficient dental care for the personnel of the United States Navy, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill and that the bill and committee amendment be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The bill is as follows:

Be it enacted, etc., That (1) the Secretary of the Navy be authorized and directed, no later than 60 days after this act becomes law, to establish a Dental Department in the Navy, which shall function under the Surgeon General as is now provided in the case of the Medical Department.

(2) To provide that the functions of the Dental Department shall be of such professional, technical, and administrative nature as pertain to the conduct of the naval dental service, including cooperation with the Medical Department in all matters of mutual interest and cognizance.

(3) To provide that personnel of the Dental Department shall consist of (a) officers

of the Dental Corps, one of whom shall serve as Director of Dentistry and be directly responsible to the Surgeon General for the administration of dental affairs within the Bureau of Medicine and Surgery; (b) chief warrant and warrant officers in numbers not exceeding 5 percent of the total number of officers of the Dental Corps; (c) enlisted personnel in such ratings and distribution by pay grades within the ratings and in such numbers not to exceed 166 percent of the total number of dental officers, as may be prescribed by the Secretary of the Navy: *Provided further*, That nothing stated herein shall act to reduce the grade or rank of any person.

(4) To provide that the Director of Dentistry shall be appointed by the President from dental officers on active duty and that the Director of Dentistry shall, while so serving, have the rank of rear admiral.

(5) This act to take effect immediately upon its approval by the President.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Navy shall within 6 months after the date of enactment of this act reorganize the Bureau of Medicine and Surgery in accordance with the provisions hereof.

"SEC. 2. The functions of the Medical Corps and those of the Dental Corps shall each be defined and prescribed by regulations of the Secretary of the Navy, and each such corps shall have a director, who shall be responsible to the Chief of the Bureau of Medicine and Surgery.

"SEC. 3. An officer of the Medical Corps of the Navy shall be detailed as the Director of the Medical Corps, and an officer of the Dental Corps of the Navy shall be detailed as the Director of the Dental Corps. Such officers, while so serving, shall have the rank, pay, and allowances of a rear admiral. No provisions of this act shall be construed to reduce the rank or pay of any person.

"SEC. 4. The Secretary of the Navy shall provide by regulations for establishing on ships and on shore stations dental services to be administered under the senior dental officer who shall be responsible directly to the commanding officer of such ship or shore station for all professional, technical, and administrative matters in connection therewith.

"SEC. 5. The Secretary of the Navy shall provide by regulations for a suitable number of dental technicians of appropriate ratings and ranks, and for their training, detail, retention, supervision, and direction by appropriate dental officers in carrying out the provisions of this act.

"SEC. 6. In carrying out the provisions hereof, the Secretary of the Navy shall consult with the Chief of Naval Operations and shall not impose any administrative requirements hereunder on combatant ships or in combatant areas ashore which would interfere with the proper functioning of battle organizations.

"SEC. 7. All laws and parts of laws in conflict herewith are hereby repealed."

Mr. VINSON of Georgia. Mr. Chairman, in view of the fact that this bill was reported to the House by the distinguished member of the Committee on Naval Affairs the gentleman from South Carolina [Mr. RIVERS] I now yield 15 minutes to him.

Mr. RIVERS. Mr. Chairman, for and on behalf of the Committee on Naval Affairs, we ask you to consider seriously and recommend that you do pass the bill (H. R. 4216) as it was amended and rewritten by the Committee on Naval Affairs, of which I am a member. This is a bill designed to change certain practices now in effect in the Bureau of Medicine and Surgery, with respect to dentists. I shall take only a few minutes' time to explain, as briefly as I can, what this amended bill proposes to do. It directs the Secretary of the Navy, within 6 months after its passage, to make the following changes in the Bureau of Medicine and Surgery. It directs him to set up a Dental Corps over which there shall be a member of the Dental Corps of the Navy as its director, solely responsible to the Surgeon General for all things dental.

It directs him to have a director of medicine from the Medical Corps, who shall be in charge of all things medical.

It also requires him to make certain regulations for establishing on ships and at shore stations, certain provisions and regulations of the Dental Service to be administered under a senior dental officer who shall be responsible directly to the officer in charge of the ship or shore station.

It also directs the Secretary of the Navy to provide by regulation for a suitable number of dental technicians of appropriate ratings and ranks, and for their training, detail, retention, supervision, and direction by appropriate dental officers in carrying out the provisions of this act.

Wherever there may be any conflict or any possibility of a conflict at shore stations or at battle stations, the Secretary of the Navy is required, under the provisions of this act, to consult with the Chief of Naval Operations, so that there can be no possible conflict aboard ship or shore with the doctor, who is an M. D., and a dentist, who is a member of the Dental Corps.

The Dental Corps was established in 1912 when there were some 30 dentists in the Navy. It was seen fit then to make dentists completely subservient to the Medical Corps of the Navy. As the 30-odd years intervening have come and gone, we have 6,200 dentists in the Navy. The organization has grown so complex that it is impossible, from the standpoint of morale and other smooth running, that 6,200 dentists of the Navy be subordinate to the medical officers.

I make this point plain to you. Under the prevailing practice of the Navy today, a dentist, regardless of the stripes on his sleeve or his rating, takes his orders from an M. D. regardless of the stripes on the arm of the M. D. This is a serious blow to the morale of the Navy, because all military rank is an important factor in morale.

Our committee, after numerous days of hearings, decided to report this bill out for the good of the Navy, for the morale of the Navy, and for the continued progress of this profession which is contributing such great things to this war effort.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. WADSWORTH. Can the gentleman state what attitude, if any, the Navy Department has taken toward this legislation?

Mr. RIVERS. The Navy Department is absolutely opposed to this bill.

Mr. WADSWORTH. The Navy Department is opposed to the bill?

Mr. RIVERS. The Navy Department is opposed to the bill.

Mr. WADSWORTH. Has the Secretary of the Navy addressed the committee in that way?

Mr. RIVERS. The Secretary of the Navy did not appear. We wrote a letter. The Navy Department in this instance is the Surgeon General.

Mr. WADSWORTH. Is the letter contained in the report? I do not find it.

Mr. RIVERS. I think it is. It is certainly in the hearings. I may state to the gentleman from New York the bill which the Secretary of the Navy opposed was the original bill as it was drafted by me, and which the committee has rewritten and presented to the House as this amended bill now before you. I may say to the gentleman from New York further, the report which the Secretary of the Navy sent to our committee was written by an M. D., and not a dentist. Seventy thousand dentists in this country are clamoring for this bill.

Mr. WADSWORTH. I have no doubt they are. The pharmacists will be next.

Mr. RIVERS. The pharmacists will be next.

Mr. WADSWORTH. Absolutely.

Mr. RIVERS. I will say this to the gentleman if he will pay attention.

Mr. WADSWORTH. I am paying attention.

Mr. RIVERS. The Surgeon General of the Navy and I have been working on proposed legislation designed to improve the pharmacy set-up in the Navy. I am advised by Admiral McIntire that his recommendations are now complete and that they have been approved by the Bureau of the Budget and are now before the Judge Advocate General of the Navy for the purpose of ironing out certain legal matters. I have not seen the latest draft of the bill made by the Surgeon General but I believe that I will introduce it in its present form. The Surgeon General is cognizant that the pharmacy set-up of the Navy needs revision and I certainly propose to assist him in improving this magnificent service. Pharmacy has made an astronomical contribution to the war effort. This suggested change will be introduced as soon as the new Congress convenes.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. Gladly.

Mr. COCHRAN. Under the revised bill the head of the Bureau of Medicine and Surgery remains the head of the Dental Corps, the same as he is the head over the Medical Corps; is that correct? With that language in there, it is my understanding the objection of the Navy Department was removed.

Mr. RIVERS. I may say to the gentleman from Missouri that my original bill did not take it from the Surgeon General. He opposed it on other grounds, but we made certain that the Surgeon General would remain in charge

of all matters pertaining to the public health of the Navy, and this bill does not in anywise remove the Surgeon General as the head of naval dentistry. With this redraft of the bill—and the committee labored over it many days—I do not see how anybody can conscientiously oppose its passage. The bill was reported out by the committee by a vote of 21 to 2 after extensive hearings.

Mr. BREHM. Is it not true that today at Bethesda this procedure is being practiced with entire satisfaction?

Mr. RIVERS. I was going to come to that. I am delighted the gentleman brought that up. What this bill recommends is the procedure that is being followed at the Bethesda Medical Center at the present time. The present president of the American Dental Association, who happens to be a captain in the Navy, appeared for the amendment. Another captain in the Navy appeared for the bill in opposition to the Surgeon General. And then Admiral Lyle of the Navy, who is supposed to be the head of naval dentistry appeared for this bill in opposition to the Surgeon General of the Navy. Everything went along fine. We did not have a knock-down-drag-out fight. They recognized that this bill would improve conditions in the Navy. They have a fine organization that has made tremendous strides in the last 30-odd years. We of the committee feel you will be aiding them very much to seriously and favorably consider the recommendation we make.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. BREHM. Will the gentleman just take time to read section 6? It is very brief; or, if you will pardon me, I will read it.

Mr. RIVERS. I shall be pleased to have the gentleman read it.

Mr. BREHM. It reads as follows:

SEC. 6. In carrying out the provisions hereof, the Secretary of the Navy shall consult with the Chief of Naval Operations and shall not impose any administrative requirements hereunder on combatant ships or in combatant areas ashore which would interfere with the proper functioning of battle organizations.

That is the amendment which the Navy insisted go in there. When that was inserted, all objections to the bill were removed.

Why should the dentists take their orders from a medical officer? Especially when most dentists know more about medicine than most doctors do about dentistry? I can finish medicine in 18 months myself. Furthermore, let me call attention to the fact that during the present war 80 dentists have been killed and 31 are missing or captured; so we are certainly on the job; and we are a capable and competent body judged either by education, experience, or patriotism, and fully capable of carrying on the functions of the dental profession in either the Army or the Navy.

I want to thank you, Mr. BREHM, for your fine contribution to this debate. I can state to the House that I know of no man in Congress who has done more for the dental profession than have you. Your untiring efforts in helping me bring this bill to the attention of the Members of the House will always be a source of my profound gratitude.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. RIVERS. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I did not realize there was really any objection to the bill; I thought it was unanimously supported. There is nothing more important to the health of a man than proper dental work, not only for comfort but for health.

Mr. RIVERS. I prefer not to discuss the reasons for the objection to the bill but I can state to the gentlewoman from Massachusetts that after we cleared the way of the real objection, there were none of consequence remaining.

Mrs. ROGERS of Massachusetts. After all, this bill is an inducement to the best dentists to go into the service.

Mr. RIVERS. I can say to the gentlewoman from Massachusetts that the dentists in the Navy are not now as well satisfied as they will be if we pass this bill. The dentists are a little resentful of having to go through an M. D. every time they want something or need something. We found instances where dental officers had to go through an M. D. to get an O. K. to grant leave to one of his subordinates. They even have to get an M. D.'s O. K. on the very material the dentist uses. They are perfectly competent to handle such things themselves.

There are many many fine features to this bill and I call them to your attention. They are:

As head of the dental department the commanding dental officer would have cognizance, now denied him, as follows:

(a) He would be directly responsible to the commanding officer for the administration of the dental service under his command. This is now denied him.

(b) He would participate in heads of departments conferences called by the commanding officer or the executive officer where he could present the dental situation clearly and concisely in the presence of other heads of departments and thereby develop a better understanding and cooperation. This is now denied him.

(c) He could contact the commanding officer directly with any dental problem which might arise, thereby presenting his case as he sees it to an officer trained and capable in administration with a broad point of view concerning the comfort, welfare, and efficiency of his personnel. This is now denied him.

(d) He would recommend directly to the commanding officer or the executive officer concerning improvements and requirements of the dental clinics and other spaces assigned to the dental activity. This is now denied him.

(e) He would submit requisitions for dental equipment and supplies and be responsible for all property accounting, maintenance and care of dental property. He would determine the amounts of supplies required and maintain a proper balance for economical and efficient function. This is now denied him.

(f) He would exercise his own judgment in establishing the ways and means of distributing dental treatment to the end that the greatest number may be served and that established professional standards may be maintained. He will have complete supervision over the professional conduct of his personnel. This is now denied him.

(g) He will have complete control of all personnel assigned to the dental department which will permit him to utilize such personnel to the best advantage without fear of interruption from other services. Leave and liberty, watches, recommendations for promotion, and punishment for minor offenses among dental personnel will be handled by the senior dental officer as station requirements permit and as performance warrants. This is now denied him.

The committee went into this thing very thoroughly and the gentlewoman may ask any member of the committee if she is not satisfied that this is for the good of the service.

Mr. Chairman, there are 18,000 on the Surgeon General's staff as of the present time. Sixty-two hundred of them are dentists, over one-third. These 6,200, regardless of rank, under the prevailing practices, are subservient to the M. D.'s. That is not good for the morale of the Navy, it is not good to permit that practice to continue and we are asking you to change it.

This is for the good of the service. Of that we are convinced. I introduced this bill back in February and I am confident you will be doing a service to the war effort and a service to many people who have patriotically given and are giving their services, at great financial loss, to the war effort. It is surprising to learn the services which the dentists have given the Government in the war effort. All anesthetics are administered by the dentists. Last night I listened to a broadcast and it was stated that a hundred years ago a fellow by the name of Wells was the first man to administer an anesthesia for the extraction of a tooth. Of course, he was a dentist.

They have done a great job in our war effort and a great service to the Nation. If you pass this bill you will be rewarding them and telling them, "You have done a good job. We will not let you go backward. We will help you to go forward." I hope this bill will be seriously considered and passed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 15 minutes and I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, the compensation of Senators, Representatives, the Vice President, Speaker, and members of the President's Cabinet have not been increased for 20 years. The last increase occurred in

1925, when the salaries of Senators and Members were raised from $7,500 to $10,000—an increase of one-third. The last increase previous to that occurred in 1907—19 years earlier—when such salaries were raised from $5,000 to $7,500—an increase of 50 percent.

The salaries of the Vice President, Speaker, and members of the Cabinet were increased from $12,000 to $15,000 in 1925—an increase of 25 percent—but have not been increased since.

The salary of the President of the United States was fixed at $75,000 a year in 1909, having been raised from $50,000—an increase of 50 percent.

When the salary of the President was fixed at $75,000 a year in 1909, it was not subject to tax either under Federal or State law. Under the Revenue Act of 1932, it was provided that the salary of Presidents taking office after June 6, 1932, should be subject to Federal income tax, and I quote from that act:

> All acts fixing the compensation of such Presidents * * * are hereby amended accordingly.

Thus in 1932 the salary of the President was actually reduced, and has been further reduced every time the income tax rates have been increased. At the present time the Federal tax on the President's salary is approximately $48,000. When the Public Salary Tax Act of 1939 was enacted, the salary of the President was also made subject to State income tax. Thus the real salary for this great office of President of the United States has been actually reduced from $75,000 in 1932, to less than $27,000 at the present time.

I have today introduced a bill providing for a salary of $100,000 a year for the President, $20,000 a year for the Vice President, Speaker, and members of the President's Cabinet, and $15,000 a year for Members of the Congress.

The salaries of Members of Congress have, of course, been subject to Federal income tax ever since the income tax has been in effect. But the effect of an increasing tax rate on a person whose salary is fixed by law is too often not fully appreciated. When the salary of Members was increased to $10,000 in 1925, the tax which the Member had to pay on that $10,000, if he was married with no dependents, was approximately $220. At the present time the salary is still $10,000, but the Federal tax on that same Member is approximately $2,500. In addition the Member is subject to State income taxes by reason of the Public Salary Tax Act of 1939.

The case for a consideration of the adequacy of the compensation of the officials specified proceeds from several standpoints. First and foremost, What is the job worth, considering its duties and responsibilities? Second, if the job is worth more than the salary presently attached to it, should the fact that the country is at war act as a bar to paying what it is worth?

Taking up the various officers mentioned, one by one, the office of President of the United States is now the most powerful and most responsible office in the entire world. And yet the salary attached to that office is less than that received by many vice presidents and assistant vice presidents of private banks and industrial concerns. It is much less than the yearly earnings of Frank Sinatra. Many lawyers, doctors, and other professional people, whose names I daresay would not be recognized by a single Member of this House, unless it be the Member from the same district, receive more than $75,000 a year. Read the names and salaries released from time to time by the Treasury Department of those who reported salaries in excess of $75,000. I do not wish to criticize any of those salaries, although some of us here may believe them to be too high and so state at the proper time. I mention them merely to indicate that in comparison with policymaking positions outside of the Government, the present salary attached to the great office of President of the United States is meager.

The two next highest offices in the United States are those of Vice President and Speaker of the House of Representatives, and what is their salary? Fifteen thousand dollars a year, which is $10,000 less than that paid to the mayor of New York City. The Cabinet members, those whose duty it is to advise the President on all of the matters coming within the jurisdiction of their respective departments, and give the best advice thereon that it is possible to secure, likewise are paid a mere $15,000 a year. I would venture to say that in every town in the United States having a population of 10,000 or so persons there are many people whose capabilities and responsibilities command $15,000 a year.

Coming to the Congress itself, as I previously stated, in 1909, the salary was raised from $5,000 to $7,500 a year. It remained at $7,500 until 1925, when it was increased to $10,000 a year. At that time Congress met in December, adjourned usually in June, and every second year had the short session from December to the succeeding March, and then adjourned until the following December. Since that time not only has the "lame duck" amendment become part of the Constitution, doing away with the short session, but the duties and responsibilities of the Congress have immeasurably increased. In recent years the Federal Government, both legislatively and administratively, has greatly increased the scope of its activities. New economic and social problems, having vast implications and far-reaching consequences, have demanded solution by the Federal Government. At this very moment the role of leadership in world affairs which the United States is destined to assume at the conclusion of the present war will call for the solution, both by the Congress and the Executive, of tremendous new problems.

Thus we come to the main question: In view of these tremendous new responsibilities and duties and the necessity of securing the best brains that can be found to undertake them, what are these officers worth?

What kind of a Congress do you want? What kind of a Congress do your constituents want? Do they want a Congress whose ability and dignity is equal to that of the other two branches of the Federal Government—a Congress which commands the respect, not only of our own people but that of people all over the world? In my opinion, the kind of Congress which our people are entitled to have is a Congress composed of men who are willing to come here at some personal sacrifice in order to render public service, and we should fix the salary at a point where we do not make the sacrifice too great to attract that kind of men.

The sacrifice now is entirely too great When a new Member comes here, he has to come here for a number of terms if his ideal of effective public service is to be realized—and when he comes he loses all of his professional or business connections. In order to remain in Congress he must conduct a campaign every 2 years, and if his district is at all doubtful that is an expensive proposition. Then he must live in Washington, where the cost of living is extremely high. The kind of man we want will not come here and live according to a standard of living to which he and his family are not accustomed, sacrifice his business future, and abandon his natural desire to earn enough to put aside a sum to take care of his family when he dies.

The cost of the increase proposed in the bill I have introduced is small—about $3,000,000 a year. The cost to each person in the United States per year is approximately 2 3/10 cents. But even if the cost were substantially larger, in my opinion, it is false economy to pay inadequate salaries and force the kind of man we want in Congress to either remain in private life or, having been elected to office, to renounce it as a financial burden.

As I have previously stated, the issue is not a personal issue. The issue is what the job is worth. If my constituents do not think I am worth the $15,000 a year which my bill provides, they will find someone else to send here in my place who is worth that sum.

We come now to the next question—If the several offices mentioned are worth the salaries I have proposed, should the fact that the country is at war and that wage and salary controls have been imposed be a bar to making the proposed increases?

There is certainly no reason why an adjustment should not be made because of the effect thereof on the national economy and finances. As I have already stated, the gross annual cost is only about $3,000,000 or 2 3/10 cents for each person in the United States. The number of persons involved is only 546—that is, the President, Vice President, 435 Members of the House, 2 Delegates, 1 Resident Commissioner, and 96 Senators. The adjustment involving such a small annual cost and so few persons would have no effect whatever on the national scheme of wage or salary controls. The existing controls have no application, and should have none, to salaries or wages definitely fixed by law. If they did Congress and the Executive would be presuming to prevent the legislature of a sovereign State from increasing the

compensation of its governor, or presuming to debar a future Congress from providing higher compensation for such public offices as it saw fit, even where it could be shown that an increase was absolutely essential in the interests of good government. Any other conclusion would mean that Congress and the State legislatures were obligated on January 1, 1941, the base date for existing wage and salary controls, to enact a law bringing the salaries attached to these public offices up to the level consistent with good government. Legislative bodies do not work that way. An evil must exist over a relatively long period of time, the consequences of the evil must become clear before a legislative body will take cognizance of it and take steps to correct it. This is especially true, I may say, where the salaries of the Members themselves are involved, since they believe they will have to defend increasing their salaries as individuals rather than to defend increasing the salary of an office which another individual may occupy tomorrow.

But assuming what I certainly will not concede—that the compensation attached to high public office should be treated in the same fashion as wages and salaries fixed in the competition of the market place, that the relationship between the salary of a Member of Congress and the wages and salaries of others as fixed in 1925 was correct, that no account should be taken of the greatly increased responsibilities of the office, the myriad new important social, economic, and international problems with which a Member must now deal, and the resulting increased expenses to the individual Members which have accompanied these greater duties and responsibilities—assuming all of this, what do we find? We find that other wages and salaries—those controlled by the operation of economic laws—have increased almost 100 percent since 1926. According to the Bureau of Labor statistics, the wage rates in the manufacturing and mining industries, and in railroads, increased from an average of 57 cents an hour in 1926, to $1.01 an hour in August of this year, 1944. At the same time the average weekly wage increased from $25 to $45.96. Other wages and salaries have increased correspondingly—some to a much greater extent.

Making a further comparison, what are the salaries of other offices in the Federal Government? Members of the Supreme Court receive $20,000 a year, and United States circuit court judges receive $12,500. Justices of the Court of Customs and Patent Appeals and of the Court of Claims receive $12,500 each. Judges of United States district courts and other special United States courts receive $10,000 each.

Salaries in the executive branch of the Government have been increased under the Classification Act of 1923 and the subsequent amendments. Heads of large bureaus, who in 1925 were receiving $6,000 almost uniformly, now receive $9,000 and many receive $10,000, in addition to the 21.6 percent increase on the first $2,900 of their salary—approximately $625—granted in the War Overtime Pay Act.

An illustrative list of executive salaries, established since 1925, is as follows:

Six administrative assistants to the President, $10,000 each.

Members of the Social Security Board, $10,000 each.

Administrator of the Federal Security Agency, $12,000.

Administrator of the Federal Works Agency, $12,000.

Administrator of Veterans' Affairs, $12,000.

Comptroller General, $12,000.

Chairman, War Production Board, $15,000.

Director of War Mobilization and Reconversion, $15,000.

Surplus Property Board, $12,000.

Director of Contract Settlement, $12,000.

Price Administrator, $12,000.

Director of Economic Stabilization, $15,000.

Director, Office of War Information, $12,000.

Director, Office of Defense Transportation, $12,000.

The above list of salaries indicates that salaries of Members of Congress have not kept pace with the tendency for better salaries in the administrative end of the Government.

The position of Congress as a coordinate branch of our tripartite branch government is too often not appreciated fully. Senators and Representatives are the direct representatives of the people of the entire Nation in enacting the laws which formulate the policies and provide the administrative machinery for the greatest nation on earth. The United States is destined for a role of leadership in world affairs from now on not less in importance and influence than that ever exercised by any single nation in the history of the world. This is true not only from the standpoint of policy in foreign affairs but equally as weighty in domestic affairs. For upon the rapidity and soundness of our postwar policy in foreign and domestic affairs very largely depend the peace and prosperity not only of the United States itself but of the rest of the world. The United States of all nations is in the best position to furnish an unselfish leadership.

An indispensable factor in achieving and maintaining that leadership in the coming years will be an able and respected Congress. Capable men who aspire to public service should not be deterred from seeking high public office because of salary handicaps. The salary should be adequate to enable them fully to meet their domestic and personal obligations and have a margin and not be in the position of having to serve the public at a sacrifice of their personal interests. Salaries of Members of Congress are not adequate. They lag behind those of offices of far less responsibility in the executive branch. They have never even approached those paid by private industry to policy-making officials.

Members should not be obliged to defend themselves for raising their own salaries. Embarrassing though it may be to the Members individually, under our Constitution that is the only way the salary attached to the office of Senator or Member of the House may be increased. A sustained public opinion should demand that the salaries be raised to a level commensurate with the importance of the office and the need to attract capable men. That is the only kind of men we want in Congress, and that is the kind of men your constituents are entitled to. Will you deny them the opportunity to get that type of man by refusing to vote an adequate salary for the office?

Mr. MAAS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I wish to endorse the pending bill. I have studied it very carefully and have listened to all the hearings. It will in no way interfere with the efficient and proper military administration of the medical service. The medical officers will still be responsible for the complete health of those under their charge. It will, however, raise to the proper dignity in the Navy the dental profession, and at least begin to approach the position that profession holds in civil life. I think this bill will make for better administration and will improve the over-all medical and dental service in the Navy. Dentists are the only class of officers today who do not have control of their own personnel. This will remedy that situation.

Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, I have been happy to observe that during the debate no controversy has arisen on the floor over this bill, which has been so carefully considered by the Committee on Naval Affairs, and reported to the House with the recommendation that it be passed.

The bill should have been enacted a long time ago. It will fill a long-needed want. It will give to those splendid men who comprise the Dental Corps of the Navy the status and the consideration to which they are justly entitled. It will render even more effective what is already the most effective and the greatest Navy in all the world. I trust the bill may pass without any dissenting votes, and I am sure it will.

Mr. Chairman, I yield back the balance of my time.

Mr. MAAS. Mr. Chairman, I yield the balance of my time to the gentlewoman from Ohio [Mrs. BOLTON].

The CHAIRMAN. The gentlewoman from Ohio is recognized for 19 minutes.

Mrs. BOLTON. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Chairman, it was my privilege this fall to spend 2 months in the European theater for the purposes of visiting the hospitals and evaluating the care being given our wounded. It is my pleasure today to inform you that our medical service is doing an incredibly fine job. It is my purpose this afternoon

to give you as clear a picture as I can, not only of the work itself but of the problems presented by modern warfare and by the limitations imposed upon the medical department as I see them.

In the present organization of our forces there are various curious anomalies needing careful study and revision. Not the least of these is the actual set-up of the medical services. During a fairly recent reorganization of the Army they were placed under the Service of Supply—guns, tanks, ammunition, jeeps, doctors, nurses, hospitals all lumped in together. In addition the current contagion of separate units and duplication has caught hold, for in addition to the Army Medical Corps which in the past had full responsibility under a Surgeon General, there is now a medical service for the Ground Forces and one for the Air Forces as well. Each of the present three are headed up by a general officer, and although the Army Service Forces post holds the title of Surgeon General and has the widest responsibility, yet the Surgeon General by reason of his subordinate position in the Army Service Forces is markedly restricted in discharging his responsibilities because of lack of authority.

The result is that smooth and efficient functioning of our Army Medical Service is largely dependent upon personalities. In other words: were it not for the fact that the Surgeon General—Kirk—has been able to establish the best possible working relations with General Somervell, and were they both less capable than they are, the men in our Army would stand in serious danger of the possibility of being insufficiently cared for.

This same dependence upon the personality and friendliness of the A. S. F. general and the medical general reaches into the various theaters. In the European theater we are fortunate indeed to have as courageous and fine a medical man as Gen. Paul Hawley and as understanding and efficient an A. G. F. Chief as Gen. J. C. H. Lee. I know nothing of the situation in other theaters. Even under these conditions there are definite holes caused by this curious plan of organization. I tremble to think of the problems that might arise when the personalities now responsible change, as they probably will.

There is little doubt in the minds of doctors in or out of the military service that the status of the Medical Department in the present organization of the United States Army is wholly unsatisfactory and should be changed. The marvel is that the Medical Department, handicapped as it is by faulty Army organization, hampered as it is by medically uninstructed line officers, has accomplished so much—it could do so much more.

Hospitals with their medical and nursing services and their problems of management have been familiar to me these many years. Let me say to you now that my hat is off to the commanding officers and the chief nurses of our hospitals in England and France. Of course, there were some that could be improved; of course, there are problems. But the mine run of those hospitals, the standard of care given our men, is incredibly good. There is just one thing that counts, one thing that matters and that is, G. I. Joe.

A great deal is being said at the moment about the need for nurses and a campaign has been launched for the recruitment of an additional 10,000 to make up an over-all in the Army Nurse Corps of 50,000 for which the Medical Department originally asked.

In order to staff new units necessary abroad Army hospitals here in the United States are being shorn down to bone and below and some units are being sent over without nurses to be staffed by those culled from the hospitals overseas. Had those in authority over the Medical Department permitted the 50,000 ceiling asked for originally instead of stopping recruitment when 40,000 were secured, which was just at the time when the recruitment program was bringing out the nurses, we should not be in our present predicament. But everything is being done to tell the story vividly to those nurses who are qualified for immediate Army and Navy services. Nurses have never failed to respond to need, they will not do so now.

When the nurse ceiling was placed at 40,000 the T. O.'s—tables of organization—were changed. From that time on general hospitals of 1,000 beds were given a maximum of 83 nurses, 32 doctors, 450 corpsmen, and at the same time they were given an expansion of 500 beds. Regular general hospitals of 1,500 beds have a maximum of 125 nurses, 39 doctors, 562 corpsmen. Larger hospitals—of 2,000 beds—have a T. O. of 166 nurses, 44 doctors, 641 corpsmen. Boiled down and related to the problems created by the subservience of the Army Medical Corps to the A. S. F. whose officials are ignorant of medical needs this means that whereas the Surgeon General asked for enough nurses to have one nurse to 10 beds in the European theater—which was a real compromise, as good nursing is difficult when the ratio is more than 1 to 6, he was granted 1 to 12, and most of the Army hospitals in this country are functioning on a schedule of 1 to more than 25, though this is supplemented by aides and technicians, so it is not as bad as it sounds.

Let me break down the nursing situation still further so that you will be able to appreciate more vividly what this means.

Every hospital must have a head nurse and her assistant, a day and night operating room staff varying in size determined by the type of casualties, a night staff, a day staff, with certain specialty nurses such as one devoting full time day and night giving penicillin—the accuracy of time-spacing of dosage is essential to treatment. As this works out in the average overseas general hospital there are about 50 nurses on the day staff.

Now go into the wards with me for a few minutes. I spent not hours and days in these wards, but literally weeks. Let us take one of many wards where the men have cord and nerve injuries. Partial or complete paralysis means immobility and danger of bed sores and pneumonia unless they are turned and rubbed every two hours by day and every four hours at night. These men are largely on tidal drainage and most of them have multiple wounds. Some have amputations and many, broken bones. It takes three and four people to turn these men over and turn them back. Corpsmen with their gentle trained strength are indispensable factors in such a ward, just as they are indispensable at every point from the front line back.

Go into another group of wards with me where the majority of cases are burns, severe burns that would have meant death or complete disfigurement before the day of sulfas, penicillin, vaseline gauze, saline baths and plastic surgery. Often there are 15 bad body burns or more in one ward. The saline tub treatment takes from 2 to 3 hours and requires the help of corpsmen and often several nurses as well. Have you ever seen a man who has been severely burned relax under the warmth of such treatment? Have you ever seen the lines of pain he tries to hide leave his face? Have you ever wiped away the tears of relief that ran down his cheeks? If you had, you would be as determined as I am that no curtailing of the already overtaxed personnel of our Army hospitals in the European theater shall be permitted because the fierceness of the present campaigns forces us to set up new hospital units in that area with or without adequate staffs.

We have a magnificent medical service in England and on the far shore, as France and beyond is termed over there, both for the immediate emergency care and for the rebuilding of torn and broken bodies and minds. Miracles are happening daily, miracles brought about by science and by our increased understanding of the need and possibility of the human body and mind. Such a service does not just happen—it is the result of the most careful planning followed by practice and a little of the trial and error method as there were few precedents to follow. We should be everlastingly grateful to the men who had the vision to give us fluidity, mobility, in our medical services. We have front line dressing stations where emergencies are cared for; field hospitals and clearing stations with a small staff in tents without floors; evacuation hospitals able to bed from 400 to 750 also in tents; station hospitals of from 250 to possibly 900 beds; and the large general hospitals of from 1,000 to 2,000 beds housed in hospital buildings given over by the English, nisson huts, tents, or a combination of all three. On the Continent it is much the same. Planes, ground ambulances, hospital trains, hospital ships and LST's are the lines of communication. I have been in them all. I have watched them at work.

Tent hospitals are amazingly comfortable, though they present a problem in bad weather. Some of the C. O.'s, faced with rain, were most ingenious in

the way they laced the units together, completely protecting the patients from exposure to the elements going between wards and surgery or treatment tents. The round stoves supplied are easy to manage and give out the most amazing amount of heat. Ambulatory patients often take upon themselves the job of keeping the fire going without wasting fuel. Tents do present a problem at this time of year from the lighting angle. These hospitals have their own little light and power plants and the current is never very strong. X-ray and surgery have separate units, so that there may be a steady current for the X-ray and the certainty of light in the surgery. Surgical tents are lined with white—sheets fastened together if no heavier material is available—to reflect the light and insure a greater amount of protection. Corpsmen and doctors vie with each other to produce shelves and cupboards for supplies, though there is, of course, certain standard equipment which is simple, practical, and readily movable. All three of these points are essential.

Nisson huts adapt themselves excellently for hospital purposes. They are the rounded corrugated iron structures which, on the outside, give the most depressing picture. The first such installation I saw I almost cried aloud. But the moment I stepped inside all was changed. Light green or bright yellow paint made all the difference. As a matter of fact, they lend themselves to all sorts of subdividing, which makes them adaptable to every kind of hospital need. Many of our station and general hospitals are built of brick on the same plan as those in our camps here. The miles and miles of covered platforms and corridors present a definite problem in time and fatigue, but that is the present plan and one must make the best of them.

Equipment is excellent, some of which was supplied by the British in England, X-ray machines and such. It may be prejudice, but our people very much prefer our own.

As we went into France, beginning with Cherbourg, then Rennes, and so forth, in addition to setting ourselves up in tents, we took over hospital buildings. What we found there of filth and horror is something others than myself can tell you. I mention it because the first incoming hospital units had to contend with a truly terrible experience of cleansing. The glimpse I had gave me a liberal education in the degradation possible to men. For the first time I learned the meaning of such words as filth and stench—with which our men and women have had to become so well acquainted.

But in addition to filth of every sort, in some hospitals the Germans left behind them elaborate equipment they had not time to take with them, lifting out the core, hoping to make it completely useless to us, certainly giving us the repair problem. One field X-ray unit I saw was intact. It packed into trunks smaller than those we use and my memory of it is that it was more powerful.

Wherever we can turn back part or all of a hospital to the French we do so. It means, of course, that we must give them precious drugs, for they have nothing. They are deeply grateful.

On Friday, December 8, I inserted into the Appendix an address of the Deputy Surgeon General giving a more detailed account of the procedures for the wounded than I have time for. I assume, however, that you know that a man is picked up in most instances almost immediately after he has been hit by the incomparably courageous Medical Corps men, given shock treatment and plasma if necessary, the soldier is carried to the field station, where a surgeon with a nurse does the emergency job and sends him on. One of the great factors in keeping our casualty lists down has been this prompt attention combined with air evacuation. Whenever it has been possible the air services have made available to the Medical Service such ships as they could spare. I talked with many lads in England who were in beds there within from 5 to 8 hours after they were hit. Thousands and thousands of men are alive today because of these planes.

But planes have not always been free for medical use. Unfortunately, when a very simple plan for the modernizing of Field Medical Service by adding a small air ambulance corps was submitted to the hierarchy several years ago, it was not allowed. The value in lives of air evacuation of the wounded has been so clearly demonstrated that one cannot but regret somewhat passionately the inability of those in authority to envisage the needs of a modern evacuation service and so failed to grant the request.

I had a very vivid demonstration of what the lack of such an air service can do one night in France. It was in a holding hospital—tents on the bare ground and no beds or cots, only litters. Air evacuation had been ordered, all movable patients were ready and waiting, and additional patients were being brought in from hospitals being emptied to be moved up nearer the front. As ambulance after ambulance discharged its load the tent space grew more and more restricted. Toward midnight we were putting the stretchers so close together that there was only the smallest margin of space between every other litter. The men were tired, many of them having been shifted from place to place a number of times in 2 or 3 days. Many needed to have dressings changed, some were due for amputations, and so forth. I sat a long time with an athlete, watching with him while his leg turned black. I shall not forget those hours. Rows of operating tables were going all night long; men slept, men lay awake, men were delirious; most of them were in pain, all waited for the air. And there was no air. We let them think it was weather, but we knew that those few planes that would have made such a difference to those men—we knew they had been swallowed up by the service to which they belonged to await orders at another place. An air ambulance corps, planes that the medical service could count on, barring weather, is one of the vital needs of a modern army fighting a modern war all over the world.

Wounds are not always of the body—some of the most difficult to deal with are of the mind, and no two such are alike, no two respond equally to the same treatment. The psychiatry needed is but being born. It must do what it can by the trial and error way, there is no safe precedent. But a few methods are being used that are bringing excellent results. The need of the man who is overcome by battle exhaustion is sleep—and he gets it, mostly with drugs. Then follows a shock procedure usually with insulin. The proportion of cures especially near the front is amazing. The longer the time elapsing before treatment the smaller the proportion of cures.

Early one morning on a hilltop in France the chief nurse stepped into the neuropsychiatric tent on our way to mess. She came out radiant telling me that a man who had been very much shattered the day before had greeted her with "Good morning, Captain, is there something I can do to help today?"

This was very different from some of the wards I had seen in England where the men were tragically unlike themselves, nervous, timid, distraught. Yet even there the men in charge were hopeful that most might recover sufficiently to lead constructive lives. Every effort is being made to help them, every method used. I was particularly impressed with the attitude of certain of the N. P. medicos. They were so determined that their patients should find their way back into life, so full of faith, so charged with hope. And their commanding officers were giving them every opportunity to try new ways, to find new methods.

The Army Medical Corps in spite of the limitations placed upon it, in spite of the difficulties put in its way, is doing a wonderful job. Remember that it is charged with the health of the Army first of all—with all the detail of inoculations and other treatments that are the general bases of protection against epidemics and communicable disease. The health of the men in camps is no small job even before they go forward. And let me remind you when the Army goes into battle Medical Corps men go with them. They go unarmed, with a courage and a selflessness unmatched since time began. The red crosses on their helmets sometimes draw the first fire from the enemy—that I know from men who were beside them, whose fury knew no bounds.

As a matter of fact, the ratio of casualties among them in certain areas has been higher than that of the men carrying the guns. Man after man with whom I talked in the hospitals I visited told me in words and by inference that his morale was high when he had to go in because those medical corpsmen were right there with him, ready with tourniquets, plasma, and emergency help, ready to get him back to a dressing station fast. I say again—no more selfless service, no more magnificent courage has ever been shown. I remind you, also, that field dressing stations staffed with doctors and nurses are right up under fire. Many a

man owes his life to the calm steadiness of a surgeon operating with the shells exploding all around him—to the nurse beside him as steady as he.

You are aware, of course, that in addition to certain pay increases for combat duty the infantryman receives a combat badge. No such badge or pay increase has so far been accorded these men who, unarmed, go into combat right beside the riflemen. The pay would mean less to them than to most men, but the combat badge and the bronze star would mean even more. Cables from overseas urging action granting them this recognition have set the wheels in motion. Let us hope action will be taken soon.

I have given you a glimpse of two of the services rendered by the Army Medical Corps—the care of health and the care of the wounded. Now I want to speak briefly of a third and very important function; that of rehabilitation. This consists of giving the man the benefit of all modern science has learned about wounds of body and mind. It consists of rebuilding tissues, of reestablishing hope and the will to live. It is a tough job.

One of the factors in this renewal process is physical therapy. It is to be deeply deplored that there are so few physiotherapists and that their schools cannot turn them out as fast as they are needed. Theirs is a specialized training and theirs is an extremely important function, far more important than used to be recognized. Two trained physical therapists are included in the personnel of a general hospital of a thousand beds. As soon as more can be trained, more will be used, for Army medical men know that it takes such knowledge to tempt life back into injured nerves and muscles, how to give men the infinitely necessary hope of capacity for normal living.

I wish you could have been with me in the therapy rooms. Men with an arm or a leg in the whirling water or the paraffin bath. Men under lamps, men relaxing under expert massage, men working at an ankle, a knee, a hip. Men working painstakingly at drawn-up fingers, all working under the watchful trained eye of the physiotherapist. If you could have seen hope reborn suddenly as the operator would say, "You have done splendidly, Joe, your hand—your leg, your arm—is going to be all right."

Nor is it just the men who can get to the therapist that have her needed help. Some of the most moving things I saw were men quite helpless in their beds with weights on their legs or their arms working life back into the injured muscles and nerves keeping other muscles functioning, holding off atrophy by the sheer grit of their own determination under the instruction of the physiotherapist.

Another factor in the actual muscle rebuilding program that our wise medicos are using to bring men back is the seemingly unplanned hand work the Red Cross workers supply. In British hospitals the hand work was entirely something just to pass the time; in our hospitals the man with a bad ankle uses a buzz saw, and so forth, and the work of the physiotherapy and Red Cross worker is tied together with that of the doctor, so that precious time be not lost.

All these services are part of a carefully thought out, coordinated program to return as many men as possible to combat duty. Those whose wounds heal in a reasonable time are sent to rehabilitation hospitals for a reconditioning process. They begin in Company 4 with massage, therapy, scientifically applied exercises and progress through 3 to 2 and 1 until the day when they take their final physical tests and go back to combat duty, hard as nails and fit as fiddles.

Let us not forget, however, that the Army medical service is concerned not only with the men that can be returned to combat duty or to limited service with the forces but also with those not so fortunate, whose wounds have unfitted them for combat or even limited service, but who have long years of life before them, life which must be made as constructive and normal as may be.

I could spend another half hour telling you of the wonderful work being done in our overseas units in this area of our Army medical service; there is so much to tell. Just as the speed in immediate emergency care and air evacuation has saved thousands of lives, so the immediacy of intelligent handling of muscles and nerves, and the immediate understanding of shocked minds is saving thousands of men for fine, normal living in spite of inevitable handicap. I am not referring entirely to the men whose minds and nerves have been broken either temporarily or permanently, of whom I have already spoken. I am referring to any man whose wounds prevent his return to combat. No matter what his background, no matter what his wound, no matter what his courage, every man in hospital goes through a period of fear, fear of the future, fear of himself, fear of the reaction of those he loves, fear of life itself. Understanding must be given him, and we can be deeply grateful that the understanding of the doctors and nurses and of all who contact the men in our hospitals is as great as it is.

Now what of the problem of transporting our wounded back to this country, which has not been solved by any manner of means? Twenty-four hospital ships for this purpose were promised—22 are in use—the remaining two are to be delivered in January and February. Unfortunately these ships which were to have been for the transportation of the wounded from the battle areas to the United States have had to be used somewhat differently. Most of them are in the Pacific where they stand offshore during assaults, two ships to each assault division, serving as evacuation hospitals. Some are being used for short hauls in the Mediterranean. Few are available for the original purpose for which more hospital ships are immediately needed.

Here again the difficulties have been increased by the medically uninstructed line officers. There was a hideous moment when the use of cargo ships was actually contemplated, as if a wounded man could be handled as if he were an oxygen tank, a box of rifles, or an oil pipe.

At the moment in addition to a very few hospital ships there are available for the return of the wounded from England and France:

First. Such planes as the air service can allocate to this duty from time to time.

Second. Certain British ships such as the two Queens and others on which we bid for space in competition with the Canadians and others.

Third. Troop transports most of which are equipped with excellent little hospitals.

A few weeks ago we had about 90,000 beds in England filled. Many of these men are due to come home, as are many now in beds on the continent. This presents a real problem. More hospital ships are needed now.

I am aware that the exigencies of the present campaign add to the difficulties involved but I do contend, and shall continue so to do, that the least we can do is to make the difficult and often fearsome journey home as tolerable as possible.

We must bring these boys of ours home just as rapidly as ways can be devised. And then what? Thousands of them are back in our hospitals and on our streets. I am not too troubled about the hospitals, they will do their utmost best. But I am troubled about everything from there out—for all the cruelty and inhumanity is not overseas. Incredible as it seems, one of our men who had been badly maimed, who had won his battle with himself and gone out to look for work, was accosted by a man who said to him, "Soldier, there ought to be laws to keep such men as you off the street!" Is that sort of thing going to meet other men on other street corners? Or are we going to light the fires of our courage from that of our gallant men, smiling into their eyes no matter what?

And what of us as a nation? Those men of ours want one thing—normal life, which is dependent upon jobs, real jobs, not handouts, or W. P. A.

These soldiers of ours have learned things about America they never really knew, that we perhaps have forgotten. They have learned the passionate need a man has for freedom from regimentation—the need he has to be himself. And they have learned these things in the school of suffering and in the school of fear where courage is born. They were an independent lot when they went into the Army. They want the independence of work in a free land without regimentation, without the least suggestion of dole. And they want normal life—homes and families. Above all, they want to feel needed, though many of them have not analyzed themselves enough to tell us so.

As a nation we do need them and the knowledge they have learned at such great cost. Let us seek deeper understanding from them. Above all let us be careful how we set up methods gov-

erning their activities, their future. America, if she is to be a part of tomorrow's world, needs the suffering and the agony and the glory of the courage of her fighting men. Through these who know the reality of modern scientific total war because they have been part of it, we who do not know its meaning and its implications can learn a new sense of the vision of freedom that brought our Nation into being and that has preserved and built her down the years. These men have a new understanding of the words we use too glibly. Let us find ways to give them the assurance that we need them as individuals and that America looks to them to help her keep faith with her own soul. If we do not, no matter how far reaching may be our victories in the field, we shall have lost everything here at home.

The CHAIRMAN. The time of the gentlewoman from Ohio has expired.

All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That (1) the Secretary of the Navy be authorized and directed, no later than 60 days after this act becomes law, to establish a Dental Department in the Navy, which shall function under the Surgeon General as is now provided in the case of the Medical Department.

(2) To provide that the functions of the Dental Department shall be of such professional, technical, and administrative nature as pertain to the conduct of the naval dental service, including cooperation with the Medical Department in all matters of mutual interest and cognizance.

(3) To provide that personnel of the Dental Department shall consist of (a) officers of the Dental Corps, one of whom shall serve as Director of Dentistry and be directly responsible to the Surgeon General for the administration of dental affairs within the Bureau of Medicine and Surgery; (b) chief warrant and warrant officers in numbers not exceeding 5 percent of the total number of officers of the Dental Corps; (c) enlisted personnel in such ratings and distribution by pay grades within the ratings and in such numbers not to exceed 166 percent of the total number of dental officers, as may be prescribed by the Secretary of the Navy: *Provided further*, That nothing stated herein shall act to reduce the grade or rank of any person.

(4) To provide that the Director of Dentistry shall be appointed by the President from dental officers on active duty and that the Director of Dentistry shall, while so serving, have the rank of rear admiral.

(5) This act to take effect immediately upon its approval by the President.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Navy shall within 6 months after the date of enactment of this act reorganize the Bureau of Medicine and Surgery in accordance with the provisions hereof.

"SEC. 2. The functions of the Medical Corps and those of the Dental Corps shall each be defined and prescribed by regulations of the Secretary of the Navy, and each such corps shall have a director, who shall be responsible to the Chief of the Bureau of Medicine and Surgery.

"SEC. 3. An officer of the Medical Corps of the Navy shall be detailed as the Director of the Medical Corps, and an officer of the Dental Corps of the Navy shall be detailed as the Director of the Dental Corps. Such officers, while so serving, shall have the rank, pay, and allowances of a rear admiral. No provision of this act shall be construed to reduce the rank or pay of any person.

"SEC. 4. The Secretary of the Navy shall provide by regulations for establishing on ships and on shore stations dental services to be administered under the senior dental officer who shall be responsible directly to the commanding officer of such ship or shore station for all professional, technical, and administrative matters in connection therewith.

"SEC. 5. The Secretary of the Navy shall provide by regulations for a suitable number of dental technicians of appropriate ratings and ranks and for their training, detail, retention, supervision, and direction by appropriate dental officers in carrying out the provisions of this act.

"SEC. 6. In carrying out the provisions hereof, the Secretary of the Navy shall consult with the Chief of Naval Operations and shall not impose any administrative requirements hereunder on combatant ships or in combatant areas ashore which would interfere with the proper functioning of battle organizations.

"SEC. 7. All laws and parts of laws in conflict herewith are hereby repealed."

Mr. IZAC. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will not consume the 5 minutes, but I would like to have the RECORD show that in this bill we are finally giving the Dental Corps of the Navy autonomy. There is only one Command Corps of the Navy, and that is the line of the Navy. It is ridiculous to have a dental officer go to a medical officer or a supply officer or a civil engineer and get permission to go ashore. This bill will correct that. This bill simply gives, as I said before, to the Dental Corps of the Navy the autonomy which all the other staff corps of the Navy now enjoy. The bill has been well explained by my colleague, the gentleman from South Carolina [Mr. RIVERS]. I am sure there is no opposition to the bill on the part of the committee, which reported it by a vote of 21 to 2.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I am glad to yield to my colleague.

Mr. RIVERS. The gentleman is an ex-serviceman and an officer of the Navy in the last war; is that not correct?

Mr. IZAC. Yes; I am a retired officer of the Navy.

Mr. RIVERS. Therefore, the gentleman knows whereof he speaks when he speaks of the morale and discipline of the Navy?

Mr. IZAC. Mr. Chairman, I believe in the interest of discipline and morale; each corps of the Navy is entitled to its own recognition. I think this bill gives such recognition to the Dental Corps of the Navy, and I therefore urge its passage.

Mr. SASSCER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill establishes a dental department in the Navy which, while functioning under the Surgeon General, would be separate, both as to personnel and material matters from the Medical Department. It would give the Dental Department a separate autonomy and I think it will be conducive, not only to the good of the service but certainly to dentistry in the Navy and will in no way interfere with the efficiency of the medical department of our Navy. I would like to read some brief excerpts from the testimony before the committee of Dr. J. Ben Robinson, an outstanding Marylander, president of the Maryland Dental Association, president of the great University of Maryland dental school, and past president of the American Dental Association, in reference to this bill. Dr. Robinson testified:

I should like to say that a dentist is a specialist in the field of health service.

Further quoting from Dr. Robinson:

The dentists have long sought closer cooperation and closer relationship to the medical profession, but at no point in private practice or public relationship does he come into the medical profession as such. From the beginning of his practice he is in a different organization, nationally, State, and locally, and from all points his practice is distinct and separate from the medical profession. His professional requirements are the same.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. SASSCER. I yield to the gentleman from Missouri.

Mr. COCHRAN. May I say to the gentleman from Maryland that that same feeling exists in St. Louis and in the middle of the country. I understand it exists all over the country, and that the dental profession of this country is extremely anxious for that recognition and is unanimously in favor of it.

Mr. SASSCER. I thank the gentleman for his observation and I hope that feeling will prevail in the House of Representatives when we vote on this bill.

Mr. VINSON of Georgia. Mr. Chairman, I move to strike out the last word.

It is my opinion that the passage of this bill—H. R. 4216—would not improve the service of the Dental Corps of the Navy or, as purported by its title, provide more efficient dental care for the personnel of the Navy. It is my firm belief that the Dental Corps should be an integral part of the health organization of the Navy and as such should function as a division of the Medical Department. To set aside the Dental Corps as an entity in the naval service, where it would be responsible for all its material and personnel, would tremendously complicate the problem of maintaining the health of the Navy and providing for the care of the sick and injured. It would call for a complete duplication of the matériel set-up and would build up a separate section of the Hospital Corps whose members would operate in a very narrow and limited field. From my observation and study and from the reports which I have had on this matter, it is my opinion that the Dental Corps of the Navy is functioning efficiently as an adjunct of the Medical Department and that there is nothing to be gained by changing its relationship at this time.

It would be just as sensible to set up a division in the Medical Department of the Navy for brain surgeons or plastic

surgeons, which are highly specialized sections of the medical profession, as it would be to set up a separate division of dentistry. If dentistry is to continue as a part of the health organization of the Navy, it must continue to function as a closely integrated part of the health organization, that is, the Medical Department, instead of separately. There should be no splitting up and dividing of the responsibility for the health of our officers and men, and for this reason dental officers should come under the coordinating authority of medical officers in command or senior medical officers as do all other officers engaged in specialized work.

Serious consideration should be given to the effect that the separation of the Dental Department from the Medical Department would have on the dental officers themselves, particularly aboard ship. The dental officer at present is an integral part of the Medical Department of a ship and, therefore, part of its battle organization. To set aside the dentist from the medical organization would place him in a peculiar position and would greatly limit his usefulness. He would become a part of the battle organization only at such times and to such extent as do other laymen, such as the chaplains and musicians who ordinarily in battle are detailed to the surgeon's division.

The dental officer has had the same opportunity for advancement and promotion as has any other officer of the staff, up to the rank of rear admiral. Prior to the present war the Dental Corps was so small that it did not justify having an officer of that rank. However, with the expansion of the Dental Corps during this war, legislation has recently been enacted which authorized the rank of rear admiral for the Dental Corps.

There is another very great factor in this proposed reorganization which has not been considered by the proponents of the bill and for which there appears to be no ready solution and that is the fate of the enlisted personnel who would by section 5 of the bill be segregated from the other commissioned officers, warrant officers, and enlisted personnel of the Hospital Corps as to their training, detail, retention, supervision, and direction by dental officers. At the present time there are in the Hospital Corps of the Navy nearly 10,000 members assigned to duty in connection with dental services, known as dental technicians and dental repairmen. With the exception of a few hundred who had received their dental training prior to enlistment or induction into the Navy, there are only a small number who volunteered for instruction leading to the qualification of dental technician and so, for the most part, it has been necessary to detail men for dental training.

Enlisted personnel of the Hospital Corps in general are eligible for promotion to warrant and chief warrant grades and also to commissioned grades in the Hospital Corps and the opportunities for their advancement are about equal to the opportunities of enlisted men for advancement in the line branches of the Navy. On the other hand, there are not a sufficient number of billets in dental work where dental technicians of warrant or commissioned rank could be assigned to provide an equitable flow of promotion from enlisted dental technicians to warrant dental technicians or commissioned dental technicians. At present such dental technician officers are assigned to each dental laboratory and other major function of the Dental Corps and this would seem to be the ceiling on dental officer technician billets. In all fairness to the enlisted personnel who do not volunteer for dental training, these men should not be denied such opportunity for advancement in rating and for promotion to warrant or commissioned grades as is open to all other enlisted personnel. Yet in my opinion, the bill we are considering would do that very thing. In other words, the passage of the bill in its present form would work a hardship on the enlisted personnel of the Dental Corps in that it would deny to them the opportunity for promotion that they now have while the Dental Corps is an integral part of the Medical Corps of the Navy.

At the present time dental technicians are given opportunity to return to the general duties of hospital corpsmen and it is the plan to permit these men to do so as replacements are trained. They will then be in the same position as all other men who are specially trained as technicians and will have the same opportunity for advancement and promotion within the Hospital Corps.

In all military organizations there must be responsible heads of divisions and sections. One of the chief complaints of some of the dentists and perhaps the principal reason for the introduction of this bill seems to be that the dental officers must work under a medical officer. In my opinion and from my observation I believe that this system has worked very well in the past. It surely is doing well during this war emergency when the dental officers and the medical officers have been obtaining remarkable results when working together as a team in the treatment of wounds of the face, mouth, jaws, and throat. The dental officers in combat, in addition to treating wounds of the face and jaws, have been an important part of the surgical teams in giving anesthetics, and, when the wounded were coming in fast, by administering plasma, morphine, controlling hemorrhage and adjusting splints and dressings.

Now let me show you what this bill will do if enacted into law in its present form. It will provide for one system of administration and operation of medical and dental service on combat ships or in combat areas and another system on ships which might be classified as noncombatant or in areas not defined as battle areas although a noncombat area today might very well be a combat area tomorrow. However, the Navy would have one set of regulations governing medical service and dental service under combat conditions and another set for use before and after battle. As the Navy exists for but one purpose—battle—and as all organization and training is for this one purpose, to require the utilization of a different organization on combat ships and in battle areas from the organization in effect elsewhere in the Navy could only result in confusion and loss of efficiency.

During the hearings on this bill the testimony developed that there were three things that the dentists did not like under the present set-up, which was why they were asking for the changes set forth in the bill. These three things are:

First. Submitting their requests and requisitions for stores through officers of the Medical Corps of the Navy. They felt the dentists were in a better position to know what they should have than the medical officers.

Second. Having to go to the medical officers to ask permission to leave the ship or the station or to do other things. In other words, they want to be entirely independent of the medical department except at the extreme top.

Third. Having their dental technicians in the medical department and under medical officers.

I want the Members of the House to know that staff officers command only at shore stations. While at sea, only line officers are in command. Inasmuch as staff officers do not command afloat, on board ship, should this bill become a law, the senior dental officer and the senior medical officer will have charge of two distinct and separate departments instead of one as is now the case. While at a hospital (take for instance the naval hospital here at Bethesda), under one roof you will have two separate departments with separate organizations—the dental department and the medical department, each operating independently of the other.

Page 4 of the report states:

> As illustrative of discrimination insofar as dentists are concerned, it was pointed out that the Bureau of Medicine and Surgery has approximately 5,400 dentists, which is approximately one-third of the number of doctors in that Bureau but that while there are 13 admirals on the active list in the Bureau of Medicine and Surgery only 1 of these is a dental officer.

Is this the fly in the ointment? If so, it might be far better in this emergency, even though there is no military need for it, to give to the Dental Corps some additional admirals rather than to disrupt an efficient organization by establishing another department within a department.

In summing up, the legislation proposed by the committee amendment will have the practical effect of establishing another bureau within the Bureau of Medicine and Surgery. The only connection the Dental Corps will then have with the Bureau of Medicine and Surgery will be that it will be under the Chief of that Bureau.

In other words, under this legislation the Chief of the Bureau of Medicine and Surgery will be serving in a dual capacity—that is, as Chief of Medicine and Surgery, and as Chief of Dentistry.

The Medical Department of the Navy is composed of the following:

Medical officers		12,854
Hospital specialists:		
Men	678	
Women	310	
		988
Hospital Corps officers		2,836
Hospital corpsmen		121,455
Dental Corps officers		6,081
Dental technicians, included in the 121,455 given above	9,292	
Plus those under training	612	
	9,904	
Nurses		8,889
Total		153,103

Mr. COLE of New York. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York:

On page 3, line 10, after the word "the", insert the word "same."

After the word "allowances", strike out "of a rear admiral."

Mr. COLE of New York. Mr. Chairman, it is with some hesitancy that I undertake to offer this amendment to a bill which was reported by such a large majority from the Committee on Naval Affairs. The only reason that prompts me to do so is the conviction that to establish the rank of rear admiral at the head of this new Dental Corps could involve a great many administrative difficulties for the Surgeon General himself, who also has the rank of rear admiral.

As the bill is reported to the House, two corps are set up within the Bureau of Medicine and Surgery, one a Medical Corps and one a Dental Corps, each to be under the direction of the Surgeon General, the Chief of the Bureau of Medicine and Surgery. The rank of the Chief of the Bureau of Medicine and Surgery is that of rear admiral in normal times, and we must consider this bill as of normal times, because it is a permanent measure and has no implications of the current emergency. Since the Chief of the Bureau of Medicine and Surgery holds the rank of rear admiral, if the directors of each of the corps created by this bill also have the rank of rear admiral, I can imagine there may be considerable difficulties arise if he has under him two men who have the same rank as himself. The purpose of this amendment is to direct that the head of the Medical Corps, and the head of the Dental Corps, shall have the same rank, whatever that rank may be, upon determination by the Secretary of the Navy or the Chief of Naval Operations, or whoever has that responsibility in the Navy Department.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I will be glad to yield to the distinguished chairman of the committee.

Mr. VINSON of Georgia. Does not the gentleman think the fly in the ointment, and probably one of the reasons why this bill is here, is the fact that they have but one admiral in the Dental Corps? As set out in the report:

As illustrative of discrimination insofar as dentists are concerned, it was pointed out that the Bureau of Medicine and Surgery has approximately 5,400 dentists, which is approximately one-third of the number of doctors in that Bureau but that while there are 13 admirals on the active list in the Bureau of Medicine and Surgery only 1 of these is a dental officer.

Does not the gentleman think that is probably one of the disturbing factors and the reason why this new organization is being set up within the Medical Corps?

Mr. COLE of New York. The only conclusion I can draw from the remarks of the gentleman from Georgia is that the probable motivating force behind this measure is that the dentists of the Navy feel that they should have more admirals of the dental profession than there are at present. If that is the only reason for justifying this bill, that there shall be more dental admirals in the Navy, then I think every one of us is justified in voting against it. If it is to set up the dental profession as a separate corps and a separate entity, in a profession by itself, then it has considerable merit and should be supported. But, just to base it on the desire to have more admirals is not warranted.

Mr. RIVERS. Will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from South Carolina.

Mr. RIVERS. The gentleman was present in the Naval Affairs Committee?

Mr. COLE of New York. Yes.

Mr. RIVERS. Do you mean to have this House believe that you do not know what the reason behind this bill is? You know well and good that was not the motivating circumstance behind it.

Mr. COLE of New York. I point out that the gentleman ought not get into an argument with me about that. I did not suggest it.

Mr. RIVERS. Do you oppose this bill?

Mr. COLE of New York. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. In view of what the distinguished gentleman has said, I would like to ask him what is the purpose of putting the language I have just read into the report, if it was not to convey the idea that there were 13 admirals in the Medical Corps and only 1 admiral in the Dental Corps? What was the object in putting that in if that is not the underlying reason for at least some of the complaint?

Mr. COLE of New York. I shall not undertake to advance reasons that those persons might have who insist upon the rank of the director being a rear admiral; I would prefer to let them speak for themselves. But from the standpoint of administration of the Bureau where there is a director of medicine and a director of dentistry each should be an officer of the same rank, the same pay, the same allowances, but each of them should be junior in rank to the Chief of the Bureau of Medicine and Surgery who under present law has the rank of rear admiral.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. IZAC. I think the gentleman's point is well taken. Of course, we must have a vice admiral as the head of the Bureau if we are going to have two of the upper-half rear admirals in these positions at the head of the corps; but it does not provide for that at the present time or since the vice admiralship is a wartime office and only temporary. But there would be no conflict, as I see it, if we have one of the upper-half admirals, if I can put it that way, which we do not have on the staff, but if I can put it that way, you always have the admirals in a regular order of precedence and they both would be undoubtedly junior to the Chief of the Bureau even if they were all rear admirals. We have rear admirals today all over the fleet.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RIVERS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we settled this proposal in the committee when the bill was considered. The provisions of this bill clearly state that these officers are within the jurisdiction of the Surgeon General of the United States, both the doctor and the dentist, and I cannot see why the Members feel hesitant or reluctant to reward a man according to his work, according to his duties and make a hollow gesture out of the rank to which he is entitled based on his record and on his merits. I honestly believe that; I sincerely feel that we are not doing either of these corps justice if we agree to this amendment. This matter came up in the committee and the committee did not agree to it if my memory serves me correctly.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. COLE of New York. Let me point out to the gentleman that if this amendment is adopted you provide for the Chief of the Bureau of Medicine and the Chief of the Bureau of Surgery, the Director of Medicine and the Director of the Dental Corps the rank of rear-admiral but you make it dependent, discretionary with the Secretary of the Navy. As the bill stands it requires the directors of the two corps to have that rank. My amendment would be permissive to the Secretary of the Navy to determine the rank, so it does not detract from the possibility of the Dental Corps having the rank of rear admiral.

Mr. RIVERS. I assure the gentleman I do not question his motives, but if his amendment were adopted we would find ourselves in the position where the subordinates carried a higher rank than their superiors.

Mr. COLE of New York. We are correct in that particular situation.

Mr. RIVERS. It does not make the Surgeon General subordinate to the others. It should not.

Mr. COLE of New York. This law directs that they be of equal rank. I cannot imagine the boss having a rank equal to those he controls.

Mr. RIVERS. Why not give them junior rank?

Mr. COLE of New York. They should have it and that is what I am trying to do.

Mr. RIVERS. They should be of junior rank.

Mr. IZAC. Is it not true that the size of the Medical Corps and the Dental Corps are such that they should have rear admirals at the head?

Mr. RIVERS. The Dental Corps alone has grown from 3,200 to 6,200.

Mr. IZAC. Yes; over 6,000; and there are about 12,000 medical officers.

Mr. RIVERS. That is about right, an excess of 18,000 officers under the Surgeon General of the Navy.

Mr. IZAC. I am just wondering how many rear admirals we had for the line of the Navy when the size of the officer corps alone of the Navy was less than the Dental Corps is now. We probably had 15 or 20 rear admirals and this is not conferring too much of a favor to give them at least 1 rear admiral.

Mr. RIVERS. I agree with the gentleman. May I say that the surest way to kill a bill is to amend it. If you want to reward them for what they have done and according to the record they have made, stick by us who have reported this bill. I am sure you cannot go wrong. Twenty-one Members have asked you to consider this.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from New York [Mr. COLE] to the committee amendment.

The question was taken; and on a division (demanded by Mr. COLE of New York) there were—yeas 15, nays 67.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4216) to provide more efficient dental care for the personnel of the United States Navy, pursuant to House Resolution 659, reported the same back to the House with an amendment agreed to in the Committee of the Whole.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter I received from the Comptroller General.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDMENT TO SECTIONS 4, 7, AND 17 OF THE RECLAMATION PROJECT ACT OF 1939

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, to which an amendment will be offered.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this the bill that was stricken from the Consent Calendar on Monday?

Mr. MURDOCK. This bill was on the Consent Calendar yesterday but was passed over without prejudice because of a question raised by the gentleman from Tennessee [Mr. COOPER] and the gentleman from New York [Mr. REED]. I have consulted both of those gentlemen, as well as the six official objectors, and I find no objection on their part to consideration, if amended.

Mr. MARTIN of Massachusetts. With the understanding that the gentleman is going to offer an amendment?

Mr. MURDOCK. With the understanding that section 4 is to be stricken.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 (d) of the Reclamation Project Act of 1939 is hereby amended to read as follows:

"(d) For each project contract unit where a repayment contract is entered into pursuant to this section, each year the percent of the normal returns for said year by which the annual returns of said year exceed or are less than said normal returns shall be determined by the Secretary. For each unit or major fraction of a unit of said percentage of said increase or decrease there shall be an increase or decrease, respectively, of 2 percent in the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section. Said latter amount or amounts as thus increased or decreased shall be the payment or payments of construction charges due and payable for said year, except that in no event shall the amount of the said payment or payments due and payable for any year be less than 15 percent nor, as determined by the Secretary, more than from 150 to 200 percent, inclusive, of the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section. The Secretary is hereby authorized to amend any repayment contracts heretofore or hereafter entered into pursuant to the provisions of this section to conform to the provisions of this amendment."

SEC. 2. Section 7 (c) of the Reclamation Project Act of 1939 is hereby amended to read as follows:

"(c) The Secretary from time to time shall report to the Congress on any proposed contracts negotiated pursuant to the authority of subsection (a) or (b) (1) of this section, and he may execute any such contract on behalf of the United States only after approval thereof has been given by act of Congress. Contracts, so approved, however, may be amended from time to time by mutual agreement and without further approval by Congress if such amendments are within the scope of authority heretofore or hereafter granted to the Secretary under any act, except that amendments providing for repayment of construction charges in a period of years longer than authorized by this act, as it may be amended, shall be effective only when approved by Congress."

SEC. 3. Section 17 of the Reclamation Project Act of 1939 is hereby amended to read as follows:

"(a) The authority granted in sections 3 and 4 of this act for modification of existing repayment contracts or other forms of obligations to pay construction charges shall continue through December 31, 1950, or December 31 of the fifth full calendar year after the cessation of hostilities in the present war, as determined by proclamation of the President or concurrent resolution of the Congress, whichever period is the longer.

"(b) The Secretary is hereby authorized, subject to the provisions of this subsection, to defer the time for the payment of such part of any installments of construction charges under any repayment contract or other form of obligation (exclusive of contracts entered into under this act) that are due and unpaid as of the date of this amendment or which will become due prior to the expiration of the authority under subsection (a) of this section as he deems necessary to adjust such installments to amounts within the probable ability of the water users to pay. Any such deferment shall be effected only after findings by the Secretary that the installments under consideration probably cannot be paid on their due dates without undue burden on the water users, considering the various factors which in the Secretary's judgment bear on the ability of the water users so to pay.

"The Secretary may effect the deferments hereunder subject to such conditions and provision relating to the operation and maintenance of the project involved as he deems to be in the interest of the United States. If, however, any deferments would affect installments to accrue more than 12 months after the action of deferment, they shall be effected only by a formal supplemental contract. Such a contract shall provide by its terms that, it being only an interim solution of the repayment problems dealt with therein, its terms are not, in themselves, to be construed as a criterion of the terms of any amendatory contract that may be negotiated pursuant to sections 3, 4, or 7 of this act."

SEC. 4. The act entitled "An act authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona," approved September 18, 1922 (42 Stat. 847), is hereby amended by adding thereto a new section, as follows:

"SEC. 2. After the retirement of all debt owed by the project to the United States and all bonded debt, the net power revenues shall be covered into the reclamation fund. No distribution or dividend of power revenues, before or after completion of debt retirement, shall be made to individual water users or others: *Provided*, That the application of power revenues heretofore or hereafter made to reduce the cost of water service

shall not be deemed a distribution or dividend."

Mr. MURDOCK. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK: On page 4, after section 3, strike out all of section 4.

The amendment was agreed to.

The bill was ordered to be read a third time, was read a third time, and passed.

A similar House bill (H. R. 4932) was laid on the table.

A motion to reconsider was laid on the table.

AMENDING THE NATIONALITY ACT OF 1940

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5513) to amend section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601).

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. DICKSTEIN. This bill deals only with the citizenship of the children of American servicemen who get married to nationals of other countries while abroad. In other words, if a young man in the armed services marries, and he is under the age of 21, and a child is born of the marriage, that child is considered an alien and not a citizen. If the serviceman is over 21, so that he was able to live in the United States for 5 years after his sixteenth birthday his child is a citizen.

At the time we passed the Nationality Code we did not anticipate this war, and therefore we could not have provided for the boys who are sent abroad at the age of 18. Under the present law, in order to transmit his citizenship to his child born abroad to an American citizen parrent and an alien parent, the citizen parent must have resided in the United States for 10 years, 5 of which must be after his sixteenth birthday. Of course, the boy who is sent abroad when 18 cannot meet this requirement. I am told that in Australia there are at least 11,000 to 14,000 young American men under 21 years of age who have married and have children. These children, under present law, will have to be considered aliens. The purpose of this bill is to change the residence requirements for our soldier boys who by force of circumstances are prevented from spending 5 years after their sixteenth birthday in their native country, by changing the 5-year period to be after their twelfth birthday instead of their sixteenth. After all, they certainly are entitled to have their children considered American citizens.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman will recall that at the time the bill was called on the Consent Calendar, he agreed to a proposed amendment.

Mr. DICKSTEIN. That is true.

Mr. COLE of New York. The proposed amendment to limit the provisions of this bill to the children of service people abroad.

Mr. DICKSTEIN. That is correct.

Mr. COLE of New York. Earlier in the day the gentleman advised me that he had conferred with one of the Deputy Commissioners of Immigration who told him that such a method, limiting the bill to soldiers and sailors in the United States services, would destroy the effectiveness of the bill. I am sure that many Members would be interested to know why such a limitation would destroy the effectiveness of the bill.

Mr. DICKSTEIN. I have conferred with the Justice Department and the War Department. I have no objection to any amendment, because this bill, as stated by the Justice Department and the War Department, will only help the boys over there who are under 21 years of age, who have married and who have children born to them. It will not affect anybody else.

Mr. COLE of New York. The bill refers specifically to a citizen of the United States.

Mr. DICKSTEIN. True, but that is the old law. That is in the Nationality Code now, and by putting this amendment in you are taking away something that is in the law now. As I informed my colleague yesterday, personally I have no objection to such an amendment. But I understand it would create a lot of unnecessary confusion.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Illinois.

Mr. MASON. Under the present law a civilian may go to the old country, to Italy, for instance, and marry an Italian woman, and if that civilian lives in this country 5 years, after he is 16 or until he is 21, then that child born in Italy is a naturalized citizen of the United States. But the way the amendment was written that I was consulted about and agreed to, it would limit it now not to a civilian, as the present law does, but he has to be a citizen and a member of the armed forces, and that takes away the right of the civilian to go abroad and marry and his child become a citizen of the United States.

Mr. DICKSTEIN. I think the gentleman from Illinois has correctly stated the position. I have been assured by all of the departments that the bill as written will only affect the children of American boys or girls over there who get married. That is all; nothing more.

Mr. JENKINS. Reserving the right to object, Mr. Speaker, the gentleman has used as an example the soldier under 21 years of age. He is a soldier in the American Army in Italy, and he marries an Italian woman. Suppose he decides after the war to live there; what are you going to call his children then?

Mr. DICKSTEIN. If he is over 21 years of age, fighting in our armed forces, and marries over there and a child is born, that child under the present law would be a citizen of the United States, even if his family decides to remain abroad. But under the provisions of the Nationality Act such child, in order to retain his United States citizenship, must reside in the United States or its outlying possessions for a period or periods totaling 5 years between the ages of 13 and 21. In other words, the child, even though considered an American citizen because of the citizenship of one of his parents, would lose such citizenship if he himself would not return to the United States and live here for 5 years before his twenty-first birthday.

Mr. JENKINS. To narrow this down, this applies only to the American soldier on foreign soil who is now under 21?

Mr. DICKSTEIN. That is right. That is all it does.

Mr. MICHENER. Reserving the right to object, Mr. Speaker, am I correct in saying that the only change made in the law is as to the age of the father?

Mr. DICKSTEIN. That is right.

Mr. COLE of New York. It is not the age of the father, it is the age of the child.

Mr. DICKSTEIN. No; it is the father, the American soldier over there, who is under 21. We have men there who were married at the age of 18. A child of that marriage is an alien as far as the law is concerned, although the parent is American-born. We cannot get the child here as an American citizen under present law. Yet, if the father is over 21 when he marries and has a child, under present law his child automatically becomes an American citizen.

Miss SUMNER of Illinois. Reserving the right to object, Mr. Speaker, did the gentleman say this affects children of marriages of minors who are under 18?

Mr. DICKSTEIN. Under 21 years of age. This refers to a soldier in the armed forces of the United States, under 21 years of age, who marries a foreign girl in the European theater of war. Under present law, a child of that marriage would be an alien.

Miss SUMNER of Illinois. Is it not true that in most States of our Union boys under 21 are minors, who cannot marry without the consent of their parents?

Mr. DICKSTEIN. That is true, but most of those who were married were over 18. I am told that in one country alone, Australia, over 14,000 American boys were married to Australian girls. Children were born, and I do not know how many thousands there are of them now who would be classified as aliens.

Miss SUMNER of Illinois. Is it not true that there is such a pressure among the people in Europe and all over the world today to get into America, despite the immigration quotas, that we ought to be on our guard against undue pressures brought by designing people against young boys in the service, so that those people can get into this country?

Mr. DICKSTEIN. This has nothing to do with immigration. It is practically

a technical naturalization law. Had we known in 1940 when we passed the permanent law dealing with the question of children that this situation might arise, we would have provided for children born of American boys.

We cannot stop those boys from getting married if they want to. There is no purpose of evading any laws. This is just to relieve a condition that has arisen as a result of this war.

Miss SUMNER of Illinois. Is it wise to so liberalize the provisions of the immigration law as to encourage such marriages?

Mr. MASON. If the gentlewoman will yield, the bill we are considering now has nothing whatever to do with the immigration law. All it does is change the naturalization law to provide that a child born of an underage American parent married to a foreign woman, in Italy, say, shall be considered an American citizen.

Miss SUMNER of Illinois. If you stop to think that that child could come in despite any quotas when it is a citizen, whereas under the present law it could not, you can see that there is a very definite correlation between the immigration laws and this bill.

Mr. MASON. There is no correlation between the immigration laws and this bill, as I see it, and I have gone over the bill very carefully. The only question is the status of a child born of a foreign woman and that has an American father in the armed services.

Miss SUMNER of Illinois. Mr. Speaker, if no one is going to object to this, I will not, but I leave it to the rest of you; when you make these people American citizens, you give them a chance to come in here and you give those women that much more incentive to go after these young minors who could not get married under the same circumstances in the United States without the consent of their parents.

Mr. MASON. Mr. Speaker, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. MASON. Under the present law, a child born in a foreign country, whose father is a civilian, is automatically an American child. That is the present law. We are not changing that. But we are saying if the parent is in the armed forces and is under 21 years of age, then that child will have the same status as the child of a civilian who is over 21.

Miss SUMNER of Illinois. Well, for my part, I think Congress owes a duty to protect these minor boys who are away from their parents from such circumstances.

Mr. MASON. But this has nothing to do with protecting the parents. This is to protect the child.

Miss SUMNER of Illinois. Mr. Speaker, if the gentleman will observe, I said, to protect the boy.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138-1139; 8 U. S. C. 601) be, and the same is hereby, amended to read as follows: "A person born outside the United States and its outlying possessions of parents one of whom is a citizen of the United States who, prior to the birth of such person, has resided in the United States for a period or periods totaling 5 years subsequent to his thirteenth birthday, the other being an alien: *Provided*, That in order to retain such citizenship the child must reside in the United States or its outlying possessions for a period or periods totaling 5 years between the ages of 13 and 21 years: *Provided further*, That if the child has not taken up a residence in the United States or its outlying possessions by the time he reaches the age of 16 years, or if he resides abroad for such a time that it becomes impossible for him to complete the 5 years' residence in the United States or its outlying possessions before reaching the age of 21 years, his American citizenship shall thereupon cease.

"The preceding provisos shall not apply to a child born abroad whose American parent is at the time of the child's birth residing abroad solely or principally in the employment of the Government of the United States or a bona fide American educational, scientific, philanthropic, religious, commercial, or financial organization, having its principal office or place of business in the United States, or an international agency of an official character in which the United States participates, for which he receives a substantial compensation."

With the following committee amendments:

On page 1, line 9, after the word "States", insert the following: "or one of its outlying possessions."

On page 1, line 10, strike out the word "thirteenth" and insert the word "twelfth."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein an article with reference to the late Field Marshal Sir John Greer Dill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include an article from last Sunday's New York Times Magazine.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a set of resolutions from the Wayne County Farm Bureau.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTENSION OF CONTRIBUTORY SYSTEM OF RETIREMENT BENEFITS TO ELECTIVE OFFICERS OF UNITED STATES AND HEADS OF EXECUTIVE DEPARTMENTS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, it is my intention today to offer a bill to extend the existing contributory system of retirement benefits to elective officers of the United States and to heads of executive departments including the executive, judicial, and legislative branches of the United States Government. This is an amendment to the Civil Service Retirement Act of May 29, 1930. All it does is to put Members of Congress and of the executive, judicial, and legislative branches of the United States Government under the existing system of retirement benefits. It does nothing more and nothing less. In other words, it is practically the same as the bill that was sponsored by the Civil Service Committee some time ago and about which there was so much misinformation throughout the country and so much misunderstanding. It seems to me we should have the privilege of retirement just the same as is granted to everybody else who works for the United States Government. We are not asking any favors and we are not asking for anything more than we have been very glad to extend to the other employees of the Government. It might not be possible to get the bill through in this session of Congress, although I would like very much to have it become law. But if that is impossible it is something for us to think about during the next few weeks and I shall be very glad to reintroduce it in the next Congress. I do believe that it is something that every Member should give some thought to between now and the time the Seventy-ninth Congress convenes.

The SPEAKER. The time of the gentlewoman has expired.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. BRADLEY] may extend his own remarks in the RECORD and include an article from the Sault Ste. Marie newspaper.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from North Dakota [Mr. BURDICK] is recognized for 25 minutes.

PROGRESS OF THE WAR

Mr. BURDICK. Mr. Speaker, I do not want to characterize what I say now as a swan song. I would rather characterize it as a war whoop.

Mr. Speaker, it is not my purpose here to speak of the last election nor of my defeat. I could assign many reasons for my unsuccessful try for the Senate, but the principal reason was that I did not get votes enough.

There are some matters pertaining to the future of our country upon which I desire to speak. If you will bear with me through this speech, I promise not to make another one for at least 2 years.

In the midst of the greatest war this world has ever seen, it should be expected that a Member of Congress who served many years prior to the war and 3 years during the war would feel relieved upon retiring from office of a great responsibility. And yet he must also feel like a football player who is pulled out of the game before it is finished.

Our duty is to bend every effort to the winning of the war, and it may be that in some capacity I can contribute all my efforts to that end. I do not want to be numbered among those who think the war is almost over. I am convinced that it is not. The bloodiest fighting is still before us. Our greatest war production is ahead of us. And any sentiments looking to an early termination of the war are nothing but wishful thinking. Germany will fight to the bitter end, and, with her lines of communication shortened, there is nothing Germany will lack except war materials. It will take a long time yet to strip her of these necessities.

With Japan we have a more serious situation. The millions of subjugated Chinese are turning out war engines for Japan in amazing quantities. As long as Japan can keep gaining in China, the war will continue. For some reason we have not been able to help the Chinese much in their own defense. Either we have not spent enough effort to assist the Chinese or the Chinese have been too much divided among themselves. Whatever the cause, the situation is gloomy in China. The vast resources and manpower of China are priceless in the great war, and as long as Japan keeps up her gains there, it must be admitted that we are not making much headway toward the final defeat of Japan. No one can, therefore, predict the end of the war against Japan.

While we must be concerned with postwar conditions, we should not, at the expense of the war effort, stress that point now. Our war machines and ammunition must be kept coming to our soldiers—not in rationed quantities, but as much as the situation requires.

It is true that we shall have, after the war, the great problem of unemployment to meet, but we can meet it in planning without in the slightest degree interfering with our present job of fighting. The trouble is that as soon as this Congress begins to plan for the post-war period, the country gets the impression that Congress is convinced that the war is about over. As a matter of fact, Congressmen do not know any more about when the war will end than the average citizen. We all know, however, that the first things come first. The first thing before the United States is to remain geared up to the highest level in our war effort.

The President in his recent campaign promised jobs to the returned soldier and the war worker. If individual Members of Congress have not made that promise they should do so now. The job can be done and when our minds are directed toward what to do in the period following the end of the war, the job of accomplishing what the President has promised, and what all of us should promise, is more easily done than carrying on the terrific engagement which now confronts us.

I think we should profit by our experience in World War No. 1, which was followed by a devastating depression. If we can guard against those causes which precipitated that depression, we can see much hope ahead.

Let us examine the record and ferret out some of these causes.

We are a nation of people who believe in private enterprise. We believe that private business should be allowed to function and that capital and labor are partners in a common effort. It is the duty of Congress to provide the worker with proper safeguards to the dangers of his employment, guarantee proper living conditions, and to insure for him a fair share of the results of that common enterprise.

Had these conditions been voluntarily met by employers, no labor laws would have found their way to the statute books. Since our historic past has proven that employers did not meet these standards, Congress was compelled to act. These restrictions were not imposed to punish capital but to secure just rights to those who work.

Many speeches have been made on this floor voicing the sentiment that if restrictions are withdrawn from business generally, private enterprise will solve the unemployment situation. Many people in the United States believe this. Following World War No. 1, what was the situation in this regard? Can anyone rise in this House and say that private business was unduly dealt with during the 12 years following the First World War? The obvious answer is "No." Yet for some reason business collapsed in 1932 and the unemployment problem grew by leaps and bounds. It became necessary for this Congress to appropriate billions for relief purposes, both in direct grants and in the form of public works. Why was it that business collapsed and was powerless before the multitudes of unemployed to give them jobs?

The first colossal mistake was made by the Federal Reserve Board. At that time business was going on as usual. Carloadings were brisk, building was on the upgrade, and the number of unemployed was at a minimum of about 1,500,000.

The Federal Reserve System was set up before the depression and when the act was passed it was hailed as the one act in the history of Congress that would absolutely head off disastrous depressions such as our history had recorded. The debates in Congress clearly indicate that the avowed purpose of the act was to take the control of the money flow of the country away from great financial kings such as Morgan and others, and put that control back with the people. That sounded good, but no such result can now be recorded. Under this system, Morgan, himself, became chairman of the first board of advisers to the system. When the fact became known, the conclusion could not be successfully refuted that the new system operated exactly like the old, with the difference that the stamp of Government approval was on the new system, but that the control of circulation remained just where it had reposed for a generation.

This system, the people's own system, became in 1920 the actual instrument by which banks by the thousands closed their doors, business houses failed, and the general era of foreclosure, dispossessions, bankruptcy, and insanity was ushered in.

In May 1920, the Federal Reserve Board, through raising the discount rates, caused a general stampede to pay. The only way a farmer could pay was to sell what he had. When all had to do the same thing, the markets broke down, land values disappeared, and the ground was prepared for the universal disaster which followed.

By initiating installment payment for goods, the general financial disorder out in the country was not felt in the cities until 1929. But the toboggan had been started and when it hit the East it was just as devastating as it was when it hit the farmers 9 years before.

From this review of facts it is apparent now that we actually could not have done better in planning for a complete collapse than we did in 1920. After 1929 the general depression leveled out and hit all sections of the country and all people. Unemployment was the result. Federal doles were the result. W. P. A. was the result. Federal spending was the result. A huge public debt was the result. Bureaucrats were the result. A multitude of agencies from A to Y and reverse was the result. A new administration was the result. The New Deal was the result.

The Hoover administration tried frantically to revive business and many institutions or bureaus were set up, with bureaucrats at the helm. The War Finance Corporation, designed to extend new credit to farmers, was one of these bureaus. As it actually operated, it served to bail out correspondent banks rather than to extend new credit. This was accomplished by taking existing paper from local banks, discounting that paper, and turning the proceeds over to the correspondent banks. It could not possibly help the local banks because the paper they already had and which they discounted did not bring a dollar to the farmer to produce new wealth.

The Reconstruction Finance Corporation was another bureau set up by the Hoover administration. It was also manned by bureaucrats. This Corporation had the erroneous idea that if money were poured into the top of our business structure, such as loans to banks, railroads, insurance companies, and trust companies, that this money would drip down on the people below. The fact is that it did not drip, and the general run of business struggled without assistance. It never occurred, evidently, to those in control of this bureau that money never circulates—it never has in the history of the world—unless released down where the people live and work.

The Federal land banks, the intermediate credit banks, were brought into extensive use on the theory that if the country could borrow, this would bring

relief. But here we erred again. A loan is a bad loan when it is certain that the borrower cannot pay. It seems to have been overlooked that the return for the farmer's labor should be enough at least to provide for his family, to pay his current bills, taxes, interest, and upkeep on his tools of production. The price of wheat went down to 26 cents per bushel and every other farm commodity in proportion. This made all loans unsafe.

This evidence should have convinced Congress that something should have been done about price, but nothing was done, and the Federal land banks began a general system of foreclosure, evidently believing that the then occupant of the farm should be put out and a better man installed. The Federal land banks overlooked 26-cent wheat, which makes all farmers equal—some last longer than others, but in time all go the same road.

The 1920–32 depression, drought, floods, insects, and war have caused a huge public debt, but if the wheels of industry can get going as well in general production as they did in war production, this debt can be paid. Private industry must have a market. Full employment will create a market. A reasonably high standard of living will create a market. Fair and just prices of agricultural products will create a market. We may expect better trade relations throughout the world in the cooperation of nations to preserve the peace.

Throughout our history, whenever people in an older section of the United States were losing out or had lost out, they could move on to new frontiers and make a new start. Now they will have to start again where they are because there is no more free public land, and financing, private if possible, public if necessary, must be forthcoming to develop the millions of acres of idle land within the United States. Our population could be doubled and still there would be unimproved land. This movement back to the land must be encouraged and financed if we are to keep up employment with ever-increasing improvements in inventions.

When the President promised in the recent campaign that he would furnish jobs for the unemployed, he had many things supporting his promise. Among these are the following:

We have no Reconstruction Finance Corporation pouring money in at the top of our economy.

The Federal land banks are under the control of the Farm Credit Administration, and no unreasonable orgy of foreclosures can be started.

The Reserve Board may not demand a quick liquidation policy this time.

The price of farm commodities, through support prices, loans, and soil-improvement payments have reached a more just position, enabling the producer of food to protect his investment.

Skyrocket prices have been kept down generally, and we do not have so far to fall this time before we reach our usual level.

We have had experience in handling unemployment and can do a better job this time.

Private business, generally, is solvent, and with the removal of war restrictions and a more favorable tax structure, can wage a tough battle against unemployment.

We are planning now for necessary Federal work that will be an asset to the Nation, but we have not done enough.

CONCLUSION

The matter of just what kind of peace is written and what machinery shall be set up to maintain it presents another great problem to the American people. We are supposed to be fighting for great ideals—the "four freedoms," the liberation of mankind, and we want this to be the last time we shall engage in a world war. These purposes are good, and if we were alone in this war we could carry out our ideals. The trouble is we are not alone—we have two other great powers to contend with in arriving at final action. We have our allies—Russia and England. Up to this very minute we do not know what the aims of either of these two great powers are. Our slogan and our policy is to let each nation form such a government as it chooses to form. We are concerned only with the actions of that government when it shows signs of aggression. We do not want the territory that belongs to any nation. We want world peace, if such a thing is possible. At this minute we do not know whether Russia and England agree with us in this policy or not. The evidence seems to be accumulating that England does not share our aim to let liberated countries form such governments as they themselves choose to form. It appears that England holds a contrary view. Russia is silent on this question. However, no overt acts contradicting our policy have been put forward by Russia.

The terms of peace are vital. We will win the war, but it is not so certain that we shall win the peace. There is one thing certain, however: If we can take the lead in war, we should determine now to take the lead in the writing of the peace terms.

Once having agreed on terms of peace, the next great question is how to preserve it. About all we can do is to try to preserve it. The evidence of history is decidedly against world peace. As here stated, it will be a most difficult problem to win our allies over to our ideas on the terms of peace, and how much more difficult it will be to obtain agreement on the means by which that peace can be protected and continued. It seems clear that unless all nations participating in the peace are in accord with the doctrine that any nation can form and maintain the kind of government it wants unless it launches a program of aggression, there is not much hope for world peace.

Suppose we build a world organization to handle all grievances; and suppose this organization, after a full hearing, decided the question; and further suppose that each participant empowers the world organization to summarily call out military, naval, and air forces to enforce its order. Where may we actually find ourselves?

If, for example, the people of Australia decide to establish an independent government of their own and rebel against English rule and as a result a full-blown revolution gets under way, what will be the situation? If the world organization finds against Australia and troops are called to suppress the revolution—our troops included—we shall find ourselves fighting against people just like our ancestors in the American Revolution.

From these suppositions, all of which may come to be actual facts, it is apparent that the world organization in its creation must be limited to quelling disturbances that have become aggressive action against other nations. Unless that provision is incorporated in the charter of the world organization, we shall surely find ourselves fighting, not for the "four freedoms," but against them.

I have an abiding faith in the people of this country; I know that when fully informed their action will be just and right. I have full confidence that the Congress will keep faith with the people.

With the three great problems now before Congress—winning the war, establishing a just peace and machinery designed to protect it, and guaranteeing that the "four freedoms" continue to function here at home—this Congress for more than one session yet to come will have resting upon its shoulders not only the fate of the Republic, but the fate of freedom throughout the world.

PERMISSION TO ADDRESS THE HOUSE

Mr. CURTIS. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from Vermont [Mr. PLUMLEY] is recognized for 10 minutes.

LACK OF AMMUNITION A NATIONAL SCANDAL AND EVERLASTING DISGRACE—WE HAVE TALKED TOO MUCH TOO SOON

Mr. PLUMLEY. Mr. Speaker, I cannot let this opportunity pass, speaking, as I may assume to, for all the Members of the House, without saying that we have just listened to a speech by a statesman. We are going to miss the gentleman from North Dakota, USHER BURDICK, as he says, for only 2 years. Let us hope. His swan song, as he says, will be a war whoop. May that be so. Although I have disagreed with him so many times as not to enumerate them, I have agreed with him with respect to his 100-percent Americanism as he sees it and I agree in his fight to make this country what it ought to be. So whether he comes under a red, white, or blue, or partisan ticket back to us in 2 years, he will be welcome. We shall miss his brutally clear and caustic remarks which have let the light into a lot of dark places as he, and he only, could do it and get away with it.

Mr. Speaker, "Gentlemen talk of peace," as Mr. Ziff does, when there is no

peace, and will be none for a long time to come unless we get onto our job back home, here.

The Montpelier (Vt.) Argus hits the nail on the head when it says:

LACK OF AMMUNITION

Recently this column devoted space to the pitiable existing condition at the American lines on the western front, namely, that American youths, New Englanders, Vermonters, boys hailing from every State in our Nation, were paying for the ammunition shortage with their lives. Now we learn that the condition has become so critical that Eisenhower himself, in a point-blank effort to save the lives of our boys and to win victory in Europe, had to send some of his best fighting men back to this country to tell us how they felt when they ran short of ammunition while the Germans were still raining shells upon them, and to tell us how desperately the fighting boys need more and more equipment and supplies. This step of Eisenhower—sending the boys over to remind us of our duties—is like a pail of cold water thrown in our faces, and should make us "come to" once and for all that if the war is to be won we've all got to bend to the grindstone. That grindstone may be a vital war-production job in which some have been lagging, or it may be in the form of War bond purchases from which we have been shying.

It's no time to try to put the blame for the ammunition shortages on any one reason. Before we reached the honest conclusion thousands of American lives would be lost at the fronts. It is the time now to try to correct the shortages, and to buckle down to the job of giving Eisenhower all the ammunition and equipment he needs—with a surplus, just in case * * *

The United States is glad to welcome back the 27 men Eisenhower has picked from the fighting fronts; but she should also be ashamed that these fellows, who have already done their job face to face with the enemy, now have to come home to remind us to do ours. To these men who have seen their comrades fall beside them at the fronts, never to rise again, the best welcome the United States can give them is a wholehearted assurance that from now on labor, management, Government, individuals, will all plug together to produce more and more supplies for their comrades who are still fighting it out of the batt'e fronts.

Mr. Speaker, instead of spending so much time in talking about post-war planning we better do something about present-war winning.

The losses of life and of property which we will have to sustain in order to win this war are terrific to contemplate and are made more severe and worse by the mismanagement of the manpower problem, which is responsible for the lack of ammunition.

Think of it. Having to send soldiers off the battlefield and across the sea to beg for bullets. There certainly is something rotten in Denmark.

Appropriating and spending money by the billions and buying bonds will not win the war if we do not have bullets and people will not work. We have been told too many times how victory was just around the corner. We now know that is not so and was all campaign talk. We talked too much too soon.

We now know that the worst part of the war confronts us, and it finds us unprepared to fight at the front because of gross mismanagement and maladministration here at home.

That is the truth. The people are entitled to know that we are not only short of ammunition but of a thousand other things we so desperately need and are absolutely necessary to win the war. These cannot be supplied unless and until folks here realize that we will transmit nothing to posterity—if we have any—unless we go to work to save ourselves by fighting this war at the shops and factories and on the farms at home and to a finish.

The truth is we have arrived at exactly the situation in this war which Germany anticipated, predicted, and expected we would. We have had too exaggerated an idea of our ability to win the war, which has resulted in such a let-down that we are out of bullets. What a crime is being perpetrated in the name of the American people who are not responsible therefor, costing the lives of the very best blood and brains of America. It is an American tragedy.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today, after the completion of business and the conclusion of other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Nebraska [Mr. CURTIS] is recognized for 5 minutes.

MRS. PAUL ARTHAUD, OF LINCOLN, NEBR.

Mr. CURTIS. Mr. Speaker, one of the cruel things about war is that the sacrifices are not evenly distributed. Sometimes some of our citizens are called upon to bear more than their share of the burden. I know of such a case. It is the case of a heroic American woman.

I refer to Mrs. Paul Arthaud, of Lincoln, Nebr., who was in my employ for several months. On the 20th of September 1943 her husband, Capt. Paul Arthaud, was killed while serving his country. It was but a few days later that word was received that her son-in-law was shot down while on a bombing mission over Europe. Mrs. Arthaud's daughter, the widow of the flyer, has an infant child whom the father has never seen. A third message of death came following D-day this year, when her son, Second Lt. Paul W. Arthaud, Jr., was killed in the performance of duty while participating in heavy bombardment missions over enemy-occupied continental Europe.

A few days ago Mrs. Paul Arthaud, Sr., in a ceremony at Mitchel Field, N. Y., received from Col. Francis H. Matthews, the commanding officer, the Air Medal for her son, Paul, Jr. The citation said that the courage, coolness, and skill displayed by Lieutenant Arthaud reflect the highest credit upon himself and the armed forces of the United States.

Mr. Speaker, I mention these things because I believe they merit a place in the official records of this Congress. America is a great Nation because of great families like the Arthauds, and it will continue to be a great Nation because of their sacrifices.

Mrs. Arthaud still carries on, having given to her country the most precious things that any woman can give, she is making a contribution in her own right. She is using her time and her talents on a full-time basis at the Army Air Force convalescent center at Pawling, N. Y. The job of this brave woman is to cheer up and encourage Uncle Sam's flyers and their families. She has been named convalescent counselor.

Mr. Speaker, I wish to extend my remarks by including an article that was published in a number of the papers throughout the country, which tells of one phase of the work being performed by this brave and patriotic woman:

(By Anne Hagner)

PAWLING, N. Y., October 7.—The wife of an Army Air Forces flyer is likely to suffer from "combat fatigue" almost as acutely as her husband just returned from overseas, but the A. A. F. convalescent center here has begun experiments it believes may prevent ruined marriages and lives when fighting men return home.

Doctors at this unusual G. I. "three-quarters hospital, three-quarters country club" in the Berkshire Mountains have found that wives who have been sweating out their mates' combat missions undergo much the same strain as the lads who fly the planes and man the guns. Long hours by the radio, waiting for letters, wondering how things are in the waist-gunner's turret of a B-24 over Germany, lonely nights of prayers—all combine to create synthetic operational fatigue right on Main Street, United States of America.

When the husband, who probably has had his share of seeing buddies die or close personal shaves with death, ultimately is brought back to this country to recuperate, his own condition should not be exposed to home-front jitters, A. A. F. psychiatrists point out, and Pawling is the place to effect almost any possible cure—take it from hundreds of enlisted men and officers who can vouch for its miraculous effects.

WIVES, FAMILIES WELCOME

When they walk into the big hall at Pawling, these men probably have just come out of a general hospital, newly ambulatory from wounds, or have been sent almost directly there from overseas with a diagnosis of operational fatigue. Most of them have had short leaves at home.

As at no other military reservation, save A. A. F. convalescent centers, wives and families are welcome at Pawling; medicos figure that they can do much to assist in the recuperation process. For that reason Mrs. Alice H. Arthaud, who lost her husband, a son and a son-in-law in this war, has been named convalescent counselor to arrange for living quarters in the village, transportation, and a host of other matters. She is Pawling's "social pilot," family trouble shooter, friend to all.

Into Mrs. Arthaud's sympathetic ears are poured stories by husbands who claim their wives don't realize what happens to men's nerves in battle; by wives who weep that their husbands are nervous, irritable, restless, disagreeable.

Both Mrs. Arthaud and the center's chief psychiatrist take a hand in "briefing" all wives on operational fatigue, in explaining to them that it is no strange condition to be eyed with fear, but a man's normal reaction to an abnormal situation.

"Put it this way," one officer said. "Remember the funny sensations you yourself have experienced when you have been walking across a street and a motorist has just managed to avoid hitting you and has honked right behind you. Recall how upset you were for a moment?

"A man overseas who has, let's say, 350 hours of combat flying has spent just 350 hours feeling the exact same way that you

did for that moment when the car missed you. Is it any wonder, then, that his nerves suffer?"

Symptoms of operational fatigue are restlessness, peevishness, insomnia, nightmares, loss of appetite, dietary disturbances, and perhaps actual physical ailments. In whichever order they appear, it has been observed they disappear in reverse order when the fatigue is brought under control. Lack of appetite, one of the first symptoms to show up, usually is one of the last to go.

APPETITE DENOTES CHANGE

"When a man starts being a pain in the neck at the dinner table he's on the road to recovery fast," one doctor said.

"The symptoms are the same as those of a psychoneurotic who cracks up during basic training—the difference is that the neurotic didn't fit in to begin with, while the guy who suffers from it in combat is just reacting normally to an abnormal experience."

All wives who visit Pawling are brought together at regular intervals to discuss these problems, en masse and individually. About three times as many officers' families as enlisted men's manage to join their husbands; facilities are identical for both. They may go to the same educational or recreational classes with their husbands; they may have meals together and share quarters in the little town, as long as the man puts in his required time and activities at the center.

The village of Pawling, unlike many around Army installations, has been prevented from cashing in on its A. A. F. visitors by assiduous care on Mrs. Arthuad's part to see that rents remain within reason. Single or double rooms are available within 2 miles of the center at from $7 to $15 weekly.

"Wives can help the Army in hastening men's recovery," she declared yesterday. "To do that, they must understand illnesses or wounds. Then they can assist in promoting interests, in going back to duty if such is the case, or in returning to the civilian world."

EXTENSION OF REMARKS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New Mexico [Mr. ANDERSON] may extend his remarks in the RECORD by including a letter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. ROLPH] is recognized for 5 minutes.

COMPENSATION FOR POSTAL EMPLOYEES

Mr. ROLPH. Mr. Speaker, as the Representative from California's Fourth District, I urge passage of H. R. 4715 providing increased compensation for postal employees. A companion bill, S. 1882, reported out favorably on December 5, 1944, by the committee, is now before the Senate.

The Fourth Congressional District of California covers approximately one-half of the city and county of San Francisco. From personal observation and close contacts, I know how much the $400 increase will mean to those Federal employees who will secure the increase.

The post-office employees have faithfully and steadfastly been carrying on during the war. While the burden is perhaps heavier in San Francisco than in most other cities, nevertheless everywhere throughout the country the same high type of service has been maintained. Steadfast devotion to the interests of the public is the thought always uppermost in the minds of the postal employees.

The war tends to make an ever-increasing load on our post-office facilities. Short-handed and under severe handicaps the personnel carries on, and it is only simple justice that their request be granted.

I hope when the bill comes to the floor later this week that it will be passed unanimously.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ROLPH. I will be delighted to yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. It is like the gentleman to espouse an extremely worthy cause, because he has always done that in the interest of the people of his district. He is tireless in that work.

Mr. ROLPH. I thank the gentlewoman, very much indeed. In the Bay area of San Francisco, due to the tremendous amount of mail that is going to all parts of the Pacific, the problem is very severe, and the post-office people deserve this raise.

Mrs. ROGERS of Massachusetts. I have been in San Francisco a great many times and I know the mail is very heavy even in peacetime. I know the gentleman's own work is tremendously heavy.

Mr. ROLPH. The gentlewoman from Massachusetts is always extremely kind and generous and I want her to know that my constituents in San Francisco will feel grateful for her help and assistance.

The SPEAKER. The time of the gentleman from California has expired.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks by including an editorial from the Cincinnati Inquirer on the subject of water pollution in the Ohio River.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SMITH of Virginia (at the request of Mr. ROBERTSON) for an indefinite period, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1159. An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.; to the Committee on Interstate and Foreign Commerce.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 1951. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942;

H. R. 2116. An act to amend the laws of the District of Columbia relating to exemption of property from judicial process, the assignment of salary or wages, and the advance payment of salary or wages for the purpose of preventing attachment or garnishment;

H. R. 3150. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 3313. An act to amend section 10 of the act of March 3, 1925, entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," as amended;

H. R. 3619. An act to amend sections 675 and 676 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia;

H. R. 3621. An act to amend an act entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes";

H. R. 3720. An act to authorize the Commissioners of the District of Columbia to appoint notaries public;

H. R. 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming;

H. R. 4916. An act to amend the act of June 19, 1934 (Public Law 435, 73d Cong.);

H. R. 4993. An act to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942;

H. R. 5029. An act to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes;

H. R. 5494. An act to amend the act entitled "An act authorizing the President to appoint an Under Secretary of War during national emergencies, fixing the compensation of the Under Secretary of War, and authorizing the Secretary of War to prescribe duties," approved December 16, 1940;

H. J. Res. 289. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes;

H. J. Res. 290. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945; and

H. J. Res. 291. Joint resolution to provide for the quartering in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Wednesday, December 13, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2077. A letter from the Director of Budget and Reports, Navy Department, transmitting a report showing the name, age, legal residence, rank, branch of service, with special qualifications therefor, of each person commissioned from civilian life into the United States Naval Reserve, the Marine Corps Reserve, and the Coast Guard Reserve, during the period October 1, 1944, to November 30, 1944, inclusive, who have not had prior commissioned military service; to the Committee on Naval Affairs.

2078. A letter from the Secretary of War, transmitting a report showing the name, age, legal residence, rank, branch of the service, with special qualifications therefor, of each person commissioned in the Army of the United States without prior commissioned military service, for the period October 1, 1944, to November 30, 1944; to the Committee on Military Affairs.

2079. A letter from the Acting Comptroller General of the United States, transmitting an estimate of the number of employees required for the proper and efficient exercise of the functions of the General Accounting Office during the quarter ending March 31, 1945; to the Committee on the Civil Service.

2080. A letter from the Postmaster General, transmitting the estimates of personnel requirements for the Post Office Department, for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2081. A letter from the Attorney General, transmitting a request for withdrawal of the case of Wilhelmina Gawronski nee Casper formerly Rademacher from the 92 cases involving suspension of deportation, referred to in his letter of May 1, 1944; to the Committee on Immigration and Naturalization.

2082. A letter from the Secretary, United States Employees' Compensation Commission, transmitting a copy of the quarterly estimate of personnel requirements for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2083. A letter from the Acting Secretary, Smithsonian Institution, transmitting a quarterly estimate of personnel requirements for the Smithsonian Institution for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2084. A letter from the Acting Assistant Secretary, National Advisory Committee for Aeronautics, transmitting a copy of quarterly estimate of personnel requirements for the National Advisory Committee for Aeronautics for the third quarter of the fiscal year 1945, ending March 31, 1945, together with a copy of the letter of transmittal to the Director of the Bureau of the Budget; to the Committee on the Civil Service.

2085. A letter from the Chairman, President's Committee on Fair Employment Practice, Office for Emergency Management, transmitting its quarterly estimate of personnel requirements covering the quarter ending March 31, 1945; to the Committee on the Civil Service.

2086. A letter from the Administrator, National Gallery of Art, Smithsonian Institution, transmitting a copy of the report of the quarterly estimate of personel requirements called for by the Director of the Bureau of the Budget under Circular No. A-29, revised, dated May 10, 1944; to the Committee on the Civil Service.

2087. A letter from the Attorney General, transmitting a request for withdrawal of the case of James Francis Bartholomew from the 332 cases involving suspension of deportation, referred to in his letter of October 1, 1944; to the Committee on Immigration and Naturalization.

2088. A letter from the Secretary of State, transmitting certificates from the executives of Delaware, Louisiana, and Minnesota, certifying to the appointment of the electors for President and Vice President in these States on November 7, 1944; to the Committee on Election of President, Vice President, and Representatives in Congress.

2089. A letter from the Deputy Alien Property Custodian, transmitting a copy of the quarterly estimate of personnel requirements for the period ending March 31, 1945; to the Committee on the Civil Service.

2090. A letter from the Chairman, War Production Board, transmitting a copy of the personnel requirements of the War Production Board for the third quarter of the fiscal year 1945; to the Committee on the Civil Service.

2091. A letter from the Chairman, National Labor Relations Board, transmitting the quarterly estimate of personnel requirements of the National Labor Relations Board for the third quarter of the fiscal year 1945; to the Committee on the Civil Service.

2092. A letter from the Administrative Officer, the White House, transmitting a quarterly estimate of personnel requirements, representing the estimated personnel requirements for the White House Office for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2093. A letter from the Chairman, Interstate Commerce Commission, transmitting its quarterly estimate of personnel requirements for the third quarter of the fiscal year beginning July 1, 1944; to the Committee on the Civil Service.

2094. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

2095. A letter from the Secretary of the Navy, transmitting estimates of requirements of personnel subject to Public Law No. 49 for the Navy, Marine Corps, and Coast Guard (departmental and field) for the third quarter, fiscal year 1945, together with a request that a new ceiling be established for the Navy Department in each classification for the third quarter, fiscal year 1945, and copies of the exhibits; to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLAND: Committee on the Merchant Marine and Fisheries. Interim report pursuant to House Resolution 52. Resolution on investigation of activities of the Rheem Manufacturing Co. (Rept. No. 2057). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VOORHIS of California:

H. R. 5614. A bill to provide for making awards to the parents of deceased veterans; to the Committee on Military Affairs.

By Mr. CASE:

H. R. 5615. A bill to establish a National Service Corps; to the Committee on Military Affairs.

By Mrs. NORTON:

H. R. 5616. A bill to extend the existing contributory system of retirement benefits to elective officers of the United States and heads of executive departments; to the Committee on the Civil Service.

By Mr. VINSON of Georgia:

H. R. 5617. A bill relating to the compensation of certain officers of the United States; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6242. By Mr. ANGELL: Petition of W. J. Jones, Portland, Oreg., containing 21 signatures protesting against prohibition legislation; to the Committee on the Judiciary.

6243. Also, petition of George F. Paulsen, Portland, Oreg., containing 3,069 signatures protesting against prohibition legislation, to the Committee on the Judiciary.

6244. Also, petition of Charles P. Ohling, Portland, Oreg., containing 3,262 names against prohibition legislation; to the Committee on the Judiciary.

SENATE

WEDNESDAY, DECEMBER 13, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Father, amid the darkness in which our sad and mad world lieth, where entrenched hatred and tyranny contend with good will and decency for the mastery, may we still believe in the purple splendor of the dawning and that the morning of a better day cometh. Tune our ears to discern even in the clashing discords of the hour jubilant voices above the warring world crying: "Arise, shine; for thy light is come, and the glory of the Lord is risen upon thee." Replenish with new hope all who are discouraged about the sorry state of the world because of today's harvest of evil. Lift up our thoughts above the immediate which sickens our souls. Stretch out wide horizons for our vision and illumine for us that fairer earth of the redemption unveiled by the angels' song of peace to men of good will.

For light enough to walk by through dark days, for inner strength to carry heavy burdens, for uncompromised courage to dare policies with no partisan advantage, for eyes to see the truth and fearlessly follow it, for grace to bear bravely separation and poignant personal loss, we pray to Thee, help of the helpless. Make us more than ourselves because we have Thee for an ally and reinforcement. Breathe upon us now Thy benediction that we may march on as valiant pilgrims sustained by the confident hope that the kingdoms of this world shall yet become the kingdom of Thy radiant love. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, December 12, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had

passed the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had passed the joint resolution (S. J. Res. 155) establishing a commission to select a site and design for a National Memorial Stadium to be erected in the District of Columbia, with amendments in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4216. An act to provide more efficient dental care for the personnel of the United States Navy; and

H. R. 5513. An act to amend section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601).

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 209. An act authorizing the conveyance of certain property to the State of North Dakota;

S. 1571. An act to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the Alva B. Adams tunnel;

S. 1580. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the nonreservation Indian boarding school known as Sherman Institute, California;

S. 1597. An act to amend section 1, act of June 29, 1940 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes;

S. 1801. An act to authorize the Secretary of the Navy to convey to the Virginian Railway Co., a corporation, for railroad-yard-enlargement purposes, a parcel of land of the Camp Allen Reservation at Norfolk, Va.;

S. 1898. An act to amend section 99 of the Judicial Code, as amended, so as to change the term of the district court for the District of North Dakota at Minot, N. Dak.;

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto;

S. 2019. An act to establish the grade of Fleet Admiral of the United States Navy; to establish the grade of General of the Army, and for other purposes;

S. 2105. An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans, and for other purposes;

H. R. 1033. An act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts;

H. R. 2644. An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes;

H. R. 4327. An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes;

H. R. 4867. An act to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia;

H. R. 5408. An act to amend the Mustering-Out Payment Act of 1944, to provide a method for accomplishing certain mustering-out payments on behalf of mentally disabled veterans, and for other purposes; and

H. R. 5543. An act extending the time for the release of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Nye
Austin	Gillette	O'Daniel
Bailey	Green	O'Mahoney
Ball	Guffey	Pepper
Bankhead	Gurney	Radcliffe
Bilbo	Hall	Reed
Brewster	Hatch	Revercomb
Brooks	Hawkes	Reynolds
Buck	Hayden	Robertson
Burton	Hill	Russell
Bushfield	Holman	Shipstead
Butler	Jenner	Smith
Byrd	Johnson, Calif.	Taft
Capper	Johnson, Colo.	Thomas, Idaho
Caraway	Kilgore	Thomas, Okla.
Chandler	La Follette	Truman
Chavez	Langer	Tunnell
Clark, Mo.	Lucas	Vandenberg
Connally	McCarran	Walsh
Cordon	McClellan	Weeks
Danaher	McFarland	Wheeler
Davis	McKellar	White
Downey	Maloney	Wiley
Eastland	Maybank	Willis
Ellender	Mead	Wilson
Ferguson	Millikin	
George	Murray	

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Utah [Mr. MURDOCK] is detained on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Louisiana [Mr. OVERTON], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Tennessee [Mr. STEWART], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHITE. The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Ohio [Mr. TAFT] is unavoidably detained.

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

SENATOR FROM WASHINGTON—CREDENTIALS

The VICE PRESIDENT laid before the Senate the credentials of WARREN G. MAGNUSON, duly chosen a Senator from the State of Washington for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF WASHINGTON,
EXECUTIVE DEPARTMENT, OLYMPIA.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, WARREN G. MAGNUSON was duly chosen by the qualified electors of the State of Washington a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

In witness whereof I have hereunto set my hand and caused the seal of State of Washington to be affixed at Olympia this 7th day of December A. D. 1944.

ARTHUR B. LANGLIE,
Governor of Washington.

By the Governor:
[SEAL] BELLE REEVES,
Secretary of State.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATIONS OF ALIENS

A letter from the Attorney General referring to his letter of October 1, 1944, relating to the suspension of deportation of 332 aliens, and withdrawing the case of one alien therefrom; to the Committee on Immigration.

MULTIPLE TAXATION OF PERSONS ENGAGED IN AIR COMMERCE AND THEIR EMPLOYEES

A letter from the Acting Chairman of the Civil Aeronautics Board, submitting a request for action or the enactment of legislation to extend for 90 days the period within which the Civil Aeronautics Board may submit its required report and recommendations relating to the problems of multiple taxation of persons engaged in air commerce and their employees; to the Committee on Finance.

PERSONNEL REQUIREMENTS

Letters from the Administrative Officer, Executive Office of the President, Chairman of the President's Committee on Fair Employment Practice, Director of the Office of Economic Stabilization, the Secretary of War, Chairman of the Interstate Commerce Commission, Chairman of the War Manpower Commission, Acting Comptroller General of the United States, Deputy Director of the Office of Contract Settlement, Director of the Office of Defense Transportation, Acting Secretary of the Smithsonian Institution, and Acting Assistant Secretary of the National Advisory Committee for Aeronautics, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of State, the Treasury (2), War (2), Justice, Navy (3), and Agriculture; Office of Defense Transportation, and Office of Price Administration which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Vice President and referred as indicated:

A petition, numerously signed, of sundry citizens, employees of Grand Central Annex post office, New York City, praying for the prompt enactment of the bill (S. 1882) to increase the compensation of employees in the Postal Service; ordered to lie on the table.

A cablegram from the Chairman of the Virgin Islands Legislative Assembly, express-

ing for that Assembly in the name of the people of the islands sincere appreciation and gratitude for the passage by the Senate of the so-called $10,000,000 Virgin Islands work bill; ordered to lie on the table.

Resolutions adopted by the fifteenth annual Public Works Congress at St. Paul, Minn., favoring the provision to retain a substantial part of post-war Federal-aid highway funds for use in cities, and also endorsing the plan and procedure set forth in the War Mobilization and Reconversion Act for the advancement of Federal loans, without interest, to State and local goverments for planning post-war projects; ordered to lie on the table.

SUPPLIES FOR WESTERN WAR FRONT—TELEGRAM FROM DR. THOMAS P. CRISPELL, PARSONS, KANS.

Mr. REED. Mr. President, I ask unanimous consent to have printed as a part of my remarks and appropriately referred a telegram just received from Dr. Thomas P. Crispell, a prominent Kansan. It is in the form of a petition for more supplies for our fighting men. Dr. Crispell, a neighbor of mine in Parsons, has a son in the service, and his telegram to me is very pertinent as we contemplate the anniversary of Pearl Harbor.

There being no objection, the telegram was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

PARSONS, KANS., *December 7, 1944.*

Senator CLYDE M. REED,
Washington, D. C.:

Receiving apparently authentic reports that European forces are short of ammunition, trucks, and tires. We run our veterinary business in Kansas in wartime on a basis that if we cannot make all the calls in 10 hours we work 12, and if 12 won't do it we work 16. Let's make ammunition the same way. Upset a few bureaus. Cut some red tape or change a union rule or two if necessary, so that our boy and his buddies can have enough shells to at least protect themselves.

DR. THOMAS P. CRISPELL.

PEACETIME CONSCRIPTION—MEMORIAL FROM FRIENDS UNIVERSITY, WICHITA, KANS.

Mr. REED. Mr. President, I also ask unanimous consent to have printed in the RECORD and appropriately referred a letter I have received from the faculty members of Friends University in Wichita, Kans., protesting against the peacetime conscription of American youth.

There being no objection, the letter, in the nature of a memorial, was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

FRIENDS UNIVERSITY,
Wichita, Kans., November 28, 1944.

Senator CLYDE REED,
Senate Office Building,
Washington, D. C.

HONORABLE SIR: To any legislation providing for peacetime conscription of American youth, we, the faculty members of Friends University in Wichita, Kans., are unalterably opposed. We feel that the continuation of conscription after the war would be alien and hostile to the free institutions of our country.

The maintenance of a conscript army in time of peace, we believe, would create distrust and the tension of fear among other nations; these, in turn, would lead logically to another war. We urge that security be sought through international organization, not through unilateral military armament.

We consider, furthermore, that the enactment of peacetime conscription laws during the absence of a large segment of the electorate, now in the armed services, would be unwise and unfair.

With the thought that our national representatives can best perform their duties when fully informed of the opinions of their constituents, we send this expression of our views and add our several signatures.

Irvin T. Shultz, Mary R. Greenfield, Arnold R. Verduin, George Willard Cobb, Elsa M. Haury, Kenneth L. Andrew, H. Ernest Crow, Alice L. Beach, John D. Mills, Alfred P. Smith, Isabel Crabb, Margaret Joy, P. D. Schull, Lowell E. Roberts, Iva V. Pickering, Winifred N. Gahagan, Edward R. Miller, W. A. Young, Gerald H. Wood, Charles A. Reagan, William F. Little, Margaret J. Burch, Frances Starkey, Asa Dillon, Mildred Hollembeck.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Utah, from the Committee on Education and Labor:

S. J. Res. 148. Joint resolution authorizing the disposal of certain blood-plasma reserves; without amendment (Rept. No. 1378).

By Mr. BAILEY, from the Committee on Commerce:

H. R. 4626. A bill to declare a portion of the Illinois & Michigan Canal an unnavigable stream; without amendment (Rept. No. 1379); and

S. J. Res. 106. Joint resolution granting permission to Charles Rex Marchant, Lorne E. Sasseen, and Jack Veniss Bassett to accept certain medals tendered them by the Government of Canada in the name of His Britannic Majesty, King George VI; without amendment (Rept. No. 1380).

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H. R. 4216. An act to provide more efficient dental care for the personnel of the United States Navy; to the Committee on Naval Affairs.

H. R. 5513. An act to amend section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601); to the Committee on Immigration.

ADDITIONAL COPIES OF HEARINGS BEFORE SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING

Mr. GEORGE submitted the following resolution (S. Res. 353), which was referred to the Committee on Printing:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Special Committee on Post-war Economic Policy and Planning of the United States Senate be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of part 3 of the hearings held before said special committee during the second session of the Seventy-eighth Congress, pursuant to the resolution (S. Res. 102) creating a Special Committee on Post-war Economic Policy and Planning.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 198) to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended, which were, on page 1, line 11, after "reemployed", to insert "or continued in the service"; on page 2, line 1, after "reemployment", to insert "or continuation"; on page 2, line 3, after "reemployed", to insert "or continued"; and on page 2, line 4, after "reemployment", to insert "or continuation."

Mr. DOWNEY. Mr. President, as chairman of the Committee on Civil Service I move that the Senate concur in the amendments of the House. They are merely technical and perfecting amendments. They do not affect the substance of the bill, and I have conferred with other members of the committee before making my motion.

Mr. HILL. Do the amendments in any way affect the provision in the bill with reference to the Tennessee Valley Authority?

Mr. DOWNEY. They do not.

The VICE PRESIDENT. The question is on the motion of the Senator from California.

The motion was agreed to.

PLACING OF PORTION OF STATE OF IDAHO IN THIRD TIME ZONE

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 1997) to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WHEELER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. STEWART, Mr. CLARK of Idaho, and Mr. GURNEY conferees on the part of the Senate.

EMPLOYMENT OF ENGINEERS AND ECONOMISTS ON RECLAMATION WORK

Mr. CHAVEZ (for Mr. BANKHEAD) submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3429) to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

J. H. BANKHEAD,
JOHN THOMAS,
CHAN GURNEY,
Managers on the part of the Senate.

COMPTON I. WHITE,
J. W. ROBINSON,
JOHN R. MURDOCK,
ROBT. F. ROCKWELL,
Managers on the part of the House.

The report was agreed to.

AUTHORITY FOR FOREIGN RELATIONS COMMITTEE TO FILE EXECUTIVE REPORTS

Mr. CONNALLY. Mr. President, as in executive session, I ask that the Committee on Foreign Relations may have permission to file, as of today, up to 12 o'clock tonight, reports on certain nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and, as in executive session, it is so ordered.

ADDRESS BY ALBERT S. GOSS, MASTER OF THE NATIONAL GRANGE

[Mr. AIKEN asked and obtained leave to have printed in the RECORD excerpts from the address delivered by Albert S. Goss, master of the National Grange, before the seventy-eighth annual session of the National Grange, at Winston-Salem, N. C., November 15, 1944, which appears in the Appendix.]

BUILD A GREATER AMERICA—ARTICLE BY OSWALD F. SCHUETTE

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an article entitled "Build a Greater America," by Oswald F. Schuette, which appears in the Appendix.]

POLITICAL AIMS OF RUSSIA AND ENGLAND

Mr. BROOKS. Mr. President, there is a growing concern in the minds of the American people about the progress of the war—not from a military and naval sense, for the American people have great faith in our military and naval leaders.

This concern comes from the apparent attitude and conduct of our major allies. We are sacrificing American blood and treasure to drive the Germans back on the western front; we engaged vast German forces on the beaches of France driving them away from the approaches to England and drawing the fierce German military pressure away from Russia.

While we are driving desperately toward Germany, both Russia and England are engaging in a race for future balance of power on the European Continent. We are witnessing what appears to be the disruption of harmony among the Big Three. We are throwing stones at each other. We live in an atmosphere of suspicion as to the motives of two big European powers. We are in the dark and there are two specific questions about which the American people should be enlightened. They are—

What are the political clauses contained in the Teheran agreement?

What are the terms contained in the political clauses embodied in the armistice with Italy?

The answers to these questions may explain the scramble and struggle for political supremacy by each of our two major allies in Europe. These answers are of vital importance to the American people who have sacrificed so much for each of them.

Never in history did any country send so many men and so much material so far from home as we have dispatched to the European Continent alone. Never before was a well-fortified coast of a powerful country, held and guarded by a first-class power, ever successfully invaded from the sea. The successes of the forces of the United States are not only unprecedented in the annals of military history, but they are the marvel of all recorded time.

While over 600,000 of the cream of American young manhood have been killed, wounded, are missing in action, or being held as prisoners of war; while millions of American men have been separated from their families for more than a year and are still facing a prolonged war in Europe and an extended war in the Pacific and Asia, it is hard to understand why troops and resources of our allies are being diverted from direct pressure on the German Army to the building of newly dictated forms of government in the liberated countries to create spheres of influence in the age-old European game of power politics.

The American people were told, and constantly reminded, that they were called upon to make their present sacrifices to develop the spirit and follow the pattern laid down in the Atlantic Charter.

Already it is clear that Russia intends to expand her empire and plant her philosophy throughout the Baltic and Balkan states, while Britain moves daily to expand her influence and establish puppet governments in Italy, Greece, Belgium, and France.

While this is going on, our American forces are facing the fierce fighting armies of Germany, led on under the promise that the peoples in liberated countries would be privileged to set up their own governments under the basic principles of the Atlantic Charter.

We have traveled far since that day on August 15, 1941, when President Roosevelt and Prime Minister Churchill wrote and published their Atlantic Charter in which they jointly proclaimed to the world that "They desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned * * * they respect the rights of all peoples to choose the form of government under which they will live."

This was written when Winston Churchill was trying desperately to get America into the war. It was written when both the President and Winston Churchill wanted to appeal to the people of every invaded country to resist their invaders and fight eventually on the side of the Allies.

Four months later we were blown into the war at Pearl Harbor on December 7, 1941. Two months later in a radio address on February 16, 1942, Winston Churchill stated:

> When I survey and compute the power of the United States and its vast resources, and feel that they are now in it with us, with the British Commonwealth of Nations all together, however long it lasts, till death or victory come, I cannot believe there is any other fact in the whole world which can compare with that.
>
> That is what I have dreamed of, aimed at, and worked for, and now it has come to pass.

Yes, Mr. President; we are finally in the wars in Europe and the Pacific and are facing terrible and terrific future sacrifices.

The small nations have suffered two invasions: First, by the ruthless German Army, and second, by the rescuing forces of the United Nations. They have been blown and torn twice, and now they are experiencing varying forms of civil war prompted by the conflicting forces of Russia and Britain in their struggle for supremacy. These small nations are steadily losing hope of ultimate justice at the hands of the United Nations. They pinned their faith on the Atlantic Charter and on the United States as a champion of right over might.

Russia has already utilized her forces to annex the Baltic states and has set up a federation in the Balkans under "red" Marshal Tito, without protest from Britain or the United States. In the meantime, Britain uses her troops to force governments in Italy and Greece. In the midst of this conflict came the reassuring statement of Secretary of State Stettinius declaring America's policy of nonintervention in those countries. New hope undoubtedly sprang up in the little nations. However, Winston Churchill promptly reaffirmed his position for Britain and received an overwhelming vote of confidence.

Mr. President, when Joseph Stalin moves to further the program of his country he is sustained by the Russian people. When Winston Churchill moves to enhance the position of Britain, he receives an overwhelming vote of confidence. But when anyone demands that we speak out to further the principles for which we have made so great a sacrifice, he is charged with causing disunity.

Certainly, all Americans are desirous of complete unity. We want unity among our allies—we want unity among our own people—and the best way to develop this is to have a definite understanding now among the Big Three. There should be another conference of Roosevelt, Stalin, and Churchill.

The President has just been reelected by the people of the United States who believed that he could best lead this country to an early victory and negotiate an enduring peace. His spokesmen who flooded the airways contended that President Roosevelt could best win the war and win the peace because he knew Stalin and Churchill. The President himself told the Nation that he had spent much time and energy in becoming acquainted with the leaders of these countries.

The whole world needs to have a clarification of these unfortunate conflicts among the United Nations themselves, and the time is now ripe to know just what our American position, program, and policy are to be as we drive on into the deadly struggle to forge our way to final victory.

The American people went to the polls to exercise the precious privilege of freemen to choose a leader. They chose Franklin D. Roosevelt. Although he was chosen by the smallest majority received by any candidate for President of the United States since 1916, his is now, the responsibility to lead 135,000,000 free people through the most deadly armed conflict in our history.

As one of the minority, I want to do everything I can to support our complete war effort; I want to help win complete victory; I want to help develop an enduring peace based upon justice and freedom; but I share the anxiety of count-

less people in this country who would like to have a declaration of American policy for the benefit of the American people as well as the millions of people throughout the world who hunger so desperately for freedom.

I believe that the American people will support wholeheartedly an American policy for future peace based on the basic principles of the Atlantic Charter, but they will resent being led by subterfuge into a position of barter between the ancient struggle for influence between one group of nations led by British intrigue and force and another group led by Russian intrigue and force.

The American people did not send their sons abroad to fight and die for the safety of Great Britain or to fight and die for the triumph and extension of Russian influence. The cream of America has been dispatched to fight and die for American security primarily, and for the safety and welfare of humanity.

I know there are those who will feel that we should say nothing for fear we might disturb unity among our allies. They would charge that this is a delicate matter, to be handled with gloves.

The answer is that the men who have been ordered from their homes, their loved ones, their country, to fight, suffer, and die in foreign lands are facing cruel, cold, brutal murder; and they expect their Nation's leaders to face the cold realities to preserve the ideals and hopes of humanity which they were told they were fighting and dying to defend.

The truth is that while the flesh, blood, and treasure of America are being hurled at the vicious forces of Germany, Europe is being carved up, and the division is being made with force, with tanks, planes, and supplies furnished largely by the American people.

Mr. Roosevelt is armed with all the power in the world today. The American forces have reached the zenith of their strength.

We have developed the greatest fighting force in the world. We have more than one-third of the air power of the world. We have more than one-third of all the ships in the world. We have the greatest production capacity in the world. We want to win the war and win the peace. We have the cream of the Nation's fighting men trained now and fighting now on the seas, in the fields, and in the skies all over the world. Now is the time to speak, and having spoken, to insist on a policy that will insure that our sons will not have died and our sacrifices will not have been in vain.

Our plan of battle is clear, but what is our plan for peace? The President is charged primarily with the responsibility of developing and declaring it. What is it? If we are to help lead the peace of the world in the future, our policy should be established now. The world is hungry for peace based upon justice, and we should not bleed our Nation of its human and material resources without establishing such a policy now.

Nearly everyone concedes that no world security organization can succeed without the United States participation. But the iron bands that will bind the liberty of future humanity are being forged now in the heat of battle. What is our program? What is our policy? What is the future plan for which we are asking our American men and women to sacrifice and die?

If we are to lead the world in peace, now is the time to demand and secure an understanding and establish a policy that will give us at least a chance to use our full weight and influence for victory and for an enduring peace.

Mr. CHAVEZ. Mr. President, before the Senator takes his seat, may I ask him a question?

Mr. BROOKS. Certainly.

Mr. CHAVEZ. Are not the Greek boys who are now being killed on one pretext or another the same ones who put up a valiant fight against the Axis Powers before the British forces entered that part of the world?

Mr. BROOKS. I believe the Senator is entirely correct.

Mr. CHAVEZ. Did not the Poles fight against the Axis Powers, especially Germany, at the start of the war?

Mr. BROOKS. I will say to the Senator from New Mexico that perhaps there has never been a demonstration in the annals of history that will compare with the courage of Poland, who bared her breast to the steel of the Axis Powers.

Mr. CHAVEZ. I think that was a great demonstration of courage. So far as Greece was concerned, she was caught between two of the Axis Powers, Germany and Italy, who crowded her from both sides. If the Greeks had had only Italy to contend with, and Germany had not interfered, I think I know what the result might have been. Is it fair now, if we actually believe in the purposes and ideals of the Atlantic Charter, to have one country as an overlord over Greece, either in the Dodecanese Islands or in Crete, because those places might become sources of power or influence in the future?

Mr. BROOKS. I thank the Senator.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. BUTLER. The distinguished junior Senator from Illinois referred a number of times in his remarks to the Atlantic Charter. I wonder whether he will be willing to request—or, if he does not so request, whether he will be willing that I request—that an official copy of the Atlantic Charter follow his remarks in the RECORD?

Mr. BROOKS. I shall be glad to have it inserted as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

THE ATLANTIC CHARTER

(H. Doc. No. 358, 77th Cong., 1st sess.)

To the Congress of the United States:

Over a week ago I held several important conferences at sea with the British Prime Minister. Because of the factor of safety to British, Canadian, and American ships, and their personnel, no prior announcement of these meetings could properly be made.

At the close, a public statement by the Prime Minister and the President was made, I quote it for the information of the Congress and for the record:

"The President of the United States and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, have met at sea.

"They have been accompanied by officials of their two Governments, including high-ranking officers of their military, naval, and air services.

"The whole problem of the supply of munitions of war, as provided by the Lease-Lend Act, for the armed forces of the United States, and for those countries actively engaged in resisting aggression, has been further examined.

"Lord Beaverbrook, the Minister of Supply of the British Government, has joined in these conferences. He is going to proceed to Washington to discuss further details with appropriate officials of the United States Government. These conferences will also cover the supply problems of the Soviet Union.

"The President and the Prime Minister have had several conferences. They have considered the dangers to world civilization arising from the policies of military domination by conquest upon which the Hitlerite government of Germany and other governments associated therewith have embarked, and have made clear the steps which their countries are respectively taking for their safety in the face of these dangers.

"They have agreed upon the following joint declaration:

"Joint declaration of the President of the United States of America and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together, deem it right to make known certain common principles in the national policies of their respective countries on which they base their hopes for a better future for the world.

"First, their countries seek no aggrandizement, territorial or other;

"Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned;

"Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them;

"Fourth, they will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity;

"Fifth, they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing for all improved labor standards, economic advancement, and social security;

"Sixth, after the final destruction of the Nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want;

"Seventh, such a peace should enable all men to traverse the high seas and oceans without hindrance;

"Eighth, they believe that all of the nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea, or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments.

"(Signed) FRANKLIN D. ROOSEVELT.
"(Signed) WINSTON S. CHURCHILL."

The Congress and the President having heretofore determined, through the Lend-Lease Act, on the national policy of American aid to the democracies, which east and west are waging war against dictatorships, the military and naval conversations at these meetings made clear gains in furthering the effectiveness of this aid.

Furthermore, the Prime Minister and I are arranging for conferences with the Soviet Union to aid it in its defense against the attack made by the principal aggressor of the modern world—Germany.

Finally, the declaration of principles at this time presents a goal which is worth while for our type of civilization to seek. It is so clear-cut that it is difficult to oppose in any major particular without automatically admitting a willingness to accept compromise with nazi-ism; or to agree to a world peace which would give to nazi-ism domination over large numbers of conquered nations. Inevitably such a peace would be a gift to nazi-ism to take breath—armed breath—for a second war to extend the control over Europe and Asia, to the American Hemisphere itself.

It is perhaps unnecessary for me to call attention once more to the utter lack of validity of the spoken or written word of the Nazi government.

It is also unnecessary for me to point out that the declaration of principles includes, of necessity, the world need for freedom of religion and freedom of information. No society of the world organized under the announced principles could survive without these freedoms which are a part of the whole freedom for which we strive.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1941.*

CROP INSURANCE

The Senate resumed the consideration of the bill (H. R. 4911) to amend the Federal Crop Insurance Act.

The VICE PRESIDENT. The clerk will state the first amendment of the committee.

The first amendment of the committee was, on page 1, line 9, after the words "loss in", to strike out "yield of such growing, unharvested, unthrashed, or unpicked crops" and to insert "yields."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. THOMAS of Oklahoma. Mr. President, before we commence consideration of the amendments, I think perhaps a brief statement with respect to the provisions of the bill should be placed in the RECORD.

The pending bill is entitled "An act to amend the Federal Crop Insurance Act." The Crop Insurance Act was originally passed as title V of the Agricultural Adjustment Act of 1938, and was approved February 16, 1938. The purpose of title V of the original Crop Insurance Act is stated in sections 502, 503, and 504. I now read those three sections from the original act:

DECLARATION OF PURPOSE

SEC. 502. It is the purpose of this title to promote the national welfare by alleviating the economic distress caused by wheat-crop failures due to drought and other causes, by maintaining the purchasing power of farmers, and by providing for stable supplies of wheat for domestic consumption and the orderly flow thereof in interstate commerce.

SEC. 503. To carry out the purposes of this title, there is hereby created as an agency of and within the Department of Agriculture a body corporate with the name "Federal Crop Insurance Corporation" (herein called the Corporation). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board of Directors.

CAPITAL STOCK

SEC. 504. (a) The Corporation shall have a capital stock of $100,000,000 subscribed by the United States of America, payment for which shall, with the approval of the Secretary of Agriculture, be subject to call in whole or in part by the board of directors of the Corporation.

Mr. President, with respect to the success of the program carried on under the original act, I should like to have two tables printed at this point in the RECORD. One of them is entitled "Summary of administrative expenses by appropriations as at June 30, 1944." The second table is entitled "Federal crop insurance experience, United States summary by years, as of June 30, 1944." I ask unanimous consent that the two tables may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Summary of administrative expenses by appropriations as at June 30, 1944

Fiscal year	Net appropriations [1]	Expenditures							Savings
		Federal Crop Insurance Corporation			Cooperating agencies			Total expenditures	
		General	Storage	Total	Agricultural Adjustment Administration	Other	Total		
1938	$965,000	$234,546.07		$234,546.07				$234,546.07	$730,453.93
1939	5,000,000	1,648,390.41	$305,621.27	1,954,011.68	$2,245,743.31	$151,580.77	$2,397,324.08	4,351,335.76	648,664.24
1940	5,823,200	1,320,437.79	858,317.17	2,178,754.96	3,280,167.88	191,916.17	3,472,084.05	5,650,839.01	172,360.99
1941	5,523,200	1,148,169.32	865,588.89	2,013,758.21	2,814,439.96	200,737.64	3,015,177.60	5,028,935.81	494,264.19
1942	8,559,827	1,598,212.74	−178,856.96	1,419,355.78	5,123,260.67	232,994.08	5,356,254.75	6,775,610.53	1,784,216.47
1943	8,572,954	1,352,122.05	−57,720.33	1,294,401.72	4,884,579.00	269,641.07	5,154,220.07	6,448,621.79	2,124,332.21
12[11]3/5000-017	550	494.22		494.22				494.22	55.78
1944	3,150,000	905,708.10	44,109.43	949,817.53	770,000.00	17,272.00	787,272.00	1,737,089.53	1,412,910.47
Total	37,594,731	8,208,080.70	1,837,059.47	10,045,140.17	19,118,190.82	1,064,141.73	20,182,332.55	30,227,472.72	7,367,258.28

[1] Adjusted to reflect reappropriations: $500,000, 1939 to 1940; $100,000, 1940 to 1941; $350,000, 1944 to 1945.

Federal crop insurance experience, United States summary by years, as of June 30, 1944

Commodity and crop year	Farms insured [1]		Indemnities	Insured acreage	Insured production	Commodity basis			Monetary basis			
	Insurance written	Insurance in force				Premiums	Indemnities	Surplus or deficit (−)	Premiums	Indemnities	Gain or loss from commodity transactions	Surplus or deficit (−)
Wheat:	*Number*	*Number*	*Number*	*Acres*	*Bushels*	*Bushels*	*Bushels*	*Bushels*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
1939		165,775	55,932	7,010,390	60,826,075	6,670,315	10,163,899	−3,493,584	3,410,940.10	5,601,561.79	−1,417.71	−2,192,039.40
1940	379,710	360,596	112,762	12,754,834	108,284,574	13,796,798	22,898,147	−9,101,349	9,155,062.21	13,694,263.62	−175,225.59	−4,714,427.00
1941	420,940	371,590	130,774	11,734,263	104,306,380	12,643,051	18,857,243	−6,214,192	7,096,366.64	18,925,433.85	4,182,654.71	−7,646,412.50
1942	504,047	400,043	108,368	[2] 9,630,265	88,063,150	8,769,715	10,574,927	−1,805,212	8,447,498.18	13,666,902.68	1,738,922.15	−3,480,482.35
1943	487,663	357,733	133,076	[2] 8,148,800	[2] 75,264,000	8,035,124	13,209,955	−5,174,831	10,625,480.33	19,705,072.29	912,775.32	−8,166,816.64
Total wheat		1,655,537	540,912	49,278,552	436,744,179	49,915,003	75,704,171	−25,789,168	38,735,347.46	71,593,234.23	6,657,708.88	−26,200,177.89
Cotton:					*Pounds*	*Pounds*	*Pounds*	*Pounds*				
1942		169,072	47,744	2,816,462	407,611,601	31,435,750	52,536,269	−21,100,519	6,302,938.89	11,254,151.87	207,840.90	−4,743,372.08
1943		164,998	40,632	[2] 2,690,279	[2] 386,690,312	30,744,370	56,800,979	−26,056,609	6,852,495.82	13,006,746.01	−125,795.40	−6,280,045.59
Total cotton		334,070	88,376	5,506,741	794,301,913	62,180,120	109,337,248	−47,157,128	13,155,434.71	24,260,897.88	82,045.50	−11,023,417.67
Other charges												−3,448.00
Total		1,989,607	629,288	54,785,293					51,890,782.17	95,854,132.11	6,739,754.38	−37,227,043.56

[1] Includes duplication where both landlord and tenant are insured.
[2] Estimated.

Mr. THOMAS of Oklahoma. Mr. President, the original program covered only wheat and cotton. The record shows that during the years 1939, 1940, 1941, 1942, and 1943 the program on wheat suffered a loss of approximately $26,200,177.89, and during the years 1942 and 1943 the program on cotton suffered a loss of approximately $11,023,417.67. Other charges against the crop-insurance program totaled approximately $3,448, so that the total loss sustained during the years mentioned, during which the program was operated, was approximately $37,227,043.56.

The original program was closed by congressional decree in the form of a provision included in the Agricultural Appropriation Act of 1944. That provision is incorporated in the committee report. Mr. President, I ask unanimous consent that the portion of the committee report entitled "General Statement," as found on page 1 and on part of page 2, be included at this point in the RECORD as a part of my remarks.

There being no objection, the portion of the report (No. 1298) was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The Department of Agriculture Appropriation Act, 1944, in the item which appropriated funds for administrative and operating expenses under the Federal Crop Insurance Act, approved February 16, 1938, as amended, provided, in part, that "no part of this appropriation shall be used for or in connection with the insurance of wheat and cotton crops planted subsequent to July 31, 1943, or for any other purposes except in connection with the liquidation of insurance contracts on wheat and cotton crops planted prior to July 31, 1943."

The Department of Agriculture Appropriation Act, 1945, provided $350,000 for continuation of liquidation. No crops have been insured since those planted for harvest in 1943.

The need or the desirability of "all risk" crop insurance for American farmers is well recognized. Even when the Congress terminated the program the need for crop insurance was not questioned. Farming is one of the most hazardous of all undertakings. Even though the farmer does everything possible to produce a crop, weather or other factors beyond his control may bring failure. There is no private source from which broad insurance protection against crop losses can be obtained. Insurance can be obtained against hail on some crops, but the farmer needs more complete protection. If the farmers are to receive this protection it must be made available by the Government. Crop insurance will help farmers as a group to carry their own burdens resulting from agricultural catastrophes and thus reduce the need for public assistance when catastrophes occur. Thus, the Government's contributions to the establishment and operation of a crop-insurance system will be offset by the savings in contributions for relief of agricultural areas stricken by floods and other catastrophes.

Both political parties have recognized the need for crop insurance by farmers, have endorsed the principle, and have pledged themselves to the development of such a system.

This committee has held hearings on the bill (H. R. 4911) and has given careful consideration to the broad aspects of the problem as well. The modified bill recommended by the committee incorporates its views on the type of insurance program which, in the long run, will be most beneficial to farmers and to the country as a whole.

Mr. THOMAS of Oklahoma. Mr. President, the other body of Congress has passed the bill, H. R. 4911, in an effort to revive a program of crop insurance. That was done because the farmers of the country are demanding some form of crop insurance, and in obedience to the platform pledges of the two major political parties. The Republican Party included in its platform a pledge of a study of and, if possible, the development of an effective and sound program for crop insurance. The pledge was as follows:

Serious study of and search for a sound program of crop insurance, with emphasis upon establishing a self-supporting program.

The Democratic Party, at its convention, adopted a similar platform pledge in the following language:

Price guaranties and crop insurance to farmers with all practical steps—

So both political parties are on record in favor of trying to develop a sound, sane, and successful plan for crop insurance.

So, in the House of Representatives the bill was prepared as an amendment to the existing law. Of course, at the present time the existing law is not operative, because the Congress has heretofore refused to make appropriations with which its provisions could be carried out. So the pending bill is an attempt, in obedience to the Republican and Democratic programs, as set forth in their platforms, to develop a program which will be sound and successful.

The program will commence on a very small scale or basis. For example, in 1945 the program would cover only the crops of cotton, wheat, and flax. The bill provides that during 1945 the Corporation can make experiments with respect to the two additional crops of corn and tobacco. Thereafter, in 1946, 1947, and following years, if the Congress so wills, the Corporation can further experiment with three crops a year. That provision means that the program would begin on a small scale, and that if it can be made a success, the Congress can from time to time increase the appropriations or amend the law and go forward with the program. That is a general statement with respect to the program.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement relative to the changes made in the bill as it is reported by the Senate committee, as compared to the bill as it was passed by the House of Representatives.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MAJOR CHANGES IN THE CROP INSURANCE BILL (H. R. 4911)

The bill reported by the committee differs from the House bill in the following essential respects:

1. The proviso requiring the insurance coverage on wheat, cotton, and flax, which is based on not to exceed 75 percent of the average yield, to be limited to the investment in the crop has been stricken. This was stricken because it is believed that in many instances the limitation contained in the House bill would not have given adequate insurance protection to farmers. The farmer's income should be protected to some extent as well as his crop investment, and the bill, with the proviso stricken, permits this. In addition, under this bill, the insurance coverage may be adapted to the particular stage of production of a commodity at the time of loss.

2. The proviso limiting the payment of claims for losses on any commodity to the amount of premiums collected on such commodity, with the exception that such claims could not be reduced by more than 15 percent for the first 3 years, has been stricken. In effect, this provision requires farmers to make up a deficit in premium income by receiving less than the full amount of their approved claims for losses. This does not appear equitable and the uncertainty as to amount of protection would tend to limit participation.

3. The proviso limiting the administrative expenses of the Corporation to not more than a sum equivalent to a percentage of the premiums collected in the preceding year has been stricken. This is not a workable provision and no formula for limiting administrative expenses has been found which is suited to a program of this kind. Such supervision as may be needed over administrative expenses of the Corporation can be exercised by the Congress as annual appropriations are made.

4. A proviso has been added limiting the initiation of trial insurance to corn and tobacco in 1945 and to not more than three additional crops in each year thereafter. It is believed that trial insurance programs should be undertaken with caution. Since under the bill trial insurance is authorized with respect to a large number of commodities, such a limitation seems desirable.

5. A new section 6 has been added to provide funds immediately for administrative expenses for the Corporation so that it may undertake the authorized programs without delay. The funds made available by this section represent part of the unobligated balances of funds appropriated for administrative expenses for crop insurance in prior years.

6. A new section 5 has been added to authorize the appropriation of $20,000,000 to the War Food Administrator for the purpose of making payments to flax producers to encourage an increased production of flax in 1945. If minimum requirements for linseed oil are to be met, 5,000,000 acres of flax must be produced in 1945, which figure represents an increase of approximately 1,800,000 acres over 1944.

Mr. THOMAS of Oklahoma. Mr. President, with that statement, I think we are ready to consider the bill and the amendments. If during the consideration of the amendments there are any questions which Senators desire to ask, I am sure some member of the committee will be able to answer them in accordance with the committee's understanding of the measure.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). The question is on agreeing to the committee amendment, on page 1, in line 9.

The amendment was agreed to.

Mr. WHITE. Mr. President, I do not have sufficient familiarity with the pending measure to justify any attempt on my part to analyze or discuss it. But I think the Senate may be interested to know that I have canvassed seven of the eight minority members of the Committee on Agriculture and Forestry, and those seven members indicated their approval of the bill.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The LEGISLATIVE CLERK. On page 2, in line 3, after the words "plant disease", it is proposed to insert "and such other unavoidable causes as may be determined by the Board."

The amendment was agreed to.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BUSHFIELD. I do not know whether it is in order at this time to ask the question I have in mind, but I desire to inquire about the flax program. If that subject is not in order now, I will refer to it later.

Mr. THOMAS of Oklahoma. Mr. President, we will come to that subject a little later.

Mr. BUSHFIELD. Very well.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next committee amendment was, on page 2, in line 3, after the word "disease", to insert "and such other unavoidable causes as may be determined by the Board."

The amendment was agreed to.

The next amendment was, on the same page, in line 11, after the word "just", to strike out *"Provided, however,* That such insurance coverage shall not exceed the investment in the crop based on the cost, as determined by the Board, of preparing the land, of labor, seed, planting, cultivation, disease or insect control, harvesting, ginning, hauling to market, fertilizer, irrigation, use of the land, and other applicable costs as determined by the Board."

The amendment was agreed to.

The next amendment was, on page 3, in line 10, after the word "beets", to insert "sugarcane."

Mr. RUSSELL. Mr. President, I desire to move an amendment to the committee amendment, which relates only to the commodities with which the Board may experiment, by inserting after the word "sugarcane" the words "timber and forests."

Mr. THOMAS of Oklahoma. Mr. President, the bill sets forth a number of crops which may be covered by the measure. An opinion from the Solicitor of the Agricultural Department indicates that any commodity grown on the farm could be included in the bill if the Department so decides. So I have no objection to the amendment of the Senator from Georgia.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs to agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 3, in line 16, after the word "causes", to strike out "specified" and insert "covered."

The amendment was agreed to.

The next amendment was, on the same page, in line 17, after the word "subsection", to insert *"Provided,* That such insurance shall be limited in 1945 to corn and tobacco and to not more than three additional crops for each year thereafter."

The amendment was agreed to.

Mr. REVERCOMB. Mr. President, I inquire with respect to the committee amendment which has just been agreed to, reading as follows:

Provided, That such insurance shall be limited in 1945 to corn and tobacco and to not more than three additional crops for each year thereafter.

Am I to understand that the Board may select from those enumerated in the second section the crops upon which insurance may be written?

Mr. THOMAS of Oklahoma. The bill provides that for the coming year 1945 and thereafter a program covering wheat, cotton, and flax may be inaugurated throughout the entire United States. The bill provides that for 1945 the Board may experiment with only corn and tobacco. Those crops will be experimental in 1945.

Mr. REVERCOMB. What does the Senator mean by "experimental"?

Mr. THOMAS of Oklahoma. Under the bill the Board would have the right to select 20 counties throughout the United States in which to make experiments. The Board could experiment and ascertain the results.

Mr. REVERCOMB. The experiment would be to ascertain whether or not insurance may be written on the crops which had been experimented with. Is that the idea?

Mr. THOMAS of Oklahoma. The experiments will be conducted in a small way. If the experiments prove to be a success in 1945, a full program may then be put into effect. But experiments must be conducted for 1 year in order to be sure that statistics are made available on which a decision may be based as to whether corn, tobacco, or both may be made the basis of the program.

Mr. RUSSELL. Mr. President, I may say that the provision in the bill does not confer upon the Board the right to insure corn and tobacco generally throughout the United States. It could not insure a corn crop unless Congress amended the law. The present amendment would apply only to 20 counties in which the Board may experiment and determine what are the fair rates to be charged so as to avoid losses. But in no event could any crop be included in the over-all program unless Congress, by subsequent specific legislation, authorized the Board to insure that crop.

Mr. REVERCOMB. Mr. President, I thank the Senator from Georgia, and I also thank the Senator from Oklahoma. I believe the Senator from Georgia has really answered the question which I propounded. The language states that the Board cannot experiment with any additional crop in 1945. That is, they are limited in 1945 to corn and tobacco, and to not more than three additional crops for each year thereafter. May the Board select the crops with which they experiment?

Mr. THOMAS of Oklahoma. The bill so provides.

Mr. REVERCOMB. But there could be no Nation-wide insurance of any of those crops without specific action by Congress having first been taken.

Mr. THOMAS of Oklahoma. The Senator is correct, except as to the first three crops, mentioned on page 1, namely, wheat, cotton, and flax.

Mr. LUCAS. In other words, 20 counties could be selected in which to make experiments, say in Illinois and Iowa, and if the Board made a favorable report as to the result of their experiments with respect to any of the crops to which reference has been made, it would be necessary for the Board to report to Congress and then Congress could take further action.

Mr. THOMAS of Oklahoma. That is correct.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 3, in line 21, after the word "paragraph", to strike out "shall be limited to producers in not to exceed 20 representative counties selected by the Board for a period of not more than 3 years, and shall be subject to the limitations and conditions provided in paragraph (1) of this subsection: *Provided, however,* That such insurance coverage may be the same as the insurance coverage provided in paragraph (1) of this subsection or may cover a percentage not in excess of 75 percent of the investment in the crop, determined in accordance with the provisions of paragraph (1) of this subsection," and insert "shall be subject to the limitations and conditions provided in paragraph (1) of this subsection, shall be for a period of not more than 3 years, and shall be limited to producers in not to exceed 20 counties selected by the Board as representative of the several areas where the agricultural commodity is normally produced: *Provided, however,* That such insurance may cover a percentage not in excess of 75 percent of the investment in the crop, as determined by the Board."

The amendment was agreed to.

The next amendment was, on page 4, in line 14, after the word "report", to insert "annually."

The amendment was agreed to.

The next amendment was, on the same page, in line 23, after the word "establish", to strike out "within a period of 3 years" and insert "as expeditiously as possible."

The amendment was agreed to.

The next amendment was, on page 5, in line 2, after the word "determine", to strike out *"Provided,* That, after the crop year of 1945, not more than a sum equivalent to 25 percent of the premiums collected in the preceding year (beginning calculation of premiums collected in the crop year of 1945) shall be used for administrative expenses in any current operating year."

The amendment was agreed to.

The next amendment was, on page 5, in line 12, after the word "Board", to strike out *"Provided, however,* That if the total amount of approved claims for losses on any agricultural commodity for any year exceeds the total amount of premiums collected plus the accumulated premium reserves of the Corporation with respect to such commodity, such claims shall be paid on a pro rata reduced basis, but for the first 3 crop years with respect to which insurance has been in effect on any crop after the enactment of this act the payment shall not be reduced by more than 15 percent of the amount of the approved claim."

The amendment was agreed to.

The next amendment was, on page 6, after line 10, to strike out:

SEC. 4. That subsection (e) of section 508 of the Federal Crop Insurance Act, as amended, is hereby repealed.

The amendment was agreed to.

The next amendment was, on the same page, in line 13, after "Sec.", to strike out the numeral "5" and insert "4."

The amendment was agreed to.

The next amendment was, on the same page, in line 17, after the word "beets", to insert "sugarcane."

Mr. RUSSELL. Mr. President, in order to make the language here conform to the language in subparagraph (2) on page 3, I offer an amendment to the committee amendment, after the word "sugarcane", to insert "timber and forests."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment of the committee was, on page 6, after line 22, to insert:

SEC. 5. Notwithstanding the provisions of the item entitled "Conservation and use of agricultural land resources", contained in the Department of Agricultural Appropriation Act, 1945, there is hereby authorized to be appropriated to the War Food Administrator an additional amount not exceeding $20,000,000 for making payments, subject to the applicable provisions of the Soil Conservation and Domestic Allotment Act, as amended, to producers to encourage an increased production of flax for the crop year 1945 and the Administrator is authorized to make commitments to the producers of such commodity accordingly in advance of the appropriation of the funds herein authorized.

The amendment was agreed to.

Mr. BUSHFIELD. Mr. President, I should like to ask the Senator in charge of the bill for a little further explanation concerning the flax program.

According to the provisions of the bill, it is the intent of the Congress, or was the intent at the time the law was first enacted, that the Board shall establish certain rates of premium which will eventually pay out. The only objection I ever had to this form of insurance was that we were facing a yearly loss because we had not established a premium sufficiently large to take care of the loss. I contended before the Committee on Agriculture and Forestry that the premiums should be large enough to make the program of insurance a self-sustaining one. Every Senator will agree that if a thing is self-sustaining it must be all right. I do not believe there would be an objector in the country to the program if it were self-sustaining. It is only when we run into a deficit of several million dollars over a period of a few years that everyone objects to the program, and I have no doubt that it was because of the loss sustained that the Appropriations Committee last year refused to appropriate further funds for the crop-insurance program.

I should like to have the Senator in charge of the bill explain the flax program. I was not present when the subject was finally passed upon. It is proposed to appropriate, or authorize $20,000,000 as incentive payments for the flax program, but the bill does not provide how the money shall be distributed or paid. Will the Senator kindly explain?

Mr. THOMAS of Oklahoma. Mr. President, the hearing disclosed the following facts, as I understood them: At the present time we are producing only a percentage of the flax necessary to serve the economic needs of the country. It was testified that when the war is over there will be a very heavy demand for paint. The people of the country, in the cities, and on the farms, have not used very much paint because, first, they could not get it; and, second, if they had it they could not use it because they did not have the labor with which to spread the paint. So, it is thought that when the war is over there will be a heavy demand for paint in the cities and the country to improve houses and buildings. In order to obtain paint it is necessary to have linseed oil; to obtain linseed oil it is necessary to have flaxseed, and to get the flaxseed the flax must be grown. The hearings disclosed that there is no satisfactory substitute for linseed oil, and, if that be true, as I believe it to be, we must have the linseed oil in order to make the paint which will be needed when the war is over. In order to obtain the necessary linseed oil we must encourage and promote the production of flax so that the seed may be available. I think the record shows that there will be needed approximately 60,000,000 bushels of flaxseed to make the linseed oil which will probably be required. In order to produce 60,000,000 bushels of flaxseed, about 6,000,000 acres of land will have to be planted to flax. The record shows that only about 3,000,000 acres of land are now contemplated to be planted to flax. That leaves 3,000,000 acres of land which will not be planted to flax, because it is more profitable in the flax-growing sections to raise corn, wheat, and other crops than it is to raise flax at present prices, although the present price is about $3 a bushel.

Mr. BUSHFIELD. Mr. President, as I understand the record of flax acreage at the present time indicates a reduction of about 50 percent from 1943 to 1944. Am I correct in that?

Mr. THOMAS of Oklahoma. That is what the record shows.

In order to get the necessary flaxseed the Department recommends that funds be provided to make incentive payments in some form which will cause the flax to be produced. Incentive payments may be placed on the land on an acreage basis or they might be placed on the production on a bushel basis. That is a matter left to the discretion of the Board, which means to the discretion of the Agriculture Department.

The bill authorizes an appropriation of $20,000,000, and, if the Appropriations Committee sees fit to appropriate that sum or any part of it, then the money will be made available to the Agriculture Department, to be used in the most effective manner to inspire the production of the additional flax which is deemed necessary.

Mr. REED. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Kansas.

Mr. REED. As a matter of fact, as the Senator from Oklahoma is well aware, this flax program is not really a part of the crop-insurance program which we are trying to reinstate. It is a separate thing, included in this bill because it was a convenient place to put it.

I come from the fifth flax-producing State of the country; North Dakota, Montana, South Dakota, Minnesota, and Kansas, I think, are in that order in the production of flax. In order to get flax it is necessary to have it planted. As the Senator from South Dakota suggested a moment ago the figures on acreage show a decrease of 50 percent. I am not a member of the committee, but, as I understand the program, this money is to be placed in the hands of the Department of Agriculture or the War Food Administration and is to be used in a program of inducing the planting of flax, which is the first step necessary to produce a crop.

Mr. THOMAS of Oklahoma. The Senator is correct. The War Food Administrator is very strongly supporting this program.

Mr. SHIPSTEAD. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. May I call the attention of the Senate to the fact that it is not only for paint that an unusual amount of linseed oil is needed but it is needed also in the war effort. I notice the bill contemplates 5,000,000 acres being planted to flax. The average crop of flax for the United States is about 8 bushels to an acre; 10 bushels is an unusual crop. If an average crop is produced, 5,000,000 acres would make 40,000,000 bushels. I am told by persons whose business it is to buy flax and turn it into linseed oil that the demand will amount to at least 60,000,000 bushels,

and they claim that at least 6,000,000 acres will have to be put into flax.

We must remember that flax is a very risky crop. It is subject to more diseases and more hazards than any other crop of which I know. At present prices there is no incentive for farmers to take the risk of planting a crop of flax. They must buy the seed at $4 a bushel, which is what the seed houses charge, and it takes three-quarters of a bushel of seed to an acre to put the crop into the ground.

I notice that $20,000,000 is proposed to be appropriated by the bill to plant 5,000,000 acres. In order to obtain 60,000,000 bushels, it will require at least 6,000,000 acres to be planted to flax. I suggest an amendment to increase the $20,000,000 to $30,000,000, and let it go to the Appropriations Committee. That committee can then make further investigation with the Department of Agriculture and call in representatives of the paint industry and of the crushers who make a business of estimating how much is needed. If that be done, out of the $30,000,000 proposed by my amendment whatever funds may be needed can be provided. Less can be expended if the full amount is not required, but certainly there should be a more careful investigation of the requirements and needs than, so far as I know, has been made by the Committee on Agriculture and Forestry.

I do not believe, on the basis of the information I have, that we can obtain the requisite production unless at least from four to four dollars and a half a bushel is offered for flax. I think an incentive price would do more than insurance or the payment of $5 an acre for the planting of flax. The cost of planting an acre of flax would be about covered by the $5, and then the farmer would take the risk of getting all the way from 5 bushels an acre to the highest possible, which is 10 bushels an acre. He can put in some other crops such as corn and soybeans and make much more money than he can by raising flax. Unless a special inducement is made, we will have to appeal to the farmers' patriotism and charity in order to get them to take the risk of increasing the normal supply of flax. I suggest that the amendment I have proposed be adopted and that the Senator in charge of the bill take it to the Appropriations Committee for the purpose of making a further examination into the needs.

The PRESIDING OFFICER. For the information of the Senator from Minnesota, the Chair will advise that the Senate has already adopted section 5, which is an amendment. Is there objection to a reconsideration of the vote by which section 5 was adopted?

Mr. THOMAS of Oklahoma. I have no objection.

The PRESIDING OFFICER. The Chair hears no objection, and the vote is reconsidered.

Will the Senator from Minnesota restate his amendment?

Mr. SHIPSTEAD. On page 7, line 4, I move to strike out "$20,000,000" and to insert "$30,000,000" in lieu thereof.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD] to the committee amendment.

Mr. WHEELER. I sincerely hope the amendment will be agreed to. As has already been said, Montana is the second largest flax producing State in the Union. What the Senator from Minnesota [Mr. SHIPSTEAD] has said about the production of flax is absolutely correct. Flax is produced in the northern part of Montana, to a large extent, when it is produced in the State at all, but because the farmers under present prices can make more money producing wheat than they can producing flax, they put their land into wheat and make the added revenue.

The farmers are not asking for an increase in the price of flax; the Government of the United States is asking that an increased amount of flax be grown, and the question is how we are to bring about increased flax production so as to meet the war needs of the Government. There is only one way, and in the Committee on Agriculture and Forestry, of which I am a member, I suggested that way would be to increase the price of flax to somewhere around $4 or $4.50 a bushel, as has been suggested today.

As the bill was reported to the Senate the figure was fixed at $20,000,000. On the morning when we went into the committee to consider the bill, I had just received some letters stating that $20,000,000 was not a sufficiently large appropriation to insure the production of an increased amount of flax, and I suggested that the figure be made $30,000,000. Since that time I have received numerous letters, from processors and others, including farm organizations, in which I am informed that there will not be a chance in the world for the Government to get an increase in flax production unless the amount of money the Government will pay can be increased.

It is merely a question of how much the Government needs the increased amount of linseed oil. As has been said by the chairman of the Committee on Agriculture and Forestry, there is no good substitute for linseed oil, and the Government needs the linseed oil for paint; and paint is absolutely necessary for use in the war effort, for ships, and in other ways. So, I hope the suggestion of the Senator from Minnesota, that the authorization be made $30,000,000 instead of $20,000,000, will be agreed to. Then, when the matter comes before the Committee on Appropriations, I think they should call in some of those interested besides the Government officials, and have a more thorough investigation, and if they find that $30,000,000 is too much, they can at that time reduce the amount. But certainly the authorization should go through for $30,000,000.

Mr. BUTLER. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BUTLER. I should like to ask the chairman of the Committee on Agriculture, in charge of the bill, whether in his remarks he is indicating that the Department of Agriculture may want to use the $30,000,000, which, I think, will be appropriated, as incentive payments to those who raise flax? Should we not rather advise the Department of Agriculture that they follow the same program they have now with reference to corn and wheat; in other words, as the Senator from Montana has just suggested, provide what amounts to a guaranteed price, by having a Government minimum or Government loan on flax instead of complicating the matter by going through the old method of paying an incentive price on the acres planted, and so forth?

I hope the chairman of the committee may make such a recommendation, in the interest of simplicity, leaving it to the farmers of the country whether they wish to plant flax, wheat, or corn. If we leave it in that way, and later provided for a minimum price which will approximate the income on corn and wheat, I am satisfied there will be obtained a greater production of flax than by going through the complicated process of incentive payments.

Mr. THOMAS of Oklahoma. Mr. President, the Department of Agriculture came before the committee, through its representatives, and urged strongly that a program be placed in effect to promote the production of flax. So this is a part of that program. The authorization is for an appropriation for only the year 1945. Whatever amount is authorized, the authorization will expire at the end of the year 1945.

Mr. SHIPSTEAD. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SHIPSTEAD. I agree entirely with the views expressed by the Senator from Nebraska, and I so stated to the Committee on Agriculture and Forestry. If the Department of Agriculture, after careful investigation, should determine the needs and the number of acres which should be planted, and should then set the price of flax at $4.50 a bushel—which I am told by the crushers it should be; and I think it would take $4.50 a bushel to bring about the required production—I believe we would do away with all the red tape, and the farmers would know definitely at the moment the program was announced what they would get for a bushel of flax, without any complication about so much an acre.

Let the farmer make up his mind how much flax he wants to plant. If he is guaranteed a price, he will determine that. Of course, the Committee on Agriculture and Forestry did not take that view, and they may be correct. They acted on the recommendation of the Department of Agriculture. But I think the idea suggested by the Senator from Nebraska is worthy of further consideration by the Department of Agriculture.

Those in the industry whom I have consulted, those who make oil from flax, who know the business, who know the producers, who know the methods of production, and know where the areas of production are, tell me that they think a fixed price, if it is put at a reasonably high level, will do more to induce the farmer to produce flax than will any other program which can be arranged and at the same time will obviate a great deal of red tape.

Mr. BUTLER. Will the Senator from Oklahoma yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. BUTLER. What is the parity price on flax?

Mr. THOMAS of Oklahoma. I do not have the figure, but I can get it and put it into the RECORD.

Mr. SHIPSTEAD. Does the Senator from Nebraska mean the price now?

Mr. BUTLER. Yes.

Mr. SHIPSTEAD. I am told that the seed companies charge $4 a bushel for seed. What the price is in the market I do not know.

Mr. THOMAS of Oklahoma. The Bureau of Agricultural Economics of the Department of Agriculture, in a report made public of date November 29, 1944, stated the parity or comparable price of flaxseed to be $2.89 per bushel.

Mr. BUTLER. I am quite serious in wishing to avoid the complications which go along with incentive payments, and I think we will accomplish a much better result if we can arrive at a decision, while the pending bill is under consideration, that the Department of Agriculture should follow approximately the program they now follow with reference to all other crops, having a minimum price.

Mr. WHEELER. I made the suggestion in the Committee on Agriculture that I thought the production of flax would be increased if a guaranteed price were fixed, because if there is to be a lot of red tape involved, the farmers will not be interested in producing flax. As I have said, the farmers are not asking for a price. Some persons entertain the idea that the farmers are here asking for an increased price on flax. That is not true. It is the Government itself which wants flax, and the farmers will not produce it unless they can make as much money by producing flax as by producing corn or some other crop. If the Government desires to have the production of flax increased, it will have to guarantee a price to the farmers, instead of undertaking by subtle processes to reach a result which in my judgment cannot be nearly so successful as if we say to the farmers, "Here is what we are going to give you for flax." Then the farmer will know what he is to get, and he will not only try to put more acres into flax, but he will try to produce more on the acres he has under cultivation.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BUSHFIELD. I wish to reiterate what the distinguished Senator from Montana has said. This is not a farmer's program at all. The Government wants linseed oil. The reason why the acreage of flax of the country dropped 50 percent over a 1-year period was that the producers of grain could make more money by raising other crops than flax. So, in order to obtain linseed oil, which is not only necessary to civilian but to war use, some method has to be followed whereby the producer can see in dollars and cents, as the Senator from Montana has said, how much it is going to mean to him if he changes his farming program for the coming year. I do not believe anyone objects to the suggestion that even in this bill, if the appropriate language can be selected, the exact price which will be given to the flax producers be fixed. The point, however, which the Senate must remember in passing upon this question is that it is the Government which wants the linseed oil, and it is the Government which wants the increased production.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. I speak from the experience we have had in North Dakota. In 1943 more than 10,000,000 bushels of flax were raised in North Dakota, and in 1944, roughly, about half that amount, or 5,000,000 bushels. Now the average farmer would much rather produce wheat, corn, barley, or oats, because he does not run so great a risk in producing those crops as he does in producing flax.

In my State, and I think it is true of South Dakota, and I know it is true of Montana, the farmer who produces flax does so at much greater risk than he takes in producing almost any other kind of crop. In the first place, after he has put in the seed, a late frost may come and wipe out the entire crop. If the frost comes at a particular time the crop is entirely ruined, and a crop cannot be obtained, even though the field be reseeded, because it is too late. In addition to that, there are many kinds of flax which are not wilt-proof. Prof. H. L. Bolley, of the Agricultural College of North Dakota, developed a wilt-proof flax, which was used all over the country, but that strain has almost worn out. We have been receiving flax seed from Argentina and Canada, some even from Russia, which has been used, but every time we bring in such seed a new risk for the farmer arises. He cannot tell whether it will do well or not.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. SHIPSTEAD. As a matter of fact, the United States has never raised enough flax for its own requirements. We have to import millions of bushels from Argentina. Transportation during the war has been and will continue to be very uncertain. Many people cannot understand why there should now be the urge for increased flax production. The need for increased production rises not only because of war demands but because of shortage due to lack of imports of flax.

Mr. LANGER. Then there is the further point, Mr. President, that after the flax is cut, after it is left to lie in windrows it is much more apt to spoil than would wheat which is put up in shocks. Flax molds, and if flax freezes a little bit it turns black, and then promptly the elevators, when they buy it, dock it very much, sometimes almost as much as half, because it is not of the right color, even though it produces approximately the same amount of oil. That is why the average farmer does not care to raise flax if he can possibly raise some other kind of crop.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as this section limits the authorization to the crop year of 1945, and further that a showing will have to be made to the Committee on Appropriations in connection with the bill which comes under the jurisdiction of the Senator from Georgia [Mr. RUSSELL] I have no objection to the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. LA FOLLETTE subsequently said: Mr. President, in connection with the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD] to increase the amount to $30,000,000, which I favor, I have sent to my office for three telegrams, which I now have before me, from constituents in Wisconsin, urging this action. I ask unanimous consent that the telegrams be printed in the RECORD following the action of the Senate in adopting the amendment.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS., *December 11, 1944.*

Senator ROBERT M. LA FOLLETTE,
Senate Office Building,
Washington, D. C.:

Because the flax-seed crop in the United States dropped from 52,000,000 bushels in 1943 to 25,000,000 bushels in 1944 the paint industry, which consumes from 50 to 70 percent, faces a severe shortage. Little or no seed is available from Argentina as in the past, due to State Department restrictions on American shipping. Something must be done to induce the American farmer to plant more flax. We suggest raising the incentive to the farmer from $20,000,000 to $35,000,000 to encourage additional acreage. Paint is needed in war, lend-lease, and for the protection of $250,000,000,000 of the Nation's taxable wealth. Your cooperation in this matter will be greatly appreciated.

T. C. ESSER CO.,
A. W. ESSER.

MILWAUKEE, WIS., *December 11, 1944.*

ROBERT M. LA FOLLETTE,
United States Senator,
Washington, D. C.:

As paint manufacturers, we urgently solicit your efforts in behalf of supporting an adequate incentive to farmer flax growers, so that we may obtain our vitally needed linseed oil, and to consider stopping the further exportation of this oil for lend-lease. Flax is not a Wisconsin crop, yet linseed oil is vital to Wisconsin.

PATEK BROS., INC.

PITTSBURGH, PA., *December 11, 1944.*

The Honorable ROBERT M. LA FOLLETTE, Jr.,
United States Senate,
Washington, D. C.:

As paint manufacturers, we are much concerned about the future supplies of linseed oil. Farmers seem lacking in interest. Agricultural Department work is not very effective. We urge you support any reasonable measure that will encourage planting of at least 6,000,000 acres of flax.

PITTSBURGH PLATE GLASS CO.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 7, after line 10, to insert the following:

SEC. 6. For the administration of the Federal Crop Insurance Act, as amended, including amendments made by this act, there is hereby made immediately available for the remainder of the fiscal year ending June 30, 1945, as an additional amount, not in excess of $3,000,000 of the unobligated balances of the funds appropriated for carrying out the provisions of the Federal Crop Insurance Act for the fiscal years 1943 and 1944, and such amount thereof as may be required shall be available for deposit to the general fund of the Treasury for the cost of penalty mail incident to the crop-insurance program as required by section 2 of the act of June 28, 1944 (Public Law 364, 78th Cong.). The provisos in the items entitled "Federal Crop Insurance Act" contained in the Department of Agriculture Appropriation Act, 1944, and the Department of Agriculture Appropriation Act, 1945, are hereby repealed.

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the committee amendments.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2874) for the relief of Robert Will Starks.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1963) for the relief of G. H. Garner; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KEOGH, Mr. ABERNETHY, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MANSFIELD of Texas, Mr. PETERSON of Georgia, Mr. BELL, Mr. CARTER, and Mr. DONDERO were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1688. An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes; and

S. 2205. An act to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets.

CROP INSURANCE

The Senate resumed the consideration of the bill (H. R. 4911) to amend the Federal Crop Insurance Act.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MAYBANK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. —. The first sentence of the twelfth paragraph of section 19 of the Federal Reserve Act, as amended (relating to the payment of interest by member banks on demand deposits), is amended by inserting before the period at the end thereof a colon and the following: *"Provided further*, That this paragraph shall not be deemed to prohibit the absorption of exchange or collection charges by member banks."

Mr. MAYBANK. Mr. President, I rise to urge the adoption of my amendment, which is identical in language with House bill 3956, already passed by the House. As Senators all know, I have been enthusiastic in my support of the program to aid small business. Many of us have done all we could to help small business, and here is an opportunity for us to render assistance to the small banks of the United States. The adoption of my amendment will mean a great deal to all our small banks, and particularly those in the rural areas.

For years these small banks have been charging a modest fee for remitting funds to distant centers. The general public was more or less unaware of these charges as they were typically absorbed by correspondent banks. This time-honored practice was upset last year by one of the most bureaucratic rulings which has ever come to my attention. The Board of Governors of the Federal Reserve System has attempted to outlaw absorption of exchange under the guise of an interest rate regulation.

On August 23, 1943, the Board issued an opinion that in a particular case the absorption of exchange charges by a designated bank was a payment of interest on demand deposits and was therefore a "violation of section 19 of the Federal Reserve Act and of the Board's regulation Q." Although this opinion was published in the September issue of the Federal Reserve Bulletin as an opinion in a particular case, the Federal Reserve banks began a vigorous campaign of enforcement which as a practical matter made this a general ruling in spite of the fact that the Board continued to maintain that this was a ruling in a particular case.

This interpretation is serious since the effect of the ruling is to require that exchange charges be passed back to the customers of a bank which puts the bank in an extremely difficult position. The banks do not wish to incur the ill will of their customers, but they need the income badly. The small banks of the country, that is those having less than $1,000,000 of deposits, have not shared in the general increase in bank earnings, and if exchange is lost to them, they must search for other sources of income or go out of business. In many cases there will be a tendency to impose heavier service charges on demand deposits if the regulation remains unchanged.

The small banks of the country immediately sensed that the new interpretation of regulation Q was an attempt to force universal par clearance in direct violation of the expressed will of Congress. Representative PAUL BROWN, of Georgia, and I introduced identical bills in the House and Senate respectively in January 1944.

These bills merely provide that the law as it stands would not be deemed to prohibit the absorption of exchange or collection charges by member banks. Extensive hearings were held on the subject of the absorption of exchange charges before the Committee on Banking and Currency of the House of Representatives on 19 different days between December 10, 1943, and February 9, 1944. On March 2, 1944, the Brown bill was passed by the House, and on March 3 came before the Senate and was referred to the Committee on Banking and Currency.

The opinion that absorption of exchange charges is a payment of interest is not only unreasonable but is a complete distortion of the law. It is unreasonable because if the absorption of exchange charges is a payment of interest, then every absorption of expense in connection with a demand deposit is likewise an interest payment. Yet one of the major characteristics of the banking system today is the absorption of expense in connection with demand-deposit accounts. Every such account causes expense to the bank concerned, but the banks do not charge that expense to the depositor if the account is sufficiently large. The banks are willing to absorb the expense as a reward for the account. If a bank refused to absorb expense in connection with an account which was worth the expense to the bank, some other bank would be willing to do so and the account would be transferred to the second bank. Thus the first bank must compete for the account by absorbing the expense. This competition is a good thing. It would be an injustice to the public for the banks not to absorb such expense to the extent that the accounts are valuable to them. Any other practice would produce a monopoly profit to the banks.

So far as I know no one is proposing generally to prohibit the banks from absorbing expenses connected with demand-deposit accounts. So far as I know no one is proposing to rule that unless a bank makes a service charge to cover any and all expenses incident to a demand-deposit account, no matter how large that account may be, it will be considered to be paying interest on a demand deposit. Thus the Board of Governors of the Federal Reserve System has chosen to rule that the absorption of one particular kind of expense is a payment of interest, but absorption of other expense is not a payment of interest. The law under which this ruling is made does not warrant this construction. Either no expense may be absorbed or any expense may be absorbed without violation of the law. This discriminatory ruling will therefore have the effect of improving the income of the large banks at the expense of the small country banks. An arbitrary and inconsistent ruling such as this should not be permitted to strike at the small banks, one of the most vital parts of the small-scale democratic element of our economic system.

A ruling discriminatory between various kinds of expense absorbed in connection with demand deposits involves gross inequities. Under such a situation the banks may compete for the deposits

of the great corporations of the country. They may absorb expense without limit as a reward for the deposits of great corporations. The bank which gives the best service, that is, absorbs the most expense, will get the deposit and the great depositors will profit. But the ruling of the Board of Governors provides that one type of expense, namely, the absorption of exchange, is illegal. The singling out of this one charge, and passing it back through the many channels through which the check has passed makes it such a nuisance that it effectively prevents the banks from imposing such a charge. This in effect forces par clearance.

If the Congress feels that par clearance should be forced upon the banks of the country—for a hundred years it has repeatedly refused to take such a step—then it should do so explicitly. I am confident that in passing the Banking Acts of 1933 and 1935 it had no such intention. The will of Congress should not be thwarted by an administrative ruling which without rhyme or reason judges absorption of one bit of expense to be payment of interest while judging absorption of other expenses not to be payment of interest.

In conclusion, I urge that this amendment be adopted, and that this arbitrary, unfair, and unanticipated opinion of the Board of Governors of the Federal Reserve System, which hit the small banks like a bombshell, be nullified. The nonpar banks and the small banks came before Congress as soon as possible, but the pressure of the great problems before Congress has delayed action for more than a year. If this Congress goes out of existence without having corrected the injustices which have been perpetrated, it may be too late ever to correct this great mistake. If this amendment dies, we may expect another wave of arbitrary bureaucratic harassment of the small banks, and thereby of other small businesses, from which they may never recover.

Mr. THOMAS of Oklahoma and Mr. BUTLER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield, and, if so, to whom?

Mr. MAYBANK. I yield first to the Senator in charge of the bill for a question.

Mr. THOMAS of Oklahoma. Mr. President, I should like to be recognized to make a statement.

The PRESIDING OFFICER. Does the Senator yield to the Senator from Oklahoma for that purpose?

Mr. MAYBANK. Provided I do not lose the floor.

Mr. THOMAS of Oklahoma. Mr. President, I thank the Senator from South Carolina. This amendment embodies the text of a bill which is now pending before a committee of the Senate. The Committee on Agriculture and Forestry has no jurisdiction over the subject matter. The bill mentioned is now under consideration by the Committee on Banking and Currency, and I am advised that that committee has been holding hearings and is now holding hearings on the bill. Inasmuch as the amendment was not presented to the Committee on Agriculture and Forestry, and inasmuch as my committee has no jurisdiction over the subject matter, and because the amendment is very controversial, of course, as the Senator in charge of the bill, I have no authority to accept the amendment.

In addition to the fact that I am unable to accept the amendment, let me say that the bankers of my State are, as a rule against the proposal. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a number of telegrams from bankers in Oklahoma who have expressed themselves in opposition to the amendment.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

OKLAHOMA CITY, OKLA., *December 12, 1944.*
Senator ELMER THOMAS,
Senate Office Building:
We oppose amending provisions of Maybank bill to Federal crop-insurance bill.
D. W. HOGAN, Jr.,
Vice President, City National Bank & Trust Co.

HENRYETTA, OKLA., *December 12, 1944.*
Senator ELMER THOMAS,
Senate Office Building:
Oklahoma bankers definitely opposed to Maybank bill and want hearing on bill. Your votes to defeat bill will be appreciated.
R. B. PATTON,
Vice President, American Exchange Bank, Henryetta, Okla.

CLEO SPRINGS, OKLA., *December 12, 1944.*
Hon. ELMER THOMAS,
United States Senate Chamber, Washington, D. C.:
We oppose Maybank bill as amendment to any bill. Hearing should be held on Maybank bill.
CLEO STATE BANK,
R. W. WEAVER, *Cashier.*

OKLAHOMA CITY, OKLA.,
December 11, 1944.
Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:
We oppose any effort to ride the Maybank bill through as an amendment to H. R. 4911. Please ask for hearings on Maybank bill so dangers involved can be pointed out.
FRANK A. SEWELL,
President, Liberty National Bank.

TULSA, OKLA., *December 9, 1944.*
Senator ELMER THOMAS,
Senate Office Building:
Retailers opposed to Maybank bill (S. 1642) which would encourage increased charge for clearing checks. Please vote against it.
J. C. RAYSON,
Secretary, Tulsa Retail Merchants' Association.

Mr. VANDENBERG. Mr. President, with great respect for the able Senator from South Carolina [Mr. MAYBANK] and the earnestness with which he presents this amendment, I am bound to say, as plainly as I know how, that in my opinion it would authorize and condone by law a resumption of bad banking practice, which had a great deal to do with the banking disaster of a decade ago. I believe that Senators who are charged with the responsibility of this decision should inquire very carefully into the consequences of the adoption of this amendment before they give it the slightest hospitality whatever.

Mr. BUCK. Mr. President, will the Senator from Michigan yield to me for a brief statement?

Mr. VANDENBERG. I yield.

Mr. BUCK. Mr. President, I sincerely hope that the amendment offered by the distinguished senior Senator from South Carolina [Mr. MAYBANK] will not be concurred in. It covers an extremely controversial subject, and so far as I know it has no bearing on the bill to which it has been offered as an amendment.

As a member of the Committee on Banking and Currency, I should like to say that at this time hearings are being held on the bill which is the subject of the amendment of the Senator from South Carolina. The next hearing is scheduled to be held at 2 o'clock this afternoon. It seems to me that the amendment should be laid on the table until the Committee on Banking and Currency has had an opportunity to act upon the bill. I hope that may be done.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. VANDENBERG. I yield.

Mr. SHIPSTEAD. I feel that it is my duty to join in the opinion which has been expressed by the Senator from Michigan, the Senator from Oklahoma, the Senator from Delaware, and other Senators, namely, that for the present the amendment of the Senator from South Carolina should not be agreed to. Suggestion was made that we await the report of the Committee on Banking and Currency, which is examining the bill which is the subject of the amendment, in order that we may have the benefit of the hearings and the committee's views of this problem.

The subject of the measure is, of course, of widespread interest. I wish to say that I believe the amendment should not be agreed to at this time. I make that statement with all due respect for the senior Senator from South Carolina [Mr. MAYBANK], for whom I have a very high regard.

Mr. VANDENBERG. Mr. President—

Mr. MAYBANK. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I should like to present my view on this matter, Mr. President. But the able senior Senator from South Carolina, who is the author of the measure, certainly is entitled to reply to what has been said, I suppose.

Mr. MAYBANK. Mr. President, I merely wish to say a word with respect to the statement that hearings are now being held. Of course, that statement is correct. But I wish to call attention to the fact that in January 1944, I rose on the floor of the Senate and said that I wished to have action taken on the bill, but that I was told that hearings would be held on it. My distinguished friend the Senator from Delaware [Mr. BUCK] will agree that on many occasions I brought up the bill in committee. The purpose of the bill is to determine whether 2,500 small banks in the United

States shall be able to continue in operation. I wish to call the attention of the Senate to the fact that on January 12, 1944, the bill which is the subject of the amendment was introduced in the Senate by me.

Mr. VANDENBERG. Mr. President, I can understand the feeling of the able senior Senator from South Carolina about the delay with which he is confronted in connection with his measure, and I entirely sympathize with him. I agree that hearings on the measure should have been held long ago and that long since the matter should have come to issue. But the fact that one mistake may have been made is no reason why we should multiply the mistake by 10,000, which would be the net result of the measure, in my judgment, in its impact upon sound banking up and down America, if the amendment were to be attached to the pending bill.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. HAWKES. I thank the Senator.

Mr. President, I agree with what the Senator from Michigan has said regarding the amendment and the question of considering and acting upon it at this time. I happen to be a member of the Committee on Banking and Currency. The committee is now holding hearings on the measure. If I had to vote at once, without awaiting completion of the hearings, I should have to vote against the amendment.

I wish to record here that the Bankers' Association of New Jersey without exception opposes the bill which is the subject of the amendment, and believes that it would be a backward step in the banking practices of the Nation.

I have a very deep feeling for my friend the senior Senator from South Carolina. I realize that he would like to have action taken on his measure. But I call his attention to the fact that his bill is not the only one which has been held up. There is one bill which has been before the House of Representatives and the Senate for 6 years. It has been passed twice by each body, and yet it is still awaiting action by the Senate. The people of the United States are interested in having it acted upon.

So, while I have deep sympathy with the Senator, I must say that, in justice to the Committee on Banking and Currency and in keeping with what I consider to be good practice in the enactment of legislation, I do not believe the amendment should be attached at this time to the pending crop-insurance bill.

Mr. VANDENBERG. Mr. President, I wish to state as concretely as possible the objection to this measure. If I may proceed at least briefly without interruption, perhaps my statements will be more consecutive, if nothing more.

In the first place, I wish to present an exhibit from the distinguished senior Senator from Virginia [Mr. GLASS]. He has not been present with us in person for some time; but so far as judgments respecting sound banking are concerned, his spirit will live with us as long as any of us are on earth.

The Senator from Virginia wrote to the Senator from New York [Mr. WAGNER] under date of February 1, 1944, as follows regarding the pending measure:

My attention has been called to S. 1642, introduced by Mr. MAYBANK, and a companion bill in the House, H. R. 3956. This proposed legislation, in my judgment, would entirely emasculate the statute prohibiting the payment of interest by banks on demand deposits, which, you will remember, I fought for and obtained in the Banking Act of 1933. Senator MAYBANK's bill would authorize member banks to pay interest by absorbing exchange charges made by a comparatively small group of banks which do not pay their checks at par. Member banks of the Federal Reserve System cannot even make these charges nor do the nonmember banks who participate in the par clearance system.

Then the Senator from Virginia said:

The bill is rankly discriminatory and lacking in frankness. Its enactment could have vicious and far-reaching effects upon the Federal Reserve System, both in the number of member banks and in the perpetuation of a par clearance system which has saved the Nation's industry, commerce, and agriculture millions upon millions of dollars. I am unalterably opposed to the bill.

Sincerely yours,

CARTER GLASS.

Mr. President, in my own humble opinion the statement made by the Senator from Virginia is not exaggerated. Following the banking tragedy of more than a decade ago, a serious effort was made on the responsibility of the Congress to correct some of the banking evils which were contributing factors to the debacle which overtook not only the banking system but the economic system of the country as a result of what happened in the early 1930's. One of the principal things done to correct the evils which had contributed to unsound banking was to amend the Federal Reserve Act by adopting section 19, which reads as follows:

No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand.

Mr. President, I repeat that in that single sentence a rule was established which met one of the major evils which had caused banking instability, that major evil being a competition between banks for business on the basis of an auction sale. I think there was no disagreement anywhere in America, in financial circles or in any other circles, with the view that Congress had taken a far step forward when it wrote this single mandatory sentence into the banking laws of the country, namely:

No member bank shall directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand.

Mr. President, I wish to submit that the pending amendment, no matter how worthy its incidental purpose may be, is an effort by indirection, as the senior Senator from Virginia has said, to emasculate this protection of the banking system of the country. When I speak of the banking system I am not speaking of the banks; I am speaking of the millions of depositors whose interest is the final stake.

Mr. President, I believe I can most briefly present the matter by largely confining myself to a very able, illuminating, and significant memorandum on the subject which was prepared by the banking and finance committee of the Detroit Board of Commerce. Referring to the amendment to the Federal Reserve Act, which I have twice quoted, the memorandum says:

This sound action was taken because it corrected one of the outstanding evils of the banking business.

Mr. President, I know something about the banking business. I have had intimate relationships with it myself. I know that one of the outstanding evils was the precise thing which was corrected, and the protection against it is now being sought to be destroyed.

I continue reading from the memorandum:

Payment of interest on demand deposits has created an unhealthy competition for deposits, and was one of the most important factors leading to the bank holiday.

Mr. President, we cannot blink that fact. There it stands.

The proposed legislation would make the amendment void by legalizing absorption of exchange. As an example, Mr. Zilch, of Fredonia, Ala., buys goods from John Smith & Co., of Chicago, to the extent of $1,000, giving John Smith & Co. his check for $1,000, drawn on the bank in his home town. John Smith & Co. deposits this check in its bank account in Chicago, which forwards it for collection to the bank in Fredonia, Ala., on which it was drawn. This local bank charges $2 for collecting a check drawn on it and remits $998 to the Chicago bank. The Chicago bank, however, gives John Smith & Co. credit for the full $1,000. The Chicago bank does this because John Smith & Co. carries a large balance with it, and the bank wants to keep this profitable connection.

This one sample transaction is, of course, multiplied by thousands because of the numbers of checks which John Smith & Co., and other concerns, receive from nonpar banks, and the Chicago bank absorbs many thousands of dollars per year in order to help it retain their business. In other words, out of its own pocket the bank would pay out money for its customers for the purpose of holding and using the customers' balances. Clearly this is a device to pay interest indirectly.

Mr. President, whatever we think should ultimately be done in respect to this situation, at least the naked fact cannot be disguised. This is a device to defeat the amendment written into the Federal reserve law to protect American depositors, as the result of an experience which led in part to the bank holiday.

I read further from the memorandum:

The progress in constructive banking legislation has been slow because of the pressure which has been exerted by minority groups.

That is the situation today. With great respect I repeat that this amendment is offered in behalf of a minority group, and I shall presently indicate to what an amazing extent it is a minority group.

Almost every gain made in the past 20 years has been the result of difficult and persistent efforts and it would indeed be a serious setback to these slowly won gains in conservative bank procedure should this bill become law.

I read further from the memorandum:

3. This legislation is fostered by a small group representing about 2 percent of the total deposit liability of the country.

Mr. President, let us stop there for a moment. Even though this new device may be of some localized importance in respect to 2 percent of the deposit liability of this country, I respectfully suggest that no matter now persuasively the cause of 2 percent of the banking in this country may be urged, it would be fantastic for us to sacrifice any share of the stability and solidarity of 98 percent of the banking on that account.

Again I revert to the memorandum:

The banks—

Referring to the 2 percent—

are located mostly in a few Southern States and they claim they cannot exist without having the absorption of exchange thus legalized. There are 6,700 member banks in the Federal Reserve System, which must clear at par.

That means they could not take advantage of any such device.

There are 6,700 member banks in the Federal Reserve System which must clear at par, and in addition there are 4,800 nonmember banks which do remit at par. It does not seem reasonable that some 2,500 small nonpar banks should be permitted to change a conservative, sound banking principle believed in by 11,500 banks controlling 98 percent of the deposits of the Nation.

Competition between the banks for business should be on a basis of soundness of the institutions, caliber of their managements, and quality of their services rendered, rather than on a basis of premiums offered, such as absorption of exchange.

Mr. President, I digress here to emphasize that point and to dwell very briefly upon it. Competition between banks should not be based upon the offering of premiums for business which, in net effect, is bidding for business which it in turn produces. As I said in the beginning of my remarks, it is an auction sale in respect to the stability of the American banking system. I revert to the memorandum:

4. Absorption of exchange, if legalized, could become so general that par banks, knowing they could charge exchange without fear of their customers' reaction, would be tempted to go off the par list. There would be a strong tendency for State member banks to withdraw from the Federal Reserve System—

I apprehend that that, among others, is one of the reasons why the Federal Reserve System is so deeply hostile to the pending proposal.

I continue reading from the memorandum:

There would be a strong tendency for State member banks to withdraw from the Federal Reserve System and for national banks to surrender their national charters and become State banks to obtain what has been described as "the easiest and most profitable nonrisk revenue which a bank can receive."

To what limits no-par banking would extend cannot be foreseen; however, it is certain that it would not remain static. The present system of par collection of checks was an outgrowth of a crying need for an efficient system as against an old organized, cumbersome catch-as-catch-can system with roundabout routing, delayed presentation, kiting, and pyramiding of balances.

I interrupt the reading again to say that every one of those vices was inherent in the old system and is inherent in the resurrection of any paraphrase of the old system such as we are here invited to make.

The use of normal par clearing channels has been adopted by 98 percent of the deposits of the whole country. There should be a continued development of the free flow of checks as a medium of exchange between banks without discount penalty or other impediments.

5. If there is any business in the land which should be above reproach, it is the business of banking with the high ethical relations which it must exemplify not by mere lip service or pretense but by actual practice. When a deviation from honest, straightforward procedure is made and is given the blessing of law by the Congress of the United States—

I interrupt to say that, in my judgment, that is the precise invitation which we now confront—

it immediately encourages the exploration of adjacent twilight zones.

If groups can point to the legalization of the absorption of exchange for the use of deposits as an indication that Congress intends to let down the bars.

Mr. President, let that sink in. This will be interpreted as a purpose of Congress to let down the bars against bad banking which we put up in our days of travail and trouble.

If groups can point to a legalization of the absorption of exchange for the use of deposits as an indication that Congress intends to let down the bars, it will soon be inferred that the bars are down in other directions. If the opportunity for this to happen is afforded, then in banking we are retrogressing.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Tennessee?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. I merely wish to ask for some information. Has not this custom prevailed for the last 10 or 15 years?

Mr. VANDENBERG. The custom prevailed very generally prior to the banking collapse and was one of the contributing factors to it.

Mr. McKELLAR. I am not so sure about that, but, as we know, it has prevailed since that time.

Mr. VANDENBERG. Let me complete my answer. The Federal Reserve Act was amended directly and specifically and categorically to prevent "by any device whatsoever the payment of any interest on any deposit which is payable on demand."

Mr. McKELLAR. I understand that.

Mr. VANDENBERG. Very well. What the Senator is saying is that a practice has grown up in 2 percent of the banking of this country, as a maximum—it cannot be more than that—which has found a way to circumvent in net result that provision of the law. So, if the Senator's question is, Is that prohibition being indirectly evaded? the answer is, Yes; in a very small and limited way. The present effort is to legalize that evasion in a small sector and license it in the complete sector.

Mr. McKELLAR. When was that act passed?

Mr. VANDENBERG. I think it was passed in 1933 or 1934.

Mr. McKELLAR. And ever since that time the practice of the large banks absorbing exchange has been in vogue. Have not those 10 or 12 years been the best years in the banking history of this country?

Mr. VANDENBERG. The Senator's question would indicate that he has not listened to one word I said to him when I answered his other question.

Mr. McKELLAR. I did not think that was an answer. I do not think the provision is a prohibition. But the Federal Reserve System has gone on for more than 10 years without any protest whatever against the custom that grew up and now at this late date when the banking business is on the best foundation it has ever been in the history of the country, so far as I know, the Board makes this ruling which will do away with the custom which it has permitted for more than 10 years.

Mr. REVERCOMB. Mr. President——

Mr. VANDENBERG. Just a moment. I desire to answer the Senator from Tennessee categorically. The Senator from Tennessee asks, have we not a fine banking prosperity today as a result of what has happened in the last 10 years and therefore why we should not maintain the factors which have contributed to the fine situation. My answer to the Senator is that the fine banking conditions which have been created in the past 10 years were created by eliminating the evils which cursed banking prior to the Federal Reserve Act of 1933; and only 2 percent of the total deposit liability of the country during these 10 years has had anything whatsoever to do with the practice referred to in this amendment. The great mass banking prosperity—or stability is the better word because banks are far from prosperous in these days in relative terms—the great banking stability which has been created has been created by the practices which have been required of 98 percent of the deposit liability banks of the country. The Senator is asking me to say that the rule of conduct which is responsible for 98 percent of the stability to which he so happily refers shall be stricken down for the benefit of 2 percent of the bank deposit liability.

Mr. McKELLAR. I will change my question.

Mr. VANDENBERG. I think the Senator had better do so.

Mr. McKELLAR. I will ask the Senator this question: Has not the Federal Reserve Board acquiesced in this matter for more than 10 years and up until a short time ago? If it was a violation of law, if it was an implied violation of the law, if it was any other kind of violation of law in the view of the Federal Reserve Board, why have they not made themselves vocal before this?

Mr. VANDENBERG. The Senator will have to address that question to the Federal Reserve Board. I presume that the practice began in a very mild fashion and grew from year to year, as one after another institution discovered that some other fellow had succeeded in bidding away the banking account of a good customer and, as a result, he had to compete by engaging in the same evil practice. So finally the practice reached such

a point, even though it still only involves 2 percent of the bank-deposit liability of the country, that the Federal Reserve Board said, "This has got to stop," and now Congress is asked to say it shall not stop but it shall be legalized in spite of the oppostion of the major banking intelligence of the country and in spite of the inevitable welfare of 98 percent of the bank-deposit liability of the Nation.

Mr. GEORGE. Mr. President, will the Senator from Michigan yield to me?

Mr. VANDENBERG. I yield.

Mr. GEORGE. I remind the Senator that this fight has been going on for about half a century, that it is nothing new. It is the old par clearance fight. No one has jumped up overnight and taken any advantage of the reserve system. It is true that a small percentage of the deposits represent another view, contrary to the view now being expressed by the Senator. That is because many of the large banks are against the little fellow. It is difficult for the small bank to survive under existing conditions. The small banker does not live around the corner from a Federal Reserve bank, to which he can go and get his money and pay no express on it. He is operating a little bank in some remote county town, or little town far removed from a large commercial center, and he has been following this practice a long time.

Mr. VANDENBERG. I quite agree with the Senator.

Mr. GEORGE. Another thing——

Mr. VANDENBERG. Let me comment at that point, if I may. I quite agree that this is an old fight. I quite agree that this practice was more or less universal prior to the last banking collapse which we confronted, and I quite agree that since the Federal Reserve Act was amended to remove this threat and menace to the soundness of total banking in this country, there still is a group of banks which need revenue which it is difficult for them to obtain, and I deeply sympathize with their necessity. But I know of no reason why a small bank in a small town in South Carolina should, by special privilege of this nature, be able to bid against the banks of the United States for business which ultimately produces for them a deposit total utterly out of line with anything which would be normal.

Mr. GEORGE. I doubt if the Senator could sustain the thesis that this practice was one of the main causes of the bank debacle.

Mr. VANDENBERG. I did not say that. I said it was one of the major evils which had to be corrected.

Mr. GEORGE. I doubt if even that could be sustained. I remind the Senator that Mr. Crowley, who is at the head of the Bank Insurance Department of the Government, is in favor of the bill.

Mr. VANDENBERG. I understand that.

Mr. GEORGE. He has some sense of responsibility.

Mr. VANDENBERG. I understand that.

Mr. GEORGE. But he is not representing the big banks, that is all, and he is willing for the little fellow to live.

Mr. VANDENBERG. I agree that Mr. Crowley has a right to his opinion, and that his opinion is entitled to great respect, and I have great respect for it. I have equal respect for the opinion of the Senator from Georgia. But that does not alter the fact that I think Mr. Crowley and the Senator from Georgia are amazingly wrong in this instance. I cannot help it, but that happens to be my opinion.

Mr. GEORGE. The Senator is entitled to his opinion, and I know that is the opinion—though I do not connect the Senator with the group—of many great banks in this country. There is no doubt about that. If they are right about it, and if they are patriotic enough to allow the little banks to pursue a practice which they have always pursued, the system will not be destroyed. I think 2 percent did not exactly destroy the system; that would be a small fraction of the tail wagging the dog, and I never did believe they did destroy the whole system.

I know how the big banks stand. I had some little connection with banking at one time myself, and I have heard the big fellows say, "These little country banks are eating us up." So they raised the old par clearance question, and went through the courts for years. This is an ancient question, and those of us interested in the little banks of the country, as well as the big ones, merely want to restore a permissive practice which I do not think will destroy the Federal Reserve banking system.

Mr. VANDENBERG. Mr. President, I am very sorry that the issue is diverted to the atmosphere of a quarrel between big banks and little banks, and the inference, at least, is unintentionally invited that the statements I make are on behalf of the big banks of this country.

I need no added credentials as a spokesman for the little banks of the country, because in the course of all the banking legislation since I have been a Member of the Senate, for 16 years, I have fought against chain banking, which has been the highest heart aim of the big banks. So, in view of my unyielding record against chain banking and in favor of the little banks, I doubt very much whether an argument can be sustained which invites any conclusion that my statements at the moment are inspired by any interest in the big banks. On the contrary, I repeat, I am speaking for 11,500 banks which under the law cannot do the thing contemplated, and which they do not want others now to be licensed to do.

Mr. WEEKS and Mr. REVERCOMB addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield, and if so, to whom?

Mr. VANDENBERG. I yield first to the Senator from Massachusetts, and then I shall yield to the Senator from West Virginia.

Mr. WEEKS. Mr. President, it is a long cry, it seems to me, to depict this as a contest between big and little banks. I draw the attention of Senators to the fact that in 20 States of the Union there are no banks which do not cash checks on a par clearance basis. In 7 more States there is only 1 bank, in each of those particular States, which does not clear checks at par.

In the 20 States, and the 7 others where only 1 does not clear at par, there are many small banks, just as many small banks, I doubt not, as there are in those States where the majority of small banks do charge exchange. I think it is an unwarranted reflection upon the management of the small banks to which the distinguished Senator from South Carolina has drawn attention, to imply that their earnings would be in jeopardy if they did not have the exchange charges to rely upon.

Mr. MAYBANK. Mr. President——

Mr. WEEKS. Just a moment. There are many other sources on which they can rely to make earnings, and they do so in at least 28 States of the Union without having to rely upon exchange charges.

Mr. MAYBANK. Mr. President, will the Senator from Michigan yield that I may answer that statement?

Mr. VANDENBERG. Just a moment, if I may. I should like to yield the floor to someone else to be the heart and center of this continuing controversy, because I have to be in a committee meeting in 12 minutes. I did promise to yield to the Senator from West Virginia, and I do so.

Mr. REVERCOMB. Mr. President, I have listened with interest to the injection into the argument of a fight between big banks and little banks. To my mind, that is not tenable, in view of the figures which have already been cited by the Senator from Michigan and the Senator from Massachusetts.

That the view that this is a quarrel between big and little banks is wrong, and can be dispelled, is shown by the fact that there are approximately 14,000 banks in this country, and that all but about 2,500 of them pay their checks at par. For instance, in my own State there are sixty-odd banks, and only 6 of them do not pay checks at par. I wish to assure the Senate that all those 60 banks that pay their checks at par cannot be classed as big banks. So the argument of big or little has no place here. This is a question of whether or not we are going to keep the banking laws sound by the payment of checks at par, or whether we are going to surrender the banking laws of this country to a preferred few who have heretofore taken a premium or made a charge for paying checks.

Mr. REVERCOMB subsequently said: Mr. President, supplementing the remarks which I made earlier on the question now before the Senate, I wish to invite attention to an editorial published in the Washington Post of Monday, December 11, 1944, entitled "Exchange Charges." I ask unanimous consent that this editorial be printed in the RECORD as a part of my remarks made earlier in the day, and immediately following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EXCHANGE CHARGES

During the twenties active competition among banks to attract deposits from other banks in outlying centers led to the building up of large balances payable on demand,

thereby encouraging the making of unsound loans and putting many of the deposit-holding banks in a very vulnerable position. Following the banking panic of 1933, therefore, the Federal Reserve Act was amended to forbid member banks to pay interest on demand deposits, directly or indirectly, by any device whatsoever. Notwithstanding this sweeping prohibition member banks continued to absorb exchange charges made by some nonmember correspondent banks when checks were forwarded for collection.

Because the practice had lately been growing and was being increasingly employed by member banks to attract deposits of other banks, the Federal Reserve Board issued a ruling banning the absorption of exchange charges as a form of interest payment for use of deposits. The result was that spokesmen for more than 2,000 nonmember banks deriving income from exchange charges brought strong pressure to bear upon Congress to overturn the Reserve Board ruling. Last spring, accordingly, the House passed a bill legalizing the absorption of exchange charges by member banks, while a companion measure was introduced in the Senate.

The Senate Banking and Currency Committee has been bombarded with appeals from various interested groups to be heard in opposition to this measure. But so far without avail. The American Bankers Association, more than 30 State banking associations, the Association of Reserve City Bankers, and the National Retail Credit Association have sought an opportunity to make known their objections. They fear, with good reason, that if the absorption of exchange charges were to be legalized, member banks would be encouraged to compete actively for the deposits of small banks, thereby bringing about a maldistribution of deposits that might have disastrous consequences. Certainly passage of the proposed legislation would cause some nonmember banks now remitting at par to revert to the practice of exacting exchange charges—a decidedly backward step.

There is danger that this controversial bill may get through the Senate as it did the House largely because Senators do not understand the importance of the issues at stake. The legislation is highly technical. Moreover, sharp differences of opinion exist as to the validity of the Federal Reserve Board ruling. The Federal Deposit Insurance Corporation, for instance, challenges the Board's interpretation of the existing law. Thus there is great need for further airing of the issues at stake, to clarify legal obscurities, and particularly to gain a better insight into the probable effects of the proposed legislation. According to rumor, proponents of the pending bill are maneuvering to shut off discussion and may try to attach it as a rider to the crop-insurance bill. Such tactics strongly suggest that they are counting upon ignorance or indifference to gain votes for a measure that would not stand up under full scrutiny.

Mr. VANDENBERG. Mr. President, I thank the Senator from West Virginia for his statement, and cordially agree with him.

I desire to conclude with one further brief reference to the letter from the Senator from Virginia [Mr. GLASS]. The distinguished Senator from Tennessee and the distinguished Senator from Georgia seem to feel that there is no menace of any nature to the Federal Reserve System in the pending proposal to revert to the vices of 10 or 12 years ago. I simply reiterate, because I think neither Senator was present when I opened my brief argument, that the Senator from Virginia when first presented with this precise pending amendment wrote a letter to the chairman of the Senate Banking and Currency Committee, in which he said:

> The bill is rankly discriminatory and lacking in frankness. Its enactment could have vicious and far-reaching effects upon the Federal Reserve System.

Mr. President, I respectfully submit that in the name of sound banking, contemplating the national problem as a whole, the amendment should be defeated.

AMENDMENT OF RECLAMATION PROJECT ACT OF 1939

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes.

Mr. BANKHEAD. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MCCARRAN, Mr. CHAVEZ, Mr. MCFARLAND, Mr. GURNEY, and Mr. THOMAS of Idaho conferees on the part of the Senate.

G. H. GARNER

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 1963) for the relief of G. H. Garner, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. TUNNELL, and Mr. ROBERTSON conferees on the part of the Senate.

CROP INSURANCE

The Senate resumed the consideration of the bill (H. R. 4911) to amend the Federal Crop Insurance Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

Mr. LANGER. Mr. President, first I wish very highly to compliment the distinguished Senator from South Carolina [Mr. MAYBANK] for his persistence in seeing to it that the Senate shall have a chance to vote on the amendment. As he said a short time ago, he introduced in January of this year a bill which is identical in language with the pending amendment. His bill has been pending now for almost a year. During this time scores of little banks have closed and have gone out of business because of the fact that the Senate Banking and Currency Committee did not take the time to act on the bill.

I have in my hand a list of some of the banks that have been closing. This is for the period of 1942 and 1943—21 months. I call attention, Mr. President, to the fact that practically all these banks that closed were in small towns. So whether the distinguished senior Senator from Michigan thinks so or not, the fact remains that this is an issue between the big, fat boys, the big bankers of Wall Street, and the little banks in South Dakota, North Dakota, and in the Southern States.

Take the State of Arkansas. In Arkansas, during these 21 months the Hamburg Bank, of Hamburg, Ark., closed. The Bank of Ola closed. The Citizens Bank of Fayetteville closed. Also the First State Bank of Prescott, the Bank of Mount Holly, the Bank of Stephens, the Bank of Searcy, and the Bank of Havana.

In my neighboring State of Minnesota, Mr. President, during the same time the following banks closed: The State Bank of Mahtowa, the State Bank of Beroun, the Alberta State Bank, the First State Bank of Tower, the Union State Bank of Hokah, the Cambria State Bank, the Hallock State Bank, the State Bank of Spring Cove, and the First National Bank of Waterville.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, the list of scores and scores of small banks that have closed up during these 21 months.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

"LOST BANKS" OF NINE STATES IN 1942–43

(List prepared by E. E. Placek, president of the country banks division of the Independent Bankers Association)

State of Arkansas: Hamburg Bank, Hamburg; Bank of Ola, Ola; Citizens Bank, Fayetteville; the First State Bank, Prescott; Bank of Mount Holly, Mount Holly; the Bank of Stephens, Stephens; Bank of Searcy, Searcy; Bank of Havana, Havana.

State of Illinois: Banco di Napoli Trust Co. of Chicago, Chicago; Fox Lake State Bank, Fox Lake; State Bank of Cordova, Cardova; First State Bank of Parkersburg, Parkersburg; El Dara State Bank, El Dara; Farmers State Bank of Milton, Milton; Lindner & Boyden Bank, Buda; Southern Illinois Trust Co., East St. Louis; Farmers Bank of Baylis, Baylis; Farmers State Bank of Kenney, Kenney; First State Bank of Mound City, Ill., Mound City; Citizens State Bank of Janesville, Janesville; First National Bank of Humbolt, Humbolt; First National Bank of Hume, Hume.

State of Kansas: State Bank of Bluff City, Bluff City; Danville State Bank, Danville; the Denmark State Bank, Denmark; the Leavenworth Trust State Bank, Leavenworth; Mahaska State Bank, Mahaska; State Bank of Commerce, Marion; Morrowville State Bank, Morrowville; Nashville State Bank, Nashville; Olmitz State Bank, Olmitz; the State Bank of Rantoul, Rantoul; the Waldron State Bank, Waldron; Zenda State Bank, Zenda; Attica State Bank, Attica; State Bank of Home City, Home City; First State Bank, Lake City; Manter State Bank, Manter; Olsburg State Bank, Olsburg; Sawyer State Bank, Sawyer; Farmers State Bank, Scottsville; Riley State Bank, Riley; First National Bank of Axtell, Axtell; Citizens National Bank of Frankfort, Frankfort; Cullison State Bank, Cullison; Huron State Bank, Huron; State Bank of Lecompton, Lecompton; State Bank of Turon; Turon; Westfall State Bank, Westfall.

State of Minnesota: State Bank of Mahtowa, Mahtowa; State Bank of Beroun, Beroun; Alberta State Bank, Alberta; First

State Bank of Tower, Tower; Union State Bank of Hokah, Hokah; Cambria State Bank, Cambria; Hallock State Bank, Hallock; State Bank of Spring Cove, Spring Cove; First National Bank of Waterville, Waterville.

State of Missouri: The Bank of Armstrong, Armstrong; Jayne Banking Co., Gorin; Bank of Richwoods, Richwoods; Bank of Marionville, Marionville; the Trust Co. of St. Louis County, Clayton; Bank of Caledonia, Caledonia; Bank of Portland, Portland; Telegraphers National Bank of St. Louis, St. Louis; Foristell Bank of Foristell, Foristell; State Bank of Forest City, Forest City; the Farmers and Traders Bank of St. Joseph, St Joseph; the Bank of Aldrich, Aldrich; the Duenweg State Bank, Duenweg; the Clinton County Trust Co., Plattsburg; the Boone County Trust Co., Columbia; Bank of Tina, Tina; the Citizens Bank of Laredo, Laredo; Bank of Milo, Milo; Citizens State Bank of Pleasant Hill, Pleasant Hill.

State of Nebraska: Bank of Brock, Brock; Farmers State Bank, Campbell; Farmers State Bank, Emerson; the Goehner State Bank, Goehner; Home State Bank, Homer; the Bank of Lushton, Lushton; Farmers State Bank, Pickrell; Thayer Bank, Thayer; Eddyville State Bank, Eddyville; Farmers State Bank, Hardy; Farmers & Merchants Bank, McCool Junction; Bank of Nemaha, Nemaha; the Home Bank, Ohiowa; Citizens National Bank of Tobias, Tobias; First National Bank of Benedict, Benedict; First National Bank of Hampton, Hampton; Farmers & Merchants Bank, Alvo; Union State Bank, Broadwater; First State Bank, Whitman; Farmers State Bank, Madrid.

State of Pennsylvania: Freehold Bank, Pittsburgh; the Hastings Bank, Hastings; the Keystone Bank, Spangler; Peoples Bank of Blairsville, Blairsville; First National Bank & Trust Co. of Dallastown, Dallastown; Peoples National Bank of Duncannon, Duncannon; Emaus National Bank, Emaus; First National Bank of Etna, Pittsburgh; First National Bank of Fawn Grove, Fawn Grove; First National Bank of Homestead, Homestead; First National Bank of Kana, Kana; First National Bank of Lehighton, Lehighton; Citizens National Bank & Trust Co. of Lehighton, Lehighton; Peoples National Bank of East Brady, East Brady; First National Bank of Oakdale, Oakdale; Farmers National Bank of Selinsgrove, Selinsgrove; Grange National Bank of Tioga, Tioga; First National Bank of Weatherly, Weatherly; Central National Bank & Trust Co. of N. Y.

State of Texas: Fulbright State Bank, Fulbright; First State Bank, Talpa; First State Bank, Ropesville; Keller State Bank, Keller; First State Bank, Rocksprings; First State Bank, Jayton; Citizens State Bank, Waelder; Heidenheimer State Bank, Heidenheimer; Lone Oak State Bank, Lone Oak; First National Bank of Annona, Annona; First National Bank of Dodd City, Dodd City; First National Bank of Eddy, Eddy; State National Bank of Marshall, Marshall; First National Bank in Rockwell, Rockwell; First National Bank of Rogers, Rogers; Citizens National Bank in Saint Jo, Saint Jo.

State of Indiana: Bank of DeMotte, DeMotte; State Bank of A. P. Andrews, Jr. & Son, LaPorte; Battle Ground State Bank, Battle Ground; Davis Trust Co. Brazil; Fairbanks State Bank, Fairbanks; Bank of Bloomingdale, Bloomingdale; Bruceville State Bank, Bruceville.

Mr. LANGER. Mr. President, now addressing myself directly first of all to the argument of the distinguished senior Senator from Michigan [Mr. VANDENBERG]. The Senator says that this proposal represents bad banking; that 10 years ago various laws were passed to protect the banks, and that if the amendment is adopted we shall have bad banking again.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. FERGUSON. Does the Senator from North Dakota have any evidence to indicate the reason for the closing of the banks in his State?

Mr. LANGER. Yes. I will come to that, if the Senator will wait a little while.

Mr. FERGUSON. Does it cover this particular issue?

Mr. LANGER. It covers this particular issue.

I want to say, Mr. President, that backing the amendment is the F. D. I. C., the agency that examines every bank, whether it be a tiny bank in the smallest hamlet in the country or the largest bank in the largest city of the Nation. They are for this amendment. But I have better evidence than that, Mr. President. When the bill which is identical with the pending amendment was introduced, realizing that debate would ensue on the floor of the Senate—and I now answer the question raised by the distinguished junior Senator from Michigan [Mr. FERGUSON]—I wrote a letter to every single bank in the State of North Dakota. I asked the banks for their opinion of the measure, and I received replies from more than 90 percent of those to whom I wrote. Every single bank belonging to a chain—a chain which has its roots in Minneapolis or Chicago or New York—was against the measure introduced by the distinguished Senator from South Carolina. I have here, Mr. President, and I shall read, letters from some small bankers of my State. In some cases the bankers have asked that I do not use their names, because they say that big banks may wreck them, but there are some who have no objection to their names being used.

I have here a letter from Mr. Verne Wells, of the Security State Bank of Robinson, N. Dak., dated July 25, 1944. He writes in part:

DEAR SENATOR LANGER: Shortly after wiring you last spring that the Independent Bankers Association is apparently in favor of the Brown-Maybank bills, I attended a meeting of the executive council of that association at St. Louis.

Mr. DuBois has kept you informed as to our association's attitude on that bill, and I was surprised to learn that a goodly number of independent bankers in North Dakota are opposed.

Mr. President, I ask unanimous consent to place the remainder of the letter in the RECORD at this point as a part of my remarks.

There being no objection, the remainder of the letter was ordered to be printed in the RECORD, as follows:

At the St. Louis meeting, all but 2 of the 26 members present voted to support the Maybank bill. I talked with several of the men who, like myself, voted their personal convictions rather than the sentiment of the majority of the members in their respective States. Colorado and Michigan were particularly vocal in that opinion.

To me it seems that many bankers have formed their opinions on this measure by listening to the propaganda put out by the Federal Reserve men and the representatives of the large banking chains. Leo T. Crowley, of the F. D. I. C., has gone to bat for the smaller independent banks many times during the past few years. I am glad that he "stuck his neck out" in our behalf again on this Maybank bill. After all, the question of regulation Q and its enforcement as far as it applies to absorption of exchange is a problem of the Reserve city banks and we have no business fooling with it. It appears that these fellows have called in the Federal Reserve to settle this dispute that they should have been able to iron out between themselves.

The attitude of the Independent Bankers' Association is that we are opposed to legislation by directives or regulation by edict. That is what the Federal Reserve Board has been doing more or less for most of its history. That is one reason why so many independent banks have refused to join the Federal Reserve System. We all know that Chairman Eccles feels that small unit banks have no place in our economy, and he is outspoken in this matter. He may be honest and sincere in his conviction but that is no reason why we have to like it any better. As far as the details of regulation Q are concerned, you will find many divided opinions, but we are opposed to the principle of the thing. When a single board can make the laws for the 15,000 banks of the Nation, we will have lost that precious heritage for which our sons are fighting and dying today.

Thanks very much for your interest in this problem, which is very important to all so-called small business and, therefore, important to each individual.

Mr. LANGER. I have here a letter from Beach, N. Dak., in the uttermost western part of the State. It is dated April 21, and is as follows:

I am taking the liberty of writing you, both for ourselves and the First State Bank of Golva, Golva, N. Dak., with whom I have collaborated, requesting that you vote for passage of S. 1642, commonly known as the Maybank bill, believing, as we do, that the passage of this bill will permit the eventual forcing of par clearance on nonpar banks by the Federal Reserve System, who tried some twenty-odd years ago to force universal par clearance by mailing checks on nonpar banks to the local express agent for collection, who demanded cash in payment, necessitating the carrying of abnormal amounts of currency by these small banks, with which to meet these demands.

Let me digress for a moment to say, as the distinguished senior Senator from Georgia [Mr. GEORGE] has said, that this is an old question. This banker says that 20 years ago in the State of North Dakota the Federal Reserve System tried to force universal par clearance.

He continues:

The scheme would have worked nicely had not the Supreme Court intervened and stopped the practice, thereby practically saving the dual banking system we now enjoy.

We are afraid that the Reserve System's ruling on its regulation Q, with regard to the absorption of exchange by banks is just another way of entering an opening wedge into the question of par clearance of checks by all banks, be they members or nonmembers of the Federal Reserve System; consequently we would very much appreciate it if you could see the matter in our light and vote for passage of the Maybank bill.

Here is another letter, Mr. President. This bank prefers not to have its name used, because it is close to the big banks which could almost put it out of business. This letter is written to Mr. J. N. Peyton, president of the Federal Reserve Bank, Minneapolis, Minn. I ask unanimous

consent to have the letter printed in the RECORD, with permission to omit the name of the banker who signed it.

There being no objection, the letter, without the signature, was ordered to be printed in the RECORD as follows:

DEAR MR. PEYTON: I have taken too scant notice of your's and other communications regarding regulation Q to be any authority on the subject. Up here in North Dakota we have a situation out of line with most of the Nation. Under the stress of war, what with bond drives, Red Cross, income-tax service, etc., I'm damned if I know how any country banker can give much consideration to anything except that which is under his nose and glasses. We, in North Dakota, have a crying need for extended and more comprehensive banking service, especially in the western part of the State. When I come down to the bank in the morning and pick up the Federal Reserve obituary notice for a State bank in our northwest group, I am somewhat depressed. Regarding the matter of interest on deposits, who can truly say that the par clearance of checks does not constitute payment of interest to the depositor? Now, personally, I do not like the idea of State bank exchange any better than you do. But if we are to continue to serve our rural communities it will remain a necessary evil.

With the present hodge-podge in the banking situation, I hope that our Nation is not going to go as crazy as North Dakota did during the last war. What with R. F. C., Federal Reserve, bank for so-called cooperatives, R. A. A. C., production credit (the latter openly making loans in violation of regulation W), etc., how can we know anything about what legislation is needed? Add F. D. I. C. 10–1 ratio, just as if, and providing, capital has anything but an unfavorable influence on the risks involved in making rural loans.

I believe you know the country banker. Your war finance meeting started our Northwest off on the right foot and we have not been doing so bad since. Why need for any legislation until such time as conditions are back to normal and we know a little about how to legislate? How about a little postwar planning in the banking field? Duplicate your first meeting when Banker Hicks has a little time to give it proper attention. Apparently we are not entirely agreed on the issues involved, but as this is no time for truly deliberated bank legislation, I am forwarding to BILL LANGER a copy of this not too well constructed epistle.

Mr. LANGER. Here is a letter from Mr. D. W. Kelly, of Devils Lake, N. Dak., who has no objection to having his name used. It is dated March 21, 1944. It is now December, and we are now asked not to take action on this matter, which involves the very life of scores of little banks all over the country. I hold in my hand a list of approximately 125 small banks which have already closed. The letter reads as follows:

Coming before you in a very short time, we understand, is the above-entitled bill—

The Brown-Maybank bill—

which seeks to legalize the practice of absorbing exchange charges on the part of banks.

Familiar as you are with conditions here in North Dakota, you, without doubt, readily appreciate that no longer is it the farmer who is in financial distress through lack of income, but, rather, the small bank whose loan portfolio is shrunken and who must now depend for most part for its existence on the exchange charges that can be collected on incoming checks.

To our way of thinking, passage of the Brown-Maybank bill means the beginning of absorption of exchange, not by correspondent banks alone but by all banks, and eventually the elimination of all exchange charges and finally the financial demise of the country bank, when deprived of its last source of income.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. EASTLAND. What could be the reason against the absorption of exchange, when not sufficient money is involved to hurt the financial structure of any bank, and when the big bank desires to absorb the exchange? What could be the objection?

Mr. LANGER. The distinguished Senator has stated the question as clearly as it could possibly be stated. He has made the best argument possible in favor of the Maybank-Brown bill. No one objects except some of the larger banks.

Mr. EASTLAND. There is not enough money involved to endanger the financial structure of any bank. What is the Federal Reserve System up to?

Mr. LANGER. Of course, it is out to wreck the small banks, for one thing. Another thing is that it desires to force every bank into the Federal Reserve System, whether the bank wishes to go into it or not. It is hoped that by this method banks will be compelled to become members.

Mr. EASTLAND. It is a brazen attempt to usurp the legislative power of Congress.

Mr. LANGER. Of course.

Mr. EASTLAND. We hear much said about government by boards, bureaus, and commissions. At election time a great many men run for office, saying that they will curb Government boards and bureaus, and that they will see that the Congress of the United States protects its legislative powers. I submit to the distinguished Senator from North Dakota that now is the time for the Congress of the United States to protect its legislative powers and to prevent the Federal Reserve Board from legislating and usurping the powers of the Congress.

Mr. LANGER. Let me ask the Senator a question. Is it not true that in the Senator's State of Mississippi the banks which have closed have been small banks in outlying sections of the State?

Mr. EASTLAND. That is true.

Mr. LANGER. In my State there is one county which formerly had three banks. Today it has none. When the bank holiday came in my State, 561 banks closed, involving a loss to the people of, roughly, $60,000,000. In the largest county in the State, the county of McKenzie, there is only one bank, and farmers must travel 50, 60, or 70 miles to do business with that bank unless they do business by mail. Under the system which it is proposed to establish, it is doubtful whether many of the banks in the counties in North Dakota could exist. Therefore, I appreciate very much what the distinguished Senator has said, because he has hit the nail squarely on the head.

Mr. EASTLAND. If this amendment is not adopted, many small banks in the State of Mississippi will be forced to close. I was talking with a banker the other day. I saw his figures. Most of the bank's operating income is derived through exchange. This is a very important matter.

Mr. FERGUSON. Mr. President, will the Senator from North Dakota yield for a question?

Mr. EASTLAND. Will the Senator please let me finish what I was saying?

Mr. FERGUSON. I wish to ask the Senator from Mississippi a question.

Mr. EASTLAND. Will the Senator please allow me to finish?

The argument is made that we should permit the Senate Committee on Banking and Currency to conclude its hearings, and then the Senate should discuss the whole question. I submit, Mr. President, that this amendment should be adopted, and then legislation to authorize the objectives which the Federal Reserve System seeks should be submitted to the Congress for determination by the Congress, instead of having the question determined by an assumption of legislative authority by the Federal Reserve System.

Mr. FERGUSON. Mr. President, will the Senator from North Dakota yield so that I may ask the Senator from Mississippi a question?

Mr. LANGER. I yield.

Mr. FERGUSON. For how long a period have banks in Mississippi been collecting this exchange?

Mr. EASTLAND. For 50 years.

Mr. FERGUSON. If that be true, the cause of the closing of banks in the Senator's State could not have been the action of the Federal Reserve Board, could it?

Mr. EASTLAND. I think so, on the basis of the figures from our banking department which I have seen. The interpretation placed on regulation Q by the Federal Reserve Board will cause many small banks in my State to close.

Mr. FERGUSON. I was not asking what it will cause. I wish to know whether it did cause the closing of banks.

Mr. EASTLAND. No; it has not yet done so.

Mr. LANGER. Mr. President, will the Senator permit me to answer that question? I think I can answer it to the satisfaction of the distinguished junior Senator from Michigan.

Mr. FERGUSON. The Senator from Mississippi has answered it for his State.

Mr. LANGER. The reason why so many of the banks closed was the action taken by the Federal Reserve Board in 1920, when it suddenly called in millions of dollars' worth of loans. Many of our farmers had obtained loans on cattle or other livestock or machinery. When the loans were called in, a farmer who had a horse worth $100 found that it could only be sold for $50; a farmer who had a cow which used to be worth $75 found that it could only be sold for $20. The banks called in millions of dollars' worth of loans, and so created the panic. If it had not been for the revenue derived from exchange, some of the banks would have had to close long before they did.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HALL in the chair). Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. LANGER. I yield.

Mr. FERGUSON. The Senator referred to the closing of banks in his State in 1920. I do not understand that this matter affected them.

Mr. LANGER. They were in addition to the banks which closed in the 1930's.

Mr. FERGUSON. I am trying to get on record the cause of the closing of the banks in the 1930's.

Mr. LANGER. The cause is very simple to state. The situation with the banks was that, even with the exchange, business was so slack, and they got so little of it that they could not pay their expenses and keep open.

Mr. FERGUSON. Suppose the amendment is agreed to. Would it increase the revenue of the banks?

Mr. LANGER. It would not increase the revenue, but revenue would continue to come in. The amendment, if adopted, would permit the banks to continue to exist, because its adoption would permit some revenue to continue to come to the banks, instead of having millions of dollars of revenue taken away.

Mr. FERGUSON. But does the Senator insist that the cause of the failure of the banks listed in the exhibit was their inability to make the exchange?

Mr. BUSHFIELD. Mr. President, I should like to answer that question, if the Senator will yield to me.

Mr. LANGER. I yield.

Mr. BUSHFIELD. I wish to say that the ruling or interpretation of regulation Q, which is the subject of the discussion, was made only last September. The law has been in force for 7 years, but the Federal Reserve Board did not see fit to make that interpretation or ruling until September 1944.

Mr. FERGUSON. But neither the ruling nor the law caused the closing of the banks.

Mr. BUSHFIELD. I am not so contending.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. EASTLAND. Let me inquire what it was that Congress sought to prevent in 1933?

Mr. LANGER. Congress sought to prevent the closing of the banks. It did so by guaranteeing deposits and thus inspiring confidence in the depositors in the banks.

Mr. EASTLAND. I understand that. But by regulation Q, according to the interpretation of the Federal Reserve Board, Congress forbade the payment of interest on deposits. Prior to 1933, $246,000,000 had been paid in 5 years in the form of interest on bank deposits.

Interest is defined by the courts as money which is paid for the use of money. The exchange is a service charge, for doing business, and that is defined by the courts. What possible construction could reasonably be placed on a service charge so as to justify its being regarded as interest?

Mr. LANGER. Simply by making an arbitrary order, the Federal Reserve Board is attempting to make service charges appear to be interest.

Mr. EASTLAND. But what Congress prohibited was the payment of interest on demand deposits. Such payments had been made in the sum of $246,000,000 for 5 years prior to 1933, whereas in connection with the pending measure only the payment of $8,000,000 is in issue. That is all that is presently involved.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAYBANK. The Senator was speaking of a situation which existed in North Dakota, which is very similar to the situation which existed in the Carolinas, where the price of cotton dropped from 40 cents to 4 cents, and mules and other animals were unsalable. After the failure of the banks and during the banking holiday, did the State of North Dakota forbid the payment of interest on deposits in banks?

Mr. LANGER. In North Dakota we did enact legislation to strengthen the financial structure of the banks.

Mr. MAYBANK. I am glad to hear the Senator say that. The distinguished senior Senator from Michigan [Mr. VANDENBERG] referred likewise to what Congress has done to strengthen the banking situation. I agree with everything he said in that regard. But the regulation we have been discussing was put into effect only last September, although the law was passed nearly 10 years ago. So I cannot understand the situation. I should like to have the Senator tell me whether he can understand how the regulation would have anything in the world to do with strengthening the banks in the United States.

Mr. LANGER. It would not. It would only weaken many small banks.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. EASTLAND. The question whether it has anything to do with strengthening the banking laws is a matter for Congress to handle, not one to be handled by the Federal Reserve Board.

Mr. MAYBANK. I entirely agree with the Senator's statement.

Mr. President, will the Senator again yield to me?

Mr. LANGER. I yield.

Mr. MAYBANK. The Senator from Michigan had to leave the Chamber to return to the Committee on Foreign Relations. I should like to say, inasmuch as he mentioned South Carolina, that we strengthened our banking laws materially and we passed many laws to that end. As a matter of fact, the result of one of the laws is that certain cash depositories in South Carolina cannot lend the money which is deposited with them. They depend entirely upon exchange charges to enable them to pay their clerk hire and their other expenses. It is only recently that the law has been amended so as to permit a portion of the money to be loaned. So I am advised that 43 of those banks will immediately have to close for lack of revenue if the exchange charge is not permitted.

I thank the Senator from North Dakota for yielding to me.

Mr. BUSHFIELD. Mr. President, will the Senator yield to me? I should like to make just one contribution.

Mr. LANGER. I yield.

Mr. BUSHFIELD. The Superintendent of Banks of the State of South Dakota told me yesterday that, at least according to his estimate, 25 banks in our State would be in jeopardy if this measure were not passed.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. LANGER. I yield with pleasure to the distinguished senior Senator from Tennessee.

Mr. McKELLAR. Question was asked whether the banking system would be strengthened. If the Senator will permit me to do so, I will read a letter dated December 29, 1943. I ask Senators please to note the date. The letter was written to the correspondents of the National Bank of Commerce, at Memphis, Tenn. It reads as follows:

To Our Correspondents:

The Federal Reserve Board has recently ruled that the absorption of exchange charges in the collection of nonpar items is a violation of section 19 of the Federal Reserve Act and of the Board's regulation Q as it refers to the payment of interest on demand deposits.

It will be recalled that the distinguished senior Senator from Michigan [Mr. VANDENBERG] stated that the payment of interest on demand deposits would ruin the banking system. Today we find that after the Federal Reserve Board has permitted this custom to exist under the law, as the Board understood it, for at least 9 years, now, 9 or 10 years later, it changes its course of action in reference to that part of the law or its interpretation of it.

I continue to read from the letter of the National Bank of Commerce:

The office of the Comptroller of the Currency has recently directed that action be taken by us in compliance with the above ruling, and in a letter dated November 20, stated, "if we cannot secure action in Memphis and * * * and a few other cities, I suppose the only alternative is to promptly send examiners to investigate and report and cite for violation banks that are absorbing exchange amounting to an indirect payment of interest on demand deposits.

In other words, Mr. President, the Federal Reserve Board not only is making an amendment of the law but it is threatening the banks with dire consequences unless its amendment is complied with.

The letter continues as follows:

It is our information that the matter is under discussion by various authorities in Washington before a congressional committee and a difference of views has been presented. We should like very much to be allowed to await final determination; however, in view of the position of the Comptroller's office, it has been necessary to advise him that we would comply with his directions. Therefore, effective on and after January 15, 1944, we shall be required to charge back such out-of-pocket collection costs as are incurred in the clearance of items not collectible at par through the Federal Reserve System.

We feel certain in view of the foregoing that you will appreciate our present position

and that we may be allowed to serve you in the future as we have in the past.

We are enclosing herewith schedule showing present costs for collection of out of town items for correspondent banks, which is self-explanatory.

Yours very truly,
NATIONAL BANK OF COMMERCE.

That is one of the large banks of Memphis. It is perfectly evident from the letter that that bank, and many thousands of other banks of a similar kind, are not complaining of exchange charges. This idea, which was put forth after 9 years of experience of the Federal Reserve bank, arose in Washington, in New York, and in other cities, among the large banks which wanted to crush the small ones. It is not the desire of the large banks in the various States to enforce the rule of the Federal Reserve Board. The rule was issued by the Federal Reserve Board, and it should not be complied with. The Federal Reserve Board has great power over banks, and many banks, as is clearly indicated by the letter which I have read, are afraid not to follow the Federal Reserve Board. As already shown by its acts, for 9 years the Federal Reserve Board did not believe it was the law; but at the last moment, when pressure was put upon it, and Congress did not give it relief, the Federal Reserve Board seems to have taken upon itself the duties of Congress in issuing this rule.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, another letter of the same character as that which was circulated by the National Bank of Commerce.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MEMPHIS, TENN., *June 8, 1944.*

To Our Correspondents:

Under date of December 29, 1943, we advised you that the Office of the Comptroller of the Currency directed that action be taken in Memphis in compliance with the Federal Reserve Board's interpretation of regulation Q.

At the same time we were advised that immediate steps were being taken to enforce the ruling alike in all national banks and State banks which are members of the Federal Reserve System.

Up to this time, uniform action has not been taken, and a difference of opinion has arisen as to what constitutes a violation of the law in this respect. Therefore, we have decided to rescind, as of June 15, 1944, our letter of December 29, 1943, with reference to the discontinuance of absorption of any out-of-pocket cost in the collection of your items.

Yours very truly,
NATIONAL BANK OF COMMERCE.

Mr. McKELLAR subsequently said: Mr. President, earlier in the day I made a statement, and asked unanimous consent to have printed in the RECORD certain letters from banks. I now hold in my hand three other letters bearing upon the same subject. I ask unanimous consent to have the letters printed in the RECORD immediately following the last letter which was ordered to be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DECEMBER 6, 1943.

To Our Correspondents:

A recent ruling by the Federal Reserve Board states that the absorption of exchange charges by any bank constitutes a payment of interest, and is a violation of both section 19 of the Federal Reserve Act and the Federal Reserve Board's regulation Q. In view of this ruling, it will be necessary on and after December 15, 1943, for us to charge back exchange on all items not collectible through the Federal Reserve System.

It is our understanding that other banks in St. Louis and other cities have reached the same conclusion and have taken similar action.

THE NATIONAL STOCK YARDS NATIONAL BANK OF NATIONAL CITY.

TREASURY DEPARTMENT,
COMPTROLLER OF THE CURRENCY,
Washington, November 24, 1943.

Mr. W. T. BLAND,
Chairman of the Board,
First National Bank, Orlando, Fla.

DEAR MR. BLAND: You are no doubt familiar with the recent ruling of the Board of Governors of the Federal Reserve System with respect to the absorption of exchange, and with the action taken by the banks of Chicago, St. Louis, New Orleans, Houston, Dallas, Milwaukee, Omaha, Lincoln, and other cities with respect to such absorption.

We shall, of course, expect national banks to comply with the general principle set forth in the ruling, looking toward the elimination of any abuses through competitive overreaching which may have developed in the payment of interest through absorption of exchange. We welcome such voluntary action as that already taken in the cities named above upon the initiative of bankers themselves. In the absence of such action, the much slower procedure of individual examination and enforcement will be necessary.

We believe the bankers in Orlando will be glad to get together for a discussion of this subject with the idea of instituting voluntary action similar to that taken elsewhere. Because it would be an aid to us in enforcement and because we believe it would have a good effect in other centers and be a salutary influence in Orlando, I am writing to ask your cooperation in bringing the bankers of your city together for a discussion. Your willingness to do so will be very much appreciated and we shall be eager to have word of any action taken by the bankers there.

Very truly yours,
C. B. UPHAM,
Deputy Comptroller of the Currency.

I hereby certify that the above is a true and correct copy of a letter dated November 24, 1943, signed by C. B. Upham, Deputy Comptroller of the Currency.

ROZELLE WHITEHEAD,
Notary Public, State of Florida at Large.
My commission expires October 20, 1946.

THE FIRST NATIONAL BANK OF LINCOLN,
LINCOLN, NEBR., *November 15, 1943.*

To Our Correspondents:

The Federal Reserve Board has recently ruled that the absorption of exchange or collection charges is a violation of its regulation Q under the Banking Act of 1935 which prohibits the payment of interest on demand deposits.

We are, therefore, no longer permitted to absorb such charges. Effective December 1, to conform to this ruling, it will be necessary for us to charge your account with the actual exchange cost incurred by us in the collection of items received from you.

To assist you in the recovery of such exchange charges from your depositors, we will furnish your bank with a description of such cost items and the amount of the charge.

You know it is our desire to be of every service to you in the future, and that we appreciate our fine relationship during the past many years.

THE FIRST NATIONAL BANK OF LINCOLN.

Mr. McKELLAR. Mr. President, as I look at the situation, this is an effort on the part of the big banks of the country to crush the little banks. When I say "the big banks," I mean the really big ones.

Mr. EASTLAND. The Senator means banks in New York, Chicago, and in other large cities.

Mr. McKELLAR. Yes. They want to control the banking system. They do not want the small banks throughout the country to do business. They want to do that business themselves. By endeavoring to defeat the proposal of the Senator from South Carolina they are endeavoring to control the banking business of the country. The banks of the country have been in a marvelous condition for the past 10 years, and during all those years, until the past few months, the plan was followed of allowing the large banks to absorb the expense of collecting the checks of the smaller banks.

Mr. EASTLAND. Mr. President, is it not a fact that the banks of Nashville and Memphis are willing to absorb those charges?

Mr. McKELLAR. Yes; it is a fact. Some of the banks there are large ones. I believe one or two banks there have deposits of $100,000,000, or more. In Nashville the banks are not averse to absorbing the expense.

Mr. EASTLAND. They want to do it.

Mr. McKELLAR. They want to do it.

Mr. EASTLAND. And they are financially able to do it.

Mr. McKELLAR. They are financially able to do it, and they want to help the small banks, and help the people who are doing business with the small banks. But they are being forced to do something else. They have been absolutely frightened into it, as shown by the letter which I have read. A threatening letter of the Federal Reserve Board has forced them to take an opposite course of action to that which they would choose to take.

I think it is the duty of the Senate to adopt this amendment and I hope that all Senators will vote for it. I am not willing to surrender my duty as a legislator to the Federal Reserve Board, highly as I may respect it.

Mr. EASTLAND. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. EASTLAND. As an indication of what is meant, I have before me a list of typical banks in the State of Mississippi. The list comprises what may be designated as exhibits, showing net operating earnings for 11 months of 1944, including exchange collected:

Exhibit (a): Net operating earnings for the first 11 months of 1944, $15,647.27, including exchange collected of $15,141.97.

Exhibit (b): Net operating earnings for the first 11 months of 1944, $33,331.70, including exchange collected of $31,000.

Who can say that those banks can remain in business and serve their communities unless this amendment is adopted?

Exhibit (c): Net operating earnings for the first 11 months of 1944, $5,980.94, including exchange collected of $5,267.84.

It is safe to say that if this amendment is not adopted between 20 and 40 small banks in the State of Mississippi will be forced to close their doors within the next few weeks, all because of the predatory Federal Reserve System, which is attempting to take over the legislative responsibilities of the Congress. It is strange to see Members of this body who denounce government by bureau, and yet will not do anything to force the Federal Reserve System to come to Congress and allow Congress to decide with regard to the matter of the absorption of exchange.

Mr. President, I ask that the list of 22 banks in the State of Mississippi be printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

	Net operating earnings, 1944 (11 months)	Including exchange collected
Exhibit:		
(a)	$15,647.27	$15,141.07
(b)	33,331.70	31,000.00
(c)	5,980.94	5,267.84
(d)	53,072.58	32,711.74
(e)	2,000.00	10,812.66
(f)	14,000.00	12,360.00
(g)	22,000.00	12,150.00
(h)	2,162.06	1,932.94
(i)	1,485.47	12,657.11
(j)	1,456.72	2,020.92
(k)	25,416.93	11,221.55
(l)	9,891.77	5,084.25
(m)	10,606.17	5,638.17
(n)	13,161.28	10,082.29
(p)	9,190.46	10,758.97
(q)	17,326.31	13,225.51
(r)	49,465.57	9,391.78
(s)	20,009.15	13,833.43
(t)	50,543.18	35,080.00
(u)	22,773.01	32,431.43
(v)	23,373.29	13,958.47
(w)	9,549.77	9,471.38

Mr. LANGER. Mr. President, I should like to see the list of banks which the Senator from Mississippi has asked to have printed in the RECORD. Does the Senator object to reading the list into the RECORD?

Mr. EASTLAND. No; I have no objection.

Continuing with the list, exhibit (d) shows net operating earnings of $53,072.58 for the first 11 months of 1944, including exchange collected of $32,711.74.

Mr. LANGER. That is about 60 percent.

Mr. EASTLAND. Yes.

Exhibit (f): Net operating earnings for the first 11 months of 1944, $14,000, including exchange collected of $12,360.

Mr. LANGER. That is more than 80 percent.

Mr. EASTLAND. Yes. Mr. President, it is my judgment that these figures are typical of small banks in North Dakota, South Dakota, and other Western States, as well as banks in Southern States.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. Who collected the exchange to which the Senator from Mississippi has referred?

Mr. EASTLAND. The information came from the banking department of the State of Mississippi, and was given to me by the State comptroller of banks of the State of Mississippi.

Mr. AIKEN. Who collected the exchange?

Mr. EASTLAND. The small banks.

Mr. AIKEN. For what year?

Mr. EASTLAND. For the first 11 months of 1944.

The next is exhibit (h). Net operating earnings for the first 11 months of 1944, $2,162.06, including exchange collected of $1,932.94.

Exhibit (i): Net operating earnings for the first 11 months of 1944, $1,485.47, including exchange collected, $12,657.11.

Exhibit (j): Net operating earnings for the first 11 months of 1944, $1,456.72, including exchange collected of $2,020.92.

Exhibit (k): Net operating earnings for the same period, $25,416.93, including exchange collected of $11,221.55.

Mr. LANGER. As the Senator proceeds, will he give the percentage as between the net operating earnings and the exchange collected?

Mr. EASTLAND. With reference to the last item which I read, the exchange collected would represent approximately 45 percent of the net operating earnings.

Mr. AIKEN. Mr. President, under what law is the Federal Reserve Board proceeding? This is all new to me.

Mr. EASTLAND. Under the law of the land. The Federal Reserve Board has placed an arbitrary construction on an act of the Congress which forbids a large bank from absorbing exchange collections on behalf of one of the small banks, its client. If the large banks can pass that burden back to the small bank it will cause them to close. The figures show about 25 percent of the small banks in the United States will have to close unless the Congress corrects the situation.

Mr. AIKEN. Would the amendment of the Senator from South Carolina correct it?

Mr. EASTLAND. That is its object.

Mr. LANGER. It is designed to save the small banks.

Mr. EASTLAND. It is solely a question of whether we want small banks in this country and whether 2,500 communities shall be deprived of banking services because of the arbitrary, predatory ruling of the Federal Reserve Board.

Mr. AIKEN. Does a liability arise from the small bank to the large bank?

Mr. EASTLAND. The large bank is absorbing it willingly now; they want to absorb it; but the Federal Reserve Board says "No;" they cannot do that.

Mr. AIKEN. Does the customer pay in any case?

Mr. EASTLAND. The customer pays.

Mr. LANGER. He pays 10 cents a check.

Mr. EASTLAND. Here is exhibit (l)——

Mr. WHITE. Mr. President, may I suggest to the Senators holding their conference that they raise their voices so that other Senators may have the benefit of the discussion?

Mr. EASTLAND. Exhibit (l) is another typical Mississippi bank with net operating earnings for 11 months in 1944 of $9,891.77, of which $5,084.25 represented exchange collected.

Another typical bank had earnings for the same 11 months in 1944 of $10,606.17, of which $5,638.17 came from exchange collected, so that more than 50 percent of the earnings came from that source.

Exhibit (n) is the name of a bank with earnings of $13,161.28 of which $10,082.29 came from exchange collected.

Exhibit (q): Net earnings $17,326.31, of which $13,225.51 was income from exchange collected, or about 75 percent. That bank is worth something to that community, and the people living there are entitled to banking services even though it is a small, poor community.

Another typical Mississippi bank had operating earnings of $49,465.57, of which only $9,391.78 came from exchange collected.

Another had operating income of $20,009.15 of which $13,833.43 was from exchange collected.

Here is a bank with an operating income of $50,543.18, of which $35,080, or approximately 75 percent, was income from exchange collected.

Another typical Mississippi bank had an operating income for 11 months of 1944 of $23,373.29, of which $13,958.47 was from exchange collections, representing, I estimate, from 55 to 60 percent.

Here is another illustration: In this case the bank for the first 11 months of this year, 1944, had earnings of $9,549.77, of which $9,471.38 was from exchange collected.

Mr. LANGER. Mr. President, if the Senator will permit me to ask him a question; suppose in a county in Mississippi there is a large bank which is close to four or five counties and the small banks in those counties have to close; that would mean, would it not, that the large bank would get the business and the farmers and laboring men would have to go to the large bank in order to transact their banking business?

Mr. EASTLAND. That statement is correct. With but one exception that I know of, every bank in the State of Mississippi favors the adoption of this amendment; and I submit if the large banks in the South and West are willing to absorb exchange collections, if everybody is agreed on that, why should we refuse them that privilege, and why should we deprive several thousand small communities of banking services? It is unjust to do so, and represents another predatory attempt by high finance to gain control of the small banks of the United States and to drive them into the Federal Reserve System.

Mr. LANGER. And is it not also true, may I not ask the Senator, that it would mean that the farmers and laborers would have to drive 30 or 40 or 50 or 60 miles to do business with some large bank in Mississippi?

Mr. EASTLAND. That is correct.

Mr. LANGER. Instead of going to a bank 3 or 4 miles away and borrowing a hundred dollars or so if the farmer needed it, he would have to go 50 or 60 miles away to do that.

Mr. EASTLAND. And the expense of his trip would be more than the interest on a small loan.

Mr. LANGER. And much more than the small amount of exchange charged.

Mr. BUSHFIELD. Mr. President——

Mr. LANGER. I yield to the Senator from South Dakota.

Mr. BUSHFIELD. Mr. President, in my humble opinion, there is much misconception on the part of Senators about the pending proposition. As the Senator from Tennessee [Mr. McKELLAR] said a few moments ago, we are not trying to change the law, but there has been a sudden, arbitrary interpretation or regulation of the Federal Reserve Board. If we clear away all the smoke about this proposal, we will find that back of this interpretation—the ruling of the Federal Reserve Board—is the desire on their part to secure absolute control of the State banking systems of the country.

In this connection and along with what has been said heretofore, I desire to call the attention of the Senate to what Mr. Crowley had to say about this same proposition. Leo T. Crowley is one of our distinguished citizens. He is Chairman of the Federal Deposit Insurance Corporation, one of the better Government agencies. Mr. Crowley has a distinguished experience in the past in Government service. He said in testifying before the Committee on Banking and Currency on House bill 3956, which is the same as the pending proposal:

> You skate around all you want; but, when you get right back, there are a few fundamental things involved. First, I think the ruling indirectly forces par clearance on the banking system of this country, and I have always been a strong believer, that in legislative matters, you should meet a thing directly—not placing some fine Italian writing in a law and then interpreting it in a way that you feel your theories can best be served. And Congress certainly in the past has indicated, without question, that it is not in favor of enforcing par clearance, and the Supreme Court has indicated, as I understand it, that the Federal Reserve Board did not have the authority to do so.

Then Mr. Crowley goes on to say further:

> I think the net result of the Federal Board's ruling is this: First, it forces par clearance; secondly, it very definitely affects the earnings of a lot of little banks. The next step, in my judgment, is that you break your little banker; you eliminate him from your banking picture, and the advocates of branch banking immediately will come along and say, "Now, this little community is in need of a bank and cannot support an independent bank, so that we have to have a branch bank to serve that community."
>
> Now, I do not think this ruling relates to just the matter of exchange in these little banks; I think a very fundamental issue is involved, and I think this committee ought to take plenty of time to understand all of the elements that may be involved, because I think that, as you go along, you will find that there are fundamental differences in principle between the Federal Reserve and the Federal Deposit Insurance.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BUSHFIELD. In just a moment, then I shall be glad to yield.

Mr. President, the distinguished Senator from North Dakota has referred to what the Federal Reserve crowd did to the banks of the Middle West in 1920; and we have not forgotten that. They practically broke the banks of that section by the unprecedented and unintelligent, in my opinion, ruling which required the banks to liquidate in 30 days. That brought on the crash of 1920, and we do not want the Federal Reserve Board to get control of all the banking facilities of this country.

Mr. LANGER. May I not say to the Senator they not only broke the banks, but they broke the farmers doing business with the small banks?

Mr. BUSHFIELD. Yes; the banks are built on the farming populations of those States.

I yield to the Senator from Mississippi.

Mr. EASTLAND. The argument has been made on the floor of the Senate by the opponents of the bill that we must defeat the bill in order to have sound banking in the United States.

Mr. BUSHFIELD. That question is not an issue at all.

Mr. EASTLAND. Is it not a fact that the Federal Deposit Insurance Corporation insures the deposits of this country?

Mr. BUSHFIELD. The Senator is correct.

Mr. EASTLAND. And does not that Government agency favor the passage of the bill?

Mr. BUSHFIELD. It does, and very strongly.

Mr. MAYBANK. The Senator from Mississippi asked the question I was about to ask, except that I would have added that Mr. Crowley would be far more interested in small banks than in large banks, would he not?

Mr. BUSHFIELD. Yes.

Mr. MAYBANK. Not because of his personal advantage, but that is his business.

Mr. BUSHFIELD. The Federal Deposit Insurance Corporation is particularly for the small banks because its protection is limited to deposits of $5,000.

Mr. MAYBANK. Let me ask the distinguished Senator from North Dakota if it was not testified in the hearings that back in 1920 or, at least, some time ago, the Federal Reserve sent the checks from the smaller banks through express for collection, and, of course, they would accumulate so many checks that it would be embarrassing for the little banks in the morning to meet those checks, and they had to go to the Supreme Court and stop that. I am wondering if that happened in the West; it was almost a tragedy in the South.

Mr. LANGER. Yes; I read about that a few moments ago. The Senator was out of the Chamber at the time, I think. I referred to the decision of the Supreme Court.

Mr. MAYBANK. Was that done generally in North Dakota?

Mr. LANGER. It was done all over the country.

Mr. BUSHFIELD. I thank the Senator from North Dakota for yielding.

Mr. LANGER. Mr. President, I desire to put into the RECORD the following telegram, dated March 20:

> This bank is in favor the Maybank Senate bill 1647 and we should like to have you use your power and influence in the passage of same.

That is signed by the Bank of Killdeer, a small town in the western part of the State.

I have here a telegram from one of the outstanding small bankers of North Dakota, John Ottis, of Kindred, Cass County, the largest county in the State:

> Will appreciate your support of the Maybank bill. Believe it to be to best interest of small country banks.

I have here a telegram from the Farmers State Bank of Lisbon, N. Dak., the county seat of Ransom County:

> We urge your support of Maybank bill. We believe exchange charges vital to existence of small banks and that defeat of Maybank bill would be entering wedge for eliminating of exchange.

I have here a letter from one of the leading bankers of the State:

> Do not think there is any question at all but those in favor of the Maybank bill are thinking of more control. * * *
>
> We believe our dual system of banking is a necessity to the economy of the United States.
>
> We think exchange is a legitimate charge, and we know that without these earnings, small banks like ourselves would have a hard time making ends meet.

Here is another letter:

> DEAR SENATOR: Your letter received in regard to this Maybank bill, and after reading the viewpoint of Mr. Crowley, head of the F. D. I. C., which you no doubt have read, I cannot see any objection to the passing of that bill. Surely he must have as good a viewpoint of the whole banking system as anyone, and as I cannot see where there would be any evil to the passing of this bill, then surely you should be on pretty safe ground in following his advice.
>
> Of course, I am personally interested, because if this bill is not passed it would appear that the small bank will lose its exchange. But just remember that the banking business is still a profit-and-loss business, and has to be operated the hard way, so that if your profits aren't enough to take care of the expense and losses, there isn't any Santa Claus that is going to make up the deficit.
>
> Those small exchange charges which the country bank is getting, if eliminated, when you get right down to it, will be just that much profit which the small bank would be losing and transferred on the profit account of the bigger banks and business concerns. Take, for instance, our local situation when, before the highways were built and the closed cars came on the market, local merchants are now losing a big percentage of the business they had back in those days to the chain stores located in Minot, 45 miles away, and you know yourself that all this extra business to get out of a community in which they pay no taxes, at a cost of 10 cents per $100 check drawn on the local bank, is a good deal for them.
>
> Furthermore, we have already had the experience of being requested to par checks for certain customers, and have done so, and found out later that the big bank in Minot charged back the exchange anyway, and put that in their own pocket, so I figure one of the big things back of the exchange elimination is to make it possible for the big bank to add that much more onto their float charges and thereby pocket the exchange the country bank is getting, for their own benefit, instead of it going to the country bank. In other words, a bigger outfit is going to get this exchange in another way, instead of a little bank. You know too well that the

more independent owner-operator business people that you can have in our country, that we are going to be that much better off than to have chain outfits doing the business instead of the little fellows, and anything that will tend toward taking this exchange from a little bank is another step toward having more and more chain and fewer and fewer owner-operator businesses.

Looking at it from all the other arguments against the bill, surely if anyone would see a danger to the banking system, Mr. Crowley ought to be able to see it in a position which he holds.

I have before me another letter. This is from one of the best bankers of the State of North Dakota. I telegraphed him as to whether I might use his name, and I have his telegram giving me permission. He says:

DEAR SENATOR: Thank you, Senator, for being good enough to request my views on the Maybank Senate bill No. 1642. Quite considerable quantities of various opinions—pro and con—on this discussion have reached us. The National Association of Credit Men oppose its passage with their No. 1 opposition, fearing adverse par effects, while others against the measure assure us that nonpar banks can still charge the usual exchange.

We feel quite certain that the Credit Men in that the defeat of the bill will be of advantage to them in the completion of the "job" which they slipped over with the par clause in the Federal Reserve Act.

Digressing, I might say that that is exactly what has been said by some of the distinguished Senators on this floor. Mr. Munn continues:

We will take with doubts their assurance that they never have and never will oppose service charges. The teller's window at the bank upon which it is drawn is in reality the only place where a check is actually worth 100 cents to the dollar. Various free services en route may and do make the public believe otherwise.

The Federal Reserve par system was installed at a time when the needy borrowers were bearing nearly the entire burden of the banks' earnings. The greedy convinced the majority that the rediscount facilities enabling the banks to reach new heights on their loaning capacity would amply repay them for performing this free service of paying local deposits at any remote spot in the country. Please note that the Federal Reserve haven in times of stress did not hold the first inducement.

You ask for personal experiences. Shortly after the Federal Reserve was inaugurated the writer was urged to join. The officer, avoiding my questions as to loss of revenue in such a move on our part, had me ushered to the Federal examiner. The latter's answer was "You could make up the decreased earnings and then some by rediscounting freely with the Federal Reserve." He was glancing at our card statement. "The Federal Reserve would rediscount for you at 4 percent. You could loan out $200,000 additional at 8 percent that would net you $8,000 additional revenue, greatly compensate for the loss of earnings by joining." That extra $8,000 looked very attractive except that I did not know where to find the $200,000 of additional paper which would be paid at the 90-day maturity. I have thought of that incident many times since and very often about the time our deposits in the depths of the depression shrank 90 percent to $27,500. The peak of that slump we attribute to the fact that we were on the par list previously and had with the shrinkage commenced service charges. That simply added fuel to the flame.

Right now people are making money. They don't object to reasonable service fees. When customers have to count the pennies, they will again first economize on those service charges. We had to go off the par list then and eliminate service charges. The depositors came back. They did not have much money but their accounts were on a profitable basis every time they mailed a check to a mail-order house, who we presume had enough profit to accept a check payable here for the goods that they were selling, or if not, required that exchange be added.

Correspondent banks are going to differentiate between profitable and unprofitable from banks the same as business generally among customers. The Federal Reserve furnishes free safekeeping, free transfer of funds, etc. Why not pass regulations declaring that those services are paying interest against the law? Or shall we by law and regulations drive all banks into a single system?

As you know, all the banks to the north of us are Canadian branch banks. During the time that I have been here, the branch closed its doors, not because they had poor loans. They were all good. But the poor loans were made at the head office. That community had taken stock in an amount exceeding all the loans which they held at closing. When banks in North Dakota failed universally, the community was owing the banks more than the banks were owing the community. We simply had been trying out "the owing to ourselves" idea, confined to local trade territories here in North Dakota.

Unit banking makes for the development of local communities and that benefits the whole country. The Federal Deposit Insurance Corporation brings a Nation-wide viewpoint into the entire banking set-up. As for ourselves, we would commend Mr. Crowley for the position that he has taken on the Maybank bill.

Yours very sincerely,
W. T. MUNN, *President.*

I have also received the following letter from the Florida Bankers Association of Leesburg, Fla.:

FLORIDA BANKERS ASSOCIATION,
Leesburg, Fla., April 25, 1944.

MY DEAR SENATOR: Enclosed for your consideration is copy of a resolution which was adopted at the fifty-first annual convention of the Florida Bankers Association held in Jacksonville April 11-12, 1944, by a majority vote of delegates of member banks of the association, asking your support of the Maybank bill, known as S. 1642.

Yours very truly,
J. CARLISLE ROGERS,
Secretary.

Likewise, Mr. President, I have here scores of other letters from the State of North Dakota, and I ask unanimous consent that I be allowed to put these letters in the RECORD without attaching the signatures. They are from small banks in every section of the State of North Dakota. They are practically unanimous in support of the Maybank bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEAR SENATOR LANGER: Your letter of March 22, 1944, received, for which I thank you.

From present experience, at the present time, our biggest item of earnings is exchange. To lose it will cripple the little country banks.

We are wholeheartedly in favor of anything you can do in regard to this bill.

Thanking you very much for calling this matter to our attention.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Please permit me to bother you a little more on the above subject.

There is no question but what the pressure exerted by the Federal Reserve through various agencies, the under-the-surface maneuvering, and smoke screen have confused the issue so that many, including banks, cannot decide what is for the best interests of plain John Doe.

It is quite evident that the immediate objective is the elimination of exchange by State legislative action, which will be encouraged and expedited by defeat of the Maybank bill. The National Association of Credit Men, which is actively campaigning for outlawing exchange, argues that rather than charge mail-order houses, wholesale houses, etc., the small exchange fee for remitting for checks received by them from their customers, we should charge our own customers who give the checks. I fail to see their argument and do not believe we should take it from the small fry here for the benefit of the large corporations. Exchange is a vital part of the earnings of the small country banks and its elimination would be a painful, and in many cases fatal, blow to such banks.

Furthermore, down at the bottom of the whole affair it stacks up as a fight between the F. D. I. C., supporting the dual system of banking, and the Federal Reserve, which opposes it. I don't believe you are in sympathy with the ambition of the Federal Reserve to force us into that system with consequent death of dual banking, and trust that further study of the situation will result in your support of the Maybank bill. If a copy is available please read Representative BROWN'S letter of March 18 to the National Association of Credit Men, which states our side of the controversy very clearly.

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.:

We urge your support of the Maybank bill. We believe that the passage of this bill is essential to the welfare of our banks.

DEAR SENATOR LANGER: When your letter of March 22, which has reference to the Maybank bill, S. 1642, came in, I was absent on my vacation, which accounts for the delay in replying.

We hope that you will give your support to the Maybank bill. It is our opinion that this is one way of heading off further control by the Federal Reserve bank, which would eventually lead to the elimination of the independent banks. It seems to us that we have too many Federal controls as it is. We note with considerable satisfaction that the Federal Deposit Insurance Corporation is supporting this bill and certainly they have contributed more to the upbuilding of the independent bank than the Federal Reserve bank has or ever will.

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.

DEAR SENATOR: Since writing you March 21 with reference to the Brown bill, we have had some time in studying both sides of the question, and we are now convinced that the bill should be passed. If we are to maintain a dual banking system, banks should have individual liberty in running their business in a way that best suits operations in their particular locality, without being tied down to some system that works best in some other place.

We kindly ask you to work for the passage of the Brown bill.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SIR: We have given careful consideration to the issues involved in the controversy over regulation Q, and we are of the opinion that the interests of the banks of North Dakota are best served by the position taken by the Federal Deposit Insurance Corporation.

Exchange charges have long provided an important part of the income of the country banks of our State, and in the face of declining revenues from other sources their loss at this time would be a severe blow. As you know, a bank must have a reasonable income if it is to keep itself in a sound, solvent condition. We believe that regulation Q is a step toward the eventual abolition of exchange charges and possibly of the dual banking system.

We, therefore, earnestly urge you to support the Maybank bill.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Received your letter and circular with regard to Maybank bill, S. 1642, and after reading them, and many others, giving due consideration to small communities, entitled to enjoy the services of a bank, which would not be possible in many instances if exchange were eliminated. Consequently, I would appreciate it if you will vote for the passage of the bill.

P. S.—You know, the more enterprises in a community the better the community; such holds true with the States as well as the Nation. But let one own all, and see what's going to happen. I for one believe in living and letting live, which thought by so many of us is not entertained.

DEAR MR. LANGER: I urge your support of the Maybank bill, which permits the absorption of exchange charges by correspondent banks.

If there is any material profit made in the banking business, it is being made by the larger banks. Surely, if they want to absorb exchange charges they should be permitted to do so.

If exchange charges are absorbed by correspondent banks, there will probably be less pressure by the retail merchants association and by mail-order houses on the various State legislatures to pass laws prohibiting exchange charges.

The smaller banks must have the revenue obtained from exchange charges. If they are prohibited, then other service charges will have to be made to the depositors. For my part I would rather have the correspondent banks, the mail-order houses and the merchants pay these charges than to assess additional charges against our depositors' accounts.

In the event you have not used up your quota of names for the CONGRESSIONAL RECORD, I would be pleased to have you place my name on the list, so that I may receive a copy.

I was at the Nonpartisan State Convention in Bismarck last March and was especially pleased to have Beede get the endorsement for Representative, and well satisfied that the convention did a good job on the rest of the ticket.

Senator WILLIAM LANGER,
Washington, D. C.:

After complete information we are in favor of the Maybank bill and urge you to support the bill. Believe this bill favors the small country bank.

Hon. WILLIAM LANGER,
Bismarck, N. Dak.

DEAR SENATOR: The above bills are very much detrimental to the interest of banks, and we would like to see you support the minority report when they come up for action.

In the past years, practically no new banks have been organized, and many have gone out of business because it does not pay to operate. Considering the heavy investment necessary to start a bank, and the resulting responsibility and liability, it seems that investors can find ways to make more money and easier than to tie it up in a banking organization, and it is about time that banks be left alone. After all, a community without a bank is more or less a ghost town. Why put on more restrictions? We have enough now.

Senator WM. LANGER,
Washington, D. C.:

Urge support of Maybank bill. Deem vital to country banks.

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.

DEAR SENATOR: Just received your letter regarding the Maybank bill and I am glad to see you tell me I am wrong in suggesting opposition to this bill. It has been so confused, but now it seems that it's a good bill for the small banks.

Thanks a lot and when you make Forman, I want to spend a little time with you, if your time will permit.

DEAR MR. LANGER: Your letter of April 13 has been received and you are entirely at liberty to use our telegram in favor of the Maybank bill.

We realize that the larger banks and corporations have managed to stack the cards against us so that we are in the minority, but we still maintain that elimination of exchange, to which defeat of the Maybank bill will without question lead, will be a blow to small banks and will eliminate many of them.

Thank you for your interest.

DEAR MR. LANGER: Since sending you my telegram advising you that we were against the passage of the Maybank bill, S. 1642, we have made further study of the matter and it is very clear to us now that this bill should be passed and we are writing you this letter advising you of our reversed position since sending you our telegram.

There has been so much confusion in this connection, that at first we thought that the passage should be opposed, but we now find that such is not the case and that the defeat of this bill is a planned matter by the Federal Reserve bank and its friends and pressure is being brought wherever it is possible to do so.

I am sure that you have made a sufficient study of this bill to see why we have changed our position for the passage of this bill and trust as you have indicated in your letter that you will favor the passage of this bill.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR BILL: We independent bankers may be so darn independent that we refuse to follow the position of our own Independent Bankers Association.

Shortly after the hearings before the House Banking Committee we sent out a general circular, and since then have sent a special circular to the bankers of your State. Of course, our little association is at considerable disadvantage. The Federal Reserve System has been extremely active in opposition to the Maybank bill. They have a tremendously large personnel and their influences are sufficient to prescribe the course of action to a number of State associations. We have had to operate pretty much alone and, of course, our association is not a very large organization.

We may be licked on the Senate side, but I feel that our position is logical and that time may prove us correct. The country bankers have been confused by the Federal Reserve System, and I am not much surprised that many of them are advising Congress contrary to their own interests.

I am glad that the hearings won't be held for a few days. It will give us a little more time to get out another circular that we are preparing, and I believe that many bankers who have been confused on the issue are getting the matter cleared up in their minds.

I want you to know that I appreciate very much your communications and the help that you have given me.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR BILL: As per your wire of this date, we are enclosing a list of our members in North Dakota. I presume that many of these bankers felt that the Maybank bill would have about the same support as the Brown bill did in the House, therefore were not active with their letters. I rather think you will begin to hear from the smaller banks very shortly.

It appears that in many States the big banks dominate the State associations, and they are using their influence in opposition to the Maybank bill. I am hoping that the hearing before the Senate Banking and Currency Committee may be delayed a bit so that the country bankers who respond rather slowly will have a chance to present their side of the argument.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR BILL: Thank you for your favor of the 23d in which you enclosed a copy of a letter from the Farmers State Bank of Richardton. It seems to me from reading this letter that Mr. Geidt, the cashier, has confused himself on regulation Q and the Maybank-Brown bill. It is quite evident that he is opposed to regulation Q and in favor of the Maybank bill, although he states himself to the contrary in his first paragraph.

The Maybank bill leaves the bank alone; regulation Q imposes a regulation.

Many of the bankers are beginning to realize that the pressure that the Federal Reserve banks have put upon them to oppose the Maybank bill is contrary to their own interests. I understand that John Graham, the superintendent of banks for your State, put out a circular that was probably written by the Federal Reserve. There have been quite a good many letters pro and con and some of our bankers like Mr. Geidt are somewhat confused.

As I understand it, the hearings on the Maybank bill probably won't start before the middle of April. This will give time for the clarification of opinions and I am quite sure that the banking fraternity will begin to oppose legislation through regulation. The power of the Federal Reserve is considerable and they have exerted themselves tremendously in trying to formulate opposition to the Maybank bill.

From the correspondence that flows across my desk it would appear that the proponents of regulation Q have shot their bolt and that from now on opposition to this regulation will continue to increase.

I am very appreciative of your thoughtfulness in keeping me thoroughly informed.

Hon. WILLIAM LANGER,
Senate Office Building:

Re telegram am writing you air mail in support of the Maybank bill.

SAUK CENTRE, MINN.,
March 15, 1944.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR BILL: I am just in receipt of both your telegram and your letter and I am very glad, indeed, to have this opportunity to express to you the views of our association on regulation Q and the corrective act in the Senate, the Maybank bill (S. 1642).

I spent 2 weeks listening to the testimony that was presented to the House Banking Committee. I believe the House Committee was influenced in its decision by the overall effects of regulation Q and not on the technical issue of whether or not the absorption of exchange constitutes the payment of interest.

Regulation Q if continued will have a tendency to eventually eliminate exchange. Many of the small country banks will have difficulty in substituting a service charge that will compensate them for the loss of this form of revenue. As an indication that par clearance is involved I am quoting from a letter of Congressmen FORD and CRAWFORD under date of March 7, which was sent to all the banks of the country: "In our country almost all business is done by checks. These checks should be worth 100 cents on the dollar. Par clearance makes this possible."

If the nonpar banks lose the revenue from exchange many will probably join the Federal Reserve System as the Federal Reserve banks of each district offer inducements that are not offered by the private correspondent bank. If a bank is a member of the Federal Reserve System it might be more advantageous to drop its State charter and take a national charter. If this was quite generally done our dual system of banking would begin to disappear.

At the present time the majority of banks are nonmember banks but they are the smaller banks and their assets probably constitute less than 20 percent of the total bank assets of the country. Of course, there are arguments why all banks should belong to the Federal Reserve System but when we review the mistakes of past matters by the Board of Governors we are wondering if it is advisable to have every bank in the country a member of that system. As things now stand the preponderance of assets are already in the Federal Reserve System so that the economy could probably be handled through them now as well as it could if all the little banks were brought into the fold.

I have a feeling, BILL, that we are definitely centralizing too much authority in official Washington, that banks are now regulated to an unreasonable extent, that if this regimentation is carried much further banks will find themselves in a strait jacket and their ability to serve the public will be greatly lessened.

The Board of Governors of the Federal Reserve System picked out a bad time for more regulation. You know that every class of business now has to put up with a great deal of regimentation. The banks are burdened with governmental duties to the point where they have a little time for their own affairs. To bring on a new regulation which upsets a prevailing custom seems to be illogical. There have been some abuses in the absorption of exchange but the supervisory authorities already have sufficient powers to force a bank to discontinue any practice that constitutes bad banking. It seems to me that the Board of Governors are trying to legislate through regulation, that if they are not stopped now that they will carry on further and eventually other types of service charges may come under their disfavor. Service charges are essential to a bank today. The country bank cannot live off its note pouch and the returns from Government investments are rather negligible.

I am taking the liberty of enclosing a circular put out a short time ago which contains my testimony before the House Banking Committee.

During the hearing before the House Banking Committee the opposition was rather negligible but now this opposition under the lead of the Federal Reserve banks of each district is becoming well organized and they are going to exert much pressure on the Senate. It is my studied opinion that the Maybank bill constitutes good law and it should be passed. The House Banking Committee after a long study of the companion bill, the Brown bill, came to that conclusion and the House I understand passed it by about a 6 to 1 vote. The question is controversial, so controversial in fact that the American Bankers Association were noncommittal. Now I believe they will break their silence and probably appear in opposition to the Maybank bill. Of course, the A. B. A. represents all the banks of the country but the influences of the big bankers are quite pronounced. Our association, as you know, is a grass-root organization.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR: Your letter of April 5 has been received, and I am very much pleased to hear from you about the above bill, which I hope will pass.

With best personal regards, I am,

Yours very truly,

P. S.—Springlike here. Farmers will soon start in fields.

BILL.

Senator WILLIAM LANGER,
Washington, D. C.:

Strongly urge that you oppose Maybank bill, S. 1642.

Senator WILLIAM LANGER,
Washington, D. C.

DEAR SENATOR: Your letters of March 22 and 27, with enclosures, have been received. I appreciate and thank you for writing to me.

This Maybank bill seems to have gotten to be quite an issue and we have received so much literature on both sides of the question, that it would be hard to recommend what to do.

However, since wiring to you, the enclosed letter from the F. D. I. C. has been received, which seems to present more light on the subject than we had theretofore gotten. In view of this, it would seem that perhaps the Maybank bill should be passed. You are on the ground floor and acquainted with banking in North Dakota, and I am sure that you will make a proper decision.

We hand you letters from the Independent Bankers, the North Dakota Bankers, and the Minnesota Bankers Associations, which take an attitude opposite to the Federal Deposit Insurance Corporation.

We have had no personal experience in this connection, excepting that we do receive some items upon which we get exchange that had been routed differently heretofore.

Hoping you are fine, and with best regards, I am,

Yours very truly,

A lot of snow here.

DEAR SENATOR LANGER: We would like to operate this bank as we have in the past, and while we are much confused over the bills we are of the opinion that the Maybank bill will if passed allow us to continue as we have in the past, and for that reason we will appreciate your support of this bill.

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.

DEAR SENATOR: This will acknowledge receipt of yours of the 16th in regard to the Maybank bill, known as S. 1642.

We have heard arguments both for and against this bill, as well as the majority and minority report on Congressman PAUL BROWN'S bill, known as H. R. 3956, which passed some time ago.

We are very much in favor of having the Maybank bill passed in the United States Senate. We have a number of small banks in our State as well as other States, and should they be deprived of the exchange revenue there is no question in our mind that a good number of them will have to liquidate as the income from the exchange in many cases represents from one-half to two-thirds of the operating revenue. The banks in this State have charged exchange for over 30 years or more, and we cannot see any reason why that practice should be abolished at this time as Congress has never declared itself in favor of universal par clearings. On the contrary, in 1917 Congress expressly amended section 13 of the Federal Revenue Act so as to authorize member banks to charge exchange on clearings which did not pass through the Federal Reserve banks. The Supreme Court of the United States in 1923 in the case of the *Farmers and Merchants Bank of Monroe, N. C.* v. *Federal Reserve Bank of Richmond,* in which the court held that they had no right to enforce universal clearings on the banks in this country. We believe that if par clearings should be made universal, it should not be made by administrative regulations, but only by act of Congress, and the present legislation merely carry out this thought.

We believe that the Federal Deposit Insurance Corporation's view on this matter should be considered carefully, and we agree fully with them. We are enclosing a circular letter that we received from them dated March 16, 1944, although they do not request any of the banks to support this legislation, we are sending it to you because we believe that will more clearly express the view of all independent banks, and especially smaller banks all over the Nation who receive a substantial amount of revenue from exchange charges.

We will appreciate hearing from you, and we hope that you may see your way clear to support this Maybank bill when it will come up to a vote in the Senate.

Mr. LANGER. Mr. President, as I view it, the Maybank-Brown bill has raised a great controversy in which the powerful Federal Reserve Board and the financial fat cats who run the banks of Wall Street are trying to destroy the independence, yea, the very existence, of over 2,700 small bankers in the agricultural sections of the South and Middle West. In such a dispute need I say where the cause of right and justice lies?

Mr. President, replying specifically to the argument made by the distinguished Senator from Michigan, when time and time again he said that this amendment involved only 2 percent of the deposit liability of this country, I will say that may be true. I do not concede it, Mr. President, but of one thing we are certain, and that is that this amendment involves nearly 20 percent of the banks of the country. There are, as the Senator said, 6,700 member banks in the Federal Reserve System, 4,800 nonmember banks that are on a par basis, and then there are 2,500 other banks. So we have,

roughly, 20 percent of the banks that are vitally affected by this measure.

Mr. President, if what I have stated does not arouse the interest of my fellow Senators, let me say that the amendment also places squarely before the Senate a situation wherein the Federal Reserve Board, with that boldness all too often found these days in our executive agencies, has made an administrative ruling which has the force of law but which Congress has never authorized. Not only has Congress never authorized the ruling, but during the 30 years' life of the Federal Reserve System, Congress itself has repeatedly refused to interfere with the banking practice which this ruling tries to make illegal. This is the old, old story of a delegated power to do one thing being used to deal with an entirely different problem—a matter which Congress itself has repeatedly refused to affect.

As I come from the State of North Dakota, I know a great deal about the practice of charging exchange. It has been a source of revenue which kept many of our North Dakota banks alive. I need not tell the Senate what keeping a bank alive means to a country town, whether the town be in North Dakota, or in Tennessee, or in Georgia, or in Florida, or in any other State in the Union which is more or less of an agricultural or dairy State. It means the difference between a living town and a dead town, a town which business comes to and a town which business shuns. I ask Senators, who knows best how North Dakota banks should be run? The men who have brought their banks through war and depression, through drought and crop failure, and drought and crop failure again? Or some young theorist, fresh from his college courses on money and banking, who gazes out of the high windows of the marble palace which houses the Federal Reserve Board at the far end of Constitution Avenue?

In the years prior to 1933, the country bankers used to get interest from the city bankers on the balances which they carried in the city banks. The country banks have to carry these balances in order to meet the demands of their customers who do business in the cities. They are prevented from investing this money because it is their reserve to meet the demands of their depositors. Vast sums are accumulated by the city banks which they are able to invest in Government securities which they can quickly liquidate because they have ready access to the Federal Reserve banks and to the security markets. So the city bankers make the profits which have always enabled them to pay interest for these funds. But in 1933, when Congress was swinging wildly to clean up the banking disaster which had almost ruined our country, a law was passed which made the payment of interest illegal, where the deposits were payable on demand. The idea was that this would prevent this money from being attracted to New York and other big money centers to be used to finance stock-market speculators. When this law was passed on June 16, 1933, it was needed. But since 1933 many other laws have been passed. Among these I have only to mention the Securities Acts of 1933 and 1934, which have set up a bulwark between the bulls and bears—they really should be called wolves—of Wall Street and the public upon whom they have always preyed. These laws have created the Securities Exchange Commission and given it many powers to regulate the securities business. Furthermore, under these laws the Federal Reserve Board has been given the broadest powers to regulate and control the use of credit for speculative purposes. Under this law the Federal Reserve Board has issued regulations fixing the margin requirements which brokers and bankers alike must live up to and restricting the making of bank loans to be used for security speculation. If these agencies exercise the powers given them by Congress, there never again can be a run-away stock market; no longer will funds be attracted to New York for use in the stock market, because it can be kept under control.

Mr. President I may say that in the campaign that just closed, next to the war I believe the argument which most impressed the people in the rural areas was that we had the Federal guaranty of bank deposits, and I think that was true also in the election 4 years ago, and it has been true I believe in every election since the Federal Deposit Insurance Corporation law was enacted.

Therefore, I say the need for prohibiting the payment of interest on demand deposits has long since passed. I say that Congress should repeal this old law because it is no longer necessary—it no longer serves any purpose except to prevent the little banks from getting interest on the reserve deposits which the needs of trade compel them to keep in the New York banks. This is something for us to consider carefully in the future.

In the meantime we must adopt the pending amendment. The House passed a bill in similar language by a record-breaking vote early in March of this year and why the Banking and Currency Committee of the Senate has kept the bill in the committee all these months, I do not know. I repeat, it should have been reported to the Senate promptly.

Again I want to congratulate the senior Senator from South Carolina for bringing the provision out in the form of an amendment to the pending bill, and I sincerely hope the amendment will be adopted.

The purpose of the amendment is to permit the little banks to live. It permits them to live because many of them live largely on their exchange-charge revenue. It nullifies the Federal Reserve ruling which holds that the interest statute is violated when the city banks pay the country banks' charges on check clearings unless the city banks bill their depositors for them. The Federal Reserve says that for the city banks to stand the expense of collecting checks from the country banks is paying their depositors interest. Not satisfied with depriving the small fellow of the opportunity of getting interest for this money, the Federal Reserve now wants him to pay part of his bank's operating expenses as well. There was a day when money was worth something to the banker. Bankers are so anxious to get deposits, it is perfectly clear that money is still worth something to them. But the Federal Reserve works on the theory that a penalty should be imposed on the public by the banker who holds his funds. Do not pay John Doe Public any interest and make him pay the expense which the banks have always borne as well. So says the Federal Reserve. Let the poor man pay it, let the farmer pay it, let the laboring man pay it, but for heaven's sake protect the large banks.

Of course the purpose is to pass the small banks' charges back to the public instead of letting the big city banks pay them as they have done ever since banks did business with one another. The reason is to make trouble for the little banks by stirring up public resentment against their charges and in this way force them to discontinue these small charges. The Federal Reserve calls this going on the par list and there has been a historical fight between the Federal Reserve and the small bankers on this question which came before Congress in 1917.

After the Federal Reserve System was set up certain Federal Reserve banks instituted compulsory par remittance by member banks on checks sent through them. In 1915 the Federal Reserve Board instituted a voluntary par remittance plan. However, this failed in a number of areas because of the small percentage of banks, 25 percent, which agreed to remit at par. In 1916 the Federal Reserve Board instituted compulsory par remittance which was put into effect in the face of intense opposition on the part of many national banks in country areas, and the efforts of a committee of the American Bankers Association to obtain postponement of the compulsory plan failed. Although many of the larger banks favored the compulsory plan because they were already remitting at par, the then—1916—president of the American Bankers Association declared his sympathies with the country banks in these words—mind you, Mr. President, this is a president of the American Bankers Association, speaking in 1916:

> The transfer of funds is a service—
>
> Not interest, Mr. President—
>
> a service which is as much entitled to compensation when made by a bank as it is when made by an express company or by the postal officials.

A committee of the American Bankers Association reported at the 1917 convention that it had sounded the opinion of bankers and that more than 75 percent opposed the par collection plan. Mr. President, I regret that the senior Senator from Michigan is not in the Chamber at the present time to get the official figures as to what the members of the American Bankers Association thought even in those days.

However, as the Federal Reserve Board had observed in the preceding year, the force of competition with par-clearing member banks was driving many nonmember banks onto the par list.

In 1916, section 13 of the Federal Reserve Act was amended expressly to permit banks to make reasonable exchange

charges on collections otherwise than against the Federal Reserve banks. In accepting this amendment, the nonpar banks, supported by an opinion of the general counsel of the American Bankers Association, had understood that the amendment would permit nonmember banks to charge exchange on collections which the Federal Reserve banks were handling in the customary agency capacity. However, the Attorney General in 1918—Thirty-first Opinion, Attorney General, pages 245 and 251—issued an opinion to the contrary, so that nonmember banks were prohibited from charging exchange not only on collection items owned by the Federal Reserve banks, but also on those which they were handling in an agency capacity. This deprived banks of the clearing facilities of the Federal Reserve banks for checks drawn on nonpar banks, and the situation in this respect has since remained unchanged.

In September 1943 the Federal Reserve Board issued its ruling that absorption of exchange was interest, and it has been battling in a most extraordinary manner to make all banks comply with its ruling. It has fought to break up the practice which its ruling outlawed even while Congress has been considering this legislation. The Federal Reserve Board would like nothing better than to have the Committee on Banking and Currency continue consideration of this bill, as it has considered it for many months already.

The Federal Reserve Board has been carrying on a country-wide campaign to get banks which are not directly affected by its ruling to oppose this bill; and the result has been a flood of telegrams asking some Members of this body to oppose this measure. The chief claim has been that this bill will destroy the Federal Reserve System. How utterly absurd. If the Federal Reserve hangs by such a slender thread, let it be cut now so that we may no longer be blind to its weakness.

I agree with every word that was said by the distinguished senior Senator from Tennessee [Mr. MCKELLAR]. He put his finger on the vital issue with which we are concerned today.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MCKELLAR. If this amendment would destroy the Federal Reserve System, why has it not been destroyed during the 9 or 10 years the Federal Reserve System has acquiesced in this very method of handling business?

Mr. LANGER. Of course, Mr. President, the question answers itself. It shows how very specious is the argument made by the Federal Reserve Board.

Mr. President, I am sure that the Members of this body are too courageous in their respect for right and justice to yield to this kind of lobbying. I have upon my desk many letters sent by the Federal Reserve Board to bankers in the State of North Dakota, which letters have been forwarded to me.

Every bureaucrat who makes an illegal ruling wants his hand upheld and puts up an awful howl when Congress takes steps to protect the public from his abuse of authority. The worse the trespass on the public's rights, the louder do they cry. That is what is happening in this case.

The Federal Reserve ruling was to prohibit the absorption of exchange, but its purpose was to prohibit exchange itself, because by making exchange charges a nuisance through forcing every bank to charge them back to the public, instead of paying them as part of their operating expenses, the Federal Reserve hopes to force the little banks to cease charging exchange or to go out of business. Mr. President, in this very year more small banks have gone out of business in the State of North Dakota.

Let me show how this system works. Farmer Smith lives in a small agricultural community and is a depositor in the Farmers State Bank of Williston, N. Dak. This is an independent, locally owned bank catering exclusively to the residents of the town and the farmers residing in the immediate vicinity. Mr. Smith buys some equipment from a store in Chicago for $100. He sends his check in that amount to Chicago and receives the merchandise. The Chicago store deposits the $100 check with its bank in Chicago, receiving credit to its deposit account for $100. At this point, for all intents and purposes, Mr. Smith and the Chicago store have concluded their transaction. The remainder of the transaction is wholly a banking function, of which both Smith and the store are completely ignorant. The Chicago bank transmits the $100 check to its correspondent, the Minneapolis National Bank, of Minneapolis, Minn., with instructions to collect the check and credit the proceeds. The Minneapolis bank acts as correspondent, not only for the Chicago bank, but for many other banks throughout the country for the purpose of collecting checks drawn on banks in Minnesota. The Minnesota bank sends the $100 check, together with other checks drawn upon the Farmers State Bank of Williston, to the Farmers State Bank for payment. The Farmers State Bank remits to the Minneapolis bank by a draft drawn upon an acceptable point, probably Minneapolis, and charges exchange at one-tenth of 1 percent. Thus, the draft executed and mailed to the Minneapolis bank is in the amount of $99.90. Ten cents is retained by the Farmers Bank of Williston as an exchange charge for this service. It should be noted that if the Minneapolis bank presented Mr. Smith's check at the counter of the Farmers State Bank at Williston, the check would be cashed at par.

I wish to repeat that, Mr. President, because the statements which have been made upon the floor of the Senate are misleading. It should be noted that if the Minneapolis bank presented Mr. Smith's check at the counter of the Farmers State Bank at Williston, the check would be cashed at par. The Minneapolis bank credits the deposit account of the Chicago bank with $100 and absorbs the 10 cents exchange charge as a part of its operating costs. It feels that it is able to do this because it has made profitable use of the earning power of the deposit which the Chicago bank maintains with the Minneapolis bank.

If the present regulations of the Federal Reserve Board are enforced, that Minneapolis bank will no longer be permitted to absorb this exchange charge. Having received only $99.90 from the Farmers State Bank of Williston, the Minneapolis bank will be able to credit the Chicago bank only with the amount it has collected on the check, namely, $99.90. The Chicago bank, not being able to absorb any charges in relation to the account of the store, can only notify the store that, having received a net credit of only $99.90 from the check of Mr. Smith, the store must remit an additional 10 cents in order to obtain deposit credit for the full amount of $100. The store will then demand the remittance of 10 cents from the original maker of the check, Mr. Smith. Under these circumstances, Mr. Smith would undoubtedly step into his small, locally owned bank and would demand that it remit the 10 cents; and no doubt he would threaten the shifting of his business to a so-called par bank, where the exchange charge would not be imposed, but where the expenses would be absorbed by the Federal Reserve System as an over-all banking expense. The result would be a shaking disturbance of a depositor relationship that has been satisfactorily in existence for a long time.

Many small banks have been experiencing great disturbance among their customers as a result of this ruling. I know, Mr. President, because I have received telegrams to that effect from bankers in the State of North Dakota. I say that concerns from whom bank depositors make purchases for which they pay by check are told that it is illegal for the bank to absorb the exchange charge. That causes them to complain to the little bank's depositor, who immediately is given the impression that his bank has just started charging exchange and that the practice is wrong. That is only natural, because the Federal Reserve says it is illegal. It is also natural for him to think it is a new practice, because he never had any difficulty until the Federal Reserve ruling was made, although his bank has been charging exchange for many years. So he complains to his banker, and possibly he moves his account to some nearby city bank where exchange charges are not necessary. The whole process tends to force the country banks to go on the par list. That is just another way of saying that the Federal Reserve has succeeded in forcing the banker to discontinue charging exchange which is legal under the law of his State and which in 1917 Congress said was legal under the Federal Reserve Act as well.

Now let me make clear that these things are happening all over the South and Middle West today, and many bankers are being forced to change their method of doing business, all because of the Federal Reserve Board's ruling which Congress never authorized.

Mr. President, in conclusion I say again that the distinguished senior Senator from South Carolina [Mr. MAY-

BANK] is to be congratulated for the work he is doing in behalf of the farmers, the dairyman, and the laboring men of the country, in so tenaciously sticking by his guns in the face of the opposition which has developed here, particularly on the part of those who come from large banking centers.

Mr. MALONEY. Mr. President, this afternoon I received a message from the chairman of the Committee on Banking and Currency, the Senator from New York [Mr. WAGNER], who finds it necessary to be in New York. He has asked me to advise the Senate that the pending proposal originally submitted in the form of a bill, is now pending before the Committee on Banking and Currency, and that the committee is in the midst of its hearings on it. He has asked that I emphasize to the Senate that the officials of the Federal Reserve Board are just about to testify before the committee and that they are very anxious to be heard on this measure. He has asked me to tell the Senate as well that bankers from various parts of the country and officials of banking associations who profess to be vitally concerned have not yet had a chance to testify, but they hope to be able to testify before the matter is acted upon by the Senate.

Mr. President, I myself am a member of the Committee on Banking and Currency, and I presume that is why the chairman of the committee submitted the request to me. But, unfortunately for me, I have been unable to attend several of the sessions of the committee dealing with this proposal, due to the fact that I had to be in attendance at other committee meetings. However, Mr. President, I feel obliged to express on behalf of the chairman of the committee the feeling that it would be unwise to rush to a conclusion upon this measure at a time when high officials of the Government are requesting an opportunity to be heard before the committee, where they have not yet been afforded an opportunity to present their case.

I myself need further enlightenment, Mr. President; and I would not feel justified in voting favorably upon the pending amendment until those who profess to see a danger in the adoption of the amendment have a chance to fully advise the committee.

Mr. TAFT. Mr. President, I am a member of the Committee on Banking and Currency, and I have attended the hearings. The hearings began last week, on Thursday, as I recall. For 2 full days—Thursday and Friday, if I am correct—the committee heard the proponents of the measure, although I understand that on Friday afternoon there was difficulty in having any of the members of the Senate committee leave the Senate Chamber to attend the committee meeting, and therefore perhaps the hearings could properly be said to have extended over a period of a day and one-half.

When we met on Monday morning of this week to hear the opponents of the measure, one or two of them testified. Four more proponents remained to be heard, and we heard from proponents of the measure all the rest of the day. On Tuesday morning we heard some proponents and some opponents.

Certainly the opponents have not yet completed their testimony. It seems to me that the most important of the opponents are the officials of the Federal Reserve Board themselves.

Personally, Mr. President, I am inclined to oppose the measure. The only thing which deters me is the question whether the interpretation of the law holding that the absorption of exchange charges is interest is in accordance with the law which was passed by Congress, or, in other words, whether the Federal Reserve Board in issuing regulation Q has gone beyond the authority given it by Congress.

That is the question I have intended to propound to the Federal Reserve Board officials, and I have intended to endeavor to obtain some answer which would determine my view regarding the measure.

It seems to me unfortunate that the measure should be attached to a bill with which it has nothing whatever to do. If its proponents are dissatisfied with the action of the committee on it, it seems to me they have a perfect right to move that the committee be discharged from further consideration of the bill. Of course, I do not think that should be done until the hearings are concluded. They will take another day. I understand there are many bankers who wish to be heard against the bill. But I do not think the chairman of the committee is inclined to prolong the hearings or to have repetitious testimony. I should think the hearings could be completed tomorrow, or certainly not later than Friday.

Mr. President, I certainly could not vote for the measure at the present time.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Does the Senator from Ohio yield to the Senator from Louisiana?

Mr. TAFT. I yield.

Mr. ELLENDER. Let me inquire why the hearings have been delayed so long. Can the Senator tell us?

Mr. TAFT. That I cannot say. That is for the chairman of the committee to say. Unfortunately, he was away yesterday, and he is still away today. I understand he will be back tomorrow.

In view of the fact that it is now 10 minutes of 4, I think further consideration of the amendment should be deferred until tomorrow, when the chairman of the committee will be here.

Mr. ELLENDER. I presume the Senator from Ohio will concede that, in view of the approaching end of the Congress, there is no chance of the proposal of the Senator from South Carolina being acted upon as an independent bill. If it is to be passed upon at all, it must be attached to some other bill.

Mr. TAFT. The Senator's presumption is based on the assumption that the proponents of the measure are opposed to having the committee consider it further. But in that event, it should not be attached to a bill with which it has nothing whatever to do.

Mr. ELLENDER. That is what I had in mind when I spoke a moment ago. I doubt that the bill will ever be reported by the committee at the present session.

Mr. TAFT. I have made only a very casual poll of the committee, but I think three Democratic members and two Republican members of the committee may be in favor of the bill, and perhaps the other members of the committee may be opposed to it. However, I am not sure of that. Perhaps the proponents of the bill may know about that.

However, I could come to no final conclusion until I had an opportunity to question the officials of the Federal Reserve Board.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LANGER. Is it not true that the committee has had the bill since last March?

Mr. TAFT. I should think the committee has had it at least that long. However, I have seen the calendar of the Banking and Currency Committee and the calendar of the Committee on Finance, and I should think that both committees have on their calendars two or three hundred bills which have been there for the last year or so. That point alone is not sufficient ground for attaching the measure to another bill. I should think the Senator should give notice that he is going to move that the committee be discharged from the further consideration of the bill, if he is not satisfied with the action of the committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MAYBANK. The Senator stated that similar delay has occurred with regard to several bills referred to the Committee on Banking and Currency. I should like to ask the Senator from Ohio if any other bill which passed the House by a vote of almost 2 to 1 and was referred to the Senate Committee on Banking and Currency in March of this year has not been considered by that committee?

Mr. TAFT. I have no way of knowing. I know that I have two bills pending before the committee. I have urged the chairman to hold hearings on the bills. They are Senate bills, of course.

Mr. MAYBANK. I have in mind the pending amendment which as a bill was introduced last January and was passed by the House. It passed the House overwhelmingly in March. What the Senator has said about hearings commencing last week and running through this week, is correct, except that the Federal Reserve Board has decided to be heard tomorrow and complete their testimony perhaps on the same day. Then we shall have to take testimony of the F. D. I. C. In other words, we shall have to consider two Government agencies, one charged with insurance and the other charged with laws governing banks, and they will both have to be heard.

Mr. TAFT. Mr. President, it seems to me that the Senator from South Carolina states excellent reasons for postponing consideration of the bill. We have

before us a matter on which two departments of the Government have taken a stand, and to proceed without first taking testimony from them seems to me to be an extraordinary procedure for the Senate to undertake.

Mr. MAYBANK. I suggest that because of the length of time taken by the House of Representatives in consideration of the bill, and the protracted hearings held there, the House hearings could be made use of by the Senate committee.

Mr. TAFT. I have not read the hearings conducted by the other house, and I do not know what is contained in them. I am not defending the action of the chairman of the committee. It seems, however, that when we are in the midst of holding hearings we should hear the most important witnesses.

Mr. MAYBANK. I do not intend to criticize the chairman of the committee. I merely state actual facts.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. What efforts have been made to hold hearings on the bill?

Mr. MAYBANK. On many occasions I have asked for the holding of hearings on the bill. I not only spoke in the Committee on Banking and Currency, but also on this floor before the June recess. On several occasions I urged that hearings be held on the bill.

Mr. ELLENDER. What reasons were assigned for not holding the hearings?

Mr. MAYBANK. I have not only asked that hearings be held, but other members of the committee, as well as Senators who are not members of the committee, have made similar requests.

If my memory serves me right, from time to time both Senators from Georgia talked to me about the matter. The Senator from Alabama [Mr. BANKHEAD] is a member of that committee, and I should like to hear him make a statement.

Mr. TAFT. Mr. President, I do not know why the chairman of the Banking and Currency Committee did not hold hearings unless it was the fact that all during last spring the committee was engaged in hearings on the O. P. A. bill. I believe hearings were held at great length in regard to that matter.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BANKHEAD. I wish to confirm what the Senator from South Carolina [Mr. MAYBANK] has said. His statement is not in conflict with what the Senator from Ohio has said. However, I believe that all members of the committee realize that a very diligent effort was made to have hearings held on the bill. The bill was introduced in the Senate in January. As the Senator from Ohio has said, we were then engaged in holding hearings on the price-control bill. Those hearings continued for a period of many weeks. Throughout all that time, while the matter of holding hearings on the bill in question was from time to time mentioned, the chairman of the committee, the senior Senator from New York [Mr. WAGNER], was engaged in conducting the hearings to which I have referred. He would not give consideration to any other controversial matter. At first the bill was referred to a subcommittee of which the senior Senator from Virginia [Mr. GLASS] is the chairman. The majority leader, the senior Senator from Kentucky [Mr. BARKLEY], was the ranking Democrat on that committee. I was next in order.

The question arose with reference to hearings, and the chairman of the committee, after considerable discussion, said that he would refer the bill to a subcommittee and would expect the senior Senator from Kentucky to hold hearings. After some delay and some application—I am sorry neither of the Senators is here—the Senator from Kentucky told me that he could not give the bill the attention that it deserved, and asked me to take charge of it. I proceeded with the matter and gave attention to the holding of hearings. Within a short time the chairman of the committee stated to me that he thought the bill was of such importance and of such a character that the hearings on it should be held by the full committee. Of course, I did not resist, I was merely acting by request. So I told him that that would be all right, and for him to take charge of the bill. I did not wish to object to his request that the full committee handle the matter.

Since then I have spoken to the chairman of the committee on a number of occasions. The matter of making continued and repeated requests for hearings became quite embarrassing.

The time for primary elections soon arrived, and we all know the difficulty involved during such a time. We know of the time consumed in making senatorial races; and the chairman of the committee had a race on his hands. He was frequently absent from the city. Other reasons of a personal nature caused him to be absent part of the time. Nevertheless, we were never able to hold hearings, notwithstanding diligent efforts to do so.

I polled the committee. I ascertained, like the Senator from Ohio, that a majority of the committee was opposed to the bill, but we wanted to get the bill before the Senate in some way, either by a favorable or an unfavorable report. We did not want it to be left in the position of no hearings having been held, and we proposed to go ahead and hold hearings, regardless of the attitude of the majority of the committee.

Hearings were held for 3 weeks by a committee of the other House. All the witnesses now to be examined were examined there. Printed copies of the hearings are available to any Member of the Senate who wishes to read them. We know from experience that if hearings were to be held every minute from now on until completed, no Member of the Senate would have time to read them, and the result would not be very helpful. Every Member has formed an opinion with regard to the bill, and hearings would not change his opinion. One agency of the Government, the Federal Deposit Insurance Corporation, has supported the passage of the bill because, as claimed before the House, to let the situation remain as it is would be very injurious to the small banks of the country, and would be likely to cause a number of them to go out of business, especially when conditions return to normal. The Federal Reserve Board, on the other hand, has vigorously resisted the bill, and it has threatened to occupy 2 or 3 weeks of time with its witnesses.

It seems to me that now, when we are nearing the conclusion of this session, the Senate should proceed to vote on the merits of the bill; and, in my judgment, it should be passed.

Mr. MAYBANK. Will the Senator yield?

Mr. TAFT. I merely wish to say that I should like to speak on the amendment, and I am not prepared to do so today. I certainly should like to have it understood that the amendment will not be finally voted on or disposed of today.

Mr. MAYBANK. Will the Senator yield?

Mr. TAFT. I yield.

Mr. MAYBANK. It is not my intention in any way to close any debate on this floor in connection with the amendment. I hope that as many Senators as possible will speak on the bill. I might also say—and I am sure the Senator from Ohio will agree with me—that the fact that we have not completed the hearings is due to circumstances beyond the control of the members of the Banking and Currency Committee, some of them being members of the Committee on Foreign Relations and some occupied otherwise, which has made it impossible for Senators to attend the hearings, so that most of the time there have not been more than three or four members present.

Mr. TAFT. I have not been there all the time, and I have been more than any other Senator, I believe, except the Senator from South Carolina.

Mr. MAYBANK. I am not criticizing, but what is the use going on with hearings when members of the committee are engaged in other committees and with other duties?

Mr. TAFT. Of course, the answer is that if committees have not time to consider a bill, the Senate should not vote on it. That is the principal answer. If Senators have not had time, we should postpone it. However, I have stated my opinion, that it should be postponed; but if we are to proceed, I should like to speak tomorrow and not be forced to speak today.

Mr. WHITE. Mr. President, in view of what has been said by the distinguished Senator from South Carolina, may we understand, then, that the amendment is not to be voted on this afternoon?

Mr. MAYBANK. I yield to the acting majority leader to answer.

Mr. HILL. Mr. President, we have to dispose of the pending bill. We have a number of nominations, as the Senator knows, which we desire to dispose of. They are the nominations out of the Foreign Relations Committee, and the nominations which have been pending before the Senate Committee on Military Affairs, the former being the State Department nominations, the latter being

the nominations to the Surplus Property Disposal Board. Then, as the distinguished Senator knows, all of us are anxious to have the calendar called.

Mr. WHITE. Will the Senator yield at that point?

Mr. HILL. I yield.

Mr. WHITE. That was partly in my mind when I asked whether it might not be understood that there would not be a vote on the amendment today, because yesterday the Senator from Alabama gave notice that we would have a call of the calendar today. I think he assumed the crop insurance bill would be out of the way.

Mr. HILL. I have stated that after disposing of the pending bill, I should then ask for a call of the calendar.

Mr. WHITE. Many Senators have had in mind that there would be a call of the calendar today, and I have no doubt that some have been in attendance expecting the consideration of calendar bills. I think we would make progress if we devoted the next hour or so to a call of bills on the calendar.

Mr. THOMAS of Oklahoma. Mr. President, the pending bill was reported and placed on the calendar on the 2d day of December. Today is the 13th. So the bill has been on the calendar for 11 days, and during that time I have made efforts to have it considered. The flood-control bill was first before the Senate and then the rivers and harbors bill was considered and occupied considerable time. The Senator in charge of those two bills would not yield so that the crop-insurance bill might be called up. During that period I remained here and saw many bills go through the Senate by unanimous consent, and I do not think I would be justified now in yielding for any further business to be transacted save the pending business, excepting, of course, matters as to which the Senate is unanimous.

I do not think further hearings would change any votes. I do not think the Committee on Banking and Currency would be able to complete its hearings in time for a report to be made on the bill of the Senator from South Carolina. The pending bill has passed the House; it has probably 15 amendments to it. The Senate bill is now much different from the House bill; it must go to conference, and if the Congress is to adjourn within the next few days, and if this bill is to be passed, it must be acted upon promptly.

I do not wish to be arbitrary, I desire to be reasonable, but I do want to have consideration of the bill concluded at the earliest possible moment.

Mr. HILL. Would the Senator feel that it would be agreeable to him for the Senate to consider bills on the calendar for the remainder of the day, and then proceed with the consideration of the pending bill tomorrow? I wish to be perfectly frank with the Senator, however, and say that if the Committee on Foreign Relations acts this afternoon on the nominations of the Under Secretary of State and the Assistant Secretaries of State, very likely we will have to go into executive session early tomorrow for the consideration of the nominations.

Mr. THOMAS of Oklahoma. Mr. President, if we could have positive assurance that hearings would be held on the bill of the Senator from South Carolina before the Committee on Banking and Currency and a report on the bill made to the Senate by that committee within the next 24 hours or so, of course that would be all-persuasive, but I am satisfied that cannot be done. There is no chance to complete the hearings on the bill in the committee and have a report submitted to the Senate; so that there is no one in the Senate who would have the benefit of the judgment of the Banking and Currency Committee as to what should be done with the proposal of the Senator from South Carolina. That being true, if anyone desires to speak on the amendment, for or against it, that is different, but unless there is someone who desires to speak on the amendment, irrespective of the hearings on the bill in the committee, then I shall be glad to hear him now. Of course, I should not object if we could get an agreement to vote on the amendment some time tomorrow within a reasonable time, if anyone desires to speak. I suggest that the majority leader and the minority leader try to agree on a time for a vote, if that can be arranged.

Mr. HILL. I wonder if it would be agreeable at this time to suggest a time for the disposition of the pending amendment.

Mr. WHITE. Mr. President, if that inquiry is addressed to me in any respect, I should not feel warranted at the moment in agreeing to any definite time for a vote on the amendment. I have had no opportunity to consult with members on this side, and I hardly feel it is quite my obligation or my privilege to commit this side to a definite time for a vote.

Mr. THOMAS of Oklahoma. So far as I know, there is no Senator who wishes to speak on the amendment save the Senator from Ohio [Mr. TAFT], who announced a little while ago that he was not ready to speak now, but that he desired to speak at some time if he had the opportunity.

Mr. MAYBANK. Mr. President, there are two Senators who wish to speak in favor of the amendment. Several have told me they desired to have something to say.

Mr. HILL. Are they prepared to speak at this time?

Mr. MAYBANK. Some have suggested that I make the point of no quorum, for two of the Senators who said they could return. I did not ask them whether they were prepared to speak at this time or not. The Senator from Massachusetts [Mr. WEEKS] I understand is to speak, and he is already on the list.

Mr. HILL. There are two, I understand, who are prepared to speak. I understand the Senator from Massachusetts is prepared to speak at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

Mr. WEEKS. Mr. President, there are one or two points in connection with the amendment which I wish to discuss briefly.

Prior to the passage of the Federal Reserve Act, there was no such thing in this country as par clearance of checks. The collection of checks involved great expense in exchange charges and considerable delay.

Then came the Federal Reserve Act, in 1913, and I remind Senators that one of the cardinal objectives of the Federal Reserve Act was to provide for par clearance of checks in this country so that the seller and the customer in exchanging merchandise need not run up against the expense of exchange charges and delays in the collection of funds.

Following the inauguration of the Federal Reserve Act, about 82 percent of the banks of this country subscribed and became members, or agreed to clear their checks through the Federal Reserve System. This 82 percent of the banks today represents about 98 percent of the banking deposits in the country. Some banks stayed out of the system, and today about 2,500 banws remain out of the Federal Reserve System or do not use the Reserve System collection facilities. This is the situation as it exists today.

Now I think it is variously and accurately, I believe, estimated, that about 90 percent of the business transactions in this country are carried on by the medium of checks. The other 10 percent are cash transactions.

I want to point out as forcefully as I may that a cardinal objective of the Federal Reserve System was to provide a system by which merchants buying and selling commodities all over this country might exchange funds without those funds being subject to a discount, or, to put it the other way around, subject to a charge for collection. In other words, as I see it, what we tried to the best of our ability to do was to set up a system which would enable a merchant in the State of Washington, who might be selling to a purchaser in the State of Alabama to collect his bill by check without the funds being subject to an exchange charge on either end. When banks are enabled indiscriminately to charge exchange it is in effect a shaving of the currency, for the simple reason that if I buy from a man living in California and I live in Massachusetts, I can pay the bill in currency and he can collect the face amount of the bill, whereas under a system of exchange charges if I pay him by my check, which check is subject to a fee for collection, the face of the check is reduced by that amount and in effect it shaves the currency; and remember that 90 percent of the business transactions in this country are settled by check.

I have no intention of speaking at any length on this particular subject, but I do want to remind Senators that for 30 years we have had a Federal Reserve System duly created and established, and one of its cardinal objectives was, I repeat, to enable business to be transacted all over this broad country without the payment of a tariff on the collection of the bills which business renders.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WEEKS. I yield.

Mr. McKELLAR. The Senator is also aware of the fact, is he not, that during

that 25 years—I believe it is about that, or perhaps a little less—these charges have been made with the concurrence of the Federal Reserve Board, and that system has been in vogue the entire time until the Federal Reserve Board a short time ago changed it.

Mr. WEEKS. Mr. President, in response to the distinguished Senator from Tennessee, I may say that, when the Federal Reserve System was set up, there was no compulsion upon banks to join the System. So far as I know there is no compulsion today upon a bank to join the System. But after the troublous times of the panic of 1907, a monetary commission was created to study the banking and currency set-up, and it finally recommended the Reserve Act, and the Reserve Act was passed. Those who participated in the enactment of that very important and very vital legislation considered that something had to be done, and, as I have tried to point out, one of the things they tried to accomplish was to enable business to be transacted without paying a tariff for collecting the bills which might be incurred.

Mr. McKELLAR. But the trouble with the Senator's statement is that for 9 years the Federal Reserve Board, while it has not endorsed it, has complied with the custom which theretofore existed, that exchange charges be absorbed by the larger banks, and that has been done. It is only for about a year that there has been any attempt whatever upon the part of the Federal Reserve Board to interpret the part of the act the Senator has referred to, which it now declares is its authority for changing the law. What I want to know is, why did the Federal Reserve Board agree to the exchange charges all these years, and only recently change the practice?

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. MAYBANK. The Senator was discussing the same matter somewhat earlier today, and he mentioned the situation in South Carolina. I may say for the Senator's benefit that in his absence I explained the fact that during these years excellent advance has been made in this country in the matter of banking and banking facilities. The Congress of the United States has passed laws which have bettered conditions in every way possible. Simultaneously the States of the Nation have done the same thing. For instance, the State of South Carolina has materially bettered its banking laws. The regulation which has been discussed was in existence in 1933. Since 1933 South Carolina has passed laws bettering its banking facilities and conditions upon the basis of what the people at that time interpreted the laws of Congress to mean.

In other words we have a law, as was testified to before the committee when the Senator from Ohio [Mr. TAFT] and other Senators, including the Senator from Arkansas [Mr. McCLELLAN] and the Senator from New Jersey [Mr. HAWKES], were present, providing that the money deposited in State depositories of our State cannot be loaned nor can it be invested. Therefore the depositories rely entirely upon a small-service charge and exchange. Since that law was passed it has been amended so as to allow a part of the deposits to be invested in Government bonds. So I might say to the Senator that I think by its action at this late day the Federal Reserve Board, after permitting this custom to prevail for 9 years, has not treated fairly the States which in those years were passing laws to better banking conditions, the theory of the legislators of the States being that the Federal Reserve would carry on as it had been, without this prohibition now known as order Q.

Mr. WEEKS. Mr. President, let me say that since the passage of the Federal Reserve Act every step that has been taken has been taken in the direction of trying to perfect the system of par clearance of checks in this country.

The first amendment was the so-called Hardwick amendment in 1917, which prohibited banks from charging exchange rates on checks collected. The next step was when the crisis of 1933 came upon us. Funds had been collected in the banks in the central reserve cities, and were hastily drawn out, which created the banking crisis of 1933, threatening the solvency of a good many banks.

At that time there was adopted the amendment offered by the distinguished Senator from Virginia [Mr. GLASS], which provided that "no member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand."

Then there arose the question of the interpretation of "interest." I wish to read from a statement showing what brought the Federal Reserve Board to its present action in this matter:

> So the matter rested until September 1943, when the Board ruled in regard to a specific bank which had, during 1942, absorbed exchange charges amounting to $18,576 out of a total of $25,187, while its correspondent bank deposits increased from $7,000,000 at the end of 1941 to about $18,000,000 in June 1943."
>
> It was pointed out that this bank, in hundreds of cases, had absorbed exchange charges of many depositors in return for compensating balances, and that in some cases the absorption of charges amounted to as much as two or three percent of correspondent balances with the bank. Furthermore, it was shown that this bank did not absorb exchange charges when compensating balances were inadequate to cover the cost.

In other words, while this situation has been developing, the banks which have approximately only 2 percent of the banking deposits of the whole country have been charging exchange and have been creating a situation which might very well develop into the same type of situation which we faced in 1933, when the distinguished Senator from Virginia offered his amendment to section 19, providing that no bank may pay interest directly or indirectly on demand deposits.

For the benefit of some Senators who may not have been in the Chamber at that time, I wish now to touch very briefly on a matter which was discussed earlier in the day. At one time this situation seemed to be developing—I think there is no need for it so developing—into a contest between large and small banks. In no sense is any such contest involved in this matter. As I pointed out, in 20 States of the Union there is no bank which does not pay checks at par. In all the New England States there is not a bank which does not pay checks at par. In the great Southwest, in California, Nevada, Utah, Arizona, New Mexico, and Colorado, and in a number of other States of the Union, including Pennsylvania and New York, every single bank pays its checks at par. I should like to point out that in each of those States there are many small banks which either are members of the Federal Reserve System or are nonmember banks using the Federal Reserve System collection facilities.

In Maine, New Hampshire, and Vermont there are many very small banks which get along without the exchange charges, which to some seem to be such an important element in the earnings statements of small banks. The point has been made in this debate that if we should take away from some of the small banks which are complaining about the present ruling the privilege of collecting exchange, we would be doing them irreparable injury. I do not believe that we would be doing any injury to a small bank in Alabama or Tennessee, any more than injury would be done to the small bank in New Hampshire or Maine which is getting along very nicely without the exchange charges.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. SHIPSTEAD. Am I to understand that the amendment would prohibit the collection of exchange?

Mr. WEEKS. I do not understand that it would prohibit it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. TAFT. Not only is that statement true, but so far as I can see, the amendment would in no way change the practice in the Northwestern States of South Dakota, Nebraska, North Dakota, and Minnesota. In that section of the country, although there are many banks which do not pay their checks at par, it is not customary for the central bank to avoid the exchange charges. The exchange charges in that section of the country are usually paid by the depositors themselves, and not by the central banks or the banks in the larger cities. When I asked the witness from Nebraska why he objected to the bill of the Senator from South Carolina, which would not change the status of his own bank, he said, "It is part of a movement which may lead to statutes in South Dakota, North Dakota, or Minnesota prohibiting the payment of exchange charges."

Mr. SHIPSTEAD rose.

Mr. TAFT. I do not know about the situation in Minnesota. As I understand, the custom is about the same in that general section. However, that is the affair of those States. There is nothing in this proposal which would require the State of Minnesota, the State of North Dakota, the State of South Dakota, or the State of Nebraska to enact any such

statute; and the small banks in that section of the country may continue to do exactly as they are doing today, so far as the passage of the Maybank bill or amendment is concerned.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. SHIPSTEAD. The situation to which the Senator has referred applies to my State. The Maybank bill would not interfere with the collection of exchange at all. If the people of Minnesota wish to stop the collection of exchange, they have a right to do so under State law. As a matter of fact, I believe that nearly all the small banks in Minnesota are against this bill.

Mr. WEEKS. Mr. President, I brought out that point because the proponents of the pending amendment have tried to impress upon the Senate that some small banks will be vitally injured if the amendment is not adopted. I submit that no one will be injured.

I submit that the small banks in the Southeast, where most of the nonpar clearance banks are located——

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. BUSHFIELD. I merely wish to call the Senator's attention again to the testimony of Mr. Crowley, head of the Federal Deposit Insurance Corporation. He sums up his opinion of what this ruling by the Federal Reserve Board will do, as follows:

> I think the net result of the Federal Reserve Board's ruling is this: First, it forces par clearance. Secondly, it very definitely affects the earnings of a lot of small banks. The next step, in my judgment, is that you break your little banker. You eliminate him from your banking picture, and the advocates of branch banking immediately will come along and say, "Now, this little community is in need of a bank. It cannot support an independent bank, so we have to have a branch bank to serve that community."

Mr. WEEKS. Mr. President, I do not agree with that statement in any degree.

Mr. McKELLAR rose.

Mr. WEEKS. I yield to the Senator from Tennessee.

Mr. McKELLAR. I merely wish to call the Senator's attention to the fact that all the banks of my State, large and small, take the same position as the one taken by Mr. Crowley. They think the action of the Federal Reserve Board will injure the small banks, and they do not want that to happen. That is all there is to the matter.

However we may try to disguise it, this is a contest between a large centralized banking system, which would like to do all the banking business, and the smaller independent banks of the country. I, for one, believe our banking system has worked splendidly, especially during the past few years, and that we should not change it. I take the further position that if it is to be changed, it should be changed by the Congress of the United States. It should not be legislated on by the Federal Reserve Board.

Mr. WEEKS. Mr. President, I do not consider that this is a contest between a large centralized banking system and the smaller independent banks in any degree. I submit that a small bank in Tennessee can get along without the exchange charges if a small bank in New Hampshire, a small bank in Nevada, or a small bank in Pennsylvania can get along without them.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. WEEKS. I yield.

Mr. REVERCOMB. In reply to the statement made by the able senior Senator from Tennessee [Mr. McKELLAR] to the effect that this is an attempt on the part of a Government agency to legislate, I wish to point out the views of the author of the Federal Reserve Act, namely, that what is attempted to be done here against the amendment is in fact the intent of the law. The ruling of the Federal Reserve on this subject is based on the statute. I shall read from page 10 of the views of the minority of the Committee on Banking and Currency of the House of Representatives on House bill 3956. On page 10 of the minority report there is printed a statement made by the senior Senator from Virginia [Mr. GLASS], the author of the Federal Reserve Act. It reads as follows:

> My attention has been called to S. 1642, introduced by Mr. MAYBANK, and a companion bill in the House, H. R. 3956. This proposed legislation, in my judgment, would entirely emasculate the statute prohibiting the payment of interest by banks on demand deposits, which, you will remember, I fought for and obtained in the Banking Act of 1933. Senator MAYBANK's bill would authorize member banks to pay interest by absorbing exchange charges made by a comparatively small group of banks which do not pay their checks at par. Member banks of the Federal Reserve System cannot even make these charges nor do the nonmember banks who participate in the par clearance system.
>
> The bill is rankly discriminatory and lacking in frankness. Its enactment could have vicious and far-reaching effects upon the Federal Reserve System, both in the number of member banks and in the perpetuation of a par clearance system which has saved the Nation's industry, commerce, and agriculture millions upon millions of dollars. I am unalterably opposed to the bill.

The bill referred to is the measure now offered as an amendment by the able senior Senator from South Carolina [Mr. MAYBANK].

Mr. President, my purpose in reading the statement made by the Senator from Virginia is to answer the argument that the position now expressed by the Senator from Massachusetts [Mr. WEEKS] is against the intent of the statute. The author of the statute says that it is in fact the intent of the statute, and has been since the statute was enacted, and that the result sought to be achieved by the amendment is against the statute.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. MAYBANK. I should like to ask the Senator, if that be a fact, in accordance with the letter he read, why the Federal Reserve Board waited 10 years after 1933. Why did it make the regulation only this past fall?

Mr. REVERCOMB. Of course, that is a question which should be asked of the Federal Reserve System. If it has omitted to act as it should have acted under the act, that is no reason why the act should not now be carried out to its full intent.

Mr. MAYBANK. In other words, the Senator believes that if the Congress confers certain power upon an agency, the agency can wait 9 or 10 years before it makes its decision. That is the substance of the argument which has been made.

Mr. REVERCOMB. No; I do not support or defend any such action on the part of any agency of Government. But the fact that an agency may not have made correct rulings in the past is no justification for an attempt on the part of the Senator from South Carolina to prevent the act from now being carried out as it was intended to be done from the beginning.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. WEEKS. I yield.

Mr. WHEELER. I simply wish to say that in my State almost all the banks are small banks, and all the small banks in my State, so far as I know, with the possible exception of one or two, are opposed to the amendment which has been offered. Whether they are right or wrong in the position they take, I am frank to say I do not know.

But I feel that the amendment has no place in the pending bill. The representatives of some of the banks in my State are in Washington to testify before the Committee on Banking and Currency with reference to the measure. I certainly think it should not be attached as an amendment to the pending bill at this time, at the very time when hearings are being held on it by the Committee on Banking and Currency. I venture to say that a great many other Senators find themselves in the position in which I find myself. I should like to read the hearings held by the Committee on Banking and Currency before I vote on the Maybank amendment or bill. I think I must read them before I shall be able to vote intelligently. I certainly will not vote for it until I have an opportunity to read the hearings and until I can learn more about it than I can at a time when the proposal is brought before the Senate before the committee hearings have been completed.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WEEKS. I yield to the Senator from Wyoming.

Mr. ROBERTSON. I should like to state the position of the bankers in my State of Wyoming in reference to the pending amendment. Their position is very similar to that already stated by the distinguished senior Senator from Montana [Mr. WHEELER] in regard to the bankers of the State of Montana.

I should like to read into the RECORD two telegrams which I have received from Mr. C. B. Bloomfield, secretary of the Wyoming Bankers' Association. One of the telegrams is dated December 7, 1944, and reads as follows:

> CHEYENNE, WYO., *December 7, 1944.*
>
> E. V. ROBERTSON:
>
> Understand that hearing is called for Maybank bill, S. 1642. Our association again advises you of our opposition to legislation that will disrupt the par clearance of checks. Wyoming together with other western States

clear at par. If hearing is continued long enough our association may want to be heard.

C. B. BLOOMFIELD,
Secretary, Wyoming Bankers Association.

The other telegram is dated December 12, 1944, and is as follows:

CHEYENNE, WYO., *December 12, 1944.*
E. V. ROBERTSON,
Senate Office Building,
Washington, D. C.:

Have been advised that attempt will be made to attach Maybank exchange bill as an amendment to H. R. 4911, Federal crop-insurance bill. In fairness to those objecting we believe the bill should have a full hearing and go through regular legislature channels.

C. N. BLOOMFIELD,
Secretary, Wyoming Bankers Association.

Mr. President, I particularly invite attention to the telegrams which I have received, coming, as they do, from the Wyoming Bankers' Association, which represents practically every bank in Wyoming. I believe that I can very safely say that those banks would come within the category of small, indeed very small, banks.

Mr. WEEKS. Mr. President, I wish to proceed and complete the statement which I started to make. I do not wish to yield the floor again until I shall have finished what I have to say.

Now to sum up what I have already attempted to point out to Senators when I say that no contest is involved here between large banks and small banks. If small banks in some sections of the country are disturbed about the possible effect of a continuation of the ruling of the Federal Reserve Board in respect to them, I assert that they are in no greater danger, insofar as their earnings are concerned, than are the small banks in 20 to 25 States in which either 100 percent, or practically 100 percent, of the banks clear checks at par.

In the next place, I invite attention to the fact that in my judgment this amendment would turn back the pages of history approximately 30 years and reverse the great forward step which was taken in this country when the Federal Reserve Act was first adopted, which forward step was to enable businessmen to transact business all over the country without having exchange charges involved in the transactions.

The Federal Reserve Act since its original passage has several times been amended, and the amendments have all been in the same direction and for the same purpose—namely, to make it possible for a man in Oregon to sell merchandise to a man in Connecticut, receive a check, and have the check cleared at par, thus receiving 100 cents on the dollar. I assert that it would be bad legislation and extremely bad policy to turn back and interrupt the progress which has been made. I submit that the amendment should not be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. MAYBANK].

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	Nye
Austin	Gillette	O'Daniel
Bailey	Green	O'Mahoney
Ball	Guffey	Pepper
Bankhead	Gurney	Radcliffe
Bilbo	Hall	Reed
Brewster	Hatch	Revercomb
Brooks	Hawkes	Reynolds
Buck	Hayden	Robertson
Burton	Hill	Russell
Bushfield	Holman	Shipstead
Butler	Jenner	Smith
Byrd	Johnson, Calif.	Taft
Capper	Johnson, Colo.	Thomas, Idaho
Caraway	Kilgore	Thomas, Okla.
Chandler	La Follette	Truman
Chavez	Langer	Tunnell
Clark, Mo.	Lucas	Vandenberg
Connally	McCarran	Walsh
Cordon	McClellan	Weeks
Danaher	McFarland	Wheeler
Davis	McKellar	White
Downey	Maloney	Wiley
Eastland	Maybank	Willis
Ellender	Mead	Wilson
Ferguson	Millikin	
George	Murray	

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

Mr. TAFT. Mr. President, as I stated earlier in the day, I should like to speak briefly on the amendment, but I am not quite prepared to speak this evening. I understood there were some Senators on the other side who desired to speak. I thought perhaps we might agree, as suggested earlier, to vote at some hour tomorrow, perhaps at not later than 2 o'clock.

Mr. THOMAS of Oklahoma. Mr. President, if a vote is postponed, this is what will happen: A message will go out from this city to the different groups of banks urging them to telegraph their Senators, and tomorrow Senators will be the recipients of numerous messages from their States, from the so-called large banks and the so-called small banks. If any Senator thinks that will be helpful, I should have no objection to a postponement, but that is exactly what will happen if the vote is not had tonight.

Mr. WHITE. Will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHITE. In view of our rather long experience in politics and political life, does the Senator think such telegrams will have very much influence on any of us?

Mr. THOMAS of Oklahoma. I do not think so, and for that reason I do not see the benefit or advantage of postponing the vote.

Mr. WHITE. It gives an opportunity for preparation to some who are not immediately prepared to speak, and an opportunity to address the Senate tomorrow, at least briefly.

Mr. THOMAS of Oklahoma. On one occasion I heard a Senator say he did not know which side he was on, but he wanted to make a speech. [Laughter.]

Mr. WHITE. The Senator's remark is not addressed to me, I hope.

Mr. THOMAS of Oklahoma. Not at all.

Mr. BILBO. Mr. President, I trust our leader will agree to a recess at this time, because I wish to speak on the pending bill. I do not think the argument of the Senator from Oklahoma has much weight. I do not care if my bank does telegraph me. My account is current in the bank, and I can do as I please about my vote. I do not think Senators are such weaklings that they will be affected by any telegrams. I desire to speak at length on the amendment, and I should not want to start now, because I could not possibly conclude before 6 or 7 o'clock.

Mr. HILL. Will the Senator yield?

Mr. BILBO. I yield.

Mr. HILL. I wonder if we cannot get an agreement to limit debate, and to vote on the amendment and all amendments thereto tomorrow. Does the Senator from South Carolina, the author of the amendment, have any idea as to how many other Senators would like to speak, and how much time he might need?

Mr. MAYBANK. I think 2 hours would cover the time to be taken in speeches.

Mr. HILL. Does the Senator mean 2 hours for both sides?

Mr. MAYBANK. No; for the proponents.

Mr. HILL. The Senator means 2 hours for the proponents of the amendment alone?

Mr. MAYBANK. The proponents; yes.

Mr. HILL. I wonder if the Senator from Mississippi would not be willing to cut his speech down a little, because 2 hours for the proponents of the amendment would mean that we would have to give 2 hours to the opponents.

Mr. BILBO. I am willing to cut my speech short, if the Senator will agree that the Senate meet at 11 o'clock.

Mr. HILL. So far as I am concerned, I would not object to meeting at 11 o'clock, but I understand the Committee on Foreign Relations will meet again tomorrow.

Mr. RUSSELL. The Committee on Appropriations will meet tomorrow morning to mark up the deficiency bill.

Mr. HILL. The Foreign Relations Committee will meet to consider nominations before the committee, and the Committee on Appropriations will meet on the deficiency bill.

Mr. MAYBANK. There will be four speeches.

Mr. HILL. How long will they be?

Mr. MAYBANK. I would roughly estimate, about 2 hours. I am willing to make it an hour and a half.

Mr. HILL. Could the Senator make it 15 minutes for a speech, and let us have a vote at 2 o'clock tomorrow?

Mr. MAYBANK. What about confirmation of the nominations?

Mr. HILL. If we agreed to vote at 2 o'clock, that would mean, of course, that all the time from the time the Senate met until 2 o'clock would be given up to debate on the amendment or amendments thereto.

Mr. MAYBANK. I made the inquiry because I understood the Foreign Relations Committee is to meet tomorrow morning.

Mr. HILL. As I understand, the Committee on Foreign Relations is to meet tomorrow morning, but even if they

acted tomorrow morning, we could not take up the nominations before the following day except by unanimous consent.

Mr. MAYBANK. If we vote at 2 o'clock, and take an hour and a half for the proponents, that will leave only half an hour for the opponents. I do not know what the Senator from Ohio [Mr. TAFT] would think about that.

Mr. HILL. Has the Senator from Ohio any idea how long he will take tomorrow?

Mr. TAFT. About 20 minutes, but I believe that the chairman of the committee, the Senator from New York [Mr. WAGNER], should be present, and should have something to say on the subject, because after all this is in effect a motion to discharge his committee from further consideration of the Maybank bill. One of my reasons for asking for delay in the beginning was the absence of the chairman of the committee, who is in New York. I understand he will be back in the city tomorrow.

Mr. HILL. How long does the Senator from South Carolina think the speeches will take?

Mr. MAYBANK. The Senator from Ohio has brought up another question. If there be any question raised about discharging the committee from consideration of a bill which it has had since January, I am sure there will be much debate.

Mr. HILL. Does the Senator feel he could now agree to some limitation?

Mr. MAYBANK. Yes; I am perfectly willing to agree to a limitation and a vote at 2 o'clock, provided what the Senator from Ohio and the Senator from New York may say in explanation will not take most of the time.

Mr. HILL. The time would be divided between the proponents and opponents, letting the Senator from New York control the time on behalf of the opponents, and the Senator from South Carolina for the proponents.

Mr. BUCK. Mr. President, what are we to do about the hearings?

Mr. MAYBANK. As we conferred in the committee before we left the hearing, I was hoping we might have a vote today, and that would end the matter; but in view of the fact that the matter is to go over until tomorrow, and in view of the fact that we have decided to vote at 2 o'clock, I might say, with the permission of the other members of the committee, that the hearings should not be continued. I have no right to say whether they will be continued or not.

Mr. BUCK. Should not the committee be discharged from the further consideration of the bill before it is taken up by the Senate?

Mr. MAYBANK. I agree, but I have been holding hearings, and very few Senators were present. If it meets the approval of the other members of the committee that we cancel the hearings, and if it is agreeable to the opposition to vote at 2 o'clock tomorrow, it is agreeable to me.

Mr. BUCK. Is it not unusual to proceed with the consideration of the bill when a committee is holding hearings?

Mr. MAYBANK. I understand it is.

Mr. BUCK. Why is it proposed to be done in this instance?

Mr. MAYBANK. Because it is an unusual circumstance to have a bill pass by a vote of 2-to-1 in the House of Representatives in March, introduced by a Senator in January, and wait until Christmas Eve to have hearings. One is as unusual as the other, I agree with the Senator.

Mr. BUCK. When will the chairman of the committee be back in the city?

Mr. MAYBANK. Tomorrow, I understand.

Mr. HILL. Mr. President, I ask unanimous consent that at not later than 2 o'clock tomorrow the Senate vote on the pending amendment and all amendments thereto, and that the time be controlled one-half by the Senator from New York [Mr. WAGNER], the chairman of the Committee on Banking and Currency, who I understand is opposed to the amendment, and one-half by the Senator from South Carolina [Mr. MAYBANK], who is the author of the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the request is agreed to.

NATIONAL MEMORIAL STADIUM IN THE DISTRICT

The PRESIDING OFFICER. (Mr. MCFARLAND in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 155) establishing a commission to select a site and design for a national memorial stadium to be erected in the District of Columbia, which were, on page 1, line 9, to strike out "and select."

And to amend the title so as to read: "Joint resolution to consider a site and design for a national memorial stadium to be erected in the District of Columbia."

Mr. BILBO. I move that the Senate concur in the amendments of the House.

Mr. WHITE. Mr. President, I wish to ask just what amendments have been made to the bill by the House of Representatives.

Mr. BILBO. The House amendment would strike out two words from the bill. The House objected to the words "and select." If those words are stricken out, the commission will be left with the duty of recommending a site.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MCFARLAND in the chair) laid before the Senate messages from the President of the United States, submitting several nominations, which were referred to the appropriate committee.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BAILEY, from the Committee on Commerce:

To be junior hydrographic and geodetic engineer with rank of lieutenant (junior grade) in the Coast and Geodetic Survey:

William B. Page, from the 10th day of September 1944;

Norman Porter, from the 1st day of October 1944; and

Capt. LeRoy Reinburg, United States Coast Guard, to be a commodore for temporary service to rank from October 1, 1944, while serving as commandant, Coast Guard yard, Curtis Bay, Md., or in any other assignment for which the rank of commodore is authorized. This nomination is made to correct the spelling of this officer's name as previously nominated and confirmed.

By Mr. CHANDLER, from the Committee on Military Affairs:

Robert A. Hurley, of Connecticut, to be a member of the Surplus Property Board; and

Lt. Col. Edward Heller, of California, to be a member of the Surplus Property Board.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Norman Armour, of New Jersey, now Acting Director of the Office of American Republic Affairs of the Department of State, to be Ambassador Extraordinary and Plenipotentiary to Spain.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Henry A. Schweinhaut, of Maryland, to be an associate justice of the District Court of the United States for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

That completes the calendar.

Mr. HILL. I ask that the President be notified forthwith of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, December 14, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 13 (legislative day of November 21), 1944:

DIPLOMATIC AND FOREIGN SERVICE

Norman Armour, of New Jersey, now Acting Director of the Office of American Republic Affairs of the Department of State, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

Laurence A. Steinhardt, of New York, now American Ambassador to Turkey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Czechoslovakia now established in London.

Hallett Johnson, of New Jersey, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 13 (legislative day of November 21), 1944:

THE JUDICIARY

ASSOCIATE JUSTICE OF THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA

Henry A. Schweinhaut to be an associate justice of the District Court of the United States for the District of Columbia.

POSTMASTERS

FLORIDA

Harold H. Bryan, Bowling Green.
Randilla B. Renfroe, Dover.
Hollon R. Bervaldi, Key West.

IOWA

Aloysius J. Hanrahan, Charlotte.

MAINE

Wendall M. Lewis, Boothbay.
Charles C. Cousins, Brooklin.
Ethel Pinkham, East Holden.
Laurence H. Hern, North Windham.
Paul J. Cody, Poland Spring.
Ralph L. Harrington, Steep Falls.

NEW YORK

Ray L. Leonard, Dexter.
Anna G. Prendergast, Hall.
Avis D. Widrig, Richland.

WISCONSIN

Arthur G. Anderson, Brodhead.
Lawrence H. Hardebeck, Lakewood.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 13, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, offered the following prayer:

Thou who are the great Shepherd, we pray for a faith so clear and firm that we may feel the sacredness of these moments. By Thy gentle spirit open our hearts. Should there be some sore trial unknown to the world, when the burden is heavy and the heart is stricken, with Thy promise give cheer: "My grace is sufficient for thee." Shut out of our lives any overreaching or proud ambition, ennoble and chasten us as we walk the pathway of Him who has never been surpassed. Help us all to stand and affirm the victory of this eager, throbbing, feverish life.

Our Redeeming Lord, whose face is "Eternal Love," help those whose peace is broken, whose hearts are tasting the bitter cup, shuddering on the verge of surrender. Grant that their spirits may be enthroned, believing that trial purifies and the contrite heart softens under pain. The darkest hour may be the angel's touch; beyond the wavering course of time there is a mystery that never knows doubt. O God, life, with its dreams and disillusions, with its pathos and tears, in its twilights of childhood and age, yearns for Thee. In these warring, tragic days shadows are gathering round many a doorway; O clear the outlook that they may see the beatific vision and rejoice. Wherever our sons and daughters toil beneath Thy liberal sun, O Lord, be there; "Thine arm make bare and Thy righteous will be done." In the name of our glorified Saviour. Amen.

The Journal of the proceedings of Tuesday, December 12, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3791. An act for the relief of the estate of Charles Noah Shipp, deceased.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3961. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. OVERTON, Mr. BAILEY, Mrs. CARAWAY, Mr. CLARK of Missouri, Mr. BILBO, Mr. JOHNSON of California, Mr. VANDENBERG, Mr. BREWSTER, and Mr. BURTON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 198. An act to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended; and

S. 1688. An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 1997) entitled "An act to repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEWART, Mr. CLARK of Idaho, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 3429. An act to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148); and

H. R. 4485. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2105) entitled "An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the postwar construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans, and for other purposes."

The message also announced that the Vice President has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of Auguest 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Justice.
3. Department of the Navy.
4. Department of State.
5. Department of the Treasury.
6. Department of War.
7. Office of Defense Transportation.
8. Office of Price Administration.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1782) entitled "An act to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187), for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCARRAN, Mr. CHAVEZ, Mr. MCFARLAND, Mr. GURNEY, and Mr. THOMAS of Idaho to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 1963) entitled "An act for the relief of G. H. Garner," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. TUNNELL, and Mr. ROBERTSON to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD in two instances and to insert therein two short editorials.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WHITE. Mr. Speaker, I recently obtained permission of the House to insert in the RECORD a pronouncement of the United States Chamber of Commerce on universal military service. I have had an estimate made by the Printing Office, and am advised that it will cost $208.

The SPEAKER. Notwithstanding the cost, without objection, the extension may be made.

There was no objection.

(Mr. ANDREWS of Alabama asked and was given permission to extend his remarks in the RECORD and include a poem.)

ADDITIONAL COPIES OF THE FOURTH REPORT OF THE HOUSE SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 2058) back favorably without amendment a privileged resolution (H. Res. 676) authorizing the printing of additional copies of House Report Numbered 1855, current session, entitled "Economic Problems of the Reconversion Period," for the use of the Special Committee on Post-war Economic Policy and Planning, and ask for immediate consideration of the resolution.

The Clerk read the resolution, as follows:

Resolved, That 2,500 additional copies of the fourth report (H. Rept. No. 1855), current session, entitled "Economic Problems of the Reconversion Period," of the House Special Committee on Post-war Economic Policy and Planning, submitted pursuant to House Resolution 408, be printed, with illustrations, for the use of said committee.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TOLAN. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Wisconsin [Mr. WASIELEWSKI] may extend his remarks in the RECORD and include a brief editorial.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include two letters enumerating delivery by the Humble Oil & Refining Co. of its one-billionth gallon of high-octane gasoline to the armed services.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE CIGARETTE SHORTAGE

Mr. WEISS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WEISS. Mr. Speaker, I have been trying for about 3 weeks to get some information with reference to the cigarette shortage and I found out three fundamental facts. The number of cigarettes manufactured for civilian and soldier consumption this year was the greatest in the history of the tobacco industry. But it is evident from a letter I have here received from a soldier boy that they cannot get cigarettes overseas. Civilians cannot buy cigarettes. So there is one of two things obvious and evident: first, there is either specialized or spotty distribution or second, black-market operations.

Mr. BULWINKLE. Will the gentleman yield?

Mr. WEISS. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. May I say that my information is, and I am interested in this just the same as the gentleman, that last year the armed forces took 33 percent of the output of cigarettes; this year it is running 50 percent or a little more than 50 percent.

Mr. WEISS. This soldier boy to whom I refer says in his V-mail letter that they have an allowance of one pack of cigarettes a week overseas. The hoarding, if any, is due to spotty distribution or to black-market operations. I urge the tobacco industry to remedy this situation before the Seventy-ninth Congress convenes or it will be our job to clear it up. We owe it to the working civilians and to our fighting soldiers to get them cigarettes—they stimulate morale.

Mr. CALVIN D. JOHNSON. Will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. I understand we exported, according to the press, 400,000,000 pounds of tobacco last year. It is probably through our very large exports that a shortage has developed.

Mr. WEISS. That may be true, but from the information I have that is not evident. I do not know—but statistics from the office of O. W. I. indicate otherwise.

Mr. BULWINKLE. I would suggest that the gentleman take this up further and look into it.

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief letter from Mr. James Angelo, of Indianapolis, Ind.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, yesterday I asked and received permission to include in the RECORD as an extension of remarks an address delivered by the Honorable Manley O. Hudson, judge of the Permanent Court of International Justice, but I find this exceeds the allowable limit to the extent of $156. I ask unanimous consent that this may be printed notwithstanding the estimate.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to include in the RECORD the addresses delivered at Montpelier, Vt., on Armistice Day, on the occasion of the dedication of the local honor roll.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article from the Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, it has just been called to my attention that three boys from my home town, Oil City, Pa., just a little over 13 years of age, have been killed in action overseas. A few weeks ago while back home I visited a family in Johnsonburg, Pa., in my district, who had five boys in the service and two of these boys were killed in action within 4 days.

We have from eight to ten million men in the United States armed forces and we have had close to 550,000 casualties. We have conscripted our boys by the millions and they are fighting all over the world, and yet the colonies of the British Empire are now just getting around to enacting legislation to draft men for overseas service.

Prime Minister Churchill and Foreign Secretary Eden do not seem to be much concerned about the conscription in the colonies of their fighting men. The Prime Minister said he was not going to preside over the liquidation of the British Empire, and he might have included the British life line to India; however, he seems content to let us throw thousands of our boys into action to carry on the fight, hundreds of whom are being liquidated every day.

What seems to be the difficulty is that somebody in the State Department does not tell the British Empire that we are not satisfied with their policy on the conscription of men in the British Colonies. If we can draft our boys by the thousands for overseas service, why cannot the British colonies do likewise?

The Prime Minister and the Foreign Secretary can get in touch with Uncle Sam when they feel the British Empire is not getting the breaks. So it is about time for Uncle Sam to get tough with the Prime Minister and Foreign Secretary

when we feel we are not getting an even break.

The British Empire and her colonies ought to pursue the same policy we are pursuing—drafting and putting into action the 18-year-olds. A few months ago we heard the cry, "Give us the tools and we will finish the job." Well, we are not alone furnishing the tools but we are furnishing the manpower to win this war. Yet, we are witnessing, right up in Canada, riots because they conscripted 16,000 men for overseas service.

What we need more than ever before is a diplomatic policy with a backbone and someone with the courage to tell the Prime Minister and the Foreign Secretary to get going with a conscription program in the British colonies to furnish the manpower for overseas duty to bring this war to a rapid and early conclusion.

SCHOOL CHILDREN PARTICIPATION IN SALVAGE CAMPAIGN

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, ever since Pearl Harbor millions of school children in this country have rather enthusiastically and wholeheartedly participated in the salvage campaign. With a rare enthusiasm they have gathered scrap paper, fats and greases, scrap metal, and other essential commodities and have made a very distinguished and indispensable contribution to the victory effort. It is a little singular that these efforts have not been officially recognized. Neither by any agency of government nor by Congress has there been some official expression of thanks to these fine young Americans who have done so much.

I am going to drop a little resolution in the hopper directly. I think it is the only time in my life that I ever contrived a resolution to which there could be no objection from anybody anywhere. It is simply for the Congress, in behalf of the people, to express its thanks to the school children of America for their contribution to the victory effort.

It seems so timely and appropriate as we approach the Christmas season that we formally express our gratitude to young America.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, the gentleman from Pennsylvania [Mr. GAVIN], who addressed the House a moment ago, has to my mind, rendered a disservice to this country and to the cause of the Allies engaged in this war. Remarks such as he has made are frequently being made by a few radio news commentators, and I think the American people should discourage statements like his which are calculated to create disunity among the Allies, encourage Hitler, and thereby prolong the war. We are in the midst of a great war, the result of which is still undetermined, and so far as I am concerned until the war is won, I do not think we should publicly condemn either our allies or their leaders, or say or do anything that will tend to create disunity among those who are fighting with us to defeat the Japs and the Nazis. We must win this war above everything else, and do it now.

EXTENSION OF REMARKS

(Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD.)

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the gentleman from Texas [Mr. JOHNSON] took the position, which is evidently taken by the majority side as indicated by the applause over there, that a large number of people, close to a majority of the American people, should keep their mouths shut and never criticize anything that is done by the President or any agency created by him. He seems to assume that he is not only indispensable but infallible as well. He even went so far as to charge that the gentleman from Pennsylvania, who actually served in the front lines in the First World War, has done a disservice to his country.

Now nobody asked the gentleman from Texas to criticize another Member of the Congress, or to express his opinion as to that Member's loyalty. No one asked the gentleman from Texas to measure the patriotism of the gentleman from Pennsylvania by standards, scales, or yardstick. We may assume that every Member in this House is patriotic and has no other thought in mind except the winning of the war, but some of us have the right, and we intend to continue to exercise the right, to express our opinion on the conduct of some of our allies. When this country put into force conscription, when Australia and Canada refused to put conscription for foreign service in force, when they asked us to fight this war over in Germany, and at the same time Commonwealths of the British Empire keep their men at home, we have the right to protect the liquidation of American youths.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN. I will have something more to say on this subject later on today.

RIVERS AND HARBORS BILL

Mr. MANSFIELD of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Speaker appointed the following conferees: Messrs. MANSFIELD of Texas, PETERSON of Georgia, BELL, CARTER, and DONDERO.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, having served with him for many years, I have the highest regard for the gentleman from Texas. Naturally, I also believe in free speech for everybody, including the gentleman from Texas, but I think we ought to be very careful in this House about questioning the motives of any Member who desires to get up and tell the truth, whether it is in war or in peace. Everyone knows that the gentleman from Pennsylvania who just spoke is as patriotic as any other Member of the House. He merely stated a fact, that conscription is not in effect in Canada. He pointed out that boys of 18 years of age, from his district, had been killed. I was in this House when a letter from General Marshall was read stating that no boys of 18 would be sent abroad unless they were volunteers. That letter was read when we passed that legislation. In England they are not taking boys of 18 and sending them abroad unless they are volunteers or have had 1 year's training. Those are facts. They are the truth. I think anybody has a right to say it without having his patriotism questioned. Every Member of Congress, on both sides, is for winning this war and winning it as soon as possible.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, careless words cost lives. The careless words used on the floor of this House cost lives just as much as the careless words used anywhere else. I do not care about any criticism you might make of the administration; that is your business. But I do say this. We are in this war. It is not ended by any means. In the name of the great God of all, remember that we who have our sons and relatives and friends over there should back them and our allies and not talk about our allies, or not say anything which will aid in destroying the morale of the troops.

G. H. GARNER

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1963) for the relief of G. H. Garner, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Speaker appointed the following conferees: Messrs. KEOGH, ABERNETHY, and JENNINGS.

ROBERT WILL STARKS

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2874) for the relief of Robert Will Starks, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$5,000" and insert: "$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Arkansas Gazette of December 10, 1944, on the Little Missouri River and projected work; and further to extend my remarks and include a news item from the Arkansas Gazette of December 10, 1944, in reference to the highway bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

WORLD WAR VETERANS' LEGISLATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, on yesterday the gentleman from New Mexico [Mr. ANDERSON] inserted in the RECORD what purports to be a letter from Millard W. Rice to the President of the United States, criticizing the widows' and orphans' bill passed by Congress a few days ago. In my opinion, Mr. Rice does not reflect the views even of his own organization, and he is flying in the face of the sentiment of the veterans of other organizations. He leaves the impression that the passage of this measure is a discrimination against a man who died of service-connected disabilities. That is not true. He leaves the impression that these men whose widows and orphans we are trying to take care of had absolutely no service-connected disabilities. We do not know whether they did or not. Many of them came back not knowing what their rights were until it was too late to apply for benefits. Many of them did not know of their disabilities until it was too late to apply. Many of them said, "I am going to overcome my disabilities. I do not want anything from the Federal Government," and went on and struggled along until finally, when they died, their dependents found themselves outside the pale of protection. It is their widows and orphans that this Congress is trying to take care of now. I hope the President signs this just bill, and I am surprised that Mr. Rice would write such a letter or that the gentleman from New Mexico [Mr. ANDERSON] would insert it in the RECORD.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and insert a statement I made before the Committee on Banking and Currency of the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXPEDITING PAYMENT FOR PROPERTY ACQUIRED DURING WAR PERIOD

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 565 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 919) to expedite the payment for land acquired during the war period. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, I wish again to appeal to the membership of the House to refrain, as far as possible, from criticizing other powers with which we are associated in the waging of the war. Of course, we have the completest confidence in the high patriotism of every Member of this body. We are completely united, I know we are completely united, in our determination to bring about speedy victory with the least possible loss of lives.

There can be no division between any of us in the high hope that the end of the war, particularly the war in Europe, is in sight.

Mr. Speaker, this resolution proposes to make in order the consideration of the bill S. 919, which is intended to simplify, insofar as the Federal Government is concerned, the law with respect to the condemnation of private property that the Government finds it necessary to take. The bill does away with commissioners that are now used in such proceedings.

When the bill was first presented to the Rules Committee I saw no objection to it and I do not now wish to raise objection, other than to say that I do not feel any enthusiasm for the measure, because it takes away from the private citizen his right to have his interest adjudicated in his local court—you might say the forum of his own choosing. I do not know but what it is a mistake to abandon that practice.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. WHITTEN. Is it not a fact that under the bill reported here the private citizen does have the right, on his request, to have the issue tried by a jury?

Mr. COX. Yes; that is very true.

Mr. WHITTEN. And is that not an increased right, in that under the present law with respect to flood control he has no right at all to a trial by jury?

Mr. COX. No. The practice has been that the General Government would respect and follow State procedure in condemnation proceedings. This does away with that practice, as I understand the bill. The bill does simplify the procedure and makes it less expensive to the Federal Government, because under the present practice you may have as many as two jury trials and great delay. But at any rate, the law as it now stands, does preserve the right of the citizen to a determination of his rights in his own State court.

Mr. WHITTEN. Will the gentleman yield further?

Mr. COX. I yield.

Mr. WHITTEN. The gentleman apparently is not familiar with the fact that under the flood-control law, land taken for flood-control purposes may be taken without the citizen having any right to trial by jury, but limits him to a trial by three commissioners.

Mr. COX. Yes. If you will read the two letters of the Attorney General, embodied in the report of your committee, you will see that my argument follows the line of reasoning as set forth by the Attorney General himself.

I am not opposing the bill. Perhaps there is real need for it. Possibly for the duration of the war it would be well that this new procedure be adopted.

Mr. Speaker, I reserve the remainder of my time.

Mr. FISH. Mr. Speaker, I yield myself 10 minutes.

The SPEAKER. The gentleman from New York is recognized for 10 minutes.

Mr. FISH. Mr. Speaker, apparently, this is an old, ancient, hoary rule, dated May 23, providing for 1 hour's debate, half an hour on each side, on the bill S. 919 to expedite payment for land acquired during the war period. It comes to you with a unanimous report.

There has been a great deal of complaint that through the present State system of payment by commissioners, and so forth, much delay has ensued and the property owners seem to be far from satisfied with the prices they have been receiving and feel that justice requires that it should be by a judicial or court action. That is the purpose and object of the bill.

There is a corollary or a complement to it that raises a much greater issue which affects a large number of congressional districts and, of course, many States, and that is that during wartime large blocks of land have been confiscated by the Federal Government and taken out of taxes in the local towns and counties. I know that in my district and I do not think that my district is much different than many others, we have one large Army camp, Camp Shanks, down in Rockland County, that obliterated a part of one township and took it out of taxes. The same thing happened at the Stewart Airport near Newburgh. A large section of the town of Newburgh really was taken off the tax rolls. The question is whether the Government does not have some moral responsibility to pay at least a part of the taxes back into those school districts and into the towns. This question has been under consideration for some time, yet no action has been taken.

I am in favor of this rule because it seems to be in the interest of the individual American and property owner to preserve and protect his property rights instead of having them jeopardized without much recourse on their part to the courts. This bill will be discussed in detail by members of the committee when we go into the Committee of the Whole.

Mr. Speaker, I ask unanimous consent to proceed out of order for the balance of my time.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. A serious issue has been raised in the House today. I am talking more directly to the Republicans than to the Democrats, but I propose to talk to both. It is an issue that I believe is probably unavoidable and we might as well face it right away as to postpone it until the next Congress.

There is not a single Member of Congress, Republican or Democrat, who is not in favor of winning the war as quickly as possible and bringing our sons home immediately afterward, but I am afraid that if we follow the suggestions of some Members on the majority side and adopt a hush-hush policy on foreign policies or the conduct of the war that the Members might just as well stay home. If Members of the minority may not tell the truth or even refer to or criticize our allies in the war, then this legislative, deliberative body has assumed an inferiority complex to the other body, the Senate or to the British Parliament, where they do not hesitate to criticize our foreign policies, the conduct of the war, the President, and the acts of Congress, because it is a part of the function of every legislative body in peace and war. I hope that in the future no one's patriotism or Americanism will be even remotely questioned or impugned if he feels it is his duty to get up on the floor of the House and tell the truth about our allies, because it may be aiding and expediting the winning of the war.

It may be something that should be said and beyond that it may be something that should be said in the interest of the American people which comes first anyhow, because their sons are fighting this war. This is not a New Deal war. I do not think you want to call it a New Deal war. Republicans and Democrats alike have their sons in this war fighting shoulder to shoulder all over the world and they are on the march to victory.

Let me read you a statement that should be in the RECORD in time of war. This is an editorial that appeared in the Kansas City Star of May 7, 1918, written by Theodore Roosevelt, an outspoken, courageous American, one of our greatest Republican Presidents, who in the midst of the last war had this to say, and I hope the Republican Members of the House will listen to his words of advice and follow them in this war:

> To announce that there must be no criticism of the President or that we are to stand by the President right or wrong is not only unpatriotic and servile but it is morally treasonable to the American people. Nothing but the truth should be spoken about him or anyone else, but it is even more important to tell the truth, pleasant or unpleasant, about him than about anybody else.

That referred to our Commander in Chief in the midst of the last war, and I endorse wholeheartedly this editorial as applied to this war.

Turning to my Republican colleagues I want to emphasize to them that they have a solemn and sacred duty and function to perform here as a minority. It is their duty to represent the Republican Party and those who sent them here, by constructive criticism without fear or favor in time of war or in time of peace. What we need on the minority side is more vigorous leadership, more active, more aggressive, more outspoken and constructive criticism, whether it be of the New Deal and the pitfalls of the New Deal or of the President or of the Commander in Chief or of the conduct of the war.

The only possible criticism of the House of Representatives that I know of is that there is a certain inferiority complex among its Members on foreign policies and the conduct of the war. We on this side let the other body speak out freely, many of us applaud those statements, but any time one of us gets up here to speak there is always some one to question him and to say "Hush, hush" or "Shush, shush, we must not say that, we are at war," and endeavor to make out that some Member of the minority is trying to throw a monkey wrench into the war effort. The next step will be that we will not be permitted to refer to the Communists in America because the Soviets are one of the Allies.

The gentleman from Pennsylvania a while ago referred to some boys 18 years of age from his home town who were killed. He certainly had a right to say that. I will go further and call the facts to your attention. You and I voted to draft these boys of 18 into the armed forces. At that time we had a letter read to us, I think by the gentleman from New York [Mr. WADSWORTH], from General Marshall saying that these boys of 18 would all be given 1 year's training before being sent to the other side. That is the practice in Great Britain today. All boys of 18 were to be given 1 year's training before they were sent to the battle lines. It may be a military necessity, I do not know, and I am not criticizing that feature, but I am stating the facts.

The War Department now tells us that boys 18 years old will be sent any time to the front, with 3 months' training. I am not objecting if it is a military necessity, but it is contrary to the pledges given and to the practice in Great Britain.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield myself 3 additional minutes.

Mr. Speaker, I am not criticizing if it is a military necessity, but the American people are entitled to all the facts and the Congress should discuss the issue without fear or favor. If it is necessary for my boy who is now 18, and who enlisted when he was 17, to go overseas to fight, that is all right; but, in my opinion, the other nations should do likewise.

It is perfectly justifiable for any Member of Congress to say that the Allied Nations should have conscription as long as we have and that the British Empire should have it as well. I think that is only a fair criticism when our own sons are being drafted. It was not my speech, but I am upholding the right of the gentleman from Pennsylvania to say it because it is the truth and the truth is never wrong whether it is in peace or in war. That does not interfere with our winning the war.

I know that Members, like the gentleman from Wisconsin, FRANK KEEFE, will take the floor of this House at any time, in peace or in war, and express their views openly and criticize constructively the things that are wrong. But there are far too many on the Republican side who are fearful that somebody is going to criticize their remarks, fearful of the radical commentators on the radio and the press because of attacks on the New Deal or the President. If the Republicans do not criticize constructively the New Deal and the President, then what is there for the minority party to do? What is left for the Republican Party? What will be left of our country? Of course, you cannot expect the majority to criti-

cize the acts of their own administration, and for political reasons they must uphold their own party, and I do not blame them, but our main function is to criticize and criticize openly and fearlessly, and that includes foreign policies and the conduct of the war. I beg of you, in a parting word to my Republican colleagues, that you realize your duties and your obligations to your constituents, and take the floor of this House on every occasion when anything is wrong with the New Deal or the administration or the President or the conduct of the war, for you have a definite right to discuss the conduct of the war and to express your views, and if you do not do it who else can or will in America except in the Senate. Unless the Republicans in Congress fight openly and boldly, regardless of Communist and left-wing smear attacks in the press and over the radio, there will be no Republican Party or Republic left to fight for. Free speech and free criticism must above all places prevail in Congress, and especially among the minority Members, who should not pull their punches whenever warranted on all issues that affect the interests of the American people, including the conduct of the war, the Commander in Chief, and our foreign policies.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, it is very seldom that I take the floor to pay much attention to what my colleague, the gentleman from New York, says, much as I like him personally. But remarks such as he has just made cannot go by without some comment.

It is rather interesting to note that on Monday he condemned his party, and today he is chastising his party in the House and undertaking to admonish them and tell them what they should do during the next Congress. I doubt if the advice of the gentleman, in view of his many inconsistent positions, will fall upon ears that will hear them and evaluate the advice in the light they would if it came from, for example, the gentleman from New York [Mr. WADSWORTH].

The gentleman has raised an issue which does not exist. The gentleman undertakes to raise a straw man that anyone who makes constructive criticism is going to be open to attack. I have been a Member of this body for 16 years, and I have never heard any lack of criticism on the part of any Members on the majority or the minority side who felt it their duty to offer criticism. There is a difference between constructive criticism and personal attack. That is just where the gentleman from New York fails to take notice and to distinguish between.

Constructive criticism is one thing, personal attack is another thing. I have never personally attacked any President of the United States or any person. I have never personally attacked a former President. For example, I have the highest personal regard for former President Hoover. On one occasion, at least, on this floor I defended him when he was personally attacked by a member of his own party. I waited to see if some member of his own party would defend him and when none did I defended him against the attack made on him. When former President Hoover was President of the United States, true, elected as a Republican, he was JOHN McCORMACK'S President just as much as he was the President of any other person. I disagreed with him on some of his policies, but I never did so in a personal way, and I never differed with him on foreign affairs. I supported him on every question relating to the foreign policy of our country that came before this House, because to me party lines disappear when the 3-mile limit is reached on matters concerning the relationship of our country with other nations of the world.

There is no disagreement at all about constructive criticism. It is good and it is worthy in war as well as in peace. So the gentleman does not raise an issue that anyone in this body on either side or anyone that I know of in the United States takes issue with. But the gentleman does raise an issue as a straw man for the purpose of knocking it down, in the hope that some people will feel that there are forces in this country, particularly in the Democratic Party, who will try to suppress constructive criticism.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. COX. Mr. Speaker, I yield 3 additional minutes to the gentleman from Massachusetts.

Mr. McCORMACK. Certainly, as we sit here—and I am not talking as a Democrat, I am not talking as leader, I am talking just as an American and a Member of this body—we do not see any suppression of free speech or free press, directly or indirectly. Our newspapers are going ahead and printing news as they see it. Some print a different type of news than others, but there is no attempt directly or indirectly that I see to suppress them or to interfere in any way. Certainly, there is no suppression of the right of any paper in the United States to take a position for or against Franklin D. Roosevelt or for or against any other person, either in his official position or as a candidate during the last election. Eighty percent of the press were opposed to President Roosevelt and his reelection. Seventy-eight percent were opposed to him 4 years ago. They had a right to do so. Whether some of the newspapers went further than we thought they should is another question, but that is a matter of personal opinion. The right of freedom of the press and the exercise thereof has certainly not been interfered with to the slightest extent. The complete right of freedom of press and of speech has not been interfered with.

What the gentleman fails to distinguish, as I said, is that constructive criticism is one thing and personal attack is another. Further, constructive criticism in time of peace is one thing and constructive criticism in time of war is another. The question of prudence enters into it. It may be all right to say something in time of peace that it might not be all proper to say in time of war.

I am not talking about the remarks of the gentleman from Pennsylvania [Mr. GAVIN]. My observation transcends that. I am not in any way inferentially criticizing his right to say what he did say today. What I do say and the position I take is that in time of war even in giving constructive criticism we must apply the rule of prudence, having foremost in our minds that the best interests of the United States of America comes first, above everything.

You and I, here, are elected as Republicans or Democrats. But we are something more than that. We are all Americans. We may have different views about this or that bill; we may have different views on this or that question, but there is no difference in our love for our country, our institutions, and our Government, and the great ideals for which our Government stands. On that there is unity. The gentleman from New York is just as firm and strong in his love of our country as anyone else. I know that. The motives of no man are questioned. The patriotism of no man is questioned. I agree that the patriotism of no man should be questioned, but the judgment of men can be questioned, and properly so, by constructive criticism. All I have to say is the gentleman from New York, a man of great capacity, a man who had everything, a man who has a fine mind, a man who is eloquent, a man who can think soundly if he wants to, years ago got off on the wrong premise and he has not gotten back yet. In offering our criticisms, our country being engaged in war, let us apply the rule of prudence to what we say or write.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the gentleman from Massachusetts, the majority leader, again did what he has so often done—he has attempted to distract attention from what was actually said on the floor by calling attention to some other statement. Now no one disagrees with his proposition that constructive criticism should be permitted on all occasions. No one disagrees when he condemns personal attacks or criticisms of an individual because of some personal trait or action, which is but a matter of taste or judgment. The difficulty grows out of the definition of "constructive criticism."

As I gather from the statement of the gentleman from Texas [Mr. LUTHER A. JOHNSON] and from the statement of the gentleman from North Carolina [Mr. BULWINKLE]—yes, and from the remarks of the majority leader the gentleman from Massachusetts [Mr. McCORMACK]—any praise of the President, of the administration, of any administrative agency, is constructive criticism, while

anything said which directly or even indirectly calls in question any policy or action of the executive branch of the Government is either a disservice to the country's war effort or is destructive in its tendency. With that definition or interpretation of criticism I cannot agree.

My service in this House has continued for almost 10 years—it will be 10 years in January. Never, as I recall, have I questioned the ability, the judgment, or the loyalty of any Member of this House. Nor do I intend, if I live so long, during the coming 2 years, to do so; nor have I criticized, nor do I intend to criticize, the conduct of the war. But I do intend when occasion offers to make suggestions which in my judgment will aid in winning the war; in preserving our interests after the war is over.

To get back to what happened this morning. The gentleman from Pennsylvania, returning from his home where he learned that some of his friends and neighbors had lost their sons in this great war, ventured to suggest that our allies, the Canadians and Australians, adopt conscription. If conscription for Americans aids in the winning of the war, is there any reason why those governments, which are more closely connected with the British Empire than we are, should not adopt the constructive procedure of conscription? Is it not constructive for the gentleman from Pennsylvania to suggest that they do as we have been asked to do, and as we have done, and send conscripted youth to fight on foreign soil?

We were told that this was a war to preserve our national entity. If true, then it is a war for the preservation of Canada and of Australia, which are a part of the British Empire, and equally true is it that, if our youth are to be conscripted, soo too should the young men of those two Commonwealths be conscripted.

I suggest that the statement of the gentleman from Pennsylvania [Mr. GAVIN] was constructive criticism, and yet when the gentleman from Pennsylvania [Mr. GAVIN] makes that criticism what does he get from the majority side? The plain, vigorous charge from the well of the House that he has rendered a disservice to his country. That was the statement of the gentleman from Texas [Mr. LUTHER JOHNSON].

Among other things the charge that a man has been guilty of a disservice to his country is by many people construed to mean that a man has been guilty of disloyalty.

The gentleman from Pennsylvania served in the First World War. He served in the front lines where machine-gun bullets, high-explosive shells, were dealing out death to his comrades. He fought in that war in a combat unit and yet when here on the floor of the House he demands that other nations cooperate, collaborate, join with us in the war which we are fighting for their preservation, for their very existence, he is accused of having rendered a disservice.

Speaking only for myself, I would be somewhat reluctant to make such a charge against a veteran of the First World War.

The gentleman from Pennsylvania [Mr. GAVIN] is known to all of us as one who, when his country needed him, answered the call; as one who served as long as his country had need of his services; as one who ever since has faithfully in his life at home and here on the floor of the House done his utmost for America and in support of the war effort.

I was rather inclined to the thought that the gentleman from Texas spoke without thinking, as many of us do. I am sure he did not realize that the words he put into the RECORD, if permitted to stand there, and even whether they are stricken or not, will in the next campaign be reprinted and use by the P. A. C., by the C. I. O., by the majority party, in the congressional district of the gentleman from Pennsylvania as evidence that the gentleman from Pennsylvania is disloyal. Can we not, as Members of the House, leave it to the individual opponents of those who come up at election time to oppose us to find their own ammunition? Must we place in the RECORD false charges of disloyalty, of lack of patriotism, so that some organization like that financed and operated by Sidney Hillman, who has now gone abroad to give his advice as to how the war should be conducted and as to how far we should go, can use that against a colleague in the next campaign?

My opponents in the last campaign—the P. A. C. and its allies—demanded that I cooperate with our allies. That I am more than willing to do but I insist that they cooperate with us. I venture to request those who asked me to cooperate to advise as to whether they approve of the Greeks who are now fighting the British in Greece, or whether they join in thought and action with those who would deny to the people of Greece the right to select their own form of government, their own officials?

The same questions I trust they will answer as to our conduct in Italy. They might also advise as to which faction we should cooperate with when the question as to who is to rule there and the kind of government it is to have come up for ultimate decision.

I likewise ask my critics whether they approve of the course of Great Britain and of Russia in leaving, at least to a certain extent, the battle front in western and southern Europe and attempting to establish in Italy, in Greece, their own position to aid them in post-war influence in those countries.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. FISH. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. HOFFMAN. I am not now criticizing the gentleman from Texas [Mr. LUTHER A. JOHNSON]. He may say what he wishes, but I do reserve the right and it is my purpose as a Republican, serving in the interests of my country, reelected in spite of the opposition of the new dealers and their political allies, the Communists, of their political ally, Sidney Hillman, with his $2,000,000—and they had a man in my district for months spreading their lying propaganda—I repeat, I do intend in the days to come to defend my own patriotism and my own acts and those of the Members on the minority side who are willing that I should.

When charges of a lack of patriotism are made against me or against members of my party, they are not, if made on the floor of this House, going unanswered. To the best of my ability I will lay bare the record, demonstrate the falsity of such charges, and, if possible, expose the motive which causes them to be uttered.

Neither Sidney Hillman, the Communists, those who want to remake America, nor any new dealer, nor any worshiper of the New Deal, will go unanswered, if I am present on the floor when the charge is made, if I can obtain recognition.

While I listen with interest to, sometimes with admiration, of the gentleman from Texas [Mr. LUTHER A. JOHNSON], the gentleman from North Carolina [Mr. BULWINKLE], and the gentleman from Massachusetts [Mr. MCCORMACK] after all I was neither elected by nor am I in any way responsible to any one of them. When they suggest that other Members are rendering a disservice to the country, as did the gentleman from Texas [Mr. LUTHER A. Johnson] today, their words, so far as I am concerned, fall on unheeding ears. If they wish to join me in constructive criticism of actions which are hindering the war effort, let them add their approval to what I am about to say about war production.

PAYING A POLITICAL DEBT

The Washington Times-Herald on the front page this morning carries the information that the War Labor Board has summoned Montgomery Ward & Co. and the C. I. O. union to appear tomorrow to show cause why the company has not complied with the 1942 War Labor Board ruling calling for maintenance of membership and minimum weekly wage rates of $20.25 in seven States in which the company operates.

Yesterday's papers also carried the information that picket lines had been thrown around Ward's stores in Detroit and the morning papers state that C. I. O. is about to call a general sympathetic strike in Detroit and in other cities.

Everyone knows that a general strike would but add to the confusion and the impairment of the war effort which have already been created by almost daily strikes of the C. I. O. in war plants.

There is no authority in any Federal statute which authorizes the W. L. B. to order an employer to enter into a contract containing a security of membership clause. Nevertheless, such orders have been issued time and again by the War Labor Board and, upon the failure of the employer to comply, industrial plants have, under executive order, been seized by the Government and almost invariably the Government has given the striking union what it demanded.

By using the W. L. B., a Government agency, as its holdup man, the C. I. O. and some other unions have been able to

make employers and the taxpayers stand and deliver.

In many instances, th enforcement of the order granting the union additional pay did not cost the company anything because the increase in wages granted was but added to the company's contract with the Government and the ultimate cost fell upon the taxpayer.

It is a clever and a very effective procedure to make the taxpayers grant additional compensation to the administration's political supporters. It is especially effective because the New Deal courts have refused to take jurisdiction to pass upon the validity of the orders issued by the W. L. B.

Appearing before the Smith committee, William H. Davis, Chairman of the Board, and his legal counsel have been unable to put a finger upon any Federal statute which authorizes the making of a security of membership order.

They admit that, under the National Labor Relations Act, while employer and employee may agree to a closed shop or to a security of membership clause, neither can be forced to enter into a contract containing either provision.

They attempt to justify their ruling imposing a security of membership clause under the War Labor Disputes Act, which authorizes the Board, appointed by the President—

To decide the dispute, and provide by order the wages and hours and all other terms and conditions (customarily included in collective-bargaining agreements) governing the relations between the parties, which shall be in effect until further order of the Board.

But the same section just quoted and from which the Board claims to derive its authority, in the next succeeding sentence provides that—

In making any such decision the Board shall conform to the provisions of the Fair Labor Standards Act of 1938, as amended; the National Labor Relations Act; the Emergency Price Control Act of 1942, as amended; and the act of October 2, 1942, as amended, and all other applicable provisions of law; and where no other law is applicable the order of the Board shall provide for terms and conditions to govern relations between the parties which shall be fair and equitable to employer and employee under all the circumstances of the case.

When the attention of Mr. Davis and his counsel was called to the provision requiring the decision of the Board to conform to the provisions of the National Labor Relations Act, he answered with the statement that the War Labor Board had authority to settle disputes between employer and employee and that, to accomplish that purpose, it had the added authority to make any and all orders necessary to settle a dispute.

His argument and his statement was that whatever the parties might agree to do, the W. L. B. by order might force them to do.

The absurdity of that position is apparent from the statement of it. As well might the highwayman who holds up the wayfarer and takes from him his purse at the point of a pistol say that when the pocketbook was handed over his victim agreed to settle the argument.

From its persecution of Ward's, the skeptical and suspicious individual might think that the War Labor Board had entered into a conspiracy with the stockholders and officials of Sears, Roebuck & Co., a rival mail-order house of Montgomery Ward, to destroy Ward's business.

Of course, there is no basis for any such thought, but there is sound ground for the conclusion that the administration, in return for promises of political support, did, prior to the election, for the benefit of the C. I. O., seize the plant of Montgomery Ward & Co.

There is ample ground for the conclusion that, the C. I. O. and P. A. C. having delivered at the November election, the War Labor Board is now making payment for the votes cast for the fourth term.

The administration has already, through its New Deal courts, which hold that they will not review the orders of the Board, demonstrated to C. I. O. and Sidney Hillman and to the informed public that it is the political and economic ally of the C. I. O. and of those who want to substitute Federal for private control.

It is idle for the administration, for the Government agencies, for Sidney Hillman, to say that they believe in free enterprise, when all of their acts demonstrate the opposite.

There is also ample ground for the suspicion that the P. A. C. and the C. I. O. are not interested primarily in the betterment of the worker. If either or both organizations honestly and sincerely believed that wages could be increased, that industry could be rendered more efficient by a security of membership clause or by a closed shop, there is no reason why they should not give the public, union and nonunion employees, a practical demonstration by an industry or a branch of industry so conducted.

Dan Tobin's Teamsters' Union, more than a year ago, boasted that it had $4,000,000 in cash, $5,000,000 in war bonds, any part of which it was willing to spend to control an election.

The P. A. C. and Sidney Hillman, prior to the election, had resources of more than $2,000,000, any or all of which it claimed the right to spend to, as it said, educate the voters—in reality, to purchase an election.

If these organizations really believe that the workers are being treated unjustly by employers as a whole, then in all fairness they should establish or take over some one business and operate it.

If the employers are making an exorbitant profit, as is constantly charged by the C. I. O., then the C. I. O., with its millions of resources, should establish such an industry and, for its members, who would be the stockholders, make and accept a fair profit and give to the employees, also its members, a fair, adequate wage under proper working conditions.

The truth of the matter is that the administration, Sidney Hillman, his communistic allies, and some officials of the C. I. O.—contrary to the wishes of the rank and file members, the vast majority of whom are honest, patriotic, and fair-minded—wish to bring about either state socialism, or communism, or a fascist control, and there is little difference between them.

The War Labor Board—yes, and the Governor of the State of Michigan—might take cognizance of a Michigan State statute, Public Act No. 176 of the Public Acts of 1939, which expressly provides that it is unlawful for any person to take possession or control of any property or to withhold possession of any property against the will of the owner, or to interfere with the free use thereof, either by force, threats, intimidation, or artifice.

That statute also provides that it is unlawful for any employee or any other person, by force, coercion, intimidation, or threats, to force or attempt to force any person to become or remain a member of a labor organization, or to attempt to force any person, by threats or intimidation, to refrain from engaging in employment.

By the express provisions of the act, no one is exempt from it except employees and employers who are under the jurisdiction of the Railway Act or involved in farm labor or domestic employment.

It might be added that the national labor relations law itself makes it an offense for an employer to encourage membership in any union. Yet the W. L. B. and this administration in this instance, and in hundreds of others, have exerted the Board's power in an effort to force employers to encourage membership in one union, discourage it in another; to violate the terms of the National Labor Relations Act.

It is time that the people began to realize that, while our men are dying by the hundreds on the western front in Europe, here at home in America, at least one of the "four freedoms," that is, freedom from want, which rests upon the unrestricted right to work, is being taken from the American citizen by this administration to pay for political support.

In this connection, it might be added that yesterday the casualty lists which came to my desk carried the names of approximately 2,700 young Americans. Here, while they were fighting abroad, the Commander in Chief permits his political allies to demand tribute of their relatives who wish to work in support of the soldier's fighting efforts.

The SPEAKER. The time of the gentleman from Michigan has again expired.

Mr. COX. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Speaker, I would not attempt at this time to censure any Member for exercising his prerogative to criticize or find fault in the program or policies inaugurated by another, but in view of the speeches made here this morning I do want to call attention to a philosophy expressed by Benjamin Franklin many years ago when he said: "Our friends are those who tell us of our mistakes and help us to mend them." A friend does not remind you of your mistakes and stop there. He goes further and suggests how they may be corrected.

I just want to emphasize the thought that it is a good philosophy, both in private as well as political life, before we undertake to publicly criticize the actions or policies of others we should first be willing and able to suggest better ones or how they may be improved.

The SPEAKER. The time of the gentleman from South Carolina has expired.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, these speeches have strayed far afield from the matter which is now under consideration. I wish to address my remarks to the rule which is now before us and call the attention of the House to a matter that is frequently not understood; and to my surprise some members of the Committee on the Judiciary to whom I have mentioned the situation in which we find many American people have stated they did not know that a jury trial was denied, I presume because such provision is in a statute reported from the Committee on Flood Control in 1928 and if considered separately, comes under the jurisdiction of that committee. That certainly is not true with regard to the gentleman from Alabama [Mr. HOBBS] or the gentleman from Texas [Mr. SUMNERS], who are thoroughly cognizant with the problem and sympathetic with my desire to obtain a remedy by act of this Congress making provision for the American property owner whose land is taken by his Government to have a right to a trial by jury.

The Flood Control Act having to do with the Mississippi River and its tributaries provides that the Federal Government can go into that area and take land for flood control to help the man who lives below the dam, can take it by simple act of taking it into charge or possession once it has been authorized by act of Congress that such a dam or flood-control project be constructed as was done under the law of 1938 insofar as my district is concerned, without regard to making any payment to him at that time, except so far as the Government cares to offer. I realize, of course, that for the orderly procedure of Government perhaps it is necessary in some cases that possession be taken but you cannot expect it to be satisfactory to the man whose land is taken away and flooded and this not to help the man himself but to help the man who lives below the reservoir. Especially is that true where his compensation is fixed by commissioners with no right of appeal for a determination by a jury.

Here is the point to which I wish particularly to call your attention: Under present law that man's compensation and damages for the property which has already been taken from him is fixed by three commissioners who are appointed by the court at $25 a day and expenses.

The man whose land is taken has no recourse, can get no trial by jury on the question of compensation; the law does not give him that right. The decision of those commissioners is final when affirmed by the court. The court of course appoints the commissioners; they are men in whom the court has confidence and the result universally, almost without exception, is that their judgment is affirmed. Also in practically every case you will find that the commissioners fix the compensation at the amount previously determined by the Government appraisers. That is not in keeping with the American theory of government. If you will read the Constitution you will find it provides that in lawsuits between individuals when the amount in controversy is $20 or more a trial by jury is guaranteed. You will find if a man is indicted for a crime he is entitled to a trial by jury. You will find that if his property is taken for an Army camp or for a war plant to contribute to the war effort he has a right to trial by jury in the amount of compensation. But, Mr. Speaker, you will find that Congress—men who represent the people of the Nation, the folks back home—passed section 702d, United States Code, 33 years ago, taking away the right of such citizen to a trial by jury—a statute under which land can be taken for the specific purpose of improving other land. The statute tells him that he is not entitled to a trial by jury in the matter of determining compensation. Mr. Speaker, too many here are giving time and attention to protecting the power, the authority, and the might of the Federal Government and too little attention is given to the individual whose home is taken, whose land is taken, land on which perhaps his family has lived for a hundred years or more. This Nation says to him: "We will send our men in there, we will determine what you are entitled to and you will stand by helpless." That is the law today. This Congress here has an opportunity to correct that situation. This bill gives me an opportunity to tell you some of the facts that have developed under this procedure. You say to us: "Well, that just affects WHITTEN and a few folks on the Mississippi." But let me remind you that this Congress has just passed a flood-control bill for the control of the Missouri River Valley and other tributaries of the Mississippi, and before long many other Members will find out how this thing affects their constituents. You will find there are a large number of individual American citizens whose rights need protecting, whose property will be taken, and who will have no right of appeal to his fellow Americans as to the compensation paid him, and you will find that they do not all live in my district.

Mr. FISH. Mr. Speaker, I yield myself one-half minute to answer in part the remarks made by the gentleman from Massachusetts [Mr. MCCORMACK], and that is all that is necessary at this time.

Mr. Speaker, all I care to say in reply is that according to the gentleman's definition of "constructive criticism," it only means praise of the President—anything else is destructive—according to the majority leader. I agree with Theodore Roosevelt, "that nothing but the truth should be spoken about the President, but pleasant or unpleasant, it is even more important to tell the truth about him than about anyone else in time of war."

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I seem to have raised an issue here this morning, and rightfully so, that deserves the serious consideration of the membership of the House. I regret I was not in the Chamber at the time the gentleman from Texas made his remarks, but for his information I want the gentleman from Texas to know that I served as a sergeant in the Infantry overseas during World War No. 1, I am past commander of the American Legion, an active member in the Veterans of Foreign Wars and the American Legion, and for a year and a half I served on the selective-service appeal board for the State of Pennsylvania, appointed by the governor of my State; so with that background and as a Member of this body, I feel qualified to express my opinions on this situation concerning our American boys.

Mr. Speaker, I am going to finish what I started this morning so that this issue will be clear to the Members of the House, and that is a fair square deal for our boys who are doing the fighting.

It has just been called to my attention that three boys from my home town, Oil City, Pa., just a little over 18 years of age, have been killed in action overseas. A few weeks ago while back home I visited a family in Johnsonburg, Pa., in my district, who had five boys in the service and two of these boys were killed in action within 4 days.

We have from eight to ten million men in the United States Armed Forces and we have had close to 550,000 casualties. We have conscripted our boys by the millions and they are fighting all over the world, and yet the colonies of the British Empire are now just getting around to enacting legislation to draft men for overseas service.

Prime Minister Churchill and Foreign Secretary Eden do not seem to be much concerned about the conscription in the colonies of their fighting men. The Prime Minister said he was not going to preside over the liquidation of the British Empire, and he might have included the British lifeline to India; however, he seems content to let us throw thousands of our boys into action to carry on the fight—hundreds of whom are being liquidated every day.

What seems to be the difficulty is that somebody in the State Department does not tell the British Empire that we are not satisfied with their policy on the conscription of men in the British colonies. If we can draft our boys by the thousands for overseas service, why cannot the British colonies do likewise?

The Prime Minister and the Foreign Secretary can get tough with Uncle Sam when they feel the British Empire is not getting the breaks. So it is about time for Uncle Sam to get tough with the Prime Minister and Foreign Secretary when we feel we aren't getting an even break.

The British Empire and her colonies ought to pursue the same policy we are pursuing; drafting and putting into action the 18-year-olds. A few months ago we heard the cry, "Give us the tools

and we will finish the job". Well, we are not alone furnishing the tools but we are furnishing the manpower to win this war. Yet, we are witnessing, right up in Canada, riots because they conscripted 16,000 men for overseas service.

What we need more than ever before is a diplomatic policy with a backbone and someone with the courage to tell the Prime Minister and the Foreign Secretary to get going with a conscription program in the British colonies to furnish the manpower for overseas duty to bring this war to a rapid and early conclusion.

Mr. Speaker, our first concern is to win the war. The more men we get in there on the fighting line now the quicker we will bring the war to a successful conclusion and save thousands of our American boys.

This, I believe, is only fair to the American boys who are fighting and dying by the thousands.

Read Drew Pearson's column this morning in the Washington Post. A columnist who by no stretch of the imagination could be called antiadministration. He tells the story of the type of leadership we are getting in the State Department.

What I feel this country needs is less diplomats, diplomacy, and diplomatic dinners. That stuff is all right in peacetimes, but what we need now are practical, hard-headed, two-fisted horse traders in the State Department to give our boys an even break and protect Uncle Sam's interests.

I insert for information the following editorial from the Washington Times-Herald:

CANADA AND THE DRAFT

An interesting character day before yesterday was again elected mayor of Montreal, Canada's largest city—population 903,000, most but by no means all of it French-Canadian.

MONTREAL ELECTION

The winner in Monday's Montreal mayoral election was Camillien Houde, by a score of about 63,000 to 48,000. Houde had been mayor of Montreal several times. In 1940, with Canada at War, he urged Canadians to refuse to register under Canada's draft act, which enables the Dominion to draft men for service in Canada but not overseas. For this Houde was interned for 4 years as a menace to public safety, getting out of internment only a few months ago. Now, with Canada more than 5 years at war, Houde has staged a triumphant come-back.

Houde's election is an incident in the draft crisis which has been exciting Canada ever since November 2, when Col. J. L. Ralston resigned as Minister of Defense in Prime Minister W. L. Mackenzie King's cabinet.

Ralston, after a tour of European battlefields came home convinced that Canada, with the big push on in France, could not find enough replacements for its casualties on a volunteer basis.

"I considered," he wrote King, "that I had no alternative but to recommend that drafted personnel be sent overseas as reinforcements."

It has long been customary to blame the French-Canadians solely for the strong opposition in Canada to drafting men for overseas service—an opposition that dates back to World War No. 1. And the French-Canadians by and large are a stubborn breed whose main loyalties seem attached to a state and church such as existed in France before the revolution.

But as Ralston's statement indicates, opposition to the overseas draft is by no means confined to the French-Canadians. "Zombies," as the home-service draftees are called, of both British and French descent, have been registering strong unwillingness all over Canada to go across to France and fight. Nothing like the needed 16,000 could have been obtained as volunteers.

Mackenzie King's government then at last nerved itself to bring in a diluted overseas draft act, under which not more than 16,000 Canadian draftees will be sent to the western front or the Italian front.

The Australian draft system is similar to the Canadian, and so is the New Zealand system. Britain does not draft Hindus to fight, though some of the native Indian princes may. When it comes to letting their own men be shipped far away to fight empire wars, the British dominions, crown colonies, etc., are very independent-minded these days.

Our Government, of course, has no such hesitancies. Our men are drafted in million lots and can be sent anywhere to fight, and in this war have been sent almost everywhere—to Australia, New Guinea, the western and Italian fronts, Burma, India, China, etc., etc.

Mr. COX. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I greatly deplore the arguments made here this morning. Of course, there is room for criticism as among ourselves and nobody would suppress the impulse, whenever it arises. But we are committing a terrible blunder. We are committing a terrible sin against the men who constitute our fighting forces and their loved ones back home when we indulge in attacking our Allies. I hope and pray that we will not have any more of it.

Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, I do not know whether I want these 3 minutes, because an argument such as has been just made by the gentleman from Pennsylvania can be answered in a few seconds. The gentleman should by all means find out the facts about a thing before he speaks. The gentleman should know, if he does not know, that England has conscription from 18 years up. There are men on the floor here that could give him all the facts. Again and again I say to you that careless words, words spoken without any foundation, words spoken to create bitterness, make it, as my friend the gentleman from Georgia just now said, much harder on the morale of our men in the service. I am not here to try to get you to stop your criticism of the administration. I will answer that at the proper time. But I do say, and I say again, on the conduct of the war, remember that unnecessary talk might cost the lives of men, might cause injury to many. This kind of rot should stop on the floor of this House.

Mr. FISH. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, I am in a good humor, and I am not going to criticize anybody or give you any advice unless you come to me privately and ask for it.

I want to come back from far afield and discuss for just a moment the provisions of this bill, and I shall address my remarks to the learned and able gentleman who has the bill in charge. I shall suggest and offer, when the bill is read for amendment, this amendment:

Page 2, line 14, after the word "party", insert the words "shall be entitled to and may demand a trial by jury."

My reasons for offering this amendment are these: A liberal construction of this bill as drafted and presented would lead the lawyer who thinks in terms of the Anglo-Saxon traditions of the common law, in the light of an unbroken line of decisions of the Supreme Court of this country, to conclude that the citizen whose property is being taken by the Government willy-nilly—he cannot deny the right of the Government to take it—is given, if he demands it, the right to a jury trial; but a very eminent member of the present Supreme Court recently said from the bench in a written opinion that the fact that a statute is couched in simple and plain language of unmistakable meaning by no means meant that the meaning of that statute is plain, that to so hold would be a matter of oversimplification.

I was brought up to believe, and have followed the idea, that when we say a thing in plain English terms we mean exactly what we say. This bill reads, with respect to a trial by jury:

Provided, however, That any party may demand a trial by jury of the issue of compensation by filing with the clerk of the court a demand therefor.

However, I notice in the letter from the Attorney General urging the passage of the bill these words:

This bill would abolish the use of commissioners in condemnation proceedings and would provide that the issues in such proceedings would be determined only by the court reserving to either party the right to a trial by jury at its option.

There is the bug under the chip that I am after. It comes down to the proposition that the court at its option may permit the man whose land is being condemned and taken from him to have a trial by jury.

Let us make it so plain that it will not be a matter of oversimplification. Let us just say what we mean and assure to the landowner a trial by jury.

Mr. FISH. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this bill, S. 919, passed the Senate on May 20, 1943. It came to the Committee on the Judiciary and some consideration was given to it, but that committee did not see fit to report the bill until November 30, 1943. Then the bill came before the Committee on Rules, and that committee reported on May 23, 1944, a rule providing for the consideration of the bill by the House.

I speak of these dates because it is conclusive proof that this is not emergency legislation. I regret exceedingly

that a bill of this type, changing the general condemnation laws of all the States in the Union as far as Federal condemnation is concerned, is brought in at this late hour. The rule will be adopted, but I think we should approach the matter very carefully. Unless I change my mind, I shall not vote for the bill. If there ever was necessity for this radical change in the fixed, tried, and proven law of the land, surely that time is passed so far as war land purchases are concerned.

Why take away the right of the States? Why set up a Federal pattern when every State can pass such a law if the State wants that done. This bill as a law would hinder and delay. It would not expedite. It might compel the Government to pay much more for the thousands of acres taken for military purposes if it were retroactive.

Mr. Speaker, a bill introduced in May 1943, and not called up until just before adjournment in December 1944, is not emergency legislation. Why have two methods of determining the value of land taken for public use, when those lands are in the same neighborhood? The answer is, more delay, more expense, and more red tape.

Mr. CASE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the text of a very brief bill I introduced yesterday.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

EXPEDITING PAYMENT FOR LAND ACQUIRED DURING WAR PERIOD

Mr. HOBBS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 919) to expedite the payment for land acquired during the war period.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 919, with Mr. COFFEE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Alabama [Mr. HOBBS] is recognized for 30 minutes and the gentleman from New York [Mr. HANCOCK] is likewise recognized for 30 minutes.

Mr. HOBBS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, now that we have settled the destiny not only of our own Nation but of the world, including the selective service laws of our allies, we come down to the issue which is before you in the bill, S. 919. It is a very simple question of whether or not in wartime, we want to expedite the payment to our citizens of the money due them from the Government for land which under eminent domain we have had to take for the prosecution of our war effort. In so doing, we are correcting during the war, the omission of some of the statutes in failing to provide for the grant, the specific grant, of trial by jury. That is all there is to the bill. Now as far as criticism of the bill is concerned, and its legislative history, it is true that the bill has not been pressed as vigorously as it might have been. But what of it? The issue is here. The cases are now in fieri; citizens of our Government, our fellow citizens, have not been paid for their land. We submit that the bill ought to be considered on its merits and not because of any delay caused in the Committee on Rules or in the Committee on the Judiciary, or in the House. I do want to call attention to the fact that 2 years ago, the Committee on the Judiciary acted on this bill, in substance; this House passed this bill, and it died in the Senate. Without criticism of the other body, I submit that the Committee on the Judiciary possibly was wise in waiting until Senate action was taken before we bothered you to consider this bill a second time.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am happy to yield to the distinguished gentleman.

Mr. ANGELL. Is it not a fact that under this bill the litigant himself has the right for a trial by jury, as a matter of right, and it does not rest in the discretion of the judge?

Mr. HOBBS. That is absolutely true, sir.

Mr. ANGELL. In other words, the discretion does not rest with the trial judge? It rests with the litigant. If he demands a jury trial he is entitled to it as a matter of right?

Mr. HOBBS. If this bill is adopted; yes, sir.

Mr. WHITTEN. Will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman.

Mr. WHITTEN. I just wanted to say to the gentleman that in my remarks I made some reference to the fact that one or two members of the Committee on the Judiciary were not as well advised about the present law with regard to flood control. As far as the gentleman from Alabama is concerned, he is thoroughly familiar with this practice and procedure, and in my opinion has done a splendid job for the Nation and the country in bringing this bill here.

Mr. HOBBS. I appreciate the remarks of the gentleman with reference to myself, although they are wholly undeserved. I know very little about the law relating to flood control. I am just a country boy from Alabama and know mighty little about anything. Still I am delighted to have the gentleman pay that tribute to our committee.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HOBBS. Mr. Chairman, I yield myself 2 additional minutes.

There are three committee amendments that I call to your attention so that you will understand the issues that are up for debate. One corrects a date erroneously set forth in the bill. It is the 26th, and it ought to be the 24th. That is all.

In the second amendment we say this bill shall apply only when a report of the commission has been made, that is the local commission, and when the proceedings in court have begun, then it shall not oust the jurisdiction that would otherwise have attached.

The third amendment extends the life of this act 1 year, to 1945, instead of to 1944.

I call attention to this one point which you all should know: We do not, as a peacetime program, advocate any interference with the sovereign States. It is only during wartime that we advocate this drastic remedy. The reason for it is that cases before our committee time after time have shown that the consumption of time and cost have been prohibitive; cases in which paying the Commissioners has cost more than the land to be condemned. Therefore, we feel that under the circumstances and in aid of the war effort this bill is justified.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. HANCOCK. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there was justification for this bill when it was first proposed. It was introduced in the Senate in March 1943 by the late Senator Van Nuys. The Senate acted on it in May. We acted on it in our committee in November, and it is now before the House, December 13, 1944.

At the time the legislation was first recommended the Department of Justice was confronted with the gigantic task of acquiring vast acreage in this country for airports, war plants, training camps, public works of all kinds, docks, yards, warehouses, and for other military purposes. They felt that a uniform condemnation bill would expedite and facilitate their work in acquiring this vast amount of property which the Government needed. That was the real reason for recommending the passage of the bill.

During these intervening 22 months the task of acquiring the land needed for Federal purposes has been practically completed; as a matter of fact we now have surplus lands and the problem is not to acquire new land but to dispose of lands no longer needed.

In different States we have different methods of condemning lands for public purposes. The general law states that the Federal Government must comply with the State laws. All the land that I have mentioned that has been acquired for war purposes has been acquired under State laws and the fact that we have been successful in acquiring so much land without this bill is proof positive that it was never needed in the first place. Generally speaking the Government is represented in condemnation proceedings by the United States attorneys or by special local counsel who know the procedure in the States where they practice.

We have in New York a system of condemnation by commissioners—the type of condemnation which the gentleman from Mississippi does not like. Our procedure is very simple. The

State or the political subdivision or the public utility simply files a petition describing the land to be taken, for what public purpose it is needed to be used, and asks for the appointment of commissioners. If it appears that public use of the land is necessary and proper, and the court so finds, it appoints three commissioners to determine the value of the land. Ordinarily the commission consists of a lawyer and two men who are well qualified to judge values of real estate, real estate agents or bankers or men engaged in the mortgage business or somebody of that kind. They examine the land, hear witnesses for the owners of the land and for the public, and make their report to the courts. If the court after a hearing finds that the award is excessive or inadequate, the court sends it back for further consideration or appoints a new commission.

We in New York feel that the question of the valuation of lands is not so much a matter of fact for a jury to determine as a matter of opinion to be settled by experts, by men of special knowledge. This is satisfactory to the citizens of New York. Why should you compel us to accept a jury system which we do not like; and vice versa, why should we attempt to inflict upon the people of Mississippi a system of condemnation of which they do not approve?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. WHITTEN. Is it not a fact that under the terms of this bill if the parties are satisfied the issue will be tried by the court, and the jury is not at all compulsory? Under the terms of the bill being considered the jury has got to be requested or demanded; otherwise it will be tried by the court.

Mr. HANCOCK. That is right. But in most instances when a case reaches the court one party or the other will demand a jury.

Mr. WHITTEN. So you folks are not having a jury system imposed on you by the terms of the bill. I would like to ask the gentleman this further question: Is not the landowner given a chance to be heard in the cases the gentleman enumerated as to whether or not it is necessary to take his land?

Mr. HANCOCK. Oh, yes; the court must find that before he appoints the commissioners.

Mr. WHITTEN. That is the thing. Under the flood-control bill they cannot be heard on that because under the general statute passed by the Congress the War Department is given the right to draw up its own plans and provisions for such reservoirs as they see fit to make.

Mr. HANCOCK. In answer to the gentleman's first point, we, of course, do not have that practice in New York. In other jurisdictions, however, almost invariably either the public or the landowners is dissatisfied and asks for a jury trial. That is one thing that was emphasized by the Department of Justice as the cause for delay.

Mr. WHITTEN. Except that in regard to flood control there is a particular statute which states that the findings of the commissioner when confirmed by the district judge shall be final; and it is final; and the court heretofore always has affirmed the decision of the commissioners.

Mr. HANCOCK. The gentleman has his mind fixed on the Flood Control Act and it ought to be amended if it is not satisfactory to the people affected. But that is no reason why the gentleman should ask for a law through this bill to deal with his problem when such a law would affect practically every law on property condemnation under which we have been working satisfactorily for many decades.

Mr. WHITTEN. If the gentleman will permit me, it is right natural for me to call attention to those measures and the effects I happen to know about.

Mr. HANCOCK. The gentleman had better amend the Flood Control Act. The present bill is only intended to be temporary, as indicated by its own terms, and terminates on December 31, 1944.

The only reason for this bill was to have time, not in paying compensation to landowners but in getting title for the Government. The former theory is merely a camouflage and I say the latter is no longer necessary, if it ever was. It is unfair to come in here and impose upon the people of the various States a uniform law which the people of many States do not want. No public official, or landowner, or lawyer, or farmer ever asked me to support this bill.

Mr. LAFOLLETTE. Will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Indiana.

Mr. LAFOLLETTE. It might be well also to point out to the gentleman, in line with what he is complaining about, that once the court finds the land should be condemned, nobody can say anything about it. Under this bill the court makes a finding as to the propriety of the condemnation and a jury fixes the damage. So he gets no relief anyway.

Mr. HANCOCK. It is a question of who is better qualified to decide the question of compensation to which the owner is entitled. Personally, I prefer a qualified commissioner to any judge I know of and I prefer qualified commissioners to any jury I have ever seen. We are satisfied with that system in New York. Why impose another system on us? Why should we attempt to impose our system upon Kansas, Indiana, or Mississippi? The bill is a temporary thing at most. It may have been needed 2 years ago, but is not needed now. It is a definite infringement on the rights of the people of our various States, and the bill ought to be defeated. I am opposed to the bill. I am sorry there are not more Members present, and I am sorry I have not been more persuasive.

Mr. CARLSON of Kansas. Will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. I may say that the way our State is handling the situation is very satisfactory. It seems to me if we are going to throw this thing into the Federal district courts it might get to the place where we might need a large number of new district judges to take care of this work.

Mr. HANCOCK. If the condemnation laws of our States are not satisfactory to the citizens of the various States, let us change the laws through the legislatures of our States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, this bill reminds me of a case 25 miles from my home city of St. Louis. The Government needed a tract of ground on which to construct a plant where it could manufacture TNT and DNT. The Government acquired a very large area, including a safety zone. However, this was an ideal spot. A tremendous amount of water was needed and this site was located right on the Missouri River.

It employed a man 250 miles away to value the property that was taken over although there were hundreds of people in St. Louis well acquainted with the site and also the value of the land. He had a contract, fees to be paid by owner of land based upon price. Finally the Government sent checks on price set by Government agent. One-half of the owners of the property secured their checks at the county seat. All of a sudden a telegram came from Washington stating, "Pay out no more checks."

About half of the owners never have received the money that they were told they would be allowed for their property up to this time. One of the owners of a piece of land, who resides in St. Louis, was in my office last week and told me that his case, as well as others, was not settled. If we had a law such as this in effect at the time they took over that property it would have been settled long ago. I do not think that the bill will affect this situation in any way at all due to the provisions on page 2, section 2, because that case is too far advanced. But I do feel that in time of war we are justified in enacting legislation which will enable the owners of the property to have the right to receive their money for the property that the Government takes away from them without any delay. This site was fine farm land and relatives of the original owners, some of whom were in possession of that land 100 years ago, occupied that land. Of course, they had to get another farm. Feeling that they were going to get their money many negotiated for other farms, bought them, and moved in. But unless they had some other resources they have not been able to pay for the new farm as yet, and probably they are paying interest on the money due on the new farm.

I just cite that as an example of what has happened. The trouble was the appraiser valued a great deal of the property too high. There was an investigation. I doubt that there will be many more cases because the Government is not going to acquire much land in the future. I think they have acquired about all they need, if not more, so it appears this bill is too long delayed. But in order to guarantee to the people of this country that they are going to be

paid promptly when the Government does take their property away from them for war purposes it will do no harm to have such legislation for the duration of the war.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. HANCOCK. Would the gentleman be in favor of making this permanent legislation?

Mr. COCHRAN. I would not. I think that the laws of the several States should apply in time of peace, but in time of war I see no objection to expediting cases of this character.

Mr. HANCOCK. The gentleman knows that it does not apply to pending cases where commissioners or appraisers have been appointed.

Mr. COCHRAN. I said that in my remarks. I said section 2 would not apply to the case that I had in mind, but if this bill would prevent a recurrence of that case, I am for it.

Mr. HANCOCK. It only applies to newly instituted cases, and there will be very few of them.

Mr. COCHRAN. I know that and said so but I also said in order to prevent a similar situation to the case I mentioned arising in the future, I would agree to a law of this kind on the statute books during the period of the war, but after the war I said let us go back to the old law and consider these cases under the condemnation laws of the States where the property is located. We are probably wasting valuable time at this late date in considering this bill, for as the gentleman from New York says, there will be very few cases that will be affected.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LAFOLLETTE].

Mr. LAFOLLETTE. Mr. Chairman, I can find no real reason for this bill from the arguments that I have heard by its proponents today. As I understood the argument made by the gentleman from Mississippi—and if I do not state it correctly, I want to be advised—under the flood-control procedure there was practically an arbitrary right to take land from which there was no appeal, if the gentleman desired a trial by jury, so that a jury might pass upon that question. If I understand it properly, if it goes to the taking, then this bill does not reach it top side or bottom, because that issue has already been decided by the courts.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I might state that the gentleman's understanding came from the question which I asked the gentleman from New York. I realize this bill does not touch that question. The point of the question was that his State gave the people of the State a chance to be heard—even in those States when a jury trial was not had the landowner had already been given a chance to fight out the issue as to whether or not the land should be taken. I realize that that is not involved in this in the least, nor is it my desire to include it.

Mr. LAFOLLETTE. Yes. In other words, we are in agreement then that the issue of whether or not the land may be taken is tried by the court. If that is true, I cannot see where there is any more speed provided under this bill than there is under State law, because under practically every State law the only purpose of appointing commissioners is to fix the value. Under State law, the issue of whether or not the land should be taken, in 90 percent of the States I know anything about, is a matter for decision by the court, or, if it is a decision by the jury, you have only one jury trial anyhow, so that the issue of speed in determination I do not think is present at all.

Someone said that you can ask for a jury. You have to ask for your jury 10 days in advance of your trial. You could ask for the jury if you were disturbed about the value right at the beginning of the trial in any event.

I believe my record demonstrates that I have a pretty broad view of the effect of the commerce clause, and I am willing to see it interpreted pretty broadly, but I think that divesting people of the title to land and fixing the value of that land is so closely identified with the State or the government in which the land is located that it is a bad precedent, even under the guise of something that is temporary, to attempt to supersede those State laws with a Federal law of this nature.

Mr. HOBBS. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I rise in support of this bill. I support it because it gives to every man whose property is being taken by the Government for flood control and other purposes the right to have a jury determine the damages. This is a right which ordinarily is guaranteed by the Constitution, and, although there are exceptions thereto, there is no sound reasoning, in my opinion, for such.

I take the position, members of the Committee, that the property of no man should be confiscated for any purpose unless and until a jury of his peers has determined the damages incurred. This is an elementary principle to which I believe each of you adhere.

The bill comes to the floor, so I am informed, by unanimous vote from the Judiciary Committee. Its enactment has been recommended by the Office of the Attorney General. Already it has the approval of the Senate, and it should be passed today in the House. It provides an orderly uniform system for the means of determining damages in the condemnation of land, whereas the methods now utilized are varied, complicated, and intricate, depending upon the purposes of condemnation. The proposed change to a uniform system of determination of compensation by a court, either with or without a jury, which is optional with the landowner under the terms of the bill, would do nothing more than was done by the adoption of Federal rules of civil procedure in respect to civil actions generally.

I have heard the fears expressed by some that the bill will enlarge the authority of the Government to acquire property by condemnation. It would not. The proposal relates only to procedural matters.

My information is that there is a backlog of condemnation cases pending before various commissioners throughout the country, probably as many as 50,000 cases. The owners of these properties are entitled to an expeditious conclusion of their cases. The proposal, according to the Attorney General, will tend to expedite the closing.

Now, I confess that I have a personal interest in the bill. It directly affects the interests of many people of my district in that it is quite possible that the Government will some time in the future take over by condemnation large tracts of land for flood-control purposes. Most of my constituents live above the proposed dam site. Many of them live now under the hazard of being moved out, evicted. The same hazard applies to the constituents of many of you. My people want a jury to determine what compensation they shall receive for giving up their homes. They believe and feel that they are entitled thereto by constitutional provisions. I have no doubt but that your people feel just as mine. Although the bill in its present form will not guarantee them that right indefinitely, the probabilities are that the provision will and should be extended. To say the least, the bill is a step in the right direction. I hope you will support it.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, it seems to me from the question that was just raised tht it might be understood that it was thought that this bill had something to do with the rights of a citizen in connection with the question of the construction of some Federal project or perhaps going to the question of whether a person's property or land should be taken. Of course, that is not involved here.

As I stated in speaking on the rule, it is the general belief of the people of this Nation that the right to a trial by jury is protected in the Constitution. As I attempted to call to your attention, that is not the law with regard to taking land for flood control or for rivers and harbors improvement purposes.

In pressing for passage of this bill providing jury trial of cases where the Government seeks to condemn the property of the landowner for flood control, I am impelled by the desire to see that the landowner in these cases may be able to get fair and reasonable pay for his lands if taken from him by force.

It comes close home to me, for in my district large areas were taken by the Government on appraisals and reports of commissioners, and in many instances the landowner has been forced to see his home, his land, and his all taken for an inadequate price.

When I was elected to Congress the Government was putting into operation reservoir flood-control plans, including Sardis and Arkabutla Reservoirs; the lands had been taken and steps made to flood great areas of fertile lands over the protest of the landowners.

In some few cases commissioners' hearings had been had, but payment had not been made. I made trip after trip to the War Department in an effort to secure an increase in price. The War Department, as it seems always to do, would not question the decision of its appraisers. In many cases they claimed the landowners had willingly signed options. Of course, we know that if they did it was because they were faced with condemnation in a commissioner's court. As stated, the bill providing for jury trial passed the House only to fail to pass the Senate. These cases were finally determined, leaving no way to compensate the owner for the real value of his property.

In one instance a whole town was moved. One of the finest small towns in Mississippi, Coldwater, with beautiful homes, old shade trees, and a history in which its inhabitants rightfully took pride, had the property of its citizens, over their protest, taken at the price of the War Department, with no chance for a jury to determine its value.

Under authority granted it in 1938, 3 years before I became a Member of this body, the War Department plans to further expand its flood-control projects in that area. Of course, the people affected are seriously disturbed and rightfully so. They sent me thousands of protests, which I placed before the War Department and the President in company with representatives from Water Valley and Enid, Miss. Additional protests were made to the President and to the War Department on the use of manpower and materials during this war emergency for such purpose. Finally, on this basis, construction was held up for the duration of the war. The War Department still insists that these dams at Enid and Coffeeville must be built.

For over 2 years I have worked persistently to get some relief for the landowners in the Arkabutla and Sardis area. I have tried to get some hearing and some consideration for them. The Senate failed to pass the jury-trial bill, the War Department refused to do anything, and the committees of Congress cannot go behind the decision of the commissioner's court. S. 919 should be passed so that the property owner would have an opportunity to secure the real value of his property.

In these flood-control projects, lands are taken from the owner and flooded to benefit the lands of other persons. In every case where that is done you are going to find opposition on the part of the people whose land is taken, to benefit those who live below the reservoir area. That is the way you would feel about it if you were the landowner. Then to say to that man that his Government has a right not only to take his land but to fix his compensation by sending commissioners, drawing pay from the Federal Government, down to determine how much money he shall receive in payment for it, with no right to him for a trial by a jury of his peers, is very unfair and un-American. Now my people are vitally interested in the effect of the present law in my own area but I want to call attention of the Members of the House that you folks are also going to feel the effects of this, too, when they start the reservoir program in the Missouri River Valley and in various other areas. I say to you it may be that a jury trial would not bring to the individual citizen whose property is being taken, one dollar more than he gets from the commissioners; that, I do not know. But I know this, that when it comes to the feelings of that man, he feels a lot better when he has an opportunity, if he sees fit, to avail himself of it, of having the issue of compensation determined by a jury of his peers. In addition to that, I would like to call to your attention one example, if I may, of what the present law, with regard to flood control, has done with regard to one of the citizens of Texas. He does not, of course, live in my area, though he was reared there. This man was a colonel in the Army of the United States. While he was on active duty the Federal Government went and took his property for flood control. While he was on active duty the Government gave all the timber or the wood on that land to an individual who agreed to remove it. Then when this colonel was placed on the retired list, and that is the earliest time that the Government could try the issue in view of the Soldiers' and Sailors' Relief Act, when he was on inactive duty they had a hearing before three commissioners. Those commissioners granted this individual, this colonel in the Army, who was just back from active duty, $6 per acre for his land, including all timber and wood which once had been on it, while the man to whom the Federal Government gave the timber on the land, according to my information, sold the timber for $23 an acre. This evidence was not admitted by the commissioners and thus the amount for which the timber sold does not appear in the record of the proceedings.

Those same commissioners had fixed the amount of compensation on adjoining and similar lands a year or two before at about the same rate. Do you think they could pay this man more, even though his land was worth it, without admitting they were wrong in the amount fixed for the other land? This Army colonel is a resident and a voting citizen of the State of Texas. But he happened to own this land in my State, land which he had owned for years and did not care to sell. It may be, as has been contended, that my interest largely has to do with regard to land taken for flood control. I am more familiar with problems arising from that source. I can appreciate the arguments of some of you gentlemen who are opposed to this bill as to the change in the general practice and procedure. At the same time, I do not see that there is sufficient disadvantage in that not to make an effort here to call to the attention of the Members of the Congress of the need for changing the law with regard to lands taken for rivers and harbors improvement and with regard to flood control so that a trial by jury will at least be possible when desired by the person whose property has been taken. I have such a bill pending now before the Committee on Flood Control, and certainly I hope that this House or this committee will give serious consideration to providing such relief as is needed to the people of our Nation.

If the American citizen is guaranteed the right of trial by jury when charged with a criminal offense; if individuals in a suit at common law where the amount in controversy is $20 or more are guaranteed a jury trial; if the individual land owner who has his property taken for an Army camp, a naval base, or for the erection of a post office or other Federal buildings has the right of trial by jury to fix his damages or compensation, how can there be any excuse for refusing such right of jury trial to his neighbor who has his property taken not to further the war effort but to improve other lands? To refuse to such individuals the right to a jury trial is to deny to them equal rights under the law. I cannot believe the membership of this House believes in such unfair treatment.

I do not know what the future holds, but I do know that in removing a man from his home many things aside from the simple sales value of the lands must be considered. The fact that he has become sentimentally attached to the lands, that he knows his neighbors, he has his church connection, his family are buried in the nearby cemetery, his children know the other children in the school, and that it has been the home of his father, his mother, and his forefathers all endear the old home to him.

> Breathes there a man with soul so dead
> Who never to himself hath said,
> This is my own, my native land?

These are matters that jurors with like feelings and like surroundings will consider, matters that Government appraisers and commissioners may not see, and they are matters that in the eventual long run the Government should allow to be paid.

In other words, being elected by these people, and living as we do in a land of government of the people, by the people, and for the people, I feel that I would be remiss in my duty should I not make the strongest fight possible for the interest of these, my people, and do all within my power to save for them the thing most dear to them, their homes.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HANCOCK. Mr. Chairman, I yield the remainder of the time to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, this bill which is now before the committee, seeks to change the present policy with respect to the law of condemnation. Under the present law, and under the Conformity Act, the Government follows the State law in the various and several States with respect to the procedure in these cases. That law stands paramount today. If this particular act should be adopted by this Committee, we would simply set aside the Conformity Act, which is now in full force and effect, and

would take away the policy which has been followed throughout the years, of the Federal Government following the State laws in the several and respective States. That is one of the points that I want the Committee to deliberate carefully when you think of the effect this particular legislation will have if adopted.

On the matter which was mentioned by my distinguished friend from Mississippi [Mr. WHITTEN], with reference to flood control, that, of course, has no application here. The amendment to the Flood Control Act, which the gentleman is doubtless now trying to obtain, will meet that situation. But this bill provides that the issues shall be determined only by the court. That embraces the question of the taking, the question of the public utility, the question of the public benefit; all of those questions are determined by the court. The jury has no right, under the pending bill, to make any finding with respect to those matters. Therefore, the matter which the gentleman insists upon in his argument before the Committee would not obtain, because those matters are determined by the court not determined by the jury.

Mr. WHITTEN. Will the gentleman yield further?

Mr. SPRINGER. I yield.

Mr. WHITTEN. It was not my intent to convey any impression otherwise. I realize that under the terms of the present bill that would be true. However, the present bill does apply not only to property taken for war purposes, but applies to land which is taken for river and harbor improvement and also to land taken for flood control; does it not?

Mr. SPRINGER. But, on the point upon which the gentleman was insisting, that the jury should determine the question as to whether or not a man's land should be taken, the jury would have no right to make that determination, because under the pending bill that entire question is left solely in the discretion of the court. The jury would have no part in it.

Mr. WHITTEN. Will the gentleman yield further?

Mr. SPRINGER. I yield.

Mr. WHITTEN. There is no difference between the gentleman and myself insofar as flood control is concerned. The determination of whether property is to be taken or not is now made by the Congress.

Mr. SPRINGER. But it is determined under the pending bill, according to its own phraseology, by the court and not by the jury.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. HOFFMAN. Is the question of necessity determined by the court or the department?

Mr. SPRINGER. The question of necessity is determined by the court. The question of the taking is determined by the court. The question of the right to take is determined by the court under the pending bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. DONDERO. Then the only question left for the jury is the amount of compensation that the owner shall receive for the land?

Mr. SPRINGER. The sole and only question which is to be submitted to the jury, under the pending bill, is the question of damages sustained by the owner of the property caused by the taking. That is the only question they would have the right to consider.

Mr. WHITTEN. Will the gentleman yield further?

Mr. SPRINGER. I yield.

Mr. WHITTEN. That is my prime interest in the measure.

Mr. SPRINGER. I am happy to know we are agreed upon that question.

Mr. KEEFE. Will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. KEEFE. Will the gentleman address himself to this question: Under the provisions of this bill, which appears to have been passed by the Senate on May 20, 1943, it is proposed that the effective termination date of the legislation shall be December 31, 1945. It was 1944, but I understand an amendment will be offered to make it 1945. It would be puerile and idle to consider a bill that would expire December 31, 1944. What I would like to know is: What is there in the facts developed in the hearings, if any, on this bill that showed necessity for the enactment of emergency legislation and condemnation proceedings which will, by its own terms, expire if the amendment suggested is adopted, on December 31, 1945?

Mr. SPRINGER. May I say to my distinguished friend from Wisconsin that this measure was referred to the Committee on the Judiciary in 1943, after it had passed the Senate in 1943.

The matter was not pressed at any time. As the bill came to the Committee on the Judiciary from the Senate it contained the provision that it should be effective only until December 31, 1944. In my opinion, of course, the time when this legislation was necessary as an emergency measure has long since passed. It would have been helpful when we were condemning land for camps and cantonments and buildings of various kinds and descriptions for the war. At that time this measure might have had some application, but, as has been said by the distinguished gentleman from New York [Mr. HANCOCK], that time has passed. We find we have a surplus of real estate on hand today and the problem now is to get rid of that surplus real estate, not to acquire additional real estate.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Yes; briefly.

Mr. CASE. The gentleman referred to the principle of conformity. Suppose we have a State where the right of jury trial already exists: Would the provisions of this act abrogate that unless the party took advantage of this provision to appeal for a jury trial?

Mr. SPRINGER. Under the conformity act my opinion is that they would follow State law, except as this Federal law relating only to Federal procedure in cases where the Federal Government is involved would abrogate that State law.

Mr. CASE. That would destroy the present automatic right to trial by jury in the States where it now exists.

Mr. SPRINGER. I think it would; and I think they would be governed in cases where the Federal Government was directly involved by the provisions of this bill if it should be passed. I want to take just a little time, if you will pardon me, to speak of my own home State, Indiana.

In Indiana under condemnation procedure we have provision for the appointment of appraisers or viewers. When the case is filed it comes up on the return date and the parties come into court and the court appoints the viewers or appraisers. These are men of experience. They go out and make a complete survey. They survey the premises, they obtain evidence on the question of the damages which may be sustained. They come back and make their report to the court. And may I say that in 50 percent of the cases the report which is made by the viewers or appraisers is accepted by the parties to the action, the money is paid, the property is taken, the final decree is entered, and that is the end of the case. If the procedure is adopted which is sought by the pending measure it will abrogate the method of viewers and appraisers, and the payment of the award, in all cases in which the Federal Government is involved and would require the parties to go to trial either before a court, or before a jury, should one of the parties file written notice making such request for a jury 10 days before the trial, as provided in this bill.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend.

Mr. GRAHAM. I may say to the gentleman from Indiana that in Pennsylvania we have the county board of viewers similar to those in Indiana. In a condemnation case the court appoints its viewers, selects those men from the county board of viewers. They are experienced men. We have had hearty acceptance of that procedure.

Mr. SPRINGER. I thank the gentleman from Pennsylvania. I believe that is generally true in those States which have these viewers or commissioners who are appointed to make preliminary surveys. Their decision is accepted in at least 50 percent of the cases, and in some States a much larger percentage meets with the approval of the parties, thereby eliminating the delays incident to a trial by jury.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my colleague.

Mr. JENNINGS. As a matter of fact, is not this the practice? Condemnation proceedings are filed by the Government or by some other party entitled to condemn the land of the citizen and immediately upon the filing an application of the party filing the proceedings the court appoints a jury of view or appraisers to go upon the premises and fix the value of the land sought to be condemned.

Mr. SPRINGER. That is entirely true.

Mr. JENNINGS. And they do not have to wait until a regular term of the court; whereas if the provisions of this bill are adopted and the landowner demands a jury to fix the value of the property the proceedings would have to wait until the term of court, which might be 6 months from that time.

Mr. SPRINGER. The distinguished gentleman is precisely correct. If all these cases were thrown into court for trial, where the Government is the condemning party, it would result in congested court dockets and crowded calendars in court and I think more time would be lost and wasted than under the conditions which exist in the various States where they send out the viewers, and they make their report in such cases, which is practically the end of the litigation.

Mr. O'HARA. Will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Minnesota.

Mr. O'HARA. If there was some manner in which we could expedite these condemning officers paying the money it would greatly help. I happen to have in my own district cases where there has been long delay, mostly by appeals on the part of the Government. The slow process of trial has resulted in gross inequity to the landowners whose property has been taken. This legislation is not going to mean the expediting of payments to the landowners that we hope it will.

Mr. SPRINGER. I do not think this legislation will expedite in any degree the payments to landowners. As a matter of fact, if this bill should be passed it would delay the settlement for the property condemned until after the trial of the case, and a final judgment is entered therein.

Mr. Chairman, there is one last thought I want to leave with the Committee. By this legislation we are charting a new course in condemnation proceedings where the Federal Government is involved. All other condemnation proceedings will remain as they are now under State law. This legislation, if passed, will cause endless confusion; it will cause confusion in the courts, it will cause confusion among the lawyers, because of the variance and the difference between the proceeding when the Federal Government is involved and where the parties are individuals or corporations other than the Federal Government.

Mr. LAFOLLETTE. Will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Indiana.

Mr. LAFOLLETTE. I do not know that it is clear. The gentleman will recall there was some discussion early in the present session in reference to a bill to determine the interest in land without the use of abstracts. This legislation purported to be Federal legislation, and with the power in the Federal courts to make their own rules, I am a little fearful this bill could be used as a method of setting up that procedure under rule which this Congress has refused to adopt. I am not sure, but I think this is a very dangerous piece of legislation on that account.

Mr. SPRINGER. That element of danger might well be involved, but the thought which impresses me and the last thought I wish to leave here is the confusion which the variance between the procedure when the Federal Government is involved and when the parties are other than those in which the Federal Government is involved, among lawyers and among the courts generally throughout the country. This legislation is not needed at the present time.

Mr. JENNINGS. Will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman from Indiana [Mr. LAFOLLETTE] has raised a very serious question. It has been suggested that to expedite these proceedings, the various parties in interest may have their property sold without being brought before the court under due process of law. That is, the properties will be taken by a rule of practice. That is a dangerous thing.

Mr. SPRINGER. That is a very dangerous element and might well become involved in proceedings of this character. We do not want to confuse this question and we certainly do not desire to invite trouble of that character.

We should follow the Conformity Act. We do not desire to sit here and abrogate law which has been permanent law and legislation throughout the years and which has been so helpful to all citzens of the country. We have a uniform system in condemnation proceedings now. Let us not change it and confuse that procedure.

Mr. Chairman, I hope this bill will be defeated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOBBS. Mr. Chairman, I yield myself the remainder of the time on this side.

Mr. Chairman, I want to lay this charge at your door if you defeat this bill. It is up to you. You can do it if you will, but when you do you are killing a bill in the interest of the American people and not hurting the Government one bit.

The Government now can reach out its strong hand and take my property or yours if needed for the war effort; go into possession immediately upon tendering whatever they see fit; and do with it as they please.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always glad to yield to the gentleman from Iowa.

Mr. GWYNNE. I was not a member of the subcommittee, but I would like to know who asked for this bill except the office of the Attorney General.

Mr. HOBBS. No one except the armed forces of our Government who are trying to fight this war; no one except those who have dealt with the problem.

As I was saying, the Government does not need your help and your vote. We are talking for the individual citizen whose land has been taken and who has not been paid for it. We are talking for the citizen who is being held up in his right to get his compensation because the commissioners do not act. We are talking for the little man who has, under the present existing circumstances, seen these commissioners for whom you are pleading, some of you, eat up five to six thousand dollars in per diem at the expense of the man whose property is being taken, and who are delaying final payment.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman from Maine.

Mr. HALE. What puzzles me is the provision in section 3 of this bill. If this is a salutary piece of legislation, why should it be limited in point of time?

Mr. HOBBS. That is easily answered. We do not mean this except as a wartime necessity when there are 48,000 condemnation cases piled up in the hands of commissioners; not in the courts. We are perfectly sure that we would not ask you to change the law and oust the States from one scintilla of their authority in peacetime, because then we have plenty of time to do as the States prescribe for these condemnation cases. But in wartime,when a man comes along and takes my property and puts me off, I may lose absolutely a whole year's crop. I cannot find another farm to rent. I cannot build tenant houses on a plantation that may be found. I cannot do anything as freely as I can do in peacetime. So it is manifest that we are doing for the sake of the war necessity what normally we would never consider doing.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always delighted to yield to the gentleman from New York.

Mr. HANCOCK. May I direct the gentleman's attention to the fact that this bill does not apply to 40,000 condemnation cases which he says are piled up in the hands of commissioners. It only applies to new cases which may be instituted, and there will not be so many of those, because the Government has all the land it needs.

Mr. HOBBS. It applies to all of the cases in the hands of the commissioners.

Mr. HANCOCK. I beg the gentleman's pardon.

Mr. HOBBS. I am talking now if the committee amendment is adopted, unless the commissioners have made a final report and the matter is in court.

Mr. HANCOCK. May I also ask the gentleman this question: Why does he assume that a jury trial is going to expedite matters? As it is now, the appraisers and the commissioners, to whom the gentleman refers, frequently bring about settlements without a trial; without going to court. If this bill is passed, there will be a jury trial in almost every condemnation proceeding. There is no other alternative. You take away from the citizens the rights the States now give them to settle their cases through appraisers and commissioners.

Mr. HOBBS. I shall be glad to answer the gentleman.

Mr. HANCOCK. Furthermore, you will have to wait until the court is in session.

Mr. HOBBS. I shall be glad to answer the gentleman seriatum.

In the first place, it does apply as I have indicated provided the committee amendment is adopted, and without it the bill would not be as efficacious.

In the second place, you do lose some benefit by having those cases settled which are settled through the intervention of the commissioner, I grant that.

So far as expediting the matter is concerned, you expedite because you cut out that intermediate stage of the proceedings where all of the time is lost. You cut out the greatest bottleneck in condemnation work, and you go directly to the court, where you inevitably go finally in all contested cases.

As far as that is concerned, these cases which are delaying the game and preventing the payment to the property owner for the most part are being now dealt with by commissioners, and there were at the time this bill was being considered, according to the testimony, 48,000 of such cases.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am glad to yield to the gentleman from Wisconsin.

Mr. KEEFE. Is it not a fact that under the present practice and procedure through the utilization of the commissioners in condemnation cases the commissioners, who are appointed by the court, are subject to the continuous orders of that court, and that if they are delaying the performance of their functions and duties suitable and proper application to the court could compel their activity or their removal; and after all that, is not the delay in the work of the commissioners traceable directly back to the district judge who appoints them? If there is unreasonable delay, that delay may be cured by a vigorous appeal to the district court to compel these commissioners to do their duty.

May I ask this further question: Under this procedure, if this bill is adopted, you will compel a court procedure in every single condemnation case, will you not?

Mr. HOBBS. No, sir.

Mr. KEEFE. You will have to have a determination by the court, will you not?

Mr. HOBBS. I will answer the gentleman's questions seriatim. The gentleman asked me three questions. The last one I have answered categorically; no, you do not have to go to court. Ninety percent of all the cases are eventually settled by compromise, and on the give-and-take basis that is so usual.

In the next place, as I recall the gentleman's question, the gentleman lays it all on the trial judge, and that may be true, but let me give the gentleman this picture. This bill is an amendment of acts that are infinitely worse from the standpoint of placing power in the Federal Government. Under the War Powers Act, you can go immediately and take a man's property when it is necessary for the war and if a judge so holds. Then he begins to try to get his money, and there is where the trouble comes. The gentleman says, "If there is dillydallying and delay on the part of the commissioners, go to the United States judge who appointed him." I have tried that. Has the gentleman?

Mr. KEEFE. Yes. I have been through many of these condemnation proceedings, and I have not found any difficulty.

Mr. HOBBS. In peacetime?

Mr. KEEFE. In peacetime and in wartime. The particular State I represent allows the highway commission and certain other commissions in my State to make themselves the determination of the necessity for the acquisition of lands needed for highway or other purposes. My State goes into possession of that land immediately by tendering to the county clerk the amount of the award made by the commission. Then the landowner goes into court and conducts in a reverse proceeding the condemnation proceedings under the law. I have never seen yet that that has impeded or interfered in any way with the right of the landowner to secure just compensation, provided you have a court that has control of the procedure in its own court.

Mr. HOBBS. Having enjoyed that speech by the distinguished gentleman in answer to my question, and I appreciate it, I congratulate him because he is the only man living or dead that I know of who has had that happy experience. In the 20 States in which this proceeding obtains which we are trying to amend for the benefit of the little man so that he can get his money, there has been no such experience recorded. We are pleading with you today, to do something that will enable us to provide for people whose lands have been taken, not the Government, they have the land which they needed for the war effort, they have built the plants, they have done their job, they have taken the individual's land, but they have not paid him. This is not a bill to expedite the taking of land. It is a bill to expedite the payment to the former private owner for land which the strong arm of the Government, under the power of eminent domain, has already taken, under the law which you wrote—mind you, which you wrote, without paying therefor. This committee is bringing you a bill to provide for that in a simple way, possibly not an ideal way, but in a much better way than the way we now have, where for 2, 3, and sometimes more than 3 years, the property owner is deprived of payment for his land which the Government says it was necessary to take in aiding the war effort. Now then, I say it is time something was done. This is the best we have been able to devise. We reported it here and it was postponed time after time when the consent calendar was called. We ask you to assume full responsibility if you do not want the law which you wrote, to apply, which is infinitely worse.

The CHAIRMAN. The time of the gentleman from Alabama has expired. All time is expired.

The Clerk read as follows:

Be it enacted, etc., That, notwithstanding the provisions of the act of April 26, 1888, entitled "An act to facilitate the prosecution of works projected for the improvement of rivers and harbors" (25 Stat. 94; 33 U. S. C., sec. 591); section 2 of the act of August 1, 1888, entitled "An act to authorize condemnation of land for sites of public buildings, and for other purposes" (25 Stat. 357; 40 U. S. C., sec. 258); the act of July 2, 1917, entitled "An act to authorize condemnation proceedings of land for military purposes" (40 Stat. 241; 50 U. S. C., sec.. 171), as amended; section 4 of the act of May 15, 1928, entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes" (45 Stat. 536; 33 U. S. C., sec. 702d), or other provisions of law, in every case instituted in any court of the United States in the continental United States and Alaska, except the District of Columbia, for the condemnation of property, or any interest therein, by the United States, any department, agency, commission, or board thereof, or Government-owned or Government-controlled corporation, except the Tennessee Valley Authority, the issues shall be determined only by the court: *Provided, however*, That any party may demand a trial by jury of the issue of compensation by filing with the clerk of the court a demand therefor in writing at any time after the commencement of the condemnation proceeding and not later than 10 days before the trial. In the event that a jury trial is demanded, the jury shall be selected and impaneled as in other civil actions.

With the following committee amendment:

On page 1, line 3, strike out "April 26" and insert "April 24."

The committee amendment was agreed to.

Mr. JENNINGS. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 2, line 14 after the word "party", insert the words "shall be entitled to and."

Mr. JENNINGS. Mr. Chairman, I offer this amendment to make certain the right of a landowner to a jury trial, if this act should become a law. I shall not vote for the bill, even if the amendment is adopted. I think the title of the bill, in fact, is a misnomer. There is not a word or syllable in this bill that would expedite the payment to a single landowner of a single dollar due him by the Government, for his land that is taken. Under the law as it now is the Federal Government goes into court and the procedure that is followed is the law of the State in which the land is sought to be condemned. The Federal Government recently came down in my State and filed a blanket condemnation proceeding against 700 farmers who were the owners of 56,000 acres of farm lands. The Government offered these landowners less than the real value of their farms and filed a declaration of taking, paying the amount it claims was the value of these lands into court. Juries of view were then appointed and a jury of view is composed of 5 in my State. That jury goes on the land, views the land and forms its own opinion as to the value, and also hears testimony of men who know about the value of land. Then the jury makes it report to the court. If it is not excepted to, by either the Government or the owner of the land, a judgment is pronounced by the court; but if either party is dissatisfied, and excepts to the findings of the jury of view, then there is a trial before a jury of 12 before the court.

This bill, if enacted, will not expedite anything. The court can appoint a jury of view immediately on the filing of a condemnation proceeding, and get

prompt action. The owner may be satisfied with what the jury of view says the land is worth, and accept the award. But under this bill, if the landowner is dissatisfied and desires to contest the award, he must wait until the regular term of court and then seek a jury trial. In many instances the dockets of the court are crowded and the landowner must, in many instances, wait for months and years before he can get a trial before the court and a jury. The cases to which I have referred have not all been tried yet.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. Yes.

Mr. KEEFE. In every case, with reference to this law of Tennessee under which that condemnation procedure is carried forward, does the law provide that the amount of money paid into court may be taken by the landowner, and then that he may contest for a larger amount?

Mr. JENNINGS. That is the practice.

Mr. KEEFE. That is true under Tennessee law?

Mr. JENNINGS. Yes.

Mr. KEEFE. That is true under the law of my State, and the landowner gets the amount that is paid into court immediately.

Mr. JENNINGS. Under the law as it now exists?

Mr. KEEFE. Yes.

Mr. JENNINGS. This bill is moribund. Its normal period of gestation has long since expired, it died "aborning," and I am ready to bury it.

Mr. CASE. Mr. Chairman, when legal questions come before this body, I feel very modest. I am not a lawyer, and I do not pretend to know the details of the condemnation law in my State. I have observed a few cases, however, and I know this situation obtains: Where the Government had condemned land for war purposes, when the individual owner was not satisfied with the price that was offered, he could ask that it be determined in the Federal court, and he was permitted to accept the amount of money the Government offered him without losing his right to proceed and ask for a better award in court. If this bill proposes that he should lose that right and wait until the matter has been determined in the Federal court before he gets any money, then instead of expediting payment it will delay the whole matter. That is one point.

Second, as I understand, from what the gentleman from Indiana [Mr. SPRINGER] said on conformity, the present law permits and requires recognition of the procedure prescribed by State statutes. It would appear, then, that if anyone be not satisfied with the method of condemnation followed at the present time, his proper remedy is to get his State law changed, so that it establishes the procedure that he wants, without destroying what other States have achieved.

On many questions that have come before this body, I have heard gentlemen, particularly those Members that come from the Southern States, object to any legislation which trys to force the will of the Federal Government on State procedure. That is true as to poll taxes and as to voting laws. Here, for some strange reason, we find these Members urging that instead of recognizing the State law in condemnation proceedings, we set up one pattern for the Federal Government and force it upon all States, at least where the Federal Government is taking the property.

The result would be that one method of condemnation proceedings and determination of award would be followed where the State is involved and another where the Federal Government is involved. You would have two different standards and procedures in the same State—one which the people of that State have developed either to protect or to expedite, and the other which would destroy those standards and force a uniform standard, in many States less satisfactory than what they may have developed in their own procedure.

That is the best reason, it seems to me, why the bill ought to be defeated.

As I have said, I do not pretend to know the details of the laws involved in this matter, but if I have been incorrect in stating these points I should like to be corrected.

Mr. Chairman, I yield back the balance of my time.

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I cannot profess familiarity with the details of this bill such as is possessed by members of the subcommittee of the Committee on the Judiciary reporting it which, under our committee practice, is in first responsibility as to details, but it seems to me clearly that there is a situation here that ought to be corrected. I can appreciate the concern and apprehension of gentlemen who do not want the procedure in their respective States disturbed, and I think perhaps the friends of the bill must try to do something about that.

As I understand with reference to flood-control condemnation the procedure in the respective States does not now control as in other condemnations. With regard to flood control and rivers and harbors I understand condemnation by Federal statutes is taken out from under the general law which makes the procedure in the States control. In such condemnation jury trial is not allowed. We all want to do what is right about it. I suggest that the friends of the bill should consider, if they can do it, an amendment which will not disturb the procedure in the States generally with regard to condemnation procedure where, at least in most States, juries are allowed to pass on values and damages. As I understand it, the main objective of this bill is to give that right in flood-control condemnations. In the particular case mentioned by the gentleman from Mississippi the property of a private party was taken by the Government and about $6 an acre was allowed. It has been stated in your presence that after this land was taken the timber on the land was sold for twenty-odd dollars an acre. The original owner had no recourse—chance for a jury trial. As I understand it, the Members who are behind this bill want it to be possible in a situation like that for an aggrieved private citizen to have an opportunity of litigating the matter of damages or compensation in court where he can have a jury pass on the question. I believe everyone will agree that this ought to be done.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. HANCOCK. If the gentlemen concerned with the Mississippi River Flood Control Act are dissatisfied with the provisions of that act as they relate to taking land, should not that act be amended? Should it not be done separately? Why should the condemnation laws of every State in the Union be changed contrary to the wishes of the people merely to satisfy a few whose lands have been taken and whose compensation has been delayed under the Mississippi River Flood Control Act?

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MICHENER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Michigan.

Mr. MICHENER. Inasmuch as the State law now obtains, what is to prevent any State in the Union making any changes it desires in the State law carrying out the wishes of the State as to compensation in condemnation cases? Why come in here with a Federal law which would change the laws of all the other States?

Mr. SUMNERS of Texas. We have been discussing that. It is my understanding that condemnations in flood-control matters and river and harbor matters are themselves out from under the control of State law and State procedure.

Mr. MICHENER. If that is true and there is objection, you want to correct that by carrying the same principle further.

Mr. SUMNERS of Texas. This is what I am trying to suggest.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. KEEFE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Tennessee.

Mr. Chairman, I would like the attention of the distinguished gentleman from Alabama who with his usual effusion of irony crowned me a few moments ago with an utter and rare distinction. May I ask the gentleman whether or not the questions that have just been propounded by the distinguished chairman of his committee, namely, that an act to facilitate the prosecution of works projected for the improvement of rivers and harbors and the act for control of floods on the Mississippi River and its tributaries in and of themselves by law heretofore enacted have eliminated State

procedure in the United States district courts so that a person whose lands are taken pursuant to the provisions of those two acts have no right to ask a jury to assess his damages?

Mr. HOBBS. I will be more than happy to and just as directly as the gentleman wishes. The answer is: Yes, sir.

Mr. KEEFE. Then have this question settled: So far as flood control on the Mississippi and its tributaries and so far as river and harbor improvements are concerned, the Federal Government can take property under those two acts and pursuant to the provisions of those two laws and the landowner whose land has thus been taken is not afforded a right to jury trial on the question of necessity for taking or the amount of damages.

It seems clear, therefore, that this legislation seeks to afford a jury trial among other things to those individuals who are denied that right, to determine the amount of the compensation to be awarded for land taken for Government use. Is that not the fundamental basis for bringing this legislation in here now?

Mr. HOBBS. No, sir; it is not; if the gentleman is asking me.

Mr. KEEFE. Yes; I am asking the chairman of the committee. It would seem to me that if there is any reason in the world for bringing this legislation here, that ought to be the reason. But so far as I am concerned, I am in total agreement with the ranking minority member of the Committee on the Judiciary when he states that if that is the objective which is sought, then the Congress ought to deal with the problem directly by seeking to amend the River and Harbor Act and amend the act for the control of floods on the Mississippi River and its tributaries, instead of passing this legislation which will change the entire condemnation procedure in every State of the Union from that which now exists.

The gentleman from Alabama said a few moments ago in answer to me that 90 percent of these cases in condemnation matters are settled without the necessity of resort to the courts. They are settled in the usual American way, he said, of give-and-take across the table. I am in agreement with that statement, and therefore this legislation is designed apparently to deal with the 10 percent where they are not able to deal across the table.

It seems to me that this bill would disrupt the entire condemnation procedure under State laws in order to deal with this 10 percent, and would say to those who cannot deal across the table that "everyone of you people in that 10-percent class must go to court and have a trial before a Federal judge."

May I ask the chairman this question? Was I not correct in my statement that as to the 10 percent where settlement across the board cannot be effected, every person in that class must go to the Federal court and have a trial before the court; is that not true?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be given 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOBBS. That is true, sir, whereas now the requirement is that they do two things. They must submit to the commissioners, who sometimes draw their per diem for 2 and 3 years and eat up the substance, and more than the substance of the total cost, plus finally resorting to the courts.

Mr. KEEFE. Of course, there are situations that could be pointed to. Unfortunately there are no hearings available here. There is no testimony available for a Member to read. He must take the word of the gentleman upon that score, and I do. But the gentleman knows that as far as the legal procedure is concerned, the fact that the commissioners do take time and do eat up fees and do fail to report is a direct criticism of the activities and responsibilities of the judge in the district court who appointed those commissioners. It seems to me that if you have a situation as flagrant as the gentleman has described, where the commissioners have deliberately refused to perform their functions and have deliberately gone out and attempted to build up fees and build up great organizations in order to get fees rather than to perform their services, that a judge who refused to take action under those circumstances should be removed as a Federal district judge. I think the number of cases of the character that the gentleman describes would be very few and far between.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Indiana.

Mr. SPRINGER. May I say to the gentleman that in many condemnation proceedings, when I was serving on the bench I swore in the viewers, I fixed by order of court when they should meet and view the premises, and the date on which they would make their return in court.

Mr. KEEFE. As to the argument of the gentleman from Alabama that this is a bill to take care of the poor individual who cannot get his money under existing procedure, the evidence is clear from the arguments now presented on the floor that under existing State laws and in most of the States—there may be some where this does not exist—where the Government goes in and under the war powers, the power of condemnation, goes into possession of property and pays into court the amount of the award it makes, the land owner has the immediate benefit of the amount of money that is paid into court. He can put that money in his pocket. He is immediately paid the amount the Government contends he is entitled to for his property, and he has the right under State law then to go into court and contest for what he believes to be the proper amount in excess of the amount that has been paid into court by the Government.

If this situation is true—and 90 percent of them, the gentleman says, will agree without the necessity of condemnation—it seems to me that as to the 10 percent you are going to compel every one of them to go into court and be subjected to being dragged through the appeals through all the courts, and under this bill they would not have the benefit of a single dime paid under the award made by the United States Government as the amount the Government thought the land owner was entitled to.

It seems to me upon every basis of this argument the bill should be defeated and an attempt should be made to amend the Flood Control Act and the River and Harbor Act if, as a matter of fact, there are provisions in those laws that are discriminatory as against the right of the individual to get speedy and just compensation for the land taken for public purposes.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Alabama.

Mr. HOBBS. That is certainly very gracious of the gentleman. I just wanted to call attention to the fact that the hearings are here subject to the gentleman's inspection, the hearings held in the Senate; also, the statements I made are borne out by the letter of the Attorney General printed in the report on the bill which the gentleman has before him. The gentleman does not have to take my word for anything.

Mr. KEEFE. I thank the gentleman for that contribution. I am hesitant in voting for this or any other legislation upon a mere letter of the Attorney General, unless it is supported by further evidence.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. WHITTEN. Mr. Chairman, in order to clear up some of the misapprehension in regard to this matter, as I see it, insofar as the taking of land for flood-control purposes under the authority to take land for river and harbor improvements is concerned, the statute itself fixes the method and the practice and procedure by which this land is taken for Government usage. While it was stated by one or two Members here that this was a Mississippi problem and that we should change the law of the State of Mississippi, I say that the Federal statute fixed it so that under the practice and procedure in the States you are not entitled to a trial by jury in flood-control matters, either. The law states that in cases of property taken for flood control, regardless of the State law, these commissioners shall be appointed, and their decision insofar as the compensation is concerned is final when confirmed by the court. That is one thing. Now, insofar as our desire, or my own desire, is concerned, although I am not a member of the committee, the bill which is now under consideration does correct that

problem. That is a problem in which I am vitally interested. I desire to say to the House that for some time a bill which I have introduced, correcting that problem, has been pending before the Committee on Flood Control. I am hopeful that when I reintroduce it that committee of which the gentleman from Mississippi [Mr. WHITTINGTON] is chairman, will see fit to have hearings on it. As I understand the arguments of the gentlemen who have spoken today, they say if this bill passes it means that in every case in which the Government wants property, there has got to be litigation. In 99 percent of the cases, or more than that, the Department of Justice, representing the particular agency which is taking the land, will make an offer to the individual who owns the land. In most cases he signs an agreement. In many cases they go into court on condemnation proceedings in order to correct certain defects in title and even where there is some argument between the parties, that is, between the landowner and the Government, they can certainly enter into an agreement or on an agreed judgment, fixing or setting out the compensation. There is not any litigation in those cases. Men practicing law do it every day. For every case which is litigated there are literally hundreds of cases in which there is no litigation at all but an agreed sale or judgment. If there is to be a trial of an issue, as I see it under this bill, then the issues will be tried by the court unless the property owner asks for a jury. Insofar as the present law is concerned, insofar as I know, the only issues tried by any commissioners, is the issue of compensation, although I may be in error with respect to that. But any other issues involved in that case are not determined by the commissioners; is that not correct?

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. SPRINGER. Under your law, which I presume is identical with the law in my State, the question of the taking and the issues in the case, up to the question of damages is determined by the courts.

Mr. WHITTEN. That is right.

Mr. SPRINGER. And the question of damages is left to the jury.

Mr. WHITTEN. That is right. Under the terms of this bill that same procedure would prevail except that in the case of land taken for flood control and for rivers and harbors improvement, the individual citizen would have the same right to a trial by jury that a man would have if his property was taken for war purposes.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. JENNINGS. I can see your reason for wanting relief against what might appear to be and is a denial of the right of jury trial to the people whose lands are taken in Mississippi or elsewhere for flood-control purposes. But the trouble of it is that the relief you seek here amounts to just a destruction, for the time being, of the condemnation law of the 48 States.

Mr. WHITTEN. I might say to the gentleman I, too, regret this is the only way I have of correcting this matter; however, I have sent to the Clerk's desk an amendment which strikes out all provisions of this bill except that which have to do with flood control and rivers and harbors legislation. Now, if it is the desire of the Members of this House that those individuals who happen to have their property taken for flood control, are entitled to the same trial by jury as a man has when his land is taken for some war plant or something of that sort, by adopting this amendment, you leave the bill applicable only to those cases in which land is taken for flood control and for rivers and harbors improvements.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I see no objection to the passage of the bi'l recommended by the Attorney General. I assume that the committee will offer an amendment to provide that the bill shall continue in force for 1 year. Frankly, I hazard no statement as to what condemnations would be affected by the bill because I assume that most of the condemnations for war purposes have been made. I further understand that there will be no condemnations for rivers and harbors or for flood control until the cessation of hostilities. I am sure that the members of the committee will understand that I imply no criticism of the distinguished Committee on the Judiciary but I believe that much of the argument this afternoon could have been avoided if the committee had complied with the rules of the House in reporting this bill. This bill amends existing law and the report should have been complied with the Ramseyer rule, setting forth wherein existing laws are amended. I say that in no spirit of controversy and for this reason——

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. HOBBS. To call attention to the fact that that omission was noted by the committee, and a supplementary report has been printed.

Mr. WHITTINGTON. I have not seen that supplementary report. The report that I have here does not comply with that rule. I am glad to look at the supplemental report just handed to me by the distinguished gentleman from Alabama [Mr. HOBBS]. That supplemental report seems to have been filed some months after the original. The rule not having been complied with in the original report, I undertook to refresh my memory as to existing law. However, I am obliged to my friend from Alabama for calling attention to the supplemental report. I observe that the acts amended are set forth but without showing the parts of the acts amended.

With respect to river and harbor acts, I am a member of the Committee on Flood Control and not the Committee on Rivers and Harbors, but generally the River and Harbor Act of 1888 and the act of July 18, 1918, not mentioned or amended in the pending bill, provide that property and material acquired may be condemned for rivers and harbors in conformity with the laws of the several States, with this variation or stipulation: That when an application for condemnation has been filed, there should be no delay in the construction of the work; the work shall proceed immediately. Under the Flood Control Act mentioned in this bill, of May 15, 1928, there is a provision for the appointment of commissioners by the United States district court, Those commissioners file their report. If their report is approved—confirmed—that is the end of the matter. If it is not approved then there shall be another adjudication or trial by the commissioners. When that act of 1928 was passed, it applied primarily to the Mississippi River, and in Mississippi along that river we have commissioners who determine the costs of the rights-of-way for levees. So that that was not a material departure from that practice of Mississippi law, with respect to condemnation rights-of-way for levees along the Mississippi River. I call the attention of the membership of the House to this fact, that since the act of 1928, we passed national bills for flood control in 1936, 1938, and in 1941, and we have made the provision of the act of May 15, 1938, for flood control condemnations along the Mississippi River applicable to every other flood-control act that has been passed since then. So that the provision for the appointment of commissioners to condemn lands now applies to every State in the Union where flood-control projects are authorized.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that his time be extended to 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WHITTINGTON. I repeat. This act of 1928 now applies to every State in the Union where flood-control projects involving the construction of levees and reservoirs are authorized, and that applies to the State of Texas, to the State of Connecticut, to the State of Massachusetts, and every other State in the Union, so that if there is an amendment with respect to condemnation under the Flood Control Act of May 15, 1928, it will apply to every project whether it be a reservoir or be a project for rights-of-way for levees or flood walls in every State of the Union where these projects are authorized.

Mr. SUMNERS of Texas. The gentleman from Mississippi touches the very crux of this matter. He states that under the procedure applicable all over the United States now, when there is a condemnation for carrying out a flood-control project, for instance, commissioners are appointed and if the landowner does not agree, is not willing to accept the award of the commissioners, the matter

goes to the district judge and if the district judge confirms the determination of the commissioners there can be no jury trial. Is additional testimony taken?

Mr. WHITTINGTON. No; unless there there is a motion with testimony to reject the award.

Mr. SUMNERS of Texas. There is no jury, no additional testimony——

Mr. WHITTINGTON. Pardon me. I will say this, that the statute is set forth in the report—and I do not want to be understood as being critical of the way the report was gotten out—if the report of the commissioners is confirmed by the court that ends the matter. I assume that if the court felt the court should hear testimony at the time the report was submitted the court would take the additional testimony because, if the court were not satisfied with the commissioners' report then the additional testimony would be of assistance to the court in determining whether or not the report should be confirmed.

Mr. SUMNERS of Texas. Yes; but if the court confirms the determination of the commissioners, then without a trial by jury or any other proceedings the citizen's property is taken, and taken on the compensation allowed by the commissioners and the citizen has no other recourse.

Mr. WHITTINGTON. The gentleman is correct. If the person is not satisfied with the award of the commissioners he should have the right to present testimony to the court showing that the award is utterly insufficient and utterly contrary to the testimony. His only remedy would be an appeal from the district court, if the court confirms the report.

Mr. SUMNERS of Texas. What record would he go up on?

Mr. WHITTINGTON. The record on which any appellant would go up in taking a case from the district court.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. WHITTEN. The gentleman does know as a matter of practice that additional testimony is not taken as far as the district courts are concerned with which he and I have had experience.

Mr. WHITTINGTON. I do not recall where the district judge or court has declined to hear evidence that the report is contrary to, or not supported by the facts in Mississippi or elsewhere. I am not undertaking to answer it except as the matter has been brought to my attention. I wanted to make this statement: That the provision in the existing Flood Control Act for the appointment of commissioners is applicable to every State in the Union, including the State of New York, including the State of Texas, where flood-control projects have been authorized since the passage of that act under the acts of 1936, 1938, and 1941.

I extend by saying that while the original report of the Committee on the Judiciary, filed on November 30, 1943, did not literally comply with the so-called Ramseyer rule, the supplemental report, by indicating the parts of the statutes that would be amended, does set forth the statutes that are followed.

The Attorney General recommended the proposed bill and emphasized in his recommendation that it would remain in force and effect until December 31, 1944, or as the Committee on the Judiciary now proposes to amend, until December 31, 1945. Among other things, he stated that it would promote uniformity and reduce excessive costs of commissioners. I shall support the bill, but frankly, as I previously pointed out, I doubt if the bill will be effective inasmuch as lands acquired for military purposes have already been condemned, and inasmuch as substantially all flood-control works and river and harbor works have been suspended for the duration.

As shown by the supplemental report, the River and Harbor Act of April 24, 1888, provides for condemnation in accordance with laws relating to suits for condemnation of property in the States where the proceedings may be instituted. A similar provision applies in the act for acquiring lands for Federal buildings and in the act for acquiring lands for military purposes. In the River and Harbor Act, in connection with Federal buildings, and military installations, condemnations conform as nearly as may be possible to the practice in the States where the property is condemned. If the States have jury trials, jury trials will obtain. If the States provides for commissioners, commissioners will be appointed.

Under the Flood Control Act of May 15, 1928, at first applicable along the lower Mississippi River and now applicable to all of the States in the Union where flood-control works, whether for reservoirs, flood walls, or levees, have been authorized, the three commissioners must be appointed by the district judge, and their award, when confirmed by the court, is final. There is, therefore, no provision in flood-control works and in all projects for flood control for a jury trial in the first instance.

I regret that the committee did not include in the bill the River and Harbor Act of June 18, 1918, inasmuch as sections 5 and 6 of this act in the Flood Control Act of May 15, 1928, are made applicable. This provision of the River and Harbor Act authorizes the Government to enter upon the lands and make the improvements upon the filing of applications for condemnations.

At the time the flood-control bill was passed on May 15, 1928, careful consideration was given to the method of condemnation. The hearings are available. Generally, the method of trials that obtained in the States along the main stem of the Mississippi River were commissioners or appraisers. The term, "commissioner" or "appraiser" was used synonymously. No provision was made for a jury trial. Under the constitution and laws of Mississippi, commissioners to assess levee damages with the rights of appeal to the courts are authorized in the two levee districts in the State of Mississippi. The provision, therefore, for condemnation in the Flood Control Act of 1928 is substantially in accord with the provision for condemnations under the laws that obtain in the Yazoo-Mississippi Delta levee district and in the Mississippi River levee district, the only two districts along the Mississippi River in the State of Mississippi.

At the time of the passage of the act flood-control improvements were confined largely to the lower Mississippi River. A policy of national flood control was first adopted in 1936, and the provisions of the Flood Control Act of May 15, 1928, with respect to condemnation, are made applicable not only to the Flood Control Act of 1936 but to the Flood Control Acts of 1938 and 1941, and on yesterday to the Flood Control Act just passed by the Senate and House, which authorize flood-control improvements in substantially all of the States. Whatever amendment is made to the condemnation section of the Flood Control Act of May 15, 1928, would not only affect condemnation in Mississippi but in practically every State of the Union. In some States there are commissioners. In other States there are juries. My valued colleague the gentleman from Mississippi [Mr. WHITTEN] introduced a bill to provide for jury trials in condemnations under the Flood Control Act. The Committee on Flood Control was advised that both the Department of Justice and the Chief of Engineers preferred the pending bill. Without a favorable report from them, the House will appreciate that it would be difficult for the Committee on Flood Control to report the bill. Inasmuch as under the flood-control bill, since the national policy was adopted, there will be commissioners in all of the States and in all parts of the States, whether there are provisions for juries or commissioners in the first instance in those States, speaking personally, and while I cannot speak for the other members of the Committee on Flood Control, and while I cannot speak for the Committee on Rivers and Harbors, of which I am not a member, I believe that the Committee on Flood Control could well give consideration to amending the act of 1928 so as to provide that condemnations shall conform as nearly as may be to the forms and practices in the States where the lands are condemned.

Under a similar provision in the act of July 2, 1917, the Federal district courts of Mississippi, as I understand, have held that there may be jury trials in the first instance in all condemnations for lands acquired in Mississippi for camps and military purposes. If, in other States, commissioners without the intervention of juries are appointed, the procedure in those States would obtain. While I therefore personally favor condemnation upon the award of a jury, inasmuch as such a procedure would obtain in the condemnation for a reservoir, for either flood control or for the development of power in Mississippi, at the same time I concede that other States are entitled to have their condemnations under the proceedings of those States. I, therefore, believe that the Flood Control Committee would be warranted in amending existing law to make condemnation under flood control substantially as is now provided in all the States under the river and harbor acts. I repeat that the river and harbor acts provide that the condemnation shall be in conformity with the laws of the States

where the lands are condemned. Such a provision should obtain in the flood-control act to provide for jury trials for reservoirs and channelization, except channels and levees along the main stream of the Mississippi River. While not a member of the Committee on Rivers and Harbors, I believe there should be uniformity in the condemnation proceedings of both flood-control and river and harbor acts. There are many reservoirs authorized for construction under the river and harbor acts.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

The question is on the amendment offered by the gentleman from Tennessee [Mr. JENNINGS].

The amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 1, line 6, strike out all after the semicolon down to the semicolon in line 2; and on page 2, line 5, beginning with the comma strike out the words "or other provisions of law."

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes on his amendment.

Mr. WHITTEN. Mr. Chairman, we are getting to the point in this matter in which I have been chiefly interested from the beginning, and that is to give the American citizen, whose property is taken for flood control or for rivers and harbors improvement, the same right that is given to the citizen whose property is taken for other purposes. I should like to have the attention of the Members of this House because this is not a local proposition with me. You have just heard the statement of the chairman of the Committee on Flood Control. The law having to do with flood control applies to every State in this Union.

Under that law, in case they take a citizen's property the determination of the amount of compensation he will receive will be determined by three commissioners who are appointed by the court. If he is dissatisfied with the finding of those commissioners, all he can do is file an objection with the Federal district judge or any court. He has no right to trial by jury and the determination by those commissioners in every one of your States is final when confirmed by the Federal judge. These commissioners are three men who have been appointed by the Federal judge. They are folks in whom he has confidence. In my territory they are people who try one case after another and to date I am advised the findings of those commissioners have been confirmed in every case. That is the present situation that exists in all States in this Union. The Constitution, as I stated earlier, gives the right to a trial by jury in a suit between individuals where the rights of the parties are equal and they are entitled to have a trial by jury, if the amount in controversy is $20 or more. In criminal cases you have a right to trial by jury. But in a case where the Federal Government uses the strong arm of the law, at a time when they send out engineers trained as experts who can testify, when the Federal Government can send appraisers who will testify on the part of the Government, and they are trying these cases day after day, when the commissioner is drawing $25 a day from the Federal Government to determine the amount of compensation, there is no right to trial by jury, and when those findings are confirmed by the court it is final in my State and in your State. If you take that land for war purposes instead of taking it to benefit the man's property who lives below the dam, he is entitled to trial by jury.

I have sent an amendment to the desk striking out of this bill all application to every other law except that applying to river and harbor improvements and flood control. If the objections of you gentlemen on this side are really directed to that part of the bill which applies to other matters, I say my amendment leaves the act where it is today, with regard to those acts providing for condemnation of property for flood control and for the condemnation of property for the improvement of rivers and harbors. It will give to that man not necessarily a trial by jury but it gives him the right to it if he desires it.

When the strong arm of the Federal Government goes out and takes from a man his home and puts him out, every American citizen should have the right to a jury trial as to its value. A jury may not give him $1 more than he would get from the commissioners. Doubtlessly there will be many cases in which they will not. But he has had his right to a day in court. He has had a right to present his troubles and have it aired before a jury of his peers. That is better than for him to feel that the strong arm of the Government has taken his property without that right, while he was in the Army, for instance, serving his country. The commissioners tried his case and he could not get a chance to be heard by jurors from his section of the State.

This applies to your State when they start this increased flood-control program and I believe a lot of you are going to take more interest in it then than apparently you have in the consideration of this matter today.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call the attention of the Committee to something I once mentioned before on this floor. Along in 1790, when James Wilson was lecturing before the law class of what is now the University of Pennsylvania—of course, you know what a remarkable series of lectures he delivered—Mr. Wilson called attention to one point that we can well afford to emphasize frequently when legislation of this character is before the House. He pointed out in those lectures that whenever the contest is between the United States and a citizen we should keep in mind the fact that the entire population and all its resources are directed against an individual. Of course, as time has gone on, the United States has become all-powerful. The United States can employ the finest and the greatest legal talent to be found anywhere in the country; it can reach out and get witnesses from every corner of the country and sometimes from foreign countries to bear down upon a lone individual who is trying to fight for his rights with, perhaps, an attorney from his local town; therefore, it seems to me that we should be very cautious in the enactment of legislation that does not give the citizen the right to a trial by jury, or if it be a case of the condemnation of a citizen's land then in accordance with the procedure of the State in which his land is located. Anglo-Saxon procedure is his last resort against the great power of the Government which naturally leads more and more toward tyranny. Power feeds on power.

Mr. HANCOCK. Mr. Chairman, I rise in opposition to the amendment in order to get further light from the gentleman who offers the amendment.

I understood the chairman of the Committee on Flood Control a few moments ago to say that the law now governing the condemnation of land for flood control purposes, and the amendments thereto, which makes that procedure applicable to flood lands all over the United States, was passed after consideration and recommendation by his committee. Does the gentleman think we ought to make a permanent change in that law adopted after hearings, after study, after consideration on the floor here, on the spur of the moment, without any action on the part of the Committee on Flood Control?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I might say to the gentleman that I think his questions are misdirected. I think he means to direct them to the gentleman from Mississippi [Mr. WHITTINGTON], chairman of the Committee on Flood Control.

Mr. HANCOCK. I understood the chairman of the Committee on Flood Control to say a few moments ago that the law with respect to the condemnation of flood-control lands, and the amendments thereto, which now make that law applicable generally throughout the United States, was passed after consideration by his committee, after hearings, and after being fully considered on the floor of the House.

Mr. WHITTINGTON. That is right.

Mr. HANCOCK. If I understand the amendment offered by his colleague from Mississippi, we are asked to make the temporary emergency law now proposed by the bill before us a permanent change without any consideration on the part of his committee, and I merely ask the gentleman whether he is in favor of the amendment offered by his colleague the gentleman from Mississippi and the bypassing of his committee.

Mr. WHITTINGTON. I will say frankly that I have answered the gentleman's question in my initial statement on the recommendation of the Attorney General. I am willing to go along and support the bill for the period recommended by the committee. It is applicable not only to flood control, but to

all other condemnations. I will say this, too, that the provisions in this bill with respect to flood control in the act of May 15, 1928, were carefully considered by the Committee on Flood Control at the time the bill was passed and at the time subsequent bills were passed. I would also say that probably the amendment or pending bill would more likely affect rivers and harbors; but I am not a member of that committee, and I would not undertake to speak for the Committee on Rivers and Harbors.

Mr. HANCOCK. I do not wish to embarrass the gentleman, but does he favor the amendment offered by his colleague, which, as I understand, would exclude from the scope of the bill all types of land to be acquired by the Federal Government except lands needed for flood control and rivers and harbors?

Mr. WHITTINGTON. I have stated that I favor this bill for the reason given and that I would support the bill, but I am doubtful about the amendment, as it would affect all the States, and change existing laws in river and harbor works.

Mr. HANCOCK. Then the gentleman does not favor the amendment offered by his colleague from Mississippi? The amendment narrows the bill to flood control and rivers and harbors lands.

Mr. WHITTINGTON. I will say to the gentleman that I am not a member of the Committee on Rivers and Harbors, and this bill probably involves more legislation with respect to rivers and harbors than it does flood control. I do not undertake to speak with reference to rivers and harbors, but as to flood control, it is too broad, and as stated, I am doubtful about the amendment. It would satisfy Mississippi, but not satisfy many other States.

Mr. HANCOCK. Most of us are not thinking about rivers and harbors and flood control. We are thinking about the land acquired for airports, camp sites, and war ammunition plants, as well as housing and a thousand and one other things. That is what we are thinking about, and that is what the bill is intended to reach.

Mr. WHITTINGTON. I understand.

Mr. HANCOCK. There are many who seem to forget the rights of the citizens under their own State laws in order to get some advantage in the acquisition of land for flood control, which strikes me to be an unsound attitude.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. In condemnation proceedings for airports, and so forth, does not the citizen now have an opportunity to have a jury trial before his property is finally taken?

Mr. HANCOCK. The law is that the Federal Government must conform in condemnation proceedings to the laws of the States where the land to be taken is located, and that is the law which I wish to have continued. These laws vary from State to State. There are 48 different laws, and many more, because some States have special laws of condemnation for special purposes.

Mr. SUMNERS of Texas. Does not the gentleman believe that in regard to flood control there ought to be the same procedure. insofar as the rights of the individuals are concerned, as now obtains where you condemn land for an airport or anything else?

Mr. HANCOCK. I am very greatly in sympathy with the gentleman from Mississippi. His is a question I know nothing about. This bill covers much more ground than the procedure for condemning lands for flood control on rivers and harbors. If the latter is wrong, it should be corrected by a bill specifically dealing with that question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and, the Chair being in doubt, the Committee divided; and there were—ayes 20, noes 53.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. This act shall take effect upon its approval and shall apply in all cases hereafter instituted and in all pending cases except those in which the commissioners or other persons by whom the amount of compensation is to be determined shall have been appointed and qualified and shall have entered upon the performance of their duties.

Mr. HOBBS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HOBBS: On page 2, lines 24 and 25, after the word "have", where it first occurs in line 24, strike out the remainder of line 24 and all of line 25 and insert "filed their report and hearings in court shall have begun."

The committee amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Amend section 2 by striking out the word "except", in line 22, and the remainder of the paragraph, and substituting the following: "or cases concluded where the time for appeal has not expired. In all cases where commissioners or other persons have fixed the award or compensation, the property owner shall be liable for all costs incident to such jury trial had in such cause unless the award of compensation fixed by such jury is more than the award or compensation theretofore fixed by such commissioners or other persons."

Mr. WHITTEN. Mr. Chairman, the amendment speaks for itself. It is only an effort to review in many instances the commissioner trial in which a citizen has no right to a review or a new trial by a jury. It just provides that in those cases where the commissioners have made their findings and the case is closed, then if the time for appeal has not expired, by taking the chance of being liable for the costs in the event the jury does not raise the amount, the property owner shall still have the right to a trial by jury.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Is it the gentleman's intention to assess the property owner with any costs in these proceedings? It sounds to me as if that is what the gentleman is doing.

Mr. WHITTEN. I am trying to be fair in an effort to get the votes of some of my colleagues here in the House. I may say to the gentleman that this amendment provides that after the commissioners have tried the issue under the present law and have found the compensation and completed their work, when the case has proceeded that far, the property can still get a jury trial.

Mr. JENNINGS. I am afraid you are again invading the States and undertaking to set aside the laws of the various States. In addition to that, here is a little fellow, say his property is worth $250 or $500; it may be all he has, it means everything in the world to him, and he fights because he thinks he has a right to fight. He did not start the fight. The Government started it. You are fixing a pitfall there for him that might wipe out everything he has on the face of the earth.

Mr. WHITTEN. I will say to the gentleman, when it comes to thinking about the little man in the country whose property may be worth $250, I have just offered an amendment which would have limited this bill to only those cases in which the land would be taken for flood control and rivers and harbors and to each man who did not vote for that amendment in this House, it means such Member is not really interested in the little man, the individual, because, by voting down that amendment, you say the Federal Government has the right to take his property and say to him, "We will send our own folks to determine what your property is worth, and you have no right to a day in court to be heard by a jury of your area, to show them what your property is worth, and have them determine its value."

Mr. JENNINGS. Will the gentleman yield further?

Mr. WHITTEN. I yield.

Mr. JENNINGS. Why do you not bring a bill in here? I think I will support a bill if you come in here with a bill remedying this condition which you are complaining about and not something to get us all into a whirlpool of confusion about it. Bring that bill in.

Mr. WHITTEN. I might say to the gentleman, I did not bring in the bill which is presently before us. I do not happen to be on the Judiciary Committee. I introduced such a bill and the gentleman from my State [Mr. WHITTINGTON] has it now before his committee. I very closely followed his statement a while ago, to find out what statement he would make to the House as to whether he was in favor of it or not. To date we have been unable to get his committee to conduct hearings on my bill correcting this situation. I did learn he was in favor of trial by jury at the time the flood-control law was first passed, but he has not yet had any hearings on my bill, because I understand the Department of Justice and the War Department have refused to give the green light on the bill to the committee. I am hoping in the future when I introduce

such bill the committee, of which the gentleman from Mississippi [Mr. WHITTINGTON] is chairman, will proceed with the measure regardless of the attitude of the War Department.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HANCOCK. The effect of the gentleman's amendment in my State and in many others, would be to invite a new trial under a new practice and a brand new procedure, after the commissioners have awarded damages and the court has fixed the award and approved it, and it would cause interminable delay and expense.

Mr. WHITTEN. I will say to the gentleman with reference to the bill now pending that at all points I am able, I will offer an amendment which I think will take care of the general condition in this country which should be corrected. Such amendments should be adopted. Now on the question of whether there is any chance for this bill to be passed, I doubt whether the gentleman and I have any difference of opinion.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was rejected.

The Clerk read as follows:

SEC. 3. The provisions of this act shall remain in force and effect only until December 31, 1944.

Committee amendment:

Amendment offered by Mr. HOBBS: On page 3, line 2, strike out "1944" and insert in lieu thereof "1945."

The committee amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 3, line 2, strike out the period and substitute a comma and add the following: "Except as to land or property condemned under the provisions of the act of May 15, 1928, entitled 'An act for the control of floods on the Mississippi River and its tributaries and for other purposes (45 Stat. 536, 33 U. S. C., sec. 702 (d)' and the provisions of the act of April 24, 1888, entitled 'An act to facilitate the prosecution of works projected for the improvement of rivers and harbors (25 Stat. 94, 33 U. S. C., sec. 591).'"

Mr. HANCOCK. Mr. Chairman, I make the point of order against the amendment. This bill by its terms is temporary. The amendment of the gentleman from Mississippi [Mr. WHITTEN] would affect one small section of the bill and make it permanent, without consideration by the committee having jurisdiction thereof.

The CHAIRMAN. The Chair feels that the amendment offered by the gentleman from Mississippi is germane. It properly refers to the section of the bill referred to in the amendment. The Chair overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I do not want to be in the attitude of taking up the time of the House, but I think it is clear what my interest in this bill is, since my interest and belief is that the person whose property is taken for flood control and river and harbor improvements is entitled to a trial by jury and should be granted that trial. This amendment merely provides in the event it becomes a law it shall be permanent insofar as creating a right of trial by jury for those persons whose property is taken for flood control and river and harbor improvements.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. HALE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HALE: Page 3, line 1, strike out all of section 3.

Mr. HALE. Mr. Chairman, I simply desire to make the point which I have already stated in interrogating a previous speaker. If this is really a salutary piece of legislation, making procedure simpler and more expeditious without prejudicing any right that any party in a suit brought by the United States may have, then there is no reason why the benefits of this legislation should be withdrawn at the end of the calendar year 1945. If it is not a salutary piece of legislation, then it should not be passed at all. If I correctly grasp the purport of this debate, there is only one single Member of the House who exhibits any enthusiasm for the bill in its present form.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word, to say that in my previous statement I said that I favored the bill as reported by the committee with the committee amendment. I should like to say this: That legislation for condemnation where the property cannot be obtained by purchase under the river and harbor acts is applicable to all the States of the Union, and that existing legislation provides generally, as set forth in the supplemental report of the committee, that the laws of the States shall be applicable. I think where the State laws provide for trial by jury in the first instance the law should apply, and where the State law provides for commissioners that such provision should apply. As previously stated, the Flood Control Act provides for only commissioners. I say to the gentleman from New York [Mr. HANCOCK] and my colleague the gentleman from Mississippi [Mr. WHITTEN] that in my judgment there should be careful consideration given to a revision of the flood-control acts in that regard. I am speaking personally, without undertaking to bind the Committee on Flood Control, and certainly not the Committee on Rivers and Harbors. I think it would be sound legislation to amend existing law so as to make the condemnation comply with the laws of the State, as in the case of the River and Harbor Act, so that if under a project for the construction of a flood-control improvement a jury in the first instance is provided in the State, that law may be applicable to that State; and if commissioners are provided in the first instance, then they should be applicable in such States. In other words, I think the proposition is sound that the condemnation laws of the States with respect to the condemnation of property generally in those States—although I know that in specific instances there are variations and that laws are not uniform in the State—should obtain in both flood-control and river-and-harbor projects.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have no particular zeal about this matter except, as stated before in the argument, this bill would abandon every rule and set aside that practice, which is prevalent in 20 States, of appointing commissioners to fix the value of property taken by condemnation. I think we ought very seriously to consider if we wish to make that permanent law. I know that personally I do not. I do not feel we ought to intrude upon the prerogatives of the States in any such way as this would and make it permanent legislation when there is no need for it as permanent legislation. There are other arguments along the same line that might be made in opposition to this amendment but I submit that that in itself is abundantly sufficient and that there is no justification for making permanent this intrusion into the realm of law covered now by 20 State statutes.

I ask for the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COFFEE, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill (S. 919) to expedite the payment for land acquired during the war period, pursuant to House Resolution 565, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. HOBBS) there were—yeas 35, nays 97.

So the bill was rejected.

EXTENSION OF REMARKS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent that my colleague from Texas [Mr. PATMAN], who is out of the city on official business, may have permission to extend his own remarks in the RECORD and include an address made by him on the subject of small business.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SAFEGUARDING THE ADMISSION OF EVIDENCE IN CERTAIN CASES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up for immediate consideration House Resolution 662.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3690) to safeguard the admission of evidence in certain cases; that after general debate, which shall be confined to the bill and shall be continued not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendments, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COX. Mr. Speaker, this is a proposal on which there should not develop, I take it, such wide division of opinion as was the case in the bill just disposed of. It is an extraordinary sort of suggestion or proposal because, frankly, it is an attempt on the part of the Congress to override an indefensible decision recently rendered by the Supreme Court.

There was a time when no one questioned the fidelity of this Court to the Constitution and certainly no one questioned its integrity in administering the laws of the country. That was a time when the Court was looked upon as a group of great lawyers who had won their high recognition through long service at the bar. The Court then enjoyed public confidence. But now the Court is looked upon as a group of left-wing reformers, of slight legal experience, who no longer pretend to confine themselves to the interpretation of law but have gone into the business of making law themselves. The result has been that few have confidence in the Court and few respect its decisions.

Your Committee on the Judiciary brings in here a bill to override or set aside one of the bad decisions of that Court. Personally, I want to commend the committee. I hope it will move in this same direction frequently because on numerous occasions we have had bad decisions by this Court that was set up to interpret laws rather than make them.

Mr. Speaker, I now yield 30 minues to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the gentleman from Georgia, a member of the Rules Committee, has explained what this bill is in a general way.

The bill is an important one and, in my judgment, it is urgent. It deals with a very serious problem which all Members can thoroughly understand and I hope the argument under general debate will not be clothed in too much legal language; because this is a bill that does not require that kind of explanation in order that all may understand it. The committee report explains the necessity for this legislation, the purpose of the proposal, and its effect on the recent Supreme Court decision, which prompts this emergency bill. As a member of the Judiciary Committee, I have given much study to this whole subject and my views are well expressed in the following report:

THE NEED FOR SUCH LEGISLATION

The Supreme Court of the United States handed down a decision in the case of *McNabb* v. *United States* (318 U. S. 332), on March 1, 1943. That decision established, without constitutional or legislative authority, a rule of evidence utterly new and variant from the standard set up by the Constitution of the United States in the Bill of Rights. In that part of the Bill of Rights known as the fifth amendment there is the familiar guaranty that no person shall "be compelled in any criminal case to be a witness against himself." Since the Bill of Rights became fully ratified as a part of the Constitution on December 15, 1791, this has been recognized as the supreme law of the land on this subject. Such recognition has been accorded by repeated decisions of the Supreme Court of the United States, and prior to the McNabb decision, it had become well settled that the sole test of admissibility of statements made by persons accused of crime while in custody was whether they were "made freely, voluntarily, and without compulsion or inducement of any sort" (*Wilson* v. *U. S.* ((1896), 162 U. S. 613, 623); see also *Lisenba* v. *California* ((1943), 314 U. S. 219, 239)).

Whether an individual in custody had or had not been arraigned prior to the obtaining of a confession from him, was never before considered a determining factor in considering its admissibility.

For the first time in legal history, in the McNabb case, the Supreme Court used section 595, title 18, of the United States Code as a factor in determining the admissibility of confessions. This section provides that it shall be the duty of the marshal * * * or other officer who may arrest a person charged with any crime or offense, to take the defendant before the United States commissioner or the nearest judicial officer having jurisdiction under existing laws, for a hearing, commitment, or take bail for trial * * *." A similar statute is found in 5 United States Code, section 300a; requiring agents of the Federal Bureau of Investigation to take arrested persons immediately before a committing officer.

Thus, the Supreme Court has substituted a rule or law of evidence, written and adopted by a majority of the Court, for and instead of the Constitution. The Constitution says that involuntary confessions must not be admitted as evidence in any criminal case. Therefore, by plain implication and on ample authority, voluntary confessions should be admitted as evidence. Yet, in the McNabb case, the Supreme Court says:

"Quite apart from the Constitution, therefore, we are constrained to hold that the evidence elicited from the petitioners in the circumstances disclosed here must be excluded. For in their treatment of the petitioners the arresting officers assumed functions which Congress has explicitly denied them."

The Supreme Court does not say that the confessions of the McNabbs were involuntary, but "quite apart from the Constitution," and although "Congress has not explicitly forbidden the use of evidence so procured," because the arresting officers failed to comply with the requirement that defendants should be promptly arraigned—no matter how voluntary the confessions may have been, no matter that the trial judge, jury, and the Supreme Court of Tennessee had held them to be voluntary, no matter that Congress had not forbidden, and no matter what the Constitution provides—the confessions were inadmissible as evidence.

"Mr. Justice Rutledge took no part in the consideration or decision of this case."

Mr. Justice Reed dissented, as follows:

"I find myself unable to agree with the opinion of the Court in this case. An officer of the United States was killed while in the performance of his duties. From the circumstances detailed in the Court's opinion, there was obvious reason to suspect that the petitioners here were implicated in firing the fatal shot from the dark. The arrests followed. As the guilty parties were known only to the McNabbs who took part in the assault at the burying ground, it was natural and proper that the officers would question them as to their actions.

"The cases just cited show that statements made while under interrogation may be used at a trial if it may fairly be said that the information was given voluntarily. A frank and free confession of crime by the culprit affords testimony of the highest credibility and of a character which may be verified easily. Equally frank responses to officers by innocent people arrested under misapprehension give the best basis for prompt discharge from custody. The realization of the convincing quality of a confession tempts officials to press suspects unduly for such statements. To guard accused persons against the danger of being forced to confess, the law admits confession of guilt only when they are voluntarily made. While the connotation of voluntary is indefinite, it affords an understandable label under which can be readily classified the various acts of terrorism, promises, trickery, and threats which have led this and other courts to refuse admission as evidence to confessions. The cases cited in the Court's opinion show the broad coverage of this rule of law. Through it those coerced into confession have found a ready defense from injustice.

"Were the Court today saying merely that in its judgment the confessions of the McNabbs were not voluntary, there would be no occasion for this single protest. A notation of dissent would suffice. The opinion, however, does more. Involuntary confessions are not constitutionally admissible because violative of the provision of self-incrimination in the Bill of Rights. Now the Court leaves undecided whether the present confessions are voluntary or involuntary and declares that the confession must be excluded because in addition to questioning the petitioners, the arresting officers failed promptly to take them before a committing magistrate. The Court finds a basis for the declaration of this new rule of evidence in its supervisory authority over the administration of criminal justice. I question whether this offers to the trial courts and the peace officers a rule of admissibility as clear as the test of the voluntary character of the confession. I am opposed to broadening the possibilities of defendants escaping punishment by these more rigorous technical requirements in the administration of justice. If these confessions are otherwise voluntary, civilized standards, in my opinion, are not advanced by setting aside these judgments because of acts of omission which are not shown to have tended toward coercing the admissions.

"Our police officers occasionally overstep legal bounds. This record does not show when the petitioners were taken before a committing magistrate. No point was made of the failure to commit by defendant or counsel. No opportunity was given to the officers to explain. Objection to the introduction of the confession was made only on the ground that they were obtained through coercion. This was determined against the accused both by the court, when it appraised the fact as to the voluntary character of the confession, preliminarily to determining the

legal question of its admissibility, and by the jury. The court saw and heard witnesses for the prosecution and the defense. The defendants did not take the stand before the jury. The uncontradicted evidence does not require a different conclusion. The officers of the Alcohol Tax Unit should not be disciplined by overturning this conviction."

It is most interesting to note, in connection with the McNabb decision, that no point was made by the defendants nor by their counsel of any failure on the part of the arresting officers to arraign the defendants promptly. The decision is grounded solely upon the assumption indulged by the court that the petitioners had not been promptly arraigned. The record was silent on this most important point. The petitioners and their counsel did not claim that the petitioners had not been promptly arraigned. The truth is that the petitioners had been promptly arraigned. The prisoners were arrested early Thursday morning on the charge of operating an illicit still. They were properly and promptly arraigned and committed on that charge between 8:30 and 10:30 the same morning. During the raid on the distillery, or shortly thereafter, the murder had been committed in an adjacent cemetery in the darkness of night. No one had been seen, nor apprehended. There was no clue to the identity of the murderer or murderers. There was a strong suspicion that the McNabbs, who had been operating the illicit distillery, or some of them, were also guilty of the murder. However, there was no evidence sufficient to justify a committing magistrate in binding them over on the murder charge. So there was no arraignment on the murder charge until after three of them had confessed; but every question put to any one of the prisoners was put after they had been promptly arraigned, and committed.

Almost immediately after the decision in the McNabb case was handed down, the administration of justice in criminal courts was thrown into confusion because of the McNabb decision, and in case after case defendants were, solely because of the rule promulgated in the McNabb case, freed by orders of the courts nolle prossing, or reversing, or directing verdicts, in pending cases. Many of such cases are cited in the hearings on H. R. 3690, pages 21 (cited by the author of the bill), 31, 32, 33 (cited by the Attorney General), and 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, and 60 (cited by members of the Metropolitan Police Department of Washington).

In one of these cases, *Mitchell* v. *United States*, the Court of Appeals of the District of Columbia (138 Fed. 2d 426), reversed convictions and upon certiorari granted by the Supreme Court the decision of the court of appeals was reversed by the Supreme Court, April 24, 1944, although the Supreme Court said in part: "We adhere to that decision and to the views on which it was based" (*McNabb* v. *United States*).

The history of the Mitchell case is bad enough, but that of the Wilborn case is infinitely worse. While the convictions of Mitchell were reversed by the court of appeals, yet this reversal has now been reversed by the Supreme Court, so Mitchell may now be punished. In the Wilborn case, however, Judge Pine is quoted as having stated from the bench on the trial, that, although his acquittal would constitute a "miscarriage of justice," nevertheless he must be acquitted because of the Supreme Court's decision in the McNabb case. So, Judge Pine directed a verdict of acquittal, and Wilborn walked out of the court a free man. The Constitution prohibits another trial, because a second trial would constitute double jeopardy, so he is as free and clear as anyone could be. What was his self-confessed crime? About 1 a. m. of March 18, 1943, he broke into the apartment occupied by three girls, where he assaulted one of them, inflicting lacerations requiring 11 stitches, though he did not complete the rape because of the screams of the other girls. He was arrested about 2 a. m. on the same night. About 4 a. m. he confessed. About 5 a. m., in the presence of the arresting officers and his victim, he reenacted the circumstances. About 11:30 of the same day he signed a written confession, and was arraigned about 3 o'clock that afternoon. But the McNabb decision held that no confession could be used as evidence if the self-confessed criminal had not been arraigned promptly, and the judge construed this to mean just that. So, Wilborn, not having been arraigned for several hours after he might have been, was freed by a reluctant jury, because of the court's direction, made solely because of the McNabb decision. Is this only a "miscarriage of justice" or is it a license to rape?

WHAT H. R. 3690 WOULD DO

It would merely nullify the new rule of the McNabb decision.

It would declare that no such policy as that indicated in the McNabb decision underlies the laws Congress passed requiring prompt arraignment.

It would leave the law exactly as it was before the turmoil and confusion caused by the McNabb decision, and wipe out the attempt to bypass and ignore the Bill of Rights, restoring to the full the protective guaranty that no person shall "be compelled in any criminal case to be a witness against himself."

MERELY A TEMPORARY EMERGENCY MEASURE

The bill (H. R. 3690) is not designed to be a complete nor permanent solution of the problems involved in arrest, detention, and interrogation of criminal suspects. These problems are many, varied, and important. They cry for adequate remedies—for full, painstaking study and solution.

All of us favor prompt arraignment. Failure to observe the legal requirement thereof should be punished. The punishment, however, should be inflicted upon the guilty—not the innocent. The arresting officers are the guilty when they fail to see to it that prisoners are promptly arraigned. The public—"We, the people"—are the innocent. Yet, under the McNabb decision only the law-abiding, innocent citizens, whose safety is jeopardized by turning self-confessed criminals loose, are punished.

A part of the solution should be the enactment into law of the requirement that all arresting officers be bonded, so that any failure on their part to observe the law would make them not only subject to suit, as they are now, but also able to respond in damages.

THE UNIFORM ARREST ACT

The Uniform Arrest Act, by Hon. Sam B. Warner, is a suggested solution that should have careful study.

The suggestion given by the Attorney General of the United States (see his testimony in the hearings, pp. 35, 36, and 37) that the arraignment statutes should be made uniform and should have but one requirement as to time, to wit: "within a reasonable time," also demands full consideration.

As suggested in the McNabb decision, the English rules for the interrogation of prisoners while in custody prescribed by the judges of the King's Bench should also be studied diligently and constructively with a view to seeing how they may be adapted to the administration of the criminal law in the United States. As so adapted, similar rules should be made by law a part of the solution of this problem.

The bill-of-rights committee of the American Bar Association, under date of May 15, 1944, has furnished the subcommittee that held the hearings on H. R. 3690 with a splendid brief showing clearly and fully the need for protracted and indefatigable study of this whole problem and for the enactment into law of its proper solution. They very kindly offer the services of this committee in collaboration toward these objectives.

CONCLUSION

Therefore, it is manifest that this bill is but an emergency measure, the sole purpose of which is to stop immediately the wrecking of our law-enforcement machinery resulting from the McNabb decision.

The enactment of this bill would do this and give your Committee on the Judiciary time, without the pressure and penalty of suspended law enforcement, within which to study these delicate and difficult problems, and for the preparation of such a bill as may be then agreed upon.

Mr. Speaker, I am not going to take any more time now, and I yield 5 minutes to the gentleman from Iowa [Mr. GWYNNE], a member of the Committee on the Judiciary.

Mr. GWYNNE. Mr. Speaker, this is one of the difficult problems that has troubled the courts ever since there have been courts. It is hard to explain the situation in 5 minutes, and I am taking this time only because I expect, when we reach the bill for amendment, to offer an amendment which I desire to call to your attention.

Of course, we all know that under our Constitution no defendant may be required to give evidence against himself. Therefore a confession or admission made by a defendant can be used in court against him only if the confession is voluntary. That is law to which everyone agrees.

We also have provisions in the codes, the Federal Code and the various State codes, that require a prisoner, who has been arrested without a warrant, to be taken before some committing magistrate or commissioner for arraignment. Unfortunately, the Federal statutes require that the prisoner must be taken immediately or forthwith. Most of these States have a more liberal provision.

Prior to the McNabb decision it had been held that the failure to comply with those laws as to immediate arraignment did not affect the confession, if otherwise admissible; that is, if it was voluntary. In the McNabb case the Court made what seems to me a very unfortunate decision. They held in substance that the failure to comply with the statute, and to arraign the prisoner immediately or forthwith, would render inadmissible any confession, even though the confession may have been voluntary.

The purpose of the bill is to put the law back where it was prior to that decision. As between the McNabb decision and the Hobbs bill, I am for the Hobbs bill. Yet I would suggest an amendment to it, because I do think prisoners are entitled to some protection, and I think the amendment I am going to suggest would protect the prisoner and the Government.

If you have the bill before you, you will notice it reads:

That the failure to observe the requirement of law as to the time within which a person under arrest must be brought before a magistrate, commissioner, or court shall not render inadmissible any evidence that is otherwise admissible.

I would add to that the following:

But the failure to bring such prisoner before a magistrate, commissioner, or court,

within a reasonable time as defined by the trial court, shall be prima facie evidence that any admission or confession made by such person during the time he was so unreasonably detained, is inadmissible.

The effect of that amendment would be this, at least, as I mean it: The law in regard to arraignment remains the same. It would still be necessary for an officer to take the prisoner immediately or forthwith before a commissioner; and if he failed to do so, he would be subject to whatever discipline is now provided. However, if he did not do that, and the prisoner made a confession, when he was being tried before the district court and the confession was offered in evidence, the trial court would then determine two questions: First, regardless of the statute on arraignment, was he taken before the committing magistrate or commissioner in a reasonable time under all the circumstances?

If the trial court would hold that the defendant had been taken within a reasonable time, that would end it. The confession would be admissible, if otherwise proper; I mean if voluntarily made. If he should find, however, that the prisoner had been detained an unreasonable length of time, that would be prima facie evidence that the admission or confession was not admissible, and it would then be up to the policeman, the officer making the arrest, to show that the defendant's rights were not prejudiced by the fact that he had been detained an unreasonable length of time.

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. Would the determination of reasonable time be fixed by the court on a voir dire examination?

Mr. GWYNNE. That is my plan; as it is done at the present time.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. MICHENER. Mr. Speaker, I yield 5 additional minutes to the gentleman from Iowa.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Would it not more nearly accomplish what the gentleman has in mind if, instead of that amendment, where it was found that the arraignment had not been within a reasonable time, then, if the trial court so found, the burden of proof would rest upon the Government to show that there was no coercion?

Mr. GWYNNE. Of course, the Government must show that all the way along the line. When he offers the confession, the prosecuting attorney must show that it is a voluntary confession. The present statutes, if we follow the McNabb decision, put upon the officers a burden that they can hardly bear. You cannot follow the practice apparently required by the Federal statutes unwittingly, I think, that a prisoner must be taken immediately, or forthwith, before a committing magistrate. Many times that cannot be done. Many times the magistrate is not available, and many, many times it is not desirable to do it for reasons that every prosecutor knows, because you have not yet picked up certain accomplices, for example.

What I have in mind is simply this: I do not want to make it possible, as the McNabb decision does, to let a defendant who is certainly guilty and who has admitted it, later on get out of it by virtue of this technicality, nor do I think that his confession should be inadmissible in every case where he was not taken before the court in a reasonable time.

I have an illustration in a case I happen to know about. A man broke into a building and stole a lot of intoxicating liquor. He went down to the river and proceeded to get very intoxicated. He was arrested in the daytime. He could have been taken before a committing magistrate as far as the court was concerned, but he was not taken in for a day, that is, until the following day. The reason was that he was too intoxicated to appear in court. A court could say that he had not been arraigned within a reasonable time, perhaps, and there would be a prima facie case built up for him when that showing was made; yet a further showing could be made by the Government or by the State that the reason for the unreasonable delay was that the man himself was intoxicated, and it had no connection with any attempt to coerce the defendant into making a confession. That is the general purpose I have in mind.

Mr. GRAHAM. If the gentleman will yield further, does the gentleman contemplate a waiver of arraignment by this amendment?

Mr. GWYNNE. No; not at all.

Mr. GRAHAM. So that in the event there would later be a repudiation of the confession, that would not affect it in any way?

Mr. GWYNNE. This would be the situation: A man is on trial, John Doe is on trial, and the Government offers a confession. The question before the court would be, Was he arraigned within a reasonable time? If the court determines that he was arraigned within a reasonable time the confession is admissible if voluntary. If he was not arraigned within a reasonable time, the confession may still be admissible if the Government can show that no harm came to the defendant.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Under the committee's view and under the gentleman's view, the sole purpose in attaching any significance to the speed of arraignment is as to whether the confession is voluntary; is that not right?

Mr. GWYNNE. The McNabb decision virtually says this, as I understand the decision, regardless of the voluntary character of the confession, if the defendant was not arraigned forthwith, it could not be used. That is what I understand from the decision.

Mr. VORYS of Ohio. And the purpose of the committee is to overrule that, with respect to the McNabb case?

Mr. GWYNNE. That is correct.

Mr. VORYS of Ohio. My sole question was why would not the gentleman in his amendment use the word "involuntary" rather than "inadmissible."

The SPEAKER. The time of the gentleman has again expired.

Mr. MICHENER. Mr. Speaker, I am not going to use any more time but I ask unanimous consent to extend the remarks I made by including the committee report. The report is complete and presents the case exactly and should be in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

RESIGNATION FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following resignation from the House:

DECEMBER 13, 1944.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: I beg leave to inform you that I have this day, transmitted to the Governor of Washington, my resignation as a Representative in the Congress of the United States, from the First District of Washington.

My resignation is to be effective as of this date.

Very truly yours,
WARREN G. MAGNUSON,
Member of Congress.

SAFEGUARDING ADMISSION OF EVIDENCE IN CERTAIN CASES

Mr. HOBBS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3690) to safeguard the admission of evidence in certain cases.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3690, with Mr. WRIGHT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HANCOCK. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the bill we are now considering is of far-reaching importance. I regret very much it is being brought up in these closing days of the Seventy-eighth Congress. It is entitled to a great deal more study and consideration than we are going to give it at this late hour.

The whole Nation was shocked by the decision of the Supreme Court not long ago, the prevailing opinion written by Mr. Justice Frankfurter, which was a radical departure from the law of evidence which has existed for many, many years. As Mr. Justice Stephens, of the Court of Appeals of the District of Columbia, said to our committee, "it is judicial legislation."

The decision held, in effect, that the voluntary confession of a murderer cannot be admitted as evidence unless he is immediately arraigned before a committing officer. I think the law ought to be, and always has been until that amazing decision, as stated well by Mr. Justice Reed in these words:

Mr. Justice REED. In my view, detention without commitment is only one factor for consideration in reaching a conclusion as to whether or not a confession is voluntary. The juristic theory under which a confession should be admitted or barred is bottomed on the testimonial trustworthiness of the confession. If the confession is freely made without inducement or menace, it is admissible. If otherwise made, it is not; for if brought about by false promises or real threats, it has no weight as proper proof of guilt (322 U. S. 65, decided April 24, 1944).

That I believe correctly states the rule of evidence with respect to the admissibility of confessions. It should be sustained until this Congress, after full consideration of the whole question, including the time of arraignment, decides otherwise. The Hobbs bill merely restores the law as it was before the decision in the McNabb case.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I am one of the signers of a minority report in connection with this legislation. The McNabb case arose in my district. I am very frank to say I think the decision of the court in the McNabb case went too far. There may have been some circumstances which showed that the confessions were secured by duress or improper means, but the decision of the court struck out the confessions and made them inadmissible purely on the ground that the defendants were not arraigned before the confessions were given. If you examine the evidence in the case, you will observe, as I say, that there may have been some evidence to the effect that there were other elements which made the confessions inadmissible, but, as I say, the decision of the court was based solely on the ground that the defendants had not been arraigned. After this decision was handed down there were some miscarriages of justice in this country in the lower courts as a result of it. In one case, Judge Pine ruled out a confession which certainly allowed a man who appeared to be guilty to escape without punishment.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. Yes.

Mr. WALTER. Was there an appeal taken by the United States in the case in which Judge Pine handed down that strange interpretation of the law?

Mr. KEFAUVER. Apparently there was no appeal. I am not fully advised, but I do not think there was. After the McNabb decision was rendered, Judge HOBBS, in his usual desire of wanting to have something done to remedy an improper situation, introduced this bill, and I say that it is with a great deal of hesitation that I appear here to take an opposite position from that presented by my eminent colleague on the Judiciary Committee. He introduced this bill which makes confessions admissible regardless of the time of the arraignment, if it is otherwise admissible. In other words, under the legislation proposed by the gentleman from Alabama, and approved by a majority of the committee, an accused might be taken into a cave by the arresting officers and kept 6 or 8 months, he might be kept in jail without the benefit of counsel or arraignment for a tremendously long period of time, and if a confession came forth during that time, if there were no elements of duress other than the long detention, then his confession would be admissible. But I think it is a part of our Constitution or at least a part of the spirit of the Constitution that anyone who is arrested should be arraigned within a reasonable time, that there should be no undue keeping him from the privileges and rights he has under the law of arraignment and of counsel. Somebody before the Committee on Rules observed and stated in substance that—

The Hobbs bill not only repeals the rule in the McNabb case but it comes near to repealing certain intentions or spirit of the Constitution which were given by the Constitution in order to insure that there shall be proper and just treatment under the law to persons accused of crimes.

After the McNabb decision the Supreme Court had the matter before it again in the Mitchell case. In the Mitchell case the Court said:

Inexcusable detention for the purpose of illegally extracting evidence from an accused, and the successful extraction of such inculpatory statements or continuous questioning for many hours under psychological pressure were the decisive features in the McNabb case that led to the holding that the adoption of such evidence should not stand.

In other words, in the Mitchell case where a confession was made before arraignment the Supreme Court held that notwithstanding the fact the evidence was admissible, and the Supreme Court interpreted the McNabb decision to mean what we always thought the rule was, that in the event of psychological pressure, high-handed methods or third degree tactics the confession should not be admissible, but that the mere fact that arraignment had not been carried out before the confession was made should not in and of itself, as we had thought was the case by virtue of the McNabb decision, render the confession inadmissible. The law of the Mitchell case when you consider the facts of the case is fairly satisfactory. The old rule in effect is restated.

So now we have this rule of law enunciated by the Supreme Court in the Mitchell case that if the accused is in fact arraigned within a reasonable time considering all the circumstances, the fact that a confession is made before arraignment shall not make the confession inadmissible. That is the rule of law by virtue of the Mitchell case. I think that is a sound rule of law; that is the rule we always thought was in effect in this country.

Personally I do not see any need for this legislation at this time. There may have been a need for some legislation at the time the bill was filed and at the time the hearings were had, but now that the Supreme Court has restated the rule I cannot see any real urgency for bringing this Hobbs bill out. But since it has been reported and since it is before the House for consideration I think we might render a worth-while service by adopting an amendment which would clarify several divergent provisions in the present arraignment statutes. For instance, there are four statutes which deal with the time in which a person must be arraigned: There is the statute which has to do with bringing a person before a United States commissioner. The Supreme Court has interpreted that statute to mean that they must be brought before the United States commissioner and arraigned without unnecessary delay. In the act having to do with the Federal Bureau of Investigation a person arrested must be brought before a committing officer for arraignment immediately. In the statute having to do with illicit distilleries it is required that a person arrested be brought before a committing officer forthwith; and in section 4 of 140 of the District Code of the District of Columbia a member of the police force is required to bring an arrested person before a committing officer immediately and without delay. Now, there is no reason why in one case a person arrested must be brought in without unnecessary delay, in another case forthwith, and in another case immediately.

I submit that in all of these instances dealing with the arraignment of suspected violators of criminal law we should have a uniform rule, and that that uniform rule should be that they be brought in for arraignment within a reasonable time. That has been the rule all through our judicial history. That is what we have contended for and that is what we thought the rule was. So at the proper time I am going to offer an amendment to amend these four statutes I have referred to dealing with the arraignment of people who have been arrested.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. KEFAUVER. Mr. Chairman, I also have an amendment to make all of these statutes uniform to require arraignment within a reasonable time and to protect the Government in any cases that might now be pending where the contention may be made that the confession is not admissible. I have another amendment, section 5, which is as follows:

SEC. 5. Failure to observe the requirement heretofore prescribed by law as to the time within which a person under arrest must be brought before a committing officer shall not render inadmissible any evidence that is otherwise admissible, if the person was in fact brought before such officer within a reasonable time.

I hope my amendment will be adopted by the Committee.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I take this time in order to bring before the committee the issue here involved, and that is whether or not noncompliance with the law by an arresting officer as to time for arraignment shall deprive the Government of the benefit of evidence otherwise admissible, necessary to convict a person charged with crime.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The bill is directed against confessions. That is the only type of evidence that this bill affects; is it not?

Mr. SUMNERS of Texas. Confessions; yes.

Mr. ZIMMERMAN. Or seeks to affect?

Mr. SUMNERS of Texas. That is right and it provides that the delay in bringing a prisoner to arraignment shall not by reason of that delay deprive the Government of the benefit of his confession if it is voluntary.

Mr. ZIMMERMAN. In other words, if an arresting officer puts handcuffs on a man, deprives him of his liberty, takes him off to a room somewhere and holds him for 48 hours while he is questioned and they get a confession from him when he is in that helpless condition, the gentleman says the Government should have the benefit of it?

Mr. SUMNERS of Texas. I do not say that at all. Here is what I say: The court would pass on the question of whether or not duress had been used and if duress had been used it would make the testimony not the sort of testimony that should be admitted against him under any circumstances. This proposed legislation is here to correct a condition created by a decision of the Supreme Court and subsequent constructions over the country to the effect that if an arresting officer, in the judgment of the Supreme Court, does not bring a man an opportunity to plead within the time its justices think he ought to be arraigned even though there may not have been any actual duress, the testimony is not admissible. That is the point. It is, I believe, generally agreed that later decisions have modified at least the effect of the first decision discussed in the report on this bill and during this debate, but the subcommittee of the Committee on the Judiciary which had first responsibility for this proposed legislation felt that such legislation as is proposed by this bill is needed, and the full committee concurred in that conclusion.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from North Carolina.

Mr. FOLGER. Would the gentleman inform me whether the words "must be brought before" have any particular legal significance? Does that mean for arraignment or for hearing?

Mr. SUMNERS of Texas. For arraignment.

Mr. FOLGER. A hearing had?

Mr. SUMNERS of Texas. For arraignment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Idaho.

Mr. WHITE. Is this bill not a direct infringement on the constitutional rights of a citizen of the United States?

Mr. SUMNERS of Texas. I do not think so.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Ohio.

Mr. RAMEY. I believe the gentleman meant "prisoners" when he said "criminals" in the first part of his statement.

Mr. SUMNERS of Texas. Yes; I meant prisoners. Thank you.

Mr. SPRINGER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill now before the House is intended to clarify and make certain the question of the admissibility of evidence in criminal cases, especially where an arrangement has not been had immediately upon arrest. May I say that it is unfortunate that we have written into existing law a provision that upon arrest the accused shall be immediately, or promptly, or within a reasonable time, arraigned. It was never the intention of the Congress, I am confident, that the accused person should be arraigned immediately upon his arrest, but in my humble opinion it was the intent of the Congress, at the time of the passage of that legislation, that the arraignment should be had within a reasonable time.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. LEWIS. The language of the statute as passed by the Congress is to the contrary. It says "immediately" does it not?

Mr. SPRINGER. It says "immediately," in one act; in another the language is "promptly," and in another "within a reasonable time."

Mr. LEWIS. Then on what theory does the gentleman base his statement that that was not the intention of the Congress?

Mr. SPRINGER. In the first place it would be absolutely impossible to have an immediate arraignment in many, many cases. Take, for instance, the McNabbs, who were arrested about 3 o'clock in the morning. There was no committing magistrate available. There was no court available. There was no court in session, and it would have been impossible to arraign the men immediately under those circumstances. In view of the situation which we have before us, in many, many cases, and especially in this particular matter which we are speaking of at the present moment, it would be impossible to have had an immediate arraignment if that language was to be literally and strictly construed. But my interpretation of that statute is that the intent of the Congress was that arraignment should be had within any reasonable length of time, and that should be determined by the circumstances in each case.

These men were arraigned the next morning after the magistrates were in their offices. One of them confessed early in the morning. The others confessed later. They confessed to the murder of a Federal officer in a cemetery where they were trying to deliver liquor from an illicit still which they were operating. They admitted that they fired the shots and that they killed the officer. The case was tried. The court held that the confessions made by the McNabbs were voluntarily made. The jury heard the case. The jury found and so held that the confessions made by the McNabbs were voluntarily made.

Then the case went to the Circuit Court of Appeals for the Sixth Circuit. The Circuit Court considered that question and held, like the trial court and like the jury had found and determined, that the confessions made by the McNabbs were voluntarily made. Heretofore the only question involved in the admissibility of confessions has been, first, whether or not the confession was voluntarily obtained and, second, whether or not the confession was involuntarily obtained by duress, force, or coercion. If the confession was voluntarily made, then it has ever been held to be admissible in evidence.

But in these cases all the courts up to the Supreme Court of the United States have held that these confessions were voluntarily made. There has never been any case which has been decided on the question of the admissibility of a confession, or the admissibility of evidence, based upon the time when the arraignment of the accused was had. Regardless of when the arraignment was had, the evidence is still admissible. The time of arraignment certainly has no bearing upon the admissibility of a confession, or an admission by the accused.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GRAHAM. Mr. Chairman, I yield 2 additional minutes to the gentleman from Indiana.

Mr. SPRINGER. That question of the admissibility of a confession was never considered by the Supreme Court of the United States, and was never decided as it was decided in this case until the decision was rendered in the McNabb case. It startled the judiciary of the country. It confused the lawyers of the Nation. The court held that because the McNabbs were not arraigned immediately, the voluntary confession they made, that they had killed a Federal officer in cold blood, was not admissible. Since that decision, there has been confusion in the courts. Many cases were pending where there had not been an immediate arraignment, although there was no doubt about the guilt of the accused persons, and the courts have been permitting such defendants to go without day. This decision has created confusion and consternation among our courts, which should not obtain.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If I understood the gentleman correctly, he just said that where there was no doubt that a defendant had murdered someone, because of

this decision the accused was discharged. How could that be if there was no doubt aside from the confession?

Mr. SPRINGER. There was no doubt because the three McNabbs confessed they had fired the shots and killed the officer.

Mr. HOFFMAN. I understood the gentleman to say that where there was no doubt as to the guilt of the defendant aside from the confession, because of this decision the defendant was discharged.

Mr. SPRINGER. I did not make that statement, or, at least, I did not so intend. The defendants in this case, because of the holding of the Supreme Court, were permitted to go free and without delay. Such a travesty upon justice should never obtain, and this bill is intended to correct that situation, and I am confident it will correct this rule announced by the Supreme Court which is now creating confusion.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, I am not going to make a speech at this time because I made one of an hour's length on Monday on this same subject and asked you to read it in the RECORD. I hope some of you did. So I have covered every conceivable point I could think of with regard to this matter except those points that are coming up by way of amendment, and any who are interested may read my discussion of any point at issue on pages 9197 to 9206 of December 11.

The gentleman from Tennessee [Mr. KEFAUVER] is offering an amendment out of the goodness of his heart. He believes in it. I do not, and I will tell you why, because we ought to give a reason for the faith that is in us. He would follow the Attorney General of the United States in his testimony before our committee. I have the highest regard for the gentleman from Tennessee and for the Attorney General and I am in hearty accord with the proposition that there should be not four standards of admeasurement for prompt arraignment but that there should be one. But when law is being written it should be made clear, and the words used should eliminate the need of interpretation. Only so can the law be made certain. There are several reasons why the amendment should be defeated, but the one I gave the committee on the day of the Attorney General's suggestion is, to my mind, sufficient:

> The pending bill would immediately upon becoming law do away with the rule of evidence promulgated by the McNabb decision and thereby stop the flood of acquittals caused by the McNabb decision, while leaving the law exactly as it was before that decision, with its ample safeguards of all rights of every prisoner.
>
> The enactment of the bill proposed by the Attorney General would make necessary years of interpretation by the courts, in many different cases, to reach a working conclusion as to what would constitute reasonable time, since each court decision would depend upon the facts of the particular case, and would apply only to the case in which the decision was rendered.
>
> After all, the Constitution says that no person shall be compelled in any criminal case to be a witness against himself, so no involuntary confession can be admitted in evidence, and this stands as the supreme law of the land no matter what statute Congress might enact.

Now, may I answer the question the gentleman from Michigan [Mr. HOFFMAN] propounded to the distinguished gentleman who preceded me? It happened right here in Washington, almost within the shadow of the Capitol dome. There were two ladies living in Washington who were said to have been raped within 24 hours by the same man. He was arrested at 1:30 o'clock in the morning and taken out, and there he reenacted the crime in the presence of three ladies who occupied the apartment where the second rape is said to have occurred. He confessed on his way out there; a perfectly voluntary confession. But after he signed his written confession, about 5 o'clock in the morning, and claiming to be a juvenile delinquent, only 17 years of age, there was no juvenile court open until 3 o'clock that afternoon. So the horrible detention was until court opened at 3 o'clock that afternoon, the same afternoon of the day of his arrest. In due time he was put to trial in a court of justice presided over by a fine, upstanding judge, Judge Pine. He was tried before a jury in the city of Washington, the Capital of this Nation. When the trial was over, Judge Pine turned to the jury and said, "Gentlemen of the jury, I charge you if you believe the evidence in this case, you must find the defendant not guilty." Of course, the charge had to be obeyed, and so, very reluctantly, the jury returned a verdict of not guilty. That defendant walked out just as free as a bird. That has been the story ever since the McNabb decision in hundreds of cases the Nation over. Justice Pine, in ordering the jury to turn that self-confessed rapist loose, called it a miscarriage of justice, but cited the McNabb decision of the Supreme Court, which, as a judge of a subordinate court, he was bound to follow.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Of course, sir; I am glad to yield.

Mr. HOFFMAN. What is the requirement here in the District as to when they must be arraigned?

Mr. HOBBS. There are four statutes, and I am glad the gentleman asked that question. There are three or four statutes; one requiring immediate arraignment, another requiring arraignment forthwith, another arraignment without delay, and so forth. But in the McNabb decision these statutes are treated as meaning the same requirement: That persons charged with crime should be arraigned with "reasonable promptness."

Mr. HOFFMAN. If the gentleman is trying to explain some difficulty of mine, he has already explained it. Will the gentleman yield?

Mr. HOBBS. Yes, sir.

Mr. HOFFMAN. Under our State practice defendants have to be arraigned within a reasonable time. That may mean 48 hours or 3 or 4 days, according to circumstances. The fault the gentleman speaks of lies with the different enactments, in the different States, and not with the Supreme Court decision. Why do they not change this District rule as to when prisoners should be arraigned?

Mr. HOBBS. In the McNabb case, decided by the Supreme Court, it is said that they all mean "with reasonable promptness."

Mr. HOFFMAN. Those statutes all mean that, but why not change the statutes and say that they must be arraigned within a reasonable time or within so many days?

Mr. HOBBS. There is such an amendment pending. I am against it because it would take years of construction by the courts to determine in each case what "within a reasonable time" means.

Mr. JENNINGS. This McNabb decision was based upon the Tennessee statute that requires prompt arraignment. That was also held in the Anderson case in my State, in the Transmission Line case.

Mr. HOBBS. In the Anderson case, it was Tennessee officers who were involved.

Mr. MICHENFR. Is not that one of the troubles, that the McNabb case goes so far as to place an interpretation by the highest court of the land on the words of all those statutes, "immediately," "forthwith," "within a reasonable time," et cetera, and all the rest, and that the purpose of this bill is merely temporary, as shown by page 5 of the report, to take care of the matter until the statutes suggested by the gentleman from Michigan [Mr. HOFFMAN] might be brought into play.

Mr. HOBBS. I thank the gentleman for that contribution. That is exactly the situation. This bill, if and when it becomes law, will annul the rule made by the Supreme Court and leave the law just as it was from 1791 up to the McNabb decision; then we could study the whole subject and pass such legislation as we find to be warranted and necessary. But in the meantime the awful results of the McNabb decision will have been stopped.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. HANCOCK. Mr. Chairman, I yield myself 1 minute in which to introduce the next speaker, the gentleman from Pennsylvania [Mr. GRAHAM], who has devoted his adult life to the study of criminal procedure. He was district attorney in Pennsylvania, deputy attorney general of the State, assistant United States district attorney, United States district attorney in the Pittsburgh district, and has been special prosecutor for Federal cases in many, many important cases.

Mr. MICHENER. Employed under a Democratic administration.

Mr. HANCOCK. As the gentleman from Michigan suggests, he was employed under a Democratic administration, to prosecute serious crimes in Pennsylvania. There is no Member of the House so well qualified to discuss the questions involved

in this legislation as the gentleman from Pennsylvania. I venture to say that he knows more about the criminal law than any member of the Supreme Court, and I say that without disparagement to the members of the Supreme Court.

I yield the remainder of my time to the gentleman from Pennsylvania [Mr. GRAHAM].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 19 minutes.

Mr. GRAHAM. Mr. Chairman, really, I am overcome by the introduction of the gentleman from New York, the ranking minority member of the Committee. But may I say to you in all sobriety and earnestness that I have had a long experience in the preparation and trial of criminal cases. Some of the new Members are not familiar with our background. A few years ago in the discussion of a bill then before the House I made the statement that I had made a survey of the membership of the House and at that time found that of the 435 Members 235 were members of the bar, and, of course, the remainder were from other walks of life.

In his opening remarks in this debate the gentleman from Michigan [Mr. MICHENER] stated that he hoped the discussion would be in plain terms without undue emphasis on legal parlance and phraseology. With that in mind I should like to proceed first of all to tell you that when I try one more murder case I will have tried exactly 300 murder cases. My present record is 299. I have been on both sides of the counsel table: I have prosecuted, and I have defended. As to the experience mentioned by the gentleman from New York [Mr. HANCOCK] in the preparation, in the actual trial and handling of cases in the various offices in which I have served, I have been connected directly and indirectly with approximately 38,800 cases. I have taken hundreds of statements, confessions, death-bed statements, and the like. You can therefore imagine my amazement as a practicing lawyer of almost 40 years' experience to read the McNabb decision; and I wondered, in all frankness, and with all due respect to the members of that august court, how many of them had ever taken part in the preparation and trial of a criminal case and knew from actual experience the difficulties attendant upon the procuring of evidence and the preparation and presentation of it, the interrogation of witnesses, and the final summing up of the case in court. In a criminal case you have many things to contend with. At the very outset, crime today is highly specialized and well organized; it is not a haphazard thing. Police efficiency, on the other hand, has been brought up to meet this condition. The modus operandi of the police is not only the immediate arrest of the person charged with crime but to deal with every bit of evidence and the testimony marks that enter into that crime. Upon learning that a crime has been committed and the accused has been apprehended, the experienced officer immediately goes to his files to seek similar cases and compare the evidence of those cases with that of the current one to see if this particular individual has figured in other cases of a like nature, and whether the telltale identical markings appear. So you see, at the very start, the police officer must go to his files to check other similar cases and see if any of the facts of those cases coincide with the facts in the immediate case. In the meantime the prisoner is under arrest. Having done that, the next step of the police is to recognize in the particular case similar features that have entered into another case but which are not yet fully disclosed in the immediate case. In consequence they will have this man placed in a line-up for the purpose of identification. Arrested persons are lined up in front of a screen and witnesses in other cases of a similar nature are called to see if they can identify the individual as the person who assaulted or raped or robbed them; or committed the offense charged. All this is proceeding along in a cumulative chain working up to the actual arraignment of the prisoner, and it requires time. In the State courts and the Federal courts there is a marked similarity in the course of procedure. You have a justice of the peace in the State court, an alderman, or a committing magistrate. In the Federal court you have the United States commissioner. And now, if Members will pardon a personal allusion, in the Pittsburgh district we have a very fine United States commissioner, but while he maintains his office in the same place where the office of the United States attorney is located, he is also a practicing attorney and is frequently absent on necessary business. Some days we were compelled to wait until we could reach him, particularly if he was out of town or ill, and that is an element of time that the Supreme Court has utterly ignored in its decision. Your committing magistrate may not be available at the moment and the accused cannot be arraigned at once, or within a short time.

After the commissioner is located, the next step is this: The accused is arraigned and given a preliminary hearing. In many, many cases, the prisoner will immediately say in substance, "You have the goods on me, I am guilty. I am ready to enter a plea right now, I am willing to waive the finding of an indictment by the grand jury and go before the court and enter my plea." But he may be doing that for several reasons. First, to get it over with quickly, this in good faith and in good conscience; secondly, he may be a member of a group or gang and his purpose being to shield the others not yet apprehended. Nearly all crime today is carried on by groups and gangs. It is not the work of an individual alone. If the McNabb rule were to be enforced strictly, and it must be under the decision, and you have four men in a gang, if one is arrested and he is immediately discharged because of insufficient evidence, it is entirely probable you will never arrest the other three or succeed in getting a conviction because they will have disappeared or have had time to destroy the evidences of the crime. These cases have actually been tried where it was found that the alibi was set up and prepared beforehand in robberies and the like, where hospital records had been prepared, where men had entered alleged hospitals and produced doctors and nurses to prove an alibi, all this done in advance of the commission of the crime. I am stating this to illustrate and show you that crime today is not a child's play or anything of the kind. It is a very well-planned, well-determined, well-scheduled scheme with a predetermined method of carrying out the plans of the conspirators or those who enter into the crime.

Your next step is this: If a confession has been taken, particularly in Federal courts, and that confession is challenged before it can be admitted and read, the court will exclude the jury; then, with counsel on each side, representing the Government and the defense, in this examination the court will take testimony as to the reasonableness of the confession and whether it was given voluntarily or involuntarily, and also inquire into all the circumstances surrounding its taking. The rule has always been that the confession must be free, it must be voluntary, without coercion, compulsion, or any inducement of any kind. After the court has heard these facts and determined from their reasonableness, including the time element and all the factors that entered into it, the jury is called back; then the court very carefully outlines to the jury the conditions under which it must accept that confession, giving it such weight as they shall see fit under all the facts and circumstances, and the law as laid down by the court.

A transcript of the testimony as offered in court, including all offers and objections, and the court's ruling thereon, together with the exhibits and the charge of the court is prepared. This concludes the trial in the district court.

If the accused is convicted and sentenced, and an appeal taken, a record must be prepared and this includes all of the foregoing, together with all motions made, the sentence of the court, and all papers, including the indictment, which have been used in the case.

He is now in position to take his appeal to the circuit court of appeals. After the case reaches the circuit court of appeals and has been decided by that court, he still has another opportunity, and that is to have his case brought up on a writ of certiorari to the Supreme Court of the United States, and if his petition is granted the Supreme Court will then review the whole transaction. If the petition is denied the opinion of the circuit court of appeals stands and the sentence is carried into effect.

Do you not see the important steps that have been taken? First, the finding of the committing magistrate or United States commissioner, next the presentation of the case to the grand jury, the hearing before the court on the question of the reasonableness or unreasonableness of the taking of the confession, the actual trial in the United States district court, the appeal to the circuit court of appeals, and finally an appeal to the Supreme Court of the United States. All of those steps must be carried out. I say, Mr. Chairman, that in all my experience I have seen few miscarriages of justice,

very few, because there are so many safeguards thrown about a prisoner.

In addition to the above, there is available to the accused the writ of habeas corpus, the return of which must be made promptly; the petition to the district court for a bill of particulars, which if granted directs the United States attorney to furnish the information requested.

Under the rules of criminal procedure after a plea of guilty or verdict or finding of guilt the rights of the convicted person are completely safeguarded.

If this ruling is applied, the next thing is how the lower courts will handle the matter, and they have indicated that they intend to follow strictly the ruling of the Supreme Court, and that is, unless the prisoner has been immediately arraigned, to throw out the element of the reasonableness of the securing of the confession, utterly disregarding the fact as to whether it was voluntary or involuntary, and determining its admission solely on the question or elements of the time elapsing from the time of arrest until the prisoner is arraigned before the United States commissioner.

A prosecuting attorney, either State or Federal, is confronted with many perplexing problems. I am not speaking of the arresting officer at all, but I am speaking of the man charged with the presentation of the case, the adducing of all the testimony and submitting it to the court and the jury for final determination.

May I speak of another phase for just a moment? Your arresting officer is a sworn man. He has raised his hand to uphold the Constitution. Your prisoner may be of any type or walk of life. He is not a sworn man. His only concern in the Constitution is to invoke its safeguards for his own protection. You immediately look to the arresting officer for your protection. If your home is robbed, your wife is assaulted or your daughter attacked, you want immediate and quick action, and you turn at once to the officer. You want all technicalities brushed aside. You want speedy action in the arrest and prompt justice.

I grant you at this point that too many officers are only concerned with the immediate arrest. They do not see the case through to the presentation in court, on through the grand jury and the successive stages. But I do say to you that the distinguishing criterion there is that the officer is under oath, doing his duty, which he has sworn to do and which you expect him to do, and in the performance of which his life is often imperiled.

I can tell you this, that in my public career either 10 or 11 men, peace officers who were associated with me, have been shot down in the performance of their duties. I have stood at some of their open graves, seen their bodies lowered, just as any other body is lowered, and I often thought how little sympathy there was for those men. They went out in the performance of their duties. They performed their duties to the best of their ability. They were shot down in protecting their fellow citizens.

Often there are attempts made to delay the trial of the case and have it continued, this done in the hope that the witnesses will disappear. Nobody ever stands and speaks for the departed officer. It is always a plea for the accused, working on the sympathy of the jury to prevent an alleged miscarriage of justice, using the oft-repeated phrase that it is better that 99 guilty men go free than for one innocent man to be convicted. Under the influence of this plea many a guilty man has gone free.

With all that in mind, let us come down now to the actual application of this opinion. Whether it be immediate, whether it be within a reasonable time, or without a delay, or what, the circumstances of the case govern. You cannot escape that. Sometimes an hour might be an unreasonable delay, and in other cases a delay of weeks might be reasonable.

The next thing is this. I refer to what I said a moment ago, that the courts are bound to accept this opinion of the Supreme Court. That is the binding law, not only here in the District but all over the United States. Here in the District your police force is confronted by a very difficult situation, for in most instances, locally, after the officer has made the arrest and a confession has been secured, he can place the individual arrested in a county jail, and if the prisoner is willing have access to him, check with him, take him out to the scene of the crime and re-enact it, and supply the missing links and gradually build up his case. In the jurisdiction here, the prisoner is turned over to another branch of the Department of Justice, passing out of the control of the police officer. As a matter of fact, the activities of the arresting officer are practically ended at that point.

That is the story I bring to you with no hardness of heart, with no thought of a prosecutor making a record, for probably my days as a prosecutor are over. I simply speak out of a wealth of experience to you men who are laymen and not familiar with criminal procedure. I heard the gentleman from Missouri this afternoon speak of a handcuffed prisoner making a statement. I can say to you that in my 27 years of experience as a prosecuting officer I never saw such a thing. I never saw third-degree methods resorted to to secure a confession.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Did the gentleman ever read the Supreme Court decision about the Chinaman who was placed under a light and held there?

Mr. GRAHAM. I did.

Mr. HOFFMAN. That is an illustration of a confession obtained under coercion, under brutality.

Mr. GRAHAM. Yes; and on the other hand I cite the gentleman nearly 38,000 cases that I have known where it was never done, and the gentleman cites me one case where it was done.

Mr. HOFFMAN. Does the gentleman believe in that maxim of law that it were better that 99 guilty go free than that one innocent man be convicted?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM. I yield to the gentleman from Iowa.

Mr. GWYNNE. While I disagree with the McNabb decision, does not the gentleman think that the prisoner should have some protection, and there should be some method whereby this requirement of immediate arraignment or arraignment within a reasonable time can be enforced? Can that be safely ignored?

Mr. GRAHAM. May I answer in this way. In Great Britain the judges of the King's Bench have laid down a rule for the guidance of officers in interrogation of accused persons. Those rules were first promulgated in the year 1912. Later, in 1918, they were amended, and again in 1926. Those rules, of course, do not have the binding force of an opinion of the Supreme Court. But under those rules they anticipated situations which would arise under the gentleman's question by fixing a reasonable time, varying, of course, according to the circumstances. But my recollection is it runs about two or three days in the particular instance. I think I am correct in that statement, although I am not too certain.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM. I yield gladly.

Mr. KEFAUVER. Does not the gentleman feel if this bill were amended so as to, in the first place, make uniform these four arraignment statutes and, in the second place, to provide that the evidence shall be admissible if in fact the arraignments were made in a reasonable time, that would pretty well satisfy the situation and clarify the matter for the benefit of courts that might go off on a tangent?

Mr. GRAHAM. Frankly, I do not agree with the gentleman.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM. I yield.

Mr. ROBSION of Kentucky. If we pass this bill it will not repeal the different statutes which the gentleman and others have mentioned; would it?

Mr. GRAHAM. It is not my thought that they will be repealed by the passage of this bill.

Mr. ROBSION of Kentucky. Then I oppose the passage of this bill if it will not affect these statutes on which the Supreme Court apparently based their opinions in the McNabb case. I think the decision in that case is bad and that there is too much consideration being given to criminals.

Mr. GRAHAM. The gentleman, of course, realizes this is only a temporary measure so that further thought and study might be had on this problem. It is very involved. The question of waiver enters into it, as to whether the accused can waive arraignment. Many factors enter into it. As I understand this bill,

it is simply a temporary bill until further thought and study can be had on this very difficult problem.

Mr. ROBSION of Kentucky. I am opposed to the ruling in the McNabb case. I think it is bad. I think this bill is too broad. I would certainly not vote to pass it. It seems to me we ought to go along and bring in a bill repealing those other acts and adopt such amendments as will be helpful in expressing the views of the gentleman and the others here. We must protect our citizens against third degree and other abuses.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM. I yield to the distinguished chairman of the committee.

Mr. SUMNERS of Texas. Is this not the situation, more or less? The question is as to whether or not, if the arraignment is not made within what is in the judgment of the reviewing court, a reasonable time, and if there is no duress, whether or not in such a situation the Government should be deprived of the opportunity to put in testimony not procured by duress.

Mr. GRAHAM. That seems to be the question. I think you have expressed it exactly right. That is my opinion of it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield the remaining time of 1 minute to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, I have asked for this minute in order to clear up a question that is bothering the Members who have asked me about it. They are asking me why there was no arraignment in the McNabb case. There was an arraignment in that case. There was an absolutely prompt and proper arraignment and the records of the United States commissioners at Chattanooga, Tenn., so show. They were arraigned between 8:30 and 10 o'clock on the morning of the murder. They were arraigned then on the distilling charge. They were bound over and committed to jail in default of furnishing a bail bond. But the next morning the arraignment was on the murder charge. Three McNabbs were then arraigned and pled guilty. They were then committed to jail without bail, of course. Both arraignments were within 48 hours and were before the confession. Therefore, the assertion that in the McNabb case there was no arraignment is absolutely untrue.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk read as follows:

Be it enacted, etc., That no failure to observe the requirement of law as to the time within which a person under arrest must be brought before a magistrate, commissioner, or court, shall render inadmissible any evidence that is otherwise admissible.

With the following committee amendments:

Line 3, strike out the word "no" and insert in lieu thereof "the."

Line 5, strike out the word "not."

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. KEFAUVER. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KEFAUVER: Strike out all after the enacting clause and insert the following:

"That the act of August 18, 1894 (ch. 301, sec. 1, 28 Stat. 416), as amended (U. S. C., title 18, sec. 595), is amended to read as follows:

" 'It shall be the duty of the marshal, his deputy, or other officer who may arrest a person charged with any crime or offense, to take the defendant within a reasonable time before the nearest United States Commissioner or other nearby judicial officer having jurisdiction under existing laws for a hearing, commitment, or taking bail for trial, and the officer or magistrate issuing the warrant shall attach thereto a certified copy of the complaint, and upon the arrest of the accused, the return of the warrant, with a copy of the complaint attached, shall confer jurisdiction upon such officer as fully as if the complaint had originally been made before him, and no mileage shall be allowed any officer violating the provisions hereof.'

"SEC. 2. The act of March 1, 1879, chapter 125, section 9, 20 Statutes 341 (U. S. C., title 18, sec 593) is amended to read as follows:

" 'Where any marshal or deputy marshal of the United States within the district for which he shall be appointed shall find any person or persons in the act of operating an illicit distillery, it shall be lawful for such marshal or deputy marshal to arrest such person or persons, and take him or them within a reasonable time before some judicial officer named in section 591 of this title, who may reside in the county of arrest or if none, in that nearest to the place of arrest, to be dealt with according to the provisions of sections 591, 596, and 597 of this title.'

"SEC. 3. The act of June 18, 1934, chapter 595, as amended by the act of March 22, 1935, chapter 39, title 2 (49 Stat. 77, U. S. C., title 5, sec 300 (A)), is amended to read as follows:

" 'The Director, Assistant Directors, agents, and inspectors of the Federal Bureau of Investigation of the Department of Justice are empowered to serve warrants and subpenas issued under the authority of the United States; to make seizures under warrant for violation of the laws of the United States; to make arrests without warrant for felonies which have been committed and which are cognizable under the laws of the United States, in cases where the person making the arrest has reasonable grounds to believe that the person may escape before a warrant can be obtained for his arrest, but the person arrested shall be within a reasonable time taken before a committing officer. Such members of the Federal Bureau of Investigation of the Department of Justice are authorized and empowered to carry firearms.'

"SEC. 4. Section 397 of the Revised Statutes of the District of Columbia (D. C. Code, title 4, sec. 4-140) is amended to read as follows:

" 'The several members of the police force shall have power and authority to immediately arrest, without warrant, and to take into custody any person who shall commit, or threaten or attempt to commit, in the presence of such member, or within his view, any breach of the peace or offense directly prohibited by act of Congress, or by any law or ordinance in force in the District, but such member of the police force shall, within a reasonable time, upon such arrest, convey in person such offender before the proper court, that he may be dealt with according to law.'

"SEC. 5. Failure to observe the requirement heretofore prescribed by law as to the time within which a person under arrest must be brought before a committing officer shall not render inadmissible any evidence that is otherwise admissible, if the person was in fact brought before such officer within a reasonable time."

Mr. KEFAUVER. Mr. Chairman, the first four sections of this proposed amendment merely make uniform all of these four arraignment statutes. In the case of the F. B. I., as I previously said before, the accused must be brought before the committing officer immediately. In the case of illicit distilleries, the defendant must be brought before the committing officer "forthwith." Marshals are under duty to arraign an accused "without unnecessary delay." This is by court interpretation, and in the case of the District of Columbia they must be brought in for arraignment "immediately and without delay." The courts of the United States, prior to the decision in the McNabb case, and all of the State courts have generally ruled that an arraignment must be within a reasonable time. That has always been the rule. That is the rule under common law. So, the first four provisions of my amendment simply make all of the statutes uniform. This should be done to avoid confusion and differences of interpretation.

Section 5, as will be observed, provides that the evidence shall not be inadmissible if in fact the arraignment was within a reasonable time. I do not feel that we ought to open the door and possibly encourage arresting officers to detain accused persons a long time, treat them badly, with knowledge of the law that no matter what they do in the matter of detention, it will have no effect on the question of whether their confession is admissible or not. That is not in keeping with the spirit of the Constitution. Men arrested are entitled to be arraigned within a reasonable time considering all of the circumstances. That is part of the Constitutional protection they are given. If we pass this rigid rule saying no matter how long they may be detained it does not affect the admission of their confession, we are liable to encourage officers of the law to keep them away from counsel and hide them out and use third-degree methods. I think we would do that if we pass the bill as it is.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. Yes.

Mr. MICHENER. That is, if all those facts are admitted by the court to the jury, then the jury will be permitted to pass on the question of whether or not this undue influence has been used?

Mr. KEFAUVER. The court will pass on whether the accused was arraigned within a reasonable time. That is the rule that we ought to have. It takes into consideration all the facts and circumstances. In conclusion, when this McNabb decision was first rendered the Washington Post editorially was one of the most vigorous proponents of doing something about it. They advocated passage of a bill to remedy the rule of the McNabb case. I notice in the hearings we have an editorial from the Washington Post.

The other day an editorial appeared in the Washington Post in which it was stated that the Mitchell case seems to

have remedied the situation and therefore they doubted the necessity of any legislation other than to make these statutes uniform. The editorial concluded with this statement:

The Hobbs bill would write into the law a rigid declaration that failure to arraign an accused person promptly shall not render inadmissible any evidence that is otherwise admissible. Its enactment might encourage law-enforcement officers to disregard the statutes which require them to take an arrested person promptly before a magistrate or court. The committee might well exert itself in ironing out the discrepancies in the present laws as to the time of arraignment. The enactment of the Hobbs bill in its present form would be a step backward.

Mr. BRYSON. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. BRYSON. Does the gentleman hold that the Mitchell case overrules the McNabb case?

Mr. KEFAUVER. I believe that in the Mitchell case the arraignment was not until 8 days after the confessions were made; yet notwithstanding the fact of those 8 days the court held they were admissible. The lower court held that the confessions were inadmissible, but the Supreme Court applying the usual rules as to whether or not there was psychological influence used in obtaining the confessions held that the confessions in that case were admissible and that the lower court had erred in holding otherwise. So the Mitchell case leaves the law about where it was in the beginning.

Mr. GWYNNE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE to the amendment offered by Mr. KEFAUVER: On page 3, line 4, after the word "admissible" in section 5 of the Kefauver amendment, strike the balance of the section and add the following: "But the failure to bring such person before a magistrate, commissioner, or court within a reasonable time, as determined by the trial court, shall be prima facie evidence that the admission or confession made by such person during the time he was so unreasonably detained is inadmissible."

Mr. GWYNNE. Mr. Chairman, we have several situations before us. First, the McNabb case. I do not approve of that decision and realize that something must be done about it. The Hobbs bill is suggested. Let me call your attention to the fact that some very distinguished lawyers in the country do not think the Hobbs bill is adequate. For example, here is a statement from a report of the committee on civil rights of the New York State Bar Asscciation:

Resolved, That the committee on civil rights of this association be and it is hereby authorized to oppose the Hobbs bill (H. R. 2690) or any other measure of similar import.

Here is a statement by the committee on the bill of rights of the American Bar Association of which the chairman is Mr. Burton W. Musser and the other members very well-known, distinguished lawyers. They go over this whole problem and, talking about the various solutions, have this to say as to what Congress could do:

First, Congress may enact H. R. 3690. All that we have previously said shows why we consider this bill an inadequate way out of the existing difficulties.

We can say what we like—and we are all for enforcement of the law—nevertheless I do not think we should invite the police officers, virtually tell them that if they fail to make this arraignment nevertheless the case will not be interfered with; or on the other hand that we should say to the prisoner: "You may take advantage of some technicality which did not prejudice your rights."

I think the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER], together with this addition I suggest, would protect both the Government and the defendant. My objection to the Kefauver amendment is this: Take the situation where the trial court decides that the arraignment was not made within a reasonable time, therefore the confession is ruled out, whereas the unreasonable time the prisoner was held may have had nothing to do with the confession. Or take this case:

Here was an inexperienced officer who picked up a prisoner and held him for several days, not knowing really what should be done. The prisoner made no objection. The officer never talked to him even and just as soon as the officer had a chance to talk to the prisoner he confessed. Under the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER] that probably could not be used because he was not arraigned within a reasonable time.

As I stated, my objection to the bill of the gentleman from Alabama [Mr. HOBBS] is simply that it affords no protection and no safeguard for the public against the third degree business that has been going on and which the Wickersham Commission has denounced. I do not think this Congress ought to go on record as saying, "We will have none of it. We will put the law back where it was." As much as we disapprove of the McNabb decision, nevertheless it did call the attention of the country and I hope the Congress to a problem that we have to solve.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Indiana.

Mr. SPRINGER. Under the amendment which the gentleman has offered to the amendment offered by the gentleman from Tennessee, the real test is whether or not the confession has been voluntarily or involuntarily made?

Mr. GWYNNE. That is correct and the fact he has not been arraigned is prima facie evidence that it was not properly secured.

Mr. KEFAUVER. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. I think the gentleman and I have pretty much the same aim in mind. I have studied the gentleman's amendment and as far as I am concerned I am willing to accept his amendment to my amendment.

The CHAIRMAN. Does the gentleman desire to ask unanimous consent that the amendment offered by the gentleman from Iowa [Mr. GWYNNE] to his amendment be incorporated in his amendment so that the amendment will read with the amendment offered by the gentleman from Iowa?

Mr. KEFAUVER. Mr. Chairman, I ask unanimous consent that the gentleman's amendment be included as a part of mine.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Iowa will be included as a part of the amendment offered by the gentleman from Tennessee.

There was no objection.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the amendment as amended, assuming that the Gwynne amendment is accepted as an amendment to the Kefauver amendment, be read as amended.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the revised amendment.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the impression might be gathered from the trend of some of the remarks made here on this bill that the real enemies of society in this country are the law-enforcement officers. I know there have been instances where law-enforcement officers in their zeal, or in their ignorance, and some of them out of sheer brutality, have imposed upon prisoners, but in the great majority of cases an officer of the law is about the only guardian of society that we have to protect the law-abiding people of this country. And as a rule they treat prisoners in a humane manner and observe their rights under the law. That has been my experience.

I am also wedded to the idea that justice to the guilty is mercy to the innocent. The supreme purpose of the criminal laws of this country is to protect the decent citizen against criminals. Something was said here today about it being better for 99 guilty men to escape than for 1 innocent man to be punished. We might observe with respect to that statement that most likely 90 to 99 percent of the guilty have already escaped. Let us just take the kind of crime in which confessions are of invaluable aid in obtaining a conviction of a guilty man. Naturally, the rapist does not commit rape in public. He goes out in the darkness of the night. He catches the woman out in Rock Creek Park. He catches her where her outcry cannot be heard so he may outrage her unmolested by anyone who could come to her rescue. The perpetrator of this crime knows he is guilty. The officers catch him. They may not immediately take him before a magistrate. They may not arraign him immediately. They may be collecting evidence of his guilt. As was the case in the Wilburn affair, where Wilburn attempted the crime but did not consummate it, but he terribly wounded the woman and she had to have a number of stitches taken to close the wounds she suffered. Wilburn when arrested by the officers was taken to the scene of the crime and showed and told in detail how he committed the crime. He confessed. But under the holding of the Supreme

Court of the United States he walked out of the court, guilty but free.

Take the McNabb case. I have read the facts of that case. Those fellows were well known moonshiners, and they killed an officer from ambush, shooting him from a cemetery. They were arraigned on the moonshining charge and they confessed the next day. The conviction, based on that confession, was set aside by the highest court of the land. The next time they were tried they got off with a light sentence.

I propose for my people to know, and so far as I am concerned, I want everybody to know that I am on record in this Congress as against the assassin and against the rapist and on the side of womanhood and the law-abiding people of this country.

The first question always to be determined is whether or not the trial judge will treat the confession as admissible. He first determines the admissibility of the confession. He hears testimony with respect to the question in the absence of the jury. Even if he admits it and allows it to be heard by the jury, any claim on the part of the defendant that there was coercion, that he was intimidated, that he was browbeaten, can be made known to the jury and then weighed along with all the other testimony. When you weigh this question in the light of what is best for the public, the decent people of this country, we ought to outlaw this McNabb decision, and we ought to do it now.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. ROBSION of Kentucky. Mr. Chairman, I ask unanimous consent that the gentleman be given one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Kentucky.

Mr. ROESION of Kentucky. I agree with the gentleman. I think the McNabb decision is very bad, and something ought to be done about it. But does not the gentleman believe that the persons arrested, whether innocent or guilty, should be arraigned within a reasonable time, considering all the circumstances?

Mr. JENNINGS. The law requires it. We are not repealing these statutes, requiring arraignment, but we are saying that even though he should not be immediately arraigned, yet if his confession is otherwise admissible, the violation of these statutes by the arresting officer shall not deprive the Government or the State of the benefit of the confession.

Mr. ROBSION of Kentucky. I think the gentleman from Tennessee is hitting at the root of the evil and modifying and making uniform all these statutes.

Mr. JENNINGS. I think the bill as sought to be amended should have been brought in here from the committee. The real test of the admissibility of the confession is whether or not it was voluntarily made. And that is a question to be determined in the first instance by the trial judge and finally by the jury under proper instructions from the court.

Mr. Chairman, there is too much maudlin sympathy with crime in this country. The concern of large numbers of people readily turns from the victim to the perpetrator of the offenses. They want to fondle and some of them fawn over the enemies of society. They tell us that—

When the burglar is not occupied with his burgling,
And the cutthroat is not busy with his crimes,
They love to watch the little brook agurgling
And listen to the merry village chimes.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

We all agree with the judge, the gentleman from Tennessee [Mr. JENNINGS]. We are all against crime and criminals and want to see the guilty punished. The judge merely states the position of each of us when he says he wants to go on record as being on the side of law and order, but some do not believe this bill is the answer to the McNabb decision. No one is on the side of crime. I agree, too, with the gentleman who said a while ago that we do not want any criminals to escape. Neither do we want the innocent coerced into false confessions. The criminals who are escaping punishment are those who are gangsters, and those who have money and influence. It is the poor devil down at the bottom who may be unjustly accused, unjustly confined until he signs a false confession. What this bill does is to invite the officers to keep the poor man, the man who has neither gangster connections, political influence, nor money, in custody, away from his family and friends and his counsel, until the officers get the desired confession.

I cannot speak with the wisdom and from the experience of the gentleman from Pennsylvania. I cannot speak as an ex-United States district attorney. I did have 4 years as a prosecuting attorney, in a community where we did not have gangsters nor organized crime except violators of the liquor laws, hence my experience may not justify the expression of an opinion contrary to the one he gave. Never in my life did I find it necessary as a prosecuting officer to use a confession. A prosecuting official, whether county, State, or Federal, has back of him the power of the municipality, the sheriff's force, and all the power of the State; the aid of the judge in the court where the case is tried, and the presumption is contrary to law in almost every trial that the man accused is guilty until he proves his innocence. I say, we should not take from the innocent the safeguards the law has thrown around him and which experience has shown to be necessary. The fact that these statutes requiring prompt arraignment are on the books is evidence that persons accused of crime were unjustly confined, that officers were abusing their power.

When the gentleman from Pennsylvania says he can cite 38,000 cases, where there was no abuse of power by prosecuting officials, I call his attention to the Wickersham report, which sets forth in detail the facts showing that prosecuting officials do take unlawful advantage of their official position and their authority.

This bill provides that the failure to observe the requirement of law as to the time within which the accused should be brought before a magistrate should not make a confession inadmissible. How long will it be before the committee brings in a bill saying that the failure to observe proper treatment of the prisoner does not bar a confession? That the officers may use a little force to obtain a confession? A lack of ability or perseverance on the part of an official is no excuse for denying a constitutional right which was guaranteed an accused because it was found necessary for the protection of the innocent. The Supreme Court put on record the case where the officer had a Chinaman in and used all sorts of cruelty to make him confess, and he finally did confess to a crime of which he was not guilty. The Supreme Court said, "You cannot do that here in America."

This bill is not the proper solution of the wrong result which has followed the Supreme Court decision. The proper solution is the repeal of the law, the nonobservance of which brought about that decision or the amendment offered by the gentleman from Tennessee as amended by the amendment of the gentleman from Iowa [Mr. GWYNNE] which leaves it to the trial judge or jury to determine whether the prisoner has been detained an unreasonable length of time. Remember, if that is written into the law, the court, the judges, determine whether the confession was obtained properly or improperly. Can we not trust the judges?

Now something about confessions. Let me read you from yesterday's issue of a newspaper from Detroit. I read:

Joyce Raulston was killed the night of last March 27 on a city dump on West Warren near Telegraph. She had left her home at 12204 Monica on the preceding Friday morning, March 24, apparently to go to the Durfee Intermediate School where she was a student. But the following morning her schoolbooks were found on the front porch of her home.

Subsequent investigation revealed that the girl, exceptionally mature for her age, had spent the ensuing week end in a tourist camp hardly a half block from where she was slain. Her companion, police said, was Edward Golema, a IV-F war worker.

The early investigation centered on this camp and particularly on an attendant, Richard Vincent, 23, who admitted renting a cabin to Joyce and Golema. On April 4 Vincent confessed that he killed the girl but later repudiated this confession, claiming it had been made under duress.

He was brought to trial, however, and his trial was in progress when on June 27 Mrs. Zella Gross, of 734 Junction, found Joyce's purse in a suitcase owned by one of her roomers, Robert Turner.

Then Vincent, whose confession was false, whose confession had been ob-

tained by duress, was released. Turner was put on trial.

Again I read:

MURDERER COLLAPSES AT VERDICT

Robert William Turner, 19, was found guilty of first-degree murder Monday night by a jury in Judge Vincent M. Brennan's court. He was convicted of the slaying on March 27 of Joyce Raulston, 14.

But the murderer was William Turner, not Richard Vincent, who, under police urging and coercion had made a false confession. There they had the confession, but it was not true, yet Vincent was on his way to a mandatory life sentence in the State prison when they found the girl's purse in the suitcase of the guilty man.

I think the amendment offered by the gentleman from Tennessee as amended by the amendment of the gentleman from Iowa should be adopted. It gives the court the opportunity and imposes upon the court the duty of saying whether under all the circumstances the confession, offered as evidence, was properly obtained. We should either adopt that amendment or defeat the bill and then amend the District statutes and fix a definite time, 24 hours, 48 hours, 3 days, or 5 days, but some period, circumstances permitting, within which the accused must be brought before a magistrate. Do not give an invitation to the investigating enforcing officers to lock a man in solitary confinement until they get from him a confession which, true or false, can be used to convict him.

Miss SUMNER of Illinois. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I do not think we ought to rush into this amendment here, which many of our abler Members consider reprehensible. We ought to consider that we are here in the law-making business. We do not have to take some rule that some judge wiggled around to get so that it would effect some result that he wants. In this case he wants to stop arraignments, and he cannot figure out any other penalty within his grasp, so Frankfurter says, "You cannot bring in a confession unless you arraign the man in time."

This is a lawmaking body. We are in the lawmaking business, and this is no place to bring in an amendment like this, which, as you know, says that a good, legal, true confession can be thrown out of court, unless a man has his trial in time. The law covering crime and the punishment therefor must not be destroyed because of the reprehensible action of some public officer or of some State district attorney. You should not punish the people of the United States and destroy their law and order because some little officer, way down in some district, did not bring a man to trial in time.

Mr. GWYNNE. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. GWYNNE. That is the very purpose of the amendment I offered. The purpose of it is to bring the man to trial in time.

Miss SUMNER of Illinois. No; your amendment, as all of us back here understand it, puts a relation between confessions and arraignments. If you want to stop police officers from delaying trials, you should bring in a bill here, imposing a penalty on officers, or in some similar way penalize them for delaying the trial of the defendant.

Mr. GWYNNE. I am sure that is not what my amendment means.

Miss SUMNER of Illinois. Then I have thoroughly misunderstood it and many of us here have misunderstood what your amendment does.

Mr. GWYNNE. This is what my amendment means: If an arraignment is within a reasonable time, then that ends it and the confession is admissible. But if the arraignment was within an unreasonable time, then that is only prima facie evidence that the confession is bad.

Miss SUMNER of Illinois. Yes.

Mr. GWYNNE. And that can be offset by telling the truth, if the truth will make the confession admissible. What is wrong about that?

Miss SUMNER of Illinois. Then it is a difference of degree. You throw the burden on the defendant. You make it prima facie evidence that the confession is no good.

Mr. GWYNNE. That the confession is bad: that is right.

Mr. KEFAUVER. That shifts the burden of proof.

Miss SUMNER of Illinois. It shifts the burden of proof.

Mr. GWYNNE. The burden is on the Government to show the confession is good.

Miss SUMNER of Illinois. But it is not with your amendment.

Mr. GWYNNE. Yes it is.

Miss SUMNER of Illinois. Then why bring in your amendment?

Mr. GWYNNE. Because it spots him so much, so to speak. It gives the defendant that much of a break. It gives him a certain amount of evidence. But the burden is always on the Government to prove the confession was voluntary. I offered my amendment so that the Kefauver amendment would go further than it does, so that it would go nearer the Hobbs bill.

Miss SUMNER of Illinois. You say in the case where the arraignment was within an unreasonable time that that is prima facie evidence of a bad confession?

Mr. GWYNNE. That is prima facie evidence.

Miss SUMNER of Illinois. Even in the case where it would be true; is that not right?

Mr. GWYNNE. That is correct. All the Government needs to do then is to bring in the evidence that no force and no promises were made and then the prima facie case would then be overcome.

Miss SUMNER of Illinois. I think when you sit in a place like this, and since we are hearing two stories, I will say this: One of my brothers was shot by a man who had murdered another man. Another of my brothers was kidnaped. And I have sat beside a State's attorney, trying to get convictions so that they would not harm other people. I think it is wrong to throw unnecessary shackles around the officers by this law. I agree thoroughly with the gentleman from Pennsylvania, Judge GRAHAM, and I will not just stand by silent.

Mr. MICHENER. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. MICHENER. As I see this matter, the amendment of the gentleman from Iowa does not mean a thing.

Miss SUMNER of Illinois. It destroys the law.

Mr. MICHENER. I am saying in my judgment it does not mean a thing because in the final analysis the jury must say whether this is a voluntary confession. The only thing it attempts to do is to shift the burden of proof in the first instance from the defendant to the prosecuting attorney. That is all it possibly can do. It does not affect the thing one scintilla, so far as the facts are concerned.

Mr. WHITE. Mr. Chairman, I move to strike out the last word. I hesitate to detain the House at this very late hour and to take issue with the eminent lawyers of the membership of the Judiciary Committee. I think the whole principle of the bill before the House is contrary to the Constitution and the principles of our Government. In the first place on the face of the bill itself it proposes to sanction a violation of law, for it reads:

That the failure to observe the requirements of law—

That is, a failure to observe the requirements of the law by a peace officer is surely a violation of the law. The issue in this legislation seems to be whether a man shall have the safeguards of liberty guaranteed by the Constitution about him, or whether those safeguards shall be denied. The question is, Shall a man charged with a crime have the right to be brought immediately before a judge for arraignment, or shall the law be changed to permit the police to hold a man indefinitely under the pretext of reasonable time? Let me tell you something. Down in Mexico an American railroad engineer running an engine may happen to run over a drunken Mexican; that engineer can be charged for murder and put in prison incommunicado, and the judge can take a reasonable time to bring the man to trial; at the judge's discretion, a reasonable time may run for as long as 6 months or a year. While the gentleman here has been talking about crime he does not seem to be familiar with what has happened in Harlan County, W. Va., or over in Herrin in the coal-mining districts of Illinois, when the machinery of the law was in the hands of the oppressors.

Washington said, "Guard well the Constitution." We must continue to safeguard the liberty of our citizens, safeguards which go back to the Magna Carta and the Bill of Rights guaranteed to us by the Constitution. This whole thing is contrary to the Bill of Rights. When a man is arrested for an offense no police officer should be given the right

to say what a reasonable time for his arraignment is. If you want to violate the Constitution and repeal the Bill of Rights, this is a good way to do it. I am opposed to the bill and to the amendments. Surely we have the responsibility to uphold the Constitution and protect the liberty and freedom of our citizens.

Mr. CURTIS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. Yes.

Mr. HOBBS. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CURTIS. Mr. Chairman, I think we have an eminent and an able Committee on the Judiciary. In fact, I think so much of them that I think they ought to study this bill a little longer and that the bill should be recommitted. The innocent can be convicted in this country, and sometimes they are convicted. This bill cannot become law this session. The Senate has not passed upon it. This very committee is divided upon it, and I don't think it ought to pass the House. Unless the Kefauver amendment is adopted as amended, I shall vote to recommit the bill.

The CHAIRMAN. The question is on the Kefauver amendment as amended by the Gwynne amendment.

The amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Acccordingly the Committee rose; and the Speaker having resumed the chair, Mr. WRIGHT, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 3690) to safeguard the admission of evidence in certain cases, pursuant to House Resolution 662, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MERROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech on treaty ratification delivered by the gentleman from Tennessee [Mr. KEFAUVER] over the Columbia Broadcasting System on December 12, 1944.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

(Mr. WHITE asked and was given permission to revise and extend his remarks.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the bill (S. 1159) creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that in revising and extending the remarks I made on a bill today I may include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Illinois [Mr. DAY] is recognized for 1 hour.

WE FACE A GREAT DECISION

Mr. DAY. Mr. Speaker, I present to you today a state of facts which challenges the very foundation of representative government. In the United States we hold what are known as free elections to choose every 2 years the 435 Members of this House. The integrity and the worth of the Congress of the United States depend upon the purity of this freedom of choice.

We are all familiar with legitimate criticism and readily recognize that as Members of Congress we are rightfully subject to fair and honest attacks upon our records. We are also familiar with the decisions of our courts, that so far as libel is actionable as it affects a Member of Congress, there can be no recovery if the plaintiff Member of Congress be not charged with a crime or gross immorality. This lays us wide open to a vast amount of political attack. If the state of facts which I am about to reveal were limited to this species of political attack, I would not be here today addressing you.

I have refrained from rising on a point of personal privilege in spite of all the vicious and malevolent attacks that have been made upon me from coast to coast, extending for a period of over 3 years. It is only because I am convinced that there is a thoroughly organized and powerfully financed group of character assassins in the United States, determined to destroy the confidence of the people in patriotic Americans who have opposed them, that I take your time today. This group knows no party lines and has no regard for the Congress of the United States and the Constitution under which it was established.

This group is sometimes characterized as "Communist," but it is more than that. A man need not be a Communist to become a member of this group. This is a band of character assassins and I sometimes feel that we give them an undue advantage when we refer to them as Communists. The American people are not ready to believe that there are a great many in the United States who believe in the doctrines of Lenin. The Moscow variety of communism is too pagan and oriental to ever take deep root in American soil. I think it was a mistake in the last campaign to speak of Sidney Hillman as a foreign-born Communist and certainly it was equally a mistake to charge that Earl Browder is a foreign-born Communist, when as a matter of fact he was born in Kansas.

At the outset I want to make it perfectly clear that I am a true friend of all good Americans no matter what may be their origin. I have voted to sustain my opposition to discrimination against any man or woman because of their race, creed, color, or national origin. I am not and never have been anti-Semitic. As a firm believer in our Bill of Rights, I accord to all the full protection that is guaranteed by our Bill of Rights. Freedom of religion, freedom of speech, freedom of the press, freedom of petition, and freedom of assembly are forever guaranteed by our written Constitution and safeguarded from defilement or abuse by any branch of our Government, whether it be legislative, executive, or judicial. These great enduring covenants are engraved upon tablets of stone far beyond the reach of anyone no matter how powerful he may be.

The vicious group in our midst to which I have referred will stop at nothing to gain its ends. Fortified by the tremendous power of the Government itself, they use the radio and the printed word with millions upon millions of pamphlets to create in the minds of the people the impression which they want to sell. They have borrowed from the despised Hitler the very technique which he advocates. Hitler stated that a lie should be a big lie, not a little one, and if this lie be repeated often enough, more and more people will begin to believe it. Under the guise of aiding the war effort, the brain power of hundreds of able writers have been gathered together with Government sanction to carry on a vicious and malevolent attack on Members of Congress designated for the purge. A common scheme runs through all these attacks. The method utilized is to seize upon some act or statement of a Member of Congress, innocent standing by itself, and then by association and the utilization of half-truths, to create an atmosphere of suspicion preparatory to the labeling of the accused Member of Congress as a Nazi or Fascist or even as a traitor to his country.

Character assassination cannot be successful without the cultivation of class hatred and class antagonism. The man attacked would be inconsequential if he could not be connected with someone or something that was already an object of hatred. All good Americans hate Hitler. This group knows that if their object of attack can be associated in the public mind with Hitler then their job is half done and thereafter their object of attack will share a part of the hatred which we all have for Hitler. With this definite objective in mind, the clever brains of this group search out and try to find some act or statement of the Member of Congress which can be distorted to the point where they can say that the object of their attack is a stooge for Hitler.

This method of approach was rendered quite simple because of the known opposition of many Members of Congress to the involvement of the United States in the present World War. Quite naturally, Hitler, for reasons of his own, was also opposed to the entrance of the United States into the present war. Thus this group immediately made an alinement, joining these patriotic Members of Congress and Hitler. They claimed that such Members of Congress and Hitler were fighting for the same ends and that they were pals and associates. Prior to Pearl Harbor, 80 percent of the American people were opposed to our entrance into the present World War and, quite naturally, when meetings of America First were held to protest against our involvement in war, many persons of all descriptions attended these meetings.

It is also quite natural that various publications and writers, who may have been actually friendly to Hitler as opposed to Britain, would speak in praise of the patriotic speakers appearing on the platforms over the country to protest against our entrance into the present war. But can anyone honestly say that there was any association or confederation between the speaker on the platform and those in his audience who might have a different reason for approving the object of the meeting? Can it be possible that we have reached the point where a Member of Congress must engage a detective bureau to weed out of his audience all those who cannot qualify as 100-percent Americans? Can it be possible that we have reached the point where a Member of Congress is himself rightfully charged with being a subversive if some subversive element in our complex society shall take it upon itself to speak or write approvingly of the utterances of the Member of Congress who is honestly doing his best to keep his pledge to his constituents and honestly trying to keep his Nation out of war when he feels, and has the right to feel, that it is for the best interests of his Nation to keep out of foreign wars? No honest Americans can differ on these points and they do not differ. There are legitimate differences of opinion among right thinking people and these differences create issues which can be justly settled in an election.

The point I am making is simply this: Free elections are destroyed when the minds of the voters are poisoned with vicious attacks of character assassins that place the Member of Congress at such a great disadvantage that he cannot successfully defend himself because he does not possess the opportunity of meeting the attacks. Congress wrote into the law governing radio broadcasting the provision that equal time must be afforded to the candidates of both political parties, thus recognizing the fairness and justice of the principle for which I am contending. But, what can we say of a campaign where independent groups of character assassins are organized, having no affiliation, at least openly, with an established political party, and this independent group purchases radio time running into thousands of dollars and fills the air waves from morning to night with abusive statements that reflect upon the integrity and even the patriotism of the Member of Congress under attack?

In the campaign in Illinois, where I was running for reelection as Congressman-at-large from that great State, there was an organization known as Independent Voters of Illinois, Inc., who spent thousands upon thousands of dollars for vicious radio attacks and newspaper advertising directed against me, and neither my opponent nor this group have filed one cent of these expenses with the Clerk of the House. They issued a pamphlet maliciously attributing to me statements which I have never made. On page 4, of a pamphlet issued by that organization on September 20, 1944, it is charged that the following is an excerpt from a speech which I delivered on September 4, 1941, at Detroit, Mich. This so-called excerpt is absolutely untrue and cannot be found in the speech which I actually delivered and which was placed by me in the CONGRESSIONAL RECORD on September 8, 1941, appearing in the Appendix, volume 87, part 13, page A4175, Seventy-seventh Congress, first session. So that you can appreciate how malicious this so-called excerpt actually is, I quote the following words from the pamphlet issued by the Independent Voters of Illinois, Inc., on September 20, 1944:

> Have we the simon-pure progeny of the founding fathers in sufficient numbers to support these two documents (the Declaration of Independence and the Constitution) with their blood if need be, assuring the permanence of the system of government which British Jews would destroy? The evidence of America is that we have.

Bearing in mind that this pamphlet was widely circulated in my district, which is the State of Illinois, I leave it for you to determine the unjust nature of this attack. The words which I have just quoted clearly imply that I have been guilty of inciting armed rebellion and that I am guilty of gross religious prejudices. I have never made a speech in my life where I ever mentioned the word "Jew" and I have never in the remotest degree ever even insinuated that British Jews were seeking to destroy our system of government. This is a damnable and foul lie and known to be such when uttered.

This same pamphlet of the Independent Voters of Illinois, Inc., also refers to several maliciously false charges against me, including an alleged cablegram that I sent to Hitler. Throughout the State of Illinois, these character assassins asserted that I congratulated Hitler on his accession to power, leaving the impression and I favored Hitler's methods and was a Nazi sympathizer. This is a foul example of the poisonous method which I have above outlined. The truth of the matter is that I was the president of a patriotic society organized not for profit in Illinois, in May, 1930, and known as the Lincoln Jefferson Liberty League; that two of the three incorporators thereof were fine Americans of the Jewish faith; that the organization was organized to fight communism and intolerance and that the cablegram to which reference was made was one of similar messages sent to various foreign nations, protesting against the recognition of the Soviet Union. Two days after the sending of these messages on April 8, 1933, there appeared in a Chicago newspaper an article reading as follows:

STEPHEN A. DAY FIGHTS MOVE FOR SOVIET UNION

In a letter yesterday sent to Secretary of State Cordell Hull, Attorney STEPHEN A. DAY, son of a former Secretary of State, urged continuation of the policy of nonrecognition of Soviet Russia. Mr. DAY signed the letter as president of the Lincoln Jefferson Liberty League, a patriotic organization.

Word has come to the league that the Government is contemplating a trade treaty with the Soviets, the lawyer wrote. He then quoted from a report submitted to the Senate in 1924 by Charles Evans Hughes, now Chief Justice of the Supreme Court, who had investigated the activities of the Communist Party in this country. Mr. Hughes found "the existence of a disciplined party equipped with a program aiming at the overthrow of the institutions of this country by force and violence."

Mr. DAY next called attention to the investigation of a congressional commitee, headed by HAMILTON FISH, of New York, which "upheld" the position of Mr. Hughes. "Events subsequent to this report," wrote Mr. DAY, "have only served to emphasize the correctness of the findings and recommendations."

I come now to the real reasons why I have been an object of attack by the President and his entire battery of new dealers, character assassins, and Communists. For many years I have been an outspoken foe of communism and have never been one of those who consider the cruel dictatorship of Josef Stalin a democracy. I have been a student of communism since the time of Kerensky and have carefully analyzed the progress of communism from November 7, 1917, until the present time.

In March, 1917, Czar Nicholas II renounced the throne in favor of his brother, the Grand Duke Michael. The latter issued a statement declaring that he would accept the crown only if this were the will of the Russian people expressed through the medium of a freely elected all-Russian constitutional assembly. This cleared the way for a most advanced democratic republic which actually was proclaimed in the summer of 1917, by the provisional government. This move furnished the opportunity for Lenin and Trotzky to organize an intensive, vicious propaganda throughout

the country and in the active army, calling the soldiers to disobey their officers, and to desert the front in order to conquer the land from the landlords and the factories from their owners. The treacherous ones deserted the front and about 100,000 of them gathered in Petrograd and probably as many in Moscow. Of these deserters, as well as of the idealistic but deceived young workingmen, the Bolsheviks organized their original Red Guard and with its help succeeded in overthrowing, in October, 1917, the inactive democratic provisional government headed by Kerensky. Meanwhile, the elections were completed and the members of the constitutional assembly arrived in Petrograd to begin the sessions. The assembly was overwhelmingly liberal and radical, but the majority belonged to the party of the socialist revolutionaries which had more support from the peasants, while the Bolsheviks were supported mainly by the extreme radical labor groups and were in the minority. The sessions of the constitutional assembly were started and continued a few days until the Bolsheviks ordered their Red Guard to disperse the constitutional assembly.

It was the dispersal of the constitutional assembly which destroyed the chances of democracy in Russia, and sent the unfortunate nation on the road to oppression, violence, terror, and immense suffering. We are familiar with the horrible cruelty that followed, and running through it all was the scheme that one-tenth of the people should be given all rights, liberty, and unbounded power over the remaining nine-tenths. This nine-tenths was compelled to work and it was determined that the program of action should make use of slander, spying, and the stifling of every genius in its infancy. These Bolsheviks had one aspiration—the murder of human personality. There was an insatiable lust for power. There followed a wave of immorality that destroyed the family with widespread vice, sexual immoderation, self-will, and lawlessness. A determined fight was made against religion and there existed a most intense hatred against the clergy and the fundamental principles of Christianity. To make the work successful there came a flood of mockery and a tremendous number of periodicals and books were printed at Government expense. In numerous societies, subsidized by the Government, atheism was energetically introduced and spread among school children. Under the Communist dictatorship, mass murder and torture were the normal methods of administration introduced and applied by the ruling class of Marxian Communists, who were neither poor nor illiterate, but were godless, immoral, and inhuman. If the United States should become an active partner of the Soviet Union, we would be parties to all of these outrages against Christian civilization.

Several years ago I made the prediction that the military success of the Soviet Union would result in the reoccupation and sovietization of several small, mostly democratic countries, namely, Latvia, Estonia, Finland, Poland, and Bessarabia; that cruel mass murders would follow these reoccupations and that thereafter the Soviet Union would move further into Europe, probably into the Balkans and Scandinavia, organizing and utilizing the scum of the local populations to set up governments friendly to Stalin.

Josef Stalin took an active part in the recent campaign and made it perfectly clear that he preferred the reelection of President Roosevelt and did not want Governor Dewey. Much of the New Deal propaganda was devoted to the selling of the proposition that only President Roosevelt could do business with Stalin. By a strange coincidence, the twenty-seventh anniversary of the "red" revolution in Russia and our national election fell on November 7, 1944. Stalin took this occasion to indicate his strong preference for President Roosevelt. In his speech at Boston on November 1, Governor Dewey had this to say of communism and doubtless his words were not pleasing to Josef Stalin:

> Throughout the ages man's greatest struggle is the struggle to be free—free to worship God; to have a family and family life; free to educate his children; to live in economic security in his own home; to be able to have work of his own choosing; and to have a government which is a servant, not a master.
>
> Our Nation was founded by men and women who came here to achieve those things. They built their institutions in a deeply religious pattern and, by the Bill of Rights, they bound their Government to respect freedom of religion and the dignity of the individual. Because of what they did, we call America "the land of the free and the home of the brave," but we cannot take our freedom for granted, nor can we afford to stop being brave. There always have been and always will be those who seek to destroy our freedoms.
>
> Nazi-ism and fascism are dying in the world. But the totalitarian idea is very much alive and we must not slip to its other form—communism.
>
> All of these concepts are enemies of freedom and we must equally reject all of them. They would make the state supreme, give political power only to those who deny the supremacy of God and use that power to force all men to become cogs in a great materialistic machine.
>
> Under these systems, the individual cannot worship, vote, or think as he would, or conduct his life as his own. Slavish obedience to the will of the state is the first great command and the price of nonconformity is liquidation, either through violence or slow economic strangulation.
>
> Today that pagan philosophy is sweeping through much of the world. As we look abroad we see that in country after country its advocates are making a bid for power. We would be fools not to look for that same danger here. We have not far to look. Even Mr. Roosevelt has felt he must say that he does not welcome the support of any person or group committed to communism.
>
> This is as may be. The important facts are, first, that Mr. Roosevelt has so weakened and corrupted the Democratic Party that it is readily subject to capture and, second, that the forces of communism are, in fact, now engaged in capturing it.
>
> That danger can be surely met only by ending a situation which leaves vast power in tired hands. The Republican Party is not perfect. But one thing, at least, is sure: Neither the Communist group which Mr. Roosevelt professes to repudiate nor any other totalitarian group is making an effort to capture the Republican Party. They know how useless it would be.

To show how closely Governor Dewey was calling a spade a spade, let me quote in this connection from the speech of Winston Churchill delivered on December 8, 1944, in the British Parliament:

> Certainly the British Government would be unworthy of confidence if His Majesty's forces were being used by them to disarm the friends of democracy in Greece and other parts of Europe.
>
> The question, however, arises, and one may be permitted to dwell on it for a moment: Who are the friends of democracy, and also how is the word democracy to be interpreted?
>
> My idea of it is that the plain, humble, common man—just the ordinary man who keeps a wife and family; who goes off to fight for his country when it is in trouble, and goes to the poll at the appropriate time and puts his cross on the ballot paper showing the candidate he wishes to be elected to Parliament—that is the foundation of democracy * * *.
>
> We stand upon the foundation of fair, free elections based on universal service and suffrage. That is what we consider the foundation of democracy. I feel quite different about a swindle democracy—a democracy which calls itself a democracy, because it is left wing. * * * The last thing that represents democracy is mob law that attempts to introduce a totalitarian regime and clamors to shoot everyone who is politically inconvenient as part of a purge of those who are very often said to be—but often have not been—collaborators with the Germans during the occupation.
>
> Do not let us rate democracy so low as if it were merely grabbing power and shooting those who do not agree with us. That is not democracy. That is the antithesis of democracy. * * * Democracy is not a harlot to be picked up in the street by a man with a tommygun.

In the United States we have not yet reached the point of actual shooting. We use the smear as a substitute for bullets. If this sort of thing be not stopped as so eloquently expressed by Governor Dewey and Winston Churchill, the day is not far distant when democracy will have totally failed in the United States.

I was marked by my political enemies soon after I came to Congress. Shortly after I entered the House there was introduced on February 3, 1941, the Lend-Lease bill, H. R. 1776, reportedly to promote the defense of the United States but which was in reality and has since been recognized by many as a bill to declare war. This violent departure from thoroughly established constitutional law was labeled by its proponents as a measure short of war. On the first day of the debate I took the floor to make the following comments:

> The Constitution has vested the Congress with specific powers to provide for the common defense and general welfare by way of taxation, to declare war, to raise and support armies, to provide and maintain a navy, and to make rules for the government and regulation of the land and naval forces. If the additional powers be granted to the President, the Congress would clearly be guilty of the abdication of these powers in favor of the President and to have delegated them to him. Both of these steps are clearly unconstitutional. * * *
>
> Is it not clear, then, that we must approach the consideration of this bill as though it were an act to declare war? The people will hold each and every Member of Congress responsible for his vote in this critical time. How many are ready to vote

favorably on a declaration of war, knowing its consequences? * * *

A fair reading of the provisions of H. R. 1776 forces the conclusion to any open mind that the President realizes that in this bill he can carry the Nation no further into the international war without the sanction of the Congress. He has already carried on his negotiations with foreign nations, he has been advised by our diplomatic representatives in foreign nations, and he has in his own mind determined what course this Nation should pursue. In fact, he has exhausted the exercise of his power over our external relations, no matter how plenary and exclusive they may be. To reach the ultimate goal of his desire, he must have now the grant of further power.

Ordained by the Constitution to declare and wage war, the Congress at this hour is now acting within the sphere of those powers where the Congress is given powers which are plenary and exclusive. We must, then, exercise our own discretion and determine when and how this Nation will be plunged into the international conflict. In making this decision we act entirely independently of the President, and he has no more right to interfere with or influence our judgment within the sphere of our constitutional powers than we have the right to interfere with the exercise of his judgment within the sphere of his constitutional powers.

This clears the atmosphere, and let no one misapprehend the consequences of our action or underestimate the responsibility which each Member of the Congress owes to the American people.

After that speech I was a marked man. The truth of the matter is, as future events have vindicated my estimate of the true situation, the adoption of H. R. 1776 was the actual entrance of the United States into the international conflict of the present World War.

I am satisfied that we would never have been involved in the present World War if President Roosevelt had met me halfway. I have long had a bone to pick with President Roosevelt concerning the message which he sent to the Congress on August 21, 1941, and still have, for he never answered the letter which I wrote him on August 22, 1941, the day after he delivered his message outlining the result of his conferences at sea with the British Prime Minister, Winston Churchill. This message presented to the Congress the historic document which has become known as the Atlantic Charter.

In his message, after quoting the eight points of the Atlantic Charter, the President stated in part, as follows:

The Congress and the President having heretofore determined, through the Lend-Lease Act, on the national policy of American aid to the democracies which, east and west, are waging war against dictatorship, the military and naval conversations at these meetings made clear gains in furthering the effectiveness of this aid.

Furthermore, the Prime Minister and I are arranging for conferences with the Soviet Union to aid it in its defense against the attack made by the principal aggressor of the modern world—Germany.

The eloquent statements of Winston Churchill quite recently made in the British Parliament questioning the application of the word "democracy" to totalitarian and Communist governments makes me now confident that if President Roosevelt had answered my letter to him of August 22, 1941, in the spirit in which it was written this great Nation would never have become involved in the present World War.

In all sincerity and fired with an intense patriotic desire to keep our beloved Nation out of war, I sent the following communication to the President, which he did not answer, but instead ordered the squirt-gun battalion to increase the outpouring of their poisonous venom:

Hon. FRANKLIN DELANO ROOSEVELT,
President of the United States,
Executive Mansion,
Washington, D. C.

DEAR MR. PRESIDENT: Yesterday you submitted to the Congress a message outlining the result of several important conferences at sea with the British Prime Minister, including the substance in terms of a joint declaration containing eight points which was signed by you and Winston S. Churchill.

For the information of the Congress and the American people, may I ask you to answer the following inquiries directly bearing upon the subject-matter of your message and said joint declaration:

First. Calling your attention to section 4 of the Lend-Lease Act, which specifically provides that all contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3, shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government, did you consent to the transfer by the British Government of any defense article or defense information to the Soviet Union?

Second. Inasmuch as you state that the declaration of principles includes of necessity the world need for freedom of religion and freedom of information, do you not think that it will require a supplemental agreement by you and Winston S. Churchill so that the freedom of religion and freedom of information may actually be included in the declaration of principles?

Third. Inasmuch as you state that the Congress and yourself have heretofore determined through the Lend-Lease Act that it is a national policy to give American aid to the democracies which east and west are waging war against dictatorship, do you consider that the Soviet Union is a democracy and not a dictatorship?

Fourth. When you speak in the sixth point of the declaration of principles of the final destruction of the Nazi tyranny, do you mean that the Nazi government can be overthrown on land without an American expeditionary force?

Fifth. When you state that the Lend-Lease Act has established the national policy of American aid to the democracies which east and west are waging war against dictatorships, what effect do you give to section 10 of the Lend-Lease Act, which provides that nothing in the act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this act?

Sixth. Inasmuch as you state that the British Prime Minister and yourself are arranging for conferences with the Soviet Union to aid it in its defense against the attack made by the German Government, do you intend to enter into a declaration of principles similar to the one you have signed with Winston S. Churchill, and if so, do you intend to submit such an agreement to the Senate of the United States?

Seventh. When you stated in the eighth point of the declaration of principles that no future peace can be maintained if land, sea, or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers and that pending the establishment of a wider and permanent system of general security, the disarmament of such nations is essential, what part will the Government of the United States play in compelling such disarmament?

Please be assured, Mr. President, that I am asking you these questions to protect the constitutional authority of the Congress of the United States which alone has the power to declare war and to obtain a clarification of the said declaration of principles so that we may have sincere national unity in the defense of our beloved Nation.

We are great admirers of Abraham Lincoln and may I call your attention to the attitude of the Great Emancipator in the historical debates with Stephen A. Douglas when he questioned the Dred Scott decision as not foreclosing all discussion that such decision had forever settled the national policy of the United States. The Lend-Lease Act, in my opinion, was only permissive in character, and the specific reservations contained in the act itself prevented it from establishing a national policy. A joint agreement by the Government of the United States and the Soviet Union at this time will so divide our people in this crisis that it will destroy national unity under your leadership as the President of the United States and the Commander in Chief of our Army and Navy.

With great respect,
Sincerely yours,

STEPHEN A. DAY.

In connection with the so-called Atlantic Charter the President in his message of August 21, 1941, made this statement:

The Congress and the President having heretofore determined, through the Lend-Lease Act on the national policy of American aid to the democracies which, east and west, are waging war against dictatorship, the military and naval conversations at these meetings made clear gains in furthering the effectiveness of this aid.

We must bear in mind that we were not at war with Germany at this time. It is also equally clear that the Soviet Union had never been regarded as a democracy and in the debate preceding the passage of the Lend-Lease Act there was no thought of aiding the Soviet Union, much less that any such aid was to be other than short of war. I recall vividly the words of Senator BARKLEY in the United States Senate on February 17, 1941:

We do not want war. We hate war. Most of us here have seen the ravages of war, and we have seen the devastation and the suffering which it has always entailed. We do not want these ravages and this suffering to come to our shores. We believe that this measure (the Lend-Lease Act) offers the surest method by which we can avoid participation actively in this war and at the same time help those nations which are heroically grappling with a universal enemy to preserve the doctrines of our fathers and the aspiration of our own hearts.

The national policy declared by Senator BARKLEY and the national policy declared by President Roosevelt are plainly not the same. Senator BARKLEY speaks of avoiding active participation in the war. President Roosevelt in his message to the Congress states that—

The military and naval conversations at these meetings made clear gains in furthering the effectiveness of this aid.

The President did not stop there. He states that the British Prime Minister

and himself "are arranging for conferences with the Soviet Union to aid in its defense."

Can anyone doubt what was in the President's mind when he made these statements? Why did he not answer my letter and inform the Congress and the American people what he was doing? If we were merely the arsenal of democracy and furnishing the tools and not the men, why did not the President take us into his confidence?

It is perfectly plain that the President had decided to ignore the Congress. We must bear in mind that the Axis Powers consisted of Germany, Italy, and Japan. When the President made it known that he was aiding the Soviet Union, in conjunction with Britain, the war must pass to the Pacific and that it was only a question of time until we would be involved in a war with both Germany and Japan. It has been written in a recent book that following the conferences at sea in August, 1941, the President felt that he could baby Japan along for 3 or 4 months. The result of such a course was the attack on Pearl Harbor on December 7, 1941. It has recently been stated that Secretary of War Stimson and Secretary of the Navy Knox protested to the President against the ultimatum that was delivered to Japan on November 27, 1941, because we were not prepared. I have no means of knowing that this is so. But I do know that if the President had answered my letter in the spirit in which it was written, the Congress would never have permitted the dastardly sneak attack on Pearl Harbor to occur.

The smear artists have taken a great deal of satisfaction in charging that a great many Members of Congress were "dunderheads" because they did not know what was going on in the mind of the President. He did not take the Congress and the American people into his confidence, so we were working in the dark. With what fairness then can these smear artists refer to our speeches and utterances before Pearl Harbor to lay the foundation of the charge that we were ostriches?

The old arguments—the ones we heard at the time of the passage of the Lend-Lease Act, became badly shop-worn and obviously threadbare. New arguments must be contrived. Senator BARKLEY, who had assured us on February 17, 1941, that the Lend-Lease Act was a measure to avoid participation in war, said:

> This measure does not surrender the right of Congress to declare war. It not only preserves that constitutional right, which cannot be abrogated, but it requires the President to come to Congress for the appropriation necessary to administer it, and also the authority to make contracts for future execution. This measure does not confer upon the President the right to convoy ships across the ocean. It does not confer upon him the right to send American troops to Europe.

Thereafter, the Senator came to Philadelphia and speaks of "a little coterie of American ostriches." He has taken upon himself the task of preparing the American people for a close alliance with the Soviet Union, while he pauses to state:

> Neither the United States nor Great Britain thereby espouses the internal policies or the political philosophy which since the World War has guided the Soviet Republic.

In answer to Senator BARKLEY, I delivered a radio address in which I stated:

> Exercising this type of sincerity and frankness, I state with confidence that when the permanent record of history is written of the period through which we are now passing, it will be stated that Hitler misjudged the strength of the Soviet armed forces, and the world underestimated the power of communism. It is now 11 weeks since Hitler invaded the land of the Soviets, and it will be many long months before he can expect anything approaching a victory. The siege of Leningrad resembles the siege of Madrid. With winter months approaching, his panzer units must be supplanted by heavy artillery to lay siege to what was once the mighty city of St. Petersburg. The front is 1,800 miles in length and no part of this vast line dare be unprotected against a counterattack from the Soviet forces. This means that the whole stage of the war has been altered. The threat of an invasion by Hitler of our own soil or any part of the Western Hemisphere has vanished into thin air.

What then could we expect? Hitler has been made to realize that he has a tremendous if not insurmountable task before him. He must now call upon his ally in the Pacific to cripple the United States of America, which through President Roosevelt, is furnishing vast aid to the Soviet Union. If the United States can become involved in a terrible war in the Pacific, then the chances of victory for the Axis Powers grows brighter. Hitler pursues his attack against the Soviet forces up to the very gates of Moscow where cruel and unrelenting winter freezes his mechanized units still short of their goal.

Can anyone doubt that we have been edged into war? Can anyone doubt that Hitler long before Pearl Harbor had passed the word to Japan to attack us?

The Lend-Lease Act did not justify the President of the United States in his refusal to take the American people and the Congress into his confidence. You will note that I stated in my letter to the President under date of August 22, 1941, that the Lend-Lease Act was only permissive in character and that its specific reservations prevented it from establishing a national policy.

In my opinion, all of the future tragedy and suffering which will come to the world by the tremendous building of the power of the Soviet Union could have been avoided had the President taken the American people into his confidence. The words of Winston Churchill so recently uttered indicate the course of coming events. The dictatorship of the Soviet Union, with all of its class antagonism and with all of its atheism, is on the march. Forces have been developed that perhaps cannot be controlled and none of this need have happened had the President taken the American people and the Congress into his confidence. In my opinion, Hitler would never have attacked the Soviet Union if he had not persuaded himself that we were not prepared to fight on two oceans. I opposed our entrance into the World War with all the power at my command but I am frank to say that had the President, in answer to my letter, called me to the White House and told me just what he had been doing and intended to do, I would have been the first one to have advocated an aggressive program of such magnitude that Hitler would have been stopped in his tracks.

At this hour, we find our boys bearing the brunt of the war on the western front with a terrific struggle ahead for the complete defeat of Hitler. Britain and the Soviet Union are solidifying their gains for future exploitation. The Atlantic Charter is forgotten and the small nations are becoming the battlegrounds of guerrilla warfare. It is not difficult to conjecture how our boys will feel when they return. The United States alone fights for a great ideal and the slaughter must not be in vain. Constantine Brown writing in the Sunday Star, Washington, summarized the present situation:

> Our major allies, it is obvious to all except those who want to blind themselves, have definite political reasons in this war. Hence, their desire and pressure to organize the peace of the world by zones of influence. The United States, having no such objectives in mind as far as Europe is concerned, alone has made the fighting itself—that is to say, the military defeat of Germany—its sole war objective. The major objective, the establishment of a durable peace in Europe based on justice and high principles, has been lost in the shuffles which have come about since the Moscow and Teheran parleys.
>
> The latent conflict of interests between the U. S. S. R. and Great Britain in Iran, Greece, and Italy apparently has been so unexpected by the policy framers of this country that they have given up if not officially, at least in fact, the charter which guaranteed full sovereignty to all the oppressed nations.

The recent clashes in Europe, and especially in Greece and Italy, convince us that the time has come for the United States to make a decision on the paramount issue as to whether capitalism or communism is going to be dominant in the world of the future. Wendell Willkie gave us his endorsement of One World, but he assumed that there could be a friendly basis of cooperation and that there would be no clash between nations or peoples. It is now quite evident that Winston Churchill is determined to do his utmost to see that it will not be a Communist One World. Mr. Willkie was disappointed when Winston Churchill firmly announced that he did not intend to liquidate the British Empire. In his book One World, Mr. Willkie wrote:

> That was one of the reasons why I was so greatly distressed when Mr. Churchill subsequently made his world-disturbing remark, "We mean to hold our own. I did not become His Majesty's first Minister in order to preside over the liquidation of the British Empire."

The internal ferment and open violence attending the removal of the Nazi hold on the peoples of the small nations call for quick action and there is no time for idealistic plans. We are all forced to admit that our failure to demand the kind of a world we desired, before we got into the war up to our necks and gave away billions upon billions of dollars, render it impossible to obtain many of the idealistic objectives that have been cherished by so many internationally minded Americans.

It has become increasingly evident that the Soviet Union unaided lacks the power to deliver the knock-out blow to Germany on the eastern front. It is equally evident that Britain unaided is unable to deliver the knock-out on the western front. It thus becomes necessary for the United States to bear the brunt of the terrific losses that must be sustained in defeating Hitler. Of course, the defeat of Japan is entirely our job, except as we may be aided by some portion of the British Navy. We must continue to help the Soviet Union and we all applaud the tremendous fight Stalin has made to defend his people against Hitler. But we have reached a new phase in this gigantic struggle which cannot be avoided.

We entered the war as the arsenal of democracy furnishing the tools and vast supplies; the Pacific war was thrust upon us by the attack at Pearl Harbor; now we have the gigantic task of furnishing both the men and the supplies to win two wars. Does anyone know what the President intends to do about it? As near as I can discover the President intends to have something to say about the shape of the world when the time comes for the granting of enormous foreign loans to rebuild the world. What kind of a world will we be financing? Are we complacent when we contemplate that it may be a Communist world? The air waves are filled with bitter criticism of Winston Churchill. The program of General Smuts for a British-controlled grouping of nations in western Europe is already seriously threatened by the alliance just made between Stalin and De Gaulle. Do we expect Churchill to withdraw from Continental Europe and leave it to the Communists? We can readily see why President Roosevelt delays his conference with Stalin and Churchill—the President will be forced to decide between the two. What was the actual agreement at Teheran?

All of these considerations bring us back to the paramount issue: What kind of a world are we fighting for? We still have the opportunity to do something about it before it is too late. It is becoming evident that if we decide in favor of Stalin, it will be a Communist world. Can it be possible that we are ready to embrace American imperialism?

My opposition to our entrance into the present World War was based largely upon my vision of the situation in which we are now involved, and especially because of the inevitable effect it would have in vastly increasing the power of the Soviet Union.

On July 31, 1941, I delivered a national radio broadcast in wh'ch I said in part as follows:

Some may say that after Stalin, with our aid, has overthrown Hitler, Stalin will reform and proclaim, as has the President, the "four freedoms." Have we any evidence of this? Does anyone believe that Stalin will turn Christian and bow on bended knee and ask forgiveness for the 2,000,000 men and women that he has murdered?

Men and women of America, this thing has gone far enough. We have been patient, but we are not fools. The last 9 years have been full of pain and suffering, but we are not ready to admit that all of our history, our great traditions, and our great institutions, shall be surrendered to the domination of Stalin. I may be wrong, but I want to go on record now that I shall resist this sell-out of America to Britain and Soviet Russia just as strongly as I shall resist the successful overthrow of this country by Hitler or the Axis Powers.

These words may be found in the Appendix of the CONGRESSIONAL RECORD, volume 87, part 13, page A3710, Seventy-seventh Congress, first session.

That is why I wrote the letter to President Roosevelt on August 22, 1941, which I have above discussed. He did not see fit to answer it and ignored the Congress and the American people. The responsibility is solely his, but there is small comfort in that conclusion.

We can no longer delay a firm statement of America's position. Our first interest is to guarantee and protect, in the spirit of the Monroe Doctrine, American solidarity in the Western Hemisphere—and we must do that before it is too late. We must resolve that we do not favor a Communist world—and we must do that before it is too late. We are wasting time when we expect Stalin to accept a plan of collective security requiring a surrender of sovereignty and no power of veto. Who ever heard of a dictator sharing his sovereignty? It just is not done. If he did, he would no longer be a dictator.

The robot bomb and the other mechanically improved instruments of destruction have indeed brought all nations within the range of sudden attack. But are we so impotent that we can no longer control our destiny? Poison gas has been outlawed by common acceptance. Can there be genuine peace if we rely only on force and refrain from outlawing the devilishly contrived automatons that mock man's right to live?

Machine-driven forces and cruel pagan mandates challenge our statesmanship. Too much internationalism weakens our loyalty and devotion to fundamental Americanism. Let us pause and deeply reflect before it is too late. Now we face the future and patriotic love of country calls for a strong American position.

Let it never be said that we builded here a great Republic that could not live because men were engulfed in selfish ambition and gainful desire that lured them into strange and unknown paths. Let us salute the Stars and Stripes, flying high in the free air of this glorious constitutional Republic, and join ranks for the preservation of liberty regulated by law, on this anniversary of the adoption of our Bill of Rights, 153 years ago.

Oft to every man and nation
Comes the moment to decide,
In the strife of Truth with falsehood,
For the good or evil side.
A great cause, God's new Messiah,
Shows to each the bloom or blight,
So can choice be made by all men
'Twixt the darkness and the light.

New occasions teach new duties,
Time makes ancient creeds uncouth;
They must upward still and onward
Who would keep abreast of Truth,
And serenely down the future
See the thought of men incline
To the side of perfect justice
And to God's supreme design.

Though the cause of evil prosper,
Yet 'tis Truth alone is strong;
Though her portion be the scaffold,
And upon the throne be wrong,
Yet that scaffold sways the future,
And behind the dim unkown
Standeth God within the shadow
Keeping watch above His own.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1033. An act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts;

H. R. 2344. An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes;

H. R. 4327. An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes;

H. R. 4867. An act to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia;

H. R. 5408. An act to amend the Mustering-out Payment Act of 1944, to provide a method for accomplishing certain mustering-out payments on behalf of mentally disabled veterans, and for other purposes; and

H. R. 5543. An act extending the time for the release of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 209. An act authorizing the conveyance of certain property to the State of North Dakota;

S. 1571. An act to provide that the transmountain tunnel in connection with the Colorado-Big Thompson project shall be known as the "Alva B. Adams tunnel";

S. 1580. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the nonreservation Indian boarding school known as Sherman Institute, California;

S. 1597. An act to amend section 1, act of June 29, 1940 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes;

S. 1688. An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes;

S. 1801. An act to authorize the Secretary of the Navy to convey to the Virginian Railway Co., a corporation, for railroad-yard-enlargement purposes, a parcel of land of the Camp Allen Reservation, at Norfolk, Va.;

S. 1898. An act to amend section 99 of the Judicial Code, as amended, so as to change the term of the District Court for the District of North Dakota at Minot, N. Dak.;

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto;

S. 2019. An act to establish the grade of Fleet Admiral of the United States Navy; to establish the grade of General of the Army, and for other purposes;

S. 2105. An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes; and

S. 2205. An act to authorize the dissolution of the Women's Christian Association of

the District of Columbia and the transfer of its assets.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1033. An act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts;

H. R. 2644. An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes;

H. R. 4327. An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes;

H. R. 4867. An act to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia;

H. R. 5408. An act to amend the Mustering-Out Payment Act of 1944, to provide a method for accomplishing certain mustering-out payments on behalf of mentally disabled veterans, and for other purposes; and

H. R. 5543. An act extending the time for the release of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

Accordingly (at 5 o'clock and 38 minutes p. m.) the House adjourned until tomorrow, Thursday, December 14, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2096. A letter from the Acting Chairman, Civil Aeronautics Board, transmitting a request that the time limit provided for by Public Law No. 416 of the Seventy-eighth Congress be extended to December 30, 1944; to the Committee on Interstate and Foreign Commerce.

2097. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1944, submitting a report, together with accompanying papers and illustrations, on a review of reports on Agate Bay Harbor, Minn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on August 8, 1941 (H. Doc. No. 805); to the Committee on Rivers and Harbors and ordered to be printed with three illustrations.

2098. A letter from the Deputy Director, Office of Contract Settlement, transmitting an estimate of personnel requirements for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2099. A letter from the Director, Office of Economic Stabilization, transmitting a copy of the quarterly estimate of personnel requirements for the Office of Economic Stabilization for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2100. A letter from the Director, Office of Defense Transportation, transmitting a copy of the quarterly estimate of personnel requirements during the quarter ending March 31, 1945; to the Committee on the Civil Service.

2101. A letter from the Secretary of War, transmitting a copy of the quarterly estimate of personnel requirements, setting forth the estimate of the number of employees required for the proper and efficient exercise of the functions of the War Department, for the quarter ending March 31, 1945; to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JARMAN: Committee on Printing. House Resolution 676. Resolution authorizing the printing of additional copies of House Report No. 1855, current session, entitled "Economic Problems of the Reconversion Period," for the use of the Special Committee on Post-war Economic Policy and Planning; without amendment (Rept. No. 2058). Referred to the House Calendar.

Mr. WALTER: Committee on the Judiciary. House Joint Resolution 194. Joint resolution designating November 19, the anniversary of Lincoln's Gettysburg Address, as Dedication Day; without amendment (Rept. No. 2059). Referred to the House Calendar.

Mr. PETERSON of Florida: Committee on the Public Lands. S. 1819. An act to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry, in Charlotte County, Va.; without amendment (Rept. No. 2060). Referred to the Committee of the Whole House on the state of the Union.

Mr. KEFAUVER: Committee on the Judiciary. House Joint Resolution 320. Joint resolution proposing an amendment to the Constitution of the United States relative to the making of treaties; without amendment (Rept. No. 2061). Referred to the House Calendar.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2062. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2063. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. HOWELL: Committee on Interstate and Foreign Commerce. S. 1159. An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.; without amendment (Rept. No. 2064). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON:

H. R. 5618. A bill to provide additional pay for enlisted men of the Army assigned to the Medical Corps who are awarded the Medical Corps valor badge; to the Committee on Military Affairs.

By Mr. CANNON of Missouri:

H. R. 5619. A bill to amend section 8 of the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes, approved July 11, 1916, as amended and supplemented, and for other purposes," approved July 13, 1943; to the Committee on Roads.

By Mr. DIRKSEN:

H. Con. Res. 104. Concurrent resolution expressing the thanks of Congress for the contribution to the victory effort being made by the Nation's children; to the Committee on the Library.

By Mr. O'TOOLE:

H. Res. 677. Resolution to investigate the meat situation in the city of New York; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorials of the Legislature of the Dominican Republic reaffirming the solidarity of the Dominican Republic with the United States of America; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of Alabama:

H. R. 5620. A bill for the relief of Mrs. Clara M. Fortner; to the Committee on Claims.

By Mr. HERTER:

H. R. 5621. A bill for the relief of Oscar S. Reed; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6245. By Mr. BARRETT: Petition of Edna Bondurant and 24 other citizens of Torrington, Fort Laramie, and Yoder, Wyo., urging support of the Bryson dry enabling amendment, House Joint Resolution 143; to the Committee on the Judiciary.

6246. By Mr. GWYNNE: Petition signed by 66 residents of Marshall County, Iowa, urging the enactment of House bill 2052 to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

6247. By Mr. ROLPH: Resolution of California Society, Sons of the American Revolution, dated November 13, 1944, endorsing House bill 5081; to the Committee on the Judiciary.

6248 By the SPEAKER: Petition of various employees of Grand Central Annex post office, New York, N. Y., petitioning consideration of their resolution with reference to urging immediate passage of House bill 4715; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, DECEMBER 14, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, in bewilderment and deep need we come, bitterly conscious that what the world prepares to celebrate with merriment and light is so largely as yet a memory and a hope. We confess that this birthday of the Child finds more children orphaned and home-

less than ever since the Christ Child was born; that this oratorio of songs finds more sobs than in all the long years since the angels' chorus; that this festival of the home finds more homes broken and in blackened ruins than ever since the rude inn became the dwelling place of the Divine. Our hearts cry, "O Lord, how long, how long!" And yet we thank Thee for the faith which glorifies all children and songs and homes, and which, battling with a sword bathed in heaven, refuses to cry peace, peace, when there is no peace.

With desires no words can utter, we pray as we bow at a manger, for our valiant sons scattered over all the earth, for our Nation's leaders that they may contribute worthily to mankind's abiding peace; and that out of today's agony there may emerge as gold refined by fire an ordered society of nations that shall give substance and hope to Bethlehem's starry dream. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, December 13, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on December 13, 1944, the President had approved and signed the following acts:

S. 218. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge;

S. 267. An act relating to marriage and divorce among members of the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians;

S. 556. An act for the relief of Pedro Jose Arrecoechea;

S. 616. An act for the relief of Mrs. Mary Vullo;

S. 1274. An act for the relief of Vodie Jackson;

S. 1462. An act for the relief of Solomon and Marie Theriault;

S. 1557. An act for the relief of Joel A. Hart;

S. 1590. An act for the relief of the State of Tennessee;

S. 1645. An act relating to the administration of the Glacier National Park fish hatchery, at Creston, Mont., and for other purposes;

S. 1710. An act to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian;

S. 1732. An act for the relief of Arthur M. Sellers;

S. 1756. An act for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.;

S. 1853. An act for the relief of Dr. Frank K. Boland, Sr.;

S. 1869. An act for the relief of Mrs. Mamie Dutch Vaughn;

S. 1877. An act to transfer Georgetown County, S. C., from the Florence division to the Charleston division of the eastern judicial district of South Carolina;

S. 1897. An act for the relief of Mrs. Sophia Tannenbaum;

S. 1942. An act for the relief of Dr. E. S. Axtell;

S. 1958. An act for the relief of fire district No. 1 of the town of Colchester, Vt.;

S. 1960. An act for the relief of Clifford E. Long and Laura C. Long;

S. 1968. An act for the relief of Elizabeth A. Becker;

S. 1987. An act for the relief of Gordon Lewis Coppage;

S. 1993. An act for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen;

S. 2006. An act for the relief of J. A. Davis;

S. 2008. An act for the relief of Herman Philyaw;

S. 2042. An act for the relief of the legal guardian of Nancy Frassrand, a minor;

S. 2064. An act for the relief of Richard A. Beall; and

S. 2168. An act for the relief of certain disbursing officers of the Army of the United States, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed a bill (H. R. 3690) to safeguard the admission of evidence in certain cases, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 2874. An act for the relief of Robert Will Starks; and

H. R. 3791. An act for the relief of the estate of Charles Noah Shipp, deceased.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Radcliffe
Austin	Guffey	Reed
Bailey	Gurney	Revercomb
Bankhead	Hall	Reynolds
Bilbo	Hatch	Robertson
Brewster	Hawkes	Russell
Brooks	Hayden	Shipstead
Buck	Hill	Smith
Burton	Holman	Stewart
Bushfield	Jenner	Taft
Butler	Johnson, Calif.	Thomas, Idaho
Byrd	Johnson, Colo.	Thomas, Okla.
Capper	La Follette	Thomas, Utah
Caraway	Langer	Truman
Chandler	Lucas	Tunnell
Chavez	McCarran	Tydings
Clark, Mo.	McClellan	Vandenberg
Connally	McFarland	Walsh
Cordon	McKellar	Weeks
Danaher	Maloney	Wheeler
Davis	Maybank	Wherry
Downey	Mead	White
Ellender	Millikin	Wiley
Ferguson	Murray	Willis
George	O'Daniel	Wilson
Gerry	O'Mahoney	
Gillette	Pepper	

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Utah [Mr. MURDOCK] is absent on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Louisiana [Mr. OVERTON], the Senator from Nevada [Mr. SCRUGHAM], the Senator from New York [Mr. WAGNER], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

EDUCATION AND TRAINING OF DEFENSE WORKERS

A letter from the Administrator of the Federal Security Agency, transmitting, pursuant to law, the first quarterly report of the United States Commissioner of Education on the education and training of defense workers, covering the period July 1, 1944 September 30, 1944 (with an accompanying report); to the Committee on Appropriations.

PERSONNEL REQUIREMENTS

Letters from the Office of Administrator of the Federal Works Agency, the Office of Civilian Defense, the Archivist of the United States, and the executive secretary of the Office of Scientific Research and Development, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAILEY, from the Committee on Commerce:

H. R. 5002. A bill granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E; without amendment (Rept. No. 1331); and

H. R. 5206. A bill to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.; without amendment (Rept. No. 1382).

By Mr. GUFFEY, from the Committee on Mines and Mining:

H. R. 4852. A bill to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals; without amendment (Rept. No. 1383).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BREWSTER (for Mr. BARKLEY), from the Joint Select Committee on the Disposition of Executive Papers, to which

were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on December 13, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 209. An act authorizing the conveyance of certain property to the State of North Dakota;

S. 1571. An act to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the Alva B. Adams tunnel;

S. 1580. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the nonreservation Indian boarding school known as Sherman Institute, California;

S. 1597. An act to amend section 1, act of June 29, 1940 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes;

S. 1688. An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes;

S. 1801. An act to authorize the Secretary of the Navy to convey to the Virginian Railway Co., a corporation, for railroad-yard-enlargement purposes, a parcel of land of the Camp Allen Reservation at Norfolk, Va.;

S. 1898. An act to amend section 99 of the Judicial Code, as amended, so as to change the term of the district court, for the District of North Dakota at Minot, N. Dak.;

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto;

S. 2019. An act to establish the grade of Fleet Admiral of the United States Navy; to establish the grade of General of the Army, and for other purposes;

S. 2105. An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans, and for other purposes; and

S. 2205. An act to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets.

JOINT RESOLUTION INTRODUCED

Mr. CLARK of Missouri, by unanimous consent, introduced a joint resolution (S. J. Res. 164) to extend for 90 days the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce, which was read twice by its title and referred to the Committee on Commerce.

HOUSE BILL REFERRED

The bill (H. R. 3690) to safeguard the admission of evidence in certain cases was read twice by its title and referred to the Committee on the Judiciary.

CONTINUATION OF WAR CONTRACTS SUBCOMMITTEE OF COMMITTEE ON MILITARY AFFAIRS

Mr. MURRAY submitted the following resolution (S. Res. 354), which was referred to the Committee on Military Affairs:

Resolved, That the authority conferred by Senate Resolution 198, Seventy-eighth Congress, agreed to February 8, 1944, and Senate Resolution 288, Seventy-eighth Congress, agreed to May 25, 1944 (authorizing the War Contracts Subcommittee of the Committee on Military Affairs to investigate war contracts, termination of war contracts, and related problems), is hereby continued through March 31, 1945.

STATE DEPARTMENT NOMINATIONS—EDITORIAL FROM THE PHILADELPHIA RECORD

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial entitled "Red-Blooded War for Blue-Blooded Peace?" published in the Philadelphia Record of December 14, 1944, dealing with the appointments to the State Department, which appears in the Appendix.]

THE LAND ODOGRAPH—ARTICLE BY ARTHUR SYLVESTER

[Mr. HAWKES asked and obtained leave to have printed in the RECORD an article on the subject of the land odograph, written by Mr. Arthur Sylvester, chief of the Washington bureau of the Newark (N. J.) Evening News and published in the August 30, 1944, edition of the Newark Evening News, which appears in the Appendix.]

CROP INSURANCE

The Senate resumed the consideration of the bill (H. R. 4911) to amend the Federal Crop Insurance Act.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from South Carolina [Mr. MAYBANK], which will be stated.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place in the bill the following:

SEC. —. The first sentence of the twelfth paragraph of section 19 of the Federal Reserve Act, as amended (relating to the payment of interest by member banks on demand deposits), is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That this paragraph shall not be deemed to prohibit the absorption of exchange or collection charges by member banks."

The VICE PRESIDENT. The clerk will also state the unanimous-consent agreement entered into yesterday.

The legislative clerk read as follows:

Ordered, by unanimous consent, That on Thursday, December 14, 1944, at not later than 2 o'clock p. m., the Senate shall proceed to vote upon the pending amendment and all amendments thereto. The time to be equally divided and controlled by the Senator from South Carolina [Mr. MAYBANK] for the proponents, and the Senator from New York [Mr. WAGNER] for the opponents.

Mr. TAFT. Mr. President, the proposed amendment, the so-called Brown-Maybank bill, has been pending before the Committee on Banking and Currency, and that committee is now in the midst of hearings. The hearings proceeded this morning. I myself was waiting until I could get opportunity to examine the members of the Federal Reserve Board and the Federal Deposit Insurance Corporation before finally making up my mind.

In view of the fact that the Senate is proceeding with the bill as an amendment to the pending crop-insurance bill, I asked Mr. Eccles to submit any statement he might care to make. He had already prepared the statement which he was scheduled to make before the committee on Friday morning, and he furnished me a copy of the statement, which I ask to have printed in the body of the RECORD as part of my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, shortly after Mr. MAYBANK introduced his bill, the Board, in response to the committee's request, made a formal report. If it is agreeable to the committee, I suggest that the Board's general attorney, Mr. Dreibelbis, read the Board's report later on. He will undertake to answer such questions as the members of the committee may wish to ask concerning the contents of the report or any of the details involved.

I would like also to suggest that all of the correspondence on the subject in the committee's files, pro and con, be included in the record. In the House it was argued, you know, that no one was opposed to the bill except the Board. This is really the first time opponents, other than the Board, have had an opportunity to be heard. For reasons beyond anyone's control and which everyone understands, it has been possible for only a few members of the committee to hear the testimony which has been offered. I hope that members of the committee will have time to see what the many bankers associations, trade associations, bankers, and businessmen have to say about the pending proposal. It is for these reasons that the suggestion is made.

I shall try to confine my statement to the broader implications of the proposed legislation and to certain matters which seem pertinent in the light of developments since the Board's report.

First, I understand that the question has been asked why, if this law has been in the books since 1933, was it not enforced until September 1943? I understand also that it has been said, with all the innuendos which such a statement implies, that the Board's action was taken only after the sudden death of Representative Steagall in the latter part of November 1943.

Let me say that there never has been a time since I have been on the Board when all of the Board have not believed that the absorption of exchange by a member bank under the circumstances outlined in its published ruling of September 1943 was a violation of the statute Congress enacted. In December 1935, the Board proposed to incorporate in its regulation Q language which, in so many words, would so provide. The F. D. I. C. refused to go along in its corresponding regulation applicable to nonmember insured banks, so the Board postponed the effective date of its proposed amendment. The Board did so because it seemed extremely unfortunate that member banks should operate under one rule and nonmember banks under

another. It hoped to be able to find some basis for agreement between the two viewpoints and to avoid the very situation which now exists.

In December of 1936 the Board again proposed an amendment to its regulation Q along the lines of the 1935 proposal. It was at that time that Chairman Steagall of the House Banking and Currency Committee and the chairman of this committee asked the Board again to defer the effective date of the proposed amendment. Some Members of Congress indicated that they had in mind proposing an amendment to the statute. The Board acceded to the request for a deferment, but it did not recede from its position. Let me read the Board's press statement of January 30, 1937, announcing its action:

"Chairman Steagall of the House Banking and Currency Committee and Chairman WAGNER of the Senate Banking and Currency Committee have requested the Board of Governors of the Federal Reserve System to postpone the effective date of the definition of interest in subsection (f) of section (1) of the Board's regulation Q, which the Board on December 21, 1936, announced would become effective February 1, 1937.

"The Board, after careful consideration, had reached the conclusion that the law and the existence of certain banking practices required the adoption of this definition. But the Board feels that the request which these two chairmen have now made should be granted, in view of the fact that the Board has been informed that a number of Members of Congress are giving consideration to the question of the advisability of amending the law under which the Board's regulation was issued, and desire additional time for that purpose.

"The Board therefore has postponed from February 1 to May 1, 1937, the effective date of subsection (f) of section (1) of regulation Q which contains the definition of interest."

Before May 1, 1937, the Board conceived the idea and suggested to Mr. Crowley that the lawyers of the two agencies get together and write a definition of interest which would merely restate what the courts have said in defining the term. This was done and on February 12, 1937, the applicable regulation of the F. D. I. C. and the Board's regulation Q were amended to provide that, for the purposes of both regulations, "interest" should mean "any payment to or for the account of any depositor as compensation for the use of funds constituting a deposit." The regulations of both agencies thereupon became uniform in this respect. At the same time the Board and the F. D. I. C. issued a joint statement for the press in which it was pointed out that the effect of the amendments was to declare existing law rather than to interpret and apply the law to particular practices. It was stated that this would permit the general application by each agency of a uniform law and a determination, based upon the facts involved, in specific cases.

Never, since the enactment of the law, has the issue of exchange absorption been dead. But it became much more acute with the advent of the defense program which brought with it a huge Government financing program and an opportunity for investment in Government obligations on a scale no one had ever before thought of. The preceding period had been one in which money relatively was a drug on the market. Some banks, because of the assessment for deposit insurance and the lack of investment opportunity, were even trying to decrease their deposits. The Board had hoped the problem of exchange absorption would solve itself but it became increasingly evident that the practice was increasing.

In July 1942 the Comptroller of the Currency addressed a letter to the Board submitting the facts of a practice being followed by a certain national bank and requested a ruling as to the applicability of the law to the facts of that case. The Board delayed an expression of its views pending several examinations of the bank which cumulatively developed that the bank was actually absorbing exchange for the purpose of compensating certain of its depositors for the use of their funds. Moreover, in October 1942, before expressing its views, the Board suggested to the Comptroller of the Currency that representatives of the three agencies meet and consider the matter. Such meetings were held on November 11, 1942, and January 29, 1943. On August 6, 1944, well in advance of the issuance of the ruling, the Board wrote Chairman Steagall of the House Banking and Currency Committee and Chairman WAGNER of the Senate Banking and Currency Committee sending them a copy of the proposed ruling in order that they might have an opportunity to object or comment if they desired to do so. Mind you, this was almost 3 months before Mr. Steagall's sudden death and obviously before the Board could have forecast that untimely event. At the same time a copy of the proposed ruling was also sent to Chairman Crowley of the F. D. I. C. Receiving no objections or comments from either chairman, the ruling was transmitted to the Comptroller of the Currency on August 23, 1943, and was subsequently published in the September issue of the Federal Reserve Bulletin. I have before me copies of all the correspondence to which I have referred and which I would like to have inserted in the RECORD.

There is another matter which has come to my attention upon which I would like to comment. Because my convictions with respect to how the banking system could be made to function more effectively have been publicly stated, the Board has been charged with having ruled as it did in September 1943 for reasons outside and beyond its statutory responsibility under section 19 of the Federal Reserve Act. One such charge has been built around creating the false notion that the Federal Reserve System is a "big bank system" catering to the large banks, trying in its September ruling to abolish the dual banking system and to make it easy for the extension of branch banking by striking at the existence of small banks.

Absurd charges, such as these, illustrate the length to which the proponents have gone. They talk as though the Federal Reserve Act was not patterned to the dual banking system. The Board has consistently recommended changes in the law designed to make it possible for more State banks to become members. There are at this time over 1,700 member State banks and the Board and every Federal Reserve bank wishes there were more. Strangely enough, some of the very same critics, who now say the Board is out to destroy the State banks, have, on other occasions, been equally critical of the System's activities in inviting State banks to become members.

On the matter of the System's interest in the smaller banks, I point to the fact that of a total membership of approximately 6,700 banks, over 5,000 had deposits, as of December 1943, of less than $5,000,000 each. Over 3,200 of these had deposits of less than $2,000,000 each. Compare this with the nonpar banks. Attached to this statement are some very interesting statistics comparing par and nonpar banks as to location, number, and size. It is apparent that if this bill is enacted, it will be to favor a very small minority of banks holding a still smaller proportion of the country's deposits against the overwhelming majority of banks holding a still greater proportion of deposits. Even the maps and statistics do not present the picture in its entirety. As has been pointed out to the members of the committee, the practice of exchange absorption is not as extensive as the practice of charging exchange. Only in the Southeastern States does it appear that the practice of absorbing exchange is extensively followed. Thus the passage of this bill would indeed be a case in which not only would the tail be wagging the dog but the flea would be pushing the elephant around.

The System is composed of small banks and its interest in their welfare has been evidenced by more than giving lip service to the idea. Opening up the credit facilities of the System to permit loans to nonmember banks on the security of Government obligations was in aid of small banks, not large ones nor, I add, member banks. The System's support of Treasury efforts to make Government securities more readily available to banks by simplifying the bidding, making automatic allotments, and giving certain preferential terms has been in aid of the small banks, not the large ones. The Board's consistent opposition to the extension of the business of savings and loan associations into the commercial banking field has been in behalf of small banks, not the large ones. Its position, alone of all the Federal banking agencies, in the matter of the extension of P. C. A. loans, was in behalf of small banks, not large ones. These are a few recent illustrations.

My final comments are concerned with the discriminatory character of the proposed bill as applied to member banks and particularly to small member banks. Members of the committee are familiar with the provisions of the Federal Reserve Act which require member banks to be par banks. It comes about by reason of the fact that the act provides that Federal Reserve banks shall receive checks at par and member banks are prohibited from charging exchange on checks presented by a Federal Reserve bank.

If Congress, by this legislation, authorizes the absorption of exchange, it must be because Congress believes that banks, or at least small banks, should be permitted to charge exchange. Certainly, therefore, it would be extremely unfair to the small National and member State banks, which are equally as small and greater in number than the nonpar banks, for Congress to continue to require them to be par banks. I believe that such action would be decidedly a backward step and would put a heavy and undue burden on business and commerce; but, in the last analysis, the question is one for Congress and if it is right for one small group of banks it should be right for all banks.

Moreover, if Congress believes that member banks should be permitted and thus encouraged to absorb exchange charged by nonmember banks, I would like to say a word in behalf of the proportionately far greater number of small banks which have no exchange to be absorbed and to suggest as a not-too-happy alternative that member banks be permitted to pay interest on bank balances to the extent such balances are not a part of the required reserves of the depositing bank. Since member banks receive no interest on their required reserves, this would result in all small banks alike receiving interest on their balances with correspondent banks to the extent, of course, that their correspondent banks would be willing to pay interest on such accounts. At the same time, unrestrained bidding for balances on the scale which contributed to the bank holiday in 1933 could be reduced by authorizing the Board to fix the maximum amount of interest which could be paid on these accounts in

the same manner as it now does in the case of time deposits.

Mr. Chairman, I cannot sit by as Chairman of the Board of Governors of the Federal Reserve System without raising my voice in protest against a measure designed to undermine the System as this would. Not only would it discriminate against the Federal Reserve System but it would be equally discriminatory against the national banking system, both of which were created by Congress in the first instance. I can see in this bill encouragement to withdraw from the System, encouragement to extend nonpar clearance, and encouragement to revert to the unsound practices of the pre-bank-holiday period and all of this would come at a time of all times when the banking system must continue to meet the greatest challenge it has ever faced.

Number of par and nonpar banking offices, by States, June 30, 1944

[Includes branches and additional offices, except offices at military reservations, classified according to Federal Reserve par list status. Preliminary figures, subject to minor change]

State	Total, all commercial banking offices [1]	Banking offices on Federal Reserve par list			Banking offices not on Federal Reserve par list
		Total	Of member banks [2]	Of nonmember banks	
Alabama	237	110	103	7	127
Arizona	38	38	28	10	------
Arkansas	241	100	67	33	141
California	1,016	1,016	893	123	------
Colorado	140	140	92	48	------
Connecticut	132	132	69	63	------
Delaware	52	52	18	34	------
District of Columbia	51	51	47	4	------
Florida	164	78	60	18	86
Georgia	369	101	83	18	268
Idaho	86	86	63	23	------
Illinois	827	825	466	359	2
Indiana	564	564	246	318	------
Iowa	808	808	162	646	------
Kansas	622	620	213	407	2
Kentucky	420	413	134	279	7
Louisiana	202	76	69	7	126
Maine	126	126	73	53	------
Maryland	255	255	131	124	------
Massachusetts	312	312	264	48	------
Michigan	614	613	373	240	1
Minnesota	677	255	215	40	422
Mississippi	248	27	25	2	221
Missouri	591	514	171	343	77
Montana	110	90	69	21	20
Nebraska	410	258	148	110	152
Nevada	23	23	20	3	------
New Hampshire	67	67	54	13	------
New Jersey	472	472	388	84	------
New Mexico	47	47	27	20	------
New York	1,332	1,332	1,174	158	------
North Carolina	341	100	70	30	241
North Dakota	176	45	42	3	131
Ohio	849	849	563	286	------
Oklahoma	382	370	215	155	12
Oregon	138	138	98	40	------
Pennsylvania	1,135	1,135	850	285	------
Rhode Island	59	59	39	20	------
South Carolina	169	53	49	4	116
South Dakota	205	87	80	7	118
Tennessee	344	162	105	57	182
Texas	848	764	535	229	84
Utah	70	70	43	27	------
Vermont	79	79	41	38	------
Virginia	386	339	221	118	47
Washington	219	204	144	60	15
West Virginia	180	175	107	68	5
Wisconsin	695	502	178	324	193
Wyoming	56	55	37	18	1
Total	17,584	14,787	9,362	5,425	2,797

[1] Includes (*a*) 102 private banks that do not report to State banking departments, in Georgia, Iowa, Michigan, and Texas, (*b*) 13 "cooperative" banks in Arkansas. Excludes (*a*) all nonmember mutual savings banks, on a few of which some checks are drawn, (*b*) 51 nonmember industrial banks and 54 nonmember nondeposit trust companies on which no checks are drawn.

[2] Includes 3 mutual savings banks and 5 nondeposit trust companies.

Number and deposits of commercial banks classified according to Federal Reserve par list status, June 30, 1944

[Deposits as of December 1943, in thousands of dollars. Preliminary figures, subject to minor change]

State	All commercial banks [1]		Member banks [2]		Par nonmember banks		Nonpar banks	
	Number	Deposits	Number	Deposits	Number	Deposits	Number	Deposits
Alabama	217	841,422	83	706,896	7	13,666	127	120,860
Arizona	12	229,188	7	198,130	5	31,058	------	------
Arkansas	223	483,671	66	348,905	28	32,936	129	101,830
California	192	8,857,658	110	8,100,708	82	756,950	------	------
Colorado	140	720,327	92	662,258	48	58,069	------	------
Connecticut	116	1,290,318	63	873,090	53	417,228	------	------
Delaware	41	372,770	17	278,728	24	94,042	------	------
District of Columbia	21	705,729	18	685,422	3	20,307	------	------
Florida	164	1,057,874	60	842,772	18	69,098	86	146,004
Georgia	344	1,191,869	62	913,273	17	48,820	265	229,776
Idaho	46	257,898	25	225,031	21	32,867	------	------
Illinois	827	8,520,887	466	7,953,023	359	566,083	2	1,781
Indiana	494	1,974,956	223	1,446,149	271	528,807	------	------
Iowa	652	1,428,031	162	774,486	490	653,545	------	------
Kansas	622	1,028,152	213	695,494	407	331,808	2	850
Kentucky	389	1,022,057	113	697,077	269	322,773	7	2,207
Louisiana	148	1,062,773	40	833,888	4	26,350	104	202,535
Maine	66	346,111	40	251,717	26	94,394	------	------
Maryland	175	1,322,927	79	974,796	96	348,131	------	------
Massachusetts	192	3,581,779	154	3,302,333	38	279,446	------	------
Michigan	439	3,760,199	228	3,391,755	210	368,176	1	268
Minnesota	671	1,873,354	209	1,498,988	40	78,429	422	295,937
Mississippi	200	486,214	25	187,473	2	5,734	173	293,007
Missouri	591	2,901,699	171	2,410,913	343	423,898	77	66,888
Montana	110	319,052	69	264,542	21	24,737	20	29,773
Nebraska	408	834,275	146	661,373	110	95,153	152	77,749
Nevada	10	99,101	8	93,359	2	5,742	------	------
New Hampshire	65	158,644	53	134,492	12	24,152	------	------
New Jersey	351	3,098,143	293	2,633,344	58	464,799	------	------
New Mexico	41	162,238	27	130,427	14	31,811	------	------
New York	695	28,102,757	593	26,687,950	102	1,414,807	------	------
North Carolina	202	1,127,680	54	682,049	22	148,756	126	296,875
North Dakota	153	299,836	42	129,913	3	59,087	108	110,836
Ohio	680	5,068,468	415	4,580,990	265	487,478	------	------
Oklahoma	382	914,691	215	793,707	155	115,780	12	5,204
Oregon	68	897,132	32	848,329	36	48,803	------	------
Pennsylvania	1,029	7,489,012	764	6,509,211	265	979,801	------	------
Rhode Island	22	507,894	13	457,230	9	50,664	------	------
South Carolina	145	393,510	28	283,974	4	6,552	113	102,984
South Dakota	164	240,051	60	168,264	7	6,604	97	65,183
Tennessee	293	1,297,637	76	1,046,847	54	114,978	163	135,812
Texas	848	3,658,958	535	3,302,448	229	307,859	84	48,651
Utah	57	383,855	34	327,925	23	55,930	------	------
Vermont	71	159,804	39	85,647	32	74,157	------	------
Virginia	313	1,255,671	194	1,035,782	84	179,269	35	40,620
Washington	124	1,458,162	56	1,367,838	53	77,432	15	12,892
West Virginia	180	545,563	107	426,961	68	113,060	5	5,542
Wisconsin	560	1,897,237	157	1,351,252	267	432,511	136	113,474
Wyoming	56	136,023	37	112,008	18	23,754	1	261
Total	14,009	105,823,257	6,773	92,369,167	4,774	10,946,291	2,462	2,507,799

[1] Includes (*a*) 102 private banks that do not report to State banking departments in Georgia, Iowa, Michigan, and Texas, (*b*) 13 "cooperative" banks in Arkansas. Excludes (*a*) all nonmember mutual savings banks, on a few of which some checks are drawn, (*b*) 51 nonmember industrial banks and 54 nonmember nondeposit trust companies on which no checks are drawn.

[2] Comprises all member banks, including 3 mutual savings banks and 5 nondeposit trust companies.

NOTE.—This table does not include deposits of industrial banks and "trust balances" of nondeposit trust companies on which no checks are drawn; also, deposit figures in this table are aggregates of December 1943 figures reported by banks that were in existence in June 1944. Consequently they differ from total deposits in December 1943 of banks then in existence. The member bank figures include, and the nonmember bank figures exclude, deposits of banks that became members between December 1943 and June 1944.

Mr. TAFT. Mr. President, there are on file with the Committee on Banking and Currency some 3,695 communications relating to the Brown-Maybank bill, and, of those, 3,081 are from persons or organizations opposed to the bill.

I might say further that the State banking associations in some 25 States have acted in opposition to the Maybank bill and submitted resolutions to the committee; namely, the State banking associations of Colorado, Connecticut, the District of Columbia, Idaho, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

Mr. President, the Maybank bill attempts to amend the section of the Federal Reserve Act which provides:

The Board of Governors of the Federal Reserve System is authorized * * * to determine what shall be deemed to be a payment of interest, and to prescribe such rules and regulations as it may deem necessary to effectuate the purposes of this section and prevent evasions thereof.

The Federal Reserve Act provides in section 12:

No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand.

The practice which exists among nonpar banks, affecting a very small percentage of the total deposits of this country, is to charge exchange on checks drawn on those banks. For instance, if I am living in a small town, and I have a deposit in a non-par bank, I can of course go to that bank with my check and draw out the money without payment of exchange, but if I send my check to Chicago in payment of a bill, we will say, and the Chicago man deposits the check in his bank, the Chicago bank

sends the check to a bank in Atlanta, the Atlanta bank presents it to the nonpar bank, it refuses to pay the $1,000 for which the check is drawn, but will pay on the check only about $997.50, refusing to honor the check according to its terms.

Mr. McKELLAR. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. McKELLAR. For more than 9 years the Federal Reserve Board acquiesced in that practice, indicating by so doing, apparently, that they did not believe the practice to be wrong. Now, after about 10 years, they make a different ruling.

Mr. TAFT. I will answer the Senator later. I was only trying to describe the process.

Mr. McKELLAR. Very well.

Mr. TAFT. That means, of course, that the depositors in these banks do not like that practice very much because, of course, people to whom they try to pay their bills object to accepting less than the full amount of a check. In States like Nebraska or South Dakota those exchange charges are not absorbed. The central banks do not absorb them. When the individual who received the check presents the check to the bank he is paid only $997.50.

Naturally the depositors do not particularly like such a practice, and in some States it has gradually driven away the depositors from the nonpar banks. We had witnesses from Nebraska before the committee who testified that they felt that as a business matter the payment of checks at par was advisable, and was the only manner in which they could handle it. In the South, however, they have not been obliged to make it inconvenient for their depositors, because the city banks have been in the habit of absorbing those exchange charges. So that in effect the city banks pay this difference to the small nonpar banks. Of course, there is no reason in the world why they should pay it, except that they like to have on deposit with them the deposits of the small nonpar banks. The nonpar banks feel, and really the equitable argument made here is, that the local depositors should not have to pay this expense, which may be a necessary expense; that it is proper to pass it on to the central banks, because the deposits of local money, which are made to the central banks, are of some value to the central banks, and therefore they ought to pay the exchange, and it is perfectly proper for them to do so.

Of course, logically there was an argument for the payment of compensation for deposits, but Congress has taken the position that there should be no compensation paid for demand deposits in the United States. That has been repeated over and over again. It is set forth in the law and is repeated in the Federal Reserve Act. We prohibit the payment of interest. We say in effect that to permit the payment of any compensation for demand deposits creates an unfortunate condition in the banking business, and that it tends to draw the money away from local districts, where it can be loaned out, and tends to bring the money into the central banks, and finally into New York. Of course, in the great example in 1929, it resulted in the sending of all the money to New York, where it was used on the call market to promote stock exchange speculations.

A condition like that is not likely again to arise. But the policy of Congress is definite—that banks shall not pay interest on demand deposits left with them either by individuals or by other banks. The effect of this absorption practice is to permit a payment of compensation, and it is absolutely contrary to the whole principle of the law, of the Federal Reserve Act, which is laid down by Congress.

The only question which concerned me is the same question which has undoubtedly concerned the Federal Reserve Board, and has led to the fact that this practice has continued—whether or not the Federal Reserve Board has the right to say that payment of compensation in the form of the absorption of exchange charges is interest within the terms of the Federal Reserve Act. The Federal Reserve Act provides:

> No member bank shall pay any interest directly or indirectly by any device whatsoever.

Certainly that is an indication to Congress that they intend a broad definition of these terms. As a matter of fact, the Federal Reserve Board has never issued a regulation saying that exchange charges cannot be absorbed. The Federal Reserve Board has only ruled in an individual case. Their regulations, which have been worked out with the F. D. I. C., only define interest as "any payment to or for the account of any depositor as compensation for the use of funds constituting a deposit."

That is the regulation. The Board has never said that the payment of exchange charges in any case is interest and is a violation of the law. All they have said is that in a particular case on which they ruled it was a device for the payment of interest. Now even the F. D. I. C., which is supporting the bill, has a regulation which says that the absorption of exchange charges is not interest:

> In the absence of facts or circumstances establishing that the practice is resorted to as a device for the payment of interest.

The F. D. I. C. itself is supporting the bill, but Mr. Brown, of the F. D. I. C., in an opinion, says:

> This opinion will not apply to cases where the particular circumstances are such as to establish that the practice has been resorted to deliberately as a device for the payment of compensation to a depositor for the use of his funds.

So the Board and the F. D. I. C. are in agreement as far as official regulations are concerned that exchange charges may be absorbed unless the payment of those charges is used as a device for the payment of interest.

The particular case which the Federal Reserve Board ruled on was a case of this sort. The bank had absorbed exchange charges for customers keeping so-called compensating balances. In 1942 it had absorbed for such customers $18,000 out of $25,000 exchange charges paid. In the first 3 months of 1943 it had absorbed $4,600 out of $5,600. In some instances the amount absorbed for some customers amounted to as much as 2 or 3 percent of their balances. That its total correspondent bank deposits had increased from less than $7,000,000 at the end of 1941 to nearly $18,000,000 in 1943, a ratio far greater than the increase in its total demand deposits, or of the corresponding increases of other banks in the same area. The exchange charges were not absorbed, but were charged back when, because of a lack of a compensating balance, the bank had "no way of making it back."

In other words, they made this contingent on the fact that the bank kept a compensating balance. In other words it was clearly a compensation for the keeping of a balance in that particular bank.

On occasion the bank had written to its correspondent banks suggesting that they par items sent to such banks in return for the parring by the subject bank of items received from such banks. In one instance accounts had been shifted from a competing bank to the subject bank because of its willingness to absorb such charges. In those circumstances the Board ruled that the bank in question was violating the prohibition against the payment of interest on demand deposits.

Mr. President, if the pending amendment is agreed to it means that regardless of how exchange charges are used, regardless of how they are made dependent upon the keeping of balances in certain amounts, nevertheless they are lawful. It seems to me clear that if we pass such a sweeping law as that we not only permit the continuation of the charges that have been made, but we actually open up a manner in which the prohibition against payment of interest may be directly avoided by banks throughout the entire United States. We, in other words, permit the violation. We say that you cannot pay interest, but you can use this method of going around behind and actually paying interest for deposits. In other words it seems to me that this measure breaks down the whole principle established by Congress that interest shall not be paid on demand deposits.

I think it is unfortunate that the measure comes up on the floor of the Senate. We might work out some method by which absorption of exchange charges could be frozen so that the practice could continue where it has existed, but could not in any way be extended. Certainly the proposed method of saying that any exchange charges may be made regardless of whether they are compensation for funds, violates not only the rules of the Federal Reserve Board but also the principles laid down by the Federal Deposit Insurance Corporation.

I may say in answer to the Senator from Tennessee that Mr. Eccles has made a statement as to why the Board has not

acted before this time. As I have pointed out, the Board has ruled on a particular case. Incidentally, any bank can dispute the validity of the regulation. I do not think it would be done, because the regulation is clearly valid. Any bank to which the Federal Reserve Board says, "You cannot absorb exchange charges" may cooperate with its depositing bank to take the case to court for a determination of what the law actually is, or whether in its particular case it has been using exchange charges as a device to pay interest on demand deposits. That question can be taken to court.

It seems to me that it would probably be better to leave the question to be determined in each individual case, and let the courts permit interest to be paid in cases in which it is the customary practice, with no relation to the money on deposit in compensating balances. There would still be the threat against the extension of the practice. That would remain in the law as it is today. I see no reason why we should attempt, by a sweeping regulation, to authorize a practice which, if extended, would certainly break down the whole prohibition against the payment of interest, and would break down the effort to obtain par clearance throughout the United States.

Mr. Eccles says in his report:

First, I understand that the question has been asked, Why, if this law has been in the books since 1933, was it not enforced until September 1943? * * *

Let me say that there never has been a time since I have been on the Board when all of the Board have not believed that the absorption of exchange by a member bank under the circumstances outlined in its published ruling of September 1943 was a violation of the statute Congress enacted. In December 1935 the Board proposed to incorporate in its Regulation Q language which, in so many words, would so provide. The F. D. I. C. refused to go along in its corresponding regulation applicable to nonmember insured banks so the Board postponed the effective date of its proposed amendment. The Board did so because it seemed extremely unfortunate that member banks should operate under one rule and nonmember banks under another. It hoped to be able to find some basis for agreement between the two viewpoints and to avoid the very situation which now exists.

In December of 1936 the Board again proposed an amendment to its Regulation Q along the lines of the 1935 proposal. It was at that time that Chairman Steagall, of the House Banking and Currency Committee, and the chairman of this committee asked the Board again to defer the effective date of the proposed amendment. Some Members of Congress indicated that they had in mind proposing an amendment to the statute. The Board acceded to the request for a deferment, but it did not recede from its position.

He then quotes from a letter which he wrote to Chairman Steagall on January 30, 1937, stating that the Board would defer further action because of the request of Congress, and the proposal that legislation would be brought before Congress to clarify the situation.

Continuing with Mr. Eccles' statement:

Before May 1, 1937, the Board conceived the idea and suggested to Mr. Crowley that the lawyers of the two agencies get together and write a definition of interest which would merely restate what the courts have said in defining the term. This was done and on February 12, 1937, the applicable regulation of the F. D. I. C. and the Board's regulation Q, were amended to provide that, for the purposes of both regulations, "interest" should mean "any payment to or for the account of any depositor as compensation for the use of funds constituting a deposit." The regulations of both agencies thereupon became uniform in this respect. At the same time the Board and the F. D. I. C. issued a joint statement for the press in which it was pointed out that the effect of the amendments was to declare existing law rather than to interpret and apply the law to particular practices.

Mr. President, I do not think it is necessary for me to read all of Mr. Eccles' history of the actions of the Board; but I think it is perfectly clear that the Board has always maintained that this practice could become, and was becoming, a payment of interest; that it was breaking down the Board's rules; and that the Board only waited until a particular case could come before it, in which the facts clearly showed that it was being used as a payment of interest, to make the ruling of September 1943.

Furthermore, no rule has ever been made which absolutely prohibits the absorption of exchange charges. The Board is merely interpreting the statute. The courts are free to interpret the statute in some other way.

Mr. President, I believe that it is most unfortunate for the Senate to countenance the practice of taking a bill away from a committee, by means of attaching it as an amendment to another bill, with which it has nothing whatever to do. It is obvious to me in this case that there is at least some prospect, if we consider the proposed amendments, of arriving at an agreement in the committee. I do not see how it can be done on the floor of the Senate. That is a further reason why these matters should be considered carefully by the committee. Until the committee has shown an unwillingness to act, or its opposition to the bill, there seems to be no reason why it should be offered as an amendment to the pending bill. I know that the chairman of the committee feels strongly that the committee should not be deprived of jurisdiction. I feel very confident that the measure proposed is of such a sweeping character that it would not only protect the existing practice where it already exists, regardless of its merits, but would also open the door much wider than at present to the general extension of this practice to States in which it does not exist. Probably in a good many more than a majority of the States the practice does not exist; and certainly we have the right to ask that no change in the law be made which would introduce that practice into other States, regardless of what its merits may be in the States in which it now exists.

Mr. REVERCOMB. Mr. President, yesterday I discussed certain points which have arisen in the course of this debate on the pending amendment. Today I have before me an article written by Walter Wyatt, who is a distinguished lawyer of Washington, and also general counsel for the Federal Reserve System. It is especially to be noted that the views expressed by him are not stated in his official capacity as counsel for the Federal Reserve System; yet we know that he speaks with authority on this subject. The title of the article is "The Par Clearance Controversy." It was published in the Virginia Law Review for June 1944. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks certain excerpts from Mr. Wyatt's article. I ask that the footnotes showing the authorities cited be omitted. The statement given here is a summary of the history of this controversy and the conclusions of this authority upon the subject.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE PAR CLEARANCE CONTROVERSY

The par clearance controversy, which raged in Congress during the consideration of the original Federal Reserve Act in 1913, was revised by the so-called Hardwick Amendment in 1917, and was fought out in the courts during the 1920's, has recently been reopened by the introduction of certain bills in Congress. It is essentially a controversy between banks and commercial interests on the one hand which wish to have checks circulate freely at full face value and a small minority of banks on the other hand which wish to derive a profit from the obsolete practice of deducting so-called exchange charges when remitting to out-of-town points for checks drawn upon themselves.

This controversy originated when Hon. CARTER GLASS, of Virginia, incorporated in the original Federal Reserve Act, of which he was the author, provisions designed to provide for the collection of checks at par by the Federal Reserve banks. It was revived in 1917 when a committee of bankers sought to have a rider for the purpose of restoring to member banks of the Federal Reserve System and preserving to nonmember banks the right to exact exchange charges attached to a bill containing important wartime amendments to the Federal Reserve Act. This effort was resisted successfully, but the resulting legislation was so ambiguous and self-contradictory that the battle was continued in the courts. It resulted in several decisions of national importance by the Supreme Court of the United States.

It appeared that this controversy was settled by these decisions and by certain modifications in the check collection practices of the Federal Reserve system. However, it has been reopened by certain bills introduced in Congress in January 1944, which involve the question only indirectly but the enactment of which would have unfortunate effects upon our banking system.

HOW PRESENT CONTROVERSY AROSE

Competition between banks for the deposits of other banks and large corporations resulted during the 1920's in the undue concentration of such deposits in banks which were willing to engage in unsound competition for them, usually by paying excessive rates of interest. The banking difficulties in 1932 and 1933 were accentuated and increased by the sudden withdrawal of such deposits, especially by large corporations having large balances in numerous different banks. This precipitated the failure of several large banks in places like Detroit, Baltimore, and Cleveland. The failure of these banks pulled down numerous other banks which had entrusted their reserves to them, precipitating State-wide "banking holidays" in States like Michigan, Maryland, and Ohio, and contributing very largely to the Nation-wide suspen-

sion of the banking business on March 4, 1933.

As a consequence, Congress provided in the Banking Act of 1933 that, with certain exceptions not pertinent here, "No member bank [of the Federal Reserve System] shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand." By an amendment contained in the Banking Act of 1935, Congress also required the Board of Directors of the Federal Deposit Insurance Corporation to prescribe regulations imposing similar restrictions on all nonmember banks whose deposits are insured by the Federal Deposit Insurance Corporation.

Certain banks sought to evade this prohibition by undertaking to absorb exchange charges on checks collected by them as an inducement for the maintenance of balances with them by the banks from which such checks were received for collection. In response to an official request from the Comptroller of the Currency based upon the facts in a specific case, the Board of Governors of the Federal Reserve System expressed the opinion that the practice reflected by the facts stated in the inquiry constituted a violation of the law and published its administrative interpretation of the law in the Federal Reserve Bulletin.

This resulted in vigorous protests by a vociferous minority of banks which still charge exchange. They claimed that the Board's action was a revival of the effort of the Federal Reserve System to enforce universal par clearance. This claim was based on the attenuated theory that, if intermediate collecting banks could not absorb these charges and had to pass them back to the owners of the checks, the owners would complain to the drawers of the checks because their obligations had not been paid in full, and the drawers would bring pressure on their own banks to discontinue the practice of charging exchange. It was claimed that numerous small nonmember banks located principally in a dozen Southeastern and Mississippi Valley States could not exist without the revenue derived from these charges.

These protests resulted in hearings before the Banking and Currency Committee of the House of Representatives in December 1943, for the purpose of bringing pressure upon the Reserve Board to reverse its interpretation of the law. This effort proving unsuccessful, bills were introduced in both Houses of Congress to amend the law so as to provide that it "shall not be deemed to prohibit the absorption of exchange and collection charges by member banks." Hearings were continued in the Banking and Currency Committee of the House of Representatives during January and February 1944; the House bill was reported favorably on February 15, 1944, although five members of the committee filed a strong dissenting report; and the bill passed the House of Representatives on March 2, 1944.

The primary effect of the enactment of this bill would be to impair the safeguards erected in 1933 and 1935 against unsound competition for deposits of other banks and large corporations; but it would also encourage many banks which now pay their checks at par to discontinue doing so and would encourage many banks to withdraw from the National Banking System and the Federal Reserve System in order to obtain the revenue derived from exchange charges. Thus, the old par-clearance controversy is reopened.

Many of those participating in the fight over the pending legislation are unfamiliar with the past history of the par-clearance controversy and many inaccurate and misleading statements have been made about it. Therefore, it is believed that a review of the past history of the legislation and litigation regarding the par clearance of checks would be timely, and would serve a useful public purpose.

* * * * *

CONCLUSION

The issue of par clearance has twice been considered by Congress; and on both occasions Congress has decided in favor of the par collection of checks by Federal Reserve banks, notwithstanding the determined opposition of a group of bankers who desired to preserve for themselves a source of private profit at the expense of the business and commerce of the country by perpetuating the obsolete practice of charging exchange, with all of the attendant evils of an inefficient, cumbersome, expensive, and dangerous method of check collection. On the first occasion, Congress required Federal Reserve banks to collect at par all checks on member banks sent to the Federal Reserve banks by their depositors. On the second occasion, it broadened the scope of the authority of Federal Reserve banks to collect checks and required that all checks collected by them must be collected at par, regardless of whether they be drawn on member or nonmember banks.

The courts have upheld these powers and requirements almost completely. They have upheld the constitutionality of the requirement that Federal Reserve banks must collect checks on member banks at par and that member banks must remit at par for their own checks when forwarded to them by Federal Reserve banks. They have upheld the right of Federal Reserve banks to collect checks on nonmember banks whenever they can be collected at par; and they have upheld the right of Federal Reserve banks to send checks on nonmember banks to local agents without accumulation for orderly presentation across the counter in order to obtain payment at par, except in States with antipar-clearance statutes like that in North Carolina.

As a matter of policy, the Federal Reserve System voluntarily discontinued presenting checks on nonmember banks through other than the usual banking channels; but there is no legal reason why it could not resume that practice if it were inclined to do so in order to collect checks on nonmember banks which will not pay their checks at par when presented through the mails.

With this possibility of enforcing par clearance directly by established methods of proven efficacy, it is absurd to say that the Board of Governors of the Federal Reserve System is now endeavoring to enforce universal par clearance by indirection, merely because it has expressed the opinion that the practice of absorbing exchange charges as compensation for the maintenance of deposits is a violation of the law which forbids member banks to pay interest on demand deposits, "directly or indirectly, by any device whatsoever."

WALTER WYATT.

WASHINGTON, D. C.

Mr. TAFT. Mr. President, acting on behalf of the Senator from New York [Mr. WAGNER], I should like to inquire whether any other Senator wishes to speak against the amendment. I have no notice that any other Senator wishes to speak against it. If any Senator who wishes to speak against the amendment will communicate with me, I shall be glad to yield to him as much time as possible.

Mr. BILBO. Mr. President, I take it that if the opponents of the amendment are not willing to consume their full time, its proponents can speak until 2 o'clock.

The VICE PRESIDENT. The proponents of the amendment have 52 minutes allotted to them.

Mr. BILBO. Very well.

Mr. President, the pending amendment has been brought forward because of the attempt of a bureaucratic group which apparently exists in some parts of the city of Washington to regulate the affairs of the American people from the banks of the Potomac River. The bill, which is the subject matter of the amendment, was introduced by the Senator from South Carolina [Mr. MAYBANK], and is identical with House bill 3956, which passed the House on the 3d of last March by an overwhelming vote; in fact, the House was so nearly unanimous in support of the bill that the opponents were not even able to obtain a yea-and-nay vote on the question of its passage.

I appreciate the fact that at this time the proponents of the amendment are in a somewhat awkward position in urging its adoption before the hearing on the bill which is now being conducted by the Committee on Banking and Currency has been completed. But that situation, I wish the Senate to understand, is not our fault. The bill came to the Senate from the House of Representatives on the 3d of last March, and the committee has had more than 8 months in which to hold hearings on it. Why there has been so much delay, I do not know. Sometimes a good way to defeat a measure is to delay the hearings on it. The hearings on the Brown-Maybank bill before the Senate committee did not start until last week. But there was a very full and complete hearing on the bill in the House committee. I hold in my hand a copy of those hearings. They were held at various times in the months of December 1943 and January and February 1944, and they lasted almost 30 days. After a full hearing, the House was practically unanimous in voting for the passage of the bill.

I also appreciate the basis of the objection to attaching the Maybank bill as an amendment to the crop-insurance bill which is being sponsored by the Senator from Oklahoma [Mr. THOMAS]. I appreciate the fact that the legislation proposed by the pending amendment is not germane to the provisions of the crop-insurance bill. But I also know that there is no Senate rule requiring germaneness. Therefore, it is parliamentarily proper to attach the Maybank bill as an amendment to the crop-insurance bill.

Some Senators may think that the adoption of the Maybank bill as an amendment to the crop-insurance bill, to which it is not germane, might in some way mitigate against the chances of passage of the crop-insurance bill. But I do not believe it would affect the chances of the passage of the crop-insurance bill either in the Senate or in the House. In fact, I should like to call the attention of the Senator from Oklahoma to my belief that if he will agree to have the Maybank bill adopted as an amendment to the crop-insurance bill, its adoption will make sure the passage of the crop-insurance bill in the House of Representatives, because it is my understanding that the Members of the House of Representatives are stronger in their advocacy of the Maybank-Brown bill which would do

away with the autocratic, bureaucratic ruling of the Federal Reserve Board than they are in their support of the crop-insurance bill. So, Mr. President, if the pending amendment be adopted to the crop-insurance bill, I am sure it will help the passage of that bill in the House of Representatives. I merely offer that as a suggestion to the Senator from Oklahoma.

Mr. President, the present situation is one in which the big boys are lined up against the little boys. It is a case of the small banks against the large city banks. There are something over 14,000 banks in the United States. The Federal Deposit Insurance Corporation, under Mr. Crowley, has supervision of approximately 13,000 of the 14,000 banks. Mr. Crowley is very strongly in favor of the passage of the Maybank bill.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, two statements made by Mr. Crowley in support of the bill. One of them begins on page 112 of the House hearings. At that time Mr. Crowley pointed out the importance of the passage of the bill, and he also took occasion to point out the ultimate effect of defeat of the bill, and he intimated what the Federal Reserve System or those behind it are really after, namely, to destroy the 2,400 or 2,700 small banks which are enjoying the right and privilege of having their exchange fees absorbed by their correspondent banks. So, Mr. President, since my time is very limited, I ask unanimous consent to have printed in the RECORD Mr. Crowley's statement which begins on page 112 of the House hearings, and also his statement which begins on page 669 of those hearings, for Mr. Crowley was called before the committee a second time, and in his second statement he emphasized the facts brought out in his first statement.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

ABSORPTION OF EXCHANGE CHARGES—STATEMENT OF LEO T. CROWLEY, CHAIRMAN, FEDERAL DEPOSIT INSURANCE CORPORATION

(Friday, December 17, 1943)

Mr. CROWLEY. Mr. Chairman and members of the committee, I have a written statement which I would like to present later, but I would like to say a few words first.

I appreciate that Mr. Ransom, Mr. McKee, and their associates have made a very thorough study of this question and have gone into great detail and I might say they are all dear friends of mine and I hate to be in disagreement with them, especially on banking matters, all of the time; but, fundamentally, there is a difference between us and we have a little difficulty in agreeing on some things. From an administrative standpoint, we get along very nicely.

I think it is unfortunate that this has come up just at this time, when the Congress, apparently, is thinking about recessing for a while. I would like to have an opportunity to spend some time with this committee on this regulation and I am sure it cannot be done in half an hour's time, or an hour, that we might have this morning.

I am also sorry that Mr. Steagall is not here. We went all through this regulation several years ago and it was indicated then that this committee and many Members of Congress wanted this matter deferred. The matter of this law as interpreted by the Federal Reserve has been on the books since 1933. I appreciate Mr. Ransom is a very conscientious individual and wants to carry out the wishes of Congress.

We, too, want to carry out the wishes of Congress, but I fail to find anywhere in the direction from Congress it ever indicated a desire to deal with par clearance. You skate around all you want, but when you get right back there are a few fundamental things involved. First, I think the ruling indirectly forces par clearance on the banking system of this country, and I have always been a strong believer that in legislative matters you should meet a thing directly, not placing some fine Italian writing in a law and then interpreting it in a way that you feel your theories can best be served. And Congress certainly in the past has indicated, without question, that it is not in favor of enforcing par clearance, and the Supreme Court has indicated, as I understand it, that the Federal Reserve Board did not have the authority to do so.

Secondly, in the question of absorbing a service charge, or the question of indirect interest by absorbing exchange, what is the difference? In a practical sense, if you are going to talk about paying interest, when Sears-Roebuck carries an account with a bank that clears all of their checks and handles them for them without the service charge, where they maintain a balance of $10,000,000, what is the difference whether the bank gives credit for that balance by way of free service in clearing checks or by way of absorbing exchange? Now, they do that all through the banking system. If you have an individual checking account and maintain a balance of three, four, or five thousand dollars, you will find you do not pay the service charge that the housewife, who has only $100 balance, does on the items that she sends through. Now, if that is not as much of an indirect payment of interest as absorption of exchange, I do not know what you would call it. I think that Congress never intended, in this law, to deal with exchange any more than it did other service charges. I certainly have found no evidence that Congress intended either that the Federal Reserve or the Federal Deposit would outlaw these exchange charges.

Now, the net result of this indirect action is that you have some two or three or four thousand banks that may be materially affected. The amount of exchange that the large banks are absorbing is very, very nominal in the whole banking system. I think the matter has been grossly exaggerated as to the influence and effect that it has on the banking system. Furthermore, I have always been a believer in free enterprise in the banking system; that banks ought to be able to supervise themselves on certain practices and not lean on the Government to manage their institutions and to determine what practices they should pursue and what practices they should not pursue.

Certainly if we were up here to urge Congress to pass some regulation that might affect the interest rates that banks could charge on loans, you would hear a cry in holy horror that we were interfering with free enterprise, but people apparently seem to be willing, where it is financially to their advantage, not to object to interference.

I think the net result of the Federal Reserve Board's ruling is this: First, it forces par clearance; secondly, it very definitely affects the earnings of a lot of little banks. The next step, in my judgment, is that you break your little banker; you eliminate him from your banking picture, and the advocates of branch banking immediately will come along and say, "Now, this little community is in need of a bank and cannot support an independent bank, so that we have to have a branch bank to serve that community."

Now, I do not think this ruling relates to just the matter of exchange in these little banks; I think a very fundamental issue is involved, and I think this committee ought to take plenty of time to understand all of the elements that may be involved, because I think that, as you go along, you will find there are fundamental differences in principle between the Federal Reserve and the Federal Deposit Insurance. I do not say the Federal Reserve are opposed to the small bank as such, but my experience in your State banks versus your national banks—and we have had a lot of experience with their attitude toward small banks in connection with war contract advances, Government deposits, and the latest ruling—is that every move has been made to discriminate against the rights of the little nonmember bank. And when the Deposit Insurance system was set up it was very definitely understood that deposit insurance would not be used as that type of vehicle.

So, as I say to you, I think there is a lot more involved in this thing than whether you refuse to let these large banks absorb exchange charges; for these fellows amounting to eight or ten million dollars, or whatever it may be, that they are absorbing for now; I think there is a lot more involved than that.

Mr. BROWN. Mr. Crowley, may I ask just one question there?

Mr. CROWLEY. Yes.

Mr. BROWN. Suppose the Supreme Court should construe the definition of interest by the Federal Reserve Board to be wrong, unsound; then, of course, the Federal Reserve Board would be violating the law in reference to their interpretation of the word "interest"; is that true?

Mr. CROWLEY. That is right.

Mr. CRAWFORD. Could I ask Mr. Crowley a question on the statement he just made? Would you include in your general observation there, where you mentioned deposits and the absorption of exchange and those other matters that you did specifically mention, all of which tend to operate against the operation of the small banks, the effect of the Government lending agencies on their earning? I notice you did not mention that, and I wondered if you would care to include that in your remarks.

Mr. CROWLEY. Congressman, I think my position is very well known. I have written very definite letters to this committee and also to the Senate committee, where I have agreed with the small bank on the effect of those things on the small bank's earnings.

Mr. CRAWFORD. Well, which is the greater sum involved—this eight or nine million dollars that you mentioned or the losses to the small country banks incidental to Government lending?

Mr. CROWLEY. Let me say this to you: If you ask me which arm I want to have cut off, my right or my left, I would raise the question whether you ought to cut either one of them off. I agree with you on that, that it does affect the little banks.

Let me say this to you: We do an awful lot of talking all the time about what we are going to do for the small businessman, what we are going to do for the small bank. The small banks just do not have the advocates to come before you men and present their viewpoint. They are scattered all over the United States, and one reason why they are small is because they are weaker than the larger group. And many, many of the larger banks are giving the small boys lip service on this regulation here; they are indicating to them they are all in sympathy with them, but they do not care about the thing, although at any time there is any legislation here which affects the larger banks' interests they will use the small fellows to come in and do the fronting; but I notice every time the small bank is involved they are the ones who are left hanging out on the limb by themselves.

Mr. CRAWFORD. I have been such a close follower of yours and of your philosophy on maintaining the capital structure of the

banks, the deposits of which you insure, that I have never for one moment when I was conscious lost sight of the elements which tend to prevent the small bank from earning a sufficient amount of money to preserve its capital structure.

Mr. CROWLEY. I know that; that has always been your position.

Mr. CRAWFORD. So what I was trying to get clear in my own mind is where is the greatest leakage, for comparison, not as to which is right or which is wrong, but whether it would be the $8,000,000 or the losses to the small banks incident to the Government lending agencies coming into their communities and absorbing away from them the paper that is worth while.

Mr. CROWLEY. There is not any doubt but what in some instances the competition of Government agencies has much more effect on their earnings than this. But that is not before us now; this other matter is.

Mr. CRAWFORD. I understand. The only reason I brought that up is because you mentioned other things, and I do not believe you mentioned the Government lending agencies.

Mr. PATMAN. Mr. Chairman, I will have to go. I am anxious to hear Mr. Crowley. I would like to inquire if you expect to finish with him today, or if you will have him back later.

The CHAIRMAN. That is the pleasure of the committee. I do not know whether Mr. Crowley could conclude today or not. Since Mr. Crowley has had no opportunity as yet to present his side of the question, I told him we would recognize him today. We have started with him rather late, but I thought that we would go as long as we could today. It being doubtful that we could conclude today.

Mr. PATMAN. I will read your statement with interest, Mr. Crowley.

Mr. CROWLEY. Thank you. [Resuming statement:]

As we understand it, the question under discussion is the immediately impending general application to all member banks of the ruling of the Board of Governors of the Federal Reserve System, published in the Federal Reserve Bulletin for September 1943, and subsequently amplified, which holds the absorption of exchange to be a violation of regulation Q prohibiting the payment of interest on demand deposits.

The Federal Deposit Insurance Corporation had previously submitted a vigorous dissent from the proposed ruling of the Board of Governors of the Federal Reserve System. I should like to insert in the record at this point a copy of our letter of dissent which was addressed to the late Hon. Henry B. Steagall, then chairman of this committee.

The CHAIRMAN. Without objection, that may be done.

Mr. CROWLEY (reading):

AUGUST 20, 1943.

The Honorable HENRY B. STEAGALL,
Chairman, Committee on Banking and Currency,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: We are interested to read the proposed letter of the Board of Governors of the Federal Reserve System to the Comptroller of the Currency accompanying Governor Ransom's letter to you under date of August 6, a copy of which was sent us with advice that it would be mailed on August 23.

In this letter the Board of Governors holds that the absorption of exchange charges by a national bank constitutes a payment of interest in violation of section 19 of the Federal Reserve Act and of the Board's regulation Q, which prohibit payment of interest on demand deposits by member banks.

The subject matter of this letter was discussed by representatives of this corporation with members of the Federal Reserve Board staff in January 1943, at which time they were advised that this corporation believes the Board of Governors' position to be untenable, as the question involved appears to be one which Congress has pointedly refrained from delegating to the Federal banking agencies for disposition and in which the theory of the Board of Governors would appear to require it to outlaw as well the absorption of service charges and other expenses for depositors which all banks now incur to some degree.

In practically all systems of service charges on deposit accounts, credit, up to a maximum amount of the charges, is given for the worth of the balance to the bank in terms of an assumed or hypothetical rate of interest. A survey of service charges conducted by the American Bankers Association in 1938 showed that out of 478 clearing houses replying to the inquiries, at least 387, or 81 percent, used service-charge systems, which, in effect, gave customers credit for interest on their accounts in determining the amount of service charges to be levied. Of course, no interest was actually paid; it was credited against charges which would otherwise be levied. The practice has become more widespread since that survey was made.

Under these methods of service charges the depositor whose account is considered to be desirable receives a pecuniary benefit which he would not otherwise receive in the form of free services, which represents essentially a rebate of charges. This benefit is an incentive for the maintenance of larger balances on deposit with the bank than might otherwise be maintained.

We know that it is a common practice of many depositors to balance the rate of return which they could secure on their funds, if invested, against the service charges which they would have to pay if their larger balances were withdrawn, and to base their decisions with respect to the use of their funds upon the relative advantage to accrue therefrom. The system of providing free services on the basis of minimum balances and of levying charges against those who do not maintain such balances appears to us to be as much a payment of interest as the absorption of exchange charges. In the latter case, the bank pays for something; in the former case, the bank refrains from collecting income which it would otherwise receive. The net result to the bank is precisely the same, the purpose is precisely the same. The only difference is an accident of accounting.

Therefore, if the absorption of exchange charges constitutes a prohibited payment of interest, it seems to us equally clear that the absorption of internal service charges, telephone and telegraph charges, and postage for depositors is likewise a prohibited interest payment. Dollar-wise, the volume of service charges and expenses absorbed by the banks is immeasurably greater than the exchange charges which the banks pay for their customers. Yet the Board of Governors, we believe, would frankly admit that to compel banks to pass on to their depositors expenses and charges of this character would not only be a disservice to the depositing public, but would, in their opinion, be as far beyond the scope of the Board's authority as we consider the proposed ruling to be.

As we view the proposed ruling, it is simply another attempt to force par clearance upon nonmember banks. In the past, all such attempts have been defeated administratively, legislatively, and judicially.

Over 2,100 insured banks charge exchange on items drawn against them and, while the total involved is relatively small, these charges constitute a vital source of income to these institutions. They have long fought the efforts of the proponents of free clearing to outlaw the practice and Congress was not unaware of that fact in enacting the interest provisions of the 1933 and 1935 acts. Yet Congress did not attempt to deal with the question then, and we do not believe it intended that the banking agencies do so indirectly under the guise of an interest regulation. This corporation does not intend to do so, and it hopes that the Board of Governors will not give rise to a situation where two Federal agencies make conflicting decisions to the consternation of the public. In such a situation we consider it singularly appropriate to await precise directions from Congress.

A similar letter is being sent to Senator WAGNER and to Representative DOUGHTON of North Carolina.

Very truly yours,

LEO T. CROWLEY,
Chairman.

Mr. CROWLEY (continuing). On December 6, 1943, the board of directors of the Federal Deposit Insurance Corporation adopted a ruling which expressed the view that—

"The absorption of exchange charges by an insured nonmember bank in connection with its routine collection for its depositors of checks drawn on other banks cannot be considered a payment of interest, within the terms of the interest regulations of the Federal Deposit Insurance Corporation, in the absence of facts or circumstances establishing that the practice is resorted to as a device for the payment of interest."

I should like to insert that ruling in the record. That ruling merely confirms the position taken by this Corporation in 1935 and 1936 and adhered to consistently ever since.

I should also like to read to this committee a memorandum prepared by our chief counsel, dated November 24, 1943, dealing with this question and which forms the basis of the ruling of the board of directors.

I am sorry Mr. Brown is not here; he is laid up with the flu.

The CHAIRMAN. Without objection, you may insert anything you desire in your testimony.

(The ruling follows:)

"RULING OF THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION ADOPTED DECEMBER 6, 1943

"RE: ABSORPTION OF EXCHANGE CHARGES AS PAYMENT OF INTEREST

"The Federal Deposit Insurance Corporation recently has received a number of inquiries from insured banks concerning whether the absorption by insured nonmember banks of exchange charges imposed by other banks on checks deposited by customers for collection or clearance constitutes a payment of interest in violation of the Corporation's interest regulations, Code of Federal Regulations, title 12, part 304 (sec. 304.2).

"The board is of the view that the absorption of exchange charges by an insured nonmember bank in connection with its routine collection for its depositors of checks drawn on other banks cannot be considered a payment of interest, within the terms of the interest regulations of the Federal Deposit Insurance Corporation, in the absence of facts or circumstances establishing that the practice is resorted to as a device for the payment of interest.

"Attached hereto is a copy of the memorandum opinion of the general counsel for the Corporation on this question."

Mr. CROWLEY. Mr. Chairman, I would like to have Mr. Thompson read this memorandum for our general counsel.

The CHAIRMAN. Very well.

Mr. THOMPSON (reading):

NOVEMBER 24, 1943.

MEMORANDUM

Question: Does the absorption of an insured bank of exchange charges constitute a payment of interest prohibited by the

regulations of the Federal Deposit Insurance Corporation?

The Federal Deposit Insurance Corporation recently has received a number of inquiries from insured banks concerning whether the absorption by insured nonmember banks of exchange charges imposed by other banks on checks deposited by customers for collection or clearance constitutes a payment of interest in violation of the Corporation's interest regulations, Code of Federal Regulations, title 12, part 304 (sec. 304.2).

The renewed inquiries concerning this question appear to be prompted by recent publicity given to a ruling of the Board of Governors of the Federal Reserve System interpreting the provisions of its regulation Q. The interest regulations of the Federal Deposit Insurance Corporation are applicable only to insured banks which are not members of the Federal Reserve System, whereas regulation Q is applicable only to member banks of that System.

The Corporation's interest regulations provide that with certain exceptions not here applicable, "no insured nonmember bank shall directly or indirectly, by any device whatsoever, pay any interest on any demand deposit," and that "any payment to or for the account of any depositor as compensation for the use of funds constituting a deposit shall be considered interest." The question presented is whether the absorption of exchange charges constitutes a "payment to or for the account" of the insured bank's customers and if so, whether such payment is "as compensation for the use of funds constituting a deposit." If both of these questions are answered in the affirmative, the act of absorbing the exchange charge would be a prohibited payment of interest; otherwise, it would not be a violation of the regulation.

The absorption of exchange charges arises out of the collection of checks drawn on out-of-town banks which are not cleared through the Federal Reserve banks and for which the drawee bank makes a charge against the collecting bank. These checks are deposited by the payees or endorsees in other insured banks which forward them for collection to the drawee banks. The latter remit the face amount of these checks less their charges for clearing or honoring the checks. The collecting banks absorb the difference between the face of the checks and the amount remitted, which is the amount of the exchange so deducted. More than 2,100 insured commercial banks not members of the Federal Reserve System do not clear such checks at par and thus are listed by the Federal Reserve banks as nonpar banks. In addition, many other banks, both members and nonmembers of the Federal Reserve System which clear at par through the Federal Reserve banks, make a practice of charging exchange on so-called direct sendings, i. e., items forwarded by correspondent banks directly rather than through the Federal Reserve banks.

It is our opinion that the absorption of exchange charges by an insured nonmember bank in connection with its routine collection for its depositors of checks drawn on other banks cannot be considered a payment of interest within the terms of the interest regulations of the Federal Deposit Insurance Corporation, in the absence of facts or circumstances establishing that the practice is resorted to as a device for the payment of interest.

The reasons for this opinion are as follows:

(1) The absorption of expenses in connection with handling a depositor's account under the law is not ordinarily a payment to or for the account of the depositor. Banks customarily absorb many expenses in connection with the handling of customers' accounts which the law recognizes to be investments in customer good will. Therefore these are expended for the account of the bank rather than for the account of its depositors, even though the depositors may derive benefit therefrom. Thus for valued customers banks frequently absorb expenses such as telephone and telegraph charges, postage, clerk and teller hire, and the cost of printing check forms.

Most banks have installed schedules of service charges to be levied upon deposit accounts. While numerous differences of detail obtain, the common rule underlying such schedules is that the deposit is worth something to the bank and the bank will absorb costs of handling the account up to the average worth of the account on the basis of an assumed rate of return on an investment of the account.

In most cases, a basic charge is made for any account which is not kept above a certain minimum balance. For such charge, or the maintenance of such minimum balance, a certain number of items, i. e., checks or deposits, are handled. Items in excess of the minimum allowed, if not compensated for by larger balances, are charged for at published or established rates. In a large proportion of the banks which use this measured system of service charges, the larger accounts, or the more active accounts, are also subjected to analysis to determine the cost or profit to the bank of handling such accounts, and the customer is charged accordingly. In many other banks all service charges are based upon account analysis regardless of size of the account. Approximately 70 percent of the clearing houses participating in a survey conducted by the American Bankers Association in 1938 reported use of account analysis in levying service charges upon depositors. (Service Charge Survey, 1938, Bulletin 77, January 1939, American Bankers Association.) Under this latter system, charges are made against the account for all costs incurred by the bank in handling the account and credit is given for the amount which the account earns for the bank. These costs include exchange and collection costs absorbed, bookkeeping and transit costs of handling items deposited or checks or drafts drawn, and charges for miscellaneous services such as collecting notes, handling out-of-town collections, transferring money by wire or otherwise, or providing credit information. So long as the worth of the account to the bank exceeds the cost of performing services, no charge is levied against the customer.

Where exchange charges are absorbed within the framework of schedules of service charges, and the motive is only to establish, maintain, or strengthen customer good-will rather than to attract funds for money consideration, such absorption cannot be differentiated from the absorption of other ordinary items of expense, including internal expenses (such as rents, clerk hire, and so forth) connected with handling a customer's account.

(2) Exchange charges are expenses of collecting items drawn against banks which regularly make a practice of imposing such charges and thus are comparable to the costs of maintaining clearing houses, hiring messengers, and other expenses of like character connected with normal check-clearing activities which are customarily absorbed as part of the operating expenses of banks, even though these charges may enter into computations forming the basis for service charges which when collected constitute operating income of the bank.

(3) The feature of progressive competitive bidding characteristics of interest is lacking in the case of absorption of exchange charges, as the amount of the exchange charge is fixed not by the depository bank but by the nonpar drawee bank and would not vary as between depositories regardless of the bank selected as the collecting medium.

(4) Although the practice of absorbing exchange charges antedated the legislation on which the Corporation's interest regulations are predicated, no suggestion may be found in the legislative record or history of this provision to indicate any purpose on the part of Congress to permit any regulations of the practice of charging exchange in connection with the regulation of interest. Any restriction against absorption of exchange charges would naturally act as a direct deterrent to the imposition of such charges by the many banks which now impose them. In view of the well-known and turbulent history of the par-clearance issue and the absence of a specific congressional mandate, it seems evident that Congress did not authorize the Corporation to hold that the absorption of exchange charges in the ordinary course of business constitutes payment of interest.

This opinion will not apply to cases where the particular circumstances are such as to establish that the practice has been resorted to deliberately as a device for the payment of compensation to a depositor for the use of his funds.

FRANCIS C. BROWN, *General Counsel.*

Mr. KUNKEL. Could I ask Mr. Crowley a question, Mr. Chairman?

The CHAIRMAN. Mr. Kunkel.

Mr. KUNKEL. In the second paragraph of your letter of August 20, 1943, to Mr. Steagall, it says:

"The Board of Governors holds that the absorption of exchange charges by a national bank constitutes a payment of interest."

State banks are involved in this, also, are they not?

Mr. CROWLEY. The member State banks.

Mr. KUNKEL. Just the member State banks?

Mr. CROWLEY. That is right.

Mr. KUNKEL. Members of the F. D. I. C.?

Mr. CROWLEY. No; members of the Federal Reserve.

Mr. KUNKEL. But nonmember State banks would not be involved in this ruling?

Mr. CROWLEY. That is right. They are not subject to the ruling although they are adversely affected by it.

Mr. KUNKEL. Thank you.

The CHAIRMAN. Do you want to conclude your statement without interruption, and then answer any questions, or do you mind being asked questions as you proceed?

Mr. CROWLEY. I would be glad to answer any questions now, and then if we could go on and finish, I think we could perhaps do a better job.

Mr. CRAWFORD. I was going to ask you this question, Mr. Crowley, relating to the last paragraph of Mr. Brown's memorandum, and see if we can tie this up somewhat. I don't know that you can answer this question; but if Mr. Brown were here, I would submit to him this question, as to whether or not his closing language there would cause him to construe the September 1943 bulletin case as one where a practice has been resorted to deliberately as a device for the payment of interest to the depositor for the use of his funds. The reason I submit the question that way is because I find this statement, that such charges have been absorbed in amounts ranging from 10 cents to $200, and that in some instances the exchange absorbed for particular banks amounted to as much as 2 or 3 percent of their balances with such banks.

Mr. CROWLEY. Can you answer that, Mr. Thompson?

Mr. THOMPSON. I am afraid I cannot answer it, because I don't know what Mr. Brown would rule in those circumstances. I think he might want to look into the facts to determine whether or not this variation from 10 cents to something else was a variation determined by the amount of the balance held by the bank, or whether it was determined by the amount of items which went

through the bank, on which the exchange was carried.

Mr. CROWLEY. Congressman, I think Mr. Brown will undoubtedly be well enough Monday to answer those questions for you himself.

Mr. CRAWFORD. I thank you.

Mr. THOMPSON (resuming reading of statement):

"The remainder of this statement elaborates upon the difference in interpretation of the law between the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation.

"The Corporation does not have the authority to find that absorption of exchange, per se, is a payment of interest: The provisions of law governing the prohibition and regulation of payment of interest on deposits by the Board of Governors of the Federal Reserve System differ from those governing the prohibition and regulation by the Federal Deposit Insurance Corporation. The act controlling regulation by the Board of Governors of the Federal Reserve System gives that Board by specific grant the authority to determine what shall be deemed to be payment of interest. The provision of law under which the Federal Deposit Insurance Corporation operates is pointedly silent with regard to this matter. We believe, therefore, that we are restricted in our determination to what is in fact recognized to be interest by common practice. The absorption of exchange is a practice which antedates the creation of the Federal Deposit Insurance Corporation, the passage of the Federal Reserve Act, and, in fact, any one present at this hearing. It is a normal, customary practice connected with the routine collection of checks and, historically, has not been looked upon as a payment of interest even though it may be considered an inducement for maintaining balances. Many devices are used and have been used for encouraging or impelling customers to carry larger balances. These devices are not considered to be interest. Among these may be included service charges as discussed in our letter of August 20, 1943, addressed to Mr. Steagall, and in the memorandum of our general counsel of November 24, 1943.

"Scope of Federal Reserve Board's ruling: The ruling of the Board of Governors of the Federal Reserve System is applicable only to member banks. The member banks, however, include practically all of the banks which handle the general clearing of checks for correspondents.

"Irrespective of intent, therefore, the effect of the ruling, regardless of the position of the Federal Deposit Insurance Corporation, will be to enforce practically universal par clearance, so-called. The issue, therefore, raises anew the question of par clearance.

"Par clearance: My reference to par clearance, however, must not be construed as imputing to the Board of Governors that its purpose is to enforce par clearance. I accept the Board's statement in that regard. My position is that, regardless of the Board's purpose, the effect of its ruling is to enforce par clearance. Because of this, I would like to call the committee's attention briefly to the history of par clearance, which I believe can best be done by quoting from the opinion of the United States Supreme Court, written by Justice Brandeis, in the case of *Farmers and Merchants Bank of Monroe, N. C., et al.* v. *Federal Reserve Bank of Richmond*, reported in volume 262, United States Reports, page 649 (decided June 11, 1923). In this opinion the Court explains what par clearance is, states briefly the legislative history of par clearance, and interprets the pertinent provisions of the Federal Reserve Act and the Board's powers and limitations thereunder.

"This case arose out of a suit brought under a North Carolina statute, which is discussed in the opinion, by the Farmers and Merchants Bank of Monroe, N. C., to enjoin the Federal Reserve Bank of Richmond from dishonoring checks which the Farmers and Merchants Bank paid by exchange drafts on reserve deposits with correspondent banks. Two hundred and seventy-one other banks joined later as plaintiffs. The trial court granted a perpetual injunction against the Reserve bank. The supreme court of the State reversed the decree of the trial court, and the case was appealed to the Supreme Court of the United States. The Supreme Court of the United States sustained the lower court, reversing the action of the supreme court of the State, and held that the North Carolina statute under which the suit was brought did not obstruct the performance of any duty imposed upon the Federal Reserve Board and the Federal Reserve banks, and that the contention that Congress had imposed upon the Federal Reserve Board and banks the duty of establishing universal par clearance and collection of checks was irreconcilable with the specific provision of the Federal Reserve Act, which affirmed the right of banks to make limited charges for clearance and collection of checks, provided such charges are not made against the Federal Reserve banks. The Supreme Court held that Federal Reserve legislation did not 'impose on the Federal Reserve Board or the Federal Reserve banks a duty to establish in the United States a universal system of par clearance and collection of checks.'

"That part of the decision pertinent to this discussion follows:

" 'Par clearance does not mean that the payee of a check who deposits it with his bank for collection will be credited in his account with the face of the check if it is collected. His bank may, despite par clearance, make a charge to him for its service in collecting the check from the drawee bank. It may make such a charge although both it and the drawee bank are members of the Federal Reserve System; and some third bank which aids in the process of collection may likewise make a charge for the service it renders. Such a collection charge may be made not only to member banks by member banks, National or State, but it may be made to member banks also by the Federal Reserve banks for the services which the latter render. The collection charge is expressly provided for in section 16 of the Federal Reserve Act (38 Stat. 268) which declares that:

" ' "The Federal Reserve Board shall, by rule, fix the charges to be collected by the member banks from its patrons whose checks are cleared through the Federal Reserve bank and the charge which may be imposed for the service of clearing or collection rendered by the Federal Reserve bank."

" 'Par clearance refers to a wholly different matter. It deals not with charges for collection, but with charges incident to paying. It deals with exchange. Formerly, checks, except where paid at the banking house over the counter, were customarily paid either through a clearing house or by remitting, to the bank in which they had been deposited for collection, a draft on the drawee's deposit in some reserve city. For the service rendered by the drawee bank in so remitting funds available for use at the place of the deposit of the check, it was formerly a common practice to make a small charge, called exchange, and to deduct the amount from the remittance. This charge of the drawee bank the Federal Reserve Board planned to eliminate and, in so doing, to concentrate in the 12 Federal Reserve banks the clearance of checks and the accumulation of the reserve balances used for that purpose. The Board began by efforts to induce the banks to adopt par clearance voluntarily. The attempt was not successful. The Board then concluded to apply compulsion. Every national bank is necessarily a member of the Federal Reserve System; and every State bank with the requisite qualifications may become such. Over members the Board has large powers, as well as influence. The first step in the campaign of compulsion was taken in the summer of 1916, when the Board issued a regulation requiring every drawee bank which is a member of the Federal Reserve System to pay without deduction, all checks upon it presented through the mail by the Federal Reserve bank of the district. The operation of this requirement was at first limited in scope by the fact that the original act (sec. 13) authorized the Reserve banks to collect only those checks which were drawn on member banks, and which were deposited by a member bank or another Reserve bank or the United States. Few of the many State banks had then elected to become members. In September 1916, section 13 was amended so as to authorize a Reserve bank to receive for collection from any member (including other Reserve banks) also checks drawn upon nonmember banks within its district. Thereby, the Federal Reserve Board was enabled to extend par clearance to a large proportion of all checks issued in the United States. But the regulation (J) then issued expressly provided that the Federal Reserve banks would receive from member banks, at par, only checks on those of the nonmember banks whose checks could be collected by the Federal Reserve bank at par. It was recognized that nonmembers were left free to refuse assent to par clearance. By December 15, 1916, only 37 of the State banks within the United States, numbering about 20,000, had become members of the System; and only 8,065 of the State banks had assented to par clearance.

" 'Reserve banks could not, under the then law, make collections for nonmembers. It was believed that if Congress would grant Federal Reserve banks permission to make collections also for nonmembers, the Board could offer to all banks inducements adequate to secure their consent to par clearance. A further amendment to § 13 was thereupon secured by act of June 21, 1917, c. 32 § 4, 40 Stat. 232, 234, which provided, among other things, that Federal Reserve banks:

" ' "Solely for the purposes of exchange or of collection, may receive from any nonmember bank * * * deposits of * * * checks * * * payable upon presentation * * *: *Provided*, Such nonmember bank * * * maintains with the Federal Reserve bank of its district a balance sufficient to offset the items in transit held for its account by the Federal Reserve bank."

" 'To this provision, which embodied the legislation proposed by the Federal Reserve Board, there was added, while in the Senate, another proviso, relating to the exchange charge, now known in a modified form as the Hardwick amendment, which declares:

" ' "That nothing in this or any other section of this act shall be construed as prohibiting a member or nonmember bank from making reasonable charges, to be determined and regulated by the Federal Reserve Board, but in no case to exceed 10 cents per $100 or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise; but no such charges shall be made against the Federal Reserve banks."

" 'Thus a Federal Reserve bank was authorized to receive for collection checks from nonmembers who maintained with it the prescribed balance; and strenuous efforts were then made to induce all State banks to so arrange. But the law did not compel State banks to do this. Many refused; and they continued to insist on making exchange charges. On March 21, 1918, the Attorney General (31 Ops. Atty. Gen. 245, 251), advised the President:

" ' "The Federal Reserve Act, however, does not command or compel these State banks to forgo any right they may have under the State laws to make charges in connection with the payment of checks drawn upon them. The act merely offers the clearing and collection facilities of the Federal Reserve

banks upon specified conditions. If the State banks refuse to comply with the conditions by insisting upon making charges against the Federal Reserve banks the result will simply be, so far as the Federal Reserve Act is concerned, that since the Federal Reserve banks cannot pay these charges, they cannot clear or collect checks on banks demanding such payment from them."

"'The Federal Reserve Board and the Federal Reserve banks were thus advised that they were prohibited from paying an exchange charge to any bank. But they believed that it was their duty to accept for collection any check on any bank, and that Congress had imposed upon them the duty of making par clearance and collection of checks universal in the United States. So they undertook to bring about acquiescence of the remaining State banks to the system of par clearance. Some of the nonassenting State banks made stubborn resistance. To overcome it the Reserve banks held themselves out as prepared to collect at par also checks on the State banks which did not assent to par clearance. This they did by publishing a list of all banks from whom they undertook to collect at par, regardless of whether such banks had agreed to remit at par or not. This resulted in drawing to the Federal Reserve banks for collection the large volume of checks which theretofore had come to the drawee bank by mail from many sources and which had been paid by remittances drawn on the bank's balance in some Reserve city. If a State bank persisted in refusal to remit at par, the Reserve banks caused these checks to be presented, at the drawee bank, for payment in cash over the counter. The practice adopted by the Reserve banks would, if pursued, necessarily subject country banks to serious loss of income. It would deprive them of their income from exchange charges; and it would reduce their income-producing assets by compelling them to keep in their vaults in cash a much larger part of their resources than theretofore. That such loss must result was admitted. That it might render the banks insolvent was clear. But the Federal Reserve banks insisted that no alternative was left open to them, since they had to collect the checks and were forbidden to pay exchange charges. The State banks denied that the Federal Reserve banks were obliged to accept these checks for collection; and insisted that Federal Reserve banks should refrain from accepting for collection checks on banks which did not assent to par clearance.

"'It was to protect its State banks from this threatened loss, which might disable them, that the Legislature of North Carolina enacted the statute here in question. It made no attempt to compel the Federal Reserve bank to pay an exchange charge. It made no attempt to compel a depositor to accept something other than cash in payment of a check drawn by him. It merely provided that, unless the drawer indicated by a notation on the face of the check that he required payment in cash, the drawee bank was at liberty to pay the check by exchange drawn on its reserve deposits. Thus, the statute merely sought to remove (when the drawer acquiesced) the absolute requirement of the common law that a check presented at the bank's counter must be paid in cash. It gave the drawee bank the option to pay by exchange only in certain cases; namely, when the check was "presented by or through any Federal Reserve bank, post office, or express company, or any respective agents thereof." The option was so limited, because the only purpose of the statute was to relieve State banks from the pressure which, by reason of the common-law requirement, Federal Reserve banks were in a position to exert and thus compel submission to par clearance. It was expected that depositors would cooperate with their banks and refrain from making the prescribed notation; and that when the Reserve banks were no longer in a position to exert pressure by demanding payment in cash, they would cease to solicit, or to receive, for collection, checks on nonassenting State banks. Thus, these would be enabled to earn exchange charges as theretofore. Such was the occasion for the statute and its purpose.'

"As stated, the Court found against the Federal Reserve bank.

"Prohibition of payment of interest on demand deposits.—There, in essence, the matter of par clearance stood at the time of passage of the Banking Act of 1933 with its prohibition against the payment of interest 'directly or indirectly by any device whatsoever' on any deposit payable on demand. In the Federal Reserve Bulletin for June 1934, page 394, the Federal Reserve Board published a ruling or statement of principles which, among other things, stated that—

"'(1) The absorption of exchange or collection charges in amounts which vary with or bear a substantially direct relation to the amount of a depositor's balance amounts to an indirect payment of interest in violation of section 19 of the Federal Reserve Act, if the deposit is payable on demand.

"'(2) The absorption or payment of such charges in amounts which do not vary with or bear a substantially direct relation to the amount of the depositor's balance is not prohibited by law.'

"This ruling or statement of principles was reaffirmed in the Federal Reserve Bulletin for December 1934, page 814, and was in effect at the time of passage of the Banking Act of 1935 which, among other things, amended section 19 to authorize the Board of Governors of the Federal Reserve System, for the purposes of that section, to determine 'what shall be deemed to be payment of interest.'

"Conclusion.—To summarize, the Banking Act of 1933 provides, in part, that 'no member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand * * *.' Subsequent thereto, the Federal Reserve Board published a ruling, Federal Reserve Bulletin, June 1934, which, among other things, stated that the absorption or payment of exchange or collection charges in amounts which did not vary with or bear a substantial relation to the amount of the depositor's balance was not within the prohibition of the act. This ruling was in effect at the time of the enactment of the Banking Act of 1935 which athorized the Board of Governors, for the purpose of section 19, to determine 'what shall be deemed to be payment of interest.'

"The present position of the Board of Governors appears to be that the absorption of exchange or collection charges are prohibited by the act whether or not they vary with or bear a substantially direct relation to the depositor's balance. I am unable to reconcile the Board's present position with its former ruling because, if the absorption of such charges did not constitute a direct or indirect payment of the interest under the Banking Act of 1933, then it does not constitute a direct or indirect payment of interest under the Banking Act of 1935 since the law was not changed in that respect. The 1935 act merely authorizes the Board to determine what constitutes a payment of interest. The Board, however, insofar as the absorption of exchange was concerned, had already made its interpretation of the law in that regard. Of this Congress had knowledge. With such knowledge on the part of Congress, I am unable to agree with the contention of the Board of Governors that the authority placed in it by the 1935 act compelled it to change its ruling. On the contrary, it would appear that, in the absence of express direction so to do, Congress considered the 1934 ruling to be in accord with the law. In other words, if the Board's 1934 ruling is a correct interpretation of the law, the absorption of such charges is not prohibited by law. Any present prohibition, therefore, must be ascribed to a change in the interpretation made by the Federal Reserve Board rather than to a mandate from Congress.

"While I cannot presume to tell this committee what Congress intended, it seems to me that if Congress had intended the Federal Reserve Board to change that ruling, it would have so directed in unmistakable terms, particularly in view of the past history of the par-clearance controversy. We have noted that past efforts to enforce par clearance have been checked by legislators, by specific action of Congress, and by the United States Supreme Court.

"While the ruling under discussion appears on its face to be a matter of concern to the Federal Reserve Board, it is also of concern to the Federal Deposit Insurance Corporation, because the recent ruling of the Board will affect adversely the insured nonmember banks by upsetting a long-established banking practice, by dislocating normal, established bank-depositor relationships, and by depriving the banks of an important source of revenue which it is clear Congress did not intend the regulatory agencies to do. I am, therefore, of the opinion that the Board's position that it is now compelled to make such a ruling is untenable."

The CHAIRMAN. Is that the conclusion of your statement?

Mr. CROWLEY. Yes, sir. Mr. Brown will be available Monday morning, Mr. Chairman, if you would like to talk over this question with him. Mr. Crawford said he would like to talk to him.

The CHAIRMAN. Are there any questions, gentlemen?

Mr. CRAWFORD. Yes, Mr. Chairman.

Mr. BROWN. Could I ask one question, Mr. Crawford?

Mr. CRAWFORD. Yes, go ahead.

Mr. BROWN. Mr. Crowley, do you see any reason why the Federal Reserve Board cannot postpone action or defer enforcement of this regulation Q for 60 days or 90 days?

Mr. CROWLEY. Of course, that is their business, but I do not see where the thing is any more acute now than it was 6 months ago or 2 years ago.

Mr. CRAWFORD. Mr. Crowley, on the basis of your statement, especially the concluding paragraph on page 24, I would like to ask you this question: If their position is untenable, why would you take the position they could defer for 60 days or 90 days then to put it into operation?

Mr. CROWLEY. What I meant by that was that it has been on the books for almost 10 years, and it has not been enforced in the last 10 years, and I do not think any delay, until this committee has a chance to study conditions further or the Senate committee has had a chance to look at it, does any particular damage. That is what I meant.

Mr. CRAWFORD. The only damage it would do, in my mind, is if I were running a bank, and if they deferred it, I would, for all practical purposes, simply assume that I had a legal right to proceed to do as I pleased.

Mr. CROWLEY. If they had that legal right, why did they wait 10 years?

Mr. CRAWFORD. Let us go back to the effort before the 1935 act, and the effort that was made in 1935 and in 1937, and the great difficulty that arose as between the F. D. I. C., the Comptroller of the Currency, the Federal Reserve Board, and the State examining authorities which led to what I think was a rather substantial agreement as between the supervising agencies as to how these examinations should be conducted, and all in the light of the trials and tribulations we have

gone through since 1933 and in reconstructing the banking activities of this country together with the financing of this war and the load that has fallen on the banks incidental thereto, it is impossible for me to think in terms of this regulation as being deferred up to this date or of being deferred without taking all of those banking laws into consideration. When you say why have we deferred thus far there immediately pops up into my mind all of these things which have gone on before, and all of which have more or less a deferring proposition in an effort to accommodate the banking industry to these fantastic changes which have occurred.

Mr. BROWN. Now, Mr. CRAWFORD——

Mr. CRAWFORD. Just a minute; let him answer.

Mr. CROWLEY. Our contention is this: I only said deferring putting it into force until this committee could thoroughly understand this thing. It is our contention that the Federal Reserve Board do not have the authority to do this, and, furthermore, it is our contention that if they had the authority they have been 10 years dilly-dallying around to get this thing into force; and now, all of a sudden, they come in here with it, and certainly, insofar as I can see, even in the banking crisis of 1933, they could not have picked a more inopportune time to dislocate things than right now, with the war going on. Then there is another thing; I think that we ought to put our minds on something more important than whether some poor little banks are having some $8,000,000 or $10,000,000 of their costs absorbed by some bigger banks that they do business with. I think the importance of the whole thing is all out of proportion to the situation that exists throughout the world today, Congressman.

Mr. CRAWFORD. We would have to somewhat cross-fire on that for this reason, if you do not mind, Mr Crowley.

Mr. CROWLEY. No; not at all.

Mr. CRAWFORD. You are charged with the administration of the F. D I. C., and as Mr. Brown pointed out, you operate under one law which, as I understand, does not give you the authority to issue rules and regulations as to definitions of the terminology in the Federal Reserve Act. I believe I am correct in that, and Congress did give the Board authority to define what, in the Board's mind, constitutes the payment of interest under the terms of the law. Is that right?

Mr. CROWLEY. That is right.

Mr. THOMPSON. May I make an observation on that question, Mr. Crawford?

Mr. CRAWFORD. Yes.

Mr. THOMPSON. I realize that I am not a lawyer.

Mr. CRAWFORD. Neither am I.

Mr. THOMPSON. But the lawyers tell me that any legislative delegation must be accompanied by standards or limitations in the use of that delegated authority in order to be constitutional. Now, referring to the delegation of authority to the Federal Reserve to define interest, in that delegation it contains no statement of principle or of limitation of authority. Therefore, it seems to me that we have to look to the substantive body of the law out of which that delegation stems. The only specific language in the Federal Reserve Act that deals with the interpretation that the Board has put on it is in the Harding amendment, which says that—

"Nothing in this or any other section of this act shall be construed as prohibiting a member or nonmember bank from making reasonable charges * * * for collection or payment of checks or drafts and remission therefor by exchange or otherwise."

That is the only specific language to be found in the Federal Reserve Act dealing with this question of exchange.

Mr. CRAWFORD. Let me understand you correctly. Is that exact language which you have just quoted in the act or in the opinion of a court?

Mr. THOMPSON. It is the existing Federal Reserve Act.

Mr. CRAWFORD. What section is that?

Mr. THOMPSON. It is in section 13 of the Federal Reserve Act, and in the Federal Reserve Board's printing of their act it is found on pages 82 and 83.

Mr. CRAWFORD. Will you read that language again, please, off the record?

(Discussion off the record.)

Mr. CRAWFORD. I do not think there is any language in that that prohibits the Federal Reserve Board from issuing regulation Q and setting up the designation of interest.

Mr. THOMPSON. The Federal Reserve said, and quite properly, that they are not prohibiting making charges, but the effect of the rule is to prohibit banks from absorbing them, so that the net effect of it is to discriminate against and to do away with a practice which the law specifically says nothing in the act shall be construed as forbidding the banks to do, because we all recognize that the effect of refusing to permit banks to absorb the exchange will result in the elimination of the charge and exchange.

Mr. CRAWFORD. I think I can understand why the attorneys of the F. D. I. C. and Mr. Crowley, in behalf of the F. D. I. C., take the position that they have taken. I do not criticize them for that, but when we step over into the language of the Federal Reserve Act I can also understand why the Board would proceed as it has proceeded up to date and as it is now about to proceed until Congress comes in and says what Congress means, or until somebody takes a case to the courts. In other words, it is just impossible for me to comprehend how the Federal Reserve Board, in the light of what has gone before, can take any other position, especially as we look ahead incidental to the load that is going to be put on the banks and the administrators of both the F. D. I. C. and the Federal Reserve Act and incidental to the finishing up of this job of financing the war and moving back into peacetime commercial zones of activity. I do not mind saying very frankly that bringing this question up at the present time, insignificant as it might be to Mr. Crowley, to me it is a proposition of looking forward to the difficult days ahead of us.

Mr. CROWLEY. I do not think it has anything to do with the difficult days ahead.

Mr. CRAWFORD. That is where we disagree.

Mr. BROWN. You know there are two sides to this very important question.

Mr. CRAWFORD. There is no question about that.

Mr. BROWN. We may be in doubt about it now, and I think we ought to have time to go ahead and see whether we want to pass any further legislation clearing up this matter as people differ about it. It is so important that we ought to have a little time to see whether Congress should pass any further legislation.

Mr. CRAWFORD. As far as I am concerned, I do not feel that Congress is behind the eight ball on this proposition.

Mr. MONRONEY. Do you not think we owe a duty to the public not to let one agency of the Government write legislation that Congress has specifically prohibited in section 13 of the Federal Reserve Act?

The CHAIRMAN. Mr. Crowley, there seems to be a very substantial difference of opinion here between two agencies of the Government on the construction of the law. I have never been in favor of Congress usurping judicial functions. I do not think the Congress has a right to interpret an act of a former Congress. That is essentially a judicial function. This is a public question, and it is a question of great interest to a great many people. I wonder if a case could not be presented to the courts and advanced on the calendar, because it is a public question, and decided expeditiously.

Mr. CROWLEY. I am not a lawyer; I do not know about that, Mr. Chairman.

The CHAIRMAN. It seems to me that the only agency of Government that could decide a difference of opinion between two other agencies as to the construction of the law is the judiciary. That is what the judiciary was created for.

Mr. CROWLEY. I cannot agree with Congressman CRAWFORD that this is of any importance to the war effort or to the post-war financing or anything else.

The CHAIRMAN. How much is involved in this, Mr. Crowley?

Mr. THOMPSON. I believe Governor Ransom said something around $8,000,000. We would not quarrel with that. We have not estimated it, and we certainly would not question his estimate, because we have a pretty good idea of what his basis is, and he himself said that he was going away out on a limb. It is anybody's guess.

The CHAIRMAN. How many State banks clear checks for correspondents?

Mr. THOMPSON. I would not know that.

The CHAIRMAN. This would not affect nonmember State banks?

Mr. CROWLEY. Very few of them, because most of your large State banks belong to the Federal Reserve System.

The CHAIRMAN. Do none of them clear checks?

Mr. CROWLEY. Very few nonmember banks clear checks, I think.

Here is the way we feel about this: First, I have never been in sympathy with their interpretation, and they are, frankly, not in sympathy with a lot of mine. I think this materially affects the existence of a lot of little banks. I think it is unfortunate that this has to come up at this time. The last time it was up the Congress and this committee and many other Members of Congress, including the President, asked the Federal Reserve to defer action, and my understanding was the Federal Reserve did agree to defer it until this committee could be put on notice.

Now, they come along and sent out a letter and they say on a certain day they are going to enforce this act, or words to that effect.

Now, if absorption of exchange has been unimportant for 10 years past certainly it is just as unimportant now as it was 10 years ago, and I cannot help but believe that as far as the effect on the whole banking system is concerned, it does not amount to anything, but it does have an effect on 2,100 of these little banks.

Secondly, I think down in my heart it is an indirect way of forcing par clearance, and if they want to enforce the question of par clearance why do they not bring it up and let us have a law on it and meet the thing head-on in place of some indirect method?

Mr. BROWN. Mr. Crowley, I do not agree with the chairman, if I understand him. If we are going to wait 2 or 3 years on the Supreme Court to determine if the interpretation of the Federal Reserve Board is correct, I think we ought to have legislation on it or repeal it, and not wait on the Supreme Court.

Mr. CROWLEY. That is right.

Mr. HULL. According to the testimony I have heard here the country boys have been getting away with about $8,000,000 a year that belongs to the big fellows. The responsibility was there for 10 years and the Federal Reserve Board did not act. If we are going to sanction this why not go the whole way on it and collect back all exchanges that have been paid over?

Mr. CRAWFORD. I think you make a very fine argument there toward having the Federal Reserve Board act so as to escape that.

Mr. HULL. If the little fellows have been taking it away from the big fellows, why

should not the little fellows be made to disgorge what they have received and even it up? Otherwise why start in now after 10 years.

Mr. CRAWFORD. Mr. Crowley pointed out here very specifically that the Board has been, we will say, somewhat influenced by the request of the President, by requests of many Members of Congress, by requests from chairman of the committees, and by requests of the bankers, so that I would say that there was the pressure of public opinion as well as financial opinion on the Board. If the Board wants to take the responsibility, certainly they do not need to worry about their burdens. They can carry their own burdens. If I think a very strong law on the books as far reaching as this is not going to be enforced, I think I am going to criticize the Board of Governors if they do not do something about it.

Mr. TALLE. It is proposed in the tax bill, which is now under consideration, that the postal rates on money orders be increased. Do you look for the exchange rates in the banking system to be increased correspondingly?

Mr. THOMPSON. I presume what you mean is the exchange rates.

Mr. TALLE. That is right.

Mr. THOMPSON. Well, speaking personally, I have not given any consideration to it; I do not know. My offhand guess would be "No." I will say that, perhaps, some of the banks would undertake to charge perhaps what the traffic would bear, but I do not know whether they would change or not.

Mr. TALLE. If we opened up the term "interest" to the possible definitions which have not been considered before, would service charges exacted by banks against their customers be considered negative interest?

Mr. THOMPSON. I think that is our position. I might interpolate at that point that the banks used to be required to report on their earnings statements the interest paid on demand balances, and they would differentiate between bankers' balances and others, and so far as I know from the instructions to the banks in reporting that item they were never instructed to include exchange absorbed as part of the interest item which they reported on their earnings statements.

Mr. TALLE. Does your agency make any distinction between interest and discount?

Mr. THOMPSON. No.

The CHAIRMAN. Mr. Crowley, some of my colleagues seemed to misconstrue what I said a while ago. I said that this matter ought to be referred to the courts. As it is a public question and as there is a difference of opinion on the interpretation of the law between departments, I think the matter ought to remain in status quo until the courts decide it. That was my suggestion, that no action be taken until the courts act and legally decide a question that the departments are not competent to decide.

If there are no further questions, we will adjourn until Monday morning. If Congress adjourns and the legislative program is finished, I do not know whether we can meet then, but we will adjourn now to meet Monday morning at 10 o'clock.

Mr. RANSOM. Mr. Chairman, will I get a chance to answer some of the legal arguments that have been presented here?

The CHAIRMAN. You will have that opportunity.

(Thereupon, at 12:50 p. m., the committee adjourned to meet Monday, December 20, 1943, at 10 o'clock.)

(Monday, December 20, 1943)

Mr. CROWLEY. Might I say this: As I said the other day, I just do not understand this squeeze play that comes along here in the last 2 weeks before Congress adjourned. This law has been on the books for years and years and years, and there has been no emergency about it, and within a week or 10 days after the late chairman of the committee died, who was also chairman of the committee the last time the Federal Reserve Board was asked to defer it, and he is no longer here and the new chairman has just been elected, now they come along here and say it will take positive legislation to maintain existing practices. It is humanly impossible to get positive legislation before January 1 and it seems to me we would like to discuss this matter with the Banking and Currency Committee of the Senate before this ruling goes into effect, and since it has been delayed all this time we would like to request that this be held up until after the holidays—until we can get an opportunity to present our views to the Senate, if this committee does not want to do anything positive.

The CHAIRMAN. What action would you suggest?

Mr. CROWLEY. I think this committee here should at least request the Federal Reserve to defer it for another 30 or 60 days—they have deferred it now for several years—as long as it is coming to a head now to get some definite legislation drawn.

Mr. PATMAN. Mr. Crowley, I want to ask you a question about this interest. I can see a big difference in the way these banks handle the situation. Now, there would be no need for additional legislation with respect to this law, or the postponement of its enforcement, if these banks now engaged in this will remove the restrictions of requiring a certain balance to take care of a certain amount of exchange. Would not that be pretty easy for them to handle?

Mr. CROWLEY. I do not think there is any understanding as to the balance, Congressman.

Mr. PATMAN. I say if that should be done.

Mr. CROWLEY. I think it is kind of a mutual arrangement, but I do not think there is any definite understanding as to the balance, in dollars and cents.

Mr. FORD. Can they do it even then, the way the law reads?

Mr. PATMAN. I do not know whether they can or not. You see, the way it is, it looks like it is an interest payment to me in the form of what might be called a secret rebate in trade practices, where they require them to carry a certain amount of deposit in order for the correspondent bank to pay a certain amount of exchange charges. That looks like a definite sum in the form of compensation for a definite purpose. For that reason, it looks to me like that could be construed and would be construed as a device to evade the law against the payment of interest. And if these banks, instead of having any postponement or any change in the law, would just say "Hereafter we are having no understanding with people who do business with us that we are going to pay their exchange," and if they will do that, no law is violated. But do not you agree, Mr. Crowley, that it looks like a device if they require a certain balance in order for the correspondent bank to pay a certain amount of exchange for the local bank? Does not that look like a device to get around the law to you, Mr. Crowley?

Mr. CROWLEY. Let me say this to you: As far as we are concerned, we have an interest in these insured banks and, if this committee will not ask that this be deferred, I am disposed to ask the Attorney General of the United States to give us an opinion on it; because we feel, being the insurer of these banks, it is going to put many, many of them out of business.

Mr. PATMAN. That is all right; I think you should do it.

Mr. CROWLEY. Secondly, when it gets to positive legislation, we are going to raise the question of service charges where, in the depositors' accounts, credits are given for maintaining certain balances in that they are not charged service charges. So that we are not going to let this just happen through this device to the little bank without going into the whole question of service charges.

Mr. PATMAN. That is right; I think you should. And as I have brought out here before, the same law applies to the local bank in its dealings with local deposits as applies to the correspondent bank in its dealings with the local bank. The same provision exactly prevails.

You know, when that was put in there it was put in there by the Senate committee, and our conferees yielded. At that time I think the F. D. I. C. was considered the paramount question, and the other questions were subordinated. But, Mr. Crowley, if you will, please, answer me this one question: Do not you think where a correspondent bank requires the local bank to keep a certain deposit in order for that local bank to have the exchange charge absorbed up to a certain definite amount—do not you think that is interest; do not you think that is a device to evade the law?

Mr. CROWLEY. Let me say I would go with you on that, provided you will go just a little further and apply that to service charge allowances on the customers' balances, too.

Mr. PATMAN. I will go with you; I will do that, but why——

Mr. CROWLEY. But do not get me separated on this service-charge thing and this exchange.

Mr. PATMAN. But I asked you something else; I asked you a positive question, and I hope you will answer it without reference to the other. I agree with you on that; there is no difference of opinion between us on that, but I hope you will just answer this one question. Suppose, now, the Memphis bank tells the Texarkana bank "Now, we will absorb charges of a thousand dollars a month for you if you will carry a deposit in a certain amount in our bank. If you do not carry but half that deposit, we will only absorb $500, but we will absorb charges in direct relation or in direct proportion to the deposit carried." Do not you consider that a device to get around the payment of interest?

Mr. CROWLEY. In the first place, I do not think that matter of paying exchange has anything to do with balances.

Mr. PATMAN. You mean in their agreements with the banks?

Mr. CROWLEY. Yes.

Mr. PATMAN. You are not answering my question, Mr. Crowley. I am talking about a case where it can be shown there is such an agreement.

Mr. CROWLEY. Let me say this: The Federal Deposit will go with the Federal Reserve on a regulation which will include a provision that, in the matter of exchange, exchange can be absorbed provided there is no understanding as to balances, providing in that same regulation they deal with customers' balances as well.

Mr. PATMAN. But, Mr. Crowley, you have not answered my question. I think it is a very simple one. Do not you think that would be a violation of law, if it could be shown the bank was doing what I said?

Mr. FOLGER. Mr. Chairman——

Mr. PATMAN. Wait a minute. I hope the gentleman [Mr. FOLGER] won't interfere.

Mr. CROWLEY. I am not so sure it is.

Mr. PATMAN. You are not so sure it is?

Mr. CROWLEY. No, sir.

Mr. PATMAN. In other words, suppose, then, that the Memphis bank says "If you will carry a deposit of a certain amount in our bank here in Memphis, Tenn., we will pay any bills you have"—not necessarily exchange, but electric light, water, telephone, or any other kind of a bill—up to $1,000 a month, if you will carry a deposit of a certain amount in our bank, would not that be a violation of the law?

Mr. CROWLEY. Well, I presume if you carried it to that extent; yes.

Mr. PATMAN. It would be?

Mr. CROWLEY. Yes.

Mr. PATMAN. Now, what is the difference——

Mr. CROWLEY. But wait just a minute. Really all service charges have gone on the theory that there are certain out-of-pocket expenses that we permit them to pay.

Mr. PATMAN. I do not think there is any dispute about that here; I have not heard any. It is only where they are paying a dollar on a thousand-dollar draft or something like that, where it is certain.

Mr. CROWLEY. That is what I am getting at—the only fellow you want to apply it to is the little bank; you do not want to apply it to the big accounts; you want to apply it to the little bank and stop right there. You do not want to apply it to Sears, Roebuck, and Montgomery Ward, and concerns like that.

Mr. PATMAN. I do. There is no difference between us on that, Mr. Crowley. I say the same law should apply to both; there is no difference of opinion between us on that point. But why bring up the one in answer to the other? What is the difference in this Memphis bank paying a $1,000 electricity bill for this Texarkana bank, if the Texarkana bank will carry a certain deposit in the Memphis bank, and will only pay $500 electricity bill if the deposit is just half that much? What is the difference in that and the Memphis bank paying Tom, Dick, and Harry's exchange?

Mr. CROWLEY. Let me ask you this question now: It is my understanding it is your theory if I do not have an agreement with the bank about these balances——

Mr. PATMAN. That is right.

Mr. CROWLEY. That I can absorb these charges without any violation of law?

Mr. PATMAN. Yes; because it would not be a device to get around the payment of interest. And the same way with Sears, Roebuck, Montgomery Ward, or Leo Crowley, if you were doing business with the bank and had no agreement with them.

Mr. CROWLEY. Just as a matter of expediency, I would go along with you on that thing; but it would not be my way of meeting a piece of legislation, for this reason: There is no doubt in my mind but what the banks would continue to do this thing, just as they are doing now, and you would have to prove there was an agreement between them. I do not believe there are very many agreements like that between banks.

Mr. PATMAN. I am talking, Mr. Crowley, about where there is an agreement. Suppose it was shown that the Memphis bank and the Texarkana bank had entered into an agreement in writing—let us make it as plain and as positive as it can be made—"That the Memphis bank, party of the first part, hereby agrees if the party of the second part will keep on deposit in our bank a certain amount, the first party will pay for the second party up to a certain amount each month and, if the deposit is half that much, the amount paid by the Memphis bank to the Texarkana bank will be half that much;" suppose it could be shown positively in writing, and no question about it, would you say that was a device to get around this law?

Mr. CROWLEY. You mean that the Federal Reserve would change the regulation to cover that point?

Mr. PATMAN. What is that?

Mr. CROWLEY. That the Federal Reserve would change their regulation to cover that point?

Mr. PATMAN. I do not know; you know more about that than I do. But I am just asking you the question, Mr. Crowley, and if you will answer it, I will appreciate it.

Mr. CROWLEY. First, I personally do not feel that the absorption of these exchange charges has anything to do with that regulation at all.

Mr. PATMAN. Well, Mr. Crowley, if you will, please answer that question. That is plain. I am telling you here is a hypothetical case where there are no ifs, ands, and buts about it. They have made a positive, plain agreement in which the correspondent bank will pay for the local bank a certain amount each month if the deposit is a certain amount, according to their standards and, if the deposit is just half that, the payment for the local bank will only be one-half that—where there is no doubt about it; it is plain, and the parties agree to it and there is no dispute? Would you say that was a violation of the law?

Mr. CROWLEY. Well, I presume your Memphis bank illustration would be. Certainly it would be in the spirit of the law.

Mr. PATMAN. That is right. And what would be your judgment if you were head of the Federal Reserve Board? What would you do?

Mr. CROWLEY. If I were head of the Federal Reserve Board, first, if I had any doubts in my mind, I would get my law changed.

Mr. PATMAN. You would get the law changed?

Mr. CROWLEY. I would get it defined. Here is what happens——

Mr. BROWN. As I understand, Mr. Crowley, you are complaining about the regulation, not the law?

Mr. CROWLEY. Here is what I see happening to the little country bank, and it has all been done under the guise of reform to help the little fellow, and, as far as I can see every one of these things only got the little fellow a little poorer. They first take all interest away from him on his balances that he could collect from his correspondent bank.

Mr. PATMAN. But did not the banks ask for that?

Mr. CROWLEY. You know how much voice the small bank has in anything he asks for, don't you?

Mr. PATMAN. Now you are talking to a person who is in sympathy with the small bank and the small man.

Mr. CROWLEY. But let me finish on what is happening to the small banks. They lost all interest on their balances.

Mr. PATMAN. And saved some money that way, too, did they not?

Mr. CROWLEY. They saved some money that they did not have to pay out. Under the present theory of licensing and chartering banks, we have gotten so conservative for fear the country will get overbanked, we have regulated them so that there is no competition left in the banking business any more and they are not running their own shops at all; they are being run by regulations. And I think a lot of legislation that we passed in 1933 and 1935 was perfectly good legislation then; it took care of a situation that existed, that it was necessary to correct, but it might be a good thing to take a look at this law now and see whether it ought not to be modified a little bit.

Mr. PATMAN. I am in sympathy with your statement there. I think we ought to take a look at all of these laws we passed in the emergency.

Mr. CROWLEY. I do not think just because it was passed in 1933 and 1935 there is anything sacrilegious in going back and taking a look at it.

Mr. PATMAN. But on the first thing you brought up there, which I think is the main point about small banks, I looked into this thing too, at one time, about interest payments. In fact, I did not want that provision in the law; I felt like it just did not belong there and I opposed it. But I was not on the conference committee at that time and, of course, we had to vote the thing up or vote it down at that time, as the F. D. I. C. was in there, is my recollection, and we wanted the F. D. I. C. But I think if you will take a look at the amount the banks saved in proportion to the amount they were being paid by their correspondents, you will see they are saving several times as much.

Mr. CROWLEY. But, wait a minute, the correspondent banks held the little banks' balances and paid them no interest on their deposits; so they saved more than any little bank saved, because they don't pay anything to the little bank.

Mr. PATMAN. I do not know how to distinguish between them, as you do, but I know at the time I got Mr. O'Connor, Comptroller of the Currency, to make an estimate for me, and he estimated the banks were saving $250,000,000 a year by that one provision which made it unlawful for them to pay interest on demand deposits. Now, I cannot conceive of their being out that much; I cannot conceive of the correspondent banks paying them more than that for the deposits they would carry?

Mr. CROWLEY. Oh, no, no, no.

Mr. PATMAN. And certainly that amount was several times as much, was it not Mr. Crowley?

Mr. CROWLEY. Yes; sure.

Mr. PATMAN. Now, on time deposits, there was an estimate made at the same time as to how much the banks saved by that one provision, and it ran up into big figures—$100,000,000, or something like that. So the banks wanted this thing, Mr. Crowley.

Mr. CROWLEY. There is not any doubt but in the payment of interest on balances and the regulation of interest on savings accounts, they save the banking system a lot of money; but the big bank and the little bank, both, got the benefit of that; that was not anything just for the little bank.

Mr. PATMAN. That is right.

Mr. CROWLEY. Now, the little bank lost the interest on its balances and the only thing the little banks are getting now is this eight or ten million dollars of exchange charges. That is the only thing the little banks have been able to get out of this thing. And when I first came down here, back in 1932, the objection I had to Federal deposit insurance was that, just as soon as deposit insurance got squared around and got to operating immediately they would start to nationalize the whole banking system. And for 10 years, now, every time I have come before this committee, I have reiterated to this committee that the understanding we had with the State banking system of this country was that States' rights would be preserved. Par clearance thing goes right straight back to the State bank practices for 25 years, and this ruling here, in my opinion, is not meeting the thing square on in regard to exchange charges, service charges, or anything else. It is just like putting a brick in a bag and hitting the guy over the head with it when he turns around the corner, when he cannot defend himself. That is what you are going to do to these 2,500 to 3,000 little banks. Then, after you get them out of the picture, people will come along and say, "Now, boys, you have to have a branch bank law, because these communities have to have a bank," and the pay-off is going to be to the big boys. And the next move will be to say they have to have reserve balances in the reserve centers, and the next thing——

Mr. PATMAN. There is no use in your presenting that argument. I think every member of this committee is in accord with your view on that; we want to protect the small banks, too. But if you were head of the Federal Reserve Board yourself, Mr. Crowley, you would enforce this law?

Mr. CROWLEY. No, I would not enforce this law; I would come to Congress and tell them what the problem was and ask them to clarify the law.

Mr. PATMAN. If you were writing the change in this law would you accept language that would permit a bank to do what I said awhile ago in the hypothetical case?

Mr. CROWLEY. I think I would go along with you on that change.

Mr. PATMAN. You would?

Mr. CROWLEY. Yes.

Mr. PATMAN. In other words, you would permit it only in those cases where there was no agreement of any kind?

Mr. CROWLEY. That is right.

Mr. PATMAN. All right.

Mr. KUNKEL. As I understand, Mr. Crowley, the Federal Reserve's position is that they want to apply this law to corporations like Sears, Roebuck and the individual depositors also; they are not applying it strictly against the smaller banks?

Mr. CROWLEY. As I understand, this particular instance we are discussing now deals only with the absorption of exchange.

Mr. KUNKEL. As I understand, the statements made by the Federal Reserve representatives, Governor Ransom and Governor McKee, it would apply to corporations, in a number of instances they set out, that carried large balances, say, in New York, Chicago, San Francisco, just the same as it would correspondent banks. Is not that correct?

Mr. RANSOM. Equally and exactly.

Mr. FORD. Let me ask, since the question of exchange does, on the face of it, lend itself to an evasion of the law that exists on the banks and since a good many people feel if you took that law off of the books, you would bring back the situation that existed prior to its being enacted, is not there some way that a national clearing house might be established that would handle all checks and exchange for a very tiny fee, drawn on all banks, and eliminate that "par" thing that the Federal Reserve has, and apply it to all of them; just make it a straight-out fee?

Mr. CROWLEY. Of course, that would bring about par clearance, which you want.

Mr. FORD. That would do what?

Mr. CROWLEY. That would bring about par clearance, which you want to do.

Mr. FORD. Yes.

Mr. CROWLEY. It would not make much difference which body was doing it; it would have the same effect on the little banks.

Mr. FORD. Why would it? There would be no incentive to send deposits to another bank, and, if the exchange was taken care of, they would be making that much anyhow; would they not?

Mr. CROWLEY. Not unless someone absorbed it for them, they would not.

Mr. PATMAN. In view of the situation that has developed here, would it be all right with you if I asked Mr. Ransom a question?

Mr. CROWLEY. Surely; I would be glad to yield.

Mr. PATMAN. Now what is your idea about that? If there were no understanding at all about the payment of any amount; just say, for instance, if you carry a deposit with me, or with my bank, we will say, and there is no understanding about it, what is your idea of that?

Mr. RANSOM. Mr. Patman, let us take this illustration. One of the correspondent banks announces that it will absorb all exchange or any other out-of-pocket charges for any customer regardless of whether they have an account of any size. As far as I am concerned, I can say that we have nothing whatever to do with it as related to this law. Now the mere fact they do not do that I think completely proves the case.

The CHAIRMAN. Could that bank say to Montgomery Ward or any other particular depositor they would absorb all exchange and not be violating the law?

Mr. RANSOM. That question cannot be answered "Yes" or "No." There must be some relationship as we explained in our September bulletin, between the balance carried in the account and the amount absorbed.

Mr. PATMAN. You made public some release in order to show the device for avoiding the payment of interest?

Mr. RANSOM. We thought, in the September bulletin ruling, in that particular case, the facts supported our conclusion.

Now I would like to join Mr. Crowley on the record in saying that we would welcome an opinion from the Attorney General. I go one step further—the Comptroller is not here but the Deputy Comptroller is—and I think he would join me in that request. There is a technical difficulty in our asking the Attorney General for an opinion, but certainly the Treasury can ask it and I assume the F. D. I. C. can, and if they can we can certainly join in asking his opinion, because we would certainly like to know what he thinks about the decision we made in the September bulletin, and we would welcome anything they will do to get his opinion on our interpretation of the law.

Mr. CROWLEY. Mr. Chairman, may I ask Mr. Ransom a question?

Mr. PATMAN. I am sure that would be all right, will it not, Mr. Chairman?

Mr. CROWLEY. Do I understand Mr. Ransom to take the position that the Federal Reserve Board or the Federal Deposit Insurance Corporation really took issue with a regulation or a statement to the effect that as long as the absorption of exchange was not related to any understanding regarding balances they could construe the absorption of exchange not as an interest charge?

Mr. RANSOM. Mr. Chairman, in answering Mr. Crowley's question, I would like it to be remembered that in 1937 we agreed on uniform regulations which would result in both the F. D. I. C. and ourselves passing on the specific facts of any case that came before us—properly came before us—and then decide the case under the general law and the particular law we are discussing.

Now I do not think we could have gone any further in showing our disposition to do everything to cooperate completely. We just happened to have been the first of the two agencies that got a request for an opinion, in proper form. If it had been a nonmember bank and had come to the F. D. I. C. under the same situation, I would be interested to know whether the F. D. I. C. would have answered it in the same way. Now in time they might get identically a similar case to be decided. I do not see, Mr. Crowley, that the two agencies can go further than say they will decide specific cases.

Mr. PATMAN. Mr. Ransom, may I offer this suggestion, and it is in accordance with what I consider to be your testimony? It seems to me that some people might say that if there is no relationship between the balances carried by the local bank and the amount of exchange charged and absorbed with the correspondent bank that there is no violation of the regulation at all.

Mr. RANSOM. May I ask the general attorney for the Board to answer that question?

Mr. CROWLEY. May I ask a question there before the answer is given?

Mr. PATMAN. Let us get the answer.

Mr. CROWLEY. My understanding of Mr. Ransom's statement of a few moments ago was that if there was no understanding or if the bank was to say to a customer they would continue to absorb exchange charges without any relation or connection with balances that they would determine that is not a charge the same as interest?

Mr. RANSOM. That is not what I said.

Mr. PATMAN. If there were no relationship, of course, we could actually say whether you would let them absorb it; you would have some understanding in some way; if there is no direct relationship between the balance and interest payment that would be shown over a period of time and would be evidence of a conspiracy and evidence that there was a relationship.

Mr. RANSOM. That was not exactly what I said, Mr. Chairman. I said, for example, if a bank did absorb all exchange for all customers, regardless of other items in the account, and regardless of any payment.

I would like, as a specific answer to Mr. Crowley's question, to ask the general attorney for the Board if he will answer that.

Mr. PATMAN. Let us hear from the general attorney; may we have his statement?

Mr. DREIBELBIS. Mr. Chairman, I would like to say that where the absorption of exchange is not related to compensation for the use of somebody elses funds it is not interest.

Mr. PATMAN. It is not interest and is not a device.

Mr. DREIBELBIS. It is not a device.

Mr. PATMAN. And it would not be a violation.

Mr. DREIBELBIS. Where it does not involve compensating someone for the use of his funds.

Mr. KUNKEL. If you establish a system like that, and I am not saying whether you can or cannot, is that not putting it on a basis of par clearance?

Mr. CROWLEY. Let me say this: What that is doing is getting right back to a service charge again. They are already doing that. If you send a thousand checks to a national bank and you do not have a hundred-dollar balance you have got to pay for the clearance of those items. But, if you have $200,000 or $250,000 they likely will not charge you anything for clearing the checks, and I think that is being done right today.

Mr. KUNKEL. Yes. But if you have them making no charge, and have no relationship between the balance and the amount absorbed and have them doing it whether there is a $50 balance or a $100 balance, the same for the man who has a $100,000 balance are you not coming right back to the point that was so strongly opposed, that is, par clearance?

Mr. CROWLEY. I think so; I think that is the practical situation.

Mr. KUNKEL. I am speaking of the practical effect.

Mr. CROWLEY. If I were running a bank I would undoubtedly write to all my customers and tell them that I was going to continue to carry their exchange item without regard to their balances, and I would also write them that I would not take on any new correspondent banking business because I did not want to carry on a lot of free business. But undoubtedly you do get the same effect on par clearance balance you get with the national bank, that by a gentleman's agreement the balance would be maintained and the exchange would be absorbed.

Mr. KUNKEL. The gentleman's agreement is a violation of the law, is it not?

Mr. CROWLEY. Yes; that is right.

Mr. KUNKEL. If you do not have the gentleman's agreement and apply the law as stated in here the practical effect comes back to par clearance, I think.

Mr. CROWLEY. That is right.

The CHAIRMAN. Getting back to the answer given a moment ago about the absorption of these charges where you have got an agreement to maintain a certain balance the purpose is the same I think whether you have an agreement or whether you do not have an agreement.

Mr. CROWLEY. Yes.

Mr. FORD. I would like to ask this question: Would it be in order, or would the Federal Reserve be disposed to let this go along, say, for 60 days, in the application of this rule, until such time as either legislation can be enacted or an agreement can be reached or an opinion could be obtained from the Attorney General?

Mr. ROLPH. Mr. Chairman, I would like to ask Mr. Crowley this question with reference

to the illustration he gave of the man putting a thousand checks in the bank for clearance who has only a $100 balance: Is it not a fact that anyone who has enough business, in the first place, to have a thousand checks would not be maintaining such a balance? Do you know of any specific instance where that has happened?

Mr. CROWLEY. Let me say this, Mr. Rolph: It may be a hundred, or it may be five hundred, or if you want to, make it a thousand, but from my experience with small business there are many, many small retailers throughout the country where the balance does not run more than $500.

Mr. ROLPH. That is not true, generally speaking, is it? Usually they have $1,000 or more.

Mr. CROWLEY. Let me say this, that many, many small retailers have to anticipate their deposits in order to stay in existence.

Mr. ROLPH. Do you know of any particular case where a concern has a thousand items for collection outside of his district and only $100 in deposit in some little bank?

Mr. CROWLEY. Let me say this: That I think that back 5 or 6 years ago that in the nonmember banks below $500,000 or $1,000,000 or something like that, that the average deposit was $250.

Mr. ROLPH. Well, that is very true, but——

Mr. CROWLEY (interposing). Wait just a minute. Do you know the way the service charge works today?

Mr. ROLPH. No.

Mr. CROWLEY. That is, the way the service charge works, so far as the private depositor's account is concerned?

Mr. ROLPH. I have no idea; no. My bank absorbs the charge for me.

Mr. CROWLEY. They charge you for every item that you send to your local bank. And I suppose that the average housewife would write 25 or 30 checks a month, so you can easily see that the small business would write five or six hundred checks a month.

Mr. ROLPH. That is right; out in the small towns, the small bank in a little town, I suppose your statement would be about correct.

Mr. CROWLEY. Yes; that is what I am talking about; they do have a charge. Where is your home?

Mr. ROLPH. San Francisco.

Mr. CROWLEY. Well, that is a pretty big town.

Mr. ROLPH. I will say it is; the best in the country.

Mr. CROWLEY. Suppose you lived in a little town outside of San Francisco, and you deposited by check, and you checked against your account, you would have to pay a charge for every check you wrote against your check.

Mr. ROLPH. You say the bank makes a charge against the depositor for every check the customer writes?

Mr. CROWLEY. Yes.

Mr. ROLPH. The customer does not have a collection charge; the bank absorbs that, does it not?

Mr. CROWLEY. You are getting confused between a service charge and an exchange charge.

Mr. ROLPH. As I understand this legislation, the Federal Reserve banks complain because certain banks and institutions are paying interest on credit balances to other banks who are absorbing the exchange that is charged, and I cannot see any similarity between a collection charge and an interest charge. As a matter of fact, I read your statement over very carefully. I am sorry I could not be here when it was made, but as I understand your statement, it is your opinion that a collection charge and an interest charge is the same.

I looked up in Webster's Unabridged Dictionary the definition of interest. I could not bring the dictionary over, but I brought this language, which reads as follows:

"The price or rate of premium per unit of time that is paid by a borrower for the use of what he borrows; specifically a rate percent of money paid for the use of money or the forbearance of demanding payment of a debt."

Now if you have to absorb the collection you have got to pay for the difference, and I would like to have some explanation of that.

Mr. PATMAN. Mr. Chairman, I would like to make a suggestion if I may.

The CHAIRMAN. Yes, Mr. PATMAN.

Mr. PATMAN. In view of the fact that a request is going to be made to the Attorney General for an official ruling, and properly so, and I am glad it is going to be done, I am wondering if it would be possible to have some agreement about holding this thing in abeyance? I can understand the position of the Federal Reserve Board and they cannot afford to say, "We are not going to enforce the law." And I certainly would not ask them to say that. But where there is an honest difference of opinion about the interpretation of the law and where honorable men have different views, I just wonder if the Federal Reserve Board could afford, under those circumstances, in some way or manner to hold this thing in abeyance pending that decision. What would be your thought on that, Mr. Ransom?

Mr. RANSOM. Mr. Patman, I do not see how it lies within the power of the Federal Reserve to hold a law in abeyance.

I listened this morning to my friend Paul Brown and several other members of the committee suggest that we fix an effective date of the order. We have issued no order which has an effective date. We have written an opinion, which may or may not be right. I think it is right. The effective date of that opinion is the effective date of the law which you gentlemen passed in 1933 and reenacted in 1935.

Mr. PATMAN. Do you think you can have the Attorney General pass on this before January 1?

Mr. CROWLEY. I do not think so; he would not have sufficient time.

Mr. RANSOM. May I complete my statement?

Mr. CROWLEY. As Mr. Ransom says, this law was passed in 1933 and reenacted in 1935, and what I cannot understand is why they have become so conscientious about it all of a sudden.

Mr. RANSOM. Mr. Chairman, Mr. Crowley is one of the fairest men in government that I have ever had the privilege of dealing with, and I am quite sure that Mr. Crowley would never be intentionally unfair, but I think that statement is unfair, because Mr. Crowley knows, as well as you know, that from the date this law was passed we have been struggling with its enforcement. We have had innumerable conferences with Mr. Crowley and other members of the F. D. I. C. and their staff and at all times we have tried to enforce the law. If we had been negligent in that respect, there would be room for criticism.

Now, there are others involved in this question, possibly, than the F. D. I. C. and the Board. The Comptroller of the Currency has considerable responsibility under the statute.

I have a possible way, I think a very effective answer, to Mr. Crowley's suggestion that we have suddenly become conscientious and to other suggestions that we have within the last 2 weeks, I think he said, indulged in what he called a squeeze play, and I would like to read to the committee a letter, which has a tremendous bearing on that problem. It is from the Office of the Comptroller of the Currency and is signed by Mr. Upham, Deputy Comptroller. I am sorry it is as long as it is, but it must be introduced in order to explain the charges just made. It is addressed to the Board of Governors.

Mr. PATMAN. What is the date of the letter?

Mr. RANSOM. The date of this letter is July 31, 1942. It reads:

"Reference is made to office letter of June 22, 1938, enclosing a copy of a letter dated May 5, 1938, with enclosures, addressed to Chief Examiner ———, by Examiner ———, with respect to the absorption of out-of-pocket charges by the National Bank of ——, of ———, ——. Such information was submitted for a determination as to whether or not there had been a violation of regulation Q, as amended, inasmuch as the Federal Reserve bulletin for March 1937, indicated that the amendment effective February 11, 1937, which eliminated subsection (f) and made an addition to section 2 (a), was to declare existing law rather than to interpret and apply the law to particular practices, and that, therefore, the question of what in a particular case is a payment of interest upon a demand deposit, or a device to evade the prohibition against the payment of such interest, would be a matter of administrative determination under the general law in the light of experience, as specific cases develop. In addition to submitting a specific case, reference was also made to the fact that another bank in the same section of the country has been absorbing exchange charges, possibly following the lead of the subject institution."

That refers to their request in 1938.

"In accordance with the Board's request of August 3, the examiner at the time of the next examination obtained additional information concerning the operation, and his letter of November 19, 1938, was sent to you on November 30, 1938. It was understood from your letter of December 12, 1938, that the matter was under consideration and when a determination had been reached as to the action to be taken in the matter, this office would be furnished with a copy of any letter written to the bank on the subject.

"On April 20, 1939, this office inquired whether a determination had been reached and was informed on April 27, 1939, that the subject of absorption of exchange and collection charges and other out-of-pocket expenses was under consideration by the Board of Governors, and it was possible that final determination of the questions involved might not be reached for some time, but that you would communicate with this office when consideration of the matter had progressed to a point at which more definite advice was possible.

"Further inquiry was made on August 16, 1939, inasmuch as reports of examinations of other banks in the locality indicated that for their own protection they considered it necessary to resort to similar practices. In reply on August 23, 1939, the Board advised that, while the subject was having active consideration, it involved many perplexing problems and it was not yet prepared to advise with respect to the matter.

"On January 12, 1940, you were advised that the examiner had reported he had discussed with President ——— of the subject bank the matter of absorbing exchange charges for country bank correspondents, that the latter had stated he would welcome a ruling from the Federal Reserve Board whereby the absorption of such charges would be considered a violation of regulation Q, but until such ruling was forthcoming he felt it necessary to continue to absorb such charges to meet competition. The Board was advised that other banks in the vicinity of the subject bank had found it necessary to engage in out-of-pocket charges because of the activity of the subject bank in this respect.

"On January 19, 1940, your reply indicated that if, as a result of the Board's consideration of the matter, it should be found desirable to communicate with the ——— on the subject, you would be glad to furnish this office with a copy of the communication.

"Later in the year the Board's letter of September 25, 1940, replying to office letter of September 4, stated that action had not been taken with respect to the situation pressed in the National Bank of ———, ———, ———, for reasons with which this office was acquainted, but that, as previously stated, this office would be advised in event the Board should do so at any time.

"At this point it was felt that this office should not continually bring up the subject but should await the Board's interpretation of its regulation when such determination might be made. However, it seems to involve a question which will not rest, and a practice which may spread to the detriment of banking generally, as well as one that, when once established, may be difficult to discontinue. For this reason, there follows an outline of subsequent developments.

"On December 5, 1941, the president of the ——— Clearing House Association stated that members of the association had been carefully observing the provisions of regulation Q, issued by the Board of Governors of the Federal Reserve System, but found that several banks in competing territory did not observe such regulation, which developed competition to the disadvantage of the ——— banks; that the examiners had consistently checked as to observance of this regulation and had discouraged any departure from its provisions, but that the matter of competition had developed to a point where some members of the clearing house desired to reopen the discussion as to its procedure under this regulation, and requesting this office to advise what relief could be expected through the enforcement of the regulation.

"On December 15, 1941, the president of the ——— Clearing House Association was advised of the efforts made to obtain the Board's interpretation of regulation Q with respect to out-of-pocket charges, and that a specific case had been submitted and the Board had stated this office would be advised of any action taken. He was further advised that the practice of absorbing out-of-pocket charges appeared to be an unnecessary expenditure of a bank's funds and was regarded unfavorably. It was suggested that if it resulted in a competition detrimental to the clearing house banks of ——— they ascertain from the Federal Reserve bank of ——— whether or not an interpretation of regulation Q had been made. He was requested to advise of any developments.

"On July 13, 1942, in reply to an inquiry from this office, the former president of the ——— Clearing House Association, his term having expired, stated that they received no satisfaction from their request for support from the Federal Reserve bank by enforcement of regulation Q; that their treatment was cordial and sympathetic, but results were lacking and that, despite that discouragement, five of the six clearing house banks were willing to continue to abide by the full intent of that regulation, but the ——— National Bank of ——— elected to resign from the clearing house and pursue its own methods of handling exchange costs. He further stated that this precipitated a new competitive situation in our own front yard, and to meet this the banks that remained in the clearing house inaugurated a system of complete analysis, including out-of-pocket expense in the analysis, rather than consider it as a separate, chargeable item, as had been the practice. He stated they regretted that this change became necessary, but there apparently was no alternative."

I would like this to apply to Mr. ROLPH's recent question.

The ordinary service charge does not involve an actual out-of-pocket expense; it involves overhead. The collection aspect of the matter is that in the process of collecting many items exchange is involved—somebody has to pay it; in the instant case it was absorbed.

Mr. ROLPH. Is not that an arbitrary charge?

Mr. RANSOM. No, because the bank on which the check is drawn makes a charge for making its depositors' funds available elsewhere.

It may be arbitrary, if you want to consider it that on the part of the charging bank, but your bank would not be expected to pay it; the drawer of the check in question, not the recipient of the check or some bank along the line.

Mr. ROLPH. I put checks in my bank and receive a credit for check deposits, but I do not pay for it.

Mr. RANSOM. Probably your checks do not involve an exchange charge.

Mr. PATMAN. Let me say a point was raised here the other day about the sergeant at arms absorbing these charges. I asked the sergeant at arms about it, and he said if I were to draw a check on a bank where exchange was carried that when they found that out he would bring me a bill for that charge and have me pay it; he personally would not pay it; he would send a statement to me.

Mr. ROLPH. Has anyone had that experience?

Mr. RANSOM. Mr. Chairman, with your permission, I would like to read the rest of this letter to us from the Comptroller of the Currency to complete the record:

"On June 26, 1942, the president of the ——— National Bank of ———, ———, advised that under date of June 23, the ——— Clearing House Association changed their form of policy and were now absorbing exchange provided the account, from an analysis standpoint, shows an earning capacity, and that he was afraid this was going to be far reaching, and instead of banks being able to reduce overhead, the item will increase materially.

"While this office obtains only the viewpoint of national bankers and it would appear that they do not like the practice mentioned, even though certain of them feel that they must engage in it for their own protection, the question likewise involves and will affect the member State banks and nonmember banks.

"While it is our inclination to press national banks not to resort to this practice, we are reluctant to take too dogmatic a position on a controversial matter falling within a province delegated to the Board of Governors, in the absence of a determination of the question by them. Such a determination is highly advisable from a supervisory standpoint, and, we believe, from the standpoint of better banking generally. We would urge upon the Board the desirability of prompt ruling.

"Because of the implications to all banks, a copy of this letter is being sent to the Federal Deposit Insurance Corporation.

"Very truly yours,

"C. B. UPHAM,
"Deputy Comptroller."

The point I am trying to make, and I think Mr. Crowley will agree with this, is that this whole subject has been under constant discussion between agencies, between the banks, and often between Members of Congress, so that, Mr. Crowley, it is not a new position that we have suddenly taken, and I think when you said that you were doing us an injustice in a very difficult problem.

Mr. CROWLEY. Let me say this to you: I agree that it has been under discussion. This first letter from the Comptroller of the Currency was dated in June, sometime, 1938. The next one was dated July 1942.

We first started to discuss this thing, I think, back in 1935. I am not a lawyer and Mr. Ransom is; but if I were a lawyer I would accept Mr. Ransom's facts and figures and dates, and rest my case because there is no more emergency existing now, so that this thing cannot be delayed for 60 or 90 days, than existed last September, October, or November, except that, and I want to be fair about the thing, the Federal Reserve has already notified their Federal Reserve banks that on January 1 they are to notify their banks that they are going to start to prosecute violations of this regulation. That is what I am advised by the banks that happen to be in the Richmond area.

Now, what happens in this case, as I view it, is we come along here about the 1st of December, and we have this conference with this committee. It put this committee in this position: That if you are going to do anything about this to settle it in a legal way you have to have legislation. Now, it is humanly impossible to get legislation by January 1, because you cannot get it through the House or through the Senate. So the Federal Reserve Board says to you men now: We have a law we have to carry out here, and we cannot postpone it any longer. We must put it into effect and start to prosecute violations thereof by January 1.

Mr. PATMAN. But, Mr. Crowley, there is no difference of opinion between you gentlemen on this. The material thing, if I view it correctly, is that you gentlemen agree. All right; if you agree, why suspend it? Now, here is what you agree on: You agree that it is absolutely wrong, a violation of the law for them to conduct this business in a way that shows a direct relationship between the payment made and the balance which is carried. You both agree to that. All right; instead of suspending the law, then, why can't you just say that that is your rule and regulation? The Federal Reserve Board, Mr. Ransom, speaking for them, states that is his view. That being true, they will only have to refrain from engaging in one part of their activity, and that is the part which comes within the ban as defined by you gentlemen.

Mr. CROWLEY. The part which requires an offsetting deposit.

Mr. PATMAN. Yes.

Mr. CROWLEY. We are willing to join the Federal Reserve in a regulation to the effect that the absorption of exchange is not a violation unless it appears that there is a uniform relationship between the balance maintained and the amount of the exchange charged.

Mr. RANSOM. Any statement as to a uniform relationship would be wholly ineffective, in my opinion.

Mr. PATMAN. I think it would be ineffective, anyway, because it would require proof of uniformity.

Mr. RANSOM. If we could agree to that language as just read by Mr. Crowley, which, as I see it, we cannot, we would find ourselves in this dilemma: We would have this whole question to decide all over again on a state of facts that might develop tomorrow. Now, Mr. Crowley knows that over a period, when the Comptroller first asked us for an opinion to the day when we issued the September Bulletin opinion, we were in a constant state of trying to find some solution that would be acceptable to all three agencies that could be enforced. We have never failed to be diligent at all times.

Mr. PATMAN. I agree that that phrase, "uniform relationship," is bad; but can you not agree on some other phrase that would be acceptable to both of you?

Mr. RANSOM. I will say, Mr. PATMAN, that we had already agreed in 1937 with the F. D. I. C. on a form of regulation which we both issued, and which does nothing more than raise a question to be decided on the law and on the facts in the particular case.

Mr. BROWN. You issued a bulletin in June 1934, did you not?

Mr. RANSOM. I am sorry; I did not hear you, Mr. Brown.

Mr. BROWN. I say you issued a bulletin in 1934, did you not?

Mr. RANSOM. Yes; we issue one every month.

Mr. BROWN. All right; here is what you say:

"The absorption or payment of such charges in amounts which do not vary with or bear a substantially direct relation to the amount of the depositor's balance is not prohibited by law."

Mr. PATMAN. That is what I understand both of you gentlemen agree on now.

Mr. RANSOM. Let me say, Mr. Brown, that is only a portion of the article in the June 1934 Federal Reserve Bulletin.

Mr. BROWN. I am going to ask Mr. Crowley to insert the whole bulletin in the record.

Mr. RANSOM. We are prepared to insert it.

Mr. BROWN. I am going to have Mr. Crowley insert it in view of the fact that he referred to it.

Mr. HULL. Pardon me if I interrupt here. We have not a quorum present, and we are considering a matter that is just before us as a matter of courtesy. We are going to adjourn tomorrow, and there is no possibility of any legislation being enacted before adjournment. After a week or so of discussion here, it is apparent that there is going to be action taken by the Federal Reserve Board on this regulation. I wonder if the chairman would entertain a motion or whether the committee would entertain a motion that inasmuch as the country banks are going to be required to spend a couple of million dollars on exchange charges before any legislation on it can be prepared—I wonder if you would entertain a motion suggesting that the chairman prepare a bill which will define the law in three or four paragraphs so plain that nobody can misunderstand it and bring that bill before the committee when we reconvene?

Mr. ROLPH. I second that motion.

Mr. BROWN. The suggestion of Mr. PATMAN might be a good one.

Mr. KUNKEL. But after you get the Attorney General's opinion, where are you?

Mr. BROWN. Then we can decide whether we want to enact a law.

Mr. PATMAN. There is no difference of opinion here.

Mr. KUNKEL. When you get the Attorney General's opinion, that will not settle it without a court's determination.

Mr. BROWN. You do not want to invoke it now until we can get the court's decision on it, do you?

Mr. KUNKEL. I think we would have to take it to the courts to decide it in any event.

Mr. RANSOM. Let me point out to you, Mr. Hull, and Mr. Crowley, that nowhere, to my knowledge, has the Federal Reserve Board or a single Federal Reserve bank ever used any date on which a law passed by Congress is to become effective, never.

Mr. HULL. I would ask you this question, Mr. Ransom: What you have before you and what you are trying to enforce is your construction of the law?

Mr. RANSOM. That is correct.

Mr. HULL. That is what you intend to enforce?

Mr. RANSOM. Correct.

Mr. HULL. Then, if you are wrong what is going to happen to this $2,000,000 or $3,000,000 exchange you will get in before some court can decide otherwise?

Mr. RANSOM. I cannot answer that because I do not know, because I assume the banks know the law and obey it. As to the suggestion that we are responsible in any way for the date of January 1, that is wholly incorrect. What happened in this, and it might throw some light on the discussion: After the banks read our September bulletin many of them concluded we were right, that they had been violating the law and they wanted to desist. So they sent out the notices that as of a certain day they would start observing the law. January 1, I believe, happens to be the date which Mr. Brown tells me some of the banks in his district received as the deadline from the banks with which they do business. I have seen nothing of that kind from the State of Georgia.

Mr. BROWN. I have received a good many letters on that.

Mr. CROWLEY. May I put this in the record: Mr. Haynes told Mr. Brown, our general counsel, that the Richmond Federal Reserve Bank had notified his bank, and he understands they told all banks in that district, that unless they discontinued absorbing exchange by January 1 charges would be made against it. He said he was informed that all Federal Reserve banks would take the same action.

Mr. RANSOM. That is an action on the part of the president of one Federal Reserve bank, and I suppose that is an effort on his part to obtain compliance with the law, but the date is wholly immaterial to me.

Mr. BROWN. We have quite a lot of banks, small and large banks, that are concerned about this, and I have received letters from some of them in my own State, and they do not want this regulation to be put in operation now, but they are afraid to write to you about it, and they are afraid to have me use their names. They are afraid the Federal Reserve Board will place them on the blacklist. That is the whole truth of the matter.

Mr. RANSOM. We have no blacklist.

The CHAIRMAN. I do not think the committee offhand is in a position to decide these questions when there is a substantial difference of opinion between two departments of the Government.

Mr. PATMAN. I see no difference, Mr. Chairman.

The CHAIRMAN. Well, now, there is; there is no doubt about that. If this were a dispute between two individuals and the enforcement of a statute were involved, and if the court thought there was a substantial cause of action it would enjoin enforcement of that statute pending decision of the court.

It seems to me neither department has the ultimate right to make a decision if there is a conflict of opinion between them as to the law. Now, the Attorney General is the chief law officer of the United States. It seems to me this question could be submitted to him. I think it would be a proper submission where there is a substantial difference of opinion between two departments.

Mr. KUNKEL. What good would it do after you had done that?

The CHAIRMAN. The court would take this under advisement for a long time and consider it. I do not think the committee ought to have to decide it. I think some competent tribunal of the Government should decide this rather than the committee.

Mr. FOLGER. All of Mr. PATMAN's insistence upon an answer has been based upon a hypothetical state of facts that we might differ on as lawyers, but do we know the facts, and is it just in the situation to ask the Attorney General to pass upon a hypothetical state of facts?

I have a letter—and I am not going to give the name of the sender—from a banker who says that his bank has been notified that after January 1 they will absorb only 50 percent of the exchange charges, but it does not refer to any consideration as to interest or noninterest or the amount of demand deposits, or anything of that kind, but it just states that after that time they would not absorb more than 50 percent of the exchange charge. We are just hypothetically considering this matter. The banks that write me simply ask that this matter be deferred in some way until April 1—until it can be settled. We should take some time to see what has been going on. Here is one case upon which this ruling is based, but if you get a hypothetical opinion which is based upon a hypothetical question, I do not think it will answer the question.

Mr. RANSOM. In answer to Mr. FOLGER's very intelligent suggestion, we have no idea of asking the Attorney General a hypothetical question. We have a specfic case, and we do have a difference of opinion as to the legal conclusions to be drawn from the facts as submitted by the Comptroller of the Currency. That case involves the question we have been discussing for days. We propose to ask for an opinion, or we will join in the request to ask him to render an opinion on the facts in that case. That is not hypothetical at all. That case obviously is effective and would be controlling, in my opinion.

Mr. FOLGER. I have had many telegrams and letters on this matter. Most of the telegrams and letters I have received contain only pleas for a postponement to be heard in some proper tribunal—a postponement for 60 days from January 1 to April 1. That is the request I have received from these men who are going to be vitally affected.

I am not taking a position either way. I have an opinion about the law, but my opinion might not be right, and there is no use to inject that here, but is there not some way, without the Federal Reserve bank seeming to stultify itself by postponing the execution or enforcement of a law by which these banks may be favored by such an innovation—and I am not criticizing the banks about that, as I do not know too much about them—but is there not some way in which this postponement can be accomplished to give a chance to the banks adversely affected—to give them a chance to come in and present the matter somewhere and somehow? We cannot do it now as we are going to adjourn tomorrow, and a resolution has been offered already.

As to Mr. Hull's suggestion that there will be $2,000,000 paid out in charges, and what is going to become of it, suppose the last interpreter of this law should hold that this was not prohibited by this act which give rise to regulation Q?

Mr. RANSOM. I am treading on dangerous ground, and I am not at all sure of my legal position. Despite Mr. Crowley's statement that I am a lawyer, it has been a long time since I have practiced law, but if such a contingency arises as you suggest, who is going to complain, the bank to which in effect, in my opinion, the other bank is going to pay interest? Is the nonmember bank going to sue the absorbing bank for interest that it benefited from, or received? There is not any probability of it when you get into that field that anybody is going to be heard to complain. As an actual matter of fact the indirect payment of interest is not to the absorbing bank in all instances an unfair proposition because they have gotten the use of the balance. As I said to start with the bank that absorbs exchange in all probability must make more out of the funds of their correspondent bank than they absorb for the correspondent bank, or they would not do it. So, there is not any danger of a certain amount of interest being paid out which, as Mr. Hull suggested someone might want to recover. That does not give me any concern at all, but the Board's position, Mr. FOLGER, would be an extremely difficult one if it recedes from its present position.

Mr. BROWN. When the gentleman concludes his answer, since we have a witness here, Mr. Crowley, who has been here for several days, I think we ought to let him complete his statement.

Mr. CROWLEY. Mr. Chairman, I have got to please be excused at 12 o'clock, because I have an appointment that I have to keep, but I just cannot get through my head why we have to rush this thing through here in a few days.

I feel very, very keenly about this thing here, and I know Mr. Ransom does on the other side.

There could be a joint resolution put into the Senate delaying the execution of the Federal Reserve's ruling for 60 or 90 days

that would not have any difficulty in being passed.

There are a good many Congressmen and a good many Senators who feel very keenly about this thing and who have little banks that feel very keenly about it, and if Mr. Ransom and his Board will only agree just to have the Federal Reserve bank and these other banks leave this thing alone and immediately. Mr. Chairman when you get back put in a resolution that would protect the Federal Reserve Board for 90 days until you have a chance to see whether this committee wants to draft some definite legislation dealing with this thing here that would meet the situation. I think the subject is entitled to that much consideration.

Now, so far as I am concerned, I have done everything that I can possibly do on this thing here. I have disagreed with the Fed on this since 1935. I realize their position, but there is not anything more I can do about this, except this, that as far as the Federal Deposit Insurance Corporation is concerned, I think we have a perfect right to write our banks a letter stating that as to the nonmember insured banks the absorption of exchange will not be considered a violation of the Corporation's interest regulations where the exchange bears no relation to the amount of the depositor's balance.

Mr. PATMAN. That is where I say there is no difference between you. You would not object to postponing a resolution that would ban the payment of interest directly or indirectly?

Mr. CROWLEY. I think you might pass a law until this law could be clarified.

Mr. PATMAN. But I think your instructions would clarify it.

Mr. CROWLEY. I know that we do not have a right to do that.

Mr. PATMAN. You stand by the 1934 order about where there is no relationship between the amount of deposit and the compensation paid that it is not a violation of the law?

Mr. RANSOM. That is a technical question. Because of my loss of voice from which I am suffering from the process of taking up your time, and because it is very strictly a technical legal question I will ask you to let the general attorney for the Board answer that question.

Mr. BROWN. At this point may I ask permission to insert in the record this bulletin issued in June 1934, pages 394 to 396, inclusive?

Mr. KUNKEL. Has anybody submitted the September issue of the bulletin for the record?

The CHAIRMAN. Without objection the pages referred to may be inserted in the record at this point.

(The pages referred to are as follows:)

[Extract from Federal Reserve Bulletin for June 1934, pp. 394–396]

"ABSORPTION OF EXCHANGE OR COLLECTION CHARGES BY MEMBER BANKS

"Section 19 of the Federal Reserve Act, as amended by the Banking Act of 1933, approved June 16, 1933, provides, in part, that:

" 'No member bank shall, directly or indirectly by any device whatsoever, pay any interest on any deposit which is payable on demand.'

"If strictly complied with by member banks, this provision of law would reduce one of their largest items of expense, and it is in their own interest for member banks to cooperate in obtaining complete compliance with both the spirit and the letter of the law on this subject.

"Since the enactment of this provision on June 16, 1933, the Board has frequently had occasion to consider the question whether the payment or absorption of exchange or collection charges by a member bank, in connection with items received on deposit from its customers or correspondents constitutes an indirect payment of interest within the prohibition of section 19, where such deposits are payable on demand; and the Board has issued a number of rulings on this subject during the past year.

"Questions as to whether or not the absorption of particular charges constitutes an indirect payment of interest within the meaning of the law must be determined as and when they arise in particular cases and in the light of the special facts of each such case, and no general rule applicable in all cases can be prescribed. However, rulings which the Board has made in particular cases which have been presented for its consideration have resulted in the establishment of certain principles, which are summarized below for the information and guidance of member banks:

"(1) The absorption of exchange or collection charges in amounts which vary with or bear a substantially direct relation to the amount of a depositor's balance amounts to an indirect payment of interest in violation of section 19 of the Federal Reserve Act, if the deposit is payable on demand.

"(2) The absorption or payment of such charges in amounts which do not vary with or bear a substantially direct relation to the amount of the depositor's balance is not prohibited by law.

"(3) If exchange charges and other actual out-of-pocket expenses are included in an analysis of an account which also includes a credit allowed the customer for interest or for the reasonable value of the account to the bank interest is paid to the extent that such credit offsets out-of-pocket expenses absorbed by the bank; and any such payment with respect to a deposit payable on demand is in violation of law.

"(4) If exchange charges and other out-of-pocket expenses are omitted entirely from an analysis of an account, credit for the earning value of the account to the bank may lawfully be included in such analysis, provided no payment is made to the customer with respect to such account and the analysis is used solely for the purpose of determining whether the bank itself is properly compensated for the services which it renders to the customer and/or what service charges, if any, must be assessed against the customer.

"In order that the application of these principles may be more clearly understood, the rulings in which they were established are reviewed below.

"In one of the earliest rulings by the Board, the question presented was whether a member bank might lawfully absorb exchange or collection charges in connection with checks and other items received by such bank for credit to the account of the correspondent bank. From the statement of facts submitted, it appeared that a charge would be made and assessed against the correspondent bank unless a sufficient balance was maintained by that bank to recompense the member bank for the absorption of such charges; but it did not appear that there was a substantially direct relation between the amount of the charges so absorbed by the member bank and the amount of the balance maintained by the correspondent. For the purposes of the ruling, it was assumed that the amount of the charges so absorbed would not vary directly with the amount of the deposit balance, but would depend rather upon the number of items received in the correspondent's account, the time necessary to collect them, and the manner of collection necessary. It was further assumed that, although service charges might be made against the correspondent bank if it failed to maintain a balance sufficient to recompense the member bank for the absorption of such charges, nevertheless, if the amount of the deposit balance exceeded the minimum required for the absorption of such charges, there would be no corresponding increase in the cost of the account to the member bank or in the pecuniary benefits to the correspondent bank.

"The Board ruled that the absorption of exchange or collection charges in such circumstances was not to be regarded as a payment of interest directly or indirectly within the meaning of section 19, since the amount of charges absorbed by the member bank would not vary with or bear a substantially direct relation to the amount of the balance maintained by the correspondent bank. However, the Board stated that, if the amount of such charges or benefits to the correspondent bank should vary with or bear a substantially direct relation to the amount of the deposit balance, such a practice would come within the prohibition of section 19 against the payment of interest on deposits payable on demand.

"In another case there was also presented to the Board a question as to the legality of a practice under which member banks charged to their depositors the amount of exchange charges on checks received on deposit, except that, if the average daily balance of the depositor was $1,000 or more, the banks absorbed the amount of such exchange charges. The Board stated it was of the opinion that the absorption of charges in such circumstances was not an indirect payment of interest, since the amount of charges absorbed did not vary with or bear a substantially direct relation to the amount of the depositor's balance; and that accordingly, the member banks were not prohibited from absorbing charges on such a basis in connection with balances payable on demand.

"On the other hand, in another case presented to the Board, it appeared that it was the custom or practice of certain member banks, in connection with deposits received from correspondents and payable on demand, to absorb exchange or collection charges in an amount equivalent to 2 percent of the collected balance of the correspondent bank. On the basis of such facts, the Board expressed the view that the payment or absorption of exchange or collection charges by any such member bank up to an amount equivalent to a certain specified percentage of the amount of the collected balance of the correspondent or customer was an indirect payment of interest in contravention of the provisions of said section 19.

"In yet another case, the facts were stated to the Board substantially as follows: The potential earning power of the depositor's balance is arrived at on the basis of an arbitrary rate representing in theory the approximate average earning rate of the bank's loans and investments. This amount is set up as an analysis credit account which will offset service charges for checks collected, checks paid, etc. If the total amount of such service charges is less than the analysis credit, no service charge is assessed against the depositor; but, if such charges exceed the amount of the credit, the depositor is called on to pay the difference. The bank does not actually pay any part of the analysis credit to the depositor, regardless of the amount of such credit or the amount of the service charges. It was stated that the service charges themselves did not represent actual payments made by the bank for exchange, collection, or other similar charges, but it appeared that such items, representing actual expenditures by the bank on behalf of specific depositors, would actually be included in computing the amount to be offset by the analysis credit, which apparently represented a fixed percentage of the depositor's balance. On the basis of such information, the Board expressed the view that the deduction from the amount of service charges to be imposed upon a depositor of an amount equivalent to a certain percentage of his balance is an indirect payment of interest within the meaning of section 19 of the Federal

Reserve Act, and accordingly, that no member bank may lawfully make a deduction from service charges on such a basis with respect to deposits payable on demand.

"Insofar as this ruling related to service charges representing general overhead expenses of the bank, as distinguished from exchange, collection, and other charges arising out of specific transactions for specific customers and actually paid or credited by the bank on behalf of such customers, it was qualified subsequently by the ruling next discussed below.

"Under date of November 24, 1933, the Board was advised by the chairman of the banking code committee that article VIII, paragraph (3) of the Bankers' Code of Fair Competition, as approved by the President on October 3, 1933, provides that rules shall be adopted by all clearing houses fixing uniform service charges whereby services rendered by banks shall be compensated for either by adequate balances carried or by a scale of charges. It was stated that, in order to determine whether the balance carried in an account is sufficient to compensate the bank fairly for services rendered, it is necessary to analyze the account and that this requires the establishment of uniform rules which must give consideration of the value of the account and proper service charges against the account; and that these charges are of two classes: First, general overhead expenses of the account; and second, out-of-pocket expenses, such as exchange, collection, and other charges arising out of specific transactions for specific customers and actually paid or credited by the bank on behalf of such customers.

"It further appeared that, under the code, it was the duty of the banking code committee to consider the rules which were being submitted for approval by clearing houses and other banking groups provided for in the code and that, before passing upon these rules, the committee desired to know whether it would be contrary to the provisions of the Federal Reserve Act which prohibits the payment of interest on deposits payable on demand for member banks to take into consideration 'the reasonable value of their customers' deposit balances' in analyzing accounts in accordance with a uniform plan to be approved by the banking code committee for the purpose of determining whether service charges should be assessed against their customers and, if so, the amount to be assessed: *Provided*, That (1) the value of each account to the bank is computed in accordance with a uniform plan approved by the banking code committee, and (2) the banks require actual reimbursement (without deduction of interest or of the estimated value of the customers' balance to the banks) for exchange charges, collection charges, and other charges arising out of specific transactions for specific customers and actually paid or credited by the bank on behalf of such customers.

"In response to the foregoing, the Federal Reserve Board reconsidered the ruling last discussed above and made an official ruling to the effect that a practice such as that outlined in the letter from the chairman of the banking code committee would not be contrary to the provisions of section 19 which prohibit the payment of interest upon deposits payable on demand. In reaching this conclusion, the Board qualified certain earlier rulings to the extent of holding that the absorption, in an amount equivalent to the value of the depositor's account to the bank, of service charges representing the depositor's allotted shares of the banks' general overhead expenses, as distinguished from exchange charges, collection charges, and other charges arising out of specific transactions for specific customers and actually paid or credited by the bank on behalf of such customers, would not contravene the rule against paying interest directly or indirectly on deposits which are payable on demand. In making this ruling, the Board also took particularly into account the fact that the uniform ruling proposed to be adopted by the banking code committee contemplated, among other things, that the banks would require actual reimbursement for exchange and collection charges without the deduction of interest or of the estimated value of the customers' balances to the banks. It was felt that such a rule would eliminate any question of illegality which might be occasioned by the absorption by a bank of exchange or collection charges in an amount bearing a substantially direct relationship to the amount of the balance.

"In conclusion, it should be noted that, in any case in which a member bank pays or absorbs exchange or collection charges or other expenses in connection with any deposit payable on demand, the burden will be upon it to show that such payment or absorption of charges is not a device to evade the provisions of section 19 of the Federal Reserve Act forbidding the payment of interest on deposits payable on demand."

Mr. PATMAN. Referring to paragraph (1)—

"The absorption of exchange or collection charges in amounts which vary with or bear a substantially direct relation to the amount of a depositor's balance amounts to an indirect payment of interest in violation of section 19 of the Federal Reserve Act, if the deposit is payable on demand."

Is that all right?

Mr. RANSOM. No; it has to be explained. Read the last paragraph.

Mr. PATMAN (reading):

"(2) The absorption or payment of such charges in amounts which do not very with or bear a substantially direct relation to the amount of the depositor's balance is not prohibited by law."

Do you agree to that?

Mr. RANSOM. Provided you read the last paragraph.

Mr. PATMAN (reading):

"In conclusion, it should be noted that, in any case in which a member bank pays or absorbs exchange or collection charges or other expenses in connection with any deposit payable on demand, the burden will be upon it to show that such payment or absorption of charges is not a device to evade the provisions of section 19 of the Federal Reserve Act forbidding the payment of interest on deposits payable on demand."

In other words, you just shift the burden of proof there, but the general proposition that you and Mr. Crowley both agree on, as I understand it, is that where there is a direct value or relationship, we will say, over a period of time which shows that the amount of charges absorbed has a direct relationship with the amount of deposit kept by the bank, it would be a violation of the law. Now, both of you gentlemen have agreed to that?

Mr. RANSOM. Yes.

Mr. PATMAN. Now, then, I cannot see why, if you put that together in one order or regulation, or issue separate regulations making that plain, why anybody could complain of it.

Mr. RANSOM. We put it together when we decided the September bulletin case.

Mr. PATMAN. Now, this 1934 order still stands, does it?

Mr. RANSOM. That is hardly an order; it is an expression of opinion.

Mr. PATMAN. All right, it still stands; you have not changed your views?

Mr. RANSOM. Will you please let the general attorney of the Board explain that?

Mr. DREIBELBIS. I agree with the 1934 statement, and I agree with paragraphs 1 and 2.

Mr. PATMAN. Has the Board changed its views on it?

Mr. DREIBELBIS. No, sir. I will say that the ruling in September 1943 is entirely consistent with that statement. I think the question is "wherein is the September 1943 rule out of step with the 1934 ruling in the bulletin?"

Mr. CRAWFORD. It is not out of step, is it?

Mr. DREIBELBIS. I say no, as a lawyer.

Mr. PATMAN. I am not admitting that it is.

Mr. FOLGER. Then, this question arises, why was not something done comparable to what was done in the following September, in 1934, when the Board sent out its bulletin? You see, that was 9 years ago, and we are now engaged in a war, it is Christmas time, and we are about to adjourn, and all of these things are confronting us.

Mr. MCKEE. With the permission of the witness, I would like to make a statement off the record as far as this delay in the mechanics of it is concerned.

Mr. PATMAN. Mr. McKee wants to make a statement off the record in regard to the delay in the mechanics of it.

The CHAIRMAN. Without objection, he may make a statement off the record. Mr. Crowley is on the stand, but if you want to proceed, why, all right.

Mr. CROWLEY. I yield, but not for all afternoon.

(Discussion off the record.)

Mr. PATMAN. I would like to ask Mr. Crowley this question: Why could not your banks bring a suit? They have their rights under the law. Why put this on Congress? You have your law; you have your lawyers, and you have your courts.

Mr. CROWLEY. Mr. Chairman, I would like to say just this. I do not think it is up to me as Chairman of the F. D. I. C. to come here and argue with Congress as to what it ought to do. If you Members of Congress do not want to meet this issue with some legislation, then certainly it is the duty of the Federal Reserve to carry on in the way they interpret the act. I have expressed my views on this, and I expect to let all the insured banks in the country know what my views are. But if Congress does not want to meet this issue head-on, that is up to them. I think all this stuff about delay, and all this about the necessity of doing their duty, and so forth, and so on, is all bunk. I think it is up to Congress to take positive action.

I just want to say this one other thing. Some of you may not agree with me on this matter, but I want to tell you that this is going to lead to things in the future on which you will agree with me.

Mr. BROWN. In that connection, I just want to say that I am just doing my best to clear up this situation. I do not think you can put this on Congress. We did not know anything about the enforcement of this regulation as interpreted by the Federal Reserve Board.

Mr. TALLE. Mr. Crowley, in connection with your final statement, is it fair to say this might lead to branch banking?

Mr. CROWLEY. I do not think there is any doubt about it. I think you are giving to the branch-bank advocates one of the finest weapons you ever gave them in your life.

Mr. MCKEE. I would like to refute that. I think you are giving to small banks the chance to make money on their own money, just as has been done by the big banks. You do not absorb exchange charges for nothing, and if they had not been operating with the little fellows' money at a profit, they would not be absorbing their exchange charges.

Mr. KUNKEL. Mr. Chairman, with your permission and that of the committee, I would like to include, as part of the record, some figures given in the Annual Report for 1942 of the Board of Governors of the Federal Reserve System. These figures are found on page 82 of that report and give the number of banks on the par list and those not on the par list, by both Federal Reserve districts and States, as of December 31, 1941, and December 31, 1942.

The CHAIRMAN. Without objection, that may be done.

(The matter referred to is as follows:)

No. 19.—Number of banks on par list and not on par list,[1] by Federal Reserve districts and States, on Dec. 31, 1941 and 1942

Federal Reserve district or State	Member banks		Nonmember banks, other than mutual savings banks			
			On par list		Not on par list	
	Dec. 31, 1942	Dec. 31, 1941	Dec. 31, 1942	Dec. 31, 1941	Dec. 31, 1942	Dec. 31, 1941
DISTRICT						
Boston	348	347	160	162	-----	-----
New York	799	797	188	195	-----	-----
Philadelphia	652	659	221	224	-----	-----
Cleveland	685	673	510	538	2	2
Richmond	460	447	262	275	288	289
Atlanta	318	317	87	82	693	704
Chicago	925	899	1,301	1,338	215	220
St. Louis	450	437	585	621	446	443
Minneapolis	454	452	103	115	718	716
Kansas City	744	741	864	905	173	176
Dallas	570	573	239	241	149	152
San Francisco	274	277	223	228	26	29
Total	6,679	6,619	4,743	4,924	2,710	2,731
STATES						
New England:						
Maine	40	40	26	26	-----	-----
New Hampshire	53	53	12	12	-----	-----
Vermont	40	40	32	32	-----	-----
Massachusetts	154	153	39	41	-----	-----
Rhode Island	14	14	9	9	-----	-----
Connecticut	60	60	57	57	-----	-----
Middle Atlantic:						
New York	584	580	126	133	-----	-----
New Jersey	289	291	61	61	-----	-----
Pennsylvania	771	778	278	288	-----	-----
East North Central:						
Ohio	391	379	293	312	-----	-----
Indiana	215	201	280	296	3	3
Illinois	447	434	347	364	32	32
Michigan	225	224	222	230	1	1
Wisconsin	147	145	255	260	159	161
West North Central:						
Minnesota	209	207	42	48	421	420
Iowa	158	154	385	390	111	114
Missouri	164	160	326	344	111	107
North Dakota	43	45	3	4	113	112
South Dakota	60	60	6	6	96	96
Nebraska	147	147	100	107	159	164
Kansas	211	209	426	447	2	-----
South Atlantic:						
Delaware	18	18	24	23	-----	-----
Maryland	79	74	96	100	-----	-----
District of Columbia	17	17	5	5	-----	-----
Virginia	190	184	86	91	39	39
West Virginia	103	101	71	74	6	6
North Carolina	55	55	15	17	127	125
South Carolina	28	27	3	4	116	119
Georgia	68	69	18	19	260	261
Florida	58	58	16	15	89	89
East South Central:						
Kentucky	112	113	273	275	10	10
Tennessee	76	77	52	47	167	173
Alabama	83	82	5	4	129	132
Mississippi	26	26	5	6	171	175
West South Central:						
Arkansas	63	59	36	44	129	127
Louisiana	38	37	3	4	103	105
Oklahoma	217	218	159	166	12	12
Texas	527	550	225	227	95	96
Mountain:						
Montana	67	66	21	24	22	22
Idaho	26	28	20	22	-----	-----
Wyoming	26	25	19	22	1	1
Colorado	93	93	47	51	-----	-----
New Mexico	27	27	14	15	-----	-----
Arizona	7	7	5	5	-----	-----
Utah	34	34	25	26	-----	-----
Nevada	8	8	4	4	-----	-----
Pacific:						
Washington	57	57	51	51	23	26
Oregon	31	32	36	36	3	3
California	113	113	84	86	-----	-----

[1] Includes all member banks, and all nonmember banks on which checks are drawn except mutual savings banks, on a few of which some checks are drawn. Banks "not on par list" comprise nonmember banks which have not agreed to pay without deduction such checks drawn upon them as may be forwarded for payment through the Federal Reserve banks. Checks on such banks are not collectible through the Federal Reserve banks. The difference of 5 between the number of nonmember banks on Dec. 31, 1942, shown in this table and in table 17 is due to the fact that this table excludes 135 banks (principally 59 industrial banks and 58 nondeposit trust companies) on which no checks are drawn, and includes 130 banks (principally 110 private banks and 15 cooperative banks) on which checks are drawn but which (1) are not reporting to State banking departments, or (2) are in liquidation.

(Wednesday, February 9, 1944)

The CHAIRMAN. Now, Mr. Crowley, you may proceed.

Mr. CROWLEY. Mr. Chairman and members of the committee, we had worked on a written statement which I wanted to present to the committee, but I felt this thing had been prolonged so long that you men certainly had had enough opportunity to visualize what it is all about, and I did not want to burden you with a lot of unnecessary detail.

I appreciate the friendship this committee has always had for the Federal Deposit Insurance Corporation. It has been a nonpartisan committee in support of all of the legislation and things to help us. I also want to say, insofar as my associates in the Federal Reserve are concerned, that I am sorry there has always been between us that marked difference of opinion regarding the banking system. I do not take that as a personal difference, because they are all good friends of mine; but I do disagree with them very emphatically upon this exchange charge and I want to go on record as saying that I favor the Frown bill. I think, in favoring the Brown bill, that I am making a very definite contribution to the continuance of the dual banking system in this country—the right of directors and management to use ordinary discretion in the conduct and affairs of their business. I do not believe that any group of men, no matter how wise they may be or how honest they may be, should have the power so that they might regulate the life and the death, the thought and the actions of the banking system to the extent that they attempt to do in this regulation, or in this determination of their regulation.

The amount involved in this, as I understand it, is about $8,000,000. In a banking system of $100,000,000,000, you would have to stretch your imagination a long way to say the effect of that would destroy the soundness of a banking system with $100,000,000,000 in deposits.

I think, inevitably, that involved in this is the question of branch banking; the question of State rights. And as you know from my past testimony here, my attitude on that has always been that the matter should be left to the States to determine the kind of banking system they want; and the thing I have always opposed was the extension of branch banking over State lines by any direct or indirect method. I think also involved in this is the question of correspondent bank accounts. All of those things, in my mind, go one-two-three.

We tried to get the Federal Reserve not to inject this regulation at this time, in the midst of a war, when everyone is busy. When they addressed these letters to the chairmen of the Banking and Currency Committees of both Houses, which was done on August 6, I think it was just about the time everyone was struggling with subsidy and about the time they were getting ready to go away on their vacation.

I think, too, the manner in which this thing has been handled has put this committee on the defensive, because my understanding, in the beginning, was that they would not do this without first notifying the members of this committee and the members of the Senate committee. My understanding is that they went to Mr. Spence and said they would like to have a short hearing in order to discuss this matter, and then it developed into a lengthy hearing here. But the impression I got from the Federal Reserve Board was that this was brought up at the request of this committee. I also now understand that this hearing was started at the request of the Federal Reserve Board.

Now this law was enacted in 1933 and 1935. It has been on the statute books for a great many years. Personally, I think it is very unfortunate that we have all had to waste our time during a war to discuss a thing of this nature. There has been discussed here the question of production credit loans, cooperative credit loans, whether we would be better off to do this, or to do that, and disregard this regulation. I do not think two wrongs make a right. I feel whatever rights the banking system has under this system here, if they have any rights coming to them, they should have them.

I have always rejected and deeply resented regulation by legal interpretations of administrative laws, and I think that is what this is, and I want to put myself on record as being in favor of the Brown bill. And I think you men, if you vote this bill out, will be making a very, very definite contribution to free enterprise and to the rights of management, and you definitely will serve the necessities of the banking system supervisors of this country; for they have no right to step over the foul line by interpreting legislation in an administrative way, without first coming to Congress and letting them discuss this thing on its merits.

In the beginning, they said the thing involved in this was the question of absorption of exchange. Later, as you men went on, you could see that definitely linked to this is the question of par clearance. Now for 25 years they have been trying to get par clearance through this committee and through the courts; in some way, to force par clearance on the banks of this country, but neither your committee nor any other committee has ever been willing to do it. I have no objection to coming up here on a par clearance bill and meeting it head-on if they let us know what it is; but I do object trying to link that in and getting it in some indirect way, and I feel very definitely that is what is involved here.

In our State bank system, I have always been a strong believer in respecting the rights of the State supervisors, and I have always believed that you cannot regulate to the place where you are going to do the thinking for management; that management must not backfire on their responsibility for their operations. And I think it is time wasted on this thing here, in comparison to the amount involved, as it is perfectly silly to talk about that being an unsound practice in a banking system of $100,000,000,000. I think it has been exaggerated terribly.

I am not going to take a lot of your time. You men know my philosophy as to a sound and unsound banking system. You men have been kind to Federal Deposit Insurance; you have been kind to me personally. I could go on and elaborate here for hours as to why I believe these things must be stopped, but I want to finish and will answer any questions you ask me. I think what is involved here is something a whole lot deeper than this question of $8,000,000.

I will be very happy, Mr. Chairman, to answer any questions you want to ask me.

Mr. FORD. I would like to ask one question. Mr. Crowley, I have a tremendous amount of respect for your opinion. You have done a magnificent job in the F. D. I. C., but you would not say that you could not tell a bank it would have to cancel a loan that they made, would you?

Mr. CROWLEY. You mean we would tell them to cancel a loan?

Mr. FORD. If you went into their portfolio and found their judgment was bad, you would not want to be deprived of the right of telling them that was a bad loan and they would have to take it out?

Mr. CROWLEY. I think all the right we have on that is the right to take such information as the bank may be able to give us and, if we feel the loan cannot be paid, we would simply make a report to the board of directors and suggest that they charge that loan off out of their profits. We do not tell them they have to call that loan, or that they should not have made that loan; it is just a matter of whether it should be carried as a good asset or not.

Mr. FORD But you do not want them to carry that in the bank's assets?

Mr. CROWLEY. We do not object, in this carry an asset that we feel is lost as a valuable asset. But I do not think that has anything to do with this thing here.

Mr. FORD In my mind I connect the two things up in principle. I think if you can regulate a bank——

Mr. CROWLEY. We do not object, in this instance of exchange, to going in and sitting down with the banker who is using this to the detriment of his bank and discussing it with him and showing him that he should not do it to that extent.

I think this whole question of supervision gets back to the respect and the influence that you have with your individual banker and the board of directors—to cooperate with them. We cannot run the banking system from Washington.

Mr. FORD. I do not believe that is the question that is involved, Mr. Crowley, but I think you have got to have some kind of a general regulation to cover this. Now if they were going to have to take up each specific case—if the Brown bill is passed, of course, that lets it out; but, under the present circumstances, they have to go in and take up every specific case and crack down on that. That is what these fellows are objecting to. And the ones that are actually using the exchange thing as a method of securing benefit, or a profit, or a return, while at the present time it may only be $8,000,000, I can conceive of it being $800,000,000.

Mr. CROWLEY. No; I do not agree with you on that; because I do not think there is any danger of it growing to that extent; because you understand they have had that practice now for a great many years and, if they had wanted to, all of your banks could have been in the same category as these 2,100 little banks. But they did not do it.

Mr. FORD. I know, but it was a very important factor in the days when they paid interest. They paid higher interest than they ought to; then they absorbed exchange and some of them, even almost installed a nursery to try to get money into their banks. That is what I do not want to bring back.

Mr. CROWLEY. Let me say this. You know the things that were passed in your banking laws in 1933 and 1935 appeared to be necessary at that time; but many of the reasons for some of the legislation that was passed back in 1933 and 1935 have been eliminated. There is nothing so sacred about not paying any interest to a depositor, for his deposits; and we do permit interest to be paid on time deposits. Of course we regulate them and say they cannot pay beyond a certain amount, as a maximum; but 99 percent of your banks are already paying much less than the regulation calls for. What I am getting at is that it looked at the time that we put that in that perhaps the bidding for funds might have been part of the weakness in our banking system. That was when you could send money East and get an exorbitant rate of interest.

But there have been regulations passed and laws passed and you have the Securities and Exchange Commission and the Reserve Board that have been given control over that thing. It might be well, some time soon, to kind of take a look at the bank legislation that we passed in 1933 and 1935. We did that at a time when there was a great emergency on and maybe we went a little too far on some of these regulations, and it may be that we are really holding back some of the credit flow of this country, and it is not what it should be in some of the small communities, and that a lot of the restrictions we passed then, because we were faced with this emergency in 1933 and 1935, are not necessary now. There is no reason why we should not take a look at this thing again.

Mr. FORD. I agree with you, but I do not like to be chipping away at this and giving an advantage to one group and denying it to another.

Mr. CROWLEY. Let us assume we do abuse the powers we have in the classifying of loans: Because we do that and have that authority, is there any reason for injecting another regulation on top of the banking system that we do not need?

Mr. FORD. Well, it is a question of opinion whether we need it or not. I agree with you that probably the entire banking laws of 1933 and 1935 ought to get an overhauling; that in view of S. E. C. and all of the other restrictive measures we passed, maybe it would be a good thing; but I do not believe we are going to cure any of this by willy-nilly opening the door.

Mr. CROWLEY. I do not think you are opening the gates at all. Here are 2,100 little banks involved that have been carrying on this practice for 25 years; the whole thing amounts to $8,000,000, and that is the largest part of their net income. Now, we are going to take that away from them on the theory that it represents an unsound contribution to the banking system. It doesn't make sense.

Mr. FORD. I know, but what are the gross deposits in those little banks. That is the thing I am worrying about.

Mr. CROWLEY. About $2,000,000,000 in a system of one hundred billion. The deposits are so small that again it makes my argument all the stronger; because you cannot say they have any great influence for unsound operation in your banking system.

Mr. FORD. Well a sore throat is not a dangerous thing, but it can go into the flu, you know.

Mr. CROWLEY. But any time they want to advocate something, all they have to do is to talk about "this is unsound" and "that is unsound," and you bring up that old bogey question.

Mr. BARRY. Mr. Crowley, in your experience in the banking business, was the word "exchange" ever used to mean "interest"?

Mr. CROWLEY. No; that never figured. I do not think the little banks ever considered, or the big banks either, that the absorption of exchange was interest on deposits. This absorption has been going on for a long, long time, long before your regulations went into effect.

Mr. BARRY. And when this definition of interest was agreed on between the F. D. I. C. and the Federal Reserve Board, at that time was it contemplated that definition of interest would include exchange?

Mr. CROWLEY. Back when they first issued their regulation, we did not go along on it because we would not agree on the definition. They then got it out and that is the time Congressmen and Senators and the White House requested them to withdraw that regulation.

Mr. BARRY. So far as you know, this committee was never faced with the clear issue of whether or not exchange should be defined as interest?

Mr. CROWLEY. No; and I do not think there is anything in the testimony on the Bank Act of 1933 or 1935 that indicates that, either.

Mr. FORD. Just at that point: Did not we have a discussion on that a couple years ago and finally decided the best thing to do to get rid of it was to permit the Board to determine and say what was and what was not "interest"?

Mr. CROWLEY. No. I do not want to say positively, but I do not think it was ever officially before this committee since the law was enacted, except in an unofficial way at the time we agreed to postpone the regulation.

Mr. ROLPH. Right along the line of what happened in 1935, Congressman DOUGHTON, chairman of the Ways and Means Committee of this House, appeared before this committee on January 24 and I would like to read the first paragraph of his statement:

"In 1933 when I voted for the Banking Act, which contained the provision prohibiting banks from paying interest on demand deposits, I had no idea that 10 years later this law would be used to disrupt the charging of exchange by the many hundreds of small banks in this county which have engaged in this practice for years and are dependent upon it as a chief source of income. Had there been any indication that this provision would be so misconstrued, I would have insisted upon an amendment such as that proposed in the pending bill. I did not do so simply because there was nothing in the language of the provision or the legislative record to suggest to me that the power to regulate interest charges could be stretched to include regulation in the field of exchange charges. So far as I know, that intepretation was never discussed or considered."

That is Representative DOUGHTON, chairman of the Ways and Means Committee of the House of Representatives, who made that statement right here before this committee.

Mr. CROWLEY. Congressman, I think many, many of the members of this committee at that time would have felt the same way.

Mr. ROLPH. You said in your remarks that the discussion in connection with this legislation went far afield of just the simple little language in the bill, and a great deal of stress has been laid on the expenses of the banks. Many exhibits have been introduced into the record here showing the returns to the bank from this exchange, and showing in many instances that it is the difference between profit and loss.

Mr. CROWLEY. That is right.

Mr. ROLPH. Now in addition to this exchange item which, as I see it, means keeping a good many of the banks in the black, I understand the banks of this country are performing a wonderful service to the Government, for which they get no remuneration at all, that is, in handling the sale of bonds. And do not you think it would be very unwise to interfere with that marvelous war effort and clamp down on the banks at this time, and that to enforce this regulation would be a great disservice to the country?

Mr. CROWLEY. I agree with you.

Mr. ROLPH. Do not you think so?

Mr. CROWLEY. I agree with you.

Mr. ROLPH. As a matter of fact, when I was out home during the summer recess, a number of bankers spoke to me about the expenses in connection with all of these different activities of the Government, and I want to say, if for no other reason, if those banks are sound, when they are faced with this situation, we should pass this bill out unanimously and put a stop to this practice of interfering constantly with the management of these small banks.

Mr. BROWN. Many of the banks of the Middle West are affected, too.

Mr. ROLPH. Yes; all over the country.

Mr. CROWLEY. And that is not only in just this particular regulation, but I think if this committee brings this bill out it is going to have a very wholesome effect on your whole banking system and your whole supervisory system. I think it is going to do a lot of good for your State supervisors and their rights and interests, as well.

Mr. ROLPH. I do not know whether you realize the tremendous amount of work the banks have to do in handling ration coupons. They get a little remuneration from the Government, but the expense is five or six times what they get out of it.

Mr. CROWLEY. That is right; I agree with you.

Mr. ROLPH. Thank you very much.

Mr. PATMAN. Mr. Chairman, I want to ask a question. Mr. Crowley, I have given this

matter serious thought. On account of your interest, and especially Mr. Brown's interest, I have been trying to see your viewpoint; I have been doing my very best to do it. There are some things that bother me along that line that I just do not have reconciled and do not understand to the extent that I can come to your viewpoint right now. Possibly you can help me.

If the banks are spending money in the bond drives and in taking care of the coupons, have expenses that they should not be compelled to absorb, I think the Government should stand that expense, but we should do it directly.

Mr. ROLPH. The banks are not complaining; the banks are glad to do it, but it is a very great expense to them.

Mr. PATMAN. I say if it is putting too much of a burden on them, the Government should pay that cost; but we should do it directly; we should not do it in some round-about, indirect way that is really a subsidy.

Mr. KEAN. But the banks do get a deposit when they sell bonds to their customers.

Mr. PATMAN. Well, the banks are pretty well taken care of; they are pretty well provided for, and it won't be long before the banks will be in a very vulnerable position, when the point is reached, as it doubtless will be reached, that they will own so many Government securties that the interest on those Government securities will amount to as much as their entire capital stock is. And when they reach that point they are in a very vulnerable position, and some fellow might get up over here on the floor of the House and say, "Why pay these fellows a billion and a half or two billion dollars of interest; why not buy them up and buy the stock, and save all this interest every year?" And the banks are getting in a very vulnerable position. They are doing it for a patriotic reason, I admit, and they are to be commended for the work they are doing.

Mr. ROLPH. They are doing a fine job.

Mr. PATMAN. But we cannot give them everything, you know.

Now, I was very much impressed with the testimony of the witness from North Carolina, who said he could not invest his reserves in Government bonds of any type or character, but he could place those reserves with a correspondent bank who could, in turn, invest them, and that, by favoring his correspondent bank that way and the correspondent bank profiting by reason of that favor, the correspondent bank would absorb certain charges for him, the local bank. Now, where those reserves cannot be invested by the local bank and can be handled in that way, it impressed me as being a very fair and reasonable thing to let him do that, and I think I would be inclined to vote for any bill that would permit him to do that in a case like that. But the point I am getting to is where the bank can invest its reserves—and there are many different ways the Treasury has provided for it to invest its reserves, not only in three-eighths percent, but seven-eighths, and also in 2 percent and even 2½ percent bonds, in certain instances—and can get their money back instantly, if they need it, I cannot understand why the correspondent bank would accept an account from the local bank unless the correspondent bank in some way, directly or indirectly, made money on that account. Can you explain why they would?

Mr. CROWLEY. Let me say this to you, Mr. PATMAN, in answer to that question. As far as I am concerned, my principal objection is I do not think you can satisfy the rights of those 2,100 banks by giving them a lollypop.

Mr. PATMAN. What do you mean by "giving them a lollypop"?

Mr. CROWLEY. They very definitely have some rights as citizens of this country and as managers of this banking system, and whether we pay them three-eighths of 1 percent or 5 percent for their money, I do not believe that ordinarily you have any justification in taking from them their rights as citizens because you are going to give them something to pay for that right.

Mr. PATMAN. Yes; but, Mr. Crowley, all the banks asked us to pass that law to make it unlawful for interest to be paid on demand deposits; the banks themselves asked for that type of interference.

Mr. CROWLEY. I think we are getting involved in what they do with their funds and what the correspondent banks do with their funds; I think we are getting involved in something other than what is before us in this bill.

Mr. PATMAN. I do not think so. Let me make it a little plainer. Here is a bank in Texarkana, Tex., my home town. That bank can send its funds, we will say, to a Dallas bank or to a St. Louis bank; take its reserves and not invest them in Government bonds but send them to St. Louis, we will say. Now do you think that St. Louis bank would expect to make a little profit out of that; otherwise, they would not absorb the exchange charges for the Texarkana bank?

Mr. CROWLEY. I think that any bank, when it accepts a deposit from you, or when any man sells you something they expect to make a profit out of you. And I have some evidence to show that on your service charges, they figure your balances and things like that in determining your service charge. Yet we are not in here telling the banking system: "You cannot make a service charge; you cannot do this; you cannot do that."

Mr. PATMAN. But that is not answering my question. Suppose we confine it to just that one case, if you please. That is a reasonable illustration, one that is likely to occur any place in this country. Do not you think the correspondent bank would expect to make a profit out of that account, or it would not carry it?

Mr. CROWLEY. I assume that any man in business, in any of his operations, wants it to be profitable.

Mr. PATMAN. Yes, sir; and if you were a correspondent bank, you would not take an account unless you could make a little money out of it, would you?

Mr. CROWLEY. I think in every business there are certain things which are done and where you cannot say every move is profitable.

Mr. PATMAN. That is not the question, though, Mr. Crowley; you have not answered my question. With all due respect to you, you have not answered my question. I ask you this question: Will the correspondent bank handle the account for this local bank unless the correspondent bank normally expects to make a profit?

Mr. CROWLEY. I think that all depends on how keen the competition is. I have seen many times when business was willing to do a lot of things for good will and things like that.

Mr. PATMAN. But that is an exceptional case. I am talking about normally. Will a correspondent bank take an account of a local bank and handle it in the way that has been described here, unless the correspondent bank can make a profit out of it? You would not do it, would you, as a normal, general, rule; as a normal procedure and a general rule, you would not do it, would you?

Mr. CROWLEY. I presume a man in business would naturally try to operate all of his departments at a profit.

Mr. PATMAN. Well, am I assuming correctly in saying your answer to it is "Yes," that they would normally expect to make a profit?

Mr. CROWLEY. Yes; but I want to add this to my answer. I do not think that is involved in this question; whether a correspondent bank is operating at a profit or a loss, I do not think, has anything to do with this bill before us.

Mr. PATMAN. Well, I am all haywire on this bill before us. Now, then, if that bank in Texarkana sends an account to St. Louis and lets the correspondent bank make a profit—and naturally they are going to make a profit, or they would not take the account—why would it not be better to keep that money right there in Texarkana and invest it in Government securities which, if the money was needed, they could get back on a moment's notice, almost, and just as easy as they could get it from St. Louis, and make as much or more profit? Now you tell me why that would not help the Texarkana bank, and that will help me in passing on this thing.

Mr. CROWLEY. I do not set myself up as an authority to tell the fellow in Texarkana, or wherever he may be, what he ought to do with his funds. If he wants to put them in a correspondent bank, in place of buying Government securities, or wants to invest them in any other way, that is the responsibility, in my opinion, of management.

Mr. PATMAN. But you are in favor of local management and local control?

Mr. CROWLEY. I am in favor of local management and local control.

Mr. PATMAN. That being true, you are in favor of keeping local funds at home.

Now, do not you know, if this money is sent to St. Louis, there will be less incentive for the Texarkana bank to make loans in Texarkana?

Mr. CROWLEY. No; I do not agree with that. That money, even if it is sent to St. Louis, to the correspondent bank, still would be available if they could get any loans in their own district.

Mr. PATMAN. But if they are required to keep a certain balance in St. Louis, that would stop them from making loans in Texarkana.

Mr. CROWLEY. With the liquidity of those banks, by investing in Government securities and things like that, it would be a long, long time before they would draw their balances down so that they could not loan money in the local communities.

Mr. PATMAN. But is it not a fact, Mr. Crowley, that the local bank, as a general rule, can get more profit by investing its own funds, as now provided by law, than it would if it were to send those funds to a correspondent bank?

Mr. CROWLEY. I am going on the theory that all local banks have a very definite responsibility to take care of the needs in their local communities and the more funds they can employ in their local communities the more profitable it is and the more the contribution they are making to their local community.

Mr. PATMAN. That being true, would it not be better to keep those funds right there in that locality?

Mr. CROWLEY. I do not know what you mean by "that locality." They have to have some correspondent accounts.

Mr. PATMAN. Evidently they must have them, unquestionably; but I am talking about generally having the major part of their reserves in those accounts. I am not convinced; in fact, the way it looks from here, from the testimony I have heard, the correspondent bank would be better off if it invested the money itself. And this question of interference does not appeal to me at all, because the banks have asked for too much interference from the Government to complain about that.

Mr. CROWLEY. Wait a minute. What kind of interference have they asked for? I have not seen any interference which the little fellow comes for here that helped him very much.

Mr. PATMAN. Well, you take those demand deposits: The little bank asked for that, and the American Bankers Association. And, by the way, how do the American Bankers Association stand on this bill; do you know?

Mr. DILWEG. Right at that point, a number of bankers testified here that they did not ask that interest be removed on demand deposits, but subsequently thought that Con-

gress showed proper statesmanship when they put that law into effect.

Mr. PATMAN. Well, they did not protest.

Mr. DILWEG. That is the testimony.

Mr. PATMAN. Let me ask this: Do they plan coming here—the American Bankers Association? I have not heard from them in this hearing at all. I presume they will come forward and express themselves. This involves all banks, and naturally they ought to have something to say, and I look forward to hearing what recommendations they have to make.

Mr. CROWLEY. Let me say right there I won't have a friend left around Washington at all, when I get through testifying on this bill. It is a strange situation for a bureaucrat to come up here before this committee and be arguing about "regulation." As a rule, as we are up here arguing for more power, and I am trying to preserve for the small banks of this Nation the right to determine their own destiny, that they may have some elbow room to run their own institutions. We are the fellows who insure these banks; if something happens to the banks, we are the ones who are going to pay their losses. And let me say this to you: Deposit Insurance will never suffer enough loss in dollars and cents in these banks to be particularly hazardous to the financial position of Federal Deposit Insurance. In my judgment, Congressman PATMAN, the very backbone of your whole small-business structure in this country is your small bank. Now you ask me where the A. B. A. stands on this thing here. I have a statement that the present president made at the time deposit insurance was being talked of, where I think he said it would create socialism if deposit insurance was put into law. Now the A. B. A. are all good friends of mine, but they use the little fellow to contact you Congressmen every time there is any legislation up, and the big fellow stands back and lets the little fellow become the front.

Mr. PATMAN. I am asking if that is the reason the A. B. A. won't be here?

Mr. CROWLEY. The big banks are all silent at this time; but, in reality, they are giving this bill the "foot" all the time. It is unfair. The only thing I have ever seen that they openly stood for is a late fall and an early spring. That is the only thing I think they will positively stand for.

Mr. PATMAN. And you do not think they will be up here to testify before the bill is brought out?

Mr. CROWLEY. I do not care where they stand on it, because I think it would be a vacillating thing no matter what they stood for.

Mr. PATMAN. There is another thing I hope you will help me out on.

Mr. CROWLEY. First, may I read his statement?

Mr. BROWN. I want to call attention to the fact that Mr. Drawdy, of the Georgia Railroad Bank & Trust Co., testified they were the correspondent for about 80 banks, and it is a matter of fact if they did not absorb exchange and collection charges that they could probably make more money, but they had the good will of these people and the interest of these localities at heart for 75 or 100 years. He wrote me a letter later and also testified to that fact, that probably they would make more money if they did not absorb exchange and collection.

Mr. CROWLEY. This is the statement Mr. Wiggins made on the Banking Act of 1932. The question was asked Mr. Wiggins and he said:

"If you are willing to precipitate another——

"The CHAIRMAN. Oh, no; do not say another one. Do not talk about precipitating a panic when cotton is 5 cents a pound.

"Mr. WIGGINS. I am not talking about a panic; I am talking about something else. If you are willing to precipitate another series of failures, pass the law."

That was the statement of the present chairman of the A. B. A. against Federal Deposit Insurance.

Mr. PATMAN. While we were considering Federal Deposit Insurance?

Mr. CROWLEY. That is right.

Mr. PATMAN. Of course, I am opposed to their views on that; I am in favor of your views on that. Now, you are in favor of investing reserves locally, are you not?

Mr. CROWLEY. May I just answer you in this way?

Mr. PATMAN. Yes.

Mr. CROWLEY. We had an old fellow back home when Judge Kaiser was running for the United States Senate and he said to James McCormack, who was his coachman, he said, "James, are you going to vote for me tomorrow?" James said, "Mr. Kaiser, I cannot vote for you tomorrow, but I will do all I can for you." You are doing that for me, too.

Mr. PATMAN. Well, I fail to see the light and you do not help me when you fail to give a satisfactory answer as to why the local bank has to send its money away from home, when it would do better if it kept it at home.

Mr. CROWLEY. I did not say they would do better by sending it away from home. I want them to employ as much of their funds as they can at home, and I want them all to do that, too.

Mr. PATMAN. Now here is the point: Why is it that these banks will be in such a desperate situation in the event par clearance is required of them, or we pass this law, or not pass it, while a number of other banks of the same size, some of them operating in the same communities, across the street, are fairing all right? Why is that?

Mr. CROWLEY. Let me answer that in this way: When I first came up here in December, my understanding was par clearance never was thought about in connection with this at all. That was furthest from the thought of the Federal Reserve Board. We were talking about this regulation.

Mr. PATMAN. Please do not accept anything I say as representing the Federal Reserve Board, because of all people I do not represent, I do not represent the Federal Reserve Board.

Mr. CROWLEY. There was no statement at all that par clearance was tied into this thing all of this maneuvering. Now the thing here, and that was the indirect reason for I said in December, and say now, is if you are going to talk about "par clearance," put a bill in and let us have it right out, and not do it in some indirect method.

Mr. PATMAN. Would you favor such a bill?

Mr. CROWLEY. Put the bill in and see.

Mr. PATMAN. Would you favor it, or oppose it?

Mr. CROWLEY. I would like to look into it first.

Mr. PATMAN. Well, you ought to have a very definite conviction on that, Mr. Crowley—a man with your experience and knowledge. You would not like to say now, whether you would favor such a bill?

Mr. CROWLEY. I have always been a very strong State rights man and have always been very strong for State systems.

Mr. PATMAN. But you really have not answered my question.

Mr. CROWLEY. That bill is not before us.

Mr. PATMAN. But this question is before us.

Mr. CROWLEY. Where do you think I would be?

Mr. PATMAN. But you have not answered my question; that is, why these banks that you are talking for now will be in such a desperately serious situation in the event this bill does not pass, when other banks of the same size, of the same capital, the same deposits, operating in the same town, across on the other side of the same street, are fairing all right. Now you just tell me that, and that will help me a lot.

Mr. CROWLEY. Let me say this to you first, as far as that is concerned: You might be able to get along pretty well on $12 a week; I might not be able to get along quite so well. But the thing I object to is why do we have to have a regulation at all, why not leave this to the banking system that they might police themselves, and why are we going way down to the bottom of the barrel to find some little bit of a reason for passing this stricture on the banking system? Let us assume they could live without it; do we want to cut them down to just a mere existence, because we have a right to do it?

Mr. PATMAN. But, Mr. Crowley, the principal argument made for this bill is that, unless it passes, these banks, most of them, will have to close, forcing a change in the branch-banking system; that they just cannot make money. And I cannot understand why they cannot operate, when their competitors across the street, with the same capital, with the same deposits, with the same of everything else, can go ahead and make money. I just cannot understand it, Mr. Crowley.

Mr. CROWLEY. That is true in life, all the way through. You and I have the same heart and the same lungs, and everything else; but one might not be as strong as the other.

Mr. PATMAN. But here are 2,500 cases.

Mr. BARRY. If they are both getting along all right, the par and the nonpar, why disturb that situation?

Mr. PATMAN. I will leave that, because I assume no fair answer can be given; but I will ask you another question, Mr. Crowley. Why does it happen, as in the State of Iowa, that they passed a State law out there against this? They have par clearance out there, and your little banks get along all right out there; do they not? And, even if they were to pass this law, it would not apply to Iowa.

Mr. CROWLEY. Let me say there was an awful lot of banking legislation passed in the days when we were all sweating and worrying about the banking system of this country. I have been active in State legislation and I don't think the little banks of Iowa ever went up to their legislators and begged for the enactment of that law. That is just another one of those things which happen in our form of government. But if you leave a group of State congressmen and State senators alone, they will review it in time and straighten it out; and I think Iowa will straighten itself out eventually, too.

Mr. PATMAN. You think they will repeal this law?

Mr. CROWLEY. I would not be surprised.

Mr. BROWN. But this bill would not affect Iowa.

Mr. PATMAN. No; it would remain just as it is.

Now, Mr. Crowley, I would like to vote for a bill here, if it would freeze the situation as it is, where it could expand and there be no competition between the banks. I would be inclined to vote for that. I would like to see the bill first, like you would like to see the bill about par clearance.

Mr. CROWLEY. This is not a freezing thing, and that would not be a satisfactory solution of this problem. You don't have any right to freeze my rights on a thing like this.

Mr. PATMAN. Mr. Crowley, of all the people who cannot complain with good grace about interference in the banking system, there is one bureau all the bankers favor, the Bureau of Engraving and Printing, and nobody hears them say anything bad about that.

Mr. CROWLEY. Oh, no.

Mr. PATMAN. And they have gotten very good legislation from the Congress.

Mr. CROWLEY. Very favorable.

Mr. PATMAN. And it would come with poor grace for them to complain about a little

legislation, or a small amount of interference, to prevent the expansion of a bad policy in the banking fraternity.

Mr. CROWLEY. What I mean is that I don't think a freezing, Congressman, meets this thing head on. I really think this practice is not something growing by leaps and bounds. As a matter of fact, I think it has diminished more than it has grown. It has not grown to any great extent. So why should we want to go to the expense of putting a freeze on, when there is no great growth in the practice?

Mr. PATMAN. Suppose a case would come to you, as Chairman of the Federal Deposit Insurance Corporation's Board, exactly like the case which came to the Federal Reserve Board, how would you have passed on that?

Mr. CROWLEY. In the first place, I don't think I would have made the interpretation they made in the first instance. In Federal Deposit Insurance, we have never come up here since 1935 and asked for any amendment to our law, have we?

Mr. PATMAN. I don't recall any, but you had a pretty good law to start off with, did you not?

Mr. CROWLEY. Yes; but, like all these fellows downtown, we could have been running up here if we wanted more power.

Mr. PATMAN. You are not lacking, in power, are you, Mr. Crowley?

Mr. CROWLEY. Oh, we could use some more.

Mr. PATMAN. But you have ample power, have you not?

Mr. CROWLEY. I think the success of Deposit Insurance has been in the cooperation with the State commissioners and in working with the Federal agencies, plus the fact that where we had a problem, in most instances we have been able to work it out with the individual bank.

Mr. PATMAN. Another thing that bothers me on this thing, Mr Crowley, is the argument made that it is invalid, illegal, this order. I cannot understand why a bank did not go into court and contest it. I have been in little towns and I know the smaller the town the smaller the lawyer's fee; and in every town and with every bank you can always get a case brought into court, and at a price that is not prohibitive. I just cannot understand why somebody did not contest this thing in the courts, where an interpretation could be made by courts.

Mr. CROWLEY. I think you pretty well know the fear the average citizen has about coming to Washington or getting into the Federal courts. I was 30 years old before I knew they gave us anything but an income tax.

Mr. PATMAN. You don't insist that they would have come to Washington, do you?

Mr. CROWLEY. Congressman, you don't want legislation that is going to force a lot of little fellows into the courts to try out the legality.

Mr. PATMAN. All right; let us start on another approach. What about declaratory judgments? Why haven't you gone into court and gotten a declaratory judgment?

Mr. CROWLEY. Wait a minute. You have gotten me on the other side. I am a part of the Government here.

Mr. PATMAN. All right.

Mr. CROWLEY. You have me up here in the position of one of the little bankers.

Mr. PATMAN. Well, there are about 5,000 of the banks not members of the Federal Reserve System, are there not? Just between 4,500 and 5,000?

Mr. CROWLEY. Somewhere around that.

Mr. PATMAN. And about half of them are affected by this bill?

Mr. CROWLEY. Yes.

Mr. PATMAN. And the other half are not.

Mr. CROWLEY. We want the other half on something we can find a regulation on.

Mr. PATMAN. Why doesn't your counsel join the counsel of the Federal Reserve Board in asking the Attorney General to get a declaratory judgment? That would not involve the prestige or the standing or the public relations of any bank in the country. That would be right here in Washington, and you could just go in the court here and ask the court to give you a declaratory judgment. Would you be willing to do that?

Mr. CROWLEY. No; I think this committee either ought to vote this bill out or vote it down. As far as I am concerned, Congressman, I think I have fulfilled my public responsibility when I have made my views known on this thing here. You have had a notice of this thing, and if the committee feels they want to turn this bill down, then they have to take the responsibility for it; and, as far as I am concerned, I am not going to the Attorney General or play around with the thing any more. I am going to make my position publicly known, and that is all there is to it.

Mr. PATMAN. I have asked for information in two instances, which has not up until now been furnished. As to one of those, I just made the request yesterday and, of course, I have not had an opportunity to get it, even if it has been prepared. One is as to the banks involved in this, about 2,600, I believe. I wanted a statement about the size of the banks, and a break-down as to each bank. I wonder if that is available.

Mr. CROWLEY. We will get it for you.

Mr. PATMAN. Is it available now?

Mr. THOMPSON. We have been preparing that. I have some of the material now, and we hope to get it to the committee this week.

Mr. PATMAN. This week?

Mr. THOMPSON. Yes, sir.

Mr. PATMAN. This is now Wednesday.

Mr. THOMPSON. Yes, sir.

Mr. PATMAN. And the other?

Mr. CROWLEY (to Mr. Thompson). Wait a minute. You want to get it so that if they are going to vote on this bill, they won't hold up on account of this.

Mr. THOMPSON. I have two tables here now, showing the earnings and the distribution of assets.

Mr. PATMAN. Have you broken it down as to each bank, or just in classes and groups?

Mr. THOMPSON. No, sir. By arrangement with the Federal Reserve, it was decided we would answer both sides of your request.

Mr. PATMAN. That is fair.

Mr. THOMPSON. That is, prepare the data for the par and the nonpar banks, grouping them by size.

Mr. PATMAN. And are you working with them on this?

Mr. THOMPSON. The Federal Reserve has left it to us to get up the data because we have it in our files, and we have not had time to turn it over to the Federal Reserve.

Mr. PATMAN. Then it will be a joint preparation agreed upon by both of you?

Mr. THOMPSON. No, sir. We will submit the tables and the data to the committee, and the Federal Reserve will also have an opportunity to look at it.

You know, the uses of statistics are rather strange, and you can pick people of the utmost probity and good will and technical skill and give them the same data, and they will come out with different conclusions.

Mr. PATMAN. I think everyone on this committee realizes that.

Mr. THOMPSON. So we would not think of introducing this material as coming jointly from the Federal Reserve and ourselves, until the Federal Reserve has had an opportunity thoroughly to go over it.

Mr. PATMAN. I certainly don't want you to understand me as saying I want you to do it without their approval. Of course, if they approve it that is all right.

(The tables referred to may be found in the appendix to this volume, pp. 720 to 736.)

Mr. PATMAN. Then the other request was about the chain banks in this group, and the holding-company banks. One thing that appealed to me at the very beginning, Mr. Crowley, was that if we did pass this bill, it would render unnecessary the establishing of branch banks and holding-company banks in a lot of these communities where these banks would be squeezed out. That appealed to me very much. But I was very much disturbed when the first witness coming on here was a holding-company man, who owned a lot of banks down in North Carolina; and it was the same thing as to other witnesses.

Do you have that information?

Mr. THOMPSON. The Federal Reserve has prepared information on the holding-company banks, and we have prepared information on the branch banks, of which there are about 195.

Mr. PATMAN. In this group?

Mr. THOMPSON. Out of this group of 2,100 to 2,400 nonpar banks.

Mr. PATMAN. There are about 195 of them which are branch banks.

Mr. THOMPSON. Yes, sir.

Mr. PATMAN. And how many of them will be holding-company banks?

Mr. THOMPSON. The Federal Reserve is preparing that.

Mr. PATMAN. You have no estimate on that?

Mr. THOMPSON. No, sir.

(The statement on branch banks referred to follows:)

Insured State nonpar banks operating branches, June 30, 1942

Arkansas	8
Georgia	2
Iowa	17
Kentucky	1
Louisiana	18
Mississippi	21
North Carolina	35
North Dakota	15
South Carolina	3
South Dakota	20
Tennessee	11
Virginia	7
Wisconsin	37
Total	195

Source: Division of Research and Statistics, Federal Deposit Insurance Corporation.

Mr. ROLPH. Did I understand the gentleman to say he is making this analysis according to each individual bank?

Mr. THOMPSON. No, sir; we took them and grouped them by size, because a difference in size affects the figures quite materially.

Mr. BARRY. Mr. Crowley, referring to Mr. Patman's question about going into court, this ruling was not actually in force until just recently, December, was it?

Mr. CROWLEY. That is right.

Mr. BARRY. And it is obvious to you, and I think to most members of this committee, that when the act was passed to prohibit the payment of interest on demand deposits, Congress never intended that exchange would be interest?

Mr. CROWLEY. I think that is correct.

Mr. BARRY. So why should we sit back and compel the small bankers to go into court to have the courts decide what Congress was thinking of at the time, when we know ourselves we never considered the problem?

Mr. CROWLEY. I agree with you.

Mr. BARRY. We are faced with the issue for the first time, directly, now.

Mr. CROWLEY. That is right.

Mr. DILWEG. Not only that, but there is the question of the burden of proof; when the small banker goes before the Board, he assumes the burden of proof.

Mr. BARRY. The examiner, in effect, tells the banker that he is guilty, and then the Board puts the burden of proof upon the banker to prove that he is innocent.

Mr. CROWLEY. That is right.

Mr. BARRY. So that the banker still must be the moving party.

Mr. PATMAN. My contention is that if the local bank should go into the local court, that would place the burden upon the Fed-

eral Reserve Board to sustain their action. Don't you agree to that, Mr. Crowley?

Mr. CROWLEY. But it would not work out in that way, in a practical sense, as far as the little fellow is concerned. The reason he is little is because he does not have the initiative and drive, or the money or anything else, to protect himself.

Mr. PATMAN. I am suggesting a way whereby there is no law violation and no prestige involved and no public relations involved. Mr. Crowley and Mr. Ransom can agree that their attorneys will go into court right here and ask the Attorney General to get a declaratory judgment.

Mr. CROWLEY. Congressman, I don't think on this thing here, Ronald Ransom and I could agree where to have lunch. [Laughter.]

Mr. PATMAN. Well, your lawyers would not have any personal feeling like that, and they could agree as to that declaratory judgment; they could ask the Attorney General to go into court and ask for a declaratory judgment. You can take it from me as being correct.

Mr. BARRY. Mr. Crowley, I know you are not a lawyer, but this language is rather clear. In June of 1934 there was a ruling of the Federal Reserve Board reading as follows:

"In conclusion it should be noted that, in any case in which a member bank pays or absorbs exchange or collection charges or other expenses in connection with any deposit payable on demand, the burden will be upon it to show that such payment or absorption of charges is not a device to evade the provisions of section 19 of the Federal Reserve Act forbidding the payment of interest on deposits payable on demand."

Mr. DILWEG. That is exactly my point when I say that the little banker, when he goes before the Federal Reserve Board, has to assume the burden of proof.

Mr. PATMAN. You are not talking about the same thing I am. I am talking about going before the court.

Mr. BARRY. First, there must be a hearing, to start with.

The CHAIRMAN. Mr. Crowley, these regulations don't rule against the little bank at all, do they? But they rule against the bank that absorbs the exchange, do they not?

Mr. CROWLEY. But it affects the little bank.

The CHAIRMAN. And the real party at interest is not a party to the litigation at all. Is that not true? The little bank, whose exchange and collection charges are absorbed, would not be a party. It goes against the bank absorbing the exchange. It is still legal to make charges for exchange and collection charges, and it seems to me the real party at interest would not be before the court.

Mr. BARRY. That is right.

Mr. PATMAN. And that is why a declaratory judgment would be the most effective approach.

Mr. MONRONEY. I don't think you can get a declaratory judgment.

Mr. PATMAN. Let us ask the Attorney General.

The CHAIRMAN. Mr. Crowley, have you completed your statement?

Mr. CROWLEY. Yes; sure.

Mr. CRAWFORD. Mr. Chairman, I would like to ask Mr. Crowley a few questions.

Mr. Crowley, in the January 1931 issue of the American Banker, which you have probably seen, they show a very interesting statement of deposits and certain other figures of the 300 largest banks in the country. Then on page 2 of that issue they show an estimate of deposits of all banks as of December 31, 1943, $120,000,000,000.

I was wondering if your December 31, 1943, figures have gone far enough to permit you to give us an estimate, as rough as you want to make it, of the total deposits of all banks as of December 31, 1943, as to demand and time deposits, and the amount of deposits in the nonmember banks which you insure.

Have you any figures on that?

Mr. THOMPSON. We are not able to do that. We just have some very rough estimates of all commercial banks.

Mr. CRAWFORD. So, then, as of June 30, 1943, would be the latest figures we could get from you?

Mr. THOMPSON. Yes, sir.

Mr. CRAWFORD. Showing the break-down on those deposits?

Mr. THOMPSON. Yes, sir.

Mr. CRAWFORD. In your 1941 annual report, on page 70, you show table 34, number of accounts and average size, in insured commercial banks, special call dates, 1936 to 1941. And as of September 24, 1941, your report shows a total of 66,918,000 accounts. That is the latest published figure on that item; is it not?

Mr. THOMPSON. Yes, sir.

Mr. CRAWFORD. Would it be reasonable to assume that that figure, in the aggregate, is considerably greater today than it was at that date?

Mr. CROWLEY. I would think it would be fair to assume it has increased.

Mr. CRAWFORD. Would you mind explaining to the committee, as briefly as you like, the rough make-up of that figure? In other words, that does not mean 66,918,000 individual depositors; does it?

Mr. THOMPSON. No, sir. That is supposed to be a count of the individual accounts as they exist; so that if you have an account in your own name, if you had a joint account in your wife's name, and your wife had an individual account—that is, checking accounts—and you each had savings accounts in those same three names, that would be six accounts.

If you were a business concern and had accounts in 100 banks, that would be 100 accounts. If you were dealing with a branch bank and are a widespread concern and had an account in every branch, say, of the Bank of America, that would be four-hundred-and-some-odd accounts.

Mr. CRAWFORD. You have not made any studies at all showing the number of individual accounts; have you?

Mr. THOMPSON. We have made some estimates. We have gone into individual banks and studied that. I believe the figure is that this overstates the individual accounts by about 10 percent, in each individual bank, on the average. But that does not take into account the multiplication through the system by national accounts.

Mr. CRAWFORD. Then we probably would not have more than 65,000,000 depositors?

Mr. THOMPSON. Oh, I would say you have less than 50,000,000.

Mr. CRAWFORD. Less than 50,000,000?

Mr. THOMPSON. Yes; for the country as a whole, eliminating all duplications through the banking system.

Mr. CRAWFORD. In your 1941 annual report, Mr. Crowley, you show the board of directors of the Federal Deposit Insurance Corporation, yourself as Chairman, Phillips L. Goldsborough as Director, and Preston Delano, Comptroller of the Currency, as Director.

Mr. CROWLEY. That is correct.

Mr. CRAWFORD. That constitutes the present board of directors of the F. D. I. C.?

Mr. CROWLEY. That is right.

Mr. CRAWFORD. I would like to know personally if you are in a position to say whether or not your views, as expressed here this morning, are agreed to by the other directors, or are these strictly your personal views?

Mr. CROWLEY. I presume, Congressman, being the kind of an individual I am, that a large part of it is my own view. Insofar as Senator Goldsborough is concerned, Senator Goldsborough is a former Governor of Maryland, who served in the United States Senate, and he has been associated with me full time. Senator Goldsborough, I am sure, subscribes to my theory.

Insofar as Mr. Delano is concerned, I think that the letter of the Treasury indicates Mr. Delano's feelings in the matter.

Mr. CRAWFORD. And when we refer to the letter of the Treasury, I assume it is the one dated January 29, 1944, which reads, in part:

"DEAR MR. SPENCE: This will acknowledge receipt of the letter of January 17 from your committee asking for the views of the Comptroller of the Currency and the Treasury Department on H. R. 3956.

"The statutory prohibition against payment of interest on demand deposits is a wise provision. To exempt from that prohibition the payment of interest when in the form of absorption of exchange charges, as proposed in this bill, would intensify the abuses which have developed in overcompetition for correspondent bank balances. It would, moreover, further discriminate against small national banks which, under the law, as compulsory members of the Federal Reserve System are prohibited from making such charges on the great majority of their checks which are cleared through the Federal Reserve banks. Legislative approval of exchange absorption, such as contained in this measure, is not, therefore, in the interest of sound banking.

"It is our opinion that the bill should not be enacted."

Mr. BROWN. Who signed that letter?

Mr. CRAWFORD. It is signed by D. W. Bell, Acting Secretary of the Treasury.

From your statement this morning, I assume you do personally disagree with that general approach I have just read?

Mr. CROWLEY. Let me say this to you, that the Comptroller of the Currency is the policeman for the national-banking system. He represents his own national system. The State bank supervisors represent the State system. This does not affect the national-banking system, because, under law, very definitely they have certain practices they cannot do, that some of the State banks do enjoy. I have always been opposed to the national-banking system writing the code and then saying to the State banking system "If you fellows are going to survive, you have to take our code."

Mr. MONRONEY. They are all members of the Federal Reserve System, are they not, so that their viewpoint would be the viewpoint of the Federal Reserve System?

Mr. CROWLEY. Yes.

Mr. CRAWFORD. There is quite a bit said in the discussions on this general subject, from December 10 to 20, inclusive; and there has been more or less said during the last few days about this squeeze play. I want to ask you this question: In view of the documented record which shows the great amount of attention given this question, presented by H. R. 3956, and from December 22, 1933, when this question was first raised, up to January 1944, do you feel that the contention can be supported that there was a squeeze play on the part of the Board of Governors of the Federal Reserve System, following the passing of our late, loved, and distinguished chairman, Mr. Steagall?

In other words, it seems to me that it is a part of this record that perhaps should not have been brought in here at all, and I want to have you express your views on it.

Mr. CROWLEY. Let me say this to you, that you cannot stop a fellow from thinking. If you go back to your record, the first letter was written sometime in August, and I think Henry Steagall was away a good part of the fall sick; and I think you will find the day after Steagall died was the date of one of the letters to one of these banks absorbing exchange. I think it is a fair conclusion that Steagall, had he lived, would have continued to do as he had always done, that is to fight any encroachment upon the State banking

system. Certainly, whoever was handling the affairs did some pretty good timing—and, if you want to, you can call it a squeeze play. And I won't change my statement on that, because after this thing lay dormant for 10 years, more or less, it has now been brought out at this time, when the amount involved did not warrant bringing it out; it has caused undue hardship and it has taken your time and it has taken my time and the time of a lot of people, in the midst of a war. And I think we have a lot of evidence that we will be glad to show this committee sometime, when you are studying the banking system, that a lot of men in this Government, in the banking business, are trying to nationalize this branch banking system and are trying to extend branch banking and are trying to control interbank balances. I just think this whole thing is a matter of timing.

Mr. CRAWFORD. Did the F. D. I. C. and the Federal Reserve Board hold a meeting on or about November 11, 1942?

Mr. CROWLEY. I wouldn't know, Congressman. That is a meeting of the Federal Reserve Board, you say?

Mr. CRAWFORD. With the F. D. I. C.

Mr. CROWLEY. Mr. Thompson says we did.

Mr. CRAWFORD. Was it at that meeting that the matter of bad banking practices, as related to this type of operation, was discussed, do you recall?

Mr. CROWLEY. If they say it was, then it was, Congressman.

Mr. CRAWFORD. I beg your pardon?

Mr. CROWLEY. If the Federal Reserve Board says we had a meeting at that time, I would be willing to accept that.

Mr. CRAWFORD. What I wanted to find out was whether or not you would hold that the practices engaged in by, let us say, this bank down here in St. Louis, which has been cited in the record at considerable length, was participating in bad practices——

Mr. CROWLEY (interposing). Let me say this to you, on that bank in Nebraska—and I don't know whether there was one in St. Louis or not. But there were one or two banks that I agreed were engaged in an unsound practice, and we did talk, I think, about trying to get them in for a conference and to see if we could not reason with them. I have always felt that it was wrong to legislate against the whole banking system or a whole industry because you could not control one individual.

Mr. CRAWFORD. What I was trying to do was to tie up some particular practice which came within the scope of the concept of that discussion held at the joint meeting.

Mr. CROWLEY. I think we talked about one or two banks there at that time. Anyhow, that had been discussed at different times with the Federal Reserve.

Mr. CRAWFORD. And the F. D. I. C. joined with the Board of Governors in a published statement of Friday, February 12, 1937, in which, among other thoughts expressed in that statement, we find this language.

Mr. SMITH. What are you reading from?

Mr. CRAWFORD. A joint statement issued by the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System, printed in the December hearings. It says:

"In view of the widespread differences of opinion in the law-making and administrative branches of the Government as to the intent of the law, and as a result of further consultations between the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System, their respective regulations relating to the payment of interest on demand deposits having been brought into uniformity by agreements adopted by the Board and by the Corporation, the definition of interest has been eliminated from regulation Q of the Board and from regulation 4 of the Federal Deposit Insurance Corporation, and paragraph (a) of section 2 of each regulation has been amended by inserting after the first sentence the following:

"Within this regulation, any payment to or for the account of any depositor or compensation for the use of funds constituting a deposit shall be considered interest.

"The effect of this amendment is to declare the existing law, rather than to interpret and apply the law to particular practices. This will permit the general application by each agency of a uniform right to determine specific cases based upon the facts involved; it will also permit each agency to determine, with respect to cases coming before it, whether or not any practice involved in any such case is a device within the meaning of the statute employed by the bank to evade the prohibition of the law.

"The Board of Governors in its original definition of the term 'interest' specified that such term should include the payment or absorption of exchange or collection charges which involved out-of-pocket expense. The present action of the Board of Governors removes this finding or specification from its regulation.

"Henceforth, under both regulations, the question of what in a particular case is the payment of interest upon a demand deposit, or device to evade the prohibition against the payment of such interest, becomes for both agencies a matter of administrative determination under the general law in the light of experience, and as specific cases may develop."

Now, having in mind the joint statement which I have just read, and the full statement that follows, of February 12, 1937, and then going directly to the case cited in the September 1943, Federal Reserve Bulletin, page 817, would you mind stating to the committee whether or not it is your contention that the case cited was not a violation of the law.

Mr. CROWLEY. Congressman, I want to answer that indirectly for you, if I can. It has been so long ago and I have been involved in so many things that I would like, if you don't mind, to let Mr. Brown or Mr. Thompson answer that for you.

Mr. FRANCIS C. BROWN. Mr. CRAWFORD, we took the position that was not a violation of law, in conferences and in correspondence as well as in our opinion. I think Mr. Dreibelbis testified to that yesterday.

Mr. CRAWFORD. That it was not a violation?

Mr. FRANCIS C. BROWN. We took the position that, in our opinion, absorption of exchange was not interest; and also, on the facts of the Lincoln case as outlined to us, substantially as set forth in their ruling, that in our opinion that was not a violation of the law.

Mr. CRAWFORD. You see, what confuses me, if it is confusion, is when I take that joint statement——

Mr. BARRY (interposing). Will Mr. CRAWFORD yield for one question?

Mr. CRAWFORD. Wait just a minute, please. When I take that joint statement, and then go to the statement issued by the F. D. I. C.——

Mr. FRANCIS C. BROWN (interposing). I can give you a copy of that, Mr. CRAWFORD [handing paper].

Mr. CRAWFORD. And then going to the F. D. I. C. statement of December 6, 1943, in which it says:

"The Board is of the view that the absorption of exchange by an insured nonmember bank in connection with its routine collection for its depositors of checks drawn on other banks cannot be considered a payment of interest, within the terms of the interest regulations of the Federal Deposit Insurance Corporation, in the absence"—and here is the important language—"in the absence of facts or circumstances establishing that the practice is resorted to as a device for the payment of interest."

As I say, when you take the language in the joint statement, and the language in this statement which I have just read, and then apply to the September specific case what I have been attempting to ascertain from your attorney, Mr. Brown—and I would like to get your reaction on it—the question is whether or not you are in a position, speaking for the F. D. I. C., to enlighten this committee on what would be required in the way of questionable practices to make a case which would support, through the F. D. I. C., the facts or circumstances establishing a violation of the law.

Mr. FRANCIS C. BROWN. Mr. CRAWFORD, I don't think you can have a violation arising out of a routine collection transaction. You might frame up a situation where you control two banks and you went to a correspondent bank and said "We will put a balance of each of our banks with your bank, and then we will run through some just perfectly abnormal transactions for the purpose of creating exchange"—and that might be a violation.

But I did not have any abstract, hypothetical case in mind, at the time we put that in my opinion. And that same reservation was put in the Board's memorandum at my suggestion, simply because we did not want to say that people could not devise a method of paying interest through the exchange rule. But I don't think you can have interest simply arising out of the absorption of exchange on a perfectly normal, commercial transaction; that is, where somebody buys something and issues a check on a nonpar bank, which is cleared and exchange is charged.

Mr. CRAWFORD. Mr. Chairman, I have one or two other questions, but I will yield for that one point.

Mr. BARRY. Mr. Brown, if the Federal Reserve Board and the F. D. I. C. got together and decided the absorption of exchange was interest, and vice versa, and the Congress had granted the power in the basic law and never contemplated exchange being interest, your ruling would still be unsound?

Mr. CROWLEY. That is correct.

Mr. BARRY. In other words, no bureau would have the right to construe the action of Congress.

Mr. FRANCIS C. BROWN. I think that is right, and if you will read the opinion in full which I submitted at the time, you will find we point out in my opinion you cannot differentiate exchange charges, or the absorption of exchange, from free service. If a man has a thousand dollar balance and gets more free service through a bank than if he had a $500 balance, we cannot differentiate the absorption of this fixed cost from the absorption of exchange charges. They are both out-of-pocket expenses.

And I would like to point out also, Mr. CRAWFORD, while on this point——

Mr. PATMAN (interposing). You say they are both out-of-pocket expense?

Mr. FRANCIS C. BROWN. Yes.

Mr. PATMAN. Is that correct?

Mr. FRANCIS C. BROWN. Why not? Any expense is out-of-pocket.

Mr. PATMAN. Well, why is it distinguished by being called out-of-pocket?

Mr. FRANCIS C. BROWN. I have not been able to define an out-of-pocket expense.

Mr. PATMAN. I thought that was something aside from normal operating expense.

Mr. FRANCIS C. BROWN. This is a normal operating expense. The bank has to pay postage, and the bank has to pay express charges. They have to pay telephone charges. Why should they not have to pay service charges which the other bank assesses on that collection?

In other words, your correspondent bank sets itself up as the institution which undertakes to collect the checks. Your individual goes to his bank and his bank sends the check to the correspondent bank. The cor-

respondent bank says "We will collect the check and make that good for you."

When they collect the check and the other bank charges exchange, it seems to me that is their expense, part of their business expense.

I would like to point out that in the 1936 definition of interest which was stricken out of regulation Q, there was an express provision that you could absorb taxes assessed on your deposits, and the Board has ruled that in the case of Michigan the taxes assessed on deposits could be absorbed by the bank, and that is not a violation of the interest regulation, or the interest law. I certainly cannot differentiate between the absorption of a tax, which is paid and which is levied upon the depositor, from a service charge which is levied as a result of that depositor's check going through a commercial transaction.

Mr. PATMAN. I agree with you, if both banks are in the same State. But suppose one bank is in Ohio and sends its deposits over to Michigan; then the Michigan bank would not be expected to pay the taxes, would it?

Mr. FRANCIS C. BROWN. Well, it is a personal property tax, is it not, Mr. PATMAN? It is levied on that property and it is levied on the person who owns that property, regardless of where it may be. If you have securities in California, they will tax those securities if they find out about them, regardless of where you may live.

Mr. DILWEG. Are you familiar with a ruling of the Board in 1934, Mr. Brown, when this statement was made? [Reading:]

"In another case there was also presented to the Board a question as to the legality of a practice under which member banks charged to their depositors the amount of exchange charges on checks received on deposit, except that, if the average daily balance of the depositor was $1,000 or more, the banks absorbed the amount of such exchange charges."

Then here is a significant part of the ruling of the Board:

"The Board stated it was of the opinion that the absorption of charges in such circumstances was not an indirect payment of interest, since the amount of charges absorbed did not vary with or bear a substantially direct relation to the amount of the depositor's balance; and that accordingly the member banks were not prohibited from absorbing charges on such a basis in connection with balances payable on demand."

In other words, if I say "You must keep $100,000 in my bank, and I will absorb the charges," that is perfectly all right under that ruling.

But if I say "I will absorb charges if you will keep a varying amount in my bank," that is illegal.

Mr. PATMAN. No; it is just the opposite, I think.

Mr. DILWEG. No; I don't think so.

Mr. PATMAN. The way I interpret that—and I would be in favor of voting for a bill carrying that provision in it—is that if there is no relationship whatsoever between the allowance of out-of-pocket expense and the balance normally carried, I don't think that would be a violation of law. But where there is a direct relation——

Mr. DILWEG (interposing). The bank says that you must carry at least $100,000.

Mr. PATMAN. That is a violation of the law.

Mr. DILWEG. No; not under that ruling.

Mr. PATMAN. Yes; I think you have it backward, because where you must carry $100,000 to get so much exchange charges absorbed, it occurs to me there is no escape from it; that it is just an evasion.

Mr. DILWEG (reading):

"If the average daily balance of the depositor was $1,000 or more, the banks absorbed the amount of such exchange charges."

And that was determined to be a legal operation, by the Board.

They say—

"You must have on deposit so much money, and we will absorb charges."

Then it goes on to make this statement—and I repeat the Board's statement:

"The Board stated it was of the opinion that the absorption of charges in such circumstances was not an indirect payment of interest, since the amount of charges absorbed did not vary with or bear a substantially direct relation to the amount of the depositor's balance."

So I was not giving it backward.

Mr. PATMAN. It would go up and down, and they would absorb all charges. That is different from a case where, if you keep $100,000 on deposit in this bank, this bank will absorb a definite amount of exchange charges for you. But if you keep half of that amount on deposit, they say, "We will absorb half of the exchange charges for you."

Mr. DILWEG. That is exactly what I said.

Mr. CRAWFORD Mr. Chairman, I have two or three other questions, and I am through.

Mr. Crowley, do you have late figures showing the number of insured banks not members of the Federal Reserve System? The latest figures you have will be satisfactory.

Mr. THOMPSON. I am sorry. I did not bring the December 31 figures with me. The November 30 show 13,465 insured banks, including mutual savings banks.

Mr. CROWLEY. He wants the nonmember banks.

Mr. CRAWFORD. Have you the number of nonmember banks included in that?

Mr. THOMPSON. Yes, sir; 6,554 in the continental United States.

Mr. CRAWFORD. That is nonmember banks?

Mr. THOMPSON. Commercial.

Mr. CRAWFORD. Commercial, nonmember banks?

Mr. THOMPSON. Yes, sir. We have 180 mutual savings banks.

Mr. CRAWFORD. How many States have enacted laws calling for par clearance?

Mr. CROWLEY. Do you know, Frank?

Mr. FRANCIS C. BROWN. Mr. CRAWFORD, I cannot answer that question offhand. I know Iowa did last year.

Mr. PATMAN. Was it last year? I thought Mr. Crowley said that was during the depression.

Mr. DREIBELBIS. It was effective July 1, last year.

Mr. CRAWFORD. First I think I voice the opinion of this whole committee, and certainly my own, when I congratulate you for your extraordinary management in protecting the earnings and capital structures of the insured banks. I have been in agreement with it 100 percent, as I have understood it.

Have you seen any evidence under the Iowa law or under any other State law which has thus far been enacted, of interference to any material degree whatsoever with the earnings of the insured banks which you have in Iowa and these other States where such laws might have been enacted?

Mr. CROWLEY. No; I don't know that we have had any evidence of that, Congressman. That, again gets back to my theory, that if the State of Iowa wants to change their banking laws, they have to assume the responsibility for doing so. I don't think the fact that Iowa changed those banking laws and went to par clearance indicates that all of the little banks in the State of Iowa were in full accord. You have been around the State legislatures a long time and you know how State legislation is put in the hopper and bankers wake up some morning and find it is all signed and sealed and delivered. But, in a period of time, it will be repealed if it is not all right.

Mr. CRAWFORD. In order that the record may be perfectly clear, I want to say I have never seen a member of a State legislative body, and I am sure I have never spent as many as 20 days at a capital of any State or all of the States put together, during a session of the legislature. So I don't know anything about that, at all.

Mr. CROWLEY. All right.

Mr. CRAWFORD. If the Iowa law is the only one, and it became effective only last July, I should not think that would give you time to draw any reasonable conclusions on it, anyway.

Mr. CROWLEY. And they could be wrong, Congressman, being only one of the 48 States.

Mr. CRAWFORD. That is all I have.

The CHAIRMAN. If there is nothing more, Mr. Crowley, we are very glad to have had you. I want to say the way you have administered the affairs of the Federal Deposit Insurance Corporation has reflected some glory upon this committee, from which that law came. I think you have rendered great service to the Nation.

Mr. CROWLEY. Thank you.

Mr. PATMAN. Mr. Chairman, may I join you in your statement in the record on what Mr. Crowley has done through tne Federal Deposit Insurance Corporation. But I would like to ask if the State supervisors have expressed themselves on this. Do you know?

Mr. CROWLEY. Some of them have. A great many of them have, Congressman. I don't know from what particular States.

Mr. PATMAN. I wonder if any member of the committee knows how many have and how many have not.

Mr. BROWN. Everyone in the South, and several in the Midwest. That is all in the record.

Mr. CROWLEY. For instance, Mr. Nelson, of Michigan, sent a letter which I saw; he sent it voluntarily on this, and I think many of the other States have joined in that.

The CHAIRMAN. This will conclude the hearings on the bill, then.

Mr. BILBO. Mr. President, Mr. Crowley has control of the 13,000 banks which represent 98 percent of the bank depositors in the United States. He insists that the passage of the Maybank bill, which now has been offered as an amendment to the pending crop insurance bill, is essential to the success, protection, and welfare of the small banks he represents.

I find that the Federal Reserve Board has enlisted in this fight the National Association of Credit Men, headed by Mr. Henry Heimann. That association, although it has nothing to do with the Federal Reserve System, the Federal Deposit Insurance Corporation, or any other banking organization, except as a business organization, has been very busy in circularizing not only the banks of the country but the Congress of the United States in reference to this matter. In order to make my remarks on this subject clear, I ask unanimous consent that the circular letter addressed to the Members of Congress by the National Association of Credit Men, New York City, dated February 29, 1944, be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF CREDIT MEN,
New York, N. Y., February 29, 1944.

H. R. 3956, S. 1642

To Members of Congress:

This organization, consisting of 20,000 manufacturing, wholesaling, and banking members, has throughout its half century

of existence sought in every way to develop a sound national currency and banking system.

Our membership, officers, and directors are seriously alarmed over the probable consequences of favorable action on the two pending bills.

Our opposition to these bills is based upon the following factors:

We believe that in the present situation section 19 of the Federal Reserve Act, as amended, and which reads: "No member bank shall directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand," to be a sound provision, and in furtherance of sound banking. As long ago as 1933 the Honorable Senator CARTER GLASS stated that one of the real objectives of section 19 was to try to promote the further utilization of bank funds in the area in which they were located, and to prevent the excess accumulation of country bank funds in large financial centers where they were vulnerable to speculative purposes. We believe these companion bills, if passed, would defeat the objective of section 19. We believe it quite probable that the practice of charging exchange and of the absorption of exchange charges, both now very limited, would materially expand, and that this resolution would drive the opening wedge for the absorption of various charges in lieu of interest payments.

We believe the passage of this resolution would eventually nullify section 19 and by subterfuge permit a compensation for demand balances which, irrespective of how such compensation was disguised, is tantamount to the payment of interest.

We respectfully call to your attention the fact that national banks or members of the Federal Reserve System, be they State or National, are not permitted to make exchange charges. Among this group of banks are many smaller institutions which compete, in some sections, with the limited number of State banks which do make exchange charges. We also desire to call your attention to the fact that these smaller members of the Federal Reserve System, be they State or National, are profitably operated without benefit of these charges.

The practice of permitting banks to absorb exchange charges insofar as it affects commerce and industry will not, as some contend, inure principally to the benefit of smaller business institutions, since in practice the total amount of these charges absorbed is related to the size of the customer's deposit. This is class legislation for the benefit of relatively few banks located in relatively few States.

Our interest in this legislation is not a selfish interest. Many of our members are now benefiting from the absorption of exchange charges, but they recognize the eventual consequence of this practice and are favorable to its discontinuance.

We wish particularly to emphasize the great hidden danger to our national currency that could develop from the passage of this resolution.

Bank checks constitute the principal currency of our country. In fact, the ratio of bank checks in use to actual currency is better than 10 to 1. The practice of charging exchange for the clearance of a bank check strikes at the very fundamental of a free par circulation of this Nation's currency. Do not confuse exchange charges with service charges. Service charges are made against the bank's own customer. Exchange charges are made against the individual or organization to whom the bank's customer has given a check. When an individual or organization accepts a check in payment of a bill, he feels he has the right to assume he will receive the amount of money of credit called for on the face of the check. In most instances he does receive the exact amount. In certain areas, and in a limited number of banks, an exchange charge is made and he does not receive the face amount of the check. When he does not, it is tantamount to discounting the currency of the United States; for, we repeat, in this country bank checks constitute our primary currency.

We are particularly concerned over these companion bills because their passage indirectly could—

1. Further expand the objectionable practice of making exchange charges;

2. Since members of the Federal Reserve System cannot make these exchange charges, unfair advantage would accrue to nonmember banks, and perhaps promote the withdrawal of member banks from the Federal Reserve System;

3. Cause a reversion to the old practice of circuitous routing of checks in order to find some bank along the line of collection which would be willing to make the check worth 100 cents on the dollar;

4. In practice it is not inconceivable that the value of a check would depend upon the bank upon which it was drawn, thus destroying the par acceptance and free circulation of our bank-check currency; and

5. Develop further hoarding of cash.

This organization recognizes that the banking industry must have satisfactory earnings if it is to be maintained in a solvent condition. We therefore have never objected, and never will, to proper service charges as distinguished from exchange charges. We do, however, recognize that in matters of service charges the law of competition comes into play. The banking business in this sense is like any other business, in that there must be a sound need for the institution and a fair charge for its services. It cannot escape meeting these standards of value.

Finally, we desire to emphasize that although these bills deal directly with the question of an interpretation of section 19, their inherent danger is in the consequences of an interpretation that the absorption of exchange charges is not tantamount to interest. Such a conclusion will tend to destroy the function of our national currency, bank checks.

We repeat, our primary interest is in a sound banking system and the maintenance of a sound national currency. This has been our interest since we joined in an effort years ago to procure the Federal Reserve System. It is our only interest today. As previously stated, our viewpoint, if maintained, may temporarily bring added cost to some of our members, but our position we believe to be in the public interest.

We respectfully submit for your consideration these views as representing our best judgment based on 50 years of experience in the field of banking and credit.

Thank you.

NATIONAL ASSOCIATION OF CREDIT MEN.

Mr. BILBO. Mr. President, the Federal Reserve boys apparently hypnotized Mr. Henry Heimann, executive manager of the National Association of Credit Men, into dragging the association into a controversy which really concerns only Congress and the small businessmen who run community banks, on the one side, and the Federal Reserve Board and a few selfish large city bankers, on the other. In order to stir up the members of his association he relayed to them the same sugary arguments which have been widely advanced by the bureaucrats in the Federal Reserve Board who are defying Congress in their attempt to force 2,500 small banking concerns, scattered over 27 States, into the Federal Reserve System where they can be further regimented. The Federal Reserve crowd have always been chummy with certain big city bankers, and they have gotten into their present mess by trying to help a few of their banker pals who wanted a regulation from the Board in order to keep them from losing business to a few wide-awake bankers in adjacent smaller towns. It is pretty nice to knock off a tough competitor by getting a Government agency to make a ruling which puts him out of business; but it is tough when you are the one who gets knocked off. I do not think many Senators will want to encourage our Government agencies to make rules of this character. The House of Representatives made it clear that they did not, by their overwhelming vote.

A few business concerns have opposed this legislation although the businessmen of this country, whose business operations are constantly being interfered with by Government regulations, should support it. Why should they support it? Because businessmen do not like unnecessary Government regulation, and this controversy presents Government regulation of the worst kind—regulation which Congress has never authorized, in fact, and which it has several times expressly refused to authorize.

The opposition talks about depreciated dollars, because, like sin, we are all against them. But defeating these bills, which he urges, means depreciating dollars which are now worth a full 100 cents. Here is how it works.

Say you run a business and your firm sells goods over a wide territory. You get checks on banks in a number of different States and you deposit them in your local bank. You are credited for the face amount of those checks—100 cents for the dollar—and there the transactions are closed on your books. But your bank's business deal with you commences where your deal with your customer left off. Your bank has to collect these checks from the various points on which they are drawn. Your bank is in this business and it has to incur many expenses in order to carry on this business. Among other expenses, it pays other banks for the service which they perform for it in the collection of those checks. You keep a large balance in this bank and at the end of the month you pay a service charge to your bank, depending on the activity of your account, if the earnings from your balance when invested have not been large enough to offset those expenses. But if your balance is large enough to offset the cost of handling your business and also give a profit to your bank, you do not expect to pay a service charge. Your banker is smart enough not to try to collect one. You are a good customer. He wants your account just the same as you want your own customer's business. Now along comes the Federal Reserve Board and says this cannot be done. They say your bank is paying you interest because it fails to charge back to you the service charges which it pays out to the other banks in handling some of your business. The service charges which the Federal Reserve Board objects to are called exchange charges, and there is a long story which does no credit to our

Federal Government behind the Reserve Board's fight against the little banks who insist on being paid for the service which they must perform in these check transactions, but which the Federal Reserve Board would like to make them perform for nothing.

So even though your bank is making a sizable profit out of handling your account, it now writes you a nice letter citing the Federal Reserve Board's ruling, saying: "We are sorry, but we now have to charge these expenses which we are put to to you; it is illegal for us to pay them. The Reserve Board says so." If this ruling stands, there is nothing to prevent, and there is a pretty good precedent to encourage, the Federal Reserve Board at some later date to compel the banks to collect from their customers other specified expenses to which they are put in running their business, such as rent, clerk hire, postage, telephone, and telegraph expenses. All of these would be dressed up under Federal Reserve guidance as additional service charges, which you would be required to pay regardless of the size of the balance you carry. How would you like to see that happen?

So now you have to pay a service charge to your bank which you never had to pay before. Why? Because the Federal bureaucrats say it is a bad practice. Has Congress said it is bad? No. Is it bad? No. The Federal Deposit Insurance Corporation, another Government agency which has a primary interest in protecting the depositors of this country, says that it is not only perfectly legal for your bank to pay these expenses, but that it is perfectly sound for it to do so. That is the reason I wanted to present Mr. Crowley's philosophy of the banking business at the beginning of my remarks.

The Federal Deposit Insurance Corporation is responsible for all of the real improvements in Federal bank supervision which have occurred since it was created in 1933, after our banking system had suddenly collapsed in the hands of the Federal Reserve Board, the agency previously supposed to keep our banks running. In other words, the Federal Reserve System had a very severe breakdown in 1933, and it is with bad grace on their part that they now speak in defiance of Mr. Crowley concerning a sound banking system, or what should be a sound banking system. They got so damnably sick that they had to call the doctor in 1933.

The Federal Deposit Insurance Corporation points out that the banks throughout the country have been absorbing these expenses for the past 100 years, including the past 10 years during which the statute prohibiting the payment of interest has been in full effect. The Federal Reserve bases its ruling on the 10-year-old interest law, but the ruling has been made effective only since January 1, 1944. The Maybank-Brown bills permit banks to continue paying these expenses as part of their operating costs, just as they have always done. It does not compel banks to absorb these expenses, but it lets them do so, as most of them wish to do. It frees them from a ruling which the banks cannot get rid of without suing the Federal Reserve Board. Bankers do not like to get into a court tussle with their Government supervising agencies, even though most bankers who have made known their views to Congress think this ruling is an outrageous abuse of executive authority. Many bankers would like to continue doing business with their customers freed from this added regulation. Most businessmen would like to get rid of some of the Government regulations which have been heaped upon them in the past 3 years—many without any congressional authority.

Mr. President, I make the prophecy that before the expiration of the next Congress the opposition to the Maybank bill will be crying aloud against Federal regulation and the issuance of tantalizing orders, rules, and regulations which will become tantamount to law. Yet here is a proposition from a bureaucratic organization in defiance of the law, and in violation of the law. It jeopardizes the future welfare of approximately 2,400 small banks which accommodate the small business concerns of the country and the people residing in inland towns throughout the Nation.

It can easily be seen from what I have said that if you now find your out-of-town customer's dollar check worth only 99 cents in your bank, it is because of the Federal Reserve ruling requiring your bank to charge you the 1-cent cost which they have heretofore been willing to pay as an operating expense. Until the Federal Reserve put the heat on the banks these checks were generally worth par because the banks which are in the business of collecting the checks stood the cost of those charges.

If you want to have your customers' checks still handled at par—100 cents on the dollar—you really should vote for the passage of these bills instead of their defeat. If the bills are passed, the banks will pay the cost of collecting your checks. If they are defeated, you will pay those expenses. The real situation is just the reverse of the pretty picture which the opposition has painted, using the stuff fed to them by the boys at the Federal Reserve Board, whose job it is to sugar-coat this new bill which the public is being forced to take.

Behind all of this is a story you should know. It is a story of the struggle which the small, independently owned country banks have been waging for over 25 years to keep from being brought under the domination of the Federal Reserve Board. It is a fight by independent business to keep from being federalized. The Federal Reserve System primarily is meant for the city bankers. Country bankers for many years have preferred to use the privately owned and operated city banks as their correspondents rather than the Government-controlled Federal Reserve banks. The Federal Reserve Board has attempted many a squeeze play against the small bankers to force them into this System since they failed to succumb to their blandishments to join the System voluntarily. Twenty-five years ago the fight was the same as it is today. Once before, at that time the Reserve Board put pressure on the smaller bankers by attempting to outlaw their service charges for exchange. Congress had never authorized the Federal Reserve Board to do this and the smaller bankers, being men of courage, took the issue to court. The Supreme Court of the United States, in a decision by the great spokesman for the independence of the individual—Justice Brandeis—held that the Reserve Board had no right to force those nonmember banks to discontinue their customary business charges for exchange. Following this onslaught, the Reserve Board went back to the more sensible method of cultivating goodwill with the small bankers. But most of those bankers viewed the approaches with great suspicion because they represented the independent segment of our banking system which wanted to preserve our State banking institutions.

There are some people in the Federal Reserve who would like to see the State system wiped out, and substitute a Nation-wide branch banking system operated under Federal charter. That would be nationalization and socialization of our banking system. It would be the kind of thing that took place first in Germany before she socialized her entire industrial structure. Many of us in Congress, who believe in our democratic institutions, believe that a strong State banking system with many independent units, locally owned, is the best practical buffer the businessmen of this country have against the planners of national socialism.

Some of the boys in the Federal Reserve, who never gave up hope of bringing the small bankers into subjection, finally woke up to the possibility of using the interest prohibition statute as a means of wiping out exchange charges, the principal sources of income of many small bankers. This would tend to force them into the Federal Reserve System.

So one of their bright young lawyers drew up an opinion holding that, for the member banks to bear the expense of collecting the checks against the small nonmember banks, would be the equivalent of payment of interest. This turned the trick, because the small banks are in the country and most of their customers do a lot of business in the cities where most of the banks have to be members of the Reserve System. So the Reserve Board forced the city bankers to charge these expenses back to their customers. This made a lot of trouble for the little banks and was intended to force them to stop making the charges. It disturbed their customer relationships. Part of the campaign was to stir up the credit men with letters, such as that written by the National Association of Credit Men. The real objective is to bring about a boycott of the small bankers. But this is a foolish thing to do because small bankers have to have revenue to operate. They are public-service institutions in their communities, and the very businessmen who are being asked to boycott them, in many instances have subscribed for stock to keep the banks operating and provide necessary credit facilities to keep their communities alive. During all the time the 12 Government-managed Federal Reserve

banks absorbed for their privately operated member banks the same kind of expenses which these privately operated member banks are now being prohibited from absorbing for their customers.

Bear in mind that the Federal Reserve banks are the banks for the city bankers, and that the city banks are the banks for the country bankers. This has placed the private member banks at a competitive disadvantage with the Government-run institutions and gives the Federal Reserve banks another weapon to force the independent unit banks to join the System. When government competes with private business it is tough enough for private business without being put under a tailor-made handicap. But the Reserve Board is the dealer in this game, so the country bankers had to take the cards which were dealt them. The cards were dealt from a cold deck.

Everything would have been smooth going for the Federal Reserve Board's plan had it not been for three circumstances: The first was that the small bankers were smart, as well as courageous, and many of the larger bankers were sympathetic to their position. They refused to take the Reserve Board's ruling lying down. The second was that Congress protested the arbitrary ruling to force the small bankers into line. Congress had not authorized it, and refused to uphold the Reserve Board in a ruling really regulating exchange charges under the pretense of regulating interest, and the third circumstance was that the Federal Deposit Insurance Corporation, which has the direct financial responsibility of keeping those small banks in sound condition, and is the only Federal agency which supervises those institutions, held that the Reserve Board ruling was not only unauthorized by law, but that it undermined the banking structure of the country.

The Federal Deposit Insurance Corportion knew the small banks would not be able to operate without these exchange service charges. It knew that they could not increase their customer service charges, as their customers are already paying service charges as high or higher than the standard service charges in vogue throughout the country. It knew that these banks have different operating problems from those of the city banks—and this is something that the Reserve Board apparently did not know unless it did not care. The problem of these banks is simply that of locally owned public service institutions, serving communities which otherwise in many instances would not have banking service. They have to keep large sums of cash immobilized in their vaults or as deposits in city banks to take care of their customers' city needs—larger sums than the city banks which have ready access to security markets and money centers are required to keep. The city dweller who can get his check cashed at any hour of the day does not have to carry as much cash in his pocket as the man who has to drive 30 miles to town to get his check cashed. It is the same thing with banks. Furthermore, these country bankers could not shift their customers' cash day by day into short-term governments as the city bankers readily do. The Federal Deposit Insurance Corporation has studied these banks ever since it was created in 1933. It has made real progress in bank supervisory methods and has instilled lifeblood into our decadent bank supervisory system which went to seed in 1933 because of neglect and lack of understanding on the part of the Federal Reserve Board.

So Congress stepped in and the House of Representatives passed the Brown bill, H. R. 3956, which simply reversed the Federal Reserve Board's ruling. This bill was passed by a wide margin—about five to one. It was so wide that the opposition to the bill couldn't even muster enough votes to get a roll call and for that reason there was not an official count of the votes. The issue was not whether par clearance was desirable or undesirable. The Reserve Board always contended that its ruling was not for the purpose of enforcing par clearance, but to enforce the interest statute. But Congress knew differently and letters such as that sent out by Mr. Heimann clearly show that the real objective is par clearance and not interest regulation. Thus, the issue before Congress was whether the bureaucrats should usurpate or Congress should legislate.

Now the issue is not currency depreciation against 100-cent dollars. The issue is solvent banking with exchange charges against no banking for many communities if exchange charges are outlawed. Exchange charges are not growing as a few opponents of this bill have claimed. They have steadily decreased for over 25 years because of natural economic forces. I believe that until all bank service charges are brought under Government regulation, the natural forces should be allowed to deal with exchange service charges as they do with all other forms of service charges, without bureaucratic interference. The total amount of exchange charged in this country is not over $8,000,000 to $10,000,000 a year. This is a small fraction of the $2,000,000,000 annual operating revenue of our Nation's banking system which today has deposits over $100,000,000,000. The banking system in the future as in the past can well absorb the cost of collecting these checks and in so doing it is not subsidizing the small bankers because the small bankers are forced to keep over $700,000,000 of their funds on deposit in big city banks which invest this money and at an average investment return of 1 percent, receive $7,000,000 annually as income, which is more than the amount of exchange they have ever absorbed.

Furthermore, some of those who opposed this bill are ignorant of the law when they state that national banks or member banks of the Federal Reserve System be they State or National, are not permitted these (exchange) charges. This statement of the law is wrong. Ever since 1917 both National banks and State banks, members of the Federal Reserve System, have been authorized by Section 13 of the Federal Reserve Act to collect exchange charges on all remittances or clearings through the private banking system and many of these banks have collected and now collect these charges. The only restriction is that these charges may not be collected from the 12 Government-controlled Federal Reserve banks which do not directly serve the public. Here again the Government institution has been favored over private business. The exact language of the law on this question is as follows:

SEC. 13. Any Federal Reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national bank notes, Federal Reserve notes, or checks, and drafts payable upon presentation, and also, for collection, maturing notes and bills; or, solely for purposes of exchange or of collection, may receive from other Federal Reserve banks deposits of current funds in lawful money, national bank notes or checks upon other Federal Reserve banks, and checks and drafts, payable upon presentation within its district, and maturing notes and bills payable within its district; or, solely for the purposes of exchange or of collection, may receive from any nonmember bank or trust company deposits of current funds in lawful money, national-bank notes, Federal Reserve notes, checks and drafts payable upon presentation, or maturing notes and bills: *Provided*, Such nonmember bank or trust company maintains with the Federal Reserve bank of its district a balance sufficient to offset the items in transit held for its account by the Federal Reserve bank: *Provided further*, That nothing in this or any other section of this act shall be construed as prohibiting a member or nonmember bank from making reasonable charges, to be determined and regulated by the Board of Governors of the Federal Reserve System, but in no case to exceed 10 cents per $100 or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise; but no such charges shall be made against the Federal Reserve banks.

Practically every member bank in the country charges exchange for remitting in settlement of out-of-town clearings sent in direct to the bank. The charge is frequently omitted as a matter of reciprocity between banks having frequent clearings between one another.

Time and again it has been charged by the opponents of the Maybank bill that it discriminates against member banks of the Federal Reserve System, because it is said they cannot charge exchange while nonpar banks can and do so. This is the rankest sort of misrepresentation and the answer is plain to anyone who can read the English language and who will take a minute to read the Federal Reserve Act.

Section 13 of the Federal Reserve Act specifically, expressly, and in plain English words authorizes Federal Reserve member banks to charge exchange. Here are the exact words of the statute:

Nothing in this or any other section of this act shall be construed as prohibiting a member or non-member bank from making reasonable charges * * * for collection or payment of checks and drafts and remission therefor by exchange or otherwise.

The statute goes on to say that the Board of Governors shall determine and regulate the charges and also says that the charges shall not exceed 10 cents per $100 or a fraction thereof based on

the total of checks and drafts presented at any one time.

That is exactly and precisely how the nonpar banks charge exchange. They, too, charge exchange for collecting and paying checks and drafts and remitting therefor; and they, too, have a maximum charge which does not exceed one-tenth or one-eighth of 1 percent.

Now this statute which permits member banks to charge exchange goes back to 1917. It was an amendment to the Federal Reserve Act passed in 1917, and it is known as the Hardwick amendment. When the Hardwick amendment was up in 1917 the provision allowing exchange to be charged was adopted by the Senate as an amendment to a then pending bill. Because of the Senate amendment, the bill was sent to conference. The House agreed to the conference and the House conferees were specifically instructed by a motion passed by the House to agree in the conference with the Senate's amendment allowing banks to charge exchange. In other words, the managers on the part of the House were instructed by the House to agree in the conference to the Hardwick amendment.

In conference and at the very last minute, the conferees added to the Hardwick amendment the phrase which now appears in the law at the end of section 13, which says that "No such charges shall be made against the Federal Reserve banks." The reasons given at that time for tacking on this rider were set out in a letter sent to Congressman CARTER GLASS by Governor Harding of the Federal Reserve. He suggested that the Hardwick amendment be modified so that it would prevent exchange from applying to transactions with the Government. In other words, the tacked-on proviso was intended to save the United States Government money in connection with its financial transactions.

When the conference report came back to the House with the tacked-on rider, the change occasioned considerable debate by the Members of the House who contended that its Members had exceeded their authority and had violated the instructions which they were given. The late Congressman Pat Harrison, of Mississippi, strongly criticized the House conferees for what they did and charged that under that tacked-on provision, the Federal Reserve Board "could undo everything we propose to do by the amendment." In other words, he stated that the tacked-on rider practically emasculated the Hardwick amendment which the House managers had been instructed to accept. He further went on to say, "There can be no doubt that the Federal Reserve Board wants the power to destroy the right of member banks to make these exchange charges, and it is wrong to give the Federal Reserve Board authority so broad that it may defeat the intention and will of the House, and that is what the managers on the part of the House have done."

The nonpar bankers, however, were deceived by being told that the rider would not affect their rights but merely was put in there to save the United States Government from paying exchange charges on its transactions which were quite large at that time, due to the Liberty bond drives. In fact, the nonpar bankers accepted the rider because the general counsel of the American Bankers Association in a formal opinion told them that the amendment even with the rider would permit nonmember banks to charge exchange on collections which the Federal Reserve banks were handling in their customary agency capacity as distinguished from those which they were handling in an ownership capacity. Congressman CARTER GLASS tried to justify the action of the House managers in accepting the rider despite the specific instructions of the House to the contrary by trying to throw the blame therefor onto the Senate managers and by referring to Federal Reserve Governor Harding's letter concerning the position of the United States Government in connection with its Liberty loans.

The nonpar bankers accepted the rider in good faith, accepting the reasons which were offered at that time for the rider. The deception, however, became complete when the Attorney General of the United States ruled in 1918 that the opinion of the American Bankers Association's general counsel was not sound and issued an opinion to the contrary so that the nonmember banks were prohibited from charging exchange not only on collection charges owned by the Federal Reserve banks but also on those which they were handling in an agency capacity. Thus, the banks were deprived of the clearing facilities of the Federal Reserve banks for checks drawn on nonpar banks and the emasculation of the Hardwick amendment which both the Senate and the House passed and the President signed became complete.

As a practical matter and as a factual matter, every banker will admit to you as the opponents to this bill admitted at the hearings that member banks do charge exchange. For exchange is charged on all checks that come to them except from the Federal Reserve banks.

Thus, the opposition's whole argument collapses like sand running through your fingers, the law being exactly contrary to their claims.

Sound banking can be assured only by the passage of the pending bills, because they will relieve these banks from the pressure to discontinue a source of income which they cannot replace but which they must have in order to operate without loss. Your business will not profit if many small rural communities of this country are deprived of banking service. The deposits which these banks carry are sufficiently profitable to the private banking system of this country for it to stand these expenses instead of milking the public for them. To say that our banking system or the Federal Reserve System is jeopardized in the slightest degree by permitting banks to run their business without regimentation from Washington as to the character of the service charges which they can levy is to appeal to fear and not to reason.

Some firms have been urged by the Reserve Board to tell their customers that they are not accepting their checks on any nonpar bank. This is a stimulated boycott of small business. It is the kind of thing that I do not like to see happen in this country—to have one group of businessmen start a boycott against another. It is a tragedy to see such a boycott started by one of our big Government bureaus. The Federal Reserve Board may make it tough for the small banks by stimulating this boycott among commercial businessmen, but it is going to be tough on their customer relationships as well. I say to you Senators do not be drawn into a campaign to uphold a Federal agency in regulating business which Congress has not authorized merely because it does not affect your business. You will merely be undermining our constitutional system of government. Any step of this kind will boomerang against the businessmen who started it, because if one agency can make illegal rules affecting one group of businessmen, another agency can make more rules affecting another group and the latter group may include the very men who are against this bill. Even though a few constituents are against exchange charges think straight on the principal question which is not exchange charges, but abuse of governmental power. That is the only issue.

Mr. MAYBANK. Mr. President, I desire to state that the time which remains for the proponents of the amendment has been allotted as follows:

Senator STEWART, 5 minutes; Senator PEPPER, 5 minutes; Senator RUSSELL, 10 minutes; Senator BANKHEAD, 5 minutes; Senator GEORGE, 5 minutes. That will take up the time which has been allotted to the proponents of the amendment.

As there are 1 or 2 extra minutes, if I may be permitted to do so, I should like to read a telegram which is addressed to me, as follows:

ATLANTA, GA., *December 13, 1944.*

Senator BURNET R. MAYBANK,
Senate Office Building,
Washington, D. C.

When I appeared before the Senate Banking and Currency Committee yesterday a Senator questioned my statement that member banks are now absorbing exchange. I have investigated further and am reliably informed banks in the following and probably other cities are now absorbing exchange namely, Nashville, Memphis, Louisville, Houston, Fort Worth, Shreveport, Jackson, Meridian, Baton Rouge, and Palm Beach. Please read this telegram to the committee and insert in the RECORD.

SHERMAN DRAWDY.

Mr. President, in short it appears that the F. D. I. C. says that the present practice with regard to exchange should be continued and the Federal Reserve Board says that it should not be. Certain banks believe that the Federal Reserve Board is wrong, and do not believe in government by order, so they continue to absorb exchange. This they believe to be legal.

Mr. STEWART. Mr. President, I merely wish to say a word or two. I chiefly want to place myself on record as being in favor of the Maybank bill or amendment as it is now before the Senate and as being opposed to the so-called regulation Q.

I think, Mr. President, regulation Q is a specimen of arbitrary action on the part of those responsible for it, the same type of action as we have seen evidence of in various departments of the Government within the past few years. It is almost the equivalent of legislation itself. I mean to say that the Federal Reserve Board, which is responsible for this arbitrary action or ruling, is virtually entering the field of legislation. That Board was fully aware that the Congress has in the past been opposed to the passage of such legislation as would declare the charging of exchange on checks to be an item of interest within the purview of the pertinent provision of the Federal Reserve Act.

The passage of the Maybank bill or the adoption of the pending amendment will, I presume, prevent the enforcement of regulation Q. I say "I presume"; I thought before the regulation was adopted that the Federal Reserve Board had sufficient respect for Congress to justify the belief that they would follow the policies which Congress had laid down, and not undertake to make such a strained construction of the law as they appear to have tried to do in this case. I think it will be made somewhat plainer if the pending amendment can be adopted, that Congress does not intend that regulation Q shall be put into effect and many of the smaller banks of the country destroyed and the existence of others jeopardized.

As to Tennessee, I should like to read an excerpt from the testimony the other day before the Banking and Currency Committee by Mr. Clark, the superintendent of banks of my State:

> Tennessee has 222 State-chartered banking institutions, 161 of which charge exchange under the authority granted them by the law of Tennessee. These institutions are known as nonpar, nonmember banks. They are located in the small towns of the State and they serve the communities along with their churches and schools. Approximately 95 percent of these banks afford the only banking service available in their respective towns and villages. An analysis of the earnings reports of these banks shows that 84 percent of the net income of the Tennessee nonpar country banks for the year 1943 was represented by exchange and service charges. Without this source of income, 33 of these institutions would have had an operating deficit or a loss for that year, and a greater number would have shown earnings in an amount less than $1,000 for the entire year.

So, Mr. President, this is a very serious matter. It is an effort to change the system which has been built up throughout the years; it is an effort completely to turn around and face about, so to speak.

I could say more on the subject; a great deal has already been said and much more will be said, but with these observations I think I shall content myself, and say that I hope the Maybank amendment will be agreed to by the Senate.

Mr. RUSSELL. Mr. President, I desire to address myself very briefly to the pending question. From having listened to the discussion on this floor yesterday by those who are opposed to the so-called Maybank amendment one would think that something entirely new was being thrust upon the banking system of the country which endangered the future soundness of our banks.

The distinguished senior Senator from Michigan [Mr. VANDENBERG], with much more heat and vehemence than accuracy, went so far as to designate the exchange system and the absorption of exchange as a new device, and then he proceeded to indict himself for being an expert in banking and plead guilty to the charge. I cannot accept expert testimony of that type, even though I do not pretend to be an expert, when I know as an historical fact that the charging of exchange or the absorption of exchange are banking practices which are as old as commercial banking itself. The issue here is not as to whether something new is being engrafted on to the banking system of this country. The question which is being presented here in behalf of a group of small banks is as to whether they are to be crucified and federalized by an edict issued by the Federal Reserve Bank Board. That is the issue.

It has been said that this is a controversial question. It is a controversial question; it is a controversy which has raged in the United States for almost half a century. Since I have been a Member of this body, which is not so long a time, there have been two big banking fights here as to whether or not we should enforce par clearance on all the banks in the United States, and this is a part of that fight. The Federal Reserve Board having failed to persuade the Congress to give them these powers, comes here now under what I view as a wholly unwarranted construction of law, and attempts by an interpretation of a congressional act to enforce the powers which the Congress denied them.

Exchange was charged and exchange was absorbed by the banks a long time prior to 1933. It was the custom and practice from 1933 down to 1943, and the Federal Reserve Board, despairing of getting congressional action which would be damaging to an infinitesimal number of banks of this country, so far as deposits are concerned, and in a way still further to promulgate their desire to incorporate all banks into a federalized system, and to break down the dual system of banks, are now undertaking to enforce this order. The question is not as to something new we are going to do to the banking interests, the question is whether or not Congress is going to proceed in an orderly manner to control the question of par clearance, or whether we are going to let the Federal Reserve Board do it by this regulation they have issued.

Mr. President, in this country we have two great divisions of government which have to do with banks. We have our Federal Deposit Insurance Corporation, which organization is interested in every public bank in the United States, whether it be State or whether it be National. That Corporation is presided over by Hon. Leo Crowley, an able administrator, and, for a bureaucrat, a man who has shown an intense recognition that the Congress does exist, and who seems to be willing to let Congress legislate in vital matters like that before us. The other division is the Federal Reserve Board, which has control of and responsibility for the members of its own System, and this Board is constantly reaching out for power, and seeking to exercise influence over all the banks in this country.

Senators need not mistake the fact that the question of the dual banking system, the question whether the State banks ought to be permitted to exist, the question of branch banking, as well as the question of the life and death of a number of smaller banks, are all wrapped up in the issue which is presented to us here today. For my part, I am willing to accept the statement of the Honorable Leo Crowley that no law conferred upon the Federal Reserve Board any power such as that they attempt to exercise because I can find no such law, and I can find no custom or practice of the Federal Reserve System in the past, which would justify them at the late date of September 1943 undertaking to change the system, and impose, indirectly by a flank attack on the smaller banks, what the Congress had twice denied when banking legislation was pending in these Halls.

The smaller banks are merely asking that the system as it obtained prior to September 1943 be allowed to continue to operate until the Congress of the United States—the people's representative—themselves see fit to address themselves to this subject, and to pass some law which would regulate the system of the absorption of exchange and the question of charging exchange.

We hear much about the small businessmen in this country. Senators take the floor and pour out gushing words of sympathy for small business. In the matter which is pending before us there is involved the true segment of small businessmen of our country—the smaller banks—who ask that they be not required to change their methods and practice in banking—the operation of their business—unless it be done at the behest of the Congress of the United States.

I say, Mr. President, that there is every justification for approving the Maybank bill, now pending as an amendment. Instead of striking down or endangering the entire economic system, as has been charged by some of those who are opposing the pending amendment, it merely leaves the banking system in the status and in the condition in which it has been since the beginning of the operation of commercial banking.

These little banks are entitled to the relief sought; they are entitled to an opportunity to present their cause to the Congress of the United States. I was amazed to hear the argument made that because only 2 percent of the banks were involved it did not make any difference whether we legislated for them or not. Where have the rights of minorities in this country gone, where have the rights of small business in this country gone, if 98 percent of the business is to be per-

mitted to extinguish the life of the other 2 percent without the Congress of the United States passing a law under which the defendants are convicted and executed?

The whole question of small business and the future of small business is bound up in this proposition. The regulated is a step forward in federalizing all the banks, and it would result in crucifying the smaller banks, which are dependent for their maintenance and for their operation upon the absorption of these exchange charges.

The argument has been raised by the able Senator from Ohio, and perhaps by others, that the measure should not be taken out of the hands of the Banking and Currency Committee in any such summary manner. I submit, and every Member of the Senate knows it is a fact, that there is nothing unusual in taking a bill that is pending in a committee and offering it as an amendment to some other proposition. The mere fact that hearings happen to be in progress at this time cannot alter that custom and that practice. It has been followed innumerable times. A legislative proposal separate and of a distinct character has been pending in a committee, but when it seems that it could not be considered otherwise in the Senate, it has been offered as an amendment on the floor of the Senate. It may not be a good practice, but it would certainly not be a great consolation to the little banks whose lives as businesses are involved in the pending amendment, to get a New Year greeting telling them that the Banking and Currency Committee had concluded hearings on their bill just as the Seventy-eighth Congress was dying.

The able and diligent Senator from South Carolina has made every effort, in and out of season, and some of us who are interested in the measure have supported him as earnestly as we could, to see that the Committee on Banking and Currency did have a hearing, and finally a hearing is called just as we are getting ready to adjourn and return to our homes, and because that hearing has been called, we are told the pending amendment should be defeated. I appeal to those interested in the dual system of banking, and those who believe in small business, to help us do justice by restoring the status quo of September 1943.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). The Senator's time has expired.

Mr. TAFT. Mr. President, will the Senator from Georgia answer a question in my time?

Mr. RUSSELL. I shall endeavor to do so.

Mr. TAFT. Does the Senator claim that under no circumstances can the absorption of exchange be a payment of interest?

Mr. RUSSELL. Oh, no. Of course it could be drawn out to where it would amount to that; but the Senator is not undertaking to define the absorption of exchange and what exchange is. The Senator from Ohio is taking the position that the Federal Reserve Board, in the absence of legislation from Congress, has the right to declare a practice of 50 years' standing as being the payment of interest, when the Congress has had opportunity after opportunity to legislate upon the subject and has never done so.

Mr. TAFT. I do not understand the Federal Reserve Board has done that. I do not understand they have done any more than the F. D. I. C. has done; that is, make a regulation providing that if this practice is resorted to as a device for payment of compensation to a depositor for the use of his funds, then it is an indirect payment of interest, and in a particular case they ruled that the evidence showed that it had been used as a device for the payment of interest, for compensation for the use of funds. There is no regulation beyond that. If they attempt to stop the practice, it seems to me they have to bring suit and prevent the bank from doing it. There is a penalty involved. It seems to me the amendment proposed makes the payment of exchange legal under any circumstances, even though it is used as a device for the payment of interest.

Mr. RUSSELL. Mr. President, the amendment as proposed perhaps in some circumstances might have that result, but Congress can cure this matter without permitting the Federal Reserve Board to stifle the life of a number of small banks which are important to the agricultural life of this country.

Mr. TAFT. I should like to say that I question the Senator's statement in that regard. After all, this is a method of charging the depositors a service charge, and it seems to me far more reasonable to charge the depositors directly that service charge and raise the same amount of money than it is to charge, in effect, the man who gets the check.

Mr. RUSSELL. Yes. Of course, the Senator from Ohio knows that service charges in one form or another are made by all the banks, including the Federal Reserve System members.

Mr. TAFT. Yes.

Mr. RUSSELL. And that could be in the nature of an interest charge. But the Senator from Ohio and the Federal Reserve System are not concerned with that type of service charge which operates wholly within the bank. What they are doing is to pursue a course which is calculated to federalize the banking system by bringing all the banks into the Federal Reserve System.

Mr. TAFT. I do not agree with that statement at all. I do not see why it tends to bring the banks into the Federal Reserve System. It might conceivably have some effect in forcing a par clearance system, but that does not necessarily bring them into the Federal Reserve System. In fact many of the smaller banks are ineligible for the Federal Reserve System today.

Mr. RUSSELL. Yes; I am aware of that, but a number of them are eligible, and the Federal Reserve System has conducted a threat campaign ever since its creation to endeavor to bring all the banks of this country who are eligible within the control of the Federal Reserve System, and if this is not a movement in that direction, by eliminating one of the reasons why the banks have not heretofore joined, why then I am unable to understand it.

The Senator from Ohio says that the decision was only made in the case of one bank; that the Board contended that the absorption of the exchange in that case was a payment of interest. That might be true, but the Senator knows also that the word went out from Federal Reserve headquarters here in Washington, down through the entire Federal Reserve System, that they had to cut out the absorption of exchange, because in any guise the Board would prevent it and would penalize the members of the Federal Reserve System who participated in the absorption of exchange, whatever might be its amount.

Mr. TAFT. I do not think anyone can question the regulation. The Senator is simply saying that the Federal Reserve System is interpreting this regulation in an incorrect manner. If it is doing so, I do not see why the courts are not capable of determining the meaning of the statute and of the regulation. The Federal Reserve System has not assumed to make a regulation which says that this is an illegal practice.

Mr. RUSSELL. I understand it is an interpretation which they have undertaken to issue to take the place of law. What I was beginning to say, in answer to the Senator's question, when he answered his own question himself, was that word went down through all the Federal Reserve banks, through the entire System, that the Reserve banks could not deal with these small banks any longer on the basis of absorption of exchange. The Federal Reserve System may win a temporary victory here today by referring to the fact that banks having 98 percent of the deposits of this country are in favor of this System, but the word that went out from the Federal Reserve System will be like the word that went out from Shushan, the palace, that Mordecai, the Jew, should die; they are building a gallows here on which they will eventually hang, in my judgment, when the people of this country, who are not in favor of control by the big banks, see what is really being done to the dual system of banking in the United States, and the spread throughout the country of a complete system of branch banking that will follow if all the small independent banks are dried up.

Mr. TAFT. But the Senator should know that in my State all the small banks, the small-business men, are against the bill which is now offered in the form of an amendment. The condition the Senator states is merely a local situation in a limited number of States, and so far as I am concerned, far from it being a fight between large and small banks, it is a fight in behalf of all the banks of my State against the bill itself.

Mr. RUSSELL. Yes; I know. I appreciate that the Senator has permitted me to speak in his time. If I had more time I would have adverted to the many reference which have been made to the tremendous number of telegrams which have come in. Of course, when the Federal Reserve System, as powerful as it is, puts on a campaign like they have at the present time, they, through the control

of the State banking associations and others can flood their Senators' offices with telegrams.

Are we to legislate here on a question that involves the right of a minority of the banks of the country, solely and exclusively on the number of telegrams and the opposition of the banks that are members of the Federal Reserve System, or that are under obligation to the Federal Reserve System? We are insisting on the rights of the minority who are not in the Federal Reserve System, and who are not controlled or whose spokesmen are not under the control of the Federal Reserve System.

Mr. TAFT. The most effective witness I heard was a small banker from Beatrice, Nebr., who was not a member of the Federal Reserve System, who was operating a par bank, whose argument was that it was the only proper way to run a bank; that he had succeeded where others had failed, because he did run a par-clearance bank, and had given up the practice of nonpar clearance which existed when he entered the business. He was the most effective witness I heard. He was a small-business man.

I do not say that the number of telegrams is to be considered as conclusive; I never made such an argument; but, inasmuch as the committee had no opportunity to make a report, I thought those facts ought to be before the Senate.

Mr. RUSSELL. I doubt not that the witness described by the Senator made a profound impression, because he is the exception that proves the rule that nearly all the small independent bankers are opposed to this interpretation of the act of Congress as wholly unwarranted.

Mr. BANKHEAD. Mr. President, of course, within 5 minutes it is impossible for me to undertake a thorough discussion of the issues involved in this measure, so I shall confine my remarks to one phase of the matter. I shall discuss a subject which has been talked about so much within the last few years, but about which very little has been done, and that is rule by bureaus.

Since 1935—at least that far back—the Federal Reserve System has been endeavoring to establish the rule laid down in regulation Q. They have known during all that time that the smaller banks and their friends resisted their right to put into effect any such regulation. What have they done about it? Have they ever come to the Congress of the United States and asked to be allowed to do that which the opponents said they had no power to do? No. They have been here when other measures have been under consideration during that time. They could have put this program into numerous bills they have presented to Congress, and secured its adoption. But they dared not come here and ask in an open aboveboard way for this power to oppress the smaller banks.

What is interest, Mr. President? This measure, as can be seen, merely provides that the present law shall not be deemed to prohibit the absorption of exchange or collection charges by member banks. It is proposed to establish that rule by regulation Q, as follows:

> No member bank shall directly or indirectly by any device whatsoever pay any interest on any deposit which is payable on demand.

The Board says it has the right to define what is interest under that section, and that is the section from which it claims to obtain authority for the regulation promulgated by it.

What is interest, Mr. President? Who does not know the common understanding and acceptation of the word "interest"? Is interest a service charge made in the regular course of events, not made temporarily, not made because of some expediency, but made over 100 years in the due course of banking business? Is interest something which has always been classified and termed and recognized as a service charge, an exchange charge, a charge for doing the work necessary to collect an item, a check, we will say, for some other banker or some customer, or perhaps a charge for sending out a messenger, the payment of postage, the use of stationery?

Now, at this late date, afraid to come to Congress, the Federal Reserve Board issues a fiat—in effect, it enacts a law—saying that this practice shall be stopped, because it is said to be equivalent to the payment of interest. In its might and power, the Federal Reserve Board calls it an interest charge. That is an absurdity in the mind of every practical and understanding man in the country. The Board engages in a subterfuge to claim power which it does not possess, and which it dared not use until now, after the program had been in operation all these years, and after such authority as the Board has on the subject was vested in it many years ago.

I submit, Mr. President, that the Federal Reserve Board should not be permitted to affect the very lives of so many small banks, endanger their credit, and threaten the security of many depositors. When Congress is in session most of the time, the Federal Reserve Board should not be permitted to usurp the function of Congress by issuing decrees. It should be required to do as other agencies must do under the orderly processes of government.

As has been stated in this debate, the Board has a friendly committee in the Senate. Long ago it could have brought to the attention of Congress what it desired to do. Instead, the Board has asserted its own power to do something which Congress has not been willing to do. When the Board first attempted to put its rule in effect, it was bitterly resisted by Members of the Senate and of the House, indeed, so strongly resisted that the effort, made in 1935, 9 long years ago, was abandoned. A great man in the House of Representatives, who was an outstanding friend of the small bankers of the country, made the fight against the effort in 1935, and the Federal Reserve Board backed down in the face of his opposition. I refer to the late chairman of the House Committee on Banking and Currency, Henry Steagall. The effort to put into effect an unlawful rule was not renewed until that great man had passed away. Then, without delay, the Board said, "Here is our opportunity. We will now go to work." As a result, we are here today, trying to prevent the rule of bureaucracy.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a definition of "interest" from Bouvier's Law Dictionary, third revision; also a provision of the National Bank Act, which is found in section 5197 of the Revised Statutes.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

DEFINITION OF INTEREST

(Bouvier's Law Dictionary, third revision)

On debts: The compensation which is paid by the borrower of money to the lender for its use, and, generally, by a debtor to his creditor in recompense for his detention of the debt.

The compensation allowed by law or fixed by the parties to a contract for the use or forbearance or detention of money. (*Fisher* v. *Hoover* (3 Tex. Civ. App. 81, 21 S. W. 930).)

DIFFERENCE BETWEEN INTEREST AND EXCHANGE

The National Bank Act recognizes the difference between interest and exchange by the following provision, which is found at the end of section 5197 of the Revised Statutes (12 U. S. C., sec. 85) which reads as follows:

"And the purchase, discount, or sale of a bonafide bill of exchange, payable at another place than the place of such purchase, discount, or sale, at not more than the current rate of exchange for sight drafts in addition to the interest, shall not be considered as taking or receiving a greater rate of interest."

Mr. PEPPER. Mr. President, I heartily concur in the able argument which has been made by the distinguished Senator from Alabama [Mr. BANKHEAD] in behalf of the pending amendment.

This amendment would simply preserve a practice which has been common to the small country banks of this country for more than 100 years, and which has continued without interruption during the 10 years that the interest provision has been in the statute, under which, at last, the Federal Reserve Board has laid down this prohibition.

Mr. President, approximately 2,700 country banks are affected by this regulation of the Federal Reserve Board. Those 2,700 country banks serve 2,700 rural communities, which are not a part of the city areas of the Nation.

Surely if we were to do anything, as a Congress, to affect the banking structure of this country, we should do something which would give greater encouragement, strength, and protection to the small banks of the country. We all know that in the opinion of some, the small bank should go the way of the independent grocery store. There are some who believe that we should have a national fiscal structure, out of which should be driven entirely the country banks. There are those who believe that the whole banking structure of the country should be centered in the great city banks, and that wherever there are small banks, they should have their existence only as a part of a great chain of banks.

Mr. President, I wish to preserve in America the right of the citizen to sit across the desk from the man who actually operates the bank. I wish to preserve in the loan policy of the banks of this country the personal equation, and the element of personality in the borrower himself. I do not wish to have the president of a large bank, sitting at the top of an air-conditioned building in some great city, in the cold isolation of his ivory tower, passing upon the lives, hopes, and dreams of the people of the Nation who call upon the banking structure for aid when he considers loans which are proposed to be made by banks of his chain all over the State or the area which he dominates.

In the interest of preserving the small and independent banks of America, I hope that the pending amendment will be adopted.

Mr. LA FOLLETTE. Mr. President, in the brief time at my disposal it will be impossible for me to discuss the various aspects of the amendment which is now before the Senate. Let me say briefly that I cannot share the apprehensions expressed by Senators who have spoken in opposition to the amendment, in view of the fact that this practice was continued for some time, and in view of the further fact that I do not believe that this case is on all fours with the action taken by the Congress in amending the Federal Reserve Act in 1933 and 1937.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter which I have received from Mr. W. T. Doar, vice president of the Bank of New Richmond, at New Richmond, Wis. The letter was written on April 21, 1944, to Mr. George D. Prentice, president of the Wisconsin Bankers' Association, Milwaukee, Wis. I have Mr. Doar's permission to insert the letter in the RECORD.

I myself intend to vote for the pending amendment, because I believe that under all the circumstances the action it proposes is justified.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BANK OF NEW RICHMOND,
New Richmond, Wis., April 21, 1944.

Mr. GEO. D. PRENTICE,
President, Wisconsin Bankers' Association, Milwaukee, Wis.

DEAR MR. PRENTICE: Your communication as president of the Wisconsin Bankers' Association, of April 6, 1944, addressed "to all association members" concerning, as you say, "opposition to legislation pending before Congress which would define absorption of exchange as not constituting payment of interest on demand deposits and therefore not in violation of regulation Q as interpreted by the Federal Reserve Board" aroused my interest and accordingly I made some study of the subject matter. I think we should take a positive stand in support of the legislation.

I have had access to the document containing the hearings before the Committee on Banking and Currency of the House of Representatives and have also examined letter put out by the National Association of Credit Men, and have considered the opinion of Hon. Francis C. Brown, general counsel of the Federal Deposit Insurance Corporation, and the communication of Hon. Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, of March 16, 1944, as well as communications issued by Ben DuBois, secretary of the Independent Bankers' Association, and much other information on the subject.

The more I considered the information above referred to, the more I became convinced that it is a subject that vitally interests all banks and that your letter would have the effect of assisting those who are attempting to defeat the bill. I am an officer and director in three State banks and a director in a fourth, all located in this part of Wisconsin, and I keep in touch with the affairs of these banks and I have, therefore, a keen interest in any legislation affecting banks or banking.

The Maybank bill, S. 1642, which is a companion bill of H. R. 3956 (so-called Brown bill that was overwhelmingly passed by the House of Representatives) is aimed to clarify by legislation the question of whether or not the absorption of exchange charges constitutes the payment of interest on demand deposits.

The Maybank bill above referred to, reads as follows:

"Be it enacted, etc., That the first sentence of the twelfth paragraph of section 19 of the Federal Reserve Act, as amended (relating to the payment of interest by member banks on demand deposits), is amended by inserting, before the period at the end thereof, a colon and the following: *'Provided further*, That this paragraph shall not be deemed to prohibit the absorption of exchange or collection charges by member banks'."

A strict interpretation of the above legislation would mean that all banks will be permitted to carry on their interbank relationships in a cordial and friendly manner and without interference by unwarranted regulations.

You state in the second paragraph of your letter that the association should maintain a neutral position on the Brown and Maybank bills. However, you, as president of the Wisconsin Bankers' Association, indirectly, if not directly, advocate defeat of the Maybank bill and use the facilities of the association in circularizing your view to its members. In suggesting the defeat of the bill you have apparently based your premise largely upon the assumption that it will tend to enforce par clearance. I do not agree with your view in this respect and believe that the American banking fraternity should be given credit for having sufficient business acumen and foresight to determine the manner in which it proposes to operate its affairs. I do not believe that the passage of the Maybank bill would cause any banker to engage in any practice which could be construed as being in violation of the general principle involved in the question of payment of interest on demand deposits. The four banks with which I am associated are nonpar banks, and the income derived from their exchange charges constitutes a substantial portion of their net earnings. I, therefore, strenuously object to the manner in which the Federal Reserve Board is attempting indirectly to enforce par clearance through an administrative ruling without proper legislative authority. The Federal Reserve Board's interpretation of regulation Q directly affects the operations of these banks, and, in addition, we are confronted with unnecessary expense and confusion in carrying out our customers' relations.

The absorption of exchange charges by correspondent banks is an old-established practice, and I do not believe that it was the intent of Congress to prohibit such practice when they voted for the Banking Acts of 1933 and 1935. If it had been the intent of Congress to enforce universal par clearance, would it not have amended paragraph (1) of section (13) of the Federal Reserve Act, as amended by the act of June 21, 1917, which expressly does not prohibit a National bank or a State bank that is a member of the Federal Reserve System from charging exchange up to 10 cents per $100 or fraction thereof, except that no charge shall be made on cash letters received from the Federal Reserve banks.

The merits of par clearance are not at issue in the proposed legislation, and I can only believe that you have overlooked the paramount issue in the controversy, which is: Are we to be governed by legislation or by regulation?

According to a news item in American Banker of date April 15, 1944, the Federal Reserve Board has now reversed its interpretation of regulation Q, as published in the September 1943, issue of the Federal Reserve Bulletin and confines such interpretation to instances where the absorption of exchange is applicable to those cases where, to quote from the news item, "a bank absorbs exchange 'as a matter of operating efficiency,' and does not do so under contract and as an inducement to attract demand deposits, it is not in violation of regulation Q and the exchange fees absorbed are not held to be a payment of interest illegally on demand deposits." Despite this change in the rule of the Federal Reserve Board, I still believe the question should be definitely settled at this time and, believe that the Maybank bill will clarify the situation by legislative action.

The defeat of the Maybank bill will, in my opinion, have a damaging effect on the future of the small or country banks, which in this State constitutes the major portion of those outside the city of Milwaukee. Furthermore, I believe that to permit interpretations of statutes by the Federal Reserve Board will definitely hasten the day when our dual banking system is a thing of the past. As an association, should not the future welfare of the majority of the banks in the State be considered rather than the benefit that will inure to those few correspondent banks in the larger centers? On inquiry, I have failed to find that any of the banks in this section of the State had an opportunity to express their views on this subject and, therefore, I respectfully and seriously question your statement that a substantial majority of the members of the association are opposed to this legislation. I, therefore, think your letter might contribute to the defeat of the Maybank bill. It is my view that this bill should become a law.

I am forwarding a copy of this letter to each bank in the State of Wisconsin in order that the association members may be apprised of my views. Furthermore, I respectfully urge bankers to give some attention to the importance of the passage of this bill and that such bankers should communicate with the Senators in the United States Senate and urge the passage of the bill.

Yours very truly,

W. T. DOAR,
Vice President.

Mr. TAFT. Mr. President, I request no further time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. MAYBANK].

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Burton	Clark, Mo.
Austin	Bushfield	Connally
Bailey	Butler	Cordon
Bankhead	Byrd	Danaher
Bilbo	Capper	Davis
Brewster	Caraway	Downey
Brooks	Chandler	Ellender
Buck	Chavez	Ferguson

George	McClellan	Stewart
Gerry	McFarland	Taft
Gillette	McKellar	Thomas, Idaho
Green	Maloney	Thomas, Okla.
Guffey	Maybank	Thomas, Utah
Gurney	Mead	Truman
Hall	Millikin	Tunnell
Hatch	Murray	Tydings
Hawkes	O'Daniel	Vandenberg
Hayden	O'Mahoney	Walsh
Hill	Pepper	Weeks
Holman	Radcliffe	Wheeler
Jenner	Reed	Wherry
Johnson, Calif.	Revercomb	White
Johnson, Colo.	Reynolds	Wiley
La Follette	Robertson	Willis
Langer	Russell	Wilson
Lucas	Shipstead	
McCarran	Smith	

The PRESIDING OFFICER. Seventy-nine Senators have answered to their names. A quorum is present.

Mr. TAFT. Mr. President, I yield 2 minutes to the junior Senator from Maryland [Mr. RADCLIFFE].

Mr. RADCLIFFE. Mr. President, at this late hour I shall not attempt any discussion of the merits of the pending amendment, but merely refer to one aspect of procedure.

I am in sympathy with doing everything which can properly be done for the small banks, but the Banking and Currency Committee, of which I am a member, has held hearings in regard to the so-called Maybank bill for only a few days. Many important witnesses have expressed a wish to be heard and so far there has been no such opportunity. We know that the Federal Reserve Board and the Federal Deposit Insurance Corporation are not in accord with regard to this amendment. I hope that the Senate will not attempt to pass upon this important subject today. I am sure that if the Senate will wait until the hearings can be completed it will be only a month or so before the measure can come before the Senate, in due course.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. RUSSELL. I ask the Senator when the hearings on this bill were commenced?

Mr. RADCLIFFE. They were begun several days ago.

Mr. RUSSELL. Does not the Senator from Maryland know that it would be absolutely impossible for the committee to go through a lengthy hearing and at this session of Congress give the people the relief which is sought in the Maybank bill? The bill has been before us since January of this year, and now, on the eve of adjournment, when we are expecting to go home for Christmas, it is suggested that hearings be held.

Mr. BANKHEAD. Mr. President, I may say to the Senator that if the bill were passed it would merely retain the present status quo.

Mr. RADCLIFFE. Mr. President, I should like to say to the Senator from Georgia that the Banking and Currency Committee has been very busy with various matters. I do not know whether it was possible to take up the bill at an earlier date. In view of the fact that the hearings have already proceeded in part, they could be taken up again I believe, shortly after the first of the year on a similar bill and soon completed.

This matter is quite technical and is one of considerable magnitude. I hope the Senate will not deviate from its customary procedure as to hearings but will later on consider carefully the situation as to smaller banks, and also examine into other serious questions involved.

I hope the amendment will not prevail. We can study the merits of the measure later on in our customary manner.

Mr. TAFT. I yield 1 minute to the junior Senator from Kentucky for the purpose of inserting something in the RECORD.

Mr. CHANDLER. Mr. President, last March I asked the director of the division of banking of my State to express his view in respect to the proposed legislation. I have received a letter from him in reply to my request, and I ask that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF
BUSINESS REGULATION,
DIVISION OF BANKING,
Frankfort, March 28, 1944.

Senator A. B. CHANDLER,
United States Senate Office Building,
Washington, D. C.

DEAR HAPPY: I desire to call your attention to Senate bill 1642 introduced by Senator BURNET MAYBANK. This is an identical bill to the one introduced by Congressman PAUL BROWN, and known as H. R. 3956, which has already passed the House.

The purpose of this bill is to permit banks desiring to do so to continue the practice of absorbing exchange charges. This practice has been followed for many, many years, and the question has received the attention of Congress in the past and Congress has persistently refused to enact legislation prohibiting the practice. It appears that the Federal Reserve Board, desiring to prohibit the practice, has attempted to do by regulation what legislators have refused in legislation, by interpreting regulation Q, issued by the Federal Reserve Board, as prohibiting the absorption of exchange charges by interpreting such absorption as the payment of interest upon demand deposits. This interpretation is contrary to the interpretation given by the Federal Deposit Insurance Corporation under its regulation IV.

There has apparently been a disagreement between the Federal Deposit Insurance Corporation and the Federal Reserve Board for a number of years, and in February 1937 the two Federal agencies apparently agreed that the absorption of exchange charges where demand deposits were not solicited by means of an offer to absorb the exchange charges, did not constitute the payment of interest upon demand deposits, and therefore, did not violate regulation IV of the F. D. I. C. or regulation Q of the Federal Reserve Board.

Only recently the Federal Reserve Board has issued a new interpretation upon the matter, thus again forcing the attention of the matter to Congress. Since the enforcement of the Federal Reserve Board's present interpretation would disrupt and interfere materially with the normal correspondent banks' relationship and service, it is my opinion that unless the Federal Reserve Board will recede from its present interpretation as they did in 1937, at the request of certain members of the appropriate committees of Congress, the Maybank bill should be passed, thus preventing the Federal Reserve Board from interpreting regulation Q so as to interrupt the normal relationship between the correspondent banks and their country bank customers.

There are only 8 or 10 banks in Kentucky making exchange charges; therefore, it is not a serious question in Kentucky, but the interpretation of regulation Q shows a trend toward Federal interference with State banks, which are not under the supervision of the Federal agency, since the apparent result of the interpretation would force all banks whether members of the Federal Reserve System or not upon a par clearance basis. Frankly, I am in favor of par clearance, but I do not believe it is proper for par clearance to be forced under the means evident in regulation Q.

Therefore, I hope that you will give your serious consideration to Senator MAYBANK'S bill, and that you will look with favor upon its passage. I am quite sure that you can obtain complete information concerning the propriety of this bill from our mutual friend Mr. Leo T. Crowley.

With kindest personal regards, I am,
Sincerely yours,

HIRAM WILHOIT,
Director.

Mr. TAFT. Mr. President, I yield 2 minutes to the senior Senator from Nebraska [Mr. BUTLER].

Mr. BUTLER. Mr. President, as a member of the Committee on Banking and Currency, I have attended the hearings which have been held during the past several days in connection with the so-called Maybank bill, which was offered here as an amendment to the crop-insurance bill. I fear that in the excitement of the occasion we are perhaps allowing the tail to wag the dog.

I invite the attention of the Senate for a moment to the main bill which is under consideration at this time, and in which many of us are intensely interested. It involves the question of crop insurance for the farmers of America. We may have a divided opinion concerning the merits of the amendment under consideration; in fact, there may be a division of opinion among the bankers of my own State with regard to the subject; but I do not believe that we should run the risk of a veto of the crop-insurance bill by attaching to it an amendment which might wreck the Federal Reserve System, whose operations have been a great success. I am inclined to believe that the administration would look with disfavor upon the proposed amendment.

Mr. TAFT. Mr. President, I desire to take no more time, and I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK], on which the yeas and nays are demanded. Is the demand sufficiently seconded?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BUCK (when his name was called). On this vote I have a pair with the junior Senator from Mississippi [Mr. EASTLAND]. I understand that if he were present and voting that he would vote "yea." If permitted to vote, I should vote "nay."

Mr. REED (when his name was called). I have a general pair with the senior

Senator from New York [Mr. WAGNER]. I understand that if he were present he would vote as I am about to vote. Therefore, I am at liberty to vote. I vote "nay."

Mr. WILEY (when his name was called). Mr. President, for reasons which appear adequate to me I ask that I be excused from voting on this question.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin that he be excused from voting on the pending question? The Chair hears no objection, and the Senator is excused.

The roll call was concluded.

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Utah Mr. MURDOCK] is absent on official business for the Senate.

The Senator from Iowa [Mr. GILLETTE] and the Senator from Pennsylvania [Mr. GUFFEY] are detained in Government departments on matters pertaining to their respective States.

The Senator from New York [Mr. MEAD] and the Senator from Montana [Mr. MURRAY] are detained in committee meetings.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Louisiana [Mr. OVERTON], the Senator from Nevada [Mr. SCRUGHAM], the Senator from New York [Mr. WAGNER], the Senator from Washington [Mr. WALLGREN], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

I am advised that if present and voting, the Senator from Idaho [Mr. CLARK], the Senator from West Virginia [Mr. KILGORE], the Senator from Utah [Mr. MURDOCK], the Senator from Nevada [Mr. SCRUGHAM], and the Senators from New York [Mr. MEAD and Mr. WAGNER] would vote "nay."

The Senator from Florida [Mr. ANDREWS] is paired with the Senator from Montana [Mr. WHEELER]. I am advised that if present and voting, the Senator from Florida would vote "yea," and the Senator from Montana would vote "nay."

Mr. THOMAS of UTAH. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Virginia [Mr. GLASS], who, I am advised, if present and voting, would vote "nay." I am not advised how the Senator from New Hampshire would vote. I vote "nay."

Mr. WHERRY. The Senator from Minnesota [Mr. BALL], the Senator from Idaho [Mr. THOMAS], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent. If present these three Senators would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], and the Senator from North Dakota [Mr. NYE] are necessarily absent.

XC——594

The result was announced—yeas 25, nays 45, as follows:

YEAS—25

Bailey	George	Maybank
Bankhead	Green	O'Daniel
Bilbo	Hall	Pepper
Bushfield	Hill	Reynolds
Caraway	La Follette	Russell
Chandler	Langer	Stewart
Connally	McClellan	Wherry
Downey	McFarland	
Ellender	McKellar	

NAYS—45

Aiken	Gurney	Robertson
Austin	Hatch	Shipstead
Brewster	Hawkes	Smith
Brooks	Hayden	Taft
Burton	Holman	Thomas, Okla.
Butler	Jenner	Thomas, Utah
Byrd	Johnson, Colo.	Truman
Capper	Lucas	Tunnell
Chavez	McCarran	Tydings
Clark, Mo.	Maloney	Vandenberg
Cordon	Millikin	Walsh
Danaher	O'Mahoney	Weeks
Davis	Radcliffe	White
Ferguson	Reed	Willis
Gerry	Revercomb	Wilson

NOT VOTING—25

Andrews	Guffey	Scrugham
Ball	Johnson, Calif.	Thomas, Idaho
Barkley	Kilgore	Tobey
Bridges	Mead	Wagner
Buck	Moore	Wallgren
Clark, Idaho	Murdock	Wheeler
Eastland	Murray	Wiley
Gillette	Nye	
Glass	Overton	

So Mr. MAYBANK's amendment was rejected.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4911) was read the third time and passed.

Mr. MEAD subsequently said: Mr. President, I have a brief announcement to make. I was detained after the noon period in presiding over the special war committee. I heard the bells which indicated that the roll was being called to ascertain the presence of a quorum. I immediately prepared to leave my committee room and come to the Senate Chamber. I wish to say that riding on the monorail car in the subway between the Senate Office Building and the Senate Chamber the noise was so distracting and disturbing that I did not hear the bell announcing the taking of the vote, and when I reached the Senate floor the vote had just been completed. Therefore, I missed the vote on the Maybank amendment. Had I been present, as I would have been if I had heard the bell—it was not my fault that I did not hear it, of course—I would have voted against the amendment.

Mr. THOMAS of Oklahoma. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. WHEELER, Mr. BANKHEAD, Mr. ELLENDER, Mr. RUSSELL, Mr. CAPPER, Mr. SHIPSTEAD, and Mr. AIKEN conferees on the part of the Senate.

PROPOSED CALL OF CALENDAR

Mr. HILL. Mr. President, I wish to state that as soon as possible, the crop insurance bill having been disposed of, I shall ask that the Senate proceed to the consideration of unobjected-to bills on the calendar, starting where the last call left off.

G. H. GARNER—CONFERENCE REPORT

Mr. ROBERTSON submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1963) for the relief of G. H. Garner, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the figures "$1,250" insert the figures "$1,750"; and the Senate agree to the same.

ALLEN J. ELLENDER,
E. V. ROBERTSON,
Managers on the part of the Senate.
THOS. G. ABERNETHY,
JOHN JENNINGS, Jr.,
Managers on the part of the House.

The report was agreed to.

SIGFRIED OLSEN—SIGFRIED OLSEN SHIPPING CO.—CONFERENCE REPORT

Mr. O'DANIEL submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co., having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment to the title of the bill.

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment, as follows: Omit the matter proposed to be inserted by the said amendment, and in lieu of the sum proposed in line 7, page 1, of the House engrossed bill, insert the sum "$37,710.13"; and agree to the same.

W. LEE O'DANIEL,
TOM STEWART,
KENNETH S. WHERRY,
Managers on the part of the Senate.
DAN R. MCGEHEE,
J. W. MURPHY,
W. A. PITTENGER,
Managers on the part of the House.

The report was agreed to.

ADDITIONAL COPIES OF HEARINGS BEFORE SPECIAL COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING

Mr. HAYDEN. Mr. President, from the Committee on Printing I report back favorably without amendment, Senate Resolution 353, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. WHITE. Mr. President, I take it this is simply a resolution providing for the printing of additional copies of hearings.

Mr. HAYDEN. It merely provides for the printing of 1,000 additional copies of part 3 of the hearings before the Special Committee on Post-war Economic Policy and Planning. The Resolution was submitted by the Senator from Georgia [Mr. GEORGE], and the cost will be $400.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 353) submitted by Mr. GEORGE on December 13, 1944, was considered and agreed to, as follows:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Special Committee on Post-war Economic Policy and Planning of the United States Senate be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of part 3 of the hearings held before said special committee during the second session of the Seventy-eighth Congress, pursuant to the resolution (S. Res. 102) creating a Special Committee on Post-war Economic Policy and Planning.

DURATION OF SPECIAL COMMITTEES

Mr. McCARRAN. Mr. President, there appears to be an indefinite policy in the Senate with reference to what is going to happen to special committees. I should like to have the policy stated so that some of us who are conducting hearings through special committees may know what course to pursue in the future. We understand that it is the policy of the leadership to do away with all special committees. Some of the special committees—and I refer particularly to the special committee having to do with the investigation of the decentralization of business, another one having to do with the public lands of the West, and another having to do with silver—will, by reason of the language of the resolution creating them, go out of existence with the expiration of the present Congress. I will take, for instance, the subcommittee of the Committee on Public Lands and Surveys. That subcommittee has hearings set in the West for the latter part of January and the first part of February. In those hearings the Interior Department is vitally interested; in those hearings the stock raisers using the open public domain are each and all of them vitally interested, and for those hearings the people of the State of Utah have been calling for months, but, due to the fact that the chairman, the senior Senator from Nevada, has been engaged in trying to perpetuate himself in this body, he was unable to hold the hearings. The hearings have been set, nevertheless; but, unless we can have an understanding now with those who are interested in the policy of doing away with the special committees, we are at a loss to know what to do. Again, with reference to the special committee having to do with the decentralization of industry, some hearings have been held, other hearings are called for, and we have promised hearings in various sections of the country. We would like to know whether we will be permitted to go forward with those hearings, whether we will be financed by the Committee to Audit and Control the Contingent Expenses of the Senate, so that we may advise the people who are interested, and advise the members of the committee as well.

Then, regarding the committee on silver, that committee has been almost a standing committee. It has been in existence since long before I became a Member of this body. I think it was created as a result of the efforts of my late beloved colleague, Senator Pittman. It is a live and working committee. The chairman of the Committee to Audit and Control the Contingent Expenses of the Senate is present, and the leaders on both sides are here, and I should like to know, regarding the three committees I have named—and I suppose other Senators are interested in other committees— exactly what we may look forward to, because, if we are to be permitted to go forward, some of us may utilize the holiday vacation to proceed with hearings. Otherwise we may stand still and not know what we are going to do. I am asking this question in all seriousness and sincerity, with the hope that the whole atmosphere may be cleared.

Mr. HILL. Mr. President, I will say to the distinguished Senator that I have only briefly discussed this matter with the able chairman of the Committee to Audit and Control, the Senator from Illinois [Mr. LUCAS]. It is my understanding, from what he said about the resolution, which I believe his committee is now ready to report, that the committees to which the Senator from Nevada has referred, and all such committees, would continue their life until the end of January next, which would mean we would have about 30 days at the beginning of the next Congress in which determination could be made as to whether those committees should continue during the next Congress. I will ask the Senator from Illinois if I am correct in this statement.

Mr. LUCAS. The Senator from Alabama is correct. I have not conferred with all the members of my committee with respect to the resolution which has been prepared, which would continue all the standing and special committees until January 31, 1945. A similar resolution was offered 2 years ago, and there is no reason I can see why a resolution of such a character should not be offered again.

There are a great number of special committees, a great number of committees which are in existence and active in the Senate, which have been in existence for many, many years, and at the request of some Members of the Senate I am having the financial clerk prepare for my committee a statement of the time when these committees were started, how long they have been in operation, what they have accomplished in the way of legislation, the amount of money that has been spent, and also the number of employees now working in connection with the committees. At the beginning of the next session of Congress, when new Members will come into the Senate to participate in the deliberations, I think they will have a right to know exactly where the Senate stands with respect to all these committees.

I propose to get the information and submit it to my committee the moment the next Congress convenes. We will have a meeting and go over the special committees, and ascertain whether or not we believe they should be continued, and how much money they are entitled to in order to continue, and then make a report to the Senate, as we have always done.

When I discussed this matter with the minority leader, the late Senator from Oregon, Mr. McNary, and the majority leader, the senior Senator from Kentucky [Mr. BARKLEY], 2 years ago, it seemed at that time that the thing to do would be to adopt an over-all resolution which would continue all committees until January 31, 1943, and that would give the committees opportunity to resubmit and have agreed to resolutions covering their expenses for the pending session, which would expire 2 years from that time. That is the crux of the situation.

Mr. HILL. In other words, the new Senate then could determine which of the committees, if any, it desired to continue?

Mr. LUCAS. That is correct. The Senate has the right to determine whether or not these committees shall continue, and that is the point I am making. Those newly elected coming into the Senate, with all the other Members of the Senate, are the only ones who can say whether any committee should continue for a period of 2 years. That is all there is to the matter.

No one need feel alarmed about the situation. The committees which are now operating will continue to operate until January 31 next, and if the Senate believes these committees are necessary, and that the continuation of the spending of the taxpayers' money is necessary in the hope that legislation may follow as a result of the investigations they are making, of course the Senate will make that decision, and it is perfectly proper it should do so. No one is going to be cut off; no one is going to be hurt. The committees will continue to function with the power of spending money just as they have been spending it over a period of time. The Silver Committee will continue—I understand it is practically an institution—until January 31, 1945, and if the Senate wants the Silver Committee to continue after that, the distinguished Senator from Nevada will have his opportunity to be heard at that time. If the resolution shall be agreed to, all the committees will be continued until January 31. I think that is an orderly and businesslike way to present the matter before the Senate.

Mr. WHITE. Mr. President, I shall express my own views about the situation now being discussed, and I believe what I have in mind to say for myself largely reflects the views of the majority of Senators on the minority side.

Anyone with any experience knows what happens when we authorize the creation of special committees. They are created, clerical help is employed, they continue day after day and week after week, and sometimes month after month and even year after year, to drag

their weary way along. It is perhaps a matter of minor consideration, but it is of some importance, that they occupy rooms which are grievously needed by Senators for the ordinary legislative work which is imposed on them.

I have been reluctant to see the life of all these committees extended without special consideration of the work they are doing and the good their work may possibly result in. I had a feeling that it would be a wholly unjustifiable thing for those of us in an expiring Congress, by resolution, to extend over the entire length of a new Congress these committees, their staffs, and their occupancy of space which they now have use of.

I have been attracted very greatly by the suggestion which comes from the Senator from Illinois. I shall have no possible objection to the continuance of all these special committees into the next Congress, provided there is a limitation of time fixed during which the new Congress, when it comes into being, can consider the merits of the various committees, and can make the determination of which shall be further continued and what shall be appropriated for them. I do not feel, however, that we of this Congress should impose upon a new Congress obligations extending throughout the entire life of the new Congress.

If I understand the proposal which the Senator from Illinois has in mind to make, it meets every possible objection I have, and I should very gladly join in any way I could in securing the adoption of such a resolution.

Mr. LUCAS. Mr. President, I wish to make a further observation. As chairman of the Committee to Audit and Control the Contingent Expenses of the Senate I have to approve every voucher which is written. Approval of a voucher places considerable responsibility on the chairman. It is the purpose of that committee to know exactly how the money is going to be spent, who are the employees of the committees, and what the employees are doing in respect to earning the money provided for them by the respective committees. That is what the Committee to Audit and Control the Contingent Expenses of the Senate will endeavor to find out when the new resolutions providing money for committees are resubmitted.

Mr. President, I do not say that any committee is spending money in a way it ought not to be spent, but I do think the Senate of the United States is entitled to know how it is being spent, and to receive a complete and full report from the Committee to Audit and Control the Contingent Expenses of the Senate in respect to all these matters. That is exactly what I propose to do when the new Congress convenes. I think the Senate and the taxpayers of the country are entitled to have that information. That is the way I hope to handle the situation. I may be wrong, but I think perhaps I am right.

Mr. HILL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HILL. I think the Senator from Illinois will have the wholehearted approbation of the Senate if he acts as he has indicated he will act.

Mr. LUCAS. I thank the Senator from Alabama.

Mr. McCARRAN. Mr. President, when the Senator from Illinois has concluded——

Mr. LUCAS. I have concluded.

Mr. McCARRAN. Mr. President, I wish to make a statement in order that there may be a little more clarity respecting the matter under discussion. I have referred to two committees. One is known as the Committee on Decentralization of Industry, which has held hearings, and which proposes to hold other hearings. I ask to have the attention of the senior Senator from Rhode Island [Mr. GREEN]. He telegraphed to me 2 months ago, while I was in the West, asking if the membership of that committee could not be augmented and hearings held by it in the East. I thought the request entirely fair and proper, and telegraphed the Senator accordingly. The committee has only begun its hearings. It has submitted a valuable report, which is in the hands of all Members of this body. Today we have no funds with which to go forward. We had about $5,000 with which to proceed in the first place. We have not lavishly expended that $5,000, but the investigations of the committee have brought good results. We should go forward with further hearings. If the committee is to be terminated in the latter part of January, we of that committee will not know what to do. That is one committee.

The Committee on Public Lands and Surveys established a Subcommittee on Public Lands. That subcommittee has been holding hearings in the West, and today the people of Utah are calling upon it to hold hearings in Salt Lake City with respect to the withdrawal of some 3,000,000 acres of land.

Mr. LUCAS. How long has the subcommittee been holding hearings?

Mr. McCARRAN. My recollection is probably 4 years.

Mr. LUCAS. Four years?

Mr. McCARRAN. I think that is correct. Changing conditions have made it necessary to hold those hearings. The Department of the Interior is interested in the hearings; every stock raiser in the 11 Western States is interested in the hearings; everyone who lives in the open public-domain States is interested in them. Reports of the committee have been filed from time to time. That subcommittee is not like one which has been dormant, or has held no hearings, or has filed no reports. The subcommittee has filed reports, and is now ready to file another report. Whether that is done depends on whether the subcommittee is permitted to continue.

Mr. President, if it now be said that the subcommittee can go forward only until the last of January, then I would not only be wasting time in preparing a report, but I would not know whether there will be any further action taken by the subcommittee, and I must advise the people of the West accordingly. Those are serious considerations.

Mr. President, I should like to ask the Senator from Illinois one question. Does the policy to which he referred apply to subcommittees of standing committees, or does the policy apply only to special committees?

Mr. LUCAS. I may say to the Senator that we have nothing to do with the subcommittees of standing committees. In other words, the appropriations are made each year for the regular committees. Any subcommittee appointed from a regular committee is presumed to use the funds which are necessary to carry on investigations out of the appropriations made for the regular committee. I am speaking primarily now only about special committees. Of course the resolution would take care of all committees, whether they are the regular or special and carry them over until January 31, 1945.

Mr. HATCH. Mr. President, will the Senator from Illinois yield to me for a moment?

Mr. LUCAS. Yes.

Mr. HATCH. The committee to which the Senator from Nevada has just referred is a subcommittee of the Committee on Public Lands and Surveys, it is true, but it was established by a special authorization contained in a separate resolution, providing separate funds. The funds do not come out of the general funds of the Committee on Public Lands and Surveys. Is that not true?

Mr. McCARRAN. That is true.

Mr. LUCAS. I do not know what the arrangement is with respect to the subcommittee to which the Senator from Nevada and the Senator from New Mexico have referred.

Mr. HATCH. If the Senator will further yield, I will say that provision for the subcommittee is made by resolution of the Senate.

Mr. LUCAS. Then it is in reality a special committee.

Mr. HATCH. That is correct, except that as I recall, its members are appointed from the committee itself; I am not quite sure as to that.

Mr. McCARRAN. The subcommittee is appointed from among the members of the Committee on Public Lands and Surveys.

Mr. HATCH. Yes; but the funds are provided by separate resolution.

Mr. McCARRAN. Authorization was given to the Committee on Public Lands and Surveys to appoint a subcommittee.

Mr. LUCAS. If that be true, it is a special committee.

Mr. McCARRAN. I do not think it is a special committee. I know it is a subcommittee of the Committee on Public Lands and Surveys, set up by authority of a resolution adopted by the Senate.

Mr. President, what I am interested in knowing is whether these committees, and I refer to three of them now, are going to die. If they are, some of us will be in rather a bad case, because we are in the course of preparing a report by one committee, and may have to ask for additional funds to pay for the report. It seems to me the Committee to Audit and Control the Contingent Expenses of the Senate should approve an

application for funds when made in good faith, and when a good showing is made, instead of simply holding the committee over until the last of January, and meanwhile we will not know what to do.

Mr. LUCAS. Mr. President, I submit a resolution which I send to the desk, and I ask unanimous consent, out of order, for its present consideration.

The PRESIDING OFFICER. The resolution will be stated.

The Legislative Clerk read the resolution as follows:

Resolved, That all resolutions heretofore agreed to, authorizing standing or select committees to employ clerical assistants, hold hearings and conduct investigations during the Seventy-eighth Congress, hereby are continued in full force and effect until January 31, 1945.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. LUCAS. Yes.

Mr. MALONEY. I should like to ask a question. Will the resolution, if adopted, provide for the continuation of the existing funds in these committees until January 31?

Mr. LUCAS. The Senator is correct.

Mr. MALONEY. I thank the Senator.

Mr. McCARRAN and Mr. LUCAS addressed the Chair.

Mr. McCARRAN. Mr. President, I have not yielded the floor. The Senator from Illinois submitted a resolution, which it was proper for him to do.

The PRESIDING OFFICER. The Senate has not been proceeding in order. The Chair suggests that any Senator who desires recognition address the Chair.

Mr. McCARRAN. I did address the Chair. I have not yielded the floor.

Mr. LUCAS. Mr. President, a parliamentary inquiry? Who has the floor?

The PRESIDING OFFICER. The Chair does not know. The Chair recognizes the Senator from Nevada.

Mr. McCARRAN. Mr. President, if the resolution is agreed to the very dilemma to which I have made reference will face us. The committees will be in existence until the 31st of January. Suppose we are unable to do anything between now and the 31st of January? What are we to tell those who are interested in the work of these committees? Many persons in various parts of the United States will want to know about the meetings. Perhaps they have already been notified about certain meetings.

I use as an illustration the Committee on Public Lands and Surveys, to which reference was made a little while ago. The people of Utah and the officers of the Interior Department have been advised of a hearing which is to take place in the West on certain dates in the latter part of January. Shall we say to them, "We do not know whether we are going to be there; we cannot tell you whether we are going to be able to proceed with the hearings because of a resolution which has been adopted by the Senate."

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. HAYDEN. I sympathize with the predicament in which the Senator finds himself. Nevertheless, I believe that the next Congress should determine the question. If we try to determine it today in this particular instance, or in the case of other committees, then this Congress will be acting for the next Congress.

Two years ago we adopted the principle that at the end of a Congress all the committees should be discontinued, and new resolutions should be introduced to continue them. The committee of which I am a member met, and we did continue them. If the committee in which the Senator from Nevada is interested is performing a function such as he has described, I have no doubt that it will be continued; but I do not see how we can change the rule. It seems to me to be a perfectly sound rule. When we looked into the matter we found committees which had been in existence for 10 or 12 years.

Mr. LUCAS. One of them had been in existence for 29 years.

Mr. HAYDEN. There were many old accounts, from which no expenditures had been made. Two years ago we cleaned the slate and started anew. I anticipate no trouble next January.

Mr. McCARRAN. Let me ask the Senator a question while he is on his feet. Take the committee to which I refer, a subcommittee of the Committee on Public Lands and Surveys. As I have stated, notices have been sent out for hearings in the West in the latter part of January. How can I be sure that I can go ahead with those hearings?

Mr. HAYDEN. The Senator can only be sure that he has been conducting a very valuable series of hearings, which are highly desirable. He must assume that being the case, the Senate will authorize him to carry on. If the Senate does not do so, he will simply have to notify those interested in the hearings that he cannot come.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. LUCAS. There is no certainty of the Senate adopting such a resolution today. In fact, I should be compelled to oppose it today, because of the principle established.

The Senator has hearings set for the latter part of January. The resolution would continue the committee in force and effect until January 31. In the meantime, when the new Congress meets, the Senator can present a resolution for the continuation of the committee.

Mr. McCARRAN. In the early part of January?

Mr. LUCAS. That is correct.

Mr. McCARRAN. Will the Senator kindly give me his word that he will give such a resolution consideration early in January?

Mr. LUCAS. Along with my committee, I always give consideration to every resolution which comes before the committee.

Mr. WHERRY. Mr. President, will the Senator yield so that I may ask a question?

Mr. LUCAS. Please let me finish my statement.

As I said in the beginning, I must approve or disapprove every voucher which comes before the Committee to Audit and Control the Contingent Expenses of the Senate, irrespective of what the money is spent for. Without the approval of the chairman of the committee, no one can collect for any services which are rendered. That becomes a pretty vital matter to the Senator from Illinois. I hope that when a resolution is presented for an investigation of some kind, and the resolution is referred to the proper committee, the committee will seriously consider it, and not merely have Members sign the report and then have the resolution referred to the Committee to Audit and Control the Contingent Expenses of the Senate to take the responsibility of authorizing the expenditure of money by reporting it favorably to the Senate.

I am constrained to say that unless committees to which such resolutions are referred for appropriate action can give to the Committee to Audit and Control the Contingent Expenses of the Senate some kind of a report, our committee, if it follows my suggestion, will hold hearings in order that we may intelligently report to the Senate as to the proper amount of money that should be spent upon a particular investigation.

Mr. President, my experience as chairman of this important committee convinces me there are too many special committees in the Senate. In my humble opinion, the standing committees are almost sufficient, if they will appoint subcommittees, to carry on all the necessary investigations. I do not say that that statement is entirely correct. Certain special committees are absolutely essential. However, I make this observation for whatever it is worth. I am stating only my own opinion. I believe that in the interest of good business, in 75 percent of the cases the standing committees could carry on the work of the special committees which are being appointed.

Mr. WHERRY. Mr. President, will the Senator yield so that I may ask the senior Senator from Illinois a question?

Mr. McCARRAN. Certainly.

Mr. WHERRY. I believe the Senator anticipated the question I am about to ask. I wish to inquire what, if anything, the Committee to Audit and Control the Contingent Expenses of the Senate has done with reference to Senate Resolution 309, and whether or not it may be acted upon at this session of the Congress.

Mr. LUCAS. What is Senate Resolution 309? There are so many resolutions that I can not keep track of them all.

Mr. WHERRY. I believe the Senator will remember this one.

Mr. LUCAS. Now that the Senator is on his feet, I believe I remember it.

Mr. WHERRY. Senate Resolution 309 was sponsored by 24 Members of the Senate. It was first referred to the Committee on Agriculture and Forestry, and later to the Committee to Audit and Control the Contingent Expenses of the Senate. That was on June 20 of this year.

I wish to preface my remarks by commending the chairman of the Commit-

tee to Audit and Control the Contingent Expenses of the Senate for the suggestion he has made with respect to investigations being conducted by the standing committees of the Senate. I will go along with him 100 percent. However, certain special committees should be continued. I will cooperate with the Senator in continuing such special committees as he feels should be continued.

With respect to the particular resolution to which I refer, if we must wait for action by the new Congress, whatever committee is to be set up will not be able to function. We shall be carried past the time when anything effective could be done in connection with the production of hogs or the production of eggs.

Senate Resolution 309 is nonpartisan. It is sponsored by 24 Senators, both Democratic and Republican. If the resolution could be favorably reported now, the committee could be appointed between now and the first of January, and probably could do all the work that is necessary. I wonder if the Senator cares to make a statement as to whether or not action may be expected on the resolution between now and the end of the Congress.

Mr. BANKHEAD. Mr. President——

Mr. McCARRAN. I yield to the Senator from Alabama.

Mr. WHERRY. Mr. President, I should like to have an answer to my question. The Senator from Nevada yielded to me to ask the Senator from Illinois a question.

Mr. McCARRAN. I yield to the Senator from Illinois.

Mr. LUCAS. I am delighted to answer the question of my distinguished colleague from Nebraska with regard to the resolution in which he is so vitally interested. This is the first time I have heard of it since the election. Nevertheless, it is still very serious so far as the Senator from Nebraska is concerned. Nothing has been said about it since November 7, and this is the middle of December.

It seems to me that any special committee which might be appointed at this particular hour would not be for the best interests of the Senate, because whatever committee might be appointed would only last until January 31, and then it would be necessary for the Senator and the other 23 Senators again to come to the Senate and again submit a resolution for the purpose of continuing the life of the committee. Other Senators interested in special resolutions have come to me and I have asked them if they could not wait until the next Congress convenes. That will occur in only a short time. We will be away from here in a week. No one will investigate anything between now and January 1, at least, and probably within a week after that these resolutions will be presented to the Senate, in the next Congress. At that time there will be new members of committees. In my opinion, the new committees should have the right to determine what should be done in the regular committees or in any new committees which might then be created by the Senate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield the floor.

Mr. WHERRY. Mr. President, I thank the senior Senator from Illinois for his answers to my question. I am very glad he said that he still feels the resolution is vital, even though the 7th day of December has passed.

Mr. LUCAS. That is not what I said.

Mr. WHERRY. I think the resolution is one of the most vital resolutions which has been submitted in the present Congress. I desire to say that if it is the intention of the Committee to Audit and Control the Contingent Expenses of the Senate to hold up these resolutions until such time as hearings are held or further action is taken by the committee originally handling the resolution, then I wish to be prepared for that.

The resolution to which I have referred, as the Senator well knows, went to the Committee on Agriculture and Forestry last June. It was favorably reported by that committee with only two votes against it, according to the record; and those votes were the votes of the Senator from Illinois [Mr. LUCAS] and the Senator from New Mexico [Mr. HATCH].

Mr. LUCAS. Mr. President, I should like to ask the Senator a question.

Mr. WHERRY. I will yield in a moment.

The resolution was considered to be one of the most important matters with which Senators could deal, because 24 Senators—some of them from my side of the aisle and some of them from the other side of the aisle—voluntarily joined in offering it and supporting it. A year ago this January, 17 Senators from both sides of the aisle voluntarily joined together to help work out orders, restrictions, and limitations in the production, the feeding, and the marketing of livestock. If they had not done so, and if we had not worked hard to correct the situation in connection with the marketing of hogs and corn, we would not have been able to increase the weight of hogs to 330 pounds and to have ration points taken off of pork.

In the same way, conditions in regard to the feeding and marketing of cattle were deplorable.

After repeated requests were made by farmers in the South, the West and the East, we were able to do a great deal of good for them. Of course, something must be done to help them in the face of the situation caused by the various governmental orders, restrictions, and limitations, with which the Senator from Illinois is just as well acquainted as I am. I think the Senator is just as much in sympathy with the farmers who find themselves in that situation as I am. But the Senator's committee received the resolution on June 20, 1944, and has held it ever since.

The Senator has said that I have not been to see him about the resolution. Why, Mr. President, the Senator from Illinois knows that we have asked time and time again to have the resolution brought up on the floor of the Senate. The junior Senator from Kansas [Mr. REED] just before the commencement of the summer recess, made a speech in which he asked that the resolution be reported by the committee, and he asked that the special committee referred to in the resolution be appointed. I personally went to the Senator from Illinois, but the only answer I received was that I was not acting in good faith, that I submitted the resolution for only one reason, and that was a political reason.

Mr. LUCAS. I still think so.

Mr. WHERRY. The Senator has a right to think so, but why delay the consideration of the resolution now when the senior Senator admits it is of vital concern? We are again face to face with the seasonable marketing of hogs. The Senators from Kansas know it, the Senators from Iowa know it, and the Senators from Illinois know it. There will be heavy runs in the market, even though there are a third less hogs.

We have a right to sell our hogs at a ceiling price of $14.75 fixed under the stabilization program. But, I say to the Senator that, just so surely as he now stands on the floor, when the runs come, the market will go down. If we had a floor price we could establish a cushion and could penalize processors the amount of the subsidy if they refused to pay the ceiling price. This would stabilize the market and would assure the farmer a fair price.

But as the situation is at the present time, we are not organized; we have no one to take the farmers' problems to the various governmental organizations and agencies. I think a special committee should be established and should begin to function now, before the runs start on the market. Apparently the senior Senator from Illinois is not willing that we shall fight for the farmers' cause.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. WHERRY. I yield.

Mr. LUCAS. Let me ask the Senator from Nebraska, Who testified before the Committee on Agriculture and Forestry in behalf of the resolution?

Mr. WHERRY. I think that makes no difference. If the Committee on Agriculture and Forestry in its wisdom reports favorably a resolution by almost unanimous vote of the members of the committee, I think the Committee to Audit and Control the Contingent Expenses of the Senate is going a long way when it sets itself up as a hierarchy and says, "We will not authorize the appropriation of the funds requested in the resolution for expenses incident thereto." If the Committee on Agriculture and Forestry desires to have the resolution adopted, and believes in it, I think it is up to the Committee to Audit and Control the Contingent Expenses of the Senate only to determine what the amount of the appropriation should be.

Mr. LUCAS. Mr. President, I demand the floor.

Mr. WHERRY. Mr. President, the Senator will have to wait a little. I have the floor. I will yield to him.

Mr. LUCAS. I will wait until the Senator concludes.

Mr. WHERRY. Well, Mr. President, the Senator has no right to demand the floor from me.

Mr. BANKHEAD. Mr. President——

Mr. WHERRY. I yield to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I was not present when the discussion started, but I have a resolution which probably comes within the influence of the resolution submitted by the Senator from Illinois. The resolution in which I am interested was submitted 5 or 6 months ago. It calls for an investigation of the rayon industry, particularly as it affects the cotton and wool industries.

The resolution was referred to the Committee on Agriculture and Forestry. The resolution requested an appropriation of $10,000. The committee recommended the appropriation of that amount. The resolution then was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. There it was held up for some time, not by the chairman of the committee, the Senator from Illinois, but by the majority leader. Finally it was agreed that an appropriation of $5,000 would be approved.

I have been looking into the subject. I find that I cannot employ a competent, capable investigator for that amount of money.

This subject is of tremendous importance. I have not spent a cent of that money. I do not want to spend a cent of it unless we can go through with the investigation. I know that a great many Senators are concerned about the situation. They often speak to me about it.

I have hesitated to make a request for an additional appropriation, but I say frankly to the Senator from Illinois that I do not wish to have the investigation commence until we can obtain a substantial increase in the appropriation.

So, I wish to ask the Senator if his resolution applies to the resolution calling for an investigation of the rayon industry.

Mr. LUCAS. Mr. President, let me say to the Senator from Alabama that in the event my resolution is adopted, it will be necessary for the Senator to resubmit his resolution at the next session of Congress, because we have not passed on the resolution, as I recall.

Mr. BANKHEAD. Oh, yes, we did so.

Mr. LUCAS. I am mistaken; I believe $5,000 was allowed for the investigation.

Mr. BANKHEAD. Yes.

Mr. LUCAS. That resolution will continue in force and effect until January 31, 1945.

Mr. BANKHEAD. Why does the Senator say January 31? The new Congress will convene on January 3.

Mr. LUCAS. That is correct, of course. But in order to keep all the committees going, so that there will be no hiatus or interregnum in their activities between sessions, we have made the same arrangement which was made 2 years ago, namely, that appropriations for committees shall continue in effect until January 31, 1945.

Mr. BANKHEAD. I am not complaining to the Senator, because he knows the problem which confronts us. But now the resolution has been reported unanimously by the Committee on Agriculture and Forestry, and it has been referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and that committee has reported it favorably.

The only question now arising is as to the amount of money to be made available to the committee.

Mr. LUCAS. Mr. President, I am trying to say——

The PRESIDING OFFICER. The Senator from Nebraska has the floor. Does he yield, and if so, to whom?

Mr. WHERRY. I yielded to the Senator from Alabama, and then yielded to the Senator from Illinois.

Mr. LUCAS. Mr. President, let me say to the Senator that under the Senate rules any money remaining unspent under an appropriation cannot be spent at the next session of Congress because the appropriation will expire with the end of the present session of Congress.

Mr. BANKHEAD. I doubt that, because when I was chairman of a subcommittee of the Committee on Irrigation and Reclamation it continued in operation over a period of 2 years, and we never spent any of the money.

Mr. LUCAS. I do not know about that but our committee has limited every special resolution to the Congress in which it was adopted.

Mr. BANKHEAD. I merely wished to ascertain our status.

Mr. LUCAS. The regular committees request, through the Committee to Audit and Control the Contingent Expenses of the Senate, appropriations in certain amounts to enable them to carry on, during the particular session of Congress, their investigations, hearings, and other activities. If the resolution now being discussed is adopted, the Senator's special committee will remain in full force and effect until January 31, 1945.

Mr. BANKHEAD. Does the Senator mean that I will not be able to submit a new resolution on the subject until the 31st of January? I have been postponing this matter for 4 or 5 months, in order to have an opportunity to take it up at an appropriate time. Now I wish to go to work on the 1st of January.

Mr. LUCAS. At any time in January the Senator may resubmit the resolution requesting additional funds, change it, or modify it any way he may see fit. The resolution will in due course, I presume, be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BANKHEAD. It would first be referred to the Committee on Agriculture and Forestry.

Mr. LUCAS. Yes; the Senator is correct.

Mr. REED and Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield, and if so to whom?

Mr. WHERRY. I yield first to the Senator from Kansas.

Mr. REED. Mr. President, nothing in connection with agriculture in this country during approximately 12 months, beginning with about the middle of last year, was in such serious trouble as corn and hogs. The problem was a national one and a grave one. Twenty-four Senators joined in submitting a resolution providing that a committee be appointed to consider the situation. The plan was to make the Senator from Iowa [Mr. GILLETTE] the chairman of the committee. For the information of the Senator from Illinois, I may state that I requested that I not serve on the committee. No one in connection with agriculture received such rough treatment as did the corn and hog farmers of the country from about July 1, 1943, up to approximately May 1 or July 1 of this year. So, as I have already said, certain Senators submitted a resolution. I was one of the 24 Senators joining in the submission of the resolution.

Mr. President, the Senate has never had an opportunity to consider the resolution. It was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and that was the end of it.

The resolution was reported unanimously, I believe, by the Committee on Agriculture and Forestry. If it was not reported unanimously, it was reported almost unanimously. But notwithstanding that fact, and also the fact that 24 Senators from the Middle West corn-hog States asked for an investigation, the Senate never had an opportunity to act on the matter.

I do not believe it is within the province of a committee, such as the Committee to Audit and Control the Contingent Expenses of the Senate, to settle a question of the kind to which I have referred, without first affording an opportunity for Senators to express their views.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, I wish to ask a question merely for the purpose of clearing up a situation which, perhaps, does not need clearing up. One of the ablest lawyers of this body has suggested to me that the resolution which would continue the special committee contains nothing with reference to continuing the appropriation. I have conferred with the Parliamentarian and he has informed me that in his opinion the resolution continuing the committee also would continue the appropriation now existing for the use of the committee. Is that the view of the Senator from Illinois?

Mr. LUCAS. That is my understanding. I do not believe there can be any question about it.

Mr. HATCH. I merely wanted to make it clear in the RECORD, that is all.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, I wish to propound a question to the Senator from Illinois. Will the Senator from Illinois kindly state any good reason for the selection of the 31st of January?

Mr. LUCAS. I was a member of the committee which discussed the matter 2 years ago, and we thought that by allowing the Senate a period of time of

practically 30 days after January 3, the various committees would have ample opportunity to determine the amount of money each may need. This seems to be the orderly and businesslike method to follow.

Mr. McCARRAN. There are committees, one of which I may mention, which could conclude their hearings, and conclude the functions for which they were created, if there were available funds. Will the Senator from Illinois call a meeting of his committee and provide sufficient funds for the committee to go forward with its hearings between now and the 1st of January? I refer especially to the Special Committee to Investigate the Effects of the Centralization of Heavy Industry, of which I have made mention.

Mr. LUCAS. Mr. President, the Senator from Nevada has spoken of the Special Committee to Investigate the Effects of the Centralization of Heavy Industry. I think it is a very important committee. But we have gone along for months and have never heard much about the committee.

Mr. McCARRAN. Perhaps the Senator from Illinois has not read the report of the committee, which is perhaps one of the most elaborate reports ever filed in the Senate.

Mr. LUCAS. How much investigating has the committee done during the past 3 or 4 months?

Mr. McCARRAN. It has done as much as it had time to do. The committee has not been idle.

Mr. LUCAS. I am not trying to hamstring the Senator's investigation. I should like to see the Senator investigate everything he wants to investigate from now until doomsday. What I want to do is to present an orderly course for the United States Senate to follow. If the Senator does not like the resolution I will withdraw it and then the Senator may submit his resolution and see whether he can have his committee continued for the next 2 years following January 3. That is what it means, and that is what the Senator apparently wants to do.

Mr. President, I withdraw my resolution.

The PRESIDING OFFICER. The Senator from Illinois withdraws his resolution.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1159. An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.; and

S. 1819. An act to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry, in Charlotte County, Va.

The message also announced that the House insisted upon its amendment to the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITE, Mr. ROBINSON of Utah, Mr. O'CONNOR, Mr. ROCKWELL, and Mr. LEMKE were appointed managers on the part of the House at the conference.

THE CALENDAR

Mr. HILL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 1230, at which point we ended consideration of bills on the last call of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will proceed to call the calendar, beginning with Calendar No. 1230.

REIMBURSEMENT FOR PERSONAL PROPERTY LOST AT YORKTOWN, VA.

The bill (S. 2180) to provide reimbursement for personal property lost, damaged, or destroyed as the result of an explosion at the naval mine depot, Yorktown, Va., on November 16, 1943, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $2,000, as may be required by the Secretary of the Navy to pay claims, including those of naval and civilian personnel of the Naval Establishment, for privately owned property lost, damaged, or destroyed as the result of an explosion at the naval mine depot, Yorktown, Va., on November 16, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ENSIGN FREDERICK MATTHEWS McCORD

The bill (S. 2132) for the relief of Ensign Frederick Matthews McCord, United States Naval Reserve, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $187.90, to Ensign Frederick Matthews McCord, United States Naval Reserve, for the value of personal property destroyed as the result of a fire in officers' quarters, Ferry Inn Annex, at United States Naval Base No. 2, on December 14, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

TEMPORARY APPOINTMENT OF CERTAIN PERSONNEL OF THE NAVY AND MARINE CORPS

The bill (S. 1985) to amend an act entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes," approved July 24, 1941, as amended, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That an act entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes," approved July 24, 1941 (Public Law 188, 77th Cong.), as amended (55 Stat. 603; 34 U. S. C., Supp. III, 350 and the following), is hereby amended by inserting before the period at the end of section 11 (a) said act a colon and the following: *"Provided*, That officers on the retired list of the Naval Reserve with pay pursuant to provisions of the act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1919, and for other purposes', approved July 1, 1918, may, while on active duty, be temporarily appointed to ranks or grades in a different branch or corps of the Naval Reserve under the authority of this act without loss of or prejudice to any rights, benefits, privileges, and gratuities enjoyed by them by virtue of their former status."

REIMBURSEMENT TO CERTAIN NAVY PERSONNEL FOR PERSONAL PROPERTY LOST AT ASTORIA, OREG.

The bill (S. 2179) to reimburse certain Navy personnel for personal property lost or damaged as the result of a fire at the naval auxiliary air facility, Astoria, Oreg., on April 2, 1944, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $780, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain Navy personnel for the value of personal property lost or damaged as the result of a fire at the naval auxiliary air facility, Astoria, Oreg., on April 2, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

AUTHORIZATION OF EXCHANGE OF LANDS AT EASTPORT, MAINE

The bill (S. 2067) to authorize an exchange of lands between the city of Eastport, Maine, and the United States, and the conveyance of a roadway easement to the city of Eastport, Maine, was considered, ordered to be engrossed for a

third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be and he is hereby, authorized to transfer, under such conditions as may be approved by the said Secretary, to the city of Eastport, Maine, without cost to the city of Eastport, Maine, all right, title, and interest in and to the following parcels of land situated on Moose Island, Washington County, Maine, metes and bounds descriptions of which are on file in the War Department:

Parcel 1. A parcel of land containing 8.94 acres, more or less, adjacent to and lying south of the southerly shore line of Carrying Place Cove, being that parcel of land formerly owned by Andrew J. Malloy and being bounded on the south by the northerly right-of-way line of Deep Cove or Barrett Road, on the east by a parcel of land formerly owned by Mrs. E. B. Townsend and on the west by a parcel of land formerly owned by David C. MacNichol.

Parcel 2. A parcel of land containing 9.81 acres, more or less, adjacent to and lying south of the southerly shore line of Carrying Place Cove, being that parcel of land formerly owned by Mrs. E B. Townsend and being bounded on the south by the northerly right-of-way line of Deep Cove or Barrett Road, on the east by the westerly right-of-way line of said road, and on the west by the easterly line of a parcel of land formerly owned by Andrew J. Malloy.

Parcel 3. A parcel of land containing 9.58 acres, more or less, adjacent to and lying between the southwesterly right-of-way line of the Maine Central Railroad Company and Maine State Highway No. 190, being bounded on the northeast by said right-of-way line and on the northwest by two parcels of land now or formerly owned by C. H. Bishop and W. J. Murphy, respectively.

SEC. 2. The Secretary of War, in consideration of the transfer hereinabove authorized, is further authorized, on behalf of the United States, to accept from the city of Eastport, Maine, without cost to the United States, all right, title, and interest of the city in and to the following-described parcels of land situated on Moose Island, Washington County, State of Maine, metes and bounds descriptions of which are on file in the War Department.

Parcel 1. A parcel of land containing 5 acres, more or less, adjacent to the northerly shore line of Carrying Place Cove, being bounded on the east by a tract of land now or formerly owned by R. C. Emery and on the west by a tract of land now or formerly owned by Melinda Taylor.

Parcel 2. A parcel of land containing 15.25 acres, more or less, adjacent to and lying west of the westerly right-of-way line of the Maine Central Railroad Company and east and south of a large parcel of land now owned by the United States of America.

Parcel 3. A parcel of land containing 4 acres, more or less, lying between the easterly right-of-way line of the Maine Central Railroad Company and the westerly right-of-way line of Indian or Carlow Island Road.

Parcel 4. A parcel of land containing 9.5 acres, more or less, adjacent to and lying easterly of that parcel of land described in section 3 hereof as parcel 1, being bounded on the north by the southerly shore line of Passamaquoddy Bay, on the west by a parcel of land belonging to the United States of America, and on the southwest by the northeasterly right-of-way line of Indian or Carlow Island Road.

SEC. 3. The Secretary of War is further authorized to transfer, under such conditions as may be approved by the said Secretary, to the city of Eastport, Maine, without cost to the city, a permanent easement for roadway purposes, in, over, and across the following-described parcel of land situated on Moose Island, Washington County, Maine, a metes and bounds description of which is on file in the War Department:

Parcel 1. A parcel of land containing 12.83 acres, more or less, lying in the north-westernmost corner of Moose Island, and being formerly owned by heirs of Anderson.

SEC. 4. The right to alter, amend, or repeal this Act is hereby expressly reserved.

EXTENSION OF TIME FOR EXAMINATION OF MONTHLY ACCOUNTS OF DISBURSING OFFICERS OF THE MARINE CORPS

The bill (S. 2068) to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard, was announced as next in order.

Mr. WALSH. Mr. President, House bill 5248, which is on the calendar, deals with identically the same subject matter as Senate bill 2068.

I ask unanimous consent that the House bill be substituted for the Senate bill, and that the Senate proceed to the consideration of House bill 5248.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the bill (H. R. 5248) to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps", approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard, was considered, ordered to a third reading, read the third time, and passed.

Mr. WALSH. Mr. President, I ask unanimous consent that Senate bill 2068 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 2068 will be indefinitely postponed.

The clerk will state the next business on the calendar.

LEASE OF CERTAIN LANDS IN SAN DIEGO COUNTY, CALIF.

The Senate proceeded to consider the bill (S. 2056) to authorize the Secretary of the Navy to lease certain lands situated in San Diego County, State of California, which had been reported from the Committee on Naval Affairs with an amendment on page 2, line 1, after the word "thousandths" to insert "(0.258)", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to lease for a period not to exceed 25 years, upon such terms and conditions as may be approved by the Secretary of the Navy, to the Southern California Telephone Co., a corporation, organized under the laws of the State of California, a parcel of land situated in section 32, township 9 south, range 6 west, San Bernardino base and meridian, consisting of two hundred and fifty-eight one-thousandths (0.258) of an acre, more or less, comprising a part of the United States Marine Corps training area, Camp Joseph H. Pendleton, San Diego County, Calif., and a parcel of land situated in Pueblo lot 1311 of the Pueblo Lands of San Diego County, Calif., consisting of an acre, more or less, comprising a part of the United States Marine Corps rifle range, Camp Matthews, in said county and State, the metes and bounds descriptions of which said lands are on file in the Navy Department, for the construction, maintenance, and operation of repeater station facilities: *Provided*, That when the lands shall cease to be used for said purposes the lease shall be automatically terminated and the lands shall revert to the United States.

SEC. 2. That the Secretary of the Navy be, and he is hereby authorized to execute on behalf of the United States all instruments necessary to accomplish the aforesaid purposes.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EASEMENTS FOR RAILWAY PURPOSES IN HAWAII

The bill (S. 2073) to authorize the Secretary of the Navy to convey to Oahu Railway & Land Co. an easement for railway purposes in certain lands situated at Halawa, Ewa, Oahu, T. H., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc. That the Secretary of the Navy be, and is hereby, authorized to convey to Oahu Railway & Land Co. an easement for railway purposes in and over a 40-foot strip of land at Pearl Harbor Navy Yard in Halawa, Ewa, Oahu, T. H., containing approximately two and two hundred and seventy-eight one-thousandths acres, metes and bounds description of which is on file in the Navy Department, in consideration of that company's waiving and relinquishing any and all claim to compensation for the taking by the United States of the company's right-of-way easement over and across approximately two and five hundred and seventy-seven one-thousandths acres of land described in condemnation proceedings pending in the District Court of the United States for the Territory of Hawaii entitled "United States of America, petitioner, against Certain Lands at Halawa, Ewa, Oahu, T. H., and Oahu Railway & Land Co., a corporation defendant", being civil No. 493.

GRANT OF USE OF CERTAIN LAND TO THE CITY OF CANTON, OHIO

The Senate proceeded to consider the bill (S. 2181) to authorize the Secretary of the Navy to grant to the city of Canton, Ohio, for highway purposes only, a strip of land situated within the United States Naval Ordnance Plant at Canton, Ohio.

Mr. DANAHER. Mr. President, will the clerk please read the last line on page 1, and the first line on page 2, of Calendar No. 1238, Senate bill 2181?

The Chief Clerk read as follows: "25 feet in width off the north side of the northwest quarter, section 18, township 10, range 3, Canton, Stark."

Mr. DANAHER. Mr. President, I extend my thanks for the courtesy permitted me. In the bill on my file there are four more lines on the first page, and I merely wondered if the bill at the desk is the same.

The PRESIDING OFFICER. The Chair is informed that the bill is the same.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to grant to the city of Canton, Ohio, for use as a public highway, under such conditions as may be approved by the Secretary of the Navy, all right, title, and interest of the United States of America in and to a strip of land containing approximately one and forty-four one-hundredths acres, twenty-five feet in width off the north side of the northwest quarter, section 18, township 10, range 8, Canton, Stark County, Ohio, and extending from Raff Road, southwest, west to the township line between Canton and Perry Townships.

SEC. 2. That if any part of the above-described lands hereby granted to the city of Canton shall be used for any other purpose or purposes, or shall cease to be maintained by the city of Canton for the purpose for which granted, such part shall revert to the United States.

TRANSFER OF CERTAIN LANDS WITHIN COLONIAL NATIONAL HISTORICAL PARK

The bill (S. 2133) to authorize the transfer of certain lands within the Colonial National Historical Park, Yorktown, Va., to the Secretary of the Navy, was announced as next in order.

Mr. WALSH. Mr. President, there is on the calendar a House bill which is identical with the Senate bill. I move that the House bill be substituted for the Senate bill and be now considered. The number of the House bill is H. R. 5331.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the House bill will be considered.

The bill (H. R. 5331) to authorize the transfer of certain lands within the Colonial National Historical Park, Yorktown, Va., to the Secretary of the Navy, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2133 will be indefinitely postponed.

MEDALS FOR UNITED STATES ANTARCTIC EXPEDITION, 1939–41

The bill (S. 1910) to provide for the presentation of medals to members of the United States Antarctic Expedition of 1939–41 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized and directed to cause to be made at the United States mint such number of gold, silver, and bronze medals of appropriate design as he may deem appropriate and necessary, to be presented to members of the United States Antarctic Expedition of 1939–41, in recognition of their valuable services to the Nation in the field of polar exploration and science.

SEC. 2 There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The title was amended so as to read: "A bill to provide for the presentation of medals to members of the United States Antarctic Expedition of 1939–41."

NAVAL RESERVE OFFICERS' TRAINING CORPS

The Senate proceeded to consider the bill (S. 2195) to further amend section 22 of the act approved March 4, 1925, entitled "An act providing for sundry matters affecting the naval services, and for other purposes," by removing the limitation of the total personnel of the Naval Reserve Officers' Training Corps, and for other purposes, which had been reported from the Committee on Naval Affairs with amendments.

The first amendment was, on page 1, line 7, after the ward "by", to strike out: "striking also from such subsection the following: '*And provided further*, That the total personnel of the Naval Reserve Officers' Training Corps shall not exceed at any one time more than 7,200'," and insert "changing the last proviso of such subsection to read as follows: '*And provided further*, That until the expiration of 1 year after the cessation of hostilities in the present war as declared by the President or by concurrent resolution of Congress, the total personnel of the Naval Reserve Officers' Training Corps shall not at any one time exceed 24,000 and thereafter the total personnel of such corps shall not at any one time exceed 14,000.'"

Mr. DANAHER. Mr. President, will the Senator from Massachusetts please tell us whether or not there were public hearings on this bill?

Mr. WALSH. Yes; there were.

Mr. DANAHER. Have the hearings been printed?

Mr. WALSH. Yes; they have been.

Mr. DANAHER. Is there apparent from the hearings the basis upon which the number of 14,000 peacetime student cadets was arrived at?

Mr. WALSH. The Senator understands, of course, after reading the bill, that it has to do with the post-war naval program, and, perhaps, it is the first of the naval post-war programs. It provides for the elimination of what is known as the V–12 unit in the Navy and the substitution after July 1 of the R. O. T. C. as the student body, and the only student body outside the Naval Academy, into which young men may be inducted for the purpose of being trained as naval officers.

The figures 14,000 are assumed to represent the needs the Navy will have after the termination of the war. The number needed now is 24,000 and will decrease until the end of the war. Thereafter it is assumed that the number of young men who finish at the R. O. T. C. schools, provided there are 14,000 students in those schools, and the number who graduate from the Naval Academy will be sufficient to take care of the necessary increase in officers from year to year. In my opinion, the estimate is based upon the need of younger officers in a Navy that will be composed of at least 500,000 men.

Mr. DANAHER. The last fact to which the Senator from Massachusetts adverts has come to my notice for the first time. I never knew what size Navy it was contemplated to have in the post-war period and that it would require a continuing minimum force of 14,000 student-cadet officers.

Mr. WALSH. I think, perhaps, I took a liberty in mentioning the number, because no official announcement of it has been made. It is only an estimate I have heard made. But it is believed that this number of service students will be sufficient for what may be the post-war needs of the Navy for younger officers, namely, ensigns.

Mr. DANAHER. When the Senator refers to the number 14,000, does he mean that there are to be 14,000 students in training in any particular year or over the entire course of studies?

Mr. WALSH. Fourteen thousand altogether, covering a period of 4 years of training, so that the number of graduates each year with eliminations will be about 2,500.

Mr. President, I ask that the report of the committee be printed in the RECORD in view of the great interest on the part of the young men who are anxious to have a career in the Navy.

The PRESIDING OFFICER. Without objection, the report will be printed in the RECORD.

The report (No. 1229) is as follows:

The Committee on Naval Affairs, to whom was referred the bill (S. 2195) to further amend section 22 of the act approved March 5, 1925, entitled "An act providing for sundry matters affecting the naval service, and for other purposes," by removing the limitation on the total personnel of the Naval Reserve Officers' Training Corps, and for other purposes, having considered the same, report favorably thereon with amendments, and recommend that the bill, as amended, do pass.

The purpose of the bill, as amended by the committee, is to authorize a permanent increase in the number of students in the Naval Reserve Officers' Training Corps from 7,200 to 14,000 and to authorize a temporary increase to 24,000 until the expiration of 1 year after the cessation of hostilities in the present war.

The Naval Reserve Officers' Training Corps was established by act of Congress approved March 25, 1925, and authorized an enrollment of 2,400 students. Between 1926 and 1940 units were established in 11 universities. An act approved September 11, 1940, changed the limitation from 2,400 to 7,200 students. At the present time 6,500 students are enrolled and units are established at 27 colleges or universities.

The Naval Reserve Officers' Training Corps is an economical method of producing Reserve officers and the product is a well-trained naval officer, fully capable of taking his place in the fleet when the need for his services arises.

Departments of naval sciences and tactics are set up in the universities to provide essential naval training throughout a college course of normal length. In peacetime each student devotes approximately 4 hours per week to naval work during his 4 years in college. This is exclusive of outside preparatory time. The students participate in one or more practice cruises during which he receives practical instruction of his winter academic studies.

The curriculum of the Naval Reserve Officers' Training Corps course embodies navigation, ordnance and gunnery, marine engineering and electricity, seamanship, and communications. The students also study naval history, aviation, and military, and international law.

Upon graduation all students who have successfully completed the 4-year course in naval science and tactics and are physically qualified are given commissions as ensigns in the Naval Reserve or second lieutenants in the Marine Corps. A limited number are also commissioned in the line and staff of the Regular Navy and the Marine Corps.

The Navy Department informed the committee that graduates of the Naval Reserve

Officers' Training Corps have distinguished themselves as officers in the Regular Navy and Marine Corps, and during the last few years have proved an invaluable addition to the strength of the Naval Reserve in active service.

During the present war, the Naval Reserve Officers' Training Corps was inadequate to meet the increased needs for naval officers, and the Navy V-12 college training program was adopted. At the present time there are 131 undergraduate colleges in the V-12 program with a total enrollment of approximately 50,000 students. On July 1, 1945, it is expected that there will be not more than a total of 30,000 students and that this number will be reduced considerably thereafter. The committee was informed that no more students will be enrolled in the Navy V-12 program and that it is the intention of the Navy Department to reduce and finally eliminate the V-12 program and consolidate it with the Naval Reserve Officers' Training Corps units. It is believed that the expansion of the Naval Reserve Officers' Training Corps can best be accomplished by converting to this program the best facilities now in use by the V-12 program. This conversion of facilities would proceed progressively as the V-12 program is curtailed. Under this expansion the trainee complements at present Naval Reserve Officers' Training Corps colleges would be increased and new Naval Reserve Officers' Training Corps units established at certain universities and colleges. Those institutions to receive new Naval Reserve Officers' Training Corps units have been selected and quotas set in relation both to wartime conditions and peacetime conditions, and fall into two classes:

(a) Institutions with enrollments sufficiently large so that a peacetime Naval Reserve Officers' Training Corps can be supported, and

(b) Smaller colleges which have no commitment to the Army for Reserve Officers' Training Corps units and which have been enthusiastic and successful in administering the V-12 program.

If the bill is enacted into law, Naval Reserve Officers' Training Corps units will be established in approximately 23 additional colleges or universities, making a total of 50.

THE COMMITTEE AMENDMENTS

The bill as introduced removed entirely the limitation as to the number of students who could be enrolled in the Naval Reserve Officers' Training Corp. The committee is of the opinion that it is unsound to enact this legislation without specifying a definite limit on the number of students who may be enrolled. It therefore amended the bill to provide that not more than a total of 24,000 may be enrolled during the continuance of the present war and for a period of 1 year thereafter, and that during peacetime the total number of students shall not exceed 14,000.

The committee is of the opinion that it will be necessary to maintain a large Navy in the post-war era, and that the additional officers required, over and above the graduates of the Naval Academy, can best be obtained from graduates of the Naval Reserve Officers' Training Corps.

The bill was introduced at the request of the Navy Department and has been cleared by the Bureau of the Budget.

Mr. WALSH. Mr. President, this new plan will permit young men who want to make a naval career to go to the Naval Academy in the usual way by appointment or by other methods now existing and also permit them to enter the R. O. T. C. and take 4 years' college training and then apply for the regular naval service. There are now 27 colleges designated to give such training, and that number is to be increased, I understand, to approximately 50, but the total number of students expected to be in training after the termination of the war will be approximately 14,000. Many of the graduates of the R. O. T. C. who receive commissions will go with the Naval Reserves and a certain number selected for the Regular Navy.

Mr. DANAHER. Mr. President, I should like to ask one other question of the chairman of the Committee on Naval Affairs. Is there any provision in the plan to which the committee's attention has been called for taking men from the enlisted services and permitting them to obtain the benefit of the projected course?

Mr. WALSH. Yes, sir; in fact the only persons now being taken into V-12, the R. O. T. C., are enlisted men, because persons between 18 and 38 in civilian life are subject to the selective service. The V-12 unit, which is shortly to terminate, is now taking in only enlisted men, as it should, because, as the Senator knows, many enlisted men are not only high school graduates but college graduates. I might say to the distinguished Senator from Connecticut that this plan affords a very good solution to the problem of training future officers, and will prevent possibly a move for a second naval academy such as the one at Annapolis.

The Navy is very much interested and anxious to secure action on the bill during this session of Congress, and I assume that, if the bill passes, it will be approved by the House of Representatives.

Mr. DANAHER. I thank the Senator.

Mr. WALSH. I may say to the Senator from Connecticut that I think his questions were very timely, because the Navy sought to have unlimited authority without any restrictions as to the number of students, but, after going into the matter in detail, the committee decided, after consultation, to restrict the number provided in this bill. In the event they should require more, they could come before the committee and make the request. There has been a tendency, as the Senator will appreciate, both on the part of the Army and the Navy to obtain unlimited authority and power to provide as many schools as they think may be necessary and as many students as they think may be necessary; but the committee has restricted the number they can have now and the number they shall have afterwards. Therefore, the questions raised are very timely in view of the attitude the committee took in the matter.

The PRESIDING OFFICER. The question is on agreeing to the first amendment reported by the committee, which has been stated.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was on page 3, line 7, after the words "Naval Reserve" and the semicolon to strike out *"And provided"* and insert *"Provided further"*, and on the same page, after line 9, to insert *"And provided further,* That until the expiration of 1 year after the cessation of hostilities in the present war as declared by the President or by concurrent resolution of Congress, the total personnel of the Naval Reserve Officers' Training Corps shall not at any one time exceed 24,000 and thereafter the total personnel of such corps shall not at any one time exceed 14,000."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 22 of the act approved March 4, 1925 (43 Stat. 1276), as amended, is hereby further amended by striking out of section (a) thereof the phrase: "by the act approved June 4, 1920, sections 33 and 34 (41 Stat. L. 776–779)", and by changing the last proviso of such subsection to read as follows: *"And provided further,* That until the expiration of 1 year after the cessation of hostilities in the present war as declared by the President or by concurrent resolution of Congress, the total personnel of the Naval Reserve Officers' Training Corps shall not at any one time exceed 24,000 and thereafter the total personnel of such corps shall not at any one time exceed 14,000," so that such subsection so amended will read as follows:

"SEC. 22. (a) A Naval Reserve Officers' Training Corps is hereby authorized to be established and operated under such regulations as the President may prescribe, which regulations shall, so far as may be practicable, conform to the provisions of the National Defense Act approved June 3, 1916, sections 40 to 53, inclusive (39 Stat. L. 191–194), as amended: *Provided,* That the powers conferred therein upon the Secretary of War with regard to the Reserve Officers' Training Corps are hereby conferred upon the Secretary of the Navy with regard to the Naval Reserve Officers' Training Corps: *Provided further,* That all expenditures in connection with the establishment and operation of the Naval Reserve Officers' Training Corps shall be specifically appropriated therefor: *Provided further,* That members of the Naval Reserve Officers' Training Corps shall be eligible for appointment as Naval Reserve officers under the same conditions as provided by law for the appointment of Naval Reserve officers from other citizens of the United States, and when so appointed shall have the same status and be entitled to the same benefits in all respects as provided by law for other members of the Naval Reserve: *Provided further,* That the word 'naval' wherever used in this section shall be construed to include Marine Corps: *And provided further,* That until the expiration of 1 year after the cessation of hostilities in the present war as declared by the President or by concurrent resolution of Congress, the total personnel of the Naval Reserve Officers' Training Corps shall not at any one time exceed 24,000 and thereafter the total personnel of such corps shall not at any one time exceed 14,000."

The title was amended so as to read: "A bill to further amend section 22 of the act approved March 4, 1925, entitled 'An act providing for sundry matters affecting the naval service, and for other purposes,' by changing the limitation on the total personnel of the Naval Reserve Officers' Training Corps, and for other purposes."

DISPOSAL OF CERTAIN MAIL MATTER

The Senate proceeded to consider the bill (S. 1971) to provide for the disposal of certain mail matter condemned by the Director of Censorship, which had been reported from the Committee on Post

Offices and Post Roads with amendments, on page 2, line 6, after the word "Allies", to insert "but no mail matter shall be disposed of under this act until the expiration of at least 90 days after the date of condemnation," and to add a section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That there is hereby established a committee composed of the Postmaster General and the Director of Censorship, or their alternates duly designated by them, which shall have authority to dispose of mail matter consisting of (1) printed matter containing propaganda material, and (2) printed matter mailed by or to or published by persons whose names are on the Proclaimed List of Certain Blocked Nationals, and (3) parcel-post packages or small packets containing articles of no monetary value or articles which may be used by the United States in the prosecution of the war, if such mail matter has been censored and condemned by the Office of Censorship as being inimical to the war effort of the United States or contrary to the interests of the United States or its Allies, but no mail matter shall be disposed of under this act until the expiration of at least 90 days after the date of condemnation. Such committee may promulgate such rules and regulations as it deems necessary to carry out the provisions of this act.

SEC. 2. This act shall expire upon the expiration of 6 months after the date of the termination of hostilities in the present war as proclaimed by the President or declared by concurrent resolution of the Congress.

Mr. DANAHER. Mr. President, I should like to ask the Senator from Tennessee if he would give us an illustration—and undoubtedly the committee had evidence before it—of what are considered to be "small packets containing articles of no monetary value or articles which may be used by the United States in the prosecution of the war"?

Mr. McKELLAR. I cannot say, but it was developed, both by the Post Office Department and the Bureau of Censorship, that there was a great deal of mail affected by the bill. I call the Senator's attention to the report, as follows:

The mail in question consists mostly of printed matter, the circulation of which was deemed disadvantageous to the war effort of the United States. Included are various kinds of pro-Axis propaganda. Also covered by the bill would be a large collection of parcels sent by or addressed to enemy territory or enemy nationals. Some of the parcels are without value, consisting of such things as sales samples, fancy calendars which are out of date, and so on. Other parcels contain goods of value. It can be said with respect to such goods that all of it is of enemy interest and much of it was on its way out of the country without permit and in violation of the law when intercepted by Censorship.

Although the Office of Censorship has authority to detain such mail, there is no statute under which it may make orderly disposal of it. The printed matter has a considerable salvage value and the packages in some instances contain materials which would be of value to the Army and Navy.

Altogether Censorship is detaining more than 497,000 pieces of mail in the classes enumerated in the bill. This material is occupying in excess of 10,000 square feet of storage space either in post offices or in buildings rented by the Government. The cost of storage in rented premises alone exceeds $7,500 annually, for which the Government is receiving no return whatever.

This proposal is recommended both by the Bureau of Censorship and by the Post Office Department, and the reasons stated in the report are what actuated the committee.

Mr. DANAHER. I thank the Senator. I had also read the report which he so ably read to us. I wondered if he could give us an illustration of the kind of parcel that could be said to be inimical to the war effort and yet of advantage to the United States.

Mr. McKELLAR. I am not sure any such suggestion was made in the hearings.

Mr. DANAHER. It says that in the bill.

Mr. McKELLAR. The purpose is to get rid of the matters referred to. I hope the Senator will let the bill pass.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DUAL EMPLOYMENT IN THE POSTAL SERVICE

The bill (H. R. 5154) relating to dual employment in the Postal Service and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4184) to amend section 321, title III, part II, Transportation Act of 1940 with respect to the movement of Government traffic, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

NATION-WIDE BIBLE READING

The joint resolution (S. J. Res. 139) designating period from Thanksgiving Day to Christmas of each year for Nation-wide Bible reading, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the period from Thanksgiving Day to Christmas of each year is especially designated for Nation-wide Bible reading, in order that "in God we trust" as an expression of our national life may hold new and vital meaning for all our citizens.

The preamble was rejected.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT URGENT DEFICIENCY BILL

Mr. McKELLAR. Mr. President, as Senators know, in the Committee on Appropriations we have under consideration the urgent deficiency bill. The subcommittee having charge of the bill having already agreed upon its report, there will be a meeting of the full committee this afternoon at 4 o'clock, when we hope to agree on the report. I do not know when the Senate will adjourn, therefore I ask unanimous consent that if we agree upon the report before 12 o'clock tonight, it may be printed and the bill placed upon the calendar.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Is there objection? The Chair hears none, and it is so ordered.

NATURALIZATION OF PERSONS WITH SERVICE IN WORLD WAR NO. 2

The bill (H. R. 1284) relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war was announced as next in order.

Mr. BILBO. I should like to have an explanation. In the absence of an explanation, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

INTERFERENCE WITH BROADCASTING

The Senate proceeded to consider the bill (S. 1957) to amend the Communications Act of 1934, as amended, so as to prohibit interference with broadcasting of noncommercial certified educational programs, which had been reported from the Committee on Interstate Commerce with an amendment, on page 3, line 4, after the word "conspire," to insert "for the purposes of this section", so as to make the bill read:

Be it enacted, etc., That the Communications Act of 1934, as amended, is amended by inserting, after section 329, of such act, a new section, as follows:

"SEC. 330. It shall be unlawful for any person, or any person representing an organization or group, to interfere with, intimidate any person or persons, hinder, extort, delay, prevent, or conspire with other persons for the purpose of hindering, delaying, interfering with, or stopping the production or transmission, by means of any radio station of any noncommercial educational or cultural program presented by any academically accredited and tax-exempt educational institution, prepared and planned for presentation by radio or in the process of being transmitted by radio stations, and it shall likewise be unlawful for any person as a part of a group or organization to threaten or intimidate any other person for the purpose of preventing by group action the operation of any broadcasting station while preparing for or in the operation of broadcasting such noncommercial educational or cultural programs, unless such interference, work stoppage, or group action is part of a general action for other purposes and is of general and broader nature or purpose than to prevent or interfere with the broadcasting of such noncommercial educational and cultural programs: *Provided,* That such radio station or stations have agreed to broadcast such programs and that no service, money, or other valuable consideration is directly or indirectly paid or promised to, or charged or accepted by such station from any person for broadcasting or agreeing to broadcast such program, and no service, money, or other valuable consideration is directly or indirectly paid or promised to, or charged or accepted by the persons producing or participating in such program from such station or from any commercial sponsor, for services rendered in producing or participating in such program.

"DEFINITION

"'To conspire,' for the purposes of this section, shall mean to plan with others, to hold meetings for the purpose of planning, to take action as the result of a plan or purpose—such as united stoppage of work at a radio plant, or to write communications

urging interference by action or by word of mouth to induce action for the purpose of interference."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 92) directing the Federal Power Commission to inquire into and report to the Congress on various matters with respect to natural gas was announced as next in order.

Mr. REVERCOMB. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

LOUIS BECKMAN

The bill (H. R. 4111) for the relief of Louis Beckman was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF KIMBALL LEE BECKNER

The bill (H. R. 4786) for the relief of the estate of Kimball Lee Beckner was considered, ordered to a third reading, read the third time, and passed.

OLLIE BRASHEAR HEARCLDSON

The bill (H. R. 4363) for the relief of Ollie Brashear Hearoldson was considered, ordered to a third reading, read the third time, and passed.

FRANCIS D. STOVALL, JR.

The bill (H. R. 4927) for the relief of Francis D. Stovall, Jr., was considered, ordered to a third reading, read the third time, and passed.

MRS. BERTHA MACKLIN

The bill (H. R. 3138) for the relief of Mrs. Bertha Macklin was considered, ordered to a third readin, read the third time, and passed.

DR. H. L. KLOTZ

The bill (H. R. 4736) for the relief of Dr. H. L. Klotz was considered, ordered to a third reading, read the third time, and passed.

DR. J. SIMS NORMAN

The bill (H. R. 4921) for the relief of Dr. J. Sims Norman was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF DR. A. D. GIBSON

The bill (H. R. 3931) for the relief of the estate of Dr. A. D. Gibson was considered, ordered to a third reading, read the third time, and passed.

MRS. BERTHA GRANTHAM

The bill (H. R. 3192) for the relief of Mrs. Bertha Grantham was considered, ordered to a third reading, read the third time, and passed.

MARY AGNES LICHTEFIELD DROPPLEMAN

The bill (H. R. 3645) for the relief of Mary Agnes Litchtefield Droppleman was considered, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "An act for the relief of Mary Agnes Lichtefeld Droppleman and Fred J. Lichtefeld and Josephine Lichtefeld."

CLAIM OF TRUSTEES OF SAUNDERS MEMORIAL HOSPITAL

The bill (H. R. 5167), an act to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claims of the board of trustees of the Saunders Memorial Hospital, was considered, ordered to a third reading, read the third time, and passed.

G. F. ALLEN

The bill (S. 2070) for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow credit in the accounts of G. F. Allen, chief disbursing officer, Treasury Department, in an amount not to exceed $709.51, for items suspended or disallowed.

SEC. 2. The Comptroller General is authorized and directed to allow credit in the accounts of former disbursing clerks of the Division of Disbursement, Treasury Department, for items suspended or disallowed, not to exceed the amounts stated: M. V. Bates, former disbursing clerk, Treasury Department, Lansing, Mich., $33,774.03; Ivan Carrico, former disbursing clerk, Treasury Department, Charleston, W. Va., $8,376.77; W. F. Cramer, former disbursing clerk, Treasury Department, District of Columbia, $58.62; T. A. Dillon, former disbursing clerk, Treasury Department, Indianapolis, Ind., $127.50; O. Kanngiesser, former disbursing clerk, Treasury Department, Albany, N. Y., $21.47; D. E. Love, former disbursing clerk, Treasury Department, Santa Fe, N. Mex., $93.80; L. S. McCracken, former disbursing clerk, Treasury Department, San Francisco, Calif., $234.70; S. S. Ogdon, former disbursing clerk, Treasury Department, Jefferson City, Mo., $11.48; J. W. Reynar, former disbursing clerk, Treasury Department, Raleigh, N. C., $300.08; F. R. Shaw, former disbursing clerk, Treasury Department, Jefferson City Mo.,, $55.01; L. V. Witcombe, former disbursing clerk, Treasury Department, Harrisburg, Pa., $16,800.75.

SEC. 3. The Comptroller General of the United States is authorized and directed to allow credit in the accounts of G. F. Allen, chief disbursing officer, Treasury Department, and all former disbursing clerks operating under the Division of Disbursement for the amounts of all suspensions and disallowances raised and not covered by sections 1 and 2 of this act, or which may be raised, against the said chief disbursing officer and former disbursing clerks on account of payments made in accordance with vouchers certified by duly authorized certifying officers during the period December 16, 1933 to March 31, 1942: *Provided*, That the Secretary of the Treasury shall certify that in his opinion there is no evidence of fraud on the part of the said chief disbursing officer or disbursing clerks in connection with such payments.

SEC. 4. No charge shall be made against the certifying officer responsible for the certification of vouchers pursuant to the provisions of Executive Order No. 6166, dated June 10, 1933, and any charge heretofore made against any such officer, shall be removed, for the amount of any payment for which credit shall be allowed under sections 1, 2, and 3 of this act, where the head of the department or establishment concerned, or his duly authorized representative, shall certify to the Comptroller General of the United States that the payment appears to have been made without fraud on the part of the certifying officer.

SEC. 5. The Comptroller General of the United States is authorized and directed to allow credit in the accounts of W. O. Woods, former Treasurer of the United States, and W. A. Julian, Treasurer of the United States, for sums not to exceed $1,164.93 and $63,334.51, respectively, representing unavailable items in their accounts as former Treasurer and Treasurer of the United States: *Provided*, That any recoveries heretofore or hereafter made in respect of any of the foregoing items, may, in the discretion of the Comptroller General of the United States, be applied to offset unavailable items of a similar character hereafter arising in the accounts of the former Treasurer and Treasurer, respectively, upon a showing that such unavailable items have occurred without fraud on the part of the former Treasurer or Treasurer.

SEC. 6. There is hereby appropriated out of any money in the Treasury not otherwise appropriated, the sum of $10,224.08, of which amount (a) not to exceed the sum of $30 shall be credited to the account of T. A. Dillon, former Treasury-State disbursing clerk, Indianapolis, Ind., disbursing symbol 45-01-30, to the extent necessary to adjust an overdraft resulting from an overpayment by check numbered 6,432,824, dated August 23, 1938; (b) not to exceed the sum of $1,728.46 shall be credited to the Treasurer's account to the extent necessary to adjust unavailable items resulting from certain shortages, the amount of a check paid on a forged endorsement, the difference between the value of a stolen package of currency and the amount recovered, and the value of three checks which were lost in the Office of the Treasurer of the United States after payment; and (c) not to exceed the sum of $8,465.62 shall be credited to the account of Edwin H. Dressel, superintendent, United States Mint, Philadelphia, Pa., to the extent necessary to adjust an unavailable item representing the contents of a bag containing gold coins the absence of which from a vault in the Philadelphia, Pa., Mint was discovered during February 1937, such coins having a face value of $5,000, and increment of $3,465.62 resulting from the reduction in the weight of the gold dollar.

LA VERNE WHIPPLE

The Senate proceeded to consider the bill (H. R. 3400) for the relief of La Verne Whipple, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$4,500" and insert "$3,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF CECILE H. BURGETT

The bill (H. R. 5048) for the relief of the estate of Cecile H. Burgett was considered, ordered to a third reading, read the third time, and passed.

ELIMINATION OF CERTAIN CREDITS OF THE UNITED STATES

The Senate proceeded to consider the bill (S. 2071) to eliminate as uncollectible certain credits of the United States, which had been reported from the Committee on Claims, with an amendment, on page 2, after line 2, to insert a new paragraph as follows:

The necessary bookkeeping entries are hereby authorized and directed to be made on the books of the Government to accomplish the purposes of this act.

So as to make the bill read:

Be it enacted, etc., That, at the close of the fiscal year 1945, there are hereby au-

thorized and directed to be eliminated, as uncollectible, from the accounts of the Treasury Department, the Post Office Department, and the General Accounting Office, the following items which have been carried as "Unavailable cash" since the year 1861: Assistant Treasurer of the United States, New Orleans, La., 1861, $31,164.44; Depositaries at Savannah, Ga., 1861, $205.76; Galveston, Tex., 1861, $83.36; Little Rock, Ark., 1861, $5,823.50.

The necessary bookkeeping entries are hereby authorized and directed to be made on the books of the Government to accomplish the purposes of this act.

Mr. BILBO. Will not the chairman of the committee give an explanation of the bill?

Mr. TUNNELL. Mr. President, the bill provides for eliminating from the accounts of the Treasury certain claims that were due by certain States before the War between the States. They are not collectible, of course. They have been carried as assets of the Government all these years. This bill is merely to straighten out the books.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATURALIZATION OF PERSONS WITH SERVICE IN WORLD WAR NO. 2

Mr. CHAVEZ. Mr. President, while I was out of the Chamber a few minutes ago, calendar No. 1250, House bill 1284, was called, and the senior Senator from Mississippi [Mr. BILBO] asked that it go over, stating that he desired an explanation. I wonder if the Senate will give me unanimous consent to recur to the bill so that I may make a short explanation.

The PRESIDING OFFICER. Is there objection?

Mr. WHITE. What is the request?

The PRESIDING OFFICER. That the Senate return to Calendar 1250, House bill 1284, on page 10 of the calendar.

Mr. CHAVEZ. Mr. President, I am not a member of the Committee on Immigration, but I happen to know the purport of the bill. The report was submitted to the Senate by the Senator from Georgia [Mr. RUSSELL], after a complete investigation of cases of men born in foreign countries now serving or having served in the naval and military forces of the United States, which cases would come under the provisions of the bill.

I am sure that all Senators within hearing of my voice know that the Senator from Georgia is very diligent in investigating immigration cases, and on behalf of the Committee on Immigration he has reported the bill favorably.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. CHAVEZ. Yes.

Mr. DANAHER. Is it not also the fact that the War Department and the American Legion have recommended the bill?

Mr. CHAVEZ. That is true. There are probably 50 or perhaps a hundred boys who are actually in combat duty whom this bill would relieve in the matter of their becoming American citizens. They must go through the hazards of fighting in battle, and should be assisted in the way the bill assists them to become American citizens. Every one who has considered the bill, including members of the Committee on Immigration consider it to be a very good bill. The American Legion, the Veterans of Foreign Wars, the Disabled Veterans favor the bill. Many other requests have come not only from my State but from other States, that the bill pass.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 1284) relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war.

Mr. DANAHER. Mr. President, in the committee amendment on page 2, line 17, I move to strike out the words "beyond the continental limits of the United States."

Mr. GEORGE. Mr. President, I shall ask that the bill go over if that be done. I have not had a chance to read the bill, but if the provision makes eligible individuals who serve outside of the United States, say the Philippines, or on islands in the Pacific——

Mr. DANAHER. Mr. President, let me call the Senator's attention to the letter of the Attorney General which appears in Report No. 1232 to accompany House bill 1284.

Mr. GEORGE. I shall be glad to hear it.

Mr. DANAHER. The Attorney General calls particular attention to this point:

> If a person in this category serves honorably in the armed forces of the United States, it would seem that he should be given the same opportunity to become a citizen of the United States that is accorded by existing law to a person who entered the United States legally.

Let me say to the Senator from Georgia that if there are two brothers, both of whom, let us say, were born in Canada and both of whom are in the American service, and if by accident of a War Department order one is ordered to service in France and the other is ordered to service, let us say, on the Panama Canal, the point is that one is eligible for citizenship and the other is not. Surely we do not want any such unfair discrimination. The real test is whether or not the soldier, having been ineligible for naturalization for one reason or another—he may have lost his certificate of legal entry—and who is now in the armed forces, shall become qualified.

Mr. GEORGE. I do not know what the effect of the Senator's amendment would be, but I should like to have the bill go over if the amendment is adopted, unless I can understand what it means. I presume the bill makes eligible for American citizenship individuals who are not now entitled to come in under the quota.

Mr. DANAHER. Not necessarily.

Mr. GEORGE. It might. The measure must amend the quota law; it must amend the general immigration act.

Mr. DANAHER. So there will be no question; I will withdraw the amendment.

Mr. BURTON. Mr. President, commenting on House bill 1284, which is recommended by the Committee on Immigration, it has already passed the House of Representatives, but the Committee on Immigration felt it might be wise to make it a little more restrictive. The purpose of it is especially this: There are many men in the armed services who had some irregularity relating to their entry into this country, and who, therefore, were unable to obtain prompt naturalization. The result was that they became involved in military service abroad under conditions which might get them into difficulty with the enemy, they not being American citizens. Therefore it is felt vitally important, and recommended by the War Department, the American Legion, and the Department of Justice, that the procedure be simplified so that they can be promptly made citizens. When the bill passed the House it was in a broad form, but when acted upon by the Committee on Immigration two amendments were inserted. One limited the measure to those who entered the service of the United States and began to reside here prior to September 1, 1943, so as to avoid its being made use of as an escape from immigration procedures in the future, but to cover those features where there had been some irregularities which could not otherwise be met. The other limited the measure to cases overseas, it being felt that those were the cases where the need would arise and where the soldiers would be put in jeopardy, whereas so long as they were in the United States they could follow the normal procedure.

As I understand, the objection has been withdrawn.

The VICE PRESIDENT. The amendmen tof the Committee on Immigration will be stated.

The amendment was on page 1, beginning in line 3 to strike out:

> That section 701 of the Nationality Act of 1940, as amended, is amended—
>
> (r) By striking out "who, having been lawfully admitted to the United States, including its Territories and possessions, shall have been at the time of his enlistment or induction a resident thereof" and inserting in lieu thereof the following: "who shall have enlisted or been inducted while in the United States, including its Territories and possessions."
>
> (b) By inserting after the words "no declaration of intention" a comma and "no certificate of arrival."

And insert;

> That section 701 of the Nationality Act of 1940 (56 Stat. 182–183; 8 U. S. C. 1001), as amended, is amended—
>
> (a) By striking out "who, having been lawfully admitted to the United States, including its Territories and possessions, shall have been at the time of his enlistment or induction a resident thereof" and inserting in lieu thereof the following: "Who shall have been at the time of his enlistment or induction a resident thereof and who (a) was lawfully admitted into the United States, including its Territories and possessions, or (b) having entered the United States, including its Territories and possessions, prior to September 1, 1943, being unable to establish lawful admission into the United States

serves honorably in such forces beyond the continental limits of the United States or has so served."

(b) By inserting after the words "no declaration of intention" the following: "no certificate of arrival for those described in group (b) hereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. BURTON. Mr. President, do I understand correctly that the committee amendment was adopted?

The VICE PRESIDENT. The committee amendment was adopted and the bill has been passed, as amended.

Mr. BILBO. Mr. President, is Calendar No. 1250, House bill 1284, being passed on?

The VICE PRESIDENT. That is the bill which was passed, as amended.

Mr. BILBO. I asked that the bill go over.

Mr. BURTON. I understood the bill had been brought up again for consideration and discussion.

Mr. BILBO. I do not object to discussion, but I objected to the bill and asked that it go over.

The VICE PRESIDENT. Without objection, the vote by which House bill 1284 was passed will be reconsidered, and the bill will be passed over.

Mr. BILBO subsequently said: Mr. President, a short time ago I objected to consideration of House bill 1284, Calendar No. 1250. I did not wish to be understood as having objected to the measure itself, but I wished to have an opportunity to examine the bill and the report. I have done so, and I am pleased to withdraw my opposition.

The VICE PRESIDENT. Is there objection to the present consideration of House bill 1284, Calendar No. 1250? The Chair hears none.

Mr. DANAHER. Mr. President, the bill has been considered and passed.

Mr. BILBO. Mr. President, I now withdraw my objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill? The Chair hears none. The question is on the passage of the bill.

The bill (H. R. 1284) was passed.

Mr. BURTON. Mr. President, am I to understand that the committee amendment has been agreed to, and that the bill has been passed as amended?

The VICE PRESIDENT. Yes; the committee amendment was agreed to.

The clerk will state the next bill on the calendar.

PEARL SAIEVITZ HURWITZ AND RUTH LEVIN

The bill (H. R. 2373) for the relief of Pearl Saievitz Hurwitz and Ruth Levin was considered, ordered to a third reading, read the third time, and passed.

MRS. AGNES WOLTERS

The bill (H. R. 2213) for the relief of Mrs. Agnes Wolters was considered, ordered to a third reading, read the third time, and passed.

SENATOR FROM WASHINGTON

Mr. LUCAS presented the credentials of WARREN G. MAGNUSON, of Washington, appointed a Senator from that State for the unexpired term of Homer T. Bone, resigned, ending on the second day of January 1945, which were read, and ordered to be filed, as follows:

STATE OF WASHINGTON,
Executive Department, Olympia.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that puruant to the power vested in me by the Constitution of the United States and the laws of the State of Washington, I, Arthur B. Langlie, the Governor of said State, do hereby appoint WARREN G. MAGNUSON, a Senator from said State to represent said State in the Senate of the United States, filling the vacancy therein caused by the resignation of Homer T. Bone.

In witness whereof I have hereunto set my hand and caused the seal of the State to be affixed at Olympia this 12th day of December 1944.

ARTHUR B. LANGLIE,
Governor of Washington.

By the Governor:
[SEAL] BELLE REEVES,
Secretary of State.

Mr. LUCAS. Mr. President, the Senator-designate from Washington is present in the Chamber, and ready to take the oath of office.

The VICE PRESIDENT. If the Senator-designate will present himself at the desk, the oath will be administered to him.

Mr. MAGNUSON, escorted by Mr. LUCAS, advanced to the Vice President's desk, and the oath prescribed by law was administered to him by the Vice President.

LINDSEY HARCROW

The VICE PRESIDENT. The clerk will continue the call of the calendar.

The bill (H. R. 763) for the relief of Lindsey Harcrow was considered, ordered to a third reading, read the third time, and passed.

GLADYS A. ENNIS AND OTHERS

The bill (H. R. 195) for the relief of Gladys A. Ennis as executrix of the estate of George Pearse Ennis, deceased, and Oscar H. Julius; and the Excelsior Automotive Service, Inc., was considered, ordered to a third reading, read the third time, and passed.

PUGET SOUND BRIDGE & DREDGING CO.

The bill (H. R. 449) for the relief of the Puget Sound Bridge & Dredging Co., was considered, ordered to a third reading, read the third time, and passed.

GALEN E. WALTER

The bill (S. 2088) for the relief of Galen E. Walter, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Galen E. Walter, Pony, Mont., who allegedly sustained an injury on May 9, 1942, while employed as a forest guard at the Gallatin National Forest, and his claim for compensation is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim within 6 months from date of the approval of this act: *Provided*, That no benefit shall accrue prior to the approval of this act.

ELSIE HAWKE

The bill (H. R. 3584) for the relief of Elsie Hawke was considered, ordered to a third reading, read the third time, and passed.

F. L. GAUSE AND THE LEGAL GUARDIAN OF ROSALIND AND HELEN GAUSE, MINORS

The Senate proceeded to consider the bill (H. R. 3996) for the relief of F. L. Gause and the legal guardian of Rosalind and Helen Gause, minors, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$10,000" and insert "$7,120.65"; and in line 9, after the words "sum of", to strike out "$12,500" and insert "$6,000."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

A. L. RINKENBERGER AND JOHN FLOERING

The Senate proceeded to consider the bill (H. R. 2066) for the relief of A. L. Rinkenberger and John Floering which had been reported from the Committee on Claims, with amendments on page 1, line 6, after the words "sum of", to strike out "$5,000" and insert "$2,500"; and in line 7, after the words "sum of", to strike out "$10,000" and insert "$7,500."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MR. AND MRS. SEBASTIAN EGER

The Senate proceeded to consider the bill (H. R. 976) for the relief of Mr. and Mrs. Sebastian Eger which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of" to strike out "$2,000" and insert "$1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KELLY HOBBS

The bill (H. R. 4125) for the relief of Kelly Hobbs was considered, ordered to a third reading, read the third time, and passed.

HENRY STOVALL

The bill (H. R. 1772) for the relief of Henry Stovall was considered, ordered to a third reading, read the third time, and passed.

G. F. ODOM

The bill (H. R. 545) for the relief of G. F. Odom was considered, ordered to a

third reading, read the third time, and passed.

RECOGNITION OF OUTSTANDING SERVICE RENDERED BY FIELD MARSHAL SIR JOHN DILL

The joint resolution (S. J. Res. 158) recognizing the outstanding service rendered to the United Nations by Field Marshal Sir John Dill was announced as next in order.

The VICE PRESIDENT. The Chair will state that an identical joint resolution of the House is now pending before the Foreign Relations Committee, House Joint Resolution 317. Without objection, that committee will be discharged from further consideration of the joint resolution, and, without objection, House Joint Resolution 317 is passed, and the Senate joint resolution will be indefinitely postponed.

ESTATE OF EVERETT MAXWELL

The bill (H. R. 4674) for the relief of the estate of Everett Maxwell was considered, ordered to a third reading, read the third time, and passed.

ROSA LEE FOREMAN

The bill (H. R. 4309) for the relief of Rosa Lee Foreman was considered, ordered to a third read, read the third time, and passed.

EMPLOYEES OF THE UNITED STATES COURT FOR CHINA

The bill (H. R. 4080) for the relief of certain former employees of the United States Court for China was considered, ordered to a third reading, read the third time, and passed.

MRS. WILLIAM M. WATSON AND R. H. PRICE

The bill (H. R. 3323) for the relief of Mrs. William M. Watson and R. H. Price was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF EMMA B. FLEET

The bill (H. R. 4878) for the relief of the estate of Emma B. Fleet, deceased, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM WEBER

The bill (H. R. 4200) for the relief of William Weber was considered, ordered to a third reading, read the third time, and passed.

MRS. FLORENCE ARMSTRONG

The bill (H. R. 4331) for the relief of Mrs. Florence Armstrong was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF FRANCIS A. COLLINS

The bill (H. R. 5034) for the relief of the estate of Francis A. Collins was considered, ordered to a third reading, read the third time, and passed.

BOARD OF COUNTY COMMISSIONERS OF VOLUSIA COUNTY, FLA.

The bill (H. R. 4815) for the relief of the Board of County Commissioners of Volusia County, Fla., was considered, ordered to a third reading, read the third time, and passed.

WILFRED T. PLANT, SR.

The bill (H. R. 4817) for the relief of Wilfred T. Plant, Sr., was considered, ordered to a third reading, read the third time, and passed.

MRS. ROSE POISSON

The bill (H. R. 3285) for the relief of Mrs. Rose Poisson, was considered, ordered to a third reading, read the third time, and passed.

MRS. ANNA CHANDLER

The bill (H. R. 3881) for the relief of Mrs. Anna Chandler, was considered, ordered to a third reading, read the third time, and passed.

HENRY CLAY WALKER

The bill (H. R. 4305) for the relief of Henry Clay Walker, was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF REISSUED LETTERS PATENT NO. 19,023

The bill (H. R. 2994) to extend Reissued Letters Patent No. 19,023, was considered, ordered to a third reading, read the third time, and passed.

IRA CANNON

The bill (H. R. 4105) for the relief of Ira Cannon was considered, ordered to a third reading, read the third time, and passed.

WASHINGTON ASPHALT CO.

The bill (H. R. 2903) for the relief of Washington Asphalt Co., was considered, ordered to a third reading, read the third time, and passed.

O. S. STAPLEY CO.

The bill (H. R. 3852) for the relief of the O. S. Stapley Co., was considered, ordered to a third reading, read the third time, and passed.

F. L. RIDDLE

The bill (H. R. 1218) for the relief of F. L. Riddle was considered, ordered to a third reading, read the third time, and passed.

JOHN CASEY AND MARIE CASEY

The bill (H. R. 4016) for the relief of John Casey and Marie Casey was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF IDA M. RUTHERFORD

The bill (H. R. 2827) for the relief of the estate of Ida M. Rutherford was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF ANNIE BROWN

The bill (H. R. 4703) for the relief of the estate of Annie Brown was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF VIOLET DEGROOT

The bill (H. R. 3727) for the relief of the legal guardian of Violet DeGroot was considered, ordered to a third reading, read the third time, and passed.

ALBERT B. WEAVER

The bill (H. R. 4442) for the relief of Albert B. Weaver was considered, ordered to a third reading, read the third time, and passed.

CLARENCE G. DOELLING

The bill (H. R. 3279) for the relief of Clarence G. Doelling was considered, ordered to a third reading, read the third time, and passed.

CITY AND COUNTY OF SAN FRANCISCO

The bill (H. R. 3590) for the relief of the city and county of San Francisco was considered, ordered to a third reading, read the third time, and passed.

ARCHIE BERBERIAN

The bill (H. R. 3465) for the relief of Archie Berberian was considered, ordered to a third reading, read the third time, and passed.

MABELLE E. OLIVE

The bill (H. R. 4380) for the relief of Mabelle E. Olive was considered, ordered to a third reading, read the third time, and passed.

CLYDE H. PALMER

The bill (H. R. 5060) for the relief of Clyde H. Palmer was considered, ordered to a third reading, read the third time, and passed.

MRS. RUBY WINSCH

The bill (H. R. 4014) for the relief of Mrs. Ruby Winsch was considered, ordered to a third reading, read the third time, and passed.

HUBERT McMAHON

The bill (H. R. 3017) for the relief of Hubert McMahon, was considered, ordered to a third reading, read the third time, and passed.

FLOYD E. AND LENA MAE DRUMMOND

The bill (H. R. 3678) for the relief of Floyd E. and Lena Mae Drummond, was considered, ordered to a third reading, read the third time, and passed.

ACCOUNTS OF CLERKS AND MARSHALS OF UNITED STATES COURTS

The bill (H. R. 2969) to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals, was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF CERTAIN LAND FROM VETERANS ADMINISTRATION TO CITY OF LOS ANGELES, CALIF.

The bill (S. 2185) to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the city of Los Angeles, Calif., for fire-station purposes, the title to certain land located at Veterans Administration facility, Los Angeles, Calif., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to transfer by quitclaim deed to the city of Los Angeles, State of California, the property hereinafter described and located at the Veterans' Administration facility, Los Angeles, Calif., subject to the conditions that the property shall be used for fire-station purposes and that 24 hours' fire protection be furnished to all

accessible parts of the Veterans' Administration facility, Los Angeles, Calif., without charge:

That portion of lot 2, block 23, subdivision of Rancho San Jose De Buenos Ayres, as per map recorded in book 26, pages 19 to 25, inclusive, Miscellaneous Records of Los Angeles County, bounded and described as follows:

Beginning at a point in the northeasterly line of Veteran Avenue, formerly Lookout Avenue, as described in deed recorded in book 5162, page 231, of deeds, records of said county, distant thereon eighteen feet northwesterly from the northerly line of that certain twenty-foot strip of land conveyed to the county of Los Angeles for drainage purposes, described in parcel 1 of deed recorded in book 7376, page 225, Official Records of said county, said point of beginning being distant along said northeasterly line of Veteran Avenue northwesterly seven hundred and thirty-three and eighty-five one-hundredths feet from the northwesterly line of Wilshire Boulevard, one hundred feet wide; thence northwesterly along said northeasterly line one hundred feet; thence northeasterly at right angles to said northeasterly line one hundred and fifty feet; thence southeasterly parallel with said northeasterly line of Veteran Avenue one hundred feet; thence southwesterly in a direct line one hundred and fifty feet to the point of beginning; containing three hundred and forty-four one-thousandths acre, more or less.

The deed authorized by this act shall contain the express reservation that should the city of Los Angeles, Calif., either fail to use the property for fire-station purposes or furnish twenty-four hours' fire protection to all accessible parts of the Veterans' Administration facility, Los Angeles, Calif., then all right, title, and interest in such property shall revert to and revest in and become the property of the United States, except in the event that such failure to so furnish fire protection is temporary and is due to conditions beyond the control of the city of Los Angeles. The deed shall further provide that in the event that all right, title, and interest in such property so revert to and revest in the United States, the city of Los Angeles may remove the buildings and structures then existing on such property upon condition that said city of Los Angeles restore the land as nearly as possible to its former condition without expense to the United States.

CONVEYANCE OF CERTAIN EASEMENTS TO CHESAPEAKE & OHIO RAILWAY

The bill (H. R. 5453) authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway Co., a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park, was considered, ordered to a third reading, read the third time, and passed.

LUMP SUM PAYMENT TO GOVERNMENT EMPLOYEES FOR ACCRUED ANNUAL LEAVE

The Senate proceeded to consider the bill (H. R. 4918) to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service, which had been reported from the Committee on Civil Service with amendments.

The first amendment was in section 1, on page 2, line 15, after the word "regarded", to insert "except for purposes of taxation."

The amendment was agreed to.

The next amendment was in section 3, on page 3, line 9, after the word "regarded", to insert "except for purposes of taxation."

The amendment was agreed to.

Mr. WALSH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. In section 2, on page 2, at the end of line 24, it is proposed to insert "shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence: First, to the beneficiary or beneficiaries, if any, lawfully designated by the employee under the retirement act applicable to his service; second, if there be no such designated beneficiary, to the estate of such deceased employee."

Mr. WALSH. Mr. President, I have conferred with the Senator from California [Mr. DOWNEY] and he has no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. DOWNEY. Mr. President, I wish to offer several perfecting amendments to the bill so as to have the terms of the bill apply to employees of the District of Columbia.

The VICE PRESIDENT. The first amendment offered by the Senator from California will be stated.

The CHIEF CLERK. In section 1, on page 2, line 6, after the word "service" it is proposed to insert "or in or under the Government of the District of Columbia."

The amendment was agreed to.

The VICE PRESIDENT. The next amendment offered by the Senator from California will be stated.

The CHIEF CLERK. In section 1, on page 2, following the period in line 12, it is proposed to strike out "The" and insert "in the case of reemployment in the Federal service the."

The amendment was agreed to.

The VICE PRESIDENT. The next amendment offered by the Senator from California will be stated.

The CHIEF CLERK. In section 1, on page 2, line 14, after the word "receipts" it is proposed to insert a comma and the words "and in case of reemployment in or under the Government of the District of Columbia the sum so refunded shall be covered into the Treasury to the credit of the District of Columbia."

The amendment was agreed to.

Mr. TAFT. Mr. President, will the Senator explain exactly what the bill does? It has some relation to the program which we considered for unemployment compensation for Federal employees, which was discussed in the conference committee.

Mr. DOWNEY. No. I can say to the distinguished Senator that the bill merely provides a method by which accrued leave compensation may be paid to Government employees upon their discharge from the civil service. The report is very brief. If the Senator desires to have it read, I shall be glad to read it. It is entirely explanatory.

Mr. TAFT. I should like to know what the bill provides for employees that they do not now receive.

Mr. DOWNEY. It merely means that they will receive in a lump sum upon their discharge from the civil service any payment which is due them because of accruals, or because of not having taken vacations. Does the Senator wish to have the report read? It is very brief.

Mr. TAFT. Am I to understand that today if an employee is discharged, and has accumulated leave, he is permitted to remain on the pay roll for 3 or 4 weeks until he is paid?

Mr. DOWNEY. That is correct.

Mr. TAFT. Without performing any service?

Mr. DOWNEY. That is correct.

Mr. TAFT. Would this bill merely provide that in cases in which a discharge occurs, the money due him may be paid in a lump sum?

Mr. DOWNEY. That is correct. I will say to the distinguished Senator that it would cost the Government not 1 cent more.

Mr. TAFT. Is that the only purpose of the bill?

Mr. DOWNEY. That is its only purpose.

Mr. BURTON. Mr. President, I understand that there is also a benefit in connection with the death of an employee. The bill would enable the estate to collect a lump sum, which is, of course, a matter of convenience.

Mr. DOWNEY. That is correct.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. BURTON. Mr. President, I should like to ask the Senator from California if he will have placed in the RECORD, immediately following the discussion, the report of the committee, inasmuch as the printed report has not been placed on the desks of Senators.

Mr. DOWNEY. In accordance with the request of the Senator from Ohio, I send to the desk the report on the bill just passed, and ask that it be printed in the RECORD at this point.

There being no objection, the report (No. 1300) was ordered to be printed in the RECORD, as follows:

The Committee on Civil Service, to whom was referred the bill (H. R. 4918) to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The purpose of the bill is to provide for a lump-sum payment for accumulated or accrued annual or vacation leave due to any officer or employee of the Government in the event of his separation from the service. Under existing law a separated employee can be compensated for accumulated and accrued leave only by being retained on the pay roll until he has received salary covered by the period of such leave.

The first section of the bill provides for payment to the separated employee equal to the compensation which he would have received had he remained in the service until the expiration of the period of his accumulated and accrued leave. In the event an employee who has received a lump-sum payment under the bill becomes reemployed in the Government service prior to the expiration of his leave period, he would be required, under the provisions of the bill, to refund to the Government an amount equal to the compensation covering the period between the date of reemployment and the expiration of such leave period.

Section 2 of the bill makes provision for making payment for accumulated and accrued annual leave to the estates of deceased employees.

Under section 3 provision is made for payment in the case of employees transferring to positions under different leave systems. In the past such payments have been prevented by the prohibition against receiving dual compensation.

The provisions of the bill will in many cases provide needed financial assistance to separated employees in returning to their homes and reestablishing themselves in other employment. In addition, the bill would provide other benefits, such as elimination of the problem of dual compensation; stop service credit on the last day of active duty; permit the immediate filling of vacancies due to the separation of employees; and would eliminate much time-consuming paper work and pay-roll sections, with a resulting saving of expenses to the Government.

The bill as passed by the House provided that lump-sum payments to employees thereunder should not be regarded as salary or compensation and should not be subject to retirement deductions. The committee recommends that this provision be amended where it appears in sections 1 and 3 so as to make it clear that it is not intended to exempt such payment from taxation.

The enactment of this legislation has been recommended by the Civil Service Commission.

HEALTH PROGRAMS FOR GOVERNMENT EMPLOYEES

The Senate proceeded to consider the bill (S. 2201) to provide health programs for Government employees.

Mr. DOWNEY. Mr. President, I send to the desk a perfecting amendment which I wish to offer, and ask that it be stated.

The VICE PRESIDENT. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. On page 2, after the period in line 16, it is proposed to insert the following:

Wherever the professional services of physicians are authorized to be utilized under this act, the definition of physician contained in the act of September 7, 1916, as amended (U. S. C., 1940 ed., title 5, ch. 15, sec. 790), shall be applicable.

Mr. REED. Mr. President, let the bill go over.

Mr. DOWNEY. Mr. President, will the Senator withhold his objection for a moment?

Mr. REED. Very well.

Mr. DOWNEY. Let me say to the Senator that this is merely a perfecting amendment which defines the word "physician" as used in the bill.

Mr. REED. A hasty glance at the bill and the report of the committee indicates that it is of such a character as to require more discussion than is possible under these circumstances, and that it ought not to be passed on the call of the calendar.

Mr. DOWNEY. Let me say to the distinguished Senator that this amendment merely defines the word "physician" in the bill. It is a perfecting amendment.

Mr. REED. I have no objection to the Senator offering perfecting amendments. When they shall have been disposed of, however, I think the bill should go over.

Mr. DOWNEY. If the Senator will further withhold his objection, I should like to read the report on the bill. It is very brief.

Mr. REED. I have read it.

Mr. DOWNEY. No objection has been raised to the bill. It is acceptable to the physicians' societies, and all the civil service groups want it. The Civil Service Commission and other Government agencies favor it. All the bill provides is an authorization so that if Congress makes the appropriation, emergency dental care and emergency physical care may be provided in the various Governmental agencies, just as in the Senate we have a physician who provides a certain degree of medical attention. The bill would authorize such medical attention to be requested of Congress by the various agencies, but nothing could be done until an appropriation was made by Congress. So far as I am aware there is no objection to the bill from any source. It was favorably reported from our committee by unanimous vote. Under those conditions, I wonder if the Senator can see fit to withdraw his objection.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. TAFT. Mr. President, I object.

Mr. REED. Mr. President, I did not withdraw my objection. The Senator from California has introduced a bill authorizing "the heads of departments and agencies, * * * within the limits of appropriations made available therefor, to establish by contract or otherwise health programs which will provide health services for employees under their respective jurisdictions." If that is not a rather sweeping measure, I do not know what one would be. Certainly it should receive more consideration than it can receive during the call of the calendar, when we are proceeding under the 5-minute rule. So, Mr. President, I maintain my objection.

Mr. DOWNEY. Mr. President, at this time I desire to read the very short report which accompanies the bill. It is Report No. 1299, and it reads as follows:

The Committee on Civil Service, to whom was referred the bill (S. 2201) to provide for health programs for Government employees, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the bill is to provide for promoting and maintaining the physical and mental fitness of employees of the Federal Government. To carry out these purposes the heads of departments and agencies would be authorized, within the limits of appropriations made by the Congress, to establish health programs for their employees. Services provided under such programs shall be limited to treatments of minor illnesses and dental conditions and emergency cases of injury or illness sustained by an employee in the performance of his duty; preemployment and other examinations; referral of employees to private physicians and dentists; and education and preventive programs relating to health.

The Civil Service Commission is designated as the coordinating agency in the development of such services, and programs shall be established only upon recommendation of the Commission after consultation with the Public Health Service.

The enactment of this legislation has been recommended by the Civil Service Commission, the Public Health Service, the Bureau of the Budget, and a number of other Federal agencies.

I may say that such services have already been set up in many governmental agencies; and, as I have stated, such services are maintained here in Congress, as well as in other governmental agencies.

The VICE PRESIDENT. Objection being heard, the bill will be passed over.

ESTABLISHMENT OF DISTRICT OF COLUMBIA AS A JUDICIAL CIRCUIT

The bill (H. R. 5518) to amend section 119 of the Judicial Code, was considered, ordered to a third reading, read the third time, and passed.

REGISTRATION AND PROTECTION OF TRADE-MARKS

The Senate proceeded to consider the bill (H. R. 82) to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, which had been reported from the Committee on Patents, with amendments.

The first amendment was, on page 5, in line 1, after the words "use of the", to strike out "goods", and insert "marks."

The amendment was agreed to.

The next amendment was, on page 16, after line 1, to insert "This subsection shall not be subject to the provisions of section 13 of this act."

The amendment was agreed to.

The next amendment was, on page 13, line 7, after the word "register", to insert "or any Government agency which believes that the public interest will be adversely affected."

The amendment was agreed to.

The next amendment was, on page 16, line 12, after the word "registered", to insert "except that the fee and verification herein provided for shall not be required of any Government agency."

The amendment was agreed to.

The next amendment was on page 17, in line 1, after the word "fee", to insert "or any Government agency which believes that the public interest is or will be adversely affected may without the payment of fee,".

The amendment was agreed to.

The next amendment was, on page 21, after line 16, to insert:

The Commissioner of Patents shall not be a necessary party to an inter partes proceeding under Revised Statutes 4915, but he shall be notified of the filing of the bill by the clerk of the court in which it is filed and the Commissioner shall have the right to intervene in the action.

The amendment was agreed to.

The next amendment was, on page 23, in line 24, after the word "register", to strike out "he may at any time apply to the Commissioner to cancel such registration," and insert "or whenever any Government agency believes that the public interest is adversely affected petition to cancel such registration may be filed with the Commissioner at any time."

The amendment was agreed to.

The next amendment was, on page 24, line 23, after the figure "42", to insert "(b)."

The amendment was agreed to.

The next amendment was, on page 25, in line 3, to strike out:

SEC. 28. Registration on the supplemental register or under the Act of March 19, 1920, shall not be filed in the Department of the Treasury or be used to stop importations.

The amendment was agreed to.

The next amendment was, on page 25, in line 20, after the word "registration," to strike out the colon and the words: "*Provided, however,* That the foregoing requirement as to notice shall be deemed fulfilled in respect to a registered mark used in connection with goods or services of foreign origin if the mark as used is accompanied by the notice of registration used in the country of origin of the goods or services to denote registration there."

The amendment was agreed to.

The next amendment was, on page 30, after line 6, to strike out:

(3) If goods bearing a registered mark have been put on the market by or with the authority of the registrant of a registered mark or in any package or other container bearing said mark and a notice that the goods may be resold only unaltered or unrenovated or in the original package or container and said goods or any part thereof have, without the authority of the registrant, been transferred to another package or container or been in any way altered or renovated, any person who shall, in commerce, make any use of or reference to said registered mark upon or in connection with the sale or advertising of such transferred or altered or renovated goods shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided.

The amendment was agreed to.

The next amendment was, on page 32, after line 11, to insert:

(6) That the mark whose use is charged as an infringement was registered and used prior to the publication under subsection (a) or (c) of section 12 of this act of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense shall apply only where the said mark has been published pursuant to subsection (c) of section 12 and shall apply only for the area in which the mark was used prior to the date of publication of the registrant's mark under subsection (a) or (c) of section 12 of this act.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Florida about the bill. It seems that there are a great many pages to it. Does it generally go over the patent law?

Mr. PEPPER. No; it relates only to the trade-mark law.

Mr. McKELLAR. Does it make changes in the trade-mark law?

Mr. PEPPER. It does make some changes. I should like the Senator to know that Mr. FRITZ LANHAM, for whom I know the Senator has such high regard, met with the Committee on Patents several times. The House has passed the bill three times. The Senate committee reported it favorably last year, but it was not reached in time to be passed during the last session. Recently we held hearings on the bill.

Mr. McKELLAR. What changes would the bill make in the trade-mark law?

Mr. PEPPER. The bill is somewhat of a recodification of the trade-mark law, let me say to the Senator.

Mr. McKELLAR. That is the point about which I was thinking. If it is a recodification of the entire trade-mark law, should it not be taken up at some other time, rather than now, under the 5-minute rule? The trade-mark law is very important. If the bill makes important changes—and from the fact that the clerk has been reading an amendment on page 32, I judge that it does—and if it is a recodification of all the trade-mark law, I ask the Senator if he will not allow its consideration to go over until some other time, when it can be discussed at greater length.

Mr. HAWKES. Mr. President, if the Senator will yield to me, I should like to make an explanation to the Senator from Tennessee. When he understands what the committee has gone through and that the bill has been before Congress for 6 years and that practically every essential feature of the bill, except the few amendments, has been approved by the House of Representatives twice and has been approved by the Senate twice, I think the Senator will not object to its present consideration. In other words, Mr. President, the bill was almost passed by the Senate during the last Congress, but at the last moment was sent back to committee for a simple amendment, and therefore did not become law.

When I tell the Senator from Tennessee that the bill will not become effective for a whole year after it is passed, and that any amendment which he or any other Senator may think is necessary can be taken up in the next session of Congress without any difficulty, I am sure he will not object to the present consideration of the bill.

I should like to read to the Senator a statement contained in the hearings on the bill, which refers to the things the bill will accomplish. It will take me only a minute or two to read it:

1. To put all existing trade-mark statutes in a single piece of legislation.

2. To carry out by statute our international commitments to the end that American traders in foreign countries may secure the protection to their marks to which they are entitled. Although it has solemnly pledged at inter-American conventions to do so, the United States has failed adequately to protect owners of trade-marks in the other American countries doing business with this country. As a result of this inaction our business organizations have not received reciprocal advantages in the other Americas. The bill remedies this matter, eliminates these sources of friction with our Latin-American friends, and will facilitate mutual trade in this hemisphere. These features make this bill of primary importance now.

3. To modernize the trade-mark statutes so that they will conform to legitimate present-day business practice.

4. To remedy construction of the present acts which have in several instances obscured and perverted their original purpose. These constructions have become so ingrained that the only way to change them is by legislation.

5. Generally to simplify trade-mark practice, to secure trade-mark owners in the goodwill which they have built up, and to protect the public from imposition by the use of counterfeit and imitated marks and false trade descriptions.

Mr. President, I may say that at the 2-day hearing which was conducted by the Senator from Florida [Mr. PEPPER] as chairman of the subcommittee, we were told over and over again that 90 percent of the business institutions of the country, both large and small, approved this bill. At the hearings there were represented many departments of the Government. The Department of Justice was represented. Practically every defect which was pointed out was cured. The bill now before the Senate has the approval of the business interests of the United States. They have worked for 6 years for such a bill. To reject the bill now would be almost a travesty on justice. We would have a full year after the enactment of the law to consider amendments to the law if anything wrong should develop with it. I urge the Senator from Tennessee not to object to the passage of the bill.

Mr. McKELLAR. Mr. President, the statement made by my distinguished friend the Senator from New Jersey [Mr. HAWKES] is very persuasive. Anything he says is always persuasive with me. I am not familiar with trade-marks. When the statement was made awhile ago that the bill would result in a recodification of the trade-mark law, I realized that the matter was important. Trade-marks are very important. It seems to me that a bill of this character, especially one which would not become effective for a year, should be brought before the Senate at some time when we can go thoroughly into it and discuss it fully. I know very little about trade-marks. I believe I have tried a few lawsuits concerning them, but they were tried many years ago. I do not have a clear recollection with regard to them. I am wondering if it would not be safer for us to have the matter of the recodification of all the trade-mark laws now on the statute books postponed until a time when the subject can be carefully examined instead of trying to examine it under the 5-minute rule during the last days of the Congress.

Mr. HAWKES. Mr. President, I have a very wholesome regard for my distinguished friend from Tennessee. He has been very helpful to me since I came to the Senate.

The Senator from Florida has said that the effect of the bill would be a recodification of the whole trade-mark law. I do not believe that would be the effect. I may say that the proposal now before us, with the exception of a few amendments, has been before the Senate for 6 years. We have had four hearings on the pending bill. We have spent thousands of dollars in connection with it. To say now to the people of the United States at this late date, after it has been acted upon by three Congresses, that we

do not know what it means, and to reject it in the expiring moments of this Congress, when a whole year will be allowed in which to amend the law, would, in my opinion, be inexcusable. I say to my dear friend, the Senator from Tennessee, that for the Senate to reject the bill now would be a reflection on Congress.

Mr. McKELLAR. Mr. President, I regret seeing a bill so important as the one now before us passed with so little consideration having been given to it. However, I shall not object.

Mr. O'MAHONEY. Mr. President, I regret very much being compelled to object. It will be observed that the bill was reported to the Senate on December 4. That was scarcely more than a week ago. It was reported with several amendments. The reason why the bill was not enacted during the several past years was the serious objection made to its terms. I know that in my office at the present moment there are communications from persons who are affected by the trade-mark law, and who object to some of the provisions of the bill. I have not had an opportunity to examine those communications, nor have I had an opportunity since the 4th of December to examine the report of the committee, or the amendments which have been suggested. Therefore, Mr. President, much as I regret doing so at this hour, I must object to the present consideration of the bill.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. PEPPER. Mr. President, I give notice now that at the conclusion of the call of the calendar I shall make a motion either to proceed to the consideration of this bill, or to fix a time for its consideration by the Senate.

Mr. HILL. Mr. President, I may say to my distinguished friend, the Senator from Florida [Mr. PEPPER], that the Senate has some very urgent matters to consider. I am not sure that the Senate can very well take up consideration of this bill immediately at the conclusion of the call of the calendar. There is a deficiency bill which will have to be passed, very likely tomorrow. We have certain nominations to consider, some conference reports, and other important matters which will have to be acted upon. I shall be glad to confer with the Senator about the matter.

Mr. PEPPER. Very well.

The PRESIDING OFFICER. The Chair asks the Senate to indulge the Chair in suggesting that Senators address the Chair so that the business of the Senate may be dispatched in an orderly way. The Chair will endeavor to recognize each and every Senator who desires to address the Chair, and will cooperate in every way in dispatching the business of the Senate.

AMENDMENT OF DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

Mr. McKELLAR. Mr. President, I have been called to attend a hearing at 4 o'clock of the Committee on Appropriations on the deficiency bill. On page 22 of the calendar, is Calendar No. 1397, House bill 5566, an act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944. The bill has been reported by the committee. I ask unanimous consent that the Senate proceed at this time to the consideration of House bill 5566.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and the clerk will state the bill by title for the information of the Senate.

Mr. TAFT. Mr. President, I object, without further consideration.

The PRESIDING OFFICER. Objection being made, the bill will be passed over, and the clerk will state the next bill on the calendar.

EXEMPTION OF OFFICERS AND EMPLOYEES OF THE OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT

The Senate proceeded to consider the bill (H. R. 4446) to exempt certain officers and employees within the Office of Scientific Research and Development from certain provisions of the Criminal Code, which had been reported from the Committee on the Judiciary with amendments, on page 1, after line 4, to insert "or in section 19 (e) of the Contract Settlement Act of 1944 (Public Law 395, 78th Cong.)."

The amendment was agreed to.

Mr. FERGUSON. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The amendment has been agreed to. Objection being heard, the bill will be passed over.

ADDITIONAL JUDGE FOR THE DISTRICT OF DELAWARE

The Senate proceeded to consider the bill (S. 1817) authorizing the appointment of an additional judge for the district of Delaware, which was read, as follows:

Be it enacted, etc., That the President of the United States, by and with the advice and consent of the Senate, shall appoint an additional judge of the district court of the United States for the judicial district of the State of Delaware, who shall possess the same powers, perform the same duties, and receive the same compensation and allowance as the present judge of said district.

Mr. DANAHER. Mr. President, I send forward to the desk an amendment and ask that it be stated.

The CHIEF CLERK. On page 1, line 6, after the word "who", it is proposed to insert a comma and "except where because of seniority other provision is made."

Mr. TUNNELL. Will the Senator explain what the amendment is?

Mr. DANAHER. Yes; I am happy to do so. I am in favor of the bill, and shall be glad to see it pass, but as it stands with the language appearing in lines 6 and 7, the additional judge, once appointed, "possess the same powers, perform the same duties, and receive the same compensation and allowance as the present judge of said district."

Obviously there is a difference in power between a judge who has occupied the bench for some time and one who is junior to him. Seniority rights and various prerogatives adhere to the senior position, and simply to the end that the senior rights of the senior judge may be protected, I have offered the amendment.

Mr. TUNNELL. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. DANAHER].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STUDY OF SAFETY PROVISIONS BY UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

The Senate proceeded to consider the bill (H. R. 4159) to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742).

Mr. LANGER. May we have an explanation of the bill?

Mr. PEPPER. Mr. President, I did not report the bill. It was reported by the chairman of the committee, the Senator from Utah [Mr. THOMAS]. I have talked with the Chairman of the United States Employees' Compensation Commission, which is interested in the bill, and she said the bill was merely to supply a procedural deficiency. They have jurisdiction, but there is some little deficiency which they thought should be corrected, and that is what is intended to be accomplished by the bill. I am sorry I cannot give the Senator more information, but I am sure the chairman of the committee, the Senator from Utah [Mr. THOMAS], would not have reported the bill from the committee if he had not investigated the situation.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

AUTHORIZATION OF CERTAIN TRANSACTIONS BY DISBURSING OFFICERS

The bill (H. R. 5062) to authorize certain transactions by disbursing officers of the United States, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

COMPENSATION OF EMPLOYEES IN THE POSTAL SERVICE

The bill (S. 1882) to increase the compensation of employees in the Postal Service was announced as next in order.

Mr. BYRD. Mr. President, this is a bill which is very important, involving a permanent increase in the salaries of the employees of the Post Office Department, which I understand will aggregate about $130,000,000 a year. There is no report from the Postmaster General in the files. I therefore ask that the bill not be taken up under the unanimous consent Calendar, but be considered at some appropriate time when there can be a full discussion.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MALONEY. I am not very hopeful of being able to persuade him to change his view, but I should like to point out

to the distinguished Senator from Virginia that at the present time these postal employees, who have been for so long underpaid, are getting a special wartime bonus, and that the proposed increase would in substance replace the present bonus. There is a very slight addition in the amount of money which would be paid them.

I understand the House of Representatives had the bill on its program for this afternoon.

Mr. MEAD. Mr. President, if I may interrupt, I have a message that the House has just passed the bill.

Mr. MALONEY. I knew that the House was considering it, because I talked with the majority leader about it early today.

Unless the bill before us is passed at this time, it will mean it will go over again, as it has in the past. It will mean that this wage increase, which is not a large increase, will not be given to these employees for at least a long time to come.

With complete respect for the Senator from Virginia, I say that it seems to me we have been shadow boxing with the postal employees for a long time, and that we will still give them a bonus if the bill is not passed.

Mr. BYRD. If the Senator will yield, we are not giving a bonus in this bill, but a permanent increase.

Mr. MALONEY. Just a moment. I believe that the present bonus will be retained if the bill is not passed. I hope, as well as believe, that we are not going to curtail wages after the war, or in the future.

This is an important matter to these men. The hardest working of all the Federal employees are the postal employees. I think the raise is well deserved and long overdue, and I am very hopeful that the able Senator from Virginia will withdraw his objection.

Mr. BYRD. Mr. President, I merely wish to make clear to the Senate that this is not a bonus, it is a permanent increase in salary.

Mr. MALONEY. The Senator is correct.

Mr. BYRD. The present bonus will continue until July 1, 1945.

Mr. MALONEY. The Senator is correct.

Mr. BYRD. A $300 bonus.

Mr. MALONEY. The Senator is correct.

Mr. BYRD. Now it is proposed to give a $400 permanent increase in salary, and this should be thoroughly discussed and understood. It is an important matter. I am not saying I shall oppose the bill. I have a high regard for the work of the postal employees and want to see full justice done, but I want to know all the facts, which is not possible under the 5-minute rule.

The Postmaster General, as I understand, has not endorsed the bill. If he has, it is not a part of the record here. This is a bill of such importance that certainly we should not consider it under the 5-minute rule.

Mr. MALONEY. I should like to have the RECORD show that the senior Senator from Connecticut has endorsed the bill, and feels that it is a long overdue recognition of great service.

Mr. BYRD. The Senator from Virginia will endorse the bill if he feels it to be right, and after he obtains all the facts with respect to it, but will not endorse it until he does.

Mr. MALONEY. I am sure that is a fact. I feel sure that as he ascertains the facts, the Senator from Virginia, for whom I have so much respect, will endorse the bill. I was hopeful that we might speed up this wage increase, which would replace the bonus now being paid. We are giving the postal employees almost as much now as they would get under the program proposed in this measure. The bonus would then be dropped, and these men would be brought up to a nearly appropriate wage situation.

Mr. MEAD. Mr. President——

Mr. MALONEY. I yield to the Senator from New York.

Mr. MEAD. In view of the fact that my distinguished colleague, the senior Senator from Connecticut, has yielded to me, I wish to make one or two observations as the sponsor of the bill.

First of all, I just sent for and received a report from the Postmaster General on the bill, and I should be very glad to pass it on to my distinguished colleague, the Senator from Virginia. I wish to say to him in all fairness that the Postmaster General does not recommend the bill in its present form. I desire to state, however, as the sponsor of the bill, that the postal employees have not received an increase since 1925, 20 years ago. Twenty years ago the revenues of the Postal Service amounted to approximately $500,000,000 plus. Today they approach the billion-dollar mark, and these employees are doing all the additional work, with very few additional employees. If we pass this bill we are going to pay these employees out of the added revenue they are producing, rather than out of the United States Treasury. So they differ from those employees in other departments of the Government in that as the result of their efficiency and their increased productivity they are producing the money which will take care of the salaries included in the bill.

As the distinguished Senator from Connecticut said, the bill will abolish the bonus of $300 and add $100 annually to the amount of the bonus. In view of the fact that these hardworking employees have not had a raise in salary in 20 years, and in view of the fact that any number of Senators have come to me day after day asking when the bill is to be brought up, and in view of the fact that it was reported by the House committee unanimously, and passed by the House today practically unanimously, I am told, I do not see why we cannot take it up this afternoon.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. MEAD. I gladly yield.

Mr. LA FOLLETTE. I find myself in complete agreement with everything that has been said by the senior Senator from Connecticut [Mr. DANAHER] and the junior Senator from New York [Mr. MEAD], but since the House has acted upon a similar measure this afternoon it would seem to me that the quickest way to obtain action, if action is to be had, would be to act upon the House bill, and I express the fervent hope that in the interim perhaps the Senator from Virginia [Mr. BYRD] after having an opportunity to look into this matter, will not object to our considering the House bill and acting upon it one way or the other before the present Congress adjourns.

Mr. MEAD. Mr. President, in that connection I will say to my colleague from Wisconsin that I am perfectly willing that the bill go over until the last bill on the Calendar has been acted upon, and at that time I shall ask that the House bill be substituted for the Senate bill, and that the House bill be passed.

Mr. LA FOLLETTE. I understand that the House bill has not yet been messaged to the Senate.

Mr. MEAD. We are checking on that.

Mr. LA FOLLETTE. After all, if action is to be had at this session of Congress, it will have to come on the House bill instead of on the Senate bill, because it would not do any good to send a bill over to the House when they have already passed an identical bill, and then Congress should adjourn. It would not result in a legislative enactment. I am hoping that perhaps the Senator from Virginia will look into the matter, because I agree with everything that has been said by the two able Senators who have previously spoken, and I do not know of any other measure which it seems to me is more meritorious or more deserving of consideration by this body.

Mr. MEAD. My understanding, if I may say so to my distinguished colleague, the Senator from Wisconsin, is that there is a possibility that the message from the House will come over at any time, and I am perfectly willing that the Senate bill go over until the end of the calendar, at which time I suggest taking up the House bill in lieu of the Senate bill.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. BUTLER. I think the suggestion made by the Senator from New York is exactly the program that is to be followed for the moment, but I had previously arisen to make a statement which I now wish to make. For many months I have followed this bill, as every other Senator has, with a great deal of interest. It is a bill which, perhaps, should have been brought up when we had ample time for discussion, if discussion is desired, but I think we are all perfectly familiar with the situation, and in view of the meritorious service rendered by the men and women who are on the pay rolls as postal employees I hope a way may be found to act favorably on the matter today.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. DANAHER. I should like to have the RECORD show that when we are conducting the business of the Senate on the unanimous-consent calendar the expression of a single objection is sufficient to defer action on a bill. I can assure the Senator from New York that, although debate is cut off in that way and

the matter is not before us and we cannot vote on it simply because one objection has been voiced, there are a great many friends of this proposed legislation on the floor of the Senate, and if under the rule the bill can be brought up the Senator from New York can be assured of very substantial support.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MEAD. Can we not have an understanding that the bill be taken up at the conclusion of the call of the calendar.

Mr. BYRD. I have made objection, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. MEAD. I did not understand that objection had been made.

The PRESIDING OFFICER. The Senator from Virginia [Mr. BYRD] has made objection.

Mr. BYRD. I object to taking up the bill under the unanimous-consent rule.

Mr. President, the Postmaster General is opposed to the bill. For some reason, his letter is not included in the report presented to the Senate, although it is dated June 20, 1944.

Mr. President, I ask that the objection of the Postmaster General to this legislation, contained in his letter of June 20, 1944, be made a part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 20, 1944.

Hon. KENNETH MCKELLAR,
Chairman, Committee on Post Offices and Post Roads, United States Senate.

MY DEAR SENATOR MCKELLAR: Reference is made to your request for a report upon S. 1882, a bill to increase the compensation of employees in the Postal Service.

This measure would repeal Public Law 25, approved April 9, 1943, which provided an additional compensation at the rate of $300 per annum for postal employees employed upon a salary basis and a 15-percent increase for employees paid on an hourly, fee, part-time, or per diem basis, as well as for fourth-class postmasters and special delivery messengers, with a limitation of an average of $25 per month. The measure would grant to postal employees upon a salary basis an increase of $400 per annum and a 23-percent increase for employees paid on an hourly, fee, part-time, or per diem basis as well as for fourth-class postmasters and special delivery messengers.

After very careful consideration this Department has reached the conclusion that no action should be had upon S. 1882 at this time and that a careful study should be made of the postal salary structure as a whole before permanent legislation is enacted.

The annual cost of Public, No. 25 which, by its terms, expires on June 30, 1945, is estimated at $93,784,000. S. 1882 is in the form of permanent legislation and it is estimated that the annual cost thereof would be approximately $128,784,000.

It has been ascertained from the Bureau of the Budget that this report is in accord with the program of the President.

Very truly yours,

FRANK C. WALKER,
Postmaster General.

Mr. BYRD. Certainly the Senate has a right to have information as to the position of the Postmaster General, which was omitted from the report.

Mr. BILBO. Mr. President, I want the RECORD to show at this point that I think this bill is right, righteous, long overdue, and should pass right now.

Mr. LANGER. A parliamentary inquiry. I want to know how we can be assured of a chance to vote on this bill before we adjourn.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER. The Chair would like to answer the parliamentary inquiry of the Senator from North Dakota.

Mr. AIKEN. Is it not perfectly in order for any Senator to move that the bill be considered at the conclusion of the call of the calendar?

Mr. LANGER. It has already been indicated that that will be done.

The PRESIDING OFFICER. In answer to the parliamentary inquiry made by the Senator from North Dakota, the Chair will state that at the conclusion of the call of the calendar any Senator who can obtain the floor may make a motion to consider any bill he wants to have considered, and the motion will be disposed of.

Mr. LANGER. I want to give notice that I shall do that as soon as the call of the calendar is completed.

AMENDMENT OF MERCHANT MARINE ACT OF 1936

The bill (H. R. 4968) to amend section 511 (c) of the Merchant Marine Act, 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes, was announced as next in order.

Mr. AIKEN. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. An explanation is requested.

Mr. RADCLIFFE. Mr. President, the amendment contained in the bill has reference only to the operation of the ship-construction reserve fund now provided for by law. It does not create any new policy, but it makes it possible to carry out the policy already settled on whenever the performance under the policy has been prevented for certain reasons which were not anticipated and which were not due to any fault of the owner. Let me illustrate. Under existing law whenever an owner of a ship receives certain gains from the sale of the ship, he has the option within 60 days of putting that fund up in a ship-construction reserve, and if that is so deposited, it is not immediately subject to taxation. But the ends of taxation are met presumably later on by the application of a reduced depreciation reserve. I shall not attempt to explain that feature of the law, which the Senator from Vermont, I am sure, understands very well.

This is the purpose and reason for the pending bill. In view of the fact that that option must be exercised within 60 days after the gain is determined, and in view of the fact that the Treasury Department is of the opinion that the gain is determined as of the time when the title is taken to the ship, and since sometimes the Federal Government does not settle promptly for the payment of a ship, then it happens in such cases that the seller of the ship is deprived of the opportunity of exercising his option for making a deposit in such a fund.

Let me illustrate by two cases. Suppose the owner has two ships which he sells to the United States Government. The Government takes title to them immediately. In one case a payment of purchase money is made during the course of that year. Then at the end of that year, when the seller attempts to set up his tax returns, he is able to eliminate this item of taxable gains from his accounting for income taxes. The existing law so provides.

Let us suppose, however, that the Government has not made payment of purchase price during the course of the year, which has happened in some instances, and does not pay until several years later. Then when the payment is made the owner of the boat is not able to treat it as taxable gains under the general provisions of the law as ship construction reserve fund. He is, therefore, deprived, by reason of the failure of the Government to settle for the ship promptly, of an opportunity to carry out the general intent of the law as to the treatment of such taxable gains. Of course such an obstacle was not contemplated at the time the construction ship reserve fund law was passed. It was not realized that there would be some instances when these settlements would not be made promptly, therefore the general purpose of the law would thereby be thwarted. I have cited certain incidents. Other cases of application would be somewhat similar.

All the bill does is to lift the statute of limitations so that when the payment is received the seller can reopen the tax returns for the year of sale and reset it up as he would have done if the payment had been made to him during that current year.

Mr. AIKEN. In effect, this bill would extend the time within which the shipowner or ship operator could make his deposit in a tax-exempt reserve fund.

Mr. RADCLIFFE. In those cases where he has not received his money during the year of sale and has not had therefore the opportunity to make the election as to whether he would deposit in the ship construction reserve fund.

Mr. AIKEN. Does the Senator have any idea how much the amount involved is?

Mr. RADCLIFFE. I have not with me the figures showing what has been done. In all probability, in 50 percent of the cases the ship owners selling have not elected to set up such reserves.

Mr. AIKEN. Has this delay been due to the fact that the Commission and the shipowners could not agree?

Mr. RADCLIFFE. Yes. As the Senator knows, there have been some differences of opinion as between the Comptroller General of the United States and the Maritime Commission as to the basis of settlement. The delay has not been due in any way whatever to the owner. It has been due to reasons which he could not control.

Mr. AIKEN. As I understand, the bill has nothing whatever to do with the basis of settlement.

Mr. RADCLIFFE. Nothing whatever.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. AIKEN. I should like to ask what is the meaning of section 2 of the bill.

Mr. RADCLIFFE. Mr. President, I can explain that in a moment, I believe. When the owner attempts to carry out this policy of deposit, it is required under existing law that he enter into a contract for the construction of the ship, and then the operations of the law as to the fund would be based on that contract. In a few cases the owner is his own builder, and does not therefore enter into any contract with a shipbuilder. So if the owner builds his own ships, instead of entering into such a contract, he would under this bill be put on the same basis as though he had contracted for its construction. This is equitable since it places the shipowner in the same position if he does his own construction as though he let the work at contract.

Mr. AIKEN. I understand that the funds deposited in the tax-exempt reserve are placed there for the purpose of withdrawing them later and using them for the purchase of new vessels by the shipping company.

Mr. RADCLIFFE. For the building of new vessels.

Mr. AIKEN. For the building of new vessels?

Mr. RADCLIFFE. Yes.

Mr. AIKEN. If the funds are withdrawn for any other purpose, they are then subject to taxation?

Mr. RADCLIFFE. Immediately available; yes. If they are withdrawn for any other purposes they must be subject to immediate taxation.

Mr. AIKEN. Are the funds which are withdrawn taxable, or are they simply classed as income by the concern which withdraws them?

Mr. RADCLIFFE. They would be taxable as taxable gain, on the theory that the money had never been put up.

Mr. AIKEN. If after the war a company decides that it does not wish to continue in the shipping business because of heavy depreciation in the value of the property on hand, so that it has a very heavy loss, if it withdraws this money from the tax-exempt reserve fund, it would not have to pay any taxes on it, would it?

Mr. RADCLIFFE. The fund would be treated as taxable gain. What might be the taxable situation, in view of depreciation, or appreciation as the case might be, would depend, of course, upon the facts regarding any such taxpayer in any particular circumstances. But I do not think we can very well forecast what is going to be the situation with regard to any particular taxpayer who had deposited in such a fund and later withdrawn it.

Mr. AIKEN. As I understand, the bill does not affect that question.

Mr. RADCLIFFE. No; it does not.

Mr. AIKEN. I believe that that is something which should be considered by the Congress.

Mr. RADCLIFFE. I agree that it should be.

Mr. AIKEN. Otherwise there may be several hundred million dollars, made during this war, which will be absolutely tax free.

Mr. RADCLIFFE. That may prove to be correct.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4968) to amend section 511 (c) of the Merchant Marine Act of 1936 was considered, ordered to a third reading, read the third time, and passed.

BERTHA LeFRANCQ

The bill (H. R. 4333) for the relief of Bertha LeFrancq was considered, ordered to a third reading, read the third time, and passed.

LUTHER MARCUS SMITH, A MINOR

The bill (H. R. 4345) for the relief of the legal guardian of Luther Marcus Smith, a minor, was considered, ordered to a third reading, read the third time, and passed.

ENID M. ALBERTSON

The bill (H. R. 3218) for the relief of Enid M. Albertson was considered, ordered to a third reading, read the third time, and passed.

LUDWIG WOLF

The bill (H. R. 4629) for the relief of Ludwig Wolf was considered, ordered to a third reading, read the third time, and passed.

MRS. JULIA TOLER

The Senate proceeded to consider the bill (H. R. 4367) for the relief of Mrs. Julia Toler, which has been reported from the Committee on Claims with an amendment on page 1, line 6, after the words "the sum of" to strike out "$3,000" and insert "$3,500".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WALTER LUNDMARK

The bill (H. R. 3995) for the relief of Walter Lundmark was considered, ordered to a third reading, read the third time, and passed.

MRS. PEARL W. PETERSON

The bill (H. R. 3484) for the relief of Mrs. Pearl W. Peterson was considered, ordered to a third reading, read the third time, and passed.

BRIG. GEN. LOUIS J. FORTIER

The bill (H. R. 4144) for the relief of Brig. Gen. Louis J. Fortier was considered, ordered to a third reading, read the third time, and passed.

MRS. NELLE JONES

The bill (H. R. 2543) for the relief of Mrs. Nelle Jones was considered, ordered to a third reading, read the third time, and passed.

HALL FARRIS

The bill (H. R. 3781) for the relief of Hall Farris was considered, ordered to a third reading, read the third time, and passed.

ALFRED F. ROSS

The bill (H. R. 4049) for the relief of Alfred F. Ross was considered, ordered to a third reading, read the third time, and passed.

JOSEPH W. STEEL

The bill (H. R. 4038) for the relief of Joseph W. Steel was considered, ordered to a third reading, read the third time, and passed.

DIEMER ADISON COULTER AND FRANCES ANDREWS COULTER

The bill (H. R. 2150) for the relief of Diemer Adison Coulter and Frances Andrews Coulter was considered, ordered to a third reading, read the third time, and passed.

ARCHIE BARWICK

The bill (H. R. 1556) for the relief of Archie Barwick was considered, ordered to a third reading, read the third time, and passed.

SANDY C. BROWN

The bill (H. R. 4549) for the relief of Sandy C. Brown was considered, ordered to a third reading, read the third time, and passed.

LILLIAN HILL

The bill (H. R. 3191) for the relief of Lillian Hill was considered, ordered to a third reading, read the third time, and passed.

JAMES LeROY EDEN

The bill (H. R. 3928) for the relief of James LeRoy Eden was considered, ordered to a third reading, read the third time, and passed.

THOMAS R. CLARK

The bill (H. R. 4593) for the relief of Thomas R. Clark was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF FLOYD M. ADAIR, DECEASED

The bill (H. R. 4322) for the relief of the estate of Floyd M. Adair, deceased, was considered, ordered to a third reading, read the third time, and passed.

ROBERT L. WHIDDON

The Senate proceeded to consider the bill (H. R. 4588) for the relief of Robert L. Whiddon, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "the sum of," to strike out "$3,935" and insert "$4,935."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CLARENCE H. MILES

The bill (H. R. 2688) for the relief of Clarence H. Miles, was considered, ordered to a third reading, read the third time, and passed.

ROSE B. LUZAR

The bill (H. R. 2300) for the relief of Rose B. Luzar, was considered, ordered to a third reading, read the third time, and passed.

P. E. BRANNEN

The Senate proceeded to consider the bill (H. R. 4101) for the relief of P. E. Brannen, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of" to strike out "$3,626.30" and insert "$4,195.06."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ELEANOR PARKINSON

The bill (H. R. 3302) for the relief of Eleanor Parkinson, was considered, ordered to a third reading, read the third time, and passed.

HARRY V. HEARN

The bill (H. R. 3369) for the relief of Harry V. Hearn, was considered, ordered to a third reading, read the third time, and passed.

ROBERT ROWE AND MARY ROWE

The bill (H. R. 4212) for the relief of Robert Rowe and Mary Rowe, was considered, ordered to a third reading, read the third time, and passed.

EDWARD C. ROBBINS

The bill (H. R. 3414) for the relief of Edward C. Robbins, was considered, ordered to a third reading, read the third time, and passed.

MRS. ANNA ZUKAS

The bill (H. R. 3880) for the relief of Mrs. Anna Zukas, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4481) for the relief of William H. Crompton, was announced as next in order.

Mr. BILBO. Mr. President, I should like to have an explanation of the bill.

The PRESIDING OFFICER. The Senator from Tennessee [Mr. STEWART] is not present in the Chamber. Let the bill go over until his return.

Mr. BILBO subsequently said: Mr. President, after receiving a full explanation as to House bill 4481, for the relief of William H. Crompton, 1364 on the calendar, I withdraw my objection. The Senator from Wyoming has given me a full history of the case, and I withdraw the objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4481) for the relief of William H. Crompton, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of" to strike out "$5,000" and insert "$4,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HAROLD MILLER

The bill (H. R. 4542) for the relief of Harold Miller was considered, ordered to a third reading, read the third time, and passed.

KARL LUNGSTRAS

The bill (H. R. 4213) for the relief of Karl Lungstras was considered, ordered to a third reading, read the third time, and passed.

JOHN McLAUGHLIN

The bill (H. R. 4451) for the relief of John McLaughlin was considered, ordered to a third reading, read the third time, and passed.

ANNE WATT

The bill (H. R. 3467) for the relief of Miss Anne Watt was considered, ordered to a third reading, read the third time, and passed.

M. GRACE MURPHY

The bill (H. R. 4525) for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy, was considered, ordered to a third reading, read the third time, and passed.

JESSIE SPRINGSTEEN AND JOHN SPRINGSTEEN

The bill (H. R. 4962) for the relief of Jessie Springsteen and John Springsteen was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF MRS. PHOEBE SHERMAN AND MRS. HARRIETT W. VANDERHOEF AND ALLAN VANDERHOEF

The bill (H. R. 2354) for the relief of the estate of Mrs. Phoebe Sherman and for Mrs. Harriett W. Vanderhoef and Allan Vanderhoef was considered, ordered to a third reading, read the third time, and passed.

JOHN L. MacNEIL

The bill (H. R. 4631) for the relief of John L. MacNeil was considered, ordered to a third reading, read the third time, and passed.

M. SENDERS & CO.

The bill (H. R. 3814) for the relief of M. Senders & Co. was considered, ordered to a third reading, read the third time, and passed.

JOHN T. COOPER

The bill (S. 2002) for the relief of John T. Cooper was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to credit the account of John T. Cooper, postmaster at Hartselle, Ala., in the sum of $179. Such sum represents a shortage in such account caused by the loss of such sum from the money-order cash drawer at such post office during the night of October 24, 1940.

CHRISTINE MANGRUM, LUSTER MANGRUM, AND NATHAN MANGRUM

The Senate proceeded to consider the bill (H. R. 2005) for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum, which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the words "sum of," to strike out "$3,500" and insert "2,000"; and in line 7, after the words "sum of," to strike out "$5,000" and insert "$4,500."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HARLEY E. CARTER

The bill (H. R. 3709) for the relief of Harley E. Carter was considered, ordered to a third reading, read the third time, and passed.

ANTONIO RUIZ

The bill (S. 2123) for the relief of Antonio Ruiz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury, not otherwise appropriated, to Antonio Ruiz, of Phoenix, Ariz., the sum of $5,000, in full satisfaction of his claim against the United States for compensation for the death of his two minor children, the late Samuel Ruiz and the late Rosalie Ruiz, who died as a result of personal injuries sustained by them when a United States Army airplane crashed into their home in Phoenix, Ariz., on April 22, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

OSCAR GRIGGS

The Senate proceeded to consider the bill (S. 1885) for the relief of Oscar Griggs, which had been reported from the Committee on Claims, with amendments, on page 1, in line 6, after the words "sum of", to strike out "$15,000" and insert "$4,505.14"; and in line 8, after the words "sustained by him", to insert "and for medical and hospital expenses incurred", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Oscar Griggs, of Lauderdale County, Tenn., the sum of $4,505.14, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him and for medical and hospital expenses incurred, when he was shot on the night of December 29, 1943, by members of a party of soldiers of the United States Army, when in the performance of his duties as sheriff of Lauderdale County, Tenn., he was attempting to quiet a disturbance of such soldiers in the town of Ripley, Tenn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

G. F. ALLEN

The bill (S. 2189) for the relief of G. F. Allen, chief disbursing officer for the Treasury Department, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the act of February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148), authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work, the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the account of G. F. Allen, chief disbursing officer of the Treasury Department, for the sum of $1,000, base pay, and $48.30, overtime, a total of $1,048.30, paid by him to Dr. Paul S. Taylor, of Berkeley, Calif., as compensation in excess of $5,000, plus overtime, for personal services rendered during the period from July 1, 1943, to June 13, 1944, and to cancel any claims against the said Dr. Paul S. Taylor and the pay-roll certifying officers of the Department of the Interior for the excess compensation so paid.

SEC. 2. The Comptroller General of the United States is further authorized and directed to allow, out of the unexpended balance of the appropriation for salaries in the Office of the Secretary, Department of the Interior, for the fiscal year ending June 30, 1944, the claim of the said Dr. Paul S. Taylor for the sum of $375, base pay, and $18.11, overtime, a total of $393.11, representing the balance due him for compensation for personal services which he rendered during the period from June 14, 1944, to June 30, 1944, as a consulting economist of the Department of the Interior.

HERMAN WEINERT, JR.

The bill (H. R. 3639) for the relief of Herman Weinert, Jr., M. D., was considered, ordered to a third reading, read the third time, and passed.

QUEEN CITY BREWING CO.

The bill (H. R. 3614) for the relief of the Queen City Brewing Co. was considered, ordered to a third reading, read the third time, and passed.

CONFERRING JURISDICTION ON UNITED STATES DISTRICT COURT OF MAINE

The bill (H. R. 3250) to confer jurisdiction upon the United States District Court of Maine was announced as next in order.

Mr. LANGER. Mr. President, may we have an explanation of the bill?

Mr. BILBO. Mr. President, I should like to have an explanation of it.

Mr. WHITE. Mr. President, the bill would authorize the United States District Court of Maine to entertain a suit against the Government of the United States for damages which resulted to a State bridge through the collision with the bridge by a United States vessel—a lighthouse tender, I believe. I understand that a lighthouse tender ran into the bridge. Some persons allege it did so because of the defective eyesight of the master of the vessel. It did damage to the extent of approximately $6,000 or $6,500. Question arises both as to the matter of liability and the amount which may be due if the Government of the United States is liable.

The bill would merely confer jurisdiction on the United States District Court of Maine to entertain that suit.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. CONNALLY. Does the bill expressly give consent that the Government be sued?

Mr. WHITE. I think it involves that question. It confers jurisdiction on the United States District Court of Maine to hear and determine the question of liability. I suppose that is tantamount to consent on the part of the Goverment to be sued.

Mr. CONNALLY. It should be clear whether the Government consents to be sued.

Mr. WHITE. The bill has been reported favorably from the Claims Committee. I understand it also has had the approval of the Navy Department and, I believe, of the officials of the Lighthouse Service. I believe the vessel involved was a lighthouse tender. At any rate, it was a vessel attached to the Lighthouse Service.

The maximum amount involved is approximately $6,000. Whether the amount of liability would eventually be found to be less than that sum, I do not know.

Mr. BILBO. Mr. President, let me inquire whether the claim has ever been in litigation?

Mr. WHITE. No, Mr. President; the claim has never been in litigation.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 3250) was considered, ordered to a third reading, read the third time, and passed.

USE OF CHECKS AND MONEY ORDERS IN PAYMENT OF TAXES

The bill (H. R. 5565) to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF CERTAIN LAND IN NACOGDOCHES COUNTY, TEX.

The Senate proceeded to consider the bill (H. R. 5551) to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service.

Mr. CONNALLY. Mr. President, this bill would affect 24 acres of land already belonging to the Farm Credit Administration. The bill would merely transfer title to the land to the United States Forest Service in order to enable the Forest Service to cooperate with a State college in the area involved in regard to experimentation and the study of forestry.

Yesterday I received a telegram from some lumber interests which had been opposed to the bill. They had acted, however, under a misapprehension, and withdrew their objection today. Therefore, I have no objection to the bill, and hope that it will be passed.

Mr. BILBO. Does the Senator from Texas mean to say that the land belongs at the present time to a Government agency?

Mr. CONNALLY. It belongs to the Farm Credit Administration.

Mr. BILBO. And the title to the land would be transferred to the Forest Service?

Mr. CONNALLY. Yes.

Mr. BILBO. What has the Farm Credit Administration had to do with the land?

Mr. CONNALLY. The land involved what was formerly a resettlement project which did not succeed, and the land remains.

Mr. BILBO. Would a consideration pass?

Mr. CONNALLY. No.

The PRESIDING OFFICER (Mr. DOWNEY in the chair). The Chair is interested in the discussion now taking place, and particularly in the correct pronunciation of the county.

Mr. CONNALLY. The county is Nacogdoches County. I may say to the present occupant of the chair, and to other Senators, that the name "Nacogdoches" is of Spanish origin. Nacogdoches is a very old settlement, and during the time Mexico was a part of Spain the Spaniards maintained one of their governmental headquarters at Nacogdoches. There still stands there an old fort which was built for protection against the Indians. Later, when Mexico rebelled against Spain and set up her own government, Nacogdoches was still a city of considerable importance.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HATCH. I am somewhat puzzled about the bill. I have no intention of objecting to it; but I have in my mind the fact that Texas is one of the States of the Union which holds title to all its land. The Federal Government has never had title to land in Texas.

Mr. CONNALLY. The Federal Government now has title to a number of areas which are under the Federal Forest Service.

Mr. HATCH. I shall not object to the bill, but Texas is one of the States which has always held title to its own lands.

Mr. CONNALLY. The Senator is correct, but I understand that the land in question adjoins a forest preserve located in Texas which belongs to the Federal Government. There is no conflict involved.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXCHANGE OF LANDS IN ANGOSTURA IRRIGATION PROJECT, SOUTH DAKOTA

The bill (H. R. 5563) to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak., was announced as next in order.

Mr. BYRD. Mr. President, I should like to have an explanation of the bill.

Mr. BUSHFIELD. The bill relates to a tract of land belonging to Hot Springs, located in southwestern South Dakota. It contains 480 acres of land which was purchased with the idea of locating an airport there. The Civil Aeronautics Authority had given its approval for the

construction of the airport. After the purchase of the land it was discovered that it would not be suitable for use as an airport. The Farm Security Administration owns 472 acres located 3 or 4 miles away. Negotiations were had for the exchange of the two tracts, the city of Hot Springs owning 480 acres of prairie land, and the Farm Security Administration owning 472 acres of land of the same kind. The Farm Security Administration and the city of Hot Springs decided that they wanted to make the exchange, but the counsel for the Farm Security Administration said that the exchange could not be made without Federal legislation. Therefore the bill now before the Senate would authorize the two municipal authorities to do what they desire to do.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CHIEF OF CHAPLAINS, UNITED STATES NAVY

The bill (H. R. 1023) to establish a Chief of Chaplains of the United States Navy was announced as next in order.

Mr. CHANDLER. Mr. President, I should like to hear an explanation of the bill from the Senator from Massachusetts.

Mr. WALSH. Mr. President, the chaplains in the Navy, because of the large increase in their number, have for some time past been desirous of forming a separate corps and being given greater authority than they now have.

We discovered differences of opinion between the various denominations of the Protestant churches, the fundamentalists, and other groups. Finally, I am happy to say, all the groups representing the various evangelical churches, the fundamentalists, the Catholic church, and the Jewish church agreed on the bill as it passed the House. The bill seeks, first of all, to give to one chaplain the rank of admiral.

Mr. CONNALLY. How many would have that title?

Mr. WALSH. Only one. And it is desired to have the Chief of Chaplains placed within the Bureau of Personnel of the Navy. The bill would not grant as much as the chaplains would like to have. I think they would like to have an independent organization of their own, but they have all agreed to the bill in its present form, and are very happy at the solution reached.

I am very happy to say that all parties left the committee room blessing us and blessing each other, and asking for the passage of the bill.

Mr. CHANDLER. Mr. President, would the appointment under the bill continue only for the duration of the war?

Mr. WALSH. It would continue during the war. We are endeavoring to shape all our legislation of a similar character with the idea that later there will be a reorganization of the departments of the Navy, and a new program of authority mapped out after we know the size and extent of the various naval bureaus.

The bill is desirable because the number of chaplains is large and they have rendered magnificent service. They are entitled to have one of their members receive the dignity of the rank of admiral.

Mr. CHANDLER. I agree with the Senator from Massachusetts, and I express the opinion now that the bill will take care of the situation for the chaplains during the war and for 6 months after the war. It is the intention then to review the entire matter.

Mr. WALSH. Yes; and what has been said is not only true with regard to the chaplains. This organization of the Chaplains Corps is permanent, but, of course, subject to change when the war ends.

Mr. HILL. Mr. President, I wonder whether, by the passage of this bill, the chaplains of the Navy and the chaplains of the Army would be placed on about an equal basis?

Mr. WALSH. Yes, they would be placed on approximately an equal basis. There has been some feeling on the part of the friends of the chaplains of the Navy—there is such an organization—that the Navy has not given as much authority to its Chief of Chaplains as does the Army to its Chief and comparisons were presented to the committee as between the Army and the Navy. The rank being proposed would approach, if it did not equal, the authority given to the Chief of Chaplains of the Army.

Mr. HILL. The bill would come near to bringing about parity between those two positions.

Mr. WALSH. Yes.

Mr. HILL. Mr. President, I think that is much to be desired. I do not think there should be any disparity between the two positions of equal importance within the two important branches of the service.

Mr. WALSH. Of course, after all, the administration of the office depends on the personality of the man.

Mr. HILL. Certainly.

Mr. WALSH. Unfortunately, there was some differences of opinion about the treatment of some of the smaller religious denominations in the Navy, while in the Army there has been little or no difference of opinion.

Mr. WILLIS. Will the Senator from Massachusetts yield?

Mr. WALSH. I yield.

Mr. WILLIS. I should like to add to what the Senator has said, in answer to the question of the junior Senator from Alabama, that the power given to the chaplain of the Navy does not exceed the power given to the man of the same rank in the Army, so that there will be no rivalry on the part of the Army to further advance their chaplains.

Mr. BILBO. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH. I am glad to yield.

Mr. BILBO. The bill has just come to my notice, and as I understand there will be one chaplain selected from all the chaplains in the naval service, who will take the rank of rear admiral, and the emoluments of the office. Just how is the chief chaplain to be selected from all the chaplains?

Mr. WALSH. The President of the United States will select him, but of course upon the recommendation of the Secretary of the Navy, and back of him on the recommendation of the head of the Bureau of Personnel. The appointment will be made by the President of the United States and the Senate will have a chance to confirm the nomination.

Mr. BILBO. As I understand, the Senator said the Secretary of the Navy would make the recommendation to the President.

Mr. WALSH. Yes. That is so in the case of all higher ranking naval promotions, although the President himself can disregard this practice, and I believe he does occasionally, and make his own appointments. The general practice is for the Bureau of Personnel to submit names of officers who are available, or who are selected for promotion, to the Secretary of the Navy, and the Secretary of the Navy in turn submits them to the President, who makes the final decision. Again, I wanted it to be noted that this applies only to the highest ranking officers.

Mr. BILBO. In other words, the chaplains of all the different denominations will have nothing to do with making the selection of the chief chaplain?

Mr. WALSH. No; they will not. It will interest the Senator to know that it was argued before our committee that the Chief of Chaplains should be a layman, and not a clergyman.

Mr. DANAHER. Mr. President, has the Senator a copy of the bill before him?

Mr. WALSH. Yes.

Mr. DANAHER. On page 2, line 6, should there be a comma after the word "President"?

Mr. WALSH. I do not see any objection to it, but I really do not think it is necessary. I have not usually observed commas before the word "or."

The PRESIDING OFFICER. Does the Senator from Connecticut desire to embody the comma in the form of an amendment?

Mr. DANAHER. No. I was wondering whether by explanation of the Senator from Massachusetts we could clear up whether a comma should be there, or if there should be one after the word "engaged" in line 6.

Mr. WALSH. Unless it is really necessary, I wish the Senator would not suggest it, because we might have some difficulty having the amendment approved by the House, unless the Senator really thinks it is necessary.

Mr. DANAHER. As it reads now—and perhaps the Senator may clear it up—it provides "That until the termination of the wars in which the United States is now engaged by proclamation of the President," and so forth. I wondered if the Senator wanted it left that way.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New Mexico?

Mr. WALSH. I yield.

Mr. HATCH. I have been quite interested in the discussion which has been proceeding, but there was so much conversation I could not understand what was said. I merely wanted to make a point of order.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. WALSH. I have nothing further to add.

The PRESIDING OFFICER. Is there objection to the immediate consideration of House bill 1023?

There being no objection, the Senate proceeded to consider the bill, which had been reported by the Committee on Naval Affairs with an amendment to strike out all after the enacting clause and to insert:

That until the termination of the wars in which the United States is now engaged by proclamation of the President or such earlier date as the Congress by concurrent resolution may fix, there shall be in the Chaplain Corps of the Navy one officer, designated as Chief of Chaplains, under the Chief of Naval Personnel, who shall shall be entitled to hold the temporary rank of rear admiral, and shall receive the pay and allowances of a rear admiral of the lower half while serving in such grade.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the House had passed a bill (H. R. 4715) to increase the compensation of employees in the Postal Service, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

S. 198. An act to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended; and

S. J. Res. 155. Joint resolution to consider a site and design for a National Memorial Stadium to be erected in the District of Columbia.

AUTHORIZATION FOR COMMITTEE ON FOREIGN RELATIONS TO REPORT DURING THE RECESS.

Mr. CONNALLY. Mr. President, I ask unanimous consent that as chairman of the Committee on Foreign Relations, acting for the committee, I may have up to midnight tonight to file a report on the nomination of Archibald MacLeish to be Assistant Secretary of State, and that it may be considered as filed today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(Mr. CONNALLY subsequently from the Committee on Foreign Relations reported favorably the nomination of Archibald McLeish, of Virginia, to be Assistant Secretary of State.)

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

SEWARD, ALASKA

The bill (H. R. 4502) to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended, was considered, ordered to a third reading, read the third time, and passed.

MARY LOVIS ELLIOTT

The bill (H. R. 1643) for the relief of Mary Lovis Elliott was considered, ordered to a third reading, read the third time, and passed.

WILLIAM H. LINHART

The bill (H. R. 2016) for the relief of William H. Linhart was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE TO ARIZONA AND CALIFORNIA OF A RAILROAD HIGHWAY BRIDGE

The bill (H. R. 4910) authorizing the Atchison, Topeka & Santa Fe Railway Co. or its successors to convey to the States of Arizona and California jointly or separately an existing railroad highway bridge, was considered, ordered to a third reading, read the third time, and passed.

RIGHTS-OF-WAY AT INDIAN ROCK DAM AND RESERVOIR, PA.

The bill (H. R. 5219) to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa., was considered, ordered to a third reading, read the third time, and passed.

COMPENSATION FOR USE OF PRIVATELY OWNED AIRPLANES WHILE TRAVELING ON OFFICIAL BUSINESS

The bill (H. R. 4547) to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business, was considered, ordered to a third reading, read the third time, and passed.

DISPOSAL OF CERTAIN BLOOD PLASMA RESERVES

The joint resolution (S. J. Res. 148) authorizing the disposal of certain blood plasma reserves was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That so much of the reserves of liquid, frozen, or dry-blood plasma or serum albumin established from funds appropriated under the heading "Emergency funds for the President" in the Independent Offices Appropriation Act, 1942, or from funds appropriated for emergency health and sanitation activities (national defense) under the heading "Public Health Service" in the Labor-Federal Security Appropriation Act, 1943, and required by law to be held in reserve for casualties resulting from enemy action, as the Surgeon General of the Public Health Service determines are no longer needed for the purpose for which established or are likely to become ineffective prior to use if kept in reserve, may be disposed of by such Surgeon General by transfer or release to Federal, State, or local public-health authorities or to Federal or other public or nonprofit hospitals: *Provided*, That any cost incidental to such transfer shall be borne by the transferee.

DECLARATION OF PORTION OF ILLINOIS & MICHIGAN CANAL TO BE UNNAVIGABLE

The Senate proceeded to consider the bill (H. R. 4626) to declare a portion of the Illinois & Michigan Canal an unnavigable stream.

Mr. DANAHER. Mr. President, to the bill presently under consideration I do not believe I have any objection, but I should like to have an explanation of the purpose sought in declaring a portion of the river to be nonnavigable.

Mr. BREWSTER. Mr. President, this is a bill in which the whole Illinois delegation in both Houses is interested. I think the Senator from North Carolina [Mr. BAILEY] shares somewhat my doubts as to whether, under the Constitution, we can declare a stream to be nonnavigable. That is a point which I have discussed with the Senator. I assume that if it is nonnavigable, then it does not come under certain constitutional limitations. I do not know whether there are any precedents on this point.

Mr. BAILEY. Mr. President, the bill was introduced in the House by Representative SABATH. The whole idea is that there seems to be a small stream which is not navigated at all, which is needed for some other purpose, and Representative SABATH desired the bill to be passed by the Senate, it having passed the House, to find the stream nonnavigable, so that certain construction may be done on it. I do not know about the constitutional question, whether Congress can say that a stream is navigable or not. If the Senate is not ready to pass on that question there is no reason on earth why I should insist that we proceed to debate at this late date, and if objection is heard I feel that at any rate I have discharged my obligation to the House. I am not insisting on action.

Mr. HATCH. I think I shall object.

Mr. LUCAS. I hope the Senator from New Mexico will not object to the passage of the bill.

Mr. HATCH. Mr. President, I am perfectly willing to withhold my objection. When the Senator from North Carolina said he doubted whether the Senate ought to act on this matter from a constitutional standpoint, then I objected. That was all.

Mr. DANAHER. I was trying to find out why we were declaring a certain canal nonnavigable at a time when by so doing we would yield whatever jurisdiction we have on the ground that those waters may be navigable.

Mr. BREWSTER. Everyone in the locality affected seems to be agreed that it

is a matter which would apparently serve the public welfare.

Mr. DANAHER. I was wondering how we would do it, if we would do it as a matter of law or as a matter of fact, and if facts have been found to show that we have no jurisdiction on the ground that in fact the canal is nonnavigable. Things of that kind went through my mind as I looked over the bill. I was wondering what the committee had in mind. So far as I am concerned I have no objection to the bill.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H. R. 4626) was ordered to a third reading, read the third time, and passed.

PERMISSION TO CHARLES REX MARCHANT AND OTHERS TO ACCEPT CERTAIN MEDALS

The joint resolution (S. J. Res. 106) granting permission to Charles Rex Marchant, Lorne E. Sasseen, and Jack Veniss Bassett to accept certain medals tendered them by the Government of Canada in the name of His Britannic Majesty, King George VI, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That Charles Rex Marchant, Lorne E. Sasseen, and Jack Veniss Bassett, employees of the Civil Aeronautics Administration, Department of Commerce, be authorized to accept and wear British Empire medals, Civilian Division, tendered by the Government of Canada in the name of His Britannic Majesty, King George VI, in recognition of their gallant services in rescuing four crew members from a crashed and burning Canadian bomber in September 1942, and that the Department of State is hereby authorized and permitted to deliver the above medals to Charles Rex Marchant, Lorne E. Sasseen, and Jack Veniss Bassett.

The PRESIDING OFFICER. That completes the calendar.

ORDER OF BUSINESS

Mr. HILL obtained the floor.

Mr. McFARLAND. Mr. President, will the Senator yield to me for the purpose of moving that Calendar 1247, House bill 4184, to amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic, be made the unfinished business?

Mr. HILL. Mr. President, I should like to yield for any question the Senator may want to ask, but I cannot yield to the Senator from Arizona for that purpose at this time. I wish to say to the Senator that he has been most diligent in his efforts to get that bill before the Senate for consideration. The Senator knows, however, that the Senate has been engaged in consideration of the flood-control bill and more recently the river and harbor bill. He also knows that we have had the crop-insurance bill under consideration and finally concluded action on it today. Then we took up the calendar so we might get rid of as many bills as we could in as short a time as possible.

I will say to the Senator from Arizona that there are pending a number of matters of the first urgency, which have to be acted upon before the Congress can recess or adjourn for the Christmas holidays. For instance, there is the deficiency appropriation bill which the Senate Committee on Appropriations will undoubtedly report today and which will undoubtedly be ready for action tomorrow. Then we have, as the Senator knows, a number of nominations before us. We have the nominations already on the calendar from the Senate Committee on Military Affairs for membership on the Surplus Property Disposal Board.

The distinguished Senator from Texas [Mr. CONNALLY], the chairman of the Foreign Relations Committee, has just reported from that committee nominations in the State Department. Those nominations will have to be acted upon.

The distinguished Senator from North Carolina [Mr. BAILEY] is here now with the conference report on the river and harbor bill. That conference report will have to be acted upon, and I am advised that it may require some debate. It may take some time for its disposition.

Under the circumstances, much as I regret it, it is not possible for me to yield at this time to the Senator from Arizona [Mr. MCFARLAND] for the purpose of making a motion to take up the bill he has in mind. I will say further to the Senator from Arizona that I do not know what the President will do with reference to the bill passed the other day proposing to freeze certain social-security tax rates; but if that bill comes back, and of course Senators know that it may come back, we will have to dispose of that question also. So, much as I regret to do so, and much as I admire the Senator's diligence in the matter, I cannot yield for the purpose he has in mind at this time.

Mr. McFARLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DOWNEY in the chair). The Senator from Alabama refuses to yield to the Senator from Arizona.

Mr. McFARLAND. Will the Senator yield for an observation?

Mr. HILL. I yield for a question.

Mr. McFARLAND. I wanted to make an observation. I want to express my appreciation to the distinguished acting majority leader for feeling and expressing his feeling that I have been diligent in regard to this bill. Quite a number of Members of the House do not share that view. The bill was passed in the House, I believe, on May 25 of this year. It was passed in the House by a division vote of 236 to 16. The Senate committee has held exhaustive hearings on the bill, and it has been on the calendar since November 28. I feel personally that it is a bill on which the Senate should vote. Whether we pass it or not is beside the question. We owe that courtesy to the House of Representatives. I hope the acting majority leader will cooperate with me and help me get this measure up for a vote if possible. I realize that the deficiency bill is important. So far as conference reports are concerned, even if a bill is made the unfinished business, as the acting majority leader well knows, conference reports take precedence, and other measures must stand aside for them.

Of course, the executive session has nothing to do with making a bill the unfinished business in legislative session. So I hope that when we finish the deficiency bill the acting majority leader will be willing to cooperate with me and help me bring this bill to a vote.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. HILL. Does the Senator wish to ask a question about the bill?

Mr. BILBO. I wish to make an observation.

Mr. HILL. I yield to the Senator from Mississippi.

Mr. BILBO. Mr. President, I appreciate the interest which my friend from Arizona has in this bill. I have been working on it for about 2 months. The more I read the bill the better I understand it, the further I am from giving my consent to letting it become a law without at least 30 days' discussion.

I should like to go home for Christmas. I have not missed spending Christmas in my home for 10 years; but this bill is so vital to the people of the United States, and there is so much involved in it that I would forego the pleasure of a Christmas holiday rather than see the bill become a law. With all due deference to my good friend from Arizona, it is the most outrageous, vicious, unreasonable, and unheard of piece of legislation that was ever dropped into the legislative hopper. It is a Christmas present to the railroads of the United States of at least $1,000,000,000 plus 16,000,000 acres of land.

Mr. McFARLAND. Mr. President, will the Senator from Alabama yield to me to make one observation?

Mr. HILL. I yield to the Senator from Arizona.

Mr. McFARLAND. If the bill is such an outrage as the Senator from Mississippi has indicated, surely he would not require 30 days to convince the United States Senate to that effect. That is all the observation I wish to make.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHITE. I should like to add a brief word with respect to the legislation in which the Senator from Arizona has indicated an interest.

First of all, I sympathize with the disinclination of the Senator from Alabama [Mr. HILL] to have the bill brought up now. It has had long consideration. It was passed by the House of Representatives. Hearings have been held upon it by a subcommittee of the Senate Committee on Interstate Commerce, and great labor has been expended in connection with it. The Senator from Arizona has been indefatigable in his attention to it. The Senator from Vermont [Mr. AUSTIN] has given it constant and painstaking study. I very much hope that at some time before we adjourn there may be an opportunity for the Senator from Arizona to present the proposed legislation to the Senate and have the Senate act upon it.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. CHANDLER. I join with the Senator from Maine in earnestly requesting our distinguished acting majority leader to give every consideration to the request of the Senator from Arizona [Mr. MCFARLAND], cooperate with him, and, if possible, let him get his land grant bill up before the end of the session.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. HILL. Does the Senator wish to make an inquiry?

Mr. MEAD. I wish to make an inquiry of the acting majority leader.

Mr. HILL. I am glad to yield.

Mr. MEAD. I should like to inquire as to the possibility of bringing up, now, tomorrow, or in the immediate future, a bill which I introduced, having to do with the compensation paid postal employees. Since we have discussed it, the bill has passed the House by a vote of 133 to 1, and has been messaged over to the Senate. It is now on the desk. It could be taken up by unanimous consent. Probably it cannot be taken up if there is objection, because of the impending adjournment.

I should like to have an understanding with the leaders as to whether we can take up the bill now by unanimous consent, or at some date in the immediate future.

Mr. BYRD. Mr. President——

Mr. HILL. I yield to the distinguished Senator from Virginia.

Mr. BYRD. I am entirely willing to have the bill taken up tomorrow. I have no purpose to delay it. However, there are certain facts which I wish to ascertain. I do not fully understand why the letter from the Postmaster General is not made a part of the record. I have addressed an inquiry to the Postmaster General for further information. I shall object to taking up the bill this afternoon, but I shall not object to taking it up tomorrow.

Mr. MEAD. That is agreeable to me, Mr. President. The clerk of the Committee on Post Offices and Post Roads has stated that the reason he did not include the letter from the Postmaster General was that the Postmaster General was supposed to send up another letter. If the bill can be taken up tomorrow, or at any time in the immediate future, that will be satisfactory to me.

Mr. HILL. Mr. President, I wish to cooperate with my distinguished friend from New York in every way possible; but it is not possible for me now to say to the Senator that at a certain time tomorrow, or at any time tomorrow, his bill can be taken up. Other bills are awaiting consideration. When a bill comes before this body, we never know exactly how long the bill may be under consideration.

Mr. MEAD. If it is taken up before the holidays, that will be entirely agreeable to me.

Mr. HILL. All I can say to the Senator at this moment is that I shall be glad to keep in touch with him and cooperate with him in any way I can. The Senator asks to have it taken up by unanimous consent. Some other Senator may object, and there may be protracted debate.

Mr. MEAD. I hope I may have the cooperation of the distinguished acting majority leader if I ask unanimous consent to have the bill considered some time tomorrow, after my distinguished colleague from Virginia receives the information for which he is looking.

Mr. HILL. After the distinguished Senator from Virginia has received the information he is seeking, I shall be delighted to confer with the distinguished Senator from New York with reference to the bill.

Mr. MEAD. That is satisfactory to me.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHITE. I should like to have it understood that the Senator from Maine is not a participant in the assurances given the Senator from New York by the Senator from Alabama, carefully guarded as they are.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming from the House of Representatives.

The bill (H. R. 4715) to increase the compensation of employees in the Postal Service, was read twice by its title and ordered to be placed on the calendar.

REPORTS OF THE COMMITTEE ON APPROPRIATIONS

Mr. MCKELLAR. Mr. President, from the Committee on Appropriations, I report back favorably, with amendments, the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes, and I submit a report (No. 1384) thereon.

Also, from the Committee on Appropriations, I report back favorably, with an amendment, the bill (H. R. 5590) to increase clerk hire, and for other purposes, and I submit a report (No. 1385) thereon.

The PRESIDING OFFICER. Without objection, the reports will be received and the bills will be placed on the calendar.

Mr. MCKELLAR. Let me announce that it is my intention to move at some time tomorrow that the Senate proceed to consider the deficiency appropriation bill.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DOWNEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committee.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Vice Admiral L. Calhoun, United States Navy, to be a vice admiral in the Navy, for temporary service, to rank from the 27th day of February 1942;

Commodore Oscar Smith, United States Navy, to be a commodore in the Navy, for temporary service, to rank from the 12th day of April 1943, and to continue while serving as deputy chief of staff to the commander in chief, United States Atlantic Fleet;

Col. John T. Walker to be a brigadier general in the Marine Corps for temporary service from the 4th day of October 1942;

Col. Merwin H. Silverthorn to be a brigadier general in the Marine Corps for temporary service from the 1st day of April 1943; and

Col. Maurice C. Gregory to be a brigadier general in the Marine Corps for temporary service from the 7th day of May 1944.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Joseph C. Grew, of New Hampshire, to be Under Secretary of State;

Nelson A. Rockefeller, of New York, to be an Assistant Secretary of State;

W. L. Clayton, of Texas, to be an Assistant Secretary of State;

Brig. Gen. Julius C. Holmes, United States Army, of Kansas, to be an Assistant Secretary of State;

James C. Dunn, of New York, to be an Assistant Secretary of State; and

Hallett Johnson, of New Jersey, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary to Costa Rica;

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of Norman Armour, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

Mr. HAWKES. Mr. President, let me make a brief comment regarding the Honorable Norman Armour, of New Jersey, who has been nominated by the President to be United States Ambassador to Spain. I believe that most of my friends and almost everyone I know who knows Mr. Armour feels that he will be an excellent ambassador, and we will be very proud to have one of our New Jersey citizens appointed to that very difficult and important post. The Honorable Norman Armour is a man of broad diplomatic experience in many of the most important embassies throughout the world, and I am sure he will put his great experience to good use in the important post of Ambassador to Spain.

The PRESIDING OFFICER. The question is will the Senate advise and consent to this nomination?

The nomination was confirmed.

SURPLUS PROPERTY BOARD

The legislative clerk read the nomination of Robert A. Hurley, of Connecti-

cut, to be a member of the Surplus Property Board.

Mr. WHITE. Mr. President, there will be some discussion of the two nominations of members of the Surplus Property Board. I ask that the nominations be passed over.

The PRESIDING OFFICER. The nominations will be passed over.

Mr. CHANDLER. Mr. President, I should like to inquire of the acting majority leader and the minority leader whether the plan is to proceed with the consideration of the Surplus Property Board nominations tomorrow.

Mr. HILL. I will say to my distinguished friend the junior Senator from Kentucky that the plan is to have the Senate proceed to consider executive business at a rather early hour tomorrow.

Mr. HATCH. Mr. President, will the Senator give us some indication about what hour that will be?

Mr. HILL. I will say that, if possible, we would like to have the deficiency appropria ion bill passed, because no doubt that bill will have to go back to the House, and perhaps it will involve a conference which may take some time. So we would like to have the deficiency appropriation bill disposed of the first thing during the session tomorrow.

Mr. McKELLAR. Mr. President, let me say to the Senate that I do not think it will take a great deal of time to dispose of the deficiency appropriation bill. I do not think it has many controversial amendments; at least, I hope it does not. I do not think the consideration of the bill will take a great deal of time. I think we will be able to dispose of it early during tomorrow's session.

Mr. HATCH. I asked the question because some of us have engagements tomorrow for which we must plan. I understood the Senator from Alabama to say that it is the plan to take up certain nominations tomorrow. That was as far as the Senator had gone in making his announcement.

Mr. HILL. Yes; after the deficiency appropriation bill is disposed of, we expect to take up certain nominations, both the nominations reported from the Committee on Military Affairs, about which the Senator from Kentucky has inquired, and the nominations reported from the Committee on Foreign Relations.

Mr. CHANDLER. Can the acting majority leader tell us which group of nominations will have the right-of-way? Will the nominations from the Committee on Military Affairs be considered first, or will the State Department nominations be considered first?

Mr. HILL. Of course, Mr. President, when the Senate goes into executive session tomorrow, the nominations from the Committee on Military Affairs, in which the Senator from Kentucky is particularly interested, will be first on the calendar.

Mr. CHANDLER. The State Department nominations will automatically go over until the day after tomorrow, I suppose, if they are reported today.

Mr. HILL. Oh, no; they would be regularly on the calendar tomorrow.

Mr. CHANDLER. Would they not be subject to objection tomorrow on the ground that it was the first calendar day after the nominations had been reported?

Mr. HILL. Oh, no. They will be ready to be considered tomorrow.

Mr. AUSTIN. Mr. President, will the Senator yield to me?

Mr. HILL. I yield.

Mr. AUSTIN. In view of the possibility that the Surplus Property Board nominations will be considered early during the session tomorrow, I wish to state that the hearings on the nominations will probably be ready for distribution tomorrow morning. If Senators are sufficiently interested to wish to read the hearings, which are not long, relatively speaking, they will be available early enough so that they can be read before 12 o'clock tomorrow.

Mr. CLARK of Missouri. Mr. President, let me say that if the State Department nominations are considered at an early hour in tomorrow's session, I am in a position to state that they will not be acted upon until a late hour.

The PRESIDING OFFICER. The clerk will proceed to state the other nominations on the calendar.

COAST GUARD

The legislative clerk read the nomination of Capt. LeRoy Reinburg, to be commodore for temporary service to rank from October 1, 1944.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nominations in the Coast and Geodetic Survey are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc, and that the President be immediately notified of the confirmations of the nominations.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc, and the President will be immediately notified of the confirmations of the nominations.

Mr. HILL. I ask unanimous consent that the President be notified forthwith of all confirmations of nominations made today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of all confirmations.

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Friday, December 15, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 14 (legislative day of November 21), 1944:

IN THE NAVY

Capt. Lester T. Hundt, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, naval air training bases, Pensacola, Fla., and until reporting for other permanent duty.

Capt. Charles J. Parrish, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Hawaiian Sea Frontier.

Capt. Fred D. Kirtland, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving in the Pacific Ocean areas and until reporting for other permanent duty.

Commodore Marion C. Robertson, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving under commander, United States naval forces in Europe, and until reporting for other permanent duty.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 14 (legislative day of November 21), 1944:

FOREIGN SERVICE

Norman Armour, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

COAST GUARD OF THE UNITED STATES

PROMOTION

LeRoy Reinburg, to be a commodore, for temporary service, to rank from October 1, 1944, while serving as commandant, Coast Guard yard, Curtis Bay, Md., or in any other assignment for which the rank of commodore is authorized.

COAST AND GEODETIC SURVEY

TO BE JUNIOR HYDROGRAPHIC GEOGETIC ENGINEERS WITH RANK OF LIEUTENANT (JUNIOR GRADE), TO RANK AS INDICATED

William B. Page, from September 10, 1944.
Norman Porter, from October 1, 1944.

POSTMASTERS

ARKANSAS

J. Fred Ball, Newport.

FLORIDA

Gladys L. Stalls, Moore Haven.
Guy H. Stapp, Oxford.
Weeta M. Brown, Plymouth.

GEORGIA

Charles A. Randolph, Tucker.

ILLINOIS

Iva E. Hanson, Itasca.

KANSAS

Howard R. Ellis, Haviland.

KENTUCKY

Gertrude Stuteville, Bonnieville.
Roy O. Harmon, Gravel Switch.
Frances J. Salt, Magnolia.

MAINE

Harold M. Smith, Hollis Center.

MICHIGAN

John H. Hausler, Boyne Falls.
John L. O'Brien, Lake Leelanau.
Basil L. Jankowski, Maple City.
Miles S. Ansbaugh, Reading.
Edwin C. Hess, Sanford.

MINNESOTA

Clyde H. Ferrell, Montrose.

VERMONT

Clarence P. Dudley, East Montpelier.
Daniel Henley, Richmond.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 14, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O come, Thou long-expected Immanuel, born to set Thy people free and to lead them in Thy ways. Thou, Sun of Righteousness, who dost inhabit eternity, wilt arise with healing in His wings, and all nations shall call Him blessed and Holy is His name. O speak peace, and Thy dominion shall be from sea to sea, even unto the ends of the earth. Draw us nearer together by the cords of one purpose and one hope, drinking from the cup of Thy deep and lowly life.

We praise Thee that in our dear Lord was the secret of holy living, pure in thought and faultless in speech. Among the gods of all time, there is none like unto the Holy Child of Saint Mary, who possessed the splendor of purity and the power of the ages. O Thou who didst teach the way of life and destiny, intuned with a merciful God, help us to find in Thee sublime and gracious guidance; allow nothing to mock our faith or gloss over the soulful appeal of a world worn and weary with the grief of war; we pray that all America may hallow her power, her wealth, and her liberty. We would not ask that our prosperity be diminished, but that it be consecrated and for a spirituality that will be a safeguard against the pitfalls of a shimmering glory.

"Then in Christ's Birthday we may fully share
And feel His presence with us everywhere."

Amen.

The Journal of the proceedings of yesterday was read and approved.

HON. JOHN B. BENNETT

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, a feeling of sadness always more or less permeates the closing days of a Congress. This is because some of the Members with whom we have associated and labored will not return with the new Congress. I am sure I speak the general sentiment when I say that we all regret that Representative JOHN B. BENNETT, of the Twelfth Michigan District, is retiring.

I have been in Congress a long time. I have seen hundreds of Members come and go, and I can truthfully say that the gentleman from Michigan [Mr. BENNETT] will be genuinely missed. Young in years and in services, yet he has made his mark among us. Capable, courageous, industrious, and courteous, he has won the friendship of all who have served with him. To know him is to appreciate his real worth and to like him.

No Member can be of much value to his district and his State and his country unless he has the respect and confidence of his colleagues. The gentleman from Michigan, JOHN BENNETT, qualifies in this particular. It is regrettable that his splended congressional career has been interrupted even though temporarily. His service has been outstanding in committee and in debate. He is appreciated in Washington and has done a splendid job.

It is to be hoped that his constituents will see to it that he is returned to finish the work he has so auspiciously commenced. Whatever the future holds in store for him, he has the best wishes of his colleagues of the Seventy-eighth Congress, and we say au revoir but not good-bye.

EXTENSION OF REMARKS

Mr. WEAVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by Hon. Josephus Daniels, formerly Secretary of the Navy, now editor of the Raleigh News and Observer.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SELECT COMMITTEE TO INVESTIGATE ACTS OF EXECUTIVE AGENCIES

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 650), as follows:

Resolved, That the further expenses of conducting the investigation authorized by House Resolution 102 of the Seventy-eighth Congress, incurred by the select committee appointed to investigate acts of executive agencies which exceed the scope of their power or authority, acting as a whole or by subcommittee, not to exceed $1,500 in addition to sums heretofore made available, including expenditures for employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on Accounts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON EDUCATION

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a further privileged resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 678), as follows:

Resolved, That the further expenses of conducting the study and investigation authorized by House Resolution 592 of the Seventy-eighth Congress, incurred by the Committee on Education, acting as a whole or by subcommittee, not to exceed $1,000, in addition to sums heretofore made available including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee thereof conducting such study and investigation or any part thereof, signed by the chairman of the committee or subcommittee, and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSE DISBURSING OFFICE

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a further resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 679), as follows:

Resolved, That effective January 1, 1945, there shall be paid out of the contingent fund of the House, until otherwise provided by law, an additional sum not to exceed $5,000 during a fiscal year for the employment of professional and other necessary help in the disbursing office in accordance with the provisions of House Resolution 585, adopted December 16, 1942.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DESIGNATING NOVEMBER 19 AS DEDICATION DAY

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 194) designating November 19, the anniversary of Lincoln's Gettysburg Address, as Dedication Day.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Pennsylvania explain what this resolution does?

Mr. WALTER. Mr. Speaker, it merely directs that a proclamation be issued on November 19. It does not provide a holiday or any other observance of that memorial occasion.

Mr. MARTIN of Massachusetts. Mr. Speaker, is it a regular practice of the committee to report out resolutions of this character for any of these historical days?

Mr. WALTER. Yes; it is done quite frequently. But is does not provide for any other recognition or observance of the day at all.

Mr. MICHENER. Mr. Speaker, reserving the right to object, and, of course, I shall not object, since the resolution comes from our committee. However, the gentleman presenting the resolution knows how many of us feel about so many of these resolutions. Many of these objectives are laudable, but the precedents are bad. If the committee reported all these resolutions that were suggested, the President would not be doing much else other than issuing proclamations and we would be having all kinds of feast days and celebration days and semiholidays. I hope this will be the last resolution of this kind brought up at this session.

Mr. HOFFMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD, and include a newspaper column.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PROBLEMS OF SMALL BUSINESS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include with my remarks the text of a bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of cigarettes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a poem.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article entitled "Rise of the Washington Post." I have an estimate from the Public Printer that it will make four and one-half pages of the CONGRESSIONAL RECORD at a cost of $234.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

DARTMOUTH COLLEGE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

[Mr. PLUMLEY addressed the House. His remarks appear in the Appendix.]

COMMITTEE TO INVESTIGATE UN-AMERICAN ACTIVITIES

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, I regret that this House will no longer have the benefit of the services of the Committee to Investigate Un-American Activities, headed by the gentleman from Texas, the Honorable MARTIN DIES. That committee has rendered a real service to our Republic. It has courageously and fearlessly exposed those individuals and elements within our borders who were not concerned with the best interests of the country. No one contends that that committee did not make some mistakes.

The Dies committee carried on a campaign against un-Americanism, whether it be communism, fascism, nazi-ism, or any other of the undesirable philosophies. They carried on even though their investigations involved persons in high political circles.

I hope that one of the branches of the Congress will see fit to appoint a committee to carry on this splendid work. In the meantime, the files and records of that committee should be retained by the House of Representatives and one of the faithful employees of that committee should be retained to look after the files and make them available to the Members of the Seventy-ninth and future Congresses. Our Nation and the world needs more, not less, Americanism.

EXTENSION OF REMARKS

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend the remarks that I shall make today in Committee of the Whole on the postal increase bill, and to include therewith a letter setting forth reasons for that increase.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MEMORY MONDAY

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, referring to the resolution just presented by the gentleman from Pennsylvania [Mr. WALTER], I wish to call the attention of the House to the fact that early in the year there was introduced in the Senate of the United States a bill known as S. 1110 providing for the observance of Memory Monday. The bill simply provides that under proclamation of the President the flag of our country should be flown at half mast from all Federal buildings on the first Monday in each month, in memory of the noble sacrifices made by our brave men and women on the field of battle. The bill passed the Senate unanimously. It had the approval of the President, of the Secretary of War, the Secretary of the Navy, and the Secretary of State. It was approved by a subcommittee of the Committee on the Judiciary in this House to which it was referred, but for some unknown reason is still pigeonholed in committee. If any resolution is entitled to be considered by this Congress, it is the Memory Monday bill. I hope it may still be enacted into law before the Congress adjourns.

The SPEAKER. The time of the gentleman from Iowa has expired.

EXTENSION OF REMARKS

Mr. McMURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech of Mr. Clarence K. Streit, president of the Federal Union, Inc.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include several editorials.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PALESTINE—"HOPE AGAIN DEFERRED"

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the consideration of the Palestine resolution has again been put off. This has caused keen disappointment. The explanations for the delay, in my humble opinion, are most lame and lamentable. They remind me of the story of Alice in Wonderland. Alice, at the tea party, asked the White Queen for some jam. The White Queen responded, "The rule is, jam yesterday and jam tomorrow, but never jam today." So the tragedy of the Jews all over the world is as follows:

"The tempest-tossed Jews could get relief yesterday, can get relief tomorrow, but can never get relief today."

Seventy-seven Senators and 318 Representatives—total of 395—from all 48 States have expressed approval of unrestricted Jewish immigration into Palestine and the establishment there of a Jewish democratic commonwealth.

The President about a fortnight prior to election emphatically endorsed these objectives. Both party platforms approved. Is a party platform something to stand upon or something merely to get in on? Secretary of State Stimson removed all military objections to the passage of the resolution.

Why this sudden change?

What a disheartening let-down.

Unless some other cogent explanation is given and given in no uncertain manner, the conclusion is inescapable, namely, that we again have an example of abasement to British imperialism.

Finally I express this sad observation to our President, "On the plains of hesitation lay the countless bones of millions."

Mr. FISH. Mr. Speaker, I ask unanimous consent that I may address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I feel it incumbent upon me as a member of the Committee on Rules and a member of the minority party to say that the opposition to reporting this measure just referred to, to open the gates of Palestine to the persecuted Jews of Europe, comes from the State Department and not from the members of the Rules Committee or from members of the minority or even the majority party. I say this so it will go in the RECORD, because the opposition of the State Department to this resolution has been officially disclosed in the other body.

Mr. Speaker, I was the author of the original Palestine resolution in 1922. I not only favored it then but I am more in favor of it now; and I should like to see a resolution go through this House unanimously permitting the persecuted Jews, who have been more horribly treated than ever before in history in the past few years by Hitler, to go to Palestine. I am not in favor of saying what kind of state shall be created in Palestine as I think that is none of our business. I would have voted to report the resolution out had the State Department not objected to it.

The SPEAKER. The time of the gentleman from New York has expired.

EMPLOYMENT AS CONSULTANT OF RETIRED EMPLOYEES OF INTERIOR DEPARTMENT

Mr. WHITE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 3429) to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148), and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the conference report?

There was no objection.

The SPEAKER. The gentleman from Idaho asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3429), entitled "An Act to amend section 1 of an Act entitled 'An Act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work,' approved February 28, 1929 (45 Stat. 1406), as amended by the Act of April 22, 1940 (54 Stat. 148)," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same.

COMPTON I. WHITE,
J. W. ROBINSON,
JOHN R. MURDOCK,
ROBT. F. ROCKWELL,
Managers on the part of the House.

J. H. BANKHEAD,
JNO. THOMAS,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3429) entitled "An Act to amend section 1 of an Act entitled 'An Act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work,' approved February 28, 1929 (45 Stat. 1406), as amended by the Act of April 22, 1940 (54 Stat. 148)," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The only substantive changes made by the Senate in the bill as passed by the House were to add lawyers to the group of retired employees who may be employed as consultants and to require periodical reports by the Secretary of the Interior of the names of individuals so employed, the periods of their employment, the nature of the services rendered, and the amounts paid to them; so that the act in question, as amended, would read as follows:

"That section 1 of the act of February 28, 1929 (45 Stat. 1406), as amended by act of April 22, 1940 (54 Stat. 148), authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work, is hereby amended to read as follows: 'That the Secretary of the Interior is authorized, in his judgment and discretion, to employ for consultation purposes on important reclamation work 10 consulting engineers, geologists, appraisers, economists, and lawyers, at rates of compensation to be fixed by him but not to exceed $50 per day for any engineer, geologist, appraiser, economist, or lawyer so employed: *Provided*, That the total compensation paid to any engineer, geologist, appraiser, economist, or lawyer during any fiscal year shall not exceed $5,000: *Provided further*, That notwithstanding the provisions of any other act, retired officers of the Army or Navy may be employed by the Secretary of the Interior as consulting engineers in accordance with the provisions of this act: *Provided further*, That notwithstanding the provisions of any other act, retired personnel of the Department of the Interior employed by the Secretary of the Interior as consultants in accordance with the provisions of this act may be so employed without deductions from compensation for retirement, without loss of or redetermination of retirement status, and without loss or reduction of retirement annuity or other benefits by reason of such employment, except that there shall be deducted from the compensation otherwise payable to any such retired employee sums equal to the retirement annuity or benefit allocable to the days of actual employment hereunder: *Provided further*, That within 60 days from the expiration of each fiscal year the Secretary of the Interior shall report to the Congress the names of individuals employed for consultation purposes pursuant to the authority of this act, the period or periods of their employment during said fiscal year, the nature of the services rendered, and the amounts paid during said fiscal year to each of such individuals for such consultation services.' "

COMPTON I. WHITE,
J. W. ROBINSON.
JOHN R. MURDOCK.
ROBT. F. ROCKWELL.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Will the gentleman explain this?

Mr. WHITE. I may say to the gentleman from Massachusetts that this bill has been before the House and considered thoroughly. It is simply a plan in this war emergency to permit the Department of the Interior and the Bureau of Reclamation to employ qualified people who are now retired; bring them back into the service without going through the routine of recomputing their retirement pay and disturbing their retirement status. It will permit them to be employed temporarily by the Department in this emergency. It has been agreed to by the House and Senate and it is agreed to by the conferees.

Mr. MARTIN of Massachusetts. What kind of employees are they?

Mr. WHITE. They are professional men, trained and with long experience in the employ of the Government, to be recalled for temporary service in the department.

Mr. MARTIN of Massachusetts. Have they not got enough in the Department now?

Mr. WHITE. I am not the judge of that. I am told they have not. A great many men have been called in the war effort. I have been over to the Interior Department and there is a service flag over the whole side of the building. I know their personnel has been greatly depleted. This engineering work must be carried on and much of it is in connection with the war effort. This bill has been agreed by the House and Senate that it is a necessary piece of legislation.

Mr. MARTIN of Massachusetts. But the Senate has added something.

Mr. WHITE. That is to have the Interior Department report and give the names to the Congress of the men employed.

Mr. MARTIN of Massachusetts. How much money will it cost as a result of the Senate amendment?

Mr. WHITE. I do not think it will cost the Government any more than it has paid in the past. It will be a change in the personnel, it will call back trained, qualified people who are now in retirement to replace people who have gone into the war.

Mr. MARTIN of Massachusetts. If they employed competent people it is an improvement, but where are they going to get them?

Mr. WHITE. The bill will give them the authority to recall to service these trained and qualified personnel. They know where they are; I do not.

Mr. COCHRAN. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Missouri.

Mr. COCHRAN. Here is another instance where reports are required. According to the reading of the statement you are requiring a Government department to send reports to the Congress with the names and salaries of people they employ and a statement in reference to the work they do. In this legislation you are giving the Department the right to hire these employees.

Why should we place an additional expense upon the taxpayers for reports to the Congress as to the names and the amounts and the type of work that they do? We are trying to stop that. The House has voted for amendments striking out such language in other bills; still you bring them in, piling more work on the departments and requiring the employment of people to prepare the reports.

Mr. WHITE. I may say to the gentleman from Missouri that the Senate and the House may have taken the opposite view to what the gentleman takes. The other Members seem to think the Congress of the United States should exercise some control and have some knowledge of these departments and what they are doing. As I see it, it is a healthy policy and in the wisdom of the House and Senate as well as the conferees this should be done. The report represents the action of the Congress and we are here asking for approval.

Mr. COCHRAN. It does not represent the action of one Member of the Congress, I may say to the gentleman, because I am not going to vote for the conference report in its present form.

Mr. MARTIN of Massachusetts. Will the gentleman yield further?

Mr. WHITE. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I want to get back to these employees, if I can. This provides that you may recall a man who is on a pension and you may pay him $50 a day, in addition to which he retains his pension; is that right?

Mr. WHITE. No. This is not to disturb the retirement pay and the computations that would have to be made by replacing these men on the pay roll. There is a provision in the bill that there will be some retirement pay added for the short term of service to what he has now, but it will not entail a recompilation of the whole retirement pay proposition. This is simply to avoid that expense.

Mr. MURDOCK. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Arizona.

Mr. MURDOCK. This bill is not intended to give anyone double pay. It is merely protecting his right in his retirement if he returns to serve. The Government should be able to avail itself of the abilities and services of retired experts in this time of stress, and do it without detriment to those useful citizens.

Mr. MASON. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Illinois.

Mr. MASON. While this may not be intended to give anyone double pay, the statement specifically says that his retirement will go on and he will receive this in addition, which means double pay.

Mr. WHITE. May I say to the gentleman and the Members of the House that if a man is retired and drawing down pay and adding additional service and money contribution, he should get the benefit of that addition. It is not double pay in any sense of the word. It simply means that if he is reemployed and makes a contribution, that contribution will be credited to him, and he will receive it in addition to what he is now getting. I do not understand in any sense of the word that it will be double pay.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. WHITE) there were—ayes 33, noes 40.

Mr. WHITE. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 111, nays 173, not voting 143, as follows:

[Roll No. 125]

YEAS—111

Anderson, N. Mex.	Gordon	O'Brien, Mich.
Andrews, Ala.	Granger	O'Connor
Barden	Griffiths	O'Neal
Barry	Hare	O'Toole
Beckworth	Harless, Ariz.	Outland
Bell	Hays	Patton
Bland	Herter	Peterson, Fla.
Bloom	Hill	Philbin
Brehm	Hobbs	Priest
Brown, Ga.	Hoch	Ramspeck
Bryson	Holifield	Randolph
Buckley	Holmes, Wash.	Robertson
Bulwinkle	Horan	Robinson, Utah
Byrne	Izac	Rockwell
Capozzoli	Jackson	Sadowski
Carlson, Kans.	Jarman	Sasscer
Case	Jennings	Sheppard
Celler	Jensen	Snyder
Chenoweth	Johnson, J. Leroy	Somers
Coffee	Kee	Stigler
Cooper	Kefauver	Stockman
Cox	Kerr	Sullivan
Curtis	King	Sumners, Tex.
D'Alesandro	Kleberg	Thomas, Tex.
Daughton, Va.	Lane	Thomason
Dirksen	Larcade	Tolan
Doughton, N. C.	Lesinski	Torrens
Elliott	McKenzie	Vinson, Ga.
Ellsworth	McMurray	Voorhis, Calif.
Engle, Calif.	Mansfield, Tex.	Walter
Fernandez	Marcantonio	Weaver
Folger	Miller, Nebr.	Weiss
Forand	Mundt	Wene
Fulbright	Murdock	White
Furlong	Murray, Tenn.	Whittington
Gillespie	Myers	Wright
Gillie	O'Brien, Ill.	Zimmerman

NAYS—173

Abernethy	Anderson, Calif.	Auchincloss
Allen, Ill.	Andresen, August H.	Baldwin, Md.
Allen, La.	Angell	Bates, Mass.
Andersen, H. Carl	Arends	Beall
Bennett, Mo.	Gwynne	Miller, Pa.
Bishop	Hagen	Mills
Bolton	Hale	Monkiewicz
Bonner	Hall, Edwin Arthur	Monroney
Boren	Hall, Leonard W.	Mott
Bradley, Mich.	Hancock	Murray, Wis.
Brown, Ohio	Harris	Norman
Brumbaugh	Hart	Norrell
Buck	Hartley	O'Brien, N. Y.
Buffett	Heidinger	O'Hara
Butler	Hess	O'Konski
Canfield	Heven	Pace
Cannon, Mo.	Hoffman	Pouge
Carrier	Holmes, Mass.	Ramey
Carson, Ohio	Hope	Rankin
Carter	Howell	Reed, Ill.
Chapman	Hull	Reed, N. Y.
Chiperfield	Jenkins	Rees, Kans.
Church	Johnson, Anton J.	Rivers
Clark	Johnson, Calvin D.	Robsion, Ky.
Clason	Johnson, Ind.	Rodgers, Pa.
Clevenger	Johnson, Luther A.	Rogers, Mass.
Cochran	Johnson, Lyndon B.	Rohrbough
Cole, Mo.	Johnson, Okla.	Rolph
Cole, N. Y.	Jones	Sauthoff
Colmer	Jonkman	Schwabe
Compton	Judd	Scrivner
Cooley	Kean	Simpson, Ill.
Cravens	Kearney	Simpson, Pa.
Crawford	Keefe	Smith, Ohio
Crosser	Kinzer	Smith, Wis.
Cunningham	Knutson	Spence
Day	Kunkel	Springer
Domengeaux	LaFollette	Stanley
Dondero	Lanham	Stevenson
Drewry	LeCompte	Stewart
Durham	LeFevre	Sumner, Ill.
Dworshak	Lewis	Sundstrom
Eaton	Ludlow	Talbot
Ellis	McConnell	Talle
Ellison, Md.	McCowen	Tibbott
Engel, Mich.	McMillen, Ill.	Towe
Fellows	Madden	Troutman
Fish	Mahon	Wadsworth
Fisher	Manasco	Welch
Flannagan	Martin, Iowa	West
Gamble	Martin, Mass.	Whitten
Gathings	Mason	Wickersham
Gavin	Michener	Wigglesworth
Gerlach	Miller, Conn.	Willey
Gilchrist	Morrison, La.	Winter
Gillette	Morrison, N. C.	Wolcott
Goodwin	Mruk	Wolverton, N. J.
Gossett	Murphy	Woodruff, Mich.
Graham	Newsome	
Gross	Norton	

NOT VOTING—143

Andrews, N. Y.	Gorski	Patman
Arnold	Grant, Ala.	Peterson, Ga.
Baldwin, N. Y.	Grant, Ind.	Pfeifer
Barrett	Gregory	Phillips
Bates, Ky.	Halleck	Pittenger
Bender	Harness, Ind.	Ploeser
Blackney	Hébert	Plumley
Boykin	Heffernan	Poulson
Bradley, Pa.	Hendricks	Powers
Brooks	Hinshaw	Pracht, C. Frederick
Burch, Va.	Jeffrey	Pratt, Joseph M.
Burchill, N. Y.	Johnson, Ward	Price
Burdick	Kelley	Rabaut
Burgin	Kennedy	Reece, Tenn.
Busbey	Keogh	Richards
Camp	Kilburn	Ripley
Cannon, Fla.	Kilday	Rooney
Costello	Kirwan	Rowan
Courtney	Klein	Rowe
Curley	Lambertson	Russell
Davis	Landis	Sabath
Dawson	Lea	Satterfield
Delaney	Lemke	Scanlon
Dewey	Luce	Schiffler
Dickstein	Lynch	Scott
Dies	McCord	Shafer
Dilweg	McCormack	Sheridan
Dingell	McGehee	Short
Disney	McGregor	Slaughter
Douglas	McLean	Smith, Maine
Eberharter	McMillan, S. C.	Smith, Va.
Elmer	McWilliams	Smith, W. Va.
Elston, Ohio	Maas	Sparkman
Fay	Maloney	Starnes, Ala.
Feighan	Mansfield, Mont.	Stearns, N. H.
Fenton	May	Stefan
Fitzpatrick	Merritt	Taber
Ford	Merrow	Tarver
Fuller	Miller, Mo.	Taylor
Fulmer	Morrison, La.	Thomas, N. J.
Gale	Morrison, N. C.	Treadway
Gallagher	Mruk	Vincent, Ky.
Gearhart	Murphy	
Gibson	Newsome	
Gifford		

Vorys, Ohio	Weichel, Ohio	Wolfenden, Pa.
Vursell	Whelchel, Ga.	Woodrum, Va.
Ward	Wilson	Worley
Wasielewski	Winstead	

So the conference report was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. Boykin with Mr. Short.
Mr. Keogh with Mr. Taylor.
Mr. Sabath with Mr. Halleck.
Mr. McCormack with Mrs. Smith of Maine.
Mr. Cannon of Florida with Mr. Stefan.
Mr. Winstead with Mr. Rizley.
Mr. Maloney with Mr. Vursell.
Mr. Gibson with Mr. Elston of Ohio.
Mr. Delaney with Mr. Taber.
Mr. Woodrum of Virginia with Mr. Wolfenden of Pennsylvania.
Mr. Hendricks with Mr. Fenton.
Mr. Burchill of New York with Mr. Shafer.
Mr. Curley with Mr. Gifford.
Mr. Lynch with Mr. Wilson.
Mr. Grant of Florida with Mr. Grant of Indiana.
Mr. Dickstein with Mr. Kilburn.
Mr. Lea with Mr. Weichel of Ohio.
Mr. Heffernan with Mr. McGregor.
Mr. Kirwan with Mr. Ploeser.
Mr. Holifield with Mr. Thomas of New Jersey.
Mrs. Norton with Mr. Blackney.
Mr. Kelley with Mr. Arnold.
Mr. McGehee with Mr. Beall.
Mr. Fay with Mr. Elmer.
Mr. Hébert with Mr. Baldwin of New York.
Mr. Gorski with Mr. Harness of Indiana.
Mr. Fitzpatrick with Mr. Fuller.

Mr. SHEPPARD changed his vote from "nay" to "yea."

Mr. ABERNETHY and Mr. ANGELL changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

AMENDING RECLAMATION PROJECT ACT OF 1939

Mr. WHITE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for the appointment of conferees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The Speaker appointed the following conferees: Messrs. WHITE, ROBINSON of Utah, O'CONNOR, ROCKWELL, and LEMKE.

CITY OF CLINTON BRIDGE COMMISSION

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1159) creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. ALLEN of Illinois. Reserving the right to object, Mr. Speaker, as I understand, this bill, relating to a bridge crossing the Mississippi River from Clinton, Iowa, to a point in my district, was reported unanimously and passed unanimously by the Senate. The bill came over here and was referred to the Committee on Interstate and Foreign Commerce, a subcommittee of which went into the matter thoroughly, and the full Committee on Interstate and Foreign Commerce reported it favorably.

Mr. CHAPMAN. That is a correct statement.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the City of Clinton Bridge Commission (hereinafter created, and hereinafter referred to as the "commission"), and its successors and assigns, be, and are hereby, authorized to construct, maintain, and operate a bridge or bridges and approaches thereto, across the Mississippi River at or near the cities of Clinton, Iowa, and Fulton, Ill., at a point or points suitable to the interest of navigation, subject to the conditions and limitations contained in this act. For like purposes, said commission, or its successors and assigns, are hereby authorized to acquire by purchase or condemnation, and to reconstruct, maintain, and operate all or any existing bridges for vehicular traffic crossing the Mississippi River at or near the city of Clinton, Iowa, and may acquire control of any or all such existing bridges by purchase of stock in any corporation owning any such bridges, or by a conveyance from such corporation, and in any case the existing right or rights of the city of Clinton to acquire any such bridge or bridges shall be merged into and represented by acquisition thereof by the commission, and said commission shall be authorized to maintain and operate said bridge or bridges subject to the conditions and limitations contained in this act: *Provided,* That the power granted in this act with respect to the acquisition and purchase of any bridge shall not be exercised by said commission until all terms of the proposed acquisition and purchase of any such bridge shall have been approved by the Highway Departments of the States of Iowa and Illinois.

SEC. 2. Jurisdiction of all condemnation proceedings under this act for the acquisition of any existing bridge or bridges is hereby conferred upon the United States District Court for the Southern District of Iowa, and for such purpose the process of such court may be served outside of the State or district in which such court is located. Such proceedings shall follow as nearly as may be the law of the State of Iowa governing the proceedings for the condemnation of private property for public purposes in said State. Copies of any final judgment, decree, or order of such court in any such condemnation proceedings relating to land located outside said district shall be filed with the clerk of the court of the Federal district in which such land is located. In any such condemnation proceedings the commission shall be authorized to condemn all right, title, and interest in the bridge or bridges and approaches, and all right, title, and interest in real property necessary therefor.

SEC. 3. There is hereby conferred upon the commission and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such privately owned real estate and other property in the State of Iowa and the State of Illinois as may be needed for the location and construction of any such bridge or bridges and for the operation and maintenance of any bridge and its approaches hereby authorized to be acquired or constructed, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purpose in said State, respectively. The commission, its successors and assigns, is further authorized to enter into agreements with the States of Illinois and Iowa, and any politcial subdivision thereof, for the acquisition, lease, or use of any lands or property owned by such State or political subdivision.

SEC. 4. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge or bridges in accordance with the provisions of this act, and as provided by the act of Congress approved March 23, 1906.

SEC. 5. The commission and its successors and assigns are hereby authorized to provide for the payment of the cost of such bridge or bridges as may be acquired, reconstructed, or constructed, as provided herein, and approaches (including the approach highways, which, in the judgment of the commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the necessary land easements and appurtenances thereto, by an issue or issues of negotiable serial bonds of the commission, bearing interest, payable semiannually, at the rate of not more than 6 percent per annum, the principal and interest of which bonds shall be payable solely from the funds provided in accordance with this act, and such payments may be further secured by mortgage of the bridge or bridges. All such bonds may be registerable as to principal alone or both principal and interest, shall be payable as to principal in 20 equal annual installments, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the commission may determine, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge or bridges, acquired or constructed, and approaches and the land easements, and appurtenances used in connection therewith, when added to any other funds made available to the commission for the use of said purposes. The commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement setting forth the duties of the commission in respect to the acquisition, construction, maintenance, operation, repair, and insurance of the bridge or bridges, the conservation and application of all funds, the security for the payment of the bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law.

Said bonds may be sold at not less than par after public advertisement for 30 days for bids to be opened publicly at the time and place stated in such advertisement and at the bid price which will yield the greatest return to the commission for the bonds to be sold. The price to be paid for the bridge or bridges acquired hereunder shall not exceed

the reasonable value thereof at the time of the acquisition. The cost of the bridge to be constructed as provided herein, together with the approaches and approach highways, shall be deemed to include interest during construction of the bridge and for 12 months thereafter, and all engineering, legal, financing, architectural, traffic-surveying, condemnation, and other expenses incident to the bridge and the acquisition of the necessary property, including the cost of acquiring existing franchises and riparian rights relating to the bridge. If the proceeds of the bonds shall exceed the cost as finally determined, the excess shall be placed in the fund hereafter provided to pay the principal and interest of such bonds. Prior to the preparation of definite bonds the commission may, under like restrictions, issue temporary bonds or may, under like restrictions, issue temporary bonds or interim certificates, without coupons, of any denomination whatsoever, exchangeable for definite bonds when such bonds that have been executed are available for delivery.

SEC. 6. The rates and schedule of toll to be charged for the use of such bridge or bridges, in accordance with the act of Congress approved March 23, 1906, shall be continuously adjusted and maintained so as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge or bridges and approaches under economical management, and to provide a fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge or bridges are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintenance, repair, and operation, and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in a fund, at intervals to be determined by the commission prior to the issuance of the bonds, to pay the principal and interest of such bonds. An accurate record of the cost of the bridge or bridges and approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge or bridges so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within reasonable classes, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge or bridges for traffic except upon payment of tolls so fixed and adjusted. No toll shall be charged officials or employees of the commission, nor shall toll be charged officials of the Government of the United States while in the discharge of duties incident to their office or employment, nor shall toll be charged members of the fire department or peace officers when engaged in the performance of their official duties.

Within a reasonable time after the construction of any bridge or bridges, or the acquisition of any bridge or bridges, the commission shall file with the Public Roads Administration of the Federal Works Agency a sworn itemized statement showing the cost of constructing or purchasing the bridge or bridges and their approaches, the cost of acquiring any interest in real or other property necessary therefor, and the amount of bonds, debentures, or other evidence of indebtedness issued in connection with the construction or acquisition of said bridge or bridges.

SEC. 7. Nothing herein contained shall require the commission or its successors to maintain or operate any presently existing bridge or bridges acquired hereunder, if and when all bonds issued for account of such bridge or bridges shall have been retired or provision for the payment of interest on and the retirement of such bonds from the revenues from any other bridge or bridges shall have been made at the time of issuance of such bonds. Any such presently existing bridge or bridges so acquired and any appurtenances and property thereto connected and belonging, may be sold or otherwise disposed of or may be abandoned or dismantled whenever in the judgment of the commission or its successors, and subject to the approval of the Commissioner of Public Roads, Federal Works Agency, and the United States Secretary of War, it may be declared expedient so to do, and provisions with respect to and regulating any such sale, disposal, abandonment, or dismantlement may be included in proceedings for the issuance and sale of bonds for account of any such bridge or bridges. The commission and its successors may fix such rates of toll for the use of such bridge or bridges as it may deem proper, subject to the same conditions as are hereinabove required as to tolls for traffic over the bridge to be constructed, provided tolls shall be fixed and revised from time to time for traffic over all bridges so as not to adversely reflect upon the earnings of any bridge or bridges for account of which bonds may be outstanding. An accurate record of the cost of acquiring or constructing each such bridge; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 8. (a) After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held solely for that purpose, the commission shall deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to that part of said bridge or bridges within Iowa to the State of Iowa or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Iowa interest"), and that part of said bridge or bridges within Illinois to the State of Illinois or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Illinois interests"), under the condition that the bridge or bridges shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Iowa interests and the Illinois interests, as may be agreed upon; but if the Iowa or Illinois interests, as the case may be, fail to accept, or are not authorized to accept, their respective portions of said bridge or bridges, then the commission may deliver deeds, or other suitable instruments of conveyance of said portions, to any other interest which may accept and may be authorized to accept the same, under the condition that the bridge or bridges shall thereafter be free of toll and be properly maintained, operated, and repaired by said interests to whom said conveyances are delivered; but if either the Iowa interests, or the Illinois interests, or any other interest hereinabove mentioned shall not be authorized to accept or shall not accept the same under such conditions, then the bridge or bridges shall continue to be owned, maintained, operated, and repaired by the commission as a free bridge, until such time as the Iowa interests, the Illinois interests, or any other interest hereinabove mentioned, shall be authorized to accept and shall accept such conveyance under such conditions. The rate or rates of toll for crossing any bridge now existing or hereafter constructed which abuts upon or enters into the corporate limits of the city of Clinton, Iowa, shall not be reduced below the rate or rates now in effect on existing bridges so long as any indebtedness of said commission for the account of any bridge or bridges shall be outstanding and unpaid. Before deeds or other suitable instruments of conveyance are offered to the Iowa interests and the Illinois interests for acceptance, the commission shall place the bridge or bridges in a state of repair which will meet the approval of the Highway Departments of the States of Iowa and Illinois, and if in the opinion of said highway departments said bridge or bridges will need repainting within 2 years after the date of conveyance of title, the commission shall turn over to the Iowa interests and the Illinois interests sufficient funds to pay the cost of repainting.

(b) Notwithstanding any restrictions or limitation imposed by the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, or by the Federal Highway Act, or by an Act amendatory of or supplemental to either thereof, the Federal Works Administrator or any other Federal department or agency of the United States Government may extend Federal aid under such acts for the construction of said bridge or bridges out of any moneys allocated to the State of Iowa with the consent of the State highway commission of said State, and out of moneys allocated to the State of Illinois with the consent of the department of highways of said State.

SEC. 9. For the purpose of carrying into effect the objects stated in this act, there is hereby created the City of Clinton Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of Thomas B. Charlton, Joseph J. Burke, Fred Hansen, Mark Morris, and Milton Peaco, of Clinton, Iowa, and a representative from the highway department of each of the States of Iowa and Illinois, such representative from Iowa to be designated by the State Highway Commission of Iowa and such representative from Illinois to be designated by its division of highways, department of public works and buildings; such commission shall be a public body corporate and politic, but is hereby declared not to be an agency of the Federal Government. Of the members of the commission hereinabove named, Thomas B. Charlton and Joseph J. Burke shall be for a term of 1 year each, Fred Hansen and Mark Morris shall be for a term of 2 years each, and Milton Peaco shall be for a term of 3 years, from the date of approval of this act, and thereafter each member appointed on the commission shall be for a term of 3 years, except when such appointment is to fill an unexpired term. Each member of the commission shall qualify within 30 days after the approval of this act by filing in the office of the Federal Works Administrator an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall qualify in like manner within 30 days after his appointment. Any vacancy in said commission, other than of members to be designated by the highway departments of Iowa and Illinois, occurring by reason of failure to qualify as above provided, or by reason of death, expiration of term, or resignation,

shall be filled by the Federal Works Administrator. Before the issuance of bonds as hereinabove provided, each member of the commission shall give such bond as may be fixed by the Commissioner of Public Roads, Federal Works Agency, conditioned upon the faithful performance of all duties required by this act; the cost of such surety prior to and during the construction of the bridge shall be paid or reimbursed from the bond proceeds and thereafter such costs shall be deemed an operating expense. The commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 10. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall be entitled to a per diem compensation for their services of $10 for each day actually spent in the business of the commission, but the maximum compensation of the chairman in any year shall not exceed $1,200, and of each other member shall not exceed $600. The members of the commission shall also be entitled to receive traveling expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorneys, and other such experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such reasonable compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged, or provision for all such payment shall have been made as hereinbefore provided, and after the bridge or bridges shall have been conveyed to the Iowa interests, and the Illinois interests, as herein provided, or otherwise disposed of as provided herein, the commission shall be dissolved and shall cease to have further existence by an order of the Commissioner of Public Roads made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Clinton, Iowa, notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Clinton, Iowa. At the time of dissolution all moneys in the hands of or to the credit of the commission shall be divided into two equal parts, one of which shall be repaid to said Iowa interests and the other to said Illinois interests.

SEC. 11. Notwithstanding any of the provisions of this act, the commission shall have full power and authority to negotiate and enter into a contract or contracts with the State Highway Commission of Iowa and the Department of Highways of Illinois, the city of Clinton, Clinton County, Iowa, or any county or municipality in the State of Illinois, whereby the commission may receive financial aid in the construction or maintenance of the bridge or bridges and approaches thereto, and said commission in its discretion may avail itself of all of the facilities of the State Highway Commission of the State of Iowa and the Department of Highways of the State of Illinois with regard to the construction of said proposed bridge or bridges, and the commission may make and enter into any contract or contracts which it deems expedient and proper with the State Highway Commission of Iowa and the Department of Highways of Illinois, whereby said highway departments or either of them may construct, operate, and maintain or participate with the commission in the construction, operation, and maintenance of said bridge or bridges and approaches to be constructed hereunder. It is hereby declared to be the purpose of Congress to facilitate the construction of a bridge and proper approaches across the Mississippi River at or near Clinton, Iowa, and Fulton, Ill., and to authorize the commission to promote said object and purposes, with full power to contract with either the State Highway Commission of Iowa or the Department of Highways of Illinois, or with any agency or department of the Federal Government, or both, in relation to the purchase or condemnation, construction, operation, and maintenance of said bridges and approaches.

SEC. 12. Nothing herein contained shall be construed to authorize or permit the commission, or any member thereof, to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds contemplated to be provided by this act. No obligation created or liability incurred pursuant to this act shall be a personal obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 13. The design and construction of any bridge which may be built pursuant to this act shall be in accordance with the standard specifications for highway bridges adopted by the American Association of State Highway Officials, and the location and design of any such bridge shall be subject to approval by the highway departments of the States of Iowa and Illinois.

SEC. 14. Any bridge or bridges constructed, acquired, or reconstructed under authority of this act shall be constructed, maintained, and operated in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906. By reason of the commission hereinbefore created being a public body the provisions of the Securities Act of 1933 and of the Trust Indenture Act of 1939, and any amendments to either or both of said acts, shall not apply to bonds authorized to be issued by this act.

SEC. 15. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAMPAIGN EXPENDITURES COMMITTEE

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent that notwithstanding the sine die adjournment of the Seventy-eighth Congress, the Special Committee to Investigate Campaign Expenditures for the House of Representatives, 1944, be given until midnight of January 2, 1945, to file its report with the Clerk of the House to be printed.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

PATRICK HENRY NATIONAL MONUMENT

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent for the immediate considertaion of the bill (S. 1819) to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry in Charlotte County, Va.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. JENSEN. Reserving the right to object, Mr. Speaker, I think this bill relates to a matter that came up in the Subcommittee on Appropriations for the Interior Department, and the appropriation for it was turned down by our committee. I should like to have the gentleman explain this bill.

Mr. BURCH of Virginia. The appropriation was denied at that time and was defeated on the floor. This bill is to repeal the acts establishing a national monument to Patrick Henry at Red Hill, in Charlotte County.

Mr. JENSEN. If the purpose of this bill is to repeal the acts establishing that monument, I certainly wish to withdraw my reservation of objection.

Mr. BURCH of Virginia. That is what it is.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I wish to commend the gentleman for being able to get one act off the statute books. He ought to continue his work.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the establishment of a national monument on the site of Red Hill estate of Patrick Henry," approved August 15, 1935, and the act entitled "An act to provide for the acquisition by the United States of the estate of Patrick Henry in Charlotte County, Va., known as Red Hill," approved January 29, 1940, are hereby repealed.

SEC. 2. The Secretary of the Treasury is authorized and directed to cover into the surplus fund of the Treasury the unexpended balances of all amounts heretofore appropriated for the purposes of such acts of August 15, 1935, and January 29, 1940.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

(Mr. REED of New York asked and was given permission to extend his remarks in the RECORD.)

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INCREASE OF COMPENSATION FOR EMPLOYEES IN THE POSTAL SERVICE

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 673 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4715) to increase the compensation of employees in the Postal Service; that after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the

Post Office and Post Roads, the bill shall be read for amendment under the 5-minute rule; that at the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COX. Mr. Speaker, as has been observed the adoption of this rule would make in order the consideration of the bill providing for increased pay for postal employees. If you will bear with me, I will take just a minute of your time. Possibly I can best explain the purpose of the bill by quoting briefly from the report of the legislative committee handling it. The purpose of this proposed legislation is to make appropriate provisions for a permanent increase in compensation of employees in the Postal Service. It provides that the basic rate of compensation of all officers and employees, subject to the Reclassification Act of 1925, as amended, and other postal employees covered by the act of April 9, 1925, shall be increased by $400 per annum except that the basic rates of compensation of officers and employees paid on an hourly fee, part-time, or per diem basis and fourth-class postmasters and special-delivery messengers shall be increased 23 percent, and that the allowance of third-class postmasters for clerk hire shall be increased 23 percent. It provides that such increases shall be permanent.

Public Law 25, Seventy-eighth Congress provides a corresponding increase of $300 and 15 percent, respectively, and is temporary, expiring June 30, 1945. House Resolution 4715 provides for the repeal of the temporary act.

The Post Office Department makes no recommendation on the bill.

Let me quote from a letter from the Postmaster General to the gentleman from Virginia, Chairman BURCH.

> The Department has under way a careful study of the postal salary structure for all employees, but owing to the vast amount of work necessary in this important matter, we are not prepared to make a recommendation on legislation of this character at this time.

He states further in this letter:

> It has been ascertained from the Bureau of the Budget that there would be no objection to the submission of this report to the committee for its consideration.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from New York [Mr. FISH].

The SPEAKER pro tempore (Mr. COOPER). The gentleman from New York is recognized for 30 minutes.

Mr. FISH. Mr. Speaker, there is no opposition to this rule. I hope there will be no opposition to the bill. It should be a very popular bill. Of all the people in America, in my humble judgment and opinion, the most popular group are the post-office employees. I think every Member of Congress will be inclined to liberalize their pay to the extent provided by this bill, in the amount of $400 per employee. Post-office employees have not had an increase for many years. They are part of the white-collar class. In season and out, in bad weather and good, in storm, rain, and snow, the post-office employees deliver the mail regularly and are generally well liked by everyone.

They are particularly close to the Members of Congress, because they handle our franked mail. They handle millions of pieces of our literature during the campaign, and they do it efficiently, expeditiously, with good humor, and without complaint. They are a hard-working, efficient lot of people, and they deliver the goods day in and day out at a moderate salary from the Federal Government, which is a mere pittance in view of the increase in the cost of living and of taxes. It is certainly incumbent upon Congress to adopt legislation to increase their pay.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to my distinguished colleague.

Mr. COLMER. In view of the observation that the gentleman has made, I am wondering if he can see any necessity for 3 hours of general debate upon this bill.

Mr. FISH. The gentleman was a member of the committee which voted for this rule, and we did so because we felt that there might be many Members of Congress who feel grateful to the post office employees who would like to pay them a tribute. We wanted to give them that opportunity if they so desire. I am perfectly willing to limit general debate to 1 hour and expedite a vote on the bill today.

Mr. COLMER. If that is the objective of the 3 hours general debate, the gentleman might also ask unanimous consent that all gentlemen who desire to pay tribute to the postal employees might be given permission to do so.

Mr. FISH. A motion by unanimous consent to change the rule would be in order, although it is not for me to do that, but the gentleman from Georgia [Mr. Cox], who is in charge of the rule. If the gentleman from Georgia deems it advisable, he should make a motion of that kind, because I am not in position to do it, as I do not control the time. That is the prerogative of the majority side.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. FISH. Certainly.

Mr. MICHENER. I think the gentleman from Georgia will probably ask unanimous consent that the rule be amended so as to provide for 1 hour of general debate. If that is granted, it will be satisfactory to me.

Mr. FISH. And I suggest to the gentleman from Georgia that he consider making such a request, so that the rule will limit the time to 1 hour of general debate.

Mr. COX. I would not like to offer an amendment to the rule. I think perhaps the better procedure is to wait until we get into the Committee of the Whole, and let the chairman of the Committee consider a unanimous consent request.

Mr. FISH. That could not be done in Committee of the Whole. That would have to be done in the House. The gentleman from Georgia is the only one who can offer such an amendment, and it can only be done by unanimous consent.

Mr. COX. I ask the gentleman to defer that for a moment.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. O'CONNOR. Mr. Speaker, I endorse every word the gentleman from New York has said with reference to the merits of this bill. I do not see any necessity for debate upon this bill at all. It is the most meritorious bill that has been brought to the floor of the House during the session.

Mr. FISH. I thank the gentleman for his contribution, and I hope he will so advise the gentleman from Georgia [Mr. Cox]. I think we ought to have a vote on the bill today.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. DONDERO. This bill will add an increase in pay to one group of people in this country who have rendered an uninterrupted service throughout all types of weather in wartime, and the American people feel they deserve to be rewarded.

Mr. FISH. The gentleman is absolutely correct.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mrs. ROGERS of Massachusetts. The gentleman has spoken about the kind of weather the letter carriers have had to go out in, but he did not speak of the tremendously heavy loads they have to carry and the physical strain they are under. Also, in the post office itself, the mental strain they are under of deciphering addresses of letters and getting letters ready for the outgoing trains. Recently in my own city of Lowell I watched men getting out the mail for a special train. They were answering questions while preparing the mail. I really have never seen anything like it.

Mr. FISH. I thank the gentlewoman from Massachusetts for her usual worthwhile contribution.

Mr. Speaker, I have heard rumors in this Congress from which I assume that some Member will try to change the laws relating to the franking privilege. I hope—it is merely my own expression—that the Members of Congress on both sides will not try to curb or limit the privilege of any Member of the House of Representatives or of the Congress. This is a method by which the Members can keep in touch with the people back home and throughout the Nation in regard to their own views, votes, and pending legislation. I believe that if we were to limit the franking privilege in any respect it would be curbing free speech and the influence of the Congress of the United States. I have been accused of having abused my franking privilege, attacked in the recent campaign and before. Let me say to my colleagues that I never lent my frank to any individual

to send out a speech. Every speech I franked out, with one single exception that I know of, has been a speech of my own written by me or spoken by me and was a hundred percent American. I would not know how to make any other kind of speech. The only exception that I can recall was that I used my frank to send out a speech of Herbert Hoover, a former President of the United States. I believe every Member has the right to send out his own speeches and anything that was contained in the RECORD. If this statement I am making to you were not correct, and if it had been true as has been charged that I sent out speeches of other Members of Congress, what of it? Every article or statement inserted in the RECORD, in my humble judgment, by any Member of Congress is American. No Member of Congress would put any Nazi or Fascist propaganda or Communist propaganda, or un-American propaganda in the CONGRESSIONAL RECORD. If they had, then it is the duty of the Congress to expunge it and expel the Member.

It so happens in spite of these false charges that I have franked out only my own speeches, every one of which has been 100 percent American. It is true, and I am proud, as I leave the House, to state that many of my speeches urged our people to keep out of the war before Pearl Harbor because I believed, and they were my convictions, that if we went into the war we would not make Europe safe for democracy but would make it safe for communism. Those were my beliefs then, I repeatedly stated them; and they are more firmly my views at the present moment.

I hope no Member, no matter what he advocates, will take away the right of free speech and free press and the free franking privilege from Members of Congress to defend themselves and the Congress against the most vicious, malicious and false smear campaign that is being waged against the elected representatives of the people and the Congress and representative and constitutional government by Red and Communist sources all over this country. It will not decrease; I predict it will increase as the days go by.

There is another matter about which I should like to advise the Members, and I hope no one will feel that I am lecturing them. Mr. Speaker, I am sure my colleagues on this side do not think I am nagging them in presenting for their benefit my views as a Member who served for 24 years in the House. I have always expressed my own convictions, whether right or wrong, and have done it openly and fearlessly. I am convinced it will be for the best interest of the Congress of the United States, and its Members, Republicans and Democrats alike, if you would openly adopt a retirement system, not a pension system which is a name possibly of opprobrium, but a retirement system toward which the Members contribute themselves. The objection to the last bill was twofold. It came at the wrong time and, secondly, it gave the older Members who had served 20 or 25 years full retirement without practically any contribution on their part.

Mr. COCHRAN. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman has made a statement that has been made before which is absolutely wrong. He said older members could retire without making a contribution.

Mr. FISH. I am very glad to be corrected if it is wrong.

Mr. COCHRAN. You may put me in the category of being an older Member. My service covers, based upon my service as a secretary in the House and Senate and as a Member, over 30 years and it would have cost me $8,900 to get in the retirement fund on the basis of the Ramspeck bill. That is what it would have cost. That figure was computed by an expert in the employ of the Retirement Division of the Civil Service Commission.

Mr. FISH. I am very glad to get the gentleman's statement.

Mr. COCHRAN. It would have cost the Speaker of this House well over $15,000 if he wanted to get in and he could not have benefited at the time because he had not reached the retirement age. I had reached the retirement age.

Mr. FISH. I thank the gentleman for his contribution. If I was under the impression that older Members were receiving this retirement—I leave out the word "pension"—with very little contribution, certainly the people back home felt the same way. We had a bad press and it came at the wrong psychological time. I am confident it would be for the benefit and for the good of the country if you had such a retirement system. I speak as one going out of the Congress; I speak as one who could not qualify for it if we had one because I come under the New York retirement system which is very liberal. I will get a much larger retirement on leaving this House. I want to see the Members here have the same advantage and the same privilege, not only for their own personal benefit, Mr. Speaker, but for something far greater, the good of the Congress itself. I believe if we have an adequate and proper retirement, such as the Federal employees have, it would be welcomed if properly presented to the public.

In the second place, I believe, and this is not meant as a criticism of the House, you will have more independence, courage, and untrammeled action in the Congress on both sides of the aisle, which I think is highly desirable and in the interest of America.

You will be faced with great issues. The very destiny of America is at stake and largely rests with the House and Senate. If there is anything which can bring about more vigorous and constructive action, courage, and independence in Congress it will have public support. I hope it will be brought up as soon as possible and without any further delay in the next Congress so that a proper retirement can be passed and if you present the facts properly to the people back home they will support you.

Mr. COCHRAN. Aside from the $8,900 I would have had to pay to enter the retirement system I also would have been required to pay $51 a month as long as I was a Member of the House. Remember this information came from the Civil Service Retirement Division.

Mr. FISH. Was that the House bill or the Byrd bill?

Mr. COCHRAN. It was the House bill. Senator BYRD made the statement some Members could get in for 1 day's pay. I showed Senator BYRD what it would cost me, and I thought he was going to correct his statement, but he never did.

Mr. FISH. The gentleman did not make that clear to the American public. There are many people who did not know that, and I was one of them.

Mr. COCHRAN. I stated on the floor of the House the amount I would have had to pay. Yes; it probably was an inopportune time. The press handled that bill in a way that brought out the criticism.

Mr. CRAWFORD. The gentleman having had experience under the New York Retirement Act and having studied this question we are discussing, let me ask him this question: In your opinion, is it possible to obtain a much better retirement fund under our private insurance companies, making as much contribution as you desire, or do you get a better one under the proposal that has been submitted?

Mr. FISH. You get a very much better one under a Government system of retirement. The retirement system in New York is extremely liberal and is much better than anything any private company can provide. I am saying that as one with some experience in that line of business. I believe in free private enterprise, but it is my opinion that if you are to have a real retirement system, it must be by the Government, and the Government must contribute its share, in order to be really worth while.

Mr. CRAWFORD. Does the gentleman's answer go to the New York State law, or does he mean that the one proposed here is much better than can be obtained from a private insurance company?

Mr. FISH. The New York law is the only one I am familiar with. I am not familiar with the old bill. I am saying that the one in New York is far better than you could get from any insurance company. I believe that that would be a good model, because it has worked very satisfactorily. There is no complaint, and it is efficiently handled. With that as an example, naturally knowing something about it, I am urging the Congress to do the same thing. I do not want to become involved in a discussion of the merits of any particular bill. I am merely expressing my views.

Mr. CRAWFORD. I am not fighting with the gentleman.

Mr. FISH. It will have to be decided by those who will be Members of the next Congress, and not by me.

I thank the Members for permitting me to take so much time to present certain observations that I hope may prove

useful, and unless there is any other request on this side for time, I yield back the balance of my time under the rule.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. BURCH of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4715) to increase the compensation of employees in the Postal Service.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4715, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. BURCH of Virginia. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, salaries of post office employees and officers are set by laws enacted by Congress. The responsibility for fixing those salaries justly rests on us. Other workers who can negotiate collectively with their employers have been able to contract for increased wages and such wages generally had been increased either by agreement or through the War Labor Board since it was instituted.

The postal employee, however, received no increase in his basic pay since 1925 or earlier.

In the first session of the Seventy-eighth Congress H. R. 1366, or Public Law 25, was enacted providing a temporary increase of $300 per annum to expire June 30, 1945. H. R. 4715, the pending bill, would take the place of Public Law 25. It does not provide an added increase. It is in place of the temporary increase. It would give all post office officers and employees a $400 per annum increase over their 1925 or 1923 classifications. It is in effect an increase of only $100 per year over what they are now receiving. Employees not paid on a per annum basis would receive a percentage increase approximately equivalent to the $400 per annum raise, namely, 23 percent. The employees receiving the percentage increase, generally speaking, would be those in the lower-paid classification as substitutes, per diem or hourly workers, fourth-class postmasters, and clerks in third-class offices.

The increase would apply to all officers and employees paid from the appropriations for the field service of the Post Office Department. It omits none and is as all-inclusive as the temporary law, Public 25. This bill, H. R. 4715, would take effect and supersede the temporary law on the beginning of the next month after its enactment.

Public opinion expressed from all parts of our Nation and groups of our citizens, with unanimity, supports the pending measure. It does not usher in any millennium of prosperity for postal employees. Rather it tends to discharge an obligation owed in justice to faithful public servants. Income taxes and the cost-of-living increases will use up whatever benefit is conferred by this bill. We should not make it mathematically necessary for the postal employee to go into debt in order to meet his essential expenses while continuing in the Government service and that is the plight most of them are in today.

Revenues received through the service which they render should not be the logical measure of their compensation. The Post Office Department is a service-rendering and not essentially a revenue-raising function of the Government. However, it is fair to point out that the cost of this bill, H. R. 4715, will be absorbed by postal revenues and every indication points to the conclusion that the cost of this bill, H. R. 4715, will be absorbed in current and anticipated postal revenues.

The Committee on the Post Office and Post Roads after extensive hearings and deliberation have reported this bill and recommend its passage.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I congratulate the gentleman on his authorship and espousal of this particular piece of legislation, which I know he has worked diligently to have enacted into law. I do not believe we should consume a great deal of time discussing it, because I am convinced as a member of the Subcommittee on Appropriations dealing with post-office appropriations that there never was a bill coming before this Congress that had such unanimity of support among the Members of Congress, and the people generally throughout the country, commentators, and editorialists, in recognition of the wonderful service performed by the postal employees. I congratulate the gentleman upon his exposition of this bill.

Mr. O'BRIEN of Michigan. I know the gentleman from Wisconsin from his service on the Committee on Appropriations has an intimate knowledge of the operations, revenues, and services of the employees of the Postal Department. I am sure the gentleman's judgment in regard to this bill is a very valuable contribution to its consideration in the House.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Do I correctly understand that as far as postmasters are concerned this bill affects only postmasters in the fourth-class offices?

Mr. O'BRIEN of Michigan. No; it affects all postmasters, but those in the fourth class are part-time officers and they come under the percentage increase. Part-time and hourly employees or officers come within the percentage increase.

Mr. SMITH of Wisconsin. I join my colleague the gentleman from Wisconsin [Mr. KEEFE] in complimenting the committee and the gentleman from Michigan on this worthy legislation.

Mr. O'BRIEN of Michigan. I thank the gentleman.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I notice in the bill in line 9 that you include "and other postal employees covered by the act of April 9, 1943 (Public Law 25, 78th Cong.)." As I read the report, that refers to all other officers and employees paid from appropriations made for the field service of the Post Office Department. Is that right?

Mr. O'BRIEN of Michigan. Yes.

Mr. WOLCOTT. I want to call the attention of the gentleman to the fact that section 2 of the bill repeals that law. You cannot refer in legislation to something which does not exist. Would it not be preferable to write that language into the present law and strike out the language on lines 9 and 10? The substance of the question I raise is that there is some doubt as to whether they will be covered after we repeal that law because there would be no law to which reference could be made.

Mr. O'BRIEN of Michigan. The necessity for the language "and other postal employees covered by the act of April 9, 1943" after the reference to the Classification Act of 1925 is this: That custodial employees were classified under the act, I believe, of 1923, and later they were incorporated into the classifications of postal employees. But the Classification Act of 1925 did not include all custodial employees of the Post Office Department. Hence, in Public Law No. 25 of the present Congress, we added the language "all those paid out of the appropriations for the field service of the Post Office." That is the necessity for the reference to Public Law No. 25 and for including by such reference all officers and employees presently included in Public Law No. 25.

Mr. WOLCOTT. Well, the point is, when you repeal that law you have nothing to refer to. So it seems to me that if these custodial employees, or those covered by the act of April 9, 1943, Public Law No. 25, of the Seventy-eighth Congress, are to be covered by this act, you will have to have some language substituted for the language which you repeal under section 2.

Mr. O'BRIEN of Michigan. The language "all officers and employees paid from the appropriations for the field service of the Post Office" would be equally effective as reference to Public Law No. 25. If the gentleman wishes to suggest that amendment, so far as I personally am concerned, I think it would be perfectly in order.

Mr. WOLCOTT. Mr. Chairman, the reason I raise the point is that I know the gentleman intends to include them and we do want to include them and there should be no question about it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BURCH of Virginia. Mr. Chairman, I yield 2 additional minutes to the gentleman from Michigan.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Does this provide an additional $100 per annum increase in pay over the rates fixed under the act of February 28, 1925?

Mr. O'BRIEN of Michigan. No; it is $100 over what they are now receiving. It would be $400 per annum over the classifications of the 1925 act.

Mr. ROBSION of Kentucky. How does that compare in placing them in line with the increases we have granted to other employees of the Government?

Mr. O'BRIEN of Michigan. The legislation for the post-office employees, except for the time that Senate Joint Resolution 170 was enacted in the last Congress, has always been separate. The officials of the Post Office Department, in several hearings which we had, on many occasions have said that legislation for pay and working conditions of postal employees could not well be intermingled with legislation for other Government employees because of the difference in the character of their work.

Mr. ROBSION of Kentucky. So that it grants a $400 increase as permanent law over the act of February 1925 to first- and second-class postmasters; does it not?

Mr. O'BRIEN of Michigan. That is, to all officers and employees, except those that are described as "hourly, fee, part-time, or per diem, fourth-class postmasters, and clerks in third-class offices."

Mr. ROBSION of Kentucky. Mr. Chairman, I think it is a meritorious bill. Apart from the act of April 9, 1943, they have had no increases since 1925.

Mr. O'BRIEN of Michigan. That is right.

Mr. ROBSION of Kentucky. I am for the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BURCH of Virginia. Mr. Chairman, I yield 1 additional minute to the gentleman from Michigan.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield.

Mr. GATHINGS. Mr. Chairman, I wish to commend the gentleman for his wholehearted work in the interest of the postal employees. I just want to ask whether or not any study has been made in the gentleman's committee with regard to the question of these postmasters handling franked mail, particularly in these cities back through the country, county-seat towns, and cities all over America? Has any consideration been given to the handling of the great quantities of franked mail?

Mr. BURCH of Virginia. Does the gentleman mean penalty mail or franked mail?

Mr. GATHINGS. Penalty. Has any study been made of that particular question?

Mr. BURCH of Virginia. We have made some study. Does the gentleman mean as to quantity?

Mr. GATHINGS. The quantity of mail.

Mr. BURCH of Virginia. We expect to do that the next session.

Mr. GATHINGS. Does the gentleman have legislation now pending before his committee?

Mr. BURCH of Virginia. Not now, but we expect it.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. Yes.

Mr. VOORHIS of California. I merely rise to compliment the gentleman on bringing this bill here, and his committee also. I think it is a very just measure and gives what is due to some of the most devoted public servants that America has.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. Yes.

Mr. WEISS. I rise also to congratulate my colleague from Michigan and to say that in accordance with his discussion here, the chambers of commerce and 83 leading newspapers and civic organizations throughout the country unanimously endorse this bill.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. Yes.

Mr. SCRIVNER. This measure, as I understand it, in effect permanently restores and gives back to these employees, for the greater part, the cut they received under the Economy Act of 1933?

Mr. O'BRIEN of Michigan. It is not exactly that. In the Economy Act I think they received a 15 percent cut, which was later restored to them. This provides a per annum increase of $400 over their 1925 classification.

Mr. SCRIVNER. The gentleman made a concise statement of the provisions of the bill. For the reasons he has set out, and many others, I shall support the measure, for which so many of our citizens have shown approval. In addition, Mr. Chairman, I hope that the much discussed reclassification of these employees will receive early consideration by the committee.

Mr. HARTLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I am in favor of the passage of H. R. 4715. Most of the reasons for its passage at this time have been given. It would be useless for me to repeat them. I do, however, under permission already granted by the House submit for the RECORD as a part of my remarks a letter prepared and issued by Rockford Branch, No. 245, National Association of Letter Carriers, Rockford, Ill. This letter covers in question form the reasons why favorable action should be taken by the Congress at this time upon H. R. 4715:

DEAR PATRON: Did you know that the letter carriers are seeking a raise in wages?

Did you know that the letter carriers have not had a raise in wages since 1925 (19 years ago)?

Did you know that the Government increased our annuity deductions from 3 to 5 percent without increasing our annuity?

Did you know that during the last depression the letter carriers received a 27 percent pay cut?

Did you know that the recent increase in postal rates did not in any way benefit the postal employees?

Did you know that letter carriers are paid from postal receipts and not from general taxes?

Did you know that postal receipts have increased $200,000,000 since 1941?

Did you know that postal employees are not exempt from taxes?

Did you know that the Government does not furnish our uniforms?

Did you know that more than 50,000 postal employees are in the armed forces?

Did you know that we have lost 37 men to the armed forces, about 1 out of every 7 employees in the Rockford Post Office, and that the increased volume of mail means that every carrier is called upon to do more work?

Did you know that the Post Office Department does not sanction overtime, except in emergencies?

Did you know that postal employees receive 18 cents less per hour for overtime than they do for regular time?

Did you know that if the salary increase we are asking for is not granted, our salary will drop far below the average that is necessary to maintain a normal standard of living?

Did you know that it takes a unified act of Congress to give us this increase?

Did you know that the letter carrier needs your help right now?

You will be rendering your letter carrier a great service by writing to our Senators and Representatives, asking them to vote favorably on Senate bill No. 1882 and House bill No. 4715. These are companion bills asking our Government to increase our salary.

Thank you.

YOUR LETTER CARRIER.

Mr. Chairman, in connection with the passage of this bill, however, I wish to warn the membership of the House that H. R. 4715 is not a panacea that will cure all the ills of our postal employees. I want to say right now that our postal employees are suffering, and have been suffering for many years, from what might be called "a complication of diseases." We have in the Postal Service many inequalities and injustices that this bill does not touch, and which this bill will not remove. In fact, the inequalities and injustices now prevalent in the Postal Service will be aggravated by the passage of H. R. 4715. I speak of the many injustices that exist among the various classifications of the Postal Service; of the many inequalities that exist within the various classifications; and of the restricted and narrow opportunities that exist today in the Postal Service for advancement, for promotion, and for increased pay. For instance, under the postal law today, a young man starts as a clerk in a post office at $1,700 per year, and is automatically advanced each year for 5 years until he reaches the maximum salary of $2,100 per year. After 5 years' service, therefore, a post-office clerk reaches the top, with no further advancement for him unless he gets into a different classification. If he started work at 18 years of age he would reach the top at 23 years of age, with no further advancement possible. Are we going to attract to the Postal Service the caliber of young men we want and need with such a limited promotion range as that? This situation and many more similar ones in the Postal Service should be corrected—but this bill will not touch such inequalities or limitations, and certainly will not correct them.

The young postal clerk should start in the Service at a beginning salary of $1,800 per year and earn yearly promotions for efficient service as a postal clerk up to a maximum of $3,000 per year. He would then enter the Service knowing that, if he performed his duties satisfactorily, he would be sure of advancement under a liberal salary schedule.

Mr. Chairman, what is true of a postal clerk is also true of practically all the other classifications in the Postal Service. We tried to correct this 2 years ago with a longevity bill, a bill that would have provided increases in pay for postal employees after one had reached the maximum advancement under the law, the increases to be given in the nature of bonuses for long and efficient service. The bill was passed in a somewhat emasculated form, but it was vetoed by the President.

Mr. Chairman, I am presenting the picture of the situation in the Postal Service today, in connection with the passage of H. R. 4715, because I want the Members to know that when this bill is passed they have not yet done their duty to the postal employees of the Nation. Far from it, in fact.

The passage of this bill will provide only a shot in the arm for our postal employees to tide them over until the inequalities and injustices now prevalent in the Postal Service can be removed.

Mr. Chairman, to remove these inequalities and injustices will require legislation carefully worked out, legislation based upon a report of the facts concerning the present unsatisfactory conditions in the Postal Service. I am today, therefore, serving notice that the bill we are about to pass is only a piece of stop-gap legislation, and that it must be followed by future constructive legislation designed both to attract the best type of young men and women to the Postal Service and to hold them in the Service, once they have entered, by offering a wide range of promotions and salary increases. Some of us hope to present such legislation to this House for passage during the Seventy-ninth Congress.

Mr. HOWELL. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Illinois.

Mr. HOWELL. The gentleman has made a very fine statement with reference to the postal employees in which I heartily concur. Most individual postal employees enter the postal service with a view of making it a life-time profession. Out of their pay is deducted certain retirement funds which go to make up a pension for them in their older years. The gentleman has referred to certain injustices and inequalities which exist with reference to their classification, pay, and so forth. On Monday of this week there was a bill on the Unanimous Consent Calendar which sought to exempt those benefit payments under the retirement act from the provisions of the income tax law, an exemption which is granted now to beneficiaries under the Railroad Retirement Act, and other Federal laws. Very much to my disappointment that bill was objected to by one of the Members of the House. I am just wondering if the gentleman from Illinois will agree with me that taxing retirement benefits of the retired postal employees is one of the injustices which should be corrected in the very near future by legislation of Congress.

Mr. MASON. I agree entirely and I think—it is my opinion—that the Member who objected to the passage of that bill did not fully realize what he was objecting to.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield.

Mr. JUDD. Will the gentleman yield?

Mr. MASON. I yield to the gentleman from Minnesota.

Mr. JUDD. Do I understand from the gentleman's statement that a postal clerk who now begins at $1,700 will after the passage of this bill and if it is signed by the President start at $2,100?

Mr. MASON. He will.

Mr. JUDD. And his maximum, reached in 5 years, will be only $2,500?

Mr. MASON. He will get $2,500. That is the reason I called it simply a shot in the arm, a temporary expedient, until full and complete justice can be done.

Mr. JUDD. I want to congratulate the gentleman on his statement, because he has gone to the heart of the matter. He has stated so well my own feeling that we who sometimes are rather free to criticize other employers have an obligation to do a more thorough and careful and a fairer job in dealing rightly with our own employees.

Mr. MASON. And we ought to set the proper example to private employers all over the Nation.

Mr. JUDD. Our example carries more weight than our remarks. I was unwilling to promise to vote for this bill until the gentleman's committee had had a chance to study it carefully. It is a long overdue recognition of our failure to deal justly with our own employees; but I could not have voted for it, no matter how just and deserved, if the committee had found its passage might endanger our delicately balanced wage and price equilibrium. I am glad the committee has recommended its passage and am happy to be able to support it.

Mr. MASON. I thank the gentleman.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. MASON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I want to congratulate the gentleman and the members of the Committee on the Post Office and Post Roads in reporting this legislation. Salaries in the Postal Department have not kept pace with workers in many industries. For over 20 years there has been no permanent increase in pay to postal carriers and clerks. This bill is tardy recognition of a well merited claim and I hope it will be favorably acted upon in the Senate and become a law. If we are to keep the Postal Service on the efficient basis it has been in the past, we must pay enough to attract the best men and women into the Service.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Chairman, today we have under consideration a bill which should receive the support of every Member of the House, and I am glad to urge the passage of H. R. 4715. The enactment of this legislation will at long last grant some measure of economic justice to a group of our most loyal and hard-working Government employees—the postal workers.

Our postal employees have truly been the "forgotten" people of this period of ever-rising living costs. We have looked to them for dependable, efficient, and essential service every day of the month, and then forgotten them on payday. When we stop to think how much their faithful performance of their duties means to our business, to our peace of mind, and to our everyday living, it is appalling to realize that for 20 long years, we have not raised their salaries to meet the rising costs of living.

Under present schedules the man who delivers our mail starts out at a salary of $1,700 a year and receives an increase of $100 a year for 4 years thereafter. That is as far as he can go. Two thousand one hundred dollars is the maximum he can look forward to. This schedule was established back in 1925 and we haven't provided a basic salary increase since. As the years have passed, it has been impossible for these faithful workers to make both ends meet.

I do not believe that this measure will cure all the ills of our civil-service salary system, but I do believe it is a step in the right direction which should be taken at once. Some time ago when we had under consideration the adjustment of some of the salary inequalities in the Bureau of Animal Industry, I had occasion to make a study of the civil-service salary set-up, and when I got through, I wondered how in the world we ever expected to attract or to keep any employees with adequate experience and ability in some of our Government agencies with such salary schedules in effect. I believe that the postal workers affected by the bill now under consideration have been among the most discriminated against in the matter of salaries, and I hope and urge that we pass this bill without further delay.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Chairman, I am very much in favor of the enactment of this legislation, because I believe it to be based soundly on fair treatment to Government employees. One of the great domestic issues of the day is the establishment of proper relationships between employer and employee, which must include proper recompense for the work done and adequate pay so an employee may bring his family up in the American fashion and in accordance with American standards. Government in the past few years has been particularly concerned about this problem, as far as the

industrial life of the Nation is concerned, and it certainly should treat its own employees in the way it expects businessmen to treat theirs.

The employees of the Post Office Department are diligent workers; no one can deny that statement with any justice. Furthermore, they are faithful workers who serve the public in an indispensable department of the Government and their type of service is different from any other Government employee.

This legislation grants a very modest increase in the pay which they will receive and when it is realized that they have received no increase in pay for more or less 15 years, they can easily be recognized as the forgotten employees of a rich Government.

I have had the privilege of meeting with representatives of the post-office employees to discuss their problems and there is one thing that stands out more than anything else in these discussions, and that is the quiet, cooperative spirit of these people in their effort to serve their Government and the American people. This is a most refreshing attitude and if adopted in other laboring circles it might bring about a much better understanding between employer and employee.

I hope all the measures which are being considered at this time for increased pay for the post-office workers may be promptly and speedily enacted into law.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, I am glad that this bill, H. R. 4715, has reached the House and I urge its passage. I sincerely hope that it will receive immediate consideration in the Senate in order that it may obtain the approval of the President before the Seventy-eighth Congress passes into history. The employees of the Post Office Department have rendered fine public service. They are entitled to a revision of their wage schedules, established nearly 20 years ago. This is one bill for which Democrats and Republicans alike, in and out of Congress, have expressed their hearty approval.

I hope the Seventy-ninth Congress will give early consideration to a revision of the wage schedules of the other Government employees. Recently I brought to the attention of the House, as appears in the CONGRESSIONAL RECORD, my views in favor of this legislation. I favor it and I am going to vote for it.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, may I suggest to the Committee that I appeared before the Committee on the Post Office and Post Roads at the hearing upon H. R. 4715, and there urged that this proposed legislation be reported out of the committee favorable for passage, and I have not changed my position on this subject.

This is a very meritorious measure. I make that statement because for many years this class of our Government employees have continued their work each day at the same wage and salary. The postal employees, and especially the carriers, deliver the mail in all kinds of weather, wet or dry, rain or snow, fair or foul, and the people expect their mail regardless of weather. All of the postal employees have been faithful servants. They do their work well, and they do it without making complaint.

When we reflect upon all of the employees of the Federa Government, and the wage and salary they draw, it is my considered opinion that our postal employees are greatly underpaid for the service they perform. While the cost of living has greatly increased since they have had any adjustment of their salary, they continue the same faithful service for the Government and the people each day and without complaint. The small increase of their salary, as provided in this measure, is entirely deserved, and it is a distinct pleasure for me to aid them in securing this slight increase to which they are entitled.

Mr. Chairman, may I say that during the past few months, and since this legislation has been pending, I have received an untold number of letters and petitions from the people generally from the congressional district which I have the distinct honor to represent; and without one single exception they have unanimously favored the passage of this piece of legislation. The people recognize without exception that this is a meritorious measure in favor of the postal employees, and they are urging the passage of this bill.

While the vote on this measure will not become a precedent in any degree with respect to other matters which may come before the Congress—and I do not wish it to be so recorded—yet, in this instance, it is my belief and my considered judgment that this increase in salary is deserving and that this measure should be passed without a dissenting vote. It is my hope that this bill is passed and these underpaid employees will have the benefit of the increase provided in this measure.

Mr. HARTLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee, formerly a member of the Committee on Post Offices and Post Roads [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, H. R. 4715, which is a bill to increase the compensation of employees in the Postal Service and which is now under consideration by the House, is a just measure, and I shall vote for it. This bill grants a permanent increase in pay to the postal employees.

It provides that the basic rates of compensation of all officers and employees subject to the Reclassification Act of February 28, 1925, as amended, and other postal employees covered by the act of April 9, 1943—Public Law 25, Seventy-eighth Congress—shall be increased by $400 per annum, except that the basic rates of compensation of officers and employees paid on an hourly fee, part-time, or per diem basis, and of fourth-class postmasters and special-delivery messengers shall be increased 23 percent and that the allowance to third-class postmasters for clerk hire shall be increased by 23 percent. These increases by the terms of the act are made permanent.

Public Law 25, passed by the Seventy-eighth Congress, above referred to, provides corresponding increases of $300 and 15 percent, respectively, and is temporary, expiring June 30, 1945. The measure now being considered repeals this temporary act.

It is known to everyone that the pay of postal employees is far below the salaries and wages of those employed in private industry.

I have had hundreds of letters from businessmen and women, from those engaged in the professions and from people in every walk of life, residing in my district, urging the passage of this meritorious and long-delayed measure of relief to our postal employees.

There are no finer citizens than the men and the women who are carrying on the complicated and onerous service of handling, dispatching, distributing, and delivering the greatest volume of mail with which our Postal Service has yet been burdened. They are among the best citizens of my district. They are home owners and many of them are paying for homes. They are taxpayers and as such they are burdened along with everyone else with an unprecedented load of increased taxes—municipal, county, State, and national. The great majority of them are rearing families. They are sending their children to the public schools and to colleges and universities. They are members of and contributors to the church, to the Red Cross, to the community chest, and to other charities. They are discharging in a generous, loyal, efficient, and patriotic manner their duties and obligations to their communities and to their country.

When they receive this not too generous increase in their pay they will have little more than enough to meet and pay their taxes, to contribute to their retirement fund, the payments on their homes, their church dues, their contributions to charity, their life insurance, their living expenses, and the education of their children.

Mr. Chairman, as a Member of the Seventy-eighth Congress it was my privilege to serve with the members of the Committee on the Post Office and Post Roads, and as a member of a subcommittee I helped to frame and report to the House the act under which postal employees are receiving their present temporary increase in pay. I wish to commend the distinguished Member from Tennessee [Mr. MURRAY] and all the other members of the Committee on the Post Office and Post Roads for the very excellent measure we are now considering. It is a great tribute to the industry and fairness of this committee to the sense of justice and fairness of the American people, and to the loyalty, efficiency, and devotion of the postal employees of the country that this measure will pass this House by a well-nigh if not unanimous vote. I take great pleasure in speaking on behalf of this measure and in voting for its passage.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, I appeared before the Committee on the Post

Office and Post Roads on behalf of this very meritorious measure, giving to these faithful and hardworking employees of our Government a small increase in salary.

The cost of living has increased to such an extent that the compensation now received by Postal Service employees, most of whom have family responsibilities, is entirely inadequate.

I sincerely hope this humanitarian bill will be passed by the House and Senate and approved by the President before the adjournment of this the Seventy-eighth Congress.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Chairman, this measure before us, H. R. 4715, is not only timely but it is long overdue. I favor the enactment of this bill this afternoon by this House, and am glad to learn from statements which have been made so far that there is an almost unanimity of favorable opinion on both sides of the aisle.

Our loyal postal employees have had no wage increase for the past 19 years with the exception of a temporary $300 increase in pay which expires on June 30, 1945. This bill will insure them some measure of permanent relief.

I agree, however, with the statement made by the gentleman from Illinois [Mr. MASON] that this bill cannot be regarded as a panacea nor as the answer to all of the difficulties being faced by our postal employees. Hence I regard it principally as a temporary stop-gap until such time as the proper committees in the next Congress can give thorough and complete study to the postal-employee problems.

I have heard it said here this afternoon by some Members that they fear the remaining time that this Congress will be in session is too short to permit action by the Senate, and I have even heard some express the fear that even if it should pass the Senate the President would veto it. I sincerely hope that these fears are groundless, because I believe most sincerely in my earlier statement that this measure is not only timely but indeed too long overdue.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. RAMEY].

Mr. RAMEY. Mr. Chairman, I appeared before the Committee on the Post Office and Post Roads and urged the passage of this legislation. I am heartily in favor of it. I recognize its need. For the past several months it has been my privilege to toil night and day in its behalf.

Our postal employees are of the most self-sacrificing and patriotic group in our district.

During the congressional recess I appeared before their group and answered questions for over 2 hours. There was not a selfish remark made by any man or woman at the meeting, nor was there a sarcastic question asked.

Fourteen thousand eight hundred letters were received by me in favor of this legislation and only one against it. Not one of these letters was a chain letter. Not a pressure-group telegram was received. Every letter was from a citizen who was served by his mailman. Everyone loves him because he thinks of others—not of himself.

The most upright, patriotic citizen of our city, Mr. Paul Stewart, is one of these to whom I wish to pay a personal tribute. He has lost his health in the Railway Mail Service. He has lost his only son in World War No. 2. Yet he spends all his spare time in behalf of those who are getting mail to all parts of the world.

It has been said, "Those are truly great who give to the world the most and cost the world the least."

God bless this group who have given the world so much and have taken away from it so little.

In spite of the fact that the tenure of the time of service of Members of Congress is uncertain, and sometimes it is only one term or 2 years, at the present time a Member can barely pay his expenses if he does his duty.

Yet I voted against any raise in my own salary. I will do such if it comes up again. Right now a Congressman is a soldier to fight for his country and the world in the public arena, and completely forget himself.

I am most happy to forget my own security and support those of this great army of postal men and women whom we love better than we love ourselves. Only those who forget themselves and work for those in the armed service and all who are serving are fit to be in this great body. I am proud to be a Member of this unselfish, consecrated House of Representatives today.

Mr. BURCH of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, I want to commend the committee for bringing this bill to the floor. It is very meritorious, and I hope it receives the unanimous vote of this House. The work of the postal employees is much heavier than formerly. In addition to that, everybody knows that living costs are much higher than they were before the war. These hard-working, patriotic employees have not had a raise in salary for nearly 20 years. The matter has long been delayed. It is a question of simple justice that they get it now.

The Postal Service is something that touches every home. Much is expected of the employees, especially in these terrible war days. Many of them go a long way to accommodate and help the patrons of the office. Their faithfulness and loyalty are appreciated, and this bill will give them some measure of relief from the many financial demands made upon them constantly. As has been pointed out, the bill is not a cover-all nor a cure-all, but it will help. I am happy to give it my full support.

Mr. BURCH of Virginia. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, for 17 years previous to the year 1925, the salary of a Member of Congress was $7,500 per year. During the year 1925, the salary of the Member was raised 25 percent. During that same year, 1925, the postal employees received a reclassification in salaries which gave them approximately a 15-percent raise. Since the year 1925, the salaries of both Congressmen and postal employees have remained stationary. For 20 years, in the face of constantly rising costs of living and in the face of wage increases in practically every line of endeavor, the salaries of both Congressmen and postal employees have remained constant. Now in case some of my colleagues are becoming unduly apprehensive that I am at this time advising them to vote for an increase in their own salaries, I immediately disclaim such an intention. I have made this comparison for the purpose of calling to your personal attention the pressing need of postal employees who are earning from $1,700 to $2,100 per year.

The Members of this House know too well how little they have left after meeting their own expenses from a salary 400 to 500 percent greater. Consider then, the plight of the many thousands of good, loyal, and efficient employees in the Post Office Department, in their daily efforts to meet their family expenses. Since the year 1936 the general trend in the cost of living has been upward. There is a conflict of opinion as to what percentage that increase amounts to. The United States Department of Labor recently gave us a figure of 28 percent. The American Federation of Labor, after a careful analysis, states that the percentage of increase in the cost of living is 43.5.

It is significant to note that the latter figure of 43½ percent takes into consideration certain important factors which were not considered by the Department of Labor; namely, depreciation of quality standards and disappearance of low cost items from the retail stores.

As the present owner of a retail merchandising business, I can testify to the importance of these two factors. In my humble opinion, the failure of Congress to couple quality standards with specific frozen prices and the failure of Congress to protect the consumer against the dropping of low cost lines and the substitution of higher cost lines has resulted in an important part of the acknowledged rise in the cost of living. Be that as it may, however, we all realize that a rise has occurred between 28 percent and 43.5 percent, and with this fact in mind, Congress passed in April 1944 the temporary flat increase in pay of $300 per year, or about 15 percent, raise to the postal employees. At that time, as a member of the Post Office and Post Roads Committee, I made my maiden speech on this floor in favor of H. R. 1366. I was glad, for the sake of the postal employees, to see it passed.

I realized that the 15-percent temporary raise was far below the increased cost of living then. I realize that it is less than one-half the increased cost of living now. We knew at that time that the $300 raise was a temporary one, and it was the hope of many of the Members on the Post Office Committee and in the

House that a more adequate and permanent raise could be enacted in subsequent legislation. In line with this hope my esteemed colleague from Michigan [Mr. O'BRIEN], who introduced H. R. 1366, has introduced the bill before us—H. R. 4715. Realizing the importance of this measure, our highly respected and capable chairman, the gentleman from Virginia [Mr. BURCH], at the request of the Post Office Committee, has secured consideration of this measure. We therefore urge consideration of the merits of the resolution.

The statement has been made that consideration should be given to a general reclassification bill to correct other inequities in the Postal Service, such as the question of time and one-half for overtime on a 253-day year; the equalization of the pay to village-delivery carriers; the creation of a longevity pay system in the Post Office Department; and other questions concerning the welfare of the postal employees. I am heartily in favor of such a bill and will do all in my power to report such a resolution. But let us be realistic. A general reclassification bill, due to its complicated nature and the number of propositions involved, will require extensive hearings, lengthy debate, and many months to report. H. R. 4715 will alleviate the present need of the greatest number of the postal employees. It will replace the uncertainty of the temporary measure, H. R. 1366, and will give a great boost to the morale of that great army of postal employees who are rendering such loyal service on the home front—a service that has grown very burdensome during wartime due to greatly increased volume of mail and substantially decreased personnel. If and when a general reclassification of salaries is proposed, the Congress would no doubt take into consideration the present benefits conferred by H. R. 4715, and could at that time revise them to harmonize with the new legislation.

I believe that the authoritative figures which estimate the existing increase in the cost of living from 28 to 43.5 percent justifies this permanent increase of $400 per year to the postal employees. I believe that the need will be greater in the post-war years. We are facing further inflationary price rises. The O. P. A., in my opinion, has made a gallant but losing battle in the fight against inflation. The controls are slipping, the act has been weakened, and the dammed-up purchasing power of those whose wages and earnings have increased present a combination of factors that make inflationary rises inevitable. There is a constant clamor by selfish interests to relax controls; there has been widespread evasion and circumvention of the spirit of price control. With these undeniable facts before us, I repeat, a further rise in the cost of living is inevitable. This means additional privation and sacrifice for these postal employees who are on a fixed, low-income base. The increase in pay provided for by H. R. 4715 is modest, but it will be a great boon to one of the most deserving and loyal groups in the Government employment.

While I have stressed in this analysis the rise in the cost of living as a justifiable reason for the passage of H. R. 4715, I by no means think it the only factor. Consideration should be given to the nature and responsibility of the work performed, the intensive training and mental concentration necessary to learn and maintain their efficiency ratings, and the comparative wages received by those in private employment. Another factor, and an important one, is the increase in postal revenues. A mere glance at the last annual report of the Postmaster General will convince the skeptic that the raise is not only deserved, but justified. Since 1941 the postal revenues have increased over $153,000,000 for the year 1943. This year of 1944 will show a further increase. This increase does not take into consideration the tremendous burden of free military mail which the employees have handled. During this period of increased mail, the personnel of the Post Office Department has decreased 2,483. I submit to you the following statements of facts:

First. The postal employees have not had a permanent raise since 1925.

Second. The burden of their work and responsibility has increased.

Third. The cost of living has increased between 28 and 43.5 percent.

Fourth. The tax deductions from their gross earnings has greatly increased.

Fifth. Comparative wages in private industry for commensurate work and responsibility have increased since the year 1925.

In conclusion, Mr. Chairman, I believe the afore-mentioned and itemized facts contained in my statement justify the affirmative action of this House on H. R. 4715. I earnestly urge favorable consideration of this meritorious measure.

Mr. BURCH of Virginia. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I come from a city where the post office serves over 1,000,000 people. Aside from that, perhaps the largest railway mail division in the United States has its headquarters there. All the mail going to the West, the Northwest, and the Southwest stops in St. Louis because no train ever goes through there, and the mail is transferred there to other trains going to the West, the Northwest, and the Southwest.

This is one piece of legislation on which I am in a position to speak the voice of my constituents, because I have received thousands of letters from people in all walks of life, including presidents of great corporations and associations, endorsing this legislation and urging the passage of the bill. Further, each and every one of the great metropolitan newspapers in my city say that this is deserving legislation and should become law.

Mr. Chairman, I hope the bill is passed by a unanimous vote.

Mr. BURCH of Virginia. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, this is one of the most meritorious pieces of legislation ever to be brought before the House. I live in a city which has been absolutely overrun with the war effort. This city of 75,000 has seen its population rise to 250,000. You ought to see what these postal employees go through in an area of the Nation where people just stumble over each other, where there is the worst kind of congestion. We owe these men a lot. They endure every inconvenience in order to bring us our mail.

I hope this bill will pass without any opposition, because these employees need our help. They are doing the job for their beloved country at war. Let us not fail them now.

Mr. BURCH of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, the people of the city of New York are overwhelmingly in support of this legislation. I have urged action on it from its very inception. I am pleased that it is now before the House. I shall vote for it.

Mr. HARTLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MILLER], a member of the committee.

Mr. MILLER of Connecticut. Mr. Chairman, as a member of the Committee on the Post Office and Post Roads, I am happy to support this bill, even though I do feel it is only stop-gap legislation. I believe the post office employees are entitled to and should have this $400 raise at the present time, although I am glad to have the assurance of the chairman of the Committee on the Post Office and Post Roads that soon after the new Congress convenes it is his intention to have the committee study the whole salary structure in the Postal Service in an effort to eliminate some of the injustices that have been built up over a long period of years.

The postal employees as a group have been exceptionally loyal during this war emergency. In my own district I know of several men in the post office who could have left the Postal Service and gone into the war industries and earned considerably more money than they are receiving as postal employees, and they would have had a pretty good chance of coming back into the Postal Service when the war is over, but instead of taking advantage of the comparatively high wages that are being paid, they have stayed on the job and worked harder than in any normal period.

Mr. Chairman, my heart is a little heavy this afternoon as I realize that in all probability this is the last time I shall take advantage of the privilege that has been mine of addressing this House. Next month I shall be back home in Connecticut. I believe in the two-party system, but among other things I am going to try to convince the good people of Hartford County that in their support of the two-party system it is not necessary to alternate one term Democratic and one term Republican, as they have been doing for the last four Congresses.

Mr. HARTLEY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from New Jersey.

Mr. HARTLEY. May I say to my colleague from Connecticut that I think I am speaking the sentiments of the Committee on the Post Office and Post Roads when I say that in his retirement from the Congress the committee is losing a very valuable member and one of the most loyal friends the postal employees have in the House.

Mr. BURCH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to my distinguished chairman.

Mr. BURCH of Virginia. I want to say to the House that I do not know of any member of any committee, not only of the Committee on the Post Office and Post Roads, who has been more diligent and whose good judgment and help has been of more aid to the Committee on the Post Office and Post Roads than our good friend who is retiring from the Congress, the gentleman from Connecticut [Mr. MILLER]. We are sorry to see him go.

Mr. MILLER of Connecticut. I certainly thank our distinguished chairman and our ranking minority Member. It has been a pleasure to work on the Committee on the Post Office and Post Roads. In the 2 years it has been my good fortune to be on that committee, there has never been the least bit of partisanship brought into any of the discussions or in the consideration of any of the legislation before that committee. I have enjoyed my service in this House. I know that I will always treasure the friendships I have made here. Frankly, I dislike the idea of being sent back to the side lines during this period when our country is engaged in this terrible war. But I am sure that somewhere back in Connecticut there must be some little job I can do and some little contribution I can make to this war effort which we are all engaged in. If I cannot do anything else perhaps I may be able to sell War stamps and bonds. Mr. Chairman, I want to take this opportunity of expressing my thanks and appreciation to the Speaker of the House of Representatives, to the leadership of the House and to the older Members for their many kindnesses to me, for the way they overlooked my mistakes and my shortcomings. I never expect to go any place and find the fine spirit of friendship that is so manifest in the House. I will never forget the first day I came down here in December 1938; it seemed that everywhere I went the employees of the legislative branch of the Government put themselves out to be helpful. I remember calling at one office and after taking care of that detail they wanted to know where I wanted to go next. I wanted to find the office of the Clerk of the House. Instead of letting me roam around the Capitol to find the office of the Clerk of the House, they had one of the young men in the office take me to the Clerk of the House. I found it was that way in the weeks that were to follow, in the early days of the Seventy-sixth Congress. I go back to Connecticut with a warm feeling, not only for my colleagues but for the employees of the House. In this closing minute may I bespeak for my successor who is known to many of you, Mr. Koppleman, your friendly cooperation. He will be representing more than 300,000 fine citizens of the State of Connecticut.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. SUNDSTROM].

Mr. SUNDSTROM. Mr. Chairman, I am in favor of this bill and I intend to vote for it.

In considering this legislation, let me first congratulate the Post Office and Post Roads Committee for their action in getting this bill before this Congress. To my knowledge, there is no group of Federal employees more loyal, harder working, and more deserving. They have received no increase in basic pay for more than 19 years. Under most trying conditions of a wartime economy, without adequate replacements, they have truly served their country.

I have received thousands of letters from my people requesting me to support this measure. I have not received one letter in opposition. When the Post Office and Post Roads Committee held hearings, I spoke before them in favor of this legislation. I trust the Members of this House will act favorably upon this measure today.

Mr. BURCH of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. TOLAN].

Mr. TOLAN. Mr. Chairman, there are no more efficient, self-sacrificing, hard-working, or honest men and women in the Federal service than the postal employees. I think they are entitled to this raise in pay. I think they are entitled to it now. I am wholeheartedly in support of the bill and hope that it passes unanimously.

Mr. BURCH of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. MCKENZIE].

Mr. MCKENZIE. Mr. Chairman, it pleases me very much to hear my colleagues on the Committee on the Post Office and Post Roads on this side and on the other side of the aisle pledge themselves that in the next Congress they will attempt to work out the inequities of the postal employment act and wage scale and reclassify them in a proper manner, commensurate with the work which they are doing. It also affords me great pleasure as a member of the committee to tell you that this committee reported favorably and unanimously on this bill. Although it is a stopgap bill, it is also one that is very much deserved and very much needed. They have not had an increase in their base pay in more than 19 years, but the living expenses of these good citizens have gone up along with that of everyone else. By the very nature of their employment, postal employees are permanent citizens. They must live adjacent to and be patrons of the particular post office in which they work in order to be eligible to hold their jobs. Their integrity and devotion to duty is above reproach. With the few exceptions of transfers, they spend their lives in the community in which they are employed. They rear their families and buy their homes there. They participate in the life of the community, taking a major part in civic and social and religious affairs. They are our most stable citizens. They perform for the people of the United States a service which has become so excellent and smooth in its function that we have begun to take it for granted. We do not realize the toil and sacrifice that goes into the work of postal employees. I am most happy that this House today apparently approves the action of the committee in reporting this very much-needed raise for the postal employees, all of them, from the top to the bottom. I am wholeheartedly in favor of the bill, and I know it is going to pass overwhelmingly.

Mr. HARTLEY. Mr. Chairman, I yield now to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I am very much in favor of this bill and sorry that it did not pass sooner. I hope it will be cleared and signed by the President before the session's end.

I appreciate this opportunity to support H. R. 4715, introduced by our colleague the gentleman from Michigan, Representative O'BRIEN, having for its purpose increasing compensation of employees in the Postal Service. The bill increases the salaries of these employees $400 per annum with certain exceptions. The bill is brief and provides as follows:

H. R. 4715

A bill to increase the compensation of employees in the Postal Service

Be it enacted, etc., That the basic rates of compensation of all officers and employees subject to the act entitled "An act reclassifying the salaries of postmasters and employees in the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925, as amended, and other postal employees covered by the act of April 9, 1943 (Public Law 25, 78th Cong.), are hereby increased by $400 per annum; except that the basic rates of compensation of officers and employees paid on an hourly, fee, part-time, or per diem basis, and of fourth-class postmasters and special-delivery messengers, are hereby increased by 23 percent; and the allowance to third-class postmasters for clerk hire is hereby increased by 23 percent.

SEC. 2. The act entitled "An act to provide temporary additional compensation for employees in the Postal Service" approved April 9, 1943 (Public Law 25, 78th Cong.), is hereby repealed.

SEC. 3. This act shall become effective on the first day of the month next following the date of its enactment.

It is my understanding that these faithful Government employees have not received any permanent increase in salary since January 1, 1925, notwithstanding since that time the cost of living has increased tremendously and other Federal Government employees have had increases in compensation from time to time. While it is true that as a war measure we provided for a temporary $300 annual increase of Federal employees, this measure expires June 30, 1945, and cannot take the place of a permanent salary readjustment in the long-range program bringing the salary

schedule of employees in the Postal Department up to the standard maintained in other Government departments.

The Post Office Department has received heavy increases in mail matter and other postal services, and as a result reports that for the first quarter of the current fiscal year it showed a surplus of over $9,500,000, whereas for the same period of the previous fiscal year they had a deficit of over $14,800,000. The receipts for September 1944 were $97,356,827.95, or an increase of 18.96 percent over the same month in 1943. Regardless, however, of whether the Post Office Department makes money on these operations or loses money, Federal employees charged with the responsibility of carrying forward this important governmental service are entitled to fair and just compensation commensurate with the service performed. These postal employees are not receiving such compensation at this time and are the forgotten employees of our governmental program.

Mr. Chairman, while I was home in my district during the recess of the Congress, I asked for a conference with the post-office employees in my district in which this and many other subjects of interest to them and to the Government were discussed. I asked that the legislative chairman submit to me suggestions with reference to improvements that could be made in the Service by enactment of necessary legislation. Mr. Edward A. Kelham, chairman of the legislative committee, Local 128, National Federation of Post Office Clerks, in response wrote me recently, and I ask leave to quote from his letter commenting upon this proposed legislation and other legislation needed to improve post-office service and deal justly with Federal employees carrying on that important work.

Mr. Chairman, as we all know, one of the important factors in keeping the work of any department functioning properly, with satisfactory relationships between employer and employees, is morale. Certainly we cannot expect to keep up the morale of our post-office employees while we, from year to year, deny them any wage increase, during which time other employees are receiving proper increases. We ourselves are made conscious every day of the increase in the cost of living, and we know that Federal employees, such as those in the Postal Service, who are on a permanent basis, who have their own homes to maintain and their families to support, cannot do it on wage scales that existed 25 years ago. Furthermore, postal employees are not receiving the regular pay for their overtime services. As we all know, most employees, particularly those in organized labor, receive time and a half overtime, but this particular group of post-office employees do not receive full time for overtime, let alone time and a half.

The families of postal employees are particularly interested in this legislation because the welfare of the wives and children are dependent in a large measure on the passage of this bill.

Organized labor is heartily in support of this bill as shown by a telegram I received today from William Green, president, and George Meany, secretary-treasurer, of the American Federation of Labor.

Mr. Chairman, I hope the Congress, which has always been very considerate of the rights of Federal employees, will approve this bill and that it may be enacted into law before the Seventy-eighth Congress ends.

Mr. HARTLEY. Mr. Chairman, I yield now to the gentleman from Illinois [Mr. CALVIN D. JOHNSON].

Mr. CALVIN D. JOHNSON. Mr. Chairman, I am wholeheartedly for this measure and join with my colleague the gentleman from Illinois [Mr. MASON] in the hope that an upward permanent increase will be granted as this measure is at best only stopgap legislation.

I am of the opinion that this Nation owes a debt of gratitude to its postal employees for the patriotic service they have so unstintingly rendered during these trying times.

Their uncomplaining devotion to duty has set a shining example for the entire Nation. I consider it a privilege to be permitted by my vote for this measure to repay in a small way the loyalty our postal employees have shown to our Government during the greatest crisis in its history.

Mr. HARTLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COLE].

Mr. COLE of Missouri. Mr. Chairman, my distinguished colleague, WALTER PLOESER, of the Twelfth District of Missouri, a former member of the Post Office and Post Roads Committee and now a member of the Committee on Appropriations, is at present somewhere in the Pacific on an inspection trip being made by members of that committee. He appeared before our committee during the hearings on this bill to urge its immediate consideration and has been very active in his support of it. He has requested me to inform the House that he is wholeheartedly in favor of the immediate passage of this bill and further requests that he be paired for its passage.

Mr. Chairman, I am 100 percent for the immediate passage of H. R. 4715 for several reasons. Principally because this increase in the salary of our postal employees is needed and needed now to meet the increased cost of living. There is no other group of Federal employees more loyal or more efficient than those who handle our mail, and yet they are now receiving wages much less than they could obtain in private industry. Even so, they have remained on the job and we have lost very few of them to private industry. The postal employees have had no permanent increase since 1925. It is true that last year this Congress gave them a temporary annual increase in amount of $300, which will expire on June 30, 1945. The average salary of a postal employee is $2,100 per annum, and this $300 temporary increase amounts generally to an increase of approximately 14 percent.

Labor statistics show that the cost of living has increased more than 24 percent. A short time ago the President appointed a committee to make a survey in this regard, and that committee reported that living costs had increased some 30 percent. It is for this reason that it is necessary to increase the permanent basic salary of postal employees $400 per annum. It is true that there should be an over-all revision of the salaries in this department of the Government. However, such a revision will take many months of study by our committee. For instance, last September our distinguished chairman called the postal authorities to appear before our committee and at that time instructed them to get for us a report on the necessary adjustments and revision of postal employees' salaries.

When our committee convened shortly after election to conduct hearings on this type of legislation, the postal authorities informed us that their report was not yet ready and that it would take another 60 days to prepare this report. So, you can readily see that no over-all revision can be made before the temporary increase expires.

Mr. Chairman, our committee held lengthy hearings on this bill and during that time representatives from every organization of postal employees appeared urging the passage of this legislation. Many of my colleagues also appeared as did Members of the Senate and, of that number, not one appeared for the purpose of opposing this legislation. In fact, even the Post Office Department offered no evidence that would disprove the immediate need for this salary increase. This is a good bill, a much-needed increase, and I hope that it will pass. It was reported unanimously and favorably by our committee.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BURCH of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FURLONG].

Mr. FURLONG. Mr. Chairman, there is no better way to prevent a depression than by paying good salaries. Let us start off on the right foot by paying these salaries to people who are deserving, to all the postal employees of the United States Government, the most conscientious and trustworthy workers, who are doing a tremendous work under adverse conditions.

Whether in wartime or peace it is most essential for the success and happiness of the people of this Nation that communication through the post office be carried on.

The postal employees are deserving and must be given credit for their efficient handling of the mails. We are the ones who can reward them and give them their just dues by passing H. R. 4715.

Postal employees should get a permanent increase in salary of $400 per year, or the 23 percent at least, commensurate with the American standard of living. The $300 granted, to expire June 30, 1945, has not adequately met their requirements.

Food, clothing, and shelter have advanced in price far over their temporary raise, and due to the fact that no permanent raise has been made to them since 1925 it would be a crime to allow them to carry on with substandard wages.

They want to live and raise their families in the American way.

In the name of all that is just let us see to it that they are paid wages befitting an American.

We are not doing right in asking industry to give better hours and wages and at the same time have our postal employees accept poorer working conditions and lower wage standards than they.

The Government should lead the way in all that is good by setting the example, so I humbly beg of you that H. R. 4715 be agreed to and passed.

Mr. HARTLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. HOEVEN], a member of the committee.

Mr. HOEVEN. Mr. Chairman, I doubt whether any useful purpose will be served in a repetition of the facts and arguments presented on this very worthy piece of legislation. I want to assure the Committee that it has been a very distinct privilege and a pleasure to have served on the Committee on the Post Offices and Post Roads for the past 2 years. As has been stated before, there has not been one bit of partisanship shown in that committee. We have gotten along splendidly under the fine leadership of our beloved chairman, the gentleman from Virginia [Mr. BURCH].

Another thing I want to bring to your attention is the fact that we have had the finest cooperation from the Post Office Department in all of our deliberations. Then, too, I cannot fail to say just a word about the splendid group of men representing the different branches of the Postal Service who have appeared before our committee from time to time. They have been gentlemen in every respect and have cooperated wholeheartedly.

Mr. Chairman H. R. 4715 received the unanimous approval of the Committee on the Post Office and Post Roads. The Committee felt that some measure of justice would be offered the post-office employees of the Nation, if this legislation were adopted.

The post-office employees have not actually had an increase in salary since 1925. What Congress did 2 years ago was to pass legislation which provided for a "bonus" of $300 per year for each employee, but even the bonus expires in 1945. The post-office employees are simply asking that Congress put their salary schedule on a permanent basis more nearly in keeping with the increased cost of living, and the changed economic condition which has developed in the last 19 years. The post-office employee during all of this period has experienced the same dwindling value of his dollar that all other workers have experienced.

I fear that unless something is done for these employees along the line suggested in the bill now before us, the Post Office Service will have to lower the standards for employment which have been maintained so nobly for many years. In spite of the manpower shortage in other lines of endeavor, and the fabulous wages offered to workers in many other lines of employment, the post-office employee has remained on the job. Such perseverance and devotion to duty should be rewarded by a grateful people.

The employees of the Post Office Department are not only loyal and devoted to duty, but they are most efficient, and throughout the war emergency have been working under the burden of an extraordinary volume of business. Just now, at this season of the year, they are working long and hard so that Christmas cheer may be brought into the homes of America and to our loved ones overseas.

None of the employees of Government come nearer to giving 100 percent worth of service to the taxpayers of America, than the loyal and efficient employees of the Post Office Department.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I am heartily in favor of this bill, which provides a long-deserved increase in pay for the postal employees.

I support this measure for several reasons. In the first place, I believe the present wage scale for postal employees is entirely inadequate when one takes into consideration the present cost of living. It is my understanding there has not been an increase to this group of employees since 1925, except of a temporary nature which will soon expire.

There is another reason why I favor this legislation. In my opinion, no group has demonstrated greater loyalty to their Government and carried on their work more efficiently, without complaint, even though their duties, due to war conditions, have greatly increased. Many of these men could have obtained wartime jobs with higher pay, but they stuck loyally to the service.

I am glad to learn from members of the Post Office and Post Roads Committee that it is their intention to go into the whole subject of pay adjustments for all postal employees at the next session of Congress, so as to remove present inequities. I hope that, as a result of such a study, that committee will bring to the floor of this House a bill that will be equitable and fair. I know, if they do so, the Congress will be glad to support such a measure.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. ROLPH].

Mr. ROLPH. Mr. Chairman, on Tuesday last I received permission to address the House under special order in connection with this bill. I want to repeat what I said at that time. I sincerely hope the House will pass this most worthy measure.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I am supporting this bill. The only salary increase I have voted for since Pearl Harbor was the temporary increase for postal employees. I voted against increases for the Civil Service, because the percentage arrangement gave unneeded increases to highly paid bureaucrats. I voted against increases for congressional employees because I felt the increase had no relation to needs or ability, and was a break in the hold-the-line policy. Now that Congress, without my vote, has abandoned that policy; now that the War Labor Board has permitted an end-run around the line by steel workers, I think this increase to postal employees is justified. Perhaps it is not scientifically prorated, but this increase has the virtue of taking care of the lower-paid employees who need it most, equally with the higher-paid employees, instead of giving more to those who now get more. Considering the many years since these faithful workers have had any increases at all, as a group, and considering the great increases in other wages, and in the cost of living, this $400 is simply a cost-of-living increase. There will be plenty of time for Congress to consider the careful study of the postal salary structure which the Department is making, if the Department ever gets around to finishing it. In the meantime, under this bill, if it becomes law, the postal employees will be getting approximately decent pay, instead of relying upon an emergency law that will soon expire.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, I was reared up a Methodist. I knew something about testimonial meetings in my early days. The proceedings today are reminiscent of those occasions. I want to join this procession and testify and say that I am for the bill.

Mr. Chairman, it would seem that this vote is to be about unanimous. At least no one has as yet expressed opposition. There is a reason for this. When all partisanship disappears; when all sections of the country; and when industry, labor, and agriculture, as well as all other groups, apparently unanimously urge the passing of legislation, the task of the Representative is much easier. The postal employees are to be complimented on the good judgment they show when they seek legislation. This has been their history down through the years. They sell their cause to the people back home, and the people through their Representatives in Congress record the vote.

This bill should, and possibly will, pass unanimously, and there will be nothing but praise from our constituents. It is seldom indeed that the Congress approaches a vote on important legislation with such assurance.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, I am heartily in favor of this legislation.

Mr. Chairman, I wish to urge favorable action on the O'Brien bill, H. R. 4715.

In view of the fact that the temporary increase granted for postal employees will expire shortly, it is essential that action be taken now to continue readjustment of postal wages. There has been no increase in the basic rate of the postal employees' pay for a great many years, although the cost of living has constantly risen.

There has never been a more loyal group of people than those in the Postal Service. They have served the people and their Government faithfully and conscientiously through the most trying conditions without complaint. They have been the backbone of Federal service—the inspiration and guide to all other Federal employees—yet they have been treated shabbily. It is just plain decency that they should have a $400 annual permanent increase now. We all recognize the necessity for an over-all revision of the entire pay schedule and classification ratings in the Postal Service. This is long overdue, but it cannot be accomplished immediately, and the postal workers should not be penalized while such studies are being undertaken.

Furthermore, it is just plain fairness that the permanent pay should be increased by $400 so that a reclassification can be based on a proper basic wage scale.

If we are to expect loyalty and faithful service from our postal employees, we must be loyal and faithful to them. Loyalty must be a two-way street. I cannot strongly enough urge immediate passage of H. R. 4715.

Mr. HARTLEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, while we are all jumping on the band wagon this morning, I think it might be well to point out that though H. R. 4715 appears to be a popular bill, its proponents have undergone a great deal of struggle in order to get it before the House. I say that because I know definitely that various organizations and groups of postal employees back home have worked very hard for the past 3 years to present this matter to the Committee on the Post Office and Post Roads, and in turn to get that committee to report out legislation which is beneficial to the post-office employees as a whole.

I desire to subscribe to the O'Brien bill. At this time may I point out that a great deal of praise should go to the chairman of the committee, the gentleman from Virginia [Mr. BURCH], and also the members of the Committee on the Post Office and Post Roads, in addition to the author of the bill who has worked so hard to introduce and present it to the House.

There is one angle that has not been covered before from the arguments that have been made, one angle which I think we should examine today. That is to say that the Government and the people of the United States are benefiting just as much as the postal employees are from this pay increase. They are getting better and improved service, because the Post Office Department, which is the oldest Department in the Government today, and was created among the first under the Constitution, is benefiting therefrom. The personnel it would lose to more lucrative positions is valuable to improved service. Bigger pay outside is being held out every day to the employees of the Post Office Department. I am glad to see that H. R. 4715 is to be adopted at this time.

Mr. BURCH of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. WEISS], a member of the committee.

Mr. WEISS. Mr. Chairman, during my 4 years as a Member of Congress I do not know of any bill in which there has been so much unanimity. I doubt whether there will be a single vote in opposition to the O'Brien measure making permanent a deserving increase to the most deserving group of Government employees. I think we should dispense with further debate. Let us vote for the bill and send it over to the Senate, to give them a few extra hours in order to report out and pass this worthy measure before the Seventy-eighth Congress adjourns.

Mr. BURCH of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I have heard two or three Members remark about somebody climbing on the band wagon. I am not climbing on the band wagon at this moment, for I have been in favor of legislation such as this for a long time. I favor the bill.

Why is it we so often come to this subject of legislation in December? Is it because we see the heavy overload on postal employees about Christmastime? Well, that is only one reason for this need. I hope we may be able to enact this measure before adjournment. I was not only glad to speak for it before the committee, but am also glad to vote for it today.

Occasionally we hear it said that employees of the Post Office Department are well paid. It is a relative matter and depends largely upon the period referred to. In times of depression the statement may be correct. In boom times it is not correct and it is not correct now. In my experience through years as a public employee I have noticed that in times of depression Government employees have actually been envied by those who were not on a salary. On the other hand, in times of prosperity, or seeming prosperity, the self-employed, thriving citizen either views such meager earnings with contempt or pity, but he does not usually suggest an increase. However, in the case of this class of employees I have heard businessmen urge an increase in their pay. This bill is needed.

Mr. HARTLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I am happy to join my colleagues this afternoon in support of the bill H. R. 4715 introduced by my friend the distinguished gentleman from Michigan [Mr. O'BRIEN].

Some time ago the distinguished gentleman from Illinois [Mr. DIRKSEN] expressed an opinion in which I join today. He said that of all the departments of the Federal Government, it was his opinion that the Post Office Department was the best administered. I think that is true, and it is true because of the large army of loyal and devoted men and women, the letter carriers and the postal employees who make up the personnel of that Department. With a reduction in personnel and a large increase in volume of work these people through the years, and especially in the years of this tragic war, have rendered to the American people a loyal, unselfish, and uninterrupted service that stands as a credit to them. They are entitled to consideration at our hands. They have given this service to our people over a period of 19 years and have received no increase in pay except the $300 which was granted in a lump sum which will expire next year.

In my section of the country, in the industrial or the metropolitan area of Detroit, industrial wage scales and rates have risen greatly in excess of the amount of money paid to letter carriers and postal employees. That being true, nevertheless, these people, in all kinds of weather, in sunshine and in storm, have never failed the American Nation in rendering this service to them regardless of whether or not they received an increase in pay.

Therefore, Mr. Chairman, I feel it my duty this afternoon to take a part in this debate and urge the passage of this bill. I hope there will not be a single vote against it.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. ROWE. Is it not also a fact that during these 19 years in which they have received no additional reward, due to the Economy Act enacted in the early thirties, they actually suffered a decrease?

Mr. DONDERO. That is true.

Mr. Chairman, on the front of the Post Office Building here in the Nation's Capital, on Pennsylvania Avenue, is an inscription. I think it is apropriate to these remarks. I will read those few lines, because I think they apply to the subject before the House this afternoon. They are as follows:

> Courier of news and knowledge,
> Instrument of trade and industry,
> Promoter of mutual acquaintance,
> Peace and good will among nations.
>
> Messenger of sympathy and love,
> Servant of parted friends,
> Consoler of the lonely,
> Bond of the scattered family,
> Enlarger of the common life.

Such is the type of service the postal employees and the letter carriers render to the Nation. Let us reward them for that service which they have so unselfishly given to the American people.

Mr. BURCH of Virginia. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, I gather from the remarks made on this bill it will pass almost unanimously.

My purpose in asking for this time is to divert attention from the proposed authorization and discuss with you a few moments another phase of the Postal Service which I think deserves consideration by this Congress.

For 14 years I have endeavored from time to time to secure legislation that would provide rural delivery service by

substitute carriers on rural routes on all holidays except Sundays. When this bill was reported to the House a few days ago for consideration I planned to offer the following amendment:

On page 2, at the end of line 6, strike out the period, insert a semicolon, and add the following: "*Provided*, That substitute carriers on rural free delivery routes shall hereafter be required to serve and receive pay for services performed on all national holidays except Sundays."

But after examining the rule under which the bill is being considered, I find it prohibits such an amendment. I find further the amendment would be subject to a point of order and, therefore, cannot be considered at this time. However, I am very grateful to the gentleman from Virginia [Mr. BURCH], chairman of the committee for yielding me this time to discuss the matter for a few minutes.

There are seven or eight holidays in a year, and singular as it may seem, most of them seem to come on Saturday or Monday, which generally makes three days on which the people who obtain their mail on rural routes are deprived of delivery service. I could dwell at great length on the value of such a service, not only to those who live on rural routes but could show how it would make a contribution to the revenues of the Post Office Department and thereby help pay the expense incurred for this additional service. I cannot discuss the subject in 10 minutes, and will, therefore, illustrate the feeling these people have in regard to the suggested service by referring to a letter I received from a farmer just a few days after the last Thanksgiving Day. He said in his letter that on Thanksgiving Day he arose early in the morning and followed his usual farm practices by first milking his cows and then plowing the remainder of the day. It did not occur to him until 12 o'clock that it was a holiday. He said he had only two sons and both of them were in the service. He and the mother of the two boys were looking for some kind of greeting from one or both of those boys on Thanksgiving Day. He said that at 4 o'clock in the afternoon he stopped his plow and drove into town, 5 miles away. He went to the post office. The postmaster was in but when the farmer called for his mail to see if he had any message from his two sons, the postmaster advised him, "This is a holiday. The post office is closed." Whereupon he drove back home, heavyhearted, disappointed, a little disgusted, and had to break the sad news to his wife that he could bring no good news from the boys.

Those of you who are familiar with rural life I imagine can see that farmer at the break of day on that Thanksgiving Day as he went out to do his usual chores on the farm, milk the cows first, then get the milk ready for the first creamery truck, pondering and deliberating all the while how the milk would be processed in the afternoon, and soon carried in a small can or box to the young men overseas. I imagine you can see him then as he follows his plow, round by round, from sunrise till midday or his dinner hour. I imagine then you can see him on his way from the field to his little home on the side of the road, and you see him again as he sits down to the table for dinner and thanks God for the blessings he and his family have received during the year. I think then we can see the mother as she looks across the table at the two empty chairs, then brushes the tears from her furrowed cheeks and silently thanks God that she has been permitted to rear two strong and manly sons to go forth and do battle for home and country. You can see the father again as he quits work about 4 o'clock in the afternoon, cranks up his car, and uses a little of the limited allotment of gas to drive 5 miles to the post office to see if they had a letter from either of the boys. I have already told his story as to what he said happened, but I think we can again see the father and mother as they quietly take their seats around the table to partake of the evening meal and how hard it is for the father, under the circumstances and disappointments, to thank God for this great Government of ours and the institutions established under it. Yet, however much they may have regretted the lack of postal facilities that day, or how sadly disappointed they may have been in being unable to learn whether either of the boys had sent a greeting card or message of any kind on that day, their thought was that possibly by next Thanksgiving Day arrangements might be made to supply them and thousands of others similarly situated with adequate mail facilities, so they decided to write their Congressman, and, ladies and gentlemen, I am here pleading that this committee may before another year rolls around arrange for the facilities I have suggested in the amendment referred to at the outset. These people want this service. They are entitled to it, and I can visualize what effect the experience of this farm family on Thanksgiving Day had upon their patriotic morale. The father here was expressing his gratitude to his God by taking his recreation in the field on this day and demonstrating his devotion to his country in an effort to produce and provide food to sustain not only his own sons but their comrades in battle. He did not go fishing on that day; he did not go to a football game, but he put his hands to the plow and his shoulder to the wheel with the hope and faith he would contribute something to the blood of his own loins in his effort to preserve our homes and our freedom.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HARE. Yes.

Mr. POAGE. That sort of a situation which the gentleman describes could not possibly happen in the Eleventh District of Texas, because there is not a postmaster that Congressman POAGE would recommend who would turn down an old father and mother like that. On the contrary, I know that by the dozen in central Texas he would take the mail out to them on holidays.

Mr. HARE. I was not paying my compliments to the Post Office Department, or trying to criticize employees; I am trying to show a defect in our governmental postal policy. I am merely trying to illustrate the needs of the farmer who resides on a rural route, and the responsibility of the Government to supply them. The postmaster may have been acting under orders. This farmer was pleading for a more liberal program on the part of our Government. He wants mail on holidays.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HARE. Yes; gladly.

Mr. COLE of Missouri. I am wondering whether the father and mother received a letter from those boys the following day.

Mr. HARE. I do not know; the letter did not say, but I did get the idea they want delivery service on holidays, and their letter gave their reasons for the request.

Mr. COLE of Missouri. Maybe it was just anticipation and no such letter had been mailed.

Mr. HARE. The point I am trying to emphasize is this, there is no reason why the man who lives on a rural route should not be furnished with his mail on holidays by a substitute carrier, not by the regular carrier, but by the substitute carrier. People who live in the city do not understand. Generally, people in towns and cities get one delivery on holidays, and that is all the man who lives in the country wants—one delivery on holidays, excluding Sundays.

Mr. COLE of Missouri. The gentleman's remarks prove conclusively the type of service we expect from our postal employees. We have heretofore always gotten that type of service and that is all the more reason why we should pass this bill today and give them a slight, a very slight, increase in their salaries.

Mr. HARE. I am sorry I did not make myself clear to the gentleman. I was not arguing here one way or the other about the postmaster or the post-office employees having an increase in salary, nor was I reflecting on their efficiency. I am trying to emphasize the necessity for rural delivery service on holidays throughout the year, except Sundays, and I am trying to emphasize the duty of this Government to discharge its obligations to these people who live on rural routes, just as much as discharging its obligations to people who live in the cities or in suburban areas. I regret that for lack of words or ability I have not been able to impress the gentleman from Missouri.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BURCH of Virginia. Mr. Chairman, I yield now to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, this bill should have, and I believe it will have, the unanimous approval of this body. I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Chairman, it is an honor and privilege for me this afternoon to avail myself of the opportunity to speak in behalf of H. R. 4715, now before this House for consideration.

First, I desire to commend my distinguished and very able colleague the gentleman from Michigan [Mr. O'BRIEN], the sponsor of this bill, whose deep interest and wholehearted zeal for the postal workers have prompted the introduction of this most salutory measure.

The bill itself is so direct in its provisions and so manifestly just in the results it seeks to achieve that it hardly seems necessary for me to allude to the undoubted merits of its objectives. So far as I am able to observe—and I believe that practically the entire House is in agreement with me—there can be no question whatever concerning the justice of this measure. To those of you of the Post Office and Post Roads Committee who have given so unstintedly of your time, attention, energy, and ability up to this very moment in all genuine efforts to improve the status of our faithful postal workers, there is no need of referring to the fine type of service that this worthy group has rendered to their respective communities and to the people of the Nation.

As I have stated repeatedly, there is no group of workers employed by the Government of the United States that has been animated by a higher sense of duty, more constant application and industry, more unflinching zeal or more conspicuous loyalty and devotion to their tasks than the thousands of splendid, patriotic workers who go to make up the personnel of the vast, comprehensive, vital postal system.

Faced with sharply rising living costs and the reality of bounding wartime wages in practically every other field of endeavor, this loyal group of workers has maintained a most commendable equilibrium. It has discharged in full its obligations to the Government and the people at a time during the war crisis when new and very heavy burdens have been placed upon its efficiency, and have taxed its strength almost to the breaking point.

For 19 long years no increase has been granted to this group, and yet its members have never faltered in the performance of their duties, have never exhibited impatience or agitation, but have gone about their daily tasks with a full sense of the responsibility imposed upon them and an ever-ready willingness to assume the gigantic volume of increased business that it has fallen to their lot to handle.

Now they have humbly appeared before this Congress to request that some recognition be given of our appreciation for past services and present onerous burdens. They ask us to make some adjustment in their pay which will compensate them in some substantial measure at least for their wartime services in an economy which has witnessed radical changes in price and wage levels so that they may be able to meet some of the increased costs of living that confronts them during this war.

In my opinion, if we desire to be fair and just in this matter, if we wish to demonstrate the gratitude of the American people, if we desire that our Government should lead, and not follow, in establishing decent standards of wages and living, then, as I conceive it, we must render our support to this measure.

Because I believe they are truly entitled to it, and because I believe the American people intend and desire that they should receive it, I am pleased to go on the record in support of this bill and to urge the honorable Members of the House to take action promptly and to enact this measure at once.

Mr. HARTLEY. Mr. Chairman, I yield now to the gentleman from Pennsylvania [Mr. TIBBOTT].

Mr. TIBBOTT. Mr. Chairman, the postal employees are one group that is not only fair in the demands it makes of Congress, but also very understanding of the problems that have to be faced by their employer, the Government of the United States.

All the friends of the postal workers realize that the increase which they seek under the provisions of H. R. 4715 is justifiable, and to which they are deservedly entitled. It seems strange to me that while no one questions the loyalty and efficiency of the postal workers, there are always obstacles placed in the way of granting them an increase in pay. These obstacles should be removed with as little delay as possible. All fair-minded people agree to that.

I feel, too, that as to the merits of H. R. 4715, no one can truthfully or honestly deny the rights of these faithful Government employees. I am prepared to go further and say that I hope Congress will not cease to be interested in the postal workers.

These Government employees have long continued fidelity, industry, and patriotism, and have perhaps more than any other group in the Government service been called upon to bear the marked increases in living costs and substantial changes in working hours and conditions without obtaining material benefits by way of enhanced compensation, hours, and favorable conditions extended to many other classes of our working population.

In recognition of the enduring patience and loyalty of the postal employees and the sense of justice exhibited by them, I think it is not too much to express the hope that Congress will now give consideration to granting the increase to which they are entitled. For my part, I will look forward to any opportunity to indicate my approval of the policy of permanent increases for postal employees, and trust that legislation will be adopted at this time on an equitable basis which will provide for such readjustments in their behalf. That is why I favor and will support H. R. 4715.

Mr. HARTLEY. Mr. Chairman, I now yield to the gentleman from New York [Mr. BUTLER], a member of the committee.

Mr. BUTLER. Mr. Chairman, I am not going to take up much time on this bill now. I want to see it go through the House. I do want to mention the fact, however, that I have just received a letter from home speaking about the weather conditions there. The Government and public offices closed, but the mail went out just the same. Mr. Chairman, as the Representative from New York's Forty-fourth District, I would like to express myself as being wholeheartedly in favor of H. R. 4715 and urge passage of this legislation which will provide increased compensation for postal employees. A companion bill reported out favorably on December 5, 1944, by the committee, is now before the Senate.

Since the beginning of the war they have been working under tremendous handicaps. Many of their number have gone into the armed forces which has caused them to work short-handed and they have had to use inexperienced help. Since the war everyone has become letter and package conscious. Members of families are scattered all over the world and their only method of keeping in touch has been through the mails. We have been told repeatedly that the morale of our fighting men depends on how often they hear from loved ones. This is true of the boys scattered in camps all over the United States as well as in distant lands. This huge amount of mail is being handled efficiently and promptly, thanks to our postal employees.

Postal employees are the forgotten men of this era, they trudge on their route regardless of wind, rain, or snow. They often double up on someone else's route if the other carrier is on vacation or sick.

Their unfailing good humor is a tradition. Have you ever known a mailman that the children of the neighborhood did not love to follow on his route? Everyone is glad to see him. Should he pass by and leave not even an advertisement or a bill the day would seem incomplete.

I hope this legislation will be passed unanimously.

I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. ROWE].

Mr. ROWE. Mr. Chairman, it is sufficient for me to say that I approve this legislation, because during the term of service I have put in on the committee, I have shown my interest by my religious attendance at the committee meetings to do my part in bringing this legislation to the floor. I do feel however that a few commendatory remarks are in order at this time. First let me say regarding the distinguished gentleman from Michigan [Mr. O'BRIEN], my colleague on the committee; he has been particularly attentive and alert in helping this legislation along in the committee. During the time that I have labored in the Congress I have had no greater pleasure serving with anyone than the venerable and honorable chairman of our committee whom I regard as one of the outstanding Members of this House.

One other thing I should like to call to the attention of the Committee is that the postal employees from my district watching this legislation as it progressed through the committee have been most cooperative; all of them are members of union organizations affiliated with the American Federation of Labor; I have no words I can utter worthy of the commendation of the officials of those labor organizations. At no time in the consideration of this or any other legislation by the Committee on the Post Office and Post Roads have the officials of these different organizations with which the members are affiliated, attempted to influence opinion except by placing the equation before the Member considering the legislation showing just what the problems of the postal workers were.

Mr. HARTLEY. Mr. Chairman, will the gentleman yield?

Mr. ROWE. I shall be pleased to yield.

Mr. HARTLEY. As the ranking minority member of the committee let me say, and I believe I also express the views of the membership of the committee, that we regret the gentleman from Ohio is retiring from Congress. He has been a very diligent member of the committee. Once again I say the postal employees have lost a friend in the gentleman's retirement.

Mr. ROWE. I am both appreciative and thankful for that tribute. Let me say further with reference to the officials of the central organization of the American Federation of Labor in this city with which these different postal organizations are affiliated that at no time have they ever approached me in or out of my office attempting to persuade my opinion on any of this legislation. I attribute that very fair attitude on their part to the fact that they have come up through the ranks of the Postal Service. It seems their sole purpose is predicated pretty much on what they can make by way of direct contribution, by way of helping, always feeling that whatever may be presented in their behalf comes only after real service has been rendered. They have come to my office only upon my request when I found myself a little perplexed and wondered how certain provisions of legislation might affect them. I have never hesitated to call upon any of them for the reason that their opinions were so fair, impartial, and to the point.

Something has been said about what is being paid to the postal employees for the work they perform. It has already been stated that for 19 years they have received no increase in what has been paid them for the work they do. In the discussions before the committee it was disclosed on many occasions that when the Economy Act became a law it reduced the compensation of some of these men by as much as 20 percent, yet without complaint they continued to perform their services as always, a service which is recognized as among the best of all the Government agencies or bureaus.

I have expressed my fear to the organization back home that the late consideration of this bill may be an obstacle to its enactment. I am hopeful, however, that we can get the cooperation of the other branch, that that body will pass the bill expeditiously, and that the President will sign it. When that is done I can truthfully say that Congress will not have performed an act during this term for which there will be greater honest appreciation. We certainly cannot do a more deserving thing than we are trying to do in this legislation.

If all the agencies of the Government would measure their service on the basis of what they receive, such as the postal employees do, there would be little or no occasion for any Member of this House, regardless of which side of the aisle he sits on, to rise and make complaint that we frequently hear.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, I was a Member of the House when the postal pay increase bill was passed, which was approved on February 28, 1925. It was my pleasure to speak and vote for that bill when it passed the House. It was vetoed by the President, and I voted to pass it over his veto. Between February 28, 1925, and now there has been a tremendous increase in the amount of mail handled by the Post Office Department and of revenues collected, and many persons have joined the service and for other reasons have separated themselves from the Service, and the cost of living had gone up greatly between February 28, 1925, and April 9, 1943. There had been no increase in the basic rates of compensation for the postal workers. I helped to pass the bill that become the act of April 9, 1943—Public Law 25, Seventy-eighth Congress. That act increased the basic pay of postal officers and employees $300 per annum, with the exception of the fourth-class postmasters and the pay of officers and employees paid on an hourly fee for part-time or per diem basis, and clerks in third-class post offices. This was a temporary measure and by its terms it will expire next year.

The bill before the House—H. R. 4715—expressly repeals this temporary act of April 9, 1943, and when that act is repealed the basic rates of compensation for officers and employees of the Postal Service revert back to the basic rates provided in the act approved February 28, 1925. The bill before the House provides for an increase in pay in the basic rates of pay of these officers and employees of the Postal Service in the sum of $400 per annum. This $400 increase of basic rates of compensation applies to all first-, second-, and third-class postmasters, postal clerks, rural carriers, and all other postal employees except:

A. In lieu of the $400 increase fourth-class postmasters and special-delivery messengers and the allowances to third-class postmaster for clerical hire are increased by 23 percent.

B. The basic rates of compensation of officers and employees paid on an hourly fee, part-time, or per diem basis are likewise increased 23 percent.

If we compare the amount of service, the mail handled, and the amount collected in revenues from the mail service by the postal employees now with the amount of service, mail handled, and revenue collected February 28, 1925, the increase of basic rates of compensation provided in this bill amount to approximately 14 percent. This is a very moderate increase when we consider that the cost of living has gone up 30 percent or more. In fact, there are still some inequities in the pay, hours, and working conditions that this bill does not reach that I should like to see receive favorable consideration.

This bill comes to the House with the unanimous and favorable report of the Democrats and Republicans from the Post Office and Post Roads Committee. I strongly favor this bill. I regret, however, that those in control of the House did not bring this bill up earlier in the session. It is rumored that the Congress is likely to adjourn day after tomorrow and this bill may not get through the Senate. I am pleased to have an opportunity to speak and vote for this bill. In my opinion, it is just and right and gives at least some relief to one of the most intelligent, faithful, industrious, courteous, and efficient groups of officers and employees in the service of the Federal Government. During all my service in the House it has only been occasionally that there has come to me any complaint from the officials and employees in the Postal Service in my district and State. This bill expresses some appreciation for this faithful, honorable, courteous, efficient, loyal, and dependable service. I indulge the hope that the vote in the House of Representatives will be unanimous, as it was in the committee that reported the bill.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, I strongly urge the passage of this meritorious bill, and I hope it will be passed by both bodies before Congress adjourns. I made a statement before the House committee urging this legislation. Let us hurry the action of the House today, cut short the debate, send the bill to the other body, where I understand a like committee has approved a similar measure. By this expeditious action we will make more certain of final and favorable action before adjournment.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the strength of a free government depends on the respect that the people have for it because of their contact with it. The Postal Service of this country brings the Government into close contact with the sovereign citizens of the country and it is well that that is so because the postal employees of this country constitute a fine army of patriotic people rendering a great service to their Government.

I made a statement before the Post Office Committee in support of the salary increase for postal employees, which bill is now being considered. I am delighted to have this opportunity to vote for the measure. Throughout this broad land courteous postal men and women render an indispensable daily service to 130,000,000 people. I have seen this vast postal army operating during two wars, each time assuming burdens of increasing magnitude, without complaint and with no diminution in the efficient postal service rendered. This bill has my hearty support, and I trust it will become a law at this session of Congress.

Mr. BURCH of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, in March of 1943, as a member of the Post Office and Post Roads Committee, I worked with the other members of the committee to report out H. R. 1366. I also spoke on the floor of the House on behalf of that measure which gave the postal employees a temporary increase in salary. That legislation expires on the first of July of next year.

The present bill, H. R. 4715, now under consideration, will have the effect of making the temporary law permanent and give the postal workers an additional $100 annual increase.

I do not propose to repeat here today the remarks which I made 1 year ago last March in behalf of an increase in salary for this patriotic and loyal group of American workers. I am indeed proud to have served in the Seventy-eighth Congress on the Post Office and Post Roads Committee. The chairman and members of this committee, during this session, have worked diligently, holding hearings and deliberating in executive session on legislation which had for its purpose the improvement of the Postal Service throughout the country.

I do not know of any wage legislation during this session of Congress of more importance to the country generally and also to our war effort than giving the great mass of men and women who are responsible for the daily operation of our postal system, a living wage. After June of next year, the postal employees of America will revert to the same salary which they received 19 years ago, if this bill is not enacted.

I know the Members of this Congress are not so short-sighted and inconsiderate as to deny this long-delayed recognition for the postal employees. We are merely giving an obligation that has been long overdue to a group who have waited patiently year after year for financial relief.

They have indeed shown a fine spirit during these years, although they fully realized that they were underpaid. It is necessary at this time that they have this permanent increase.

My experience and connection with the Postal Service has convinced me that no department or agency of our Government or any private business is operated more efficiently, more businesslike, capably, or more economically than our Post Office Department.

The First Congressional District of Indiana comprises one of the greatest industrial areas in America. The postmasters of Hammond, East Chicago, Gary, and Whiting have complained to me that on account of losing a great number of men to the military, they are at present asking the postal workers to devote long hours to render the necessary public mail service. These employees are at present carrying on work and duties which are almost twice the burden of several years ago. They are doing this without complaint, feeling that a just Government will reward them for their sacrifice and patriotism.

Those who have been trained in the Postal Service for years possess patriotism, loyalty, and plenty of practical, sound common sense. In simple justice and fairness to this group of hard-working Americans, let us pass this bill by an overwhelming majority, and in doing so our Government will be repaying an overdue debt of gratitude to thousands of men and women for their long, loyal, public service.

Mr. BURCH of Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. HOCH].

Mr. HOCH. Mr. Chairman, I am going to vote for this bill because I love many postal employees, more especially the ladies in that service.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I heartily approve this bill, and I certainly hope that the House will show its appreciation today for the fine, efficient job these postal employees have done and will continue to do, by giving this bill (H. R. 4715) a unanimous vote of approval.

Mr. HARTLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to use the last 3 minutes to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, since the war effort began, the commercial banks of this country have absorbed over $68,000,000,000 of Government issues. On June 30, 1919, they had absorbed only $4,100,000,000 worth. We now have in circulation about $24,000,000,000 of currency, and it is going out of the Treasury at the rate of $500,000,000 per month as an increase. That is sufficient notice to anyone who cares to read the billboards that the white collar workers, such as the postal employees, will be economically guillotined unless their wages and salaries advance in proportion to the inflationary money which is being turned out through the Government program. That is as brief as I can say why I favor this proposal. In the months and years to come we will have to pay higher wages and higher salaries, so long as we operate the fiscal policy of the Government as it is being operated at the present time.

Now, Mr. Chairman, there will leave this body within a few days some very fine Members of the Congress. I wish to direct my next two or three remarks to a friend of mine who represents a district in northern Michigan, Mr. JOHN BENNETT. He is a gentleman of the first order. He has attended to the affairs of his constituents since he came to this body as their Representative. I, for one, dislike to see his connection with the Congress broken at this time, but the majority of the people in his district feel that they are now in a position to use the services of another gentleman who has previously represented that district in this body. The gentleman from Michigan [Mr. BENNETT], takes with him, I know, the love and admiration, and the friendship of every Member in this House who has had the privilege to know him. He is a student. He is clean. He is a gentleman. He has a fine family. He is a worthy citizen. I hope that some day he may have the privilege of coming back and joining us.

Mr. HARTLEY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, 12 of the 16 years I have spent in this House have been as a member of the Committee on the Post Office and Post Roads. I do not recall any time that there has ever been any politics in that committee. The committee have gotten along very well as a very happy family. The large amount of legislation that has come out of that committee is very largely due to the able leadership of the gentleman from Virgina [Mr. BURCH], our chairman.

Unfortunately, our side of the committee sustained casualties in the last election. At this time I wish to pay my respects to the gentleman from New York [Mr. DOUGLAS], the gentleman from Pensylvania [Mr. MILLER], the gentleman from Connecticut [Mr. MILLER], the gentleman from Ohio [Mr. ROWE], and the gentleman from Kentucky [Mr. CARRIER]. These colleagues of ours on the committee are retiring from the Congress. They have all been most diligent in their attendance at our committee meetings. They have all given not only legislation affecting the postal employees, but the Postal Service as well, their able and fine attention. We Members of the House are going to miss them, and those of us on the Committee on the Post Office and Post Roads will miss the benefit of their valuable advice. On behalf of the committee, and I know I am speaking for my side of the committee and I think for the whole committee, I wish to express my deep appreciation for their cooperation, and trust that they will come back to us again, and, maybe 2 years from now, rejoin our committee.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield to the gentleman from Ohio.

Mr. ROWE. May I say in reference to us who are retiring that a colleague of mine and I met the chairman of the Committee on Ways and Means at First and B Streets in the early morning hours before the full break of day, and as we walked along he said, "I do not believe

I wanted to serve again except that there is a war on. You know, if you stay in this game long enough, you will get licked." That sounded funny coming from the gentleman from North Carolina [Mr. DOUGHTON]. I told him that, this being my first term, I had probably been here one term too long.

Mr. BURCH of Virginia. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I first want to thank the members of the Committee on the Post Office and Post Roads, both Republicans and Democrats, for the fine cooperation they have given me during the 2 years I have been chairman of that committee. I have not at any time during the 2 years seen any partisanship in the deliberations of our committee. They have tried to meet every issue squarely and bring out the very best bill they could for the best interests of the postal employees and the service of the Post Office Department.

I regret very much that we are losing some of the Members on both sides of the aisle, both Republicans and Democrats. They have been efficient, they have served a good part in bringing out legislation, they have always been on hand, and they have been a great help to me as chairman of the committee. So I sincerely regret that we are going to lose several members of our committee.

Mr. Chairman, this bill, H. R. 4715, has been favorably reported by your Committee on the Post Office and Post Roads.

This proposed legislation provides a permanent increase of $400 per annum in the base pay of officials and employees of the Postal Service who are subject to the Salary Act of 1925, as amended. Such basic increase supplants the temporary increase of $300 per annum now being paid under Public Law 25, approved April 9, 1943.

Under this bill, the basic rates of compensation of officers and employees of the Postal Service who are paid on an hourly, fee, part-time, or per diem basis, and of fourth-class postmasters and special-delivery messengers, shall be increased by 23 percent. Such increase supersedes the temporary increase of 15 percent now paid to such officers and employees, as authorized by Public Law 25.

The allowance to third-class postmasters for clerk hire is increased by 23 percent in lieu of the 15 percent authorized under Public Law 25.

All increases proposed are of a permanent nature.

Section 2 of this bill provides for the repeal of Public Law 25—the temporary act which would normally expire June 30, 1945.

I have, for some time, favored a general reclassification of the entire salary structure of the Postal Service, with an increase of the base pay and a decidedly greater extension of grades, than is now permitted, and the correction of other inequities and discriminations in existing laws. I favor an overhauling of the compensation of postal employees, and a pay schedule that will be fair and equitable to all in the Postal Service. I feel that such a plan can be worked out and necessary legislation enacted before June 30, 1945, the date of the expiration of the $300 temporary increase. I have felt for some time that the pay scale of postal employees is not equitable or fair to all of them, and there is no incentive to bring out the best in the employees nor does the system hold out hope to one who would like to make the Postal Service a career.

In my opinion it is not best to continue a condition under which one entering the Service reaches the limit of his possibilities for an increase in earnings in 3 or 5 years. It would be more equitable to start a beginner, who has had no experience or training in the Postal Service, at a reasonable wage and increase his compensation through a period of say 10 or 12 years, if efficient and satisfactory service has been rendered. From 90 to 95 percent of the employees in the Postal Service have reached in 5 years the limit of their earning capacity under the existing laws. From there on, no increase in pay can be had unless promoted to the position of supervisor, assistant postmaster, and so forth. A flat increase will not remedy this condition.

There are many other inconsistencies in the laws governing the pay of postal employees which this legislation does not correct. The way to correct these evils is for the Post Office and Post Roads Committee, in cooperation with the Post Office Department, to make a thorough study of the matter and bring in a bill overhauling the entire salary structure and compensation of the postal employees. The Post Office Department has been at work on this matter for some time and has informed the committee that they can make a report and suggest legislation to meet these unsatisfactory conditions within the next 30 or 60 days. With such information, really constructive and beneficial legislation can be enacted before the $300 temporary increase expires on June 30, 1945.

I am in sympathy with the postal employees in their efforts for better pay. I think we should look at a long-range picture in overhauling and reclassifying the entire salary schedule and other provisions in the laws affecting the personnel of the Postal Service. These employees are rendering a great service and should be rewarded for their loyalty and efficiency. We should provide an opportunity to these fine citizens to improve their financial condition from year to year and not be limited to an annual increase for not more than 3 or 5 years. We should have a real revision, a substantial increase in the salary base, and a provision increasing the salary for a period of 10 or 12 years for efficient service. There should be an incentive to one entering the Postal Service to make it a career and he should not feel that at the expiration of 3 or 5 years he would come to a dead end.

I think $2,100 too high for a beginner without experience or any knowledge as to the duties of the Postal Service, and $2,500 too little for anyone who has served for years and rendered satisfactory and efficient service. The postal employees should be paid adequate compensation, but if we undertake to pay to some of them salaries too high, when not justified, and pay to other employees salaries insufficient to compensate them for long and efficient service we will undoubtedly, in my opinion, create a condition in the Department which will not be for the best interest of the Service.

The estimated cost of this bill if enacted into law will be a permanent annual increase in the base pay of $132,598,000, and an increase over and above the temporary increase under Public Law 25 of $36,598,000. In other words, we are permanently increasing the base pay of the postal employees $132,598,000 annually and not by any means distributing it among the personnel as it should be. This leaves the inequities and discriminations unsettled.

I have been consistent in supporting and piloting legislation through Congress for several years for the benefit of the postal employees and expect to continue to do so; however, I feel the new legislation we should enact is reclassification and a general overhauling of the salary structure of the Postal Service and I doubt if it is to the best interest of the employees of the Service to pass legislation that does not do justice to all groups.

Regardless of the disposition of this bill, it is my intention with the cooperation of the members of the Post Office and Post Roads Committee and the Post Office Department to continue a study of the salary structure of the Post Office Department and try to bring out a reclassification bill that will give the personnel of the Service a substantial increase in base pay, do away with discrimination and put all employees on an equitable basis.

I insert here a list of benefits postal employees have received based on legislation since the Postal Reclassification Act of 1925:

BENEFITS POSTAL EMPLOYEES HAVE RECEIVED BASED ON LEGISLATION SINCE THE POSTAL RECLASSIFICATION ACT OF 1925

July 1, 1928: H. R. 6518, Public Law 555 (45 Stat. 776, title 5, U. S. C. 661), the Welch Act approved May 28, 1928, amending the salary rates of the 1923 Classification Act, gave salary increases to employees of the Mail Equipment Shops, operating force for Public Buildings, and Air Mail Service.

July 1, 1928: H. R. 12383, approved May 17, 1928 (Public Law 411, 45 Stat. 594, 39 U. S. C. 823), increased the amount of sick leave which may be granted in any one fiscal year from 30 days to 6 months, for field employees.

July 2, 1928: H. R. 5681, approved May 24, 1928, Public Law 496 (45 Stat. 725, 39 U. S. C. 828), authorized the payment of an additional 10 percent for all time worked by field employees (except postmasters) between the hours of 6 p. m. and 6 a. m.

June 11, 1930: S. 3054, Public Law 336 (46 Stat. 553, 39 U. S. C. 54) increased the salaries of certain postmasters of the first class.

July 3, 1930: S. 215, Brookhart Act, Public Law 523 (46 Stat. 1003, title 5, U. S. C. 661) further amended the salary rates of the 1923 Classification Act, thus benefiting employees of the Mail Equipment Shops, Operating Force for Public Buildings, and Air Mail Service, paid under the 1923 act.

July 1, 1931: H. R. 6603, approved February 17, 1931, Public Law 672 (46 Stat. 1164, 39 U. S. C. 831), the shorter-workweek law, reduced the hours of work for all regular field employees (except postmasters) from 48 to 44 hours per week with no change in the salary rates.

March 28, 1934: H. R. 6663, Public Law 141 (48 Stat. 509, 3 U. S. C. 46), established a 5-day week for skilled-trades employees of the Mail Equipment Shops.

July 1, 1934: H. R. 8919, approved June 25, 1934, Public Law 463 (48 Stat. 1212, 39 U. S. C. 197), adjusted the salaries of rural letter carriers and increased the rate per mile for equipment maintenance.

August 7, 1935: H. R. 3612, Public Law 249 (49 Stat. 538, 39 U. S. C. 693a), authorized and directed the adjustment of the compensation of post-office inspectors and inspectors in charge in the Post Office Inspection Service to correspond, so far as practicable, to the rates established by the Classification Act of 1923, as amended.

August 24, 1935: H. R. 8790, Public Law 322 (49 Stat. 795, 39 U. S. C. 116), increased the salaries of employees in the Motor Vehicle Service.

October 1, 1935: H. R. 6990, approved August 14, 1935, Public Law 275 (49 Stat. 650, 39 U. S. C. 832), the 40-hour-week law similar to the act approved February 11, 1931, further reduced the standard workweek from 44 hours to 40 hours without affecting salary rates, but this did not apply to postmasters.

January 1, 1936: H. R. 8458, Public Law 471 (49 Stat. 1161, 5 U. S. C. 30b) (approved Mar. 14, 1936), increased annual leave for Air Mail and Mail Equipment Shop employees from 15 to 26 days a year.

January 1, 1936: H. R. 8459, Public Law 472 (49 Stat. 1162, 5 U. S. C. 30f), made sick leave cumulative for Air Mail and Mail Equipment Shop employees at the rate of 15 days a year, the same as for departmental employees.

May 7, 1936: H. R. 10193, Public Law 575 (49 Stat. 1266, 39 U. S. C. 832), allowed per diem employees pay for Saturdays, in the mail-equipment shops.

May 26, 1936: H. R. 10267, Public Law 619 (49 Stat. 1374, 39 U. S. C. 602a), provided for the reclassification and adjustment of the salaries of Railway Mail Service officials.

July 1, 1936: H. R. 7688, approved June 4, 1936, Public Law 641 (49 Stat. 1460, 39 U. S. C. 834), provided that there shall not be more than one substitute postal employee to each six regular employees. The purpose of this act was to limit the number of substitutes to the number that could reasonably be expected to earn sufficient compensation to provide a fair salary rate.

February 1, 1939: H. R. 3812, approved May 15, 1939, Public Law 78 (53 Stat. 745, 39 U. S. C. 823), excludes Saturdays, Sundays, and holidays from sick and annual leave.

July 18, 1939: H. R. 5479 (53 Stat. 1062, 39 U. S. C. 824a), as amended by the act of April 30, 1940 (54 Stat. 171), granted substitutes in the Postal Service the same rights and benefits with respect to annual and sick leave that accrue to regular employees in proportion to the time actually employed, after serving 2,448 hours.

June 25, 1940: H. R. 1827, Public Law 662 (54 Stat. 571, 39 U. S. C. 601a), amended by Public Law 829, October 10, 1940, provided for payment of moving expenses when officers and regular clerks in the Railway Mail Service are arbitrarily transferred with change of residence.

August 1, 1941: H. R. 1073, Public Law 200 (55 Stat. 613, 5 U. S. C. 667), the Mead-Ramspeck Promotion Act, provided 18 or 30 months periodic within-grade increases, and thus benefited certain postal employees such as post-office inspectors, Railway Mail Service officials, employees of the mail-equipment shops, operating force for public buildings, and Air Mail Service.

August 1, 1941: S. 505, Public Law 202 (55 Stat. 616, 5 U. S. C. 61a), provided that all Government employees entering the armed forces could be paid for accumulated annual leave.

October 23, 1941: H. R. 2985, Public Law 279 (55 Stat. 744, 39 U. S. C. 607a), allowed overtime compensation on a 305-day basis for Railway Mail Service mail handlers.

March 27, 1942: H. R. 6759, Public Law 509 (56 Stat. 188), provided that for the duration of the war and 6 months thereafter all regular field employees (except postmasters) can be paid overtime in lieu of compensatory time for service performed on Saturday.

April 7, 1942: H. R. 6023, Public Law 517 (56 Stat. 200), allows Government employees pay for accrued annual leave when they enlist in the military or naval forces of the United States.

June 11, 1942: S. 2459, Public Law 605 (56 Stat. 358, 39 U. S. C. 126), authorized payment for dual employment of mail messengers and other postal employees at rates provided by law without regard to the $2,000 limitation.

August 1, 1942: H. R. 6217, Public Law 694 (56 Stat. 733), the Craft, Protective, and Custodial Act, amended section 13 of the 1923 Classification Act, including custodial employees.

December 1, 1942: Temporary legislation: Public Law 821 (S. J. Res. 170) extended from December 1, 1942, to April 30, 1943, or 5 months, the period for which overtime rates of compensation might be paid under acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241), and extended authorization to pay overtime to "all civilian employees in or under the United States Government." The act provided for the payment of overtime for all service performed in excess of 40 hours, providing the aggregate salary did not exceed a rate of $5,000 per annum. Substitute employees and others paid on a fee or hourly rate received an increase of 10 percent, subject to the $5,000 rate limitation.

May 1, 1943: Temporary legislation: On April 9, 1943, Public Law No. 25 approved, effective May 1, 1943, provided that employees subject to the Classification Act of 1925 in the field service of the Post Office Department shall be compensated at the rate of $300 per annum in addition to their regular compensation, from May 1, 1943, to June 30, 1945, or such earlier date as may be prescribed by Congress. Substitute employees, postmasters at fourth-class offices, special-delivery messengers, and others paid on an hourly or fee basis receive an increase of 15 percent of their base pay.

July 1, 1943, and on subsequent dates based on Civil Service Circular 394 (pursuant to sec. 3 (a) and 3 (c), title 11, act of November 26, 1940, 54 Stat. 1212, 1213), allowing a 25-percent salary differential to Government employees stationed outside of the States, post-office inspectors and some other postal employees holding positions in the field service in certain areas outside the continental United States, as named in the C. S. C. 394, have been receiving these benefits.

July 9, 1943: Temporary legislation, S. 1316, Public Law 128 (57 Stat. 391–392, 39 U. S. C., Supp. 3, sec. 133) authorized the granting of per diem allowance to all field employees at first- and second-class offices detailed to postal stations or branches serving military units. This act exempted the Post Office Department from the provisions of the Subsistence Expense Act of 1926.

October 18, 1943: H. R. 2250, Public Law 161 (57 Stat. 572, 39 U. S. C., Supp. 3, sec. 139), extends the Reclassification Act of 1925 to custodial employees of the Post Office Department.

December 17, 1943: Temporary legislation (H. R. 2080, 57 Stat. 604, 39 U. S. C., sec. 206, Supp. 3, Public Law 205) provides that until June 30, 1945, rural carriers shall receive an additional 1 cent per mile covered by their route, thus increasing their maintenance allowance from 5 cents to 6 cents per mile for the period stated.

April 1, 1944: Permanent legislation, H. R. 2836, approved March 24, 1944, Public Law 266, provides in effect that upon the completion of each period of 2,448 hours substitute employees shall be advanced to the salary grade equal to the pay received by regular employees for the same period of service. With respect to substitute clerks and substitute city carriers it increased their hourly rate of pay from 65 cents to a maximum of $0.8578. The rate of pay for such substitutes was increased upon the completion of the specified number of substitute hours at the following rate:

Hours substitute service:	*Rate per hour*
0 to 2,448	$0.65
2,449 to 4,896	.6944
4,897 to 7,344	.7353
7,345 to 9,792	.7761
9,793 to 12,240	.817
Over 12,240	.8578

The other groups of substitutes in the Postal Service have been similarly benefited by this act.

June 12, 1944: Temporary legislation, H. R. 2928, Public Law No. 334 provides for increases in the salaries of postmasters at Presidential offices until June 30, 1945. This law provides that postmasters at offices of the first, second, and third class shall be on duty not less than 48 hours per week for which additional 8 hours they will receive a percentage increase in pay at the following rate:

Postmasters annual salary:	*Percent Increase*
From $6,000 through $7,000	5
From $4,200 through $5,000	10
From $2,100 through $4,000	15
From $1,100 through $2,000	20

The act further provides that the Postmaster General may authorize payment of overtime to cleaners, janitors, watchmen, and telephone operators for services performed on Saturday in lieu of granting compensatory time.

The act also provides that Post Office inspectors shall be on duty not less than 48 hours a week and shall receive additional pay on a percentage basis, and overtime pay to custodial, air mail, and other employees.

The act is effective from June 12, 1944, until June 30, 1945, or such earlier time as may be designated by Congress.

July 1, 1944: Permanent legislation, H. R. 324, approved March 29, 1944, Public Law 271, provides that a change be made in the basis of paying salaries of postmasters at fourth-class offices. Prior to July 1, 1944, such postmasters received a different salary each month, inasmuch as such was based on the value of stamps canceled without regard to the receipts of the office. On and after July 1, 1944, salaries of postmasters at fourth-class offices are based on receipts for the preceding calendar year and payments will be made in 24 equal installments. For the Nation as a whole the salaries of postmasters at this class of office were increased approximately 1.87 percent on July 1, 1944, over compensation received on a cancelation basis for the calendar year 1943.

July 1, 1944: H. R. 4215, Public Law No. 406:

Section 1 provides for yearly automatic promotions for employees in the custodial service based upon satisfactory service. It supersedes Public Law No. 200.

Section 2 amends the Classification Act of 1925 to include custodial employees within the 8-in-10-hour law and also authorizes overtime pay for service in excess of 8 hours daily and for overtime pay in lieu of compensatory time for Sunday and holiday service if the needs of the service require it. The overtime pay for Sundays and holidays is not to extend beyond the duration and 6 months thereafter.

Section 3 amends the act of May 24, 1928 (39 U. S. C. 828), to provide for night differ-

ential pay for custodial employees for services performed between the hours of 6 p. m., and 6 a. m.

Mr. HARTLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, this is no time for delay. This action should have been taken years ago, and this measure requires no more debate. It should go through this House like a cat goes through a dog show. All the nice things that have been said today about postal workers, I say "Amen" to. This is not a Christmas present for postal workers; this is simple justice, and I trust that it receives a unanimous vote and that the other body will act immediately so that the President can sign the bill before Christmas. Let us stop talking and do a little voting now.

Mr. HARTLEY. Mr. Chairman, yielding to the overwhelming demand of Members on this side for a quick vote, I yield back the remainder of my time.

Mr. BURCH of Virginia. Mr. Chairman, for similar reasons I yield back the remainder of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the basic rates of compensation of all officers and employees subject to the act entitled "An act reclassifying the salaries of postmasters and employees in the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925, as amended, and other postal employees covered by the act of April 9, 1943 (Public Law 25, 78th Cong.), are hereby increased by $400 per annum; except that the basic rates of compensation of officers and employees paid on an hourly, fee, part-time, or per diem basis, and of fourth-class postmasters and special-delivery messengers, are hereby increased by 23 per cent; and the allowance to third-class postmasters for clerk hire is hereby increased by 23 percent.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at times it becomes one's duty as a Member of this House to take a position which he knows is both unpopular and which will probably be misunderstood at home. I realize that this House is properly attentive to the reaction at home. I recognize that when I explain my reason for opposing this bill there are going to be those who will say: "Oh, POAGE is opposed to the Postal Service; POAGE wants these people to work for nothing." Nothing could be farther from the truth. I recognize that the nice words that have been said about the Postal Service are well merited. The Postal Service has done and is doing a fine work; so have those girls who work in the telephone offices throughout the country; so have those men and women who work in the stores and offices throughout this country; so have the girls who work in the 5-and-10-cent stores, in the department stores, in the multitude of industries and businesses where wages cannot be raised because of the laws you and I passed; so have the heroes of the farm; that old man who is getting up before daylight about whom the gentleman from South Carolina spoke so feelingly, the old man who could not get his mail on a holiday. Those people have all worked diligently, faithfully, and honestly to bring about the successful conclusion of this war just as have the postal workers. I am not criticizing any group, nor do I want to single out any one group of our civilians and say that they have done a great deal more than all other groups. I feel that when we make raises in the basic pay of civilians over this Nation we should be fair with all groups, that when we come to raising the pay of one group we should raise other groups who are similarly situated if we would be fair.

Of course, this bill does not raise the pay of all groups, and there are those who will, in a burst of unthinking generosity, suggest that we can and should grant like increases to all Government employees and then to all who are privately employed. This is the answer I would like to give. It will unquestionably get the most votes at home, and besides we all like to feel that we have been generous. No one enjoys being looked upon as a skinflint, and I am no exception, but I care not how my efforts may be misunderstood, I shall not knowingly vote to weaken the ability of this Nation to carry this war to a successful conclusion. I know and you know that a general pay raise throughout the Nation means that we will lose all control over the cost of living and that inflation will be upon us. If we pass this bill granting a 23-percent pay raise for certain groups of those who are employed by the United States Government, what are we going to say to the other employees of the Government? By what process of reasoning can you say that these postal groups are entitled to a permanent raise and at the same time denying it to the other two and a half million employees of the Government? In fact, how are you going to give these groups, no matter how fine or politically influential they are, a permanent pay increase in the midst of a war and continue to say to private businessmen that they may not have the privilege of granting raises to those who work for them, even when the employer wants to raise the pay? We say to the clerk down in the store: "Your employer cannot give you a raise." We say to all that great mass of unorganized white-collar workers: "Not only are we not going to help you get a raise but we are going to see to it that you can't get a raise. We are not going to let you contribute to inflation. We say to the great unorganized masses of workers: "You can't have a raise because we believe, if we allow a general raising of wages over this Nation, that there will inevitably be a general raising of prices." If we are correct in applying the hold-the-line order against privately employed workers, how can we assume that we can break the line for these groups without letting the whole ruinous flood of inflation engulf our price level?

Just as a vessel can contain the water which it holds at any one moment so our present price level may be maintained with present wages, whereas any increase would flow over the top. I would, therefore, gladly support legislation to maintain the present wage position of the postal employees. I realize that their living costs have increased just as have others', and I would not want to deny to them any advantage that they now enjoy. The present temporary increase could be extended without disturbing our economy and without injustice to the other group who seek increased incomes. I am sorry the committee did not see fit to give us an opportunity to continue the present temporary pay raise. I should gladly support such a measure. We know that if we raise the general wage level, what the gentleman from Michigan told us will come to pass, and that we will all stand to lose, the employees in the Postal Service just like the rest of us; and this $100 a year increase will be wiped out and forgotten in short order without advantage to anyone.

When we pass this bill, I think it will come with ill grace for any Member who urged this "little" breach in the price control line to again come before this House and ask anyone else to "hold the line." As a matter of fact, the passage of this bill must have one of two results. Either you will grant a pay raise to certain relatively small but politically powerful groups, and you will deny a similar raise to many much larger but less effectively organized groups, of equal and in some instances even greater need, thus repudiating all pretense of fair play, or you will wipe out the whole price-control structure. I do not believe this House will long discriminate, so I am led to the inexorable conclusion that the passage of this bill would shortly be followed by a flock of similar bills for other groups and that uncontrolled inflation and raising prices would be upon us. I think that such an event would be a very poor service to all the workingmen of America.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLE of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman may have 1 additional minute to answer a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. POAGE. Mr. Chairman, I object unless I can get 3 extra minutes to answer the gentleman.

Mr. COLE of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman may have 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLE of Missouri. Will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. COLE of Missouri. I would like to call the gentleman's attention to the fact that the so-called Little Steel formula was based on wages during 1941. I would also like to call the gentleman's attention to the fact that the postal employees have had no basic salary increase since 1925. I would like also to

call to the gentleman's attention the fact that during the so-called Economy Act period those same postal employees took a reduction in salary. Does the gentleman think that a $400 annual increase, $100 over what they are now getting, is inflationary?

Mr. POAGE. Is that the gentleman's question?

Mr. COLE of Missouri. That is my question.

Mr. POAGE. I think that any breaking of the line is inflationary. I do not think that the $100, if it could be held to the group to which this bill relates, would ruin the country, but it would start a trend that I do not think the gentlemen from Missouri could stop. It would go just that far. This is a little inflation. If a little inflation is good, a whole lot of inflation ought to be a whole lot better. If it is good to give $100 to a well-organized minority, it ought to be a whole lot better to give a thousand dollars to a much larger unorganized majority, and every Member knows what that leads to.

The gentleman has stated correctly that the Little Steel formula was based on the wages in 1941. The postal employees' wages in 1941 have been increased by 20 percent, or $300 per year through the bill to which the gentleman has just referred.

Mr. COLE of Missouri. No, no. A correction.

Mr. POAGE. The salary of the postal employees was increased, and I have read it from the report here. The report shows that it was increased by about $96,000,000 throughout this country and that it is still in effect. That amounts to almost $10 per bale out of every bale of cotton grown in the United States. I have stated I am willing to continue to pay that increase. I think I am reasonably liberal with the people's money.

Mr. COLE of Missouri. Will the gentleman yield for a correction?

Mr. POAGE. I want to answer the gentleman's question.

Mr. COLE of Missouri. I would like to correct the gentleman.

Mr. POAGE. I want to answer the gentleman's question. I did not ask the question, the gentleman did, and I am doing the answering. He is not. I am not answering it as he would like me to, but I am answering according to the facts. The facts are that the postal employees have had an increase in salary. The gentleman pointed out that they had not had a basic increase since 1925 and that they had a 15-percent cut. He did not tell you, although I should have thought that candor would have compelled him to tell you, that that 15 percent has been restored and, in addition to that, that there was a $96,000,000 increase since the war began, since the Little Steel formula went into effect, which was an increase greater than the Little Steel formula provided. The postal employees could undoubtedly use the increased compensation provided by this bill, but it is hardly fair to say that they have fared worse than have those who have sought postal positions and who you and I have had to disappoint because there were not enough post offices and rural routes to go around.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLE of Missouri. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to correct the statement of the gentleman from Texas [Mr. POAGE]. The $300 temporary salary increase provided by a bill enacted last March amounted in most cases to less than 14 percent. It is true that some few employees in the low-income brackets received a salary increase of more than 14 percent. However, others in the higher brackets only received an increase of from 5 to 10 percent. I say again that the postal employees have not had an increase in their basic salary since 1925, whereas the salary of most employees in private industry had been increased long before 1941 when the Little Steel formula went into effect.

I do not think this bill will in any way cause inflation. It provides a salary increase for a group of employees that is justified and has long been justified.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, inevitably, in almost every discussion that involves Government finance or economics, the word "inflation" appears in the argument. It seems that in all public discussions today, on all questions, speakers, commentators, and editors use the term "inflation" as sort of a bugaboo in order to defeat current proposals. In my judgment the current discussions of the term "inflation" are generally futile because the term "inflation" has no exact meaning and is not generally accepted as a scientific term in any school of economic thinking.

Because the term "inflation" means so many things to so many people, and is applied so carelessly and loosely by so many people in current discussions, it seems to me that it is high time that there be a clear-cut discussion placed in this RECORD which Members of the Congress and the public can refer to, that will clarify just what this thing "inflation" really is.

I have before me an article which came to the desks of most Members of Congress, but which you perhaps did not take the time to read. It is entitled "Futility of Inflation Discussion," and is written by Dr. Walter Spahr, professor of economics of New York University. When the Committee rises and goes back into the House I am going to ask unanimous consent to include this article as part of these remarks, because I consider it to be one of the best contributions to current thinking on the subject of inflation that I have been privileged to read. I suggest that every Member of the Congress carefully and thoughtfully read this article in order that a lot of the loose talk in the use of the term "inflation" be avoided in subsequent discussions of current problems.

The article referred to follows:

FUTILITY OF INFLATION DISCUSSION

(By Dr. Walter E. Spahr, professor of economics, New York University; secretary, Economists' National Committee on Monetary Policy)

Current discussions of inflation are in general futile because the term "inflation" has no exact meaning that is generally acceptable in economics. It has no scientific value. It means various things to various people. It is perhaps not too much to say that it has almost as many meanings as there are writers who use it. As a consequence, the conclusions reached or offered by authors and speakers who use the term differ widely. The result, in general, is little more than the utmost confusion both in analyses and in conclusions.

A descriptive term is valuable in science only when it classifies clearly, distinguishes unlike things, and leads to useful conclusions. The word "inflation," as generally used today, does not meet these requirements of science. Often the term is used without definition, or the definition is inadequate or marred by inconsistencies.

For these reasons, the current practice of using this poorly defined term could hardly result otherwise than in the reaching of peculiar or worthless conclusions by those speakers and writers who seem to find it desirable to employ the word. For example, we find some users of the term contending that there is no inflation now, while others reach an opposite conclusion. Some of those who are predicting future economic conditions maintain that there will be no inflation; while others insist that we will be faced with it.

There would probably be differences of opinion as to what the future will bring, even though the forecasters were dealing with the same evidence, for the reason that the forecasters might attach different importance to various parts of the evidence or interpret it differently. But that is not the point. Many of the differences of opinion as to what the future will bring in the way of "inflation" rest, essentially, upon the fact that the term means different things to different people. Predictions in the social sciences are difficult enough and sharply limited in value even when the scientists are classifying their evidence carefully and are using accurately descriptive terms; but predictions based upon a word having a wide variety of meanings, or no worth-while scientific meaning at all, are likely to be highly misleading, if not totally worthless. In any event, the confusion which now characterizes practically all discussions of inflation is unfortunate and apparently contributes nothing of value insofar as knowledge based upon scientific analysis is concerned.

If the term "inflation" had a specific, scientific meaning, economists should not disagree as to whether there was "inflation" in the 1920's, or the 1930's, or now. The fact is, however, that there is an endless amount of disagreement on these points and, to a large degree, it arises from the fact that the term "inflation" has no scientific meaning or value.

It is common to see the word "inflation" applied to a rising price level. Such use of the term cannot be defended in economic science because, for one thing, it would not distinguish a sound and desirable rise in the price level—as during a period of recovery from a depression—from a rise in the price level resulting from any number of undesirable and harmful factors such as the issuance of inconvertible paper money or the maladjustments caused by war. Furthermore, this use of the term reveals a thoroughly unscientific quality in the fact that it would compel one to insist that no "infla-

tion" existed during the years 1923 to 1929, when the wholesale price level not only did not rise but was fairly steady and even sagged somewhat. The same would be true during the period of price controls of the present war. Still further, those who relate the term to the price level seem often, if not usually, to overlook the fact that the price level is nothing but a mathematical abstraction behind which lies all sorts of fluctuations in the prices of individual goods and services. They seem to forget that this mathematical abstraction, in the form of an index number of wholesale prices, can remain steady in the face of a multitude of instabilities and maladjustments among the various commodities and services which comprise it. For example, such maladjustments existed during the period of 1923 to 1929, during which the stability of the index of wholesale prices led so many people to infer that therefore all was well with the country, and that so long as the price level remained steady we would not be faced with a severe secondary post-war recession—a phenomenon which had occurred with a high degree of regularity after each of our major wars.

Today we seem to be repeating this same error in our thinking. One may read statements again and again to the effect that, since our index of wholesale prices is fairly steady, we have no inflation and we should therefore escape a post-war recession. We would do well to look back to the lessons flowing from the period of relatively stable prices from 1923 to 1929 and to remind ourselves, when we meet the assertion that there is now no inflation and therefore no cause for a business recession because the price level is fairly steady, that such a contention lacks validity under scientific analysis. In short, predictions of the type just mentioned have no scientific value.

There are those who use the term "inflation" to describe what they call a sharply rising price level. The difficulty here lies in the impossibility of drawing a line in any defensible way between a movement of prices that is sharp and a rise that is not sharp. Here, again, we have the question already mentioned: If inflation means only a sharply rising price level—whatever that may mean—the user of the term in this sense is compelled to admit that there was no inflation during the years 1923 to 1929 and that there is none during our present period of price control.

There are those who apply the term "inflation" to a depreciating currency. But a depreciating currency takes various forms; and it is thoroughly unscientific to attempt to lump this variety of forms into one category for the reason that such a classification fails to distinguish those depreciations that differ in their essential characteristics. For example, depreciation of a currency can refer to the declining purchasing power of all currency of a nation in terms of all goods and services in general, that is, it would mean nothing more in this sense than rising prices as revealed by some generalized index of prices. Depreciation of currency can refer to the declining value of all nongold currency in terms of gold or in terms of some foreign currency or currencies without regard to the behavior of the domestic price level. Depreciation of a currency can refer to what is commonly called devaluation of a currency which may have no ascertainable effect on the behavior of domestic prices.

Sometimes the word "inflation" is applied to an expansion of a nation's currency—its money as distinguished from its bank deposits. Now, an expansion of a nation's money may take various forms, each differing from the others both in nature and in consequences. For example, an expansion of a nation's supply of gold and gold certificates is not the same in nature or in effect as the same amount of currency expansion in the form of inconvertible paper money.

Sometimes the word "inflation" is applied to a situation in which credit (for example, bank deposits) is extended or "greatly extended" against assets that are illiquid. Here the term may be used irrespective of the behavior of the price level, and, obviously, it is dealing with a phenomenon that may or may not have any ascertainable effect upon the price level at a given time or any predictable effect upon the price level of the future. It is quite probable that the essential characteristic of the term as used in this sense is that it is pointing to unpayable debts in a certain segment of the economic structure.

Sometimes the word "inflation" is applied to the behavior of prices of individual commodities and services regardless of the behavior of the price level. Such use of the term at least escapes the difficulties that often confront those who attempt to relate it to a rising price level. Those who employ the term in this sense seem, at least, to have an appreciation of the difficulties involved in attempting to build any scientific definition of inflation around such a mathematical abstraction as an index number of prices in general.

Perhaps the idea most common to all users of the term is that inflation is a bad thing; but just why it is bad is not always made clear. Indeed, it is here that some of the major inconsistencies appear in some of the popular concepts of inflation. A rise in the price level which accompanies a recovery from a depression is not necessarily a bad thing; in fact, it can be thoroughly wholesome and proper. When, therefore, those who think inflation is an undesirable thing nevertheless relate it to a rising price level, they find themselves, or at least should find themselves, caught in a major inconsistency of concept.

It is not easy to generalize as to why so many people—even economists—seem to think it necessary or desirable to employ the word "inflation" considering its lack of scientific value. Even though an economist should take the time to build a definition of inflation that would meet all the requirements of science, the question would still arise as to the value of his definition in the face of the fact that the term is now used in so many ways, most of which are vague, thoroughly unscientific, and generally useless. Any economist employing the word in a carefully-conceived and scientific sense would find himself confronted with the necessity of explaining the nature and implications of his particular definition. This might be worth while if the particular phenomenon to which he is applying the term could not be described accurately in other words that would be free from confusion. But it is doubtful whether there are any economic phenomena to which the word "inflation" is now applied that cannot be described accurately and precisely in words which the general public could clearly understand with little difficulty. For example, if one is referring to the price level, why should he not speak of the price level? If he is referring to the prices of individual commodities or services, why should he not say so? If he is speaking of a depreciating currency, why should he not state specifically the particular brand of currency depreciation to which he is referring, and is there any reason why this could not be done in understandable terms? [1]

[1] After several years of study of the various uses of the word "inflation," this author built a definition of it which he believed to be scientifically defensible, and that definition has appeared in economics textbooks, pamphlets, and elsewhere. But the fact seems to be that the word so defined has no particular virtues beyond pointing out several of the weaknesses and inconsistencies in more popular definitions. It describes nothing that cannot be described in other precise and understandable terms.

It seems quite clear that if the discussions of such things as the price level, or currency depreciation, or the extension of credit against illiquid assets, and the other phenomena of the type mentioned were carried on by the use of precise and accurately descriptive terms, knowledge of these things would be advanced much more rapidly. It also seems safe to say that the use of the unscientific word "inflation" contributes nothing toward the advancement of understanding of the economic phenomena or forces to which the term is in various ways applied, and that there would be a real gain to knowledge if it were dropped from our economic vocabulary.

Mr. GROSS. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, there is no use in getting excited about this $400 that the postal employees are going to get. They are earning it. The thing that makes me be for it, and the thing I admire about the postal employees is this: Whether they get it or not, they will still continue to do their job and do it well. I know a lot of postal employees, mail carriers and mail clerks, and R. F. D. carriers, with large families, who have a lot of trouble to make both ends meet. Yet I have never heard of a strike among them. They are still doing their job. Recently there was a labor election held in an industrial plant, and the newspapers in that city devoted more space, paid space by the labor unions, advertising that election, that the two major parties used in advertising the Presidential election. I am not criticising them, because that is their privilege. They are making use of it. If they do not gain their point one way or the other, there is a strike.

We do not blame them for that. We believe labor should have that right. Whether it is abused or not, they should still have the right to strike. But the postal employees go on plugging morning, noon, and night. The mail still goes through. While they complain, they still deliver the goods. That is why I am for them having this increase.

They are a faithful, loyal people, and they have continued to do their work, although underpaid for a long time. I have known postal employees whose whole families wore threadbare clothing and tried to earn side money whenever they could in order to keep going, but still the mail came through. This pay increase is long overdue.

The Clerk read as follows:

SEC. 2. The act entitled "An act to provide temporary additional compensation for employees in the Postal Service" approved April 9, 1943 (Public Law 25, 78th Cong.), is hereby repealed.

SEC. 3. This act shall become effective on the 1st day of the month next following the date of its enactment.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the question has been asked me if I will demand a roll call. I am certainly not going to ask for a roll call. Everybody knows where I stand. I am not trying to deceive anybody. It would have been much easier simply to have said nothing and to have allowed this to pass unanimously in a way that no one could say how I voted, but, Mr. Chairman, I feel that I have a personal responsibility to protest against the first

step on a path that I think will seriously hamper our war effort and which will ultimately result in higher living costs for every one of us. I am simply making it plain why I feel that we must hold the line. That is all I want to do. I think my views are clear. I believe in holding this line. I don't think we can hold back higher living costs without resisting the pleas of all groups that would break the line. Way back in 1941, when we began to take up price control, I supported the proposal to control all prices and all wages. Only a few of us felt at that time that we should make a serious effort to apply control to all factors entering into the cost of living. A majority of this House at that time wanted to please those well-organized groups who were putting on pressure to let wages go uncontrolled. In a democracy, representatives must respond to pressure, but I fear that our country cannot long endure if we continue to yield to the pressure of every well-organized minority. We must consider the needs and welfare of the majority. I thought in 1941, and I still think that had we controlled all wages at that time, we would have had a better situation today. We did not do it. I still think that our efforts should be to control prices and prevent a runaway inflation. I do not think we can do it by giving one group a special advantage that we simply cannot give to others equally worthy.

I have no complaint to offer against the Postal Service. I have no quarrel to pick with the postal employees. Some of the finest people I know are postal employees, and they give good service in my district, but I am not prepared to say that simply because the beneficiaries of this bill are my friends that I will support something that I believe leads inevitably to the retardation of our war effort and the destruction of our civilian economy at home. I simply cannot do it. I hope the House understands my position. I do not want to delay anybody any longer. I hope my position is plain.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4715) to increase the compensation of employees in the Postal Service, pursuant to House Resolution 673, had reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—ayes 133, noes 1.

So the bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatlin, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4911. An act to amend the Federal Crop Insurance Act.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. WHEELER, Mr. BANKHEAD, Mr. ELLENDER, Mr. RUSSELL, Mr. CAPPER, Mr. SHIPSTEAD, and Mr. AIKEN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a joint resolution of the Senate of the following title:

S. J. Res. 155. Joint resolution establishing a commission to select a site and design for a national memorial stadium to be erected in the District of Columbia.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 1963. An act for the relief of G. H. Garner; and

H. R. 2825. An act for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.

GENERAL LEAVE TO PRINT

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

RIVERS AND HARBORS BILL

Mr. MANSFIELD of Texas submitted the following conference report and statement on the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7 and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, and 105.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

On page 17, line 24, and on page 18, line 1, strike out "in accordance with the report of the Chief of Engineers dated May 23, 1944," and insert in lieu thereof "Senate Document Numbered 230, Seventy-eighth Congress,"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

On page 34, line 6, strike out the word "numbered"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with amendments, as follows:

On page 43, line 25, after the period insert the following: "Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years."

On page 44, line 3, before the word "to" insert the following: "from funds to be appropriated by the Congress";

On page 44, line 3, strike out the word "and", and insert in lieu thereof the word "or";

On page 44, line 3, after the word "acquire", insert the words "by purchase or other agreement";

On page 44, line 9, after the period insert the words "All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts."

And the Senate agree to the ame.

J. J. MANSFIELD,
HUGH PETERSON,
C. JASPER BELL,
ALBERT E. CARTER,
GEO. A. DONDERO,
Managers on the part of the House.

JOSIAH W. BAILEY,
HATTIE W. CARAWAY,
By J. W. BAILEY,
JOHN H. OVERTON,
By J. W. BAILEY,
OWEN BREWSTER,
BENNETT CHAMP CLARK,
A. H. VANDENBERG,
HIRAM W. JOHNSON,
THEO. G. BILBO,
HAROLD H. BURTON,
By J. W. BAILEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following statement explaining the effect of the action agreed upon:

The river and harbor bill as it passed the House carried authorizations for the improvement of 277 projects, in the amount of $361,080,531. The Senate by amendment struck from the House bill 2 items amounting to $887,000 and added 18 navigation projects to cost $74,693,000, making a grand total of $435,773,531.

As a result of the conference the following project items of the House bill were eliminated:

Quinnipiac River, New Haven Harbor, Conn	$835,000
Larchmont Harbor, N. Y	52,000
Total	887,000

Also eliminated was the following project, a Senate amendment to the House bill:

Santee-Congaree Rivers, N. C. and S. C.---------- $25,000,000

The conference further revoked a previous authorization for seaplane channel in Boston Harbor, Mass., amounting to $2,300,000, also a Senate amendment to the House bill.

A final recapitulation shows the bill adopts a total of 294 projects for improvement of the Nation's waterways and harbors at an estimated total cost of $407,586,531; with 276 survey items carried in section 7.

PROJECTS ADDED TO THE BILL BY SENATE AMENDMENTS TO WHICH THE HOUSE RECEDED

Amendment No.	H. Doc. No.	Project	Estimated cost
5	549, 78th Cong.	Mianus River, Conn.	$26,500
8		Shipyard River, S. C.	246,000
9	S. 230	St. Johns River, Fla.	3,200,000
	do		2,032,000
10	530	Lake Worth Inlet, Fla.	711,000
12	S. 183	Tampa Harbor, Fla.	607,400
13	S. 188	Intracoastal Waterway in the vicinity of Algiers at New Orleans, La.	8,000,000
14	594	Bayous Petit Anse, Tigre, and Carlin, La.	160,000
15	S. 248	Louisiana and Texas Intracoastal Waterway	25,500
17	544	Aransas Pass-Corpus Christi Channel, Tex.	830,000
20		Scioto River at Portsmouth, Ohio	75,000
21	679	St. Marys River, Mich., south canal	1,412,000
22	339, 77th Cong.	St. Marys River, Mich., power plant	3,500,000
23	704, 75th Cong.	Snake River, Oreg., Wash., and Idaho (additional authorization over the amount in House bill).	28,425,000
24		Grays Harbor and Chehalis River to Aberdeen, Wash. (maintenance work).	160,000
35		Sitka Harbor, Alaska	385,000
36		San Juan Harbor, P. R. (maintenance work)	100,000
		Total	49,895,400

PROJECTS DELETED FROM THE HOUSE BILL BY SENATE AMENDMENTS TO WHICH THE HOUSE CONFEREES RECEDED

4	207, 76th Cong.	Quinnipiac River, New Haven Harbor, Conn.	$835,000
6	667, 76th Cong.	Larchmont Harbor, N. Y.	52,000

PREVIOUSLY AUTHORIZED PROJECT RECOMMENDED FOR ABANDONMENT BY SENATE AMENDMENT TO WHICH THE HOUSE CONFEREES RECEDED

3	472, 78th Cong.	Boston Harbor, Mass. (seaplane channel)	$2,300,000

ITEMIZED EXPLANATION OF ALL SENATE AMENDMENTS

Amendment No. 1 (p. 1): Declaration of policy by the Congress recognizing the interests and rights of the States in determining the development of the watersheds within their borders and likewise their interests and rights in water utilization and control, in connection with works of improvement for navigation and flood control, as authorized by this bill. House conferees recede.

Amendment No. 2 (p. 7): Josias River, Maine. Item in House bill amended so that local cooperation already effected can be accepted. There is no additional cost to the United States. House conferees recede.

Amendment No. 3 (p. 7): Boston Harbor, Mass. Item recommended by the Chief of Engineers abandons project previously authorized in the river and harbor bill approved October 17, 1940, for a seaplane channel and basin and further prohibits the construction of a seaplane channel at the subsequently recommended alternate location. House conferees recede.

Amendment No. 4 (p. 9): New Haven Harbor, Conn. Item in the House bill for the improvement of New Haven Harbor recommended by the Chief of Engineers amended by the Senate to eliminate authorization of that portion of the project in Quinnipiac River which was estimated to cost $835,000. House conferees recede.

Amendment No. 5 (p. 9): Mianus River, Conn. Item adopts project recommended by the Chief of Engineers to provide a channel 100 feet wide and 6 feet deep at an estimated cost of $26,500. House conferees recede.

Amendment No. 6 (p. 9): Larchmont Harbor, N. Y. Item in House bill stricken by Senate amendment because of divided opinion of local interests. House conferees recede.

Amendment No. 7 (p. 16): Santee and Congaree Rivers, N. C. and S. C. Project recommended by the Chief of Engineers for initial and partial authorization in the amount of $25,000,000 for the construction of multiple-purpose reservoirs and a channel up to Columbia, S. C., 8 feet deep and 150 feet wide. Senate recedes.

The Senate amendment provided for referring the general plan for the comprehensive development of the Santee and Congaree Rivers, N. C. and S. C., for navigation and other purposes to the Committee on Commerce and to the Committee on Rivers and Harbors, to the end that hearings might be had with the people concerned and with instructions to report back to their respective Houses within 6 months. The receding by the Senate leaves this plan unauthorized.

Amendment No. 8 (p. 16): Shipyard River, S. C. Item recommended by the Chief of Engineers recommends extension of the existing 30-foot channel at a first cost of $246,000. House conferees recede.

Amendment No. 9 (p. 17): St. Johns River, Fla. Item recommended by the Chief of Engineers for deepening of the existing 30-foot channel from Jacksonville to the ocean, to 34 feet at a cost of $3,200,000 and further improvement under an additional recommended project to cost $2,032,000. House conferees recede.

Amendment No. 10 (p. 18): Lake Worth Inlet, Fla. Item recommended by the Chief of Engineers provides for deepening the present channel and turning basin from 20 to 25 feet at a cost of $711,000. House conferees recede.

Amendment No. 11 (p. 18): Miami Harbor, Fla. Authorizes such modifications of project at no additional cost in the House bill as in the discretion of the Secretary of War and the Chief of Engineers may be advisable. House conferees recede.

Amendment No. 12 (p. 19): Tampa Harbor, Fla. Item recommended by the Chief of Engineers provides for widening of existing channels at a cost of $607,400. House conferees recede.

Amendment No. 13 (p. 22): Intracoastal Waterway in the vicinity of Algiers at New Orleans, La. Item recommended by the Chief of Engineers provides for construction of an alternate channel to care for an overburdened section of the waterway at an estimated cost of $8,000,000. House conferees recede.

Amendment No. 14 (p. 22): Bayous Petite Anse, Tigre, and Carlin, La. Item recommended by the Chief of Engineers provides for deepening of the existing channel in Bayou Carlin from 5 to 9 feet. House conferees recede.

Amendment No. 15 (p. 22): Louisiana and Texas Intracoastal Waterway. Item recommended by the Chief of Engineers provides for initial improvement for a 6-foot branch channel to, and terminal basin at, Red Fish Landing, Tex., to cost $25,500; to be increased to a depth of 12 feet when traffic warrants, at an additional cost of $57,600. House conferees recede.

Amendment No. 16 (p. 23): Lavon Reservoir on east fork of Trinity River, Tex. Clarifying amendment to item in House bill. House conferees recede.

Amendment No. 17 (p. 24): Aransas Pass-Corpus Christi Channel, Tex. Item recommended by the Chief of Engineers provides for deepening of existing channels from 32 to 34 feet and for increased widths in channels and turning basins, all to cost $830,000. House conferees recede.

Amendment No. 18 (p. 26): Missouri River between Sioux City and the mouth. Item deletes proviso in House bill. House conferees recede.

Amendment No. 19 (p. 26): Missouri River Basin. Items approves comprehensive plans of improvement recommended by the Chief of Engineers in House Document 475 and Senate Document 191, Seventy-eighth Congress, as revised and coordinated in Senate Document 247, Seventy-eighth Congress, and authorizes initial stages to be prosecuted by the War and Interior Departments as speedily as may be consistent with budgetary requirements.

Further provided is expansion of the general plan for flood control and other purposes approved by the act of June 28, 1938, by additional works to be undertaken by the War Department.

Also, reclamation and power developments to be undertaken by the Secretary of the Interior shall be governed by the Federal reclamation laws, except that irrigation of Indian lands shall be in accordance with laws relating to Indian lands, all subject to basin-wide investigations and reclamations made in said documents.

For partial accomplishment of the works to be undertaken under the expanded plans by the Corps of Engineers the sum of $200,000,000 is authorized in addition to previous authorizations. In addition, $200,000,000 is authorized for partial accomplishment of the works to be undertaken under said plans by the Secretary of the Interior. House conferees recede.

Amendment No. 20 (p. 27): Scioto River at Portsmouth, Ohio. Item authorizes such works as Chief of Engineers may find advisable to provide a harbor channel equivalent to that existing prior to initiation of the Portsmouth flood-control project, to cost $75,000. House conferees recede.

Amendment No. 21 (p. 29): St. Marys River, Mich., south canal. Item recommended by the Chief of Engineers provides for removal of Bridge Island in St. Marys Falls Canal to secure a channel of 27 feet at an estimated cost of $1,412,000, which includes contribution by the United States toward the reconstruction of a railroad bridge. House conferees recede.

Amendment No. 22 (p. 29): St. Marys River, Mich. Item recommended by the Chief of Engineers provides for the construction of a new hydroelectric plant to replace an obsolete federally owned plant which is beyond economic repair, this authorization being limited to the construction of the first step of the

recommended development at a cost of $3,500,000. House conferees recede.

Amendments Nos. 23 to 26, inclusive (p. 34): Snake River, Oreg., Wash., and Idaho. Item in House bill amended to increase the scope of the project from the initial step for the construction of four locks and dams estimated to cost $30,200,000 as provided in the House bill, to provide for the construction of such dams as are necessary to provide slackwater navigation at an estimated increased cost of $28,425,000 for dams numbered 1 to 10. After slight changes in language for the purpose of clarification, the House conferees receded.

Amendment No. 27 (p. 34): Snake River, Oreg., Wash., and Idaho. Further amendment to the previous item provides that surplus electric energy generated at the dams authorized in this project shall be delivered to the Secretary of the Interior for disposition in accordance with existing laws relating to the disposition of power at Bonneville Dam with the added proviso that nothing in this authorization shall be construed as conferring the power of condemnation of transmission lines. House conferees recede.

Amendments Nos. 28 and 29 (p. 34): Columbia River at Bonneville, Oreg. Item in House bill authorizing the Secretary of War to acquire lands and provide facilities in Oregon to replace Indian fishing grounds destroyed as a result of the construction of the Bonneville Dam is amended by the Senate to include the State of Washington in the provisions of the provision. House conferees recede.

Amendments Nos. 30 to 32, inclusive (p. 35): Columbia River, Oreg. and Wash. (Umatilla Dam). Proviso (No. 30) stating that surplus electric energy generated at said dam shall be delivered to the Secretary of the Interior for disposition in accordance with existing laws relating to the disposition of power at Bonneville Dam; and (No. 31) a further provision prohibits the condemnation of transmission lines; (No. 32) the one word "further". House conferees recede.

Amendment No. 33 (p. 36): Umatilla Dam. Item for the authorization of in the House bill amended so that the dam when completed shall be known as the McNary Dam in honor of the late Senator Charles L. McNary. House conferees recede.

Amendment No. 34 (p. 37): Grays Harbor and Chehalis River to Aberdeen, Wash. Item recommended by the Chief of Engineers provides for maintenance of channels at an estimated annual cost of $160,000. House conferees recede.

Amendment No. 35 (p. 38): Sitka Harbor, Alaska. Item recommended by the Chief of Engineers provides for dredging of Crescent Bay at Sitka of an area of 13 acres to a depth of 10 feet and construction of protective breakwaters, to cost $385,000. House conferees recede.

Amendment No. 36 (p. 38): San Juan Harbor, P. R. Item provides for maintenance of channels dredged in the interest of the war effort, at an annual cost of $100,000. House conferees recede.

Amendment No. 37 (p. 41): Central Valley project, California. Section 4 of House bill relating to Federal reclamation laws in that the excess lands provisions of same shall not be applicable to lands which will receive a water supply from the Central Valley project, reauthorized by section 2 of the River and Harbor Act approved August 26, 1937. Senate recedes.

Amendment No. 38 (p. 42): Section 4. Enables construction by the Secretary of the Interior, under the provisions of the Federal reclamation laws and upon the authorization of Congress, of irrigation works at dams and reservoirs authorized in the bill, which the Secretary of War determines may also be used for irrigation purposes. House conferees recede.

Amendment No. 39 (p. 43): Section 5. Authorizes the Chief of Engineers to employ physicians to make physical examinations of employees or prospective employees in order to determine their suitability for employment with payment of reasonable charges for such services. House conferees recede.

Amendment No. 40 (p. 43): Section 6. Authorizes the Secretary of the Interior to dispose of, at reasonable rates approved by the Federal Power Commission, electric energy generated at projects authorized by this bill provided that the Secretary of War finds such power not needed in the operation of the projects. Construction and acquisition of transmission lines is limited to those required for the economical distribution of the power in wholesale quantities. House conferees recede.

The conferees unanimously agreed that the words "amortization of capital investment," included reasonable interest.

As amended this provision reads as follows:

"Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized from funds to be appropriated by the Congress to construct or acquire by purchase or other agreement only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts."

Amendment No. 41 (p. 44): Changes section number.

PRELIMINARY EXAMINATION AND SURVEY ITEMS—LOCALITY

Amendment No. 42: Boothbay Harbor, Maine.

Amendment No. 43: Mattapoisett, Mass.

Amendment No. 44: Channel from Buzzards Bay to Buttermilk Bay, Mass.

Amendment No. 45: Mystic River, Mass.

Amendment No. 46: Falmouth Harbor, Mass.

Amendment No. 47: Strikes out survey in House bill for New Bedford and Fairhaven Harbors, Mass.

Amendment No. 48: Peconic River, Long Island, N. Y.

Amendment No. 49: At Smithton, Long Island, N. Y.

Amendment No. 50: Nissequoque River, N. Y.

Amendment No. 51: St. James Harbor, N. Y.

Amendment No. 52: Hudson River, N. Y.—Albany to New York City.

Amendment No. 53: Sandy Hook Bay, N. J., channel at Leonardo.

Amendment No. 54: Schuylkill River, Pa.

Amendment No. 55: Ocean City Harbor and Inlet, and Sinepuxent Bay, Md.

Amendment No. 56: Crisfield Harbor, Md.

Amendment No. 57: Bear Creek and Lynch Cove, Md.

Amendment No. 58: Deep Creek and Fresh Water Pond, Md.

Amendment No. 59: Nanticoke River, Bivalve, Wicomico County, Md.

Amendment No. 60: Governor's Run, Calvert County, Md.

Amendment No. 61: Channel between Ramsey Bay and Chesapeake Bay, and other measures for the prevention of damage from erosion near the mouth of South River, Anne Arundel County, Md.

Amendment No. 62: Lynnhaven Inlet and Bay and connecting waters, Virginia.

Amendment No. 63: Inland waterway from Norfolk, Va., to Beaufort, N. C., with a view to providing a side channel 12 feet deep through Pasquotank River and Albemarle Sound to Elizabeth City.

Amendment No. 64: Santee Congaree Buckingham Landing site, South Carolina.

Amendment No. 65: Cooper River, S. C., from Charleston Harbor to the Pinopolis power plant.

Amendment No. 66: St. Johns River, Fla.—Palatka to Lake Harney.

Amendment No. 67: Channel leading from Tampa Bay Channel directly north to the vicinity of Mullet Key.

Amendment No. 68: Suwannee River, Ga. and Fla.

Amendment No. 69: Crystal River, Fla.

Amendment No. 70: East Pass from the Gulf of Mexico into Choctawhatchee Bay, Fla.

Amendment No. 71: Pensacola Harbor, Fla.

Amendment No. 72: Columbus, Ga., to Pensacola, Fla., waterway via Chattahoochee, Conecuh, and Escambia Rivers.

Amendment No. 73: Tombigbee River, Ala., and Miss., and canal connecting the Tombigbee and Tennessee Rivers.

Amendment No. 74: Channel 40 feet deep, to serve as a deep-water outlet to the Gulf of Mexico from the harbors of Mobile, Ala., and Pascagoula, Biloxi, and Gulfport, Miss.

Amendment No. 75: Pearl River, in the interest of flood control in Pearl River, Marion, and Lawrence Counties, Miss.

Amendment No. 76: Pearl River, in the interest of flood control in Hinds County, Miss.

Amendment No. 77: Barge channel in vicinity of Baton Rouge, La., extending from the Mississippi River through Devils Swamp or along its eastern edge.

Amendment No. 78: Amendment to House survey item with a view to the protection of the shore line and repairs to the existing protective works on Lake Pontchartrain at Mandeville, La.

Amendment No. 79: For flood control, irrigation, navigation, and drainage, and for the prevention of stream pollution and salt water intrusion, on all streams and bayous in southwest Louisiana, west of the West Atchafalaya Basin protection levee, and south of the latitude of Boyce; on all streams and bayous in Louisiana lying between the East Atchafalaya Basin protection levee and the Mississippi River; and on Amite and Tangipahoa Rivers and tributaries, Louisiana.

Amendment No. 80: In lieu of survey item in the House bill for Bayou La Fourche, La., is the following:

"Bayou La Fourche, Louisiana, from Donaldsonville to the Intracoastal Waterway, via Bayou Boeuf, Assumption Parish, or other streams, in the interest of navigation, flood control, beneficial uses of water, malarial control, prevention of stream pollution, and of the location of locks at the head of said bayou at or near Donaldsonville, Louisiana."

Amendment No. 81: North Prong, Schooner Bayou, Vermilion Parish, La.

Amendment No. 82: Gulf Intracoastal Waterway in Louisiana, survey item in House bill, is amended to include studies for the prevention of stream pollution and salt-water intrusion.

Amendment No. 83: Galveston Bay and contiguous waters, Texas, with a view to providing a seaplane channel.

Amendment No. 84: Sabine River, Tex., survey item in House bill, is amended to include its tributaries, all in the interest of navigation, flood control, and other water uses.

Amendment No. 85: Neches River, Tex., survey item in House bill, is amended to include its tributaries, all in the interest of navigation, flood control, and other water uses.

Amendment No. 86: Double Bayou, Tex.

Amendment No. 87: Item in House bill amended to include the Missouri River in North Dakota.

Amendment No. 88: Missouri River in Nebraska.

Amendment No. 89: Survey item in House bill for Allegheny River up to Warren, Pa., changed to read up to Olean, N. Y.

Amendment No. 90: Kenosha Harbor, Wis.

Amendment No. 91: The south shores of Lake Erie and of Lake Huron with a view to the establishments of harbors and harbors of refuge for light-draft commercial and fishing vessels and for recreational craft.

Amendment No. 92: Noyo River, Calif.

Amendment No. 93: Napa River, Calif.

Amendment No. 94: Humboldt Bay, Calif.

Amendment No. 95: Bays, inlets, and rivers along the coast of Oregon with a view to providing an adequate number of deep-draft harbors.

Amendment No. 96: Coos Bay, Oreg.

Amendment No. 97: Tillamook Bay and bar, Oregon.

Amendment No. 98: Nehalem Bay and River.

Amendment No. 99: Columbia Slough.

Amendment No. 100: Astoria, Oreg.

Amendment No. 101: Grays Harbor, Wash., at Hoquiam.

Amendment No. 102: Survey item in House bill for Aguadillo Harbor, P. R., removed from bill by the Senate.

Amendment No. 103: Arecibo Harbor, P. R.

Amendment No. 104: Christiansted Harbor, St. Croix, V. I., with a view to improvement for navigation.

The House conferees receded on all survey items.

Amendment No. 105: Section 8 authorizes the Secretary of War to ascertain amounts of damages resulting to manufacturers located on the Oswego River, by the improvement of the Oswego and Erie Canals by the State of New York in accordance with the project adopted by the River and Harbor Act approved August 30, 1935.

J. J. MANSFIELD,
HUGH PETERSON,
C. JASPER BELL,
ALBERT E. CARTER,
GEO. A. DONDERO,
Managers on the part of the House.

Mr. MANSFIELD of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 3961.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand the gentleman from Texas has consulted the ranking members of the committee on this side?

Mr. MANSFIELD of Texas. Yes; and they are in favor of its immediate consideration.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MANSFIELD of Texas. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman from Texas yield for a brief statement?

Mr. MANSFIELD of Texas. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Mr. Speaker, I call attention to the fact that Senate amendment No. 19 which authorizes the comprehensive plan for flood control and reclamation along the Missouri River Basin, authorizing $200,000,000 for the Corps of Engineers for the flood-control work and $200,000,000 for the work to be constructed by the Bureau of Reclamation is in the identical language and the identical authorization as carried by the flood-control bill (H. R. 4485) approved by the House on yesterday. I am correct in that statement, am I not, may I inquire of the gentleman from Texas [Mr. MANSFIELD]?

Mr. MANSFIELD of Texas. That is correct.

Mr. WHITTINGTON. Mr. Speaker, I think it is fair, and I think I am keeping faith with the Committee on Flood Control and with the House when I make this statement. What I am now saying is in no way a criticism of the Committee on Rivers and Harbors. When the rivers and harbors bill was passed by the House it contained a provision for a navigation project along the Missouri River and the Committee on Rivers and Harbors declined to conduct hearings on the comprehensive flood-control plan on that river. The House Committee on Flood Control did conduct hearings and the rivers and harbors bill, the pending bill, as it passed this House, made no provision and did not undertake to legislate with respect to the comprehensive flood-control plan.

The House flood-control bill was amended in the Senate, and when we submitted the conference report yesterday, the conferees stated that the amendment embodied in the flood-control bill as a substitute for the House provision had been inserted in the pending river and harbor bill in the Senate, and that the conferees on the part of the Senate had assured us that every endeavor would be made to eliminate the Missouri authorization from the pending river and harbor bill. My information is that the conferees on the part of the House insisted on that course, but it was resisted by the conferees on the part of the Senate.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. CARTER. To say that I assure the gentleman from Mississippi that I directed my people yesterday in the conference in an endeavor to eliminate this section, because it was a duplicate of what was in the flood-control bill passed a few days ago. I saw no reason for putting it here, but I was unable to get the Senate conferees and the other conferees to follow me in that course.

Mr. WHITTINGTON. I think the gentleman is correct. I also say that I understood the House conferees insisted on the elimination of this item, this $400,000,000 authorization. I submit that it is utterly unsound, and that it cannot be justified, that a project shall be adopted and passed by the Congress twice, and my objections to it, and I am sure that was presented forcibly on the part of the House conferees, is that if we provide for this project being contained in both bills, it will establish a precedent that will come to rue us many times. I congratulate conferees of the Committee on Rivers and Harbors on the position they undertook to maintain to eliminate the flood control authorization for the Missouri Basin and if anything happens to the pending bill, in my judgment it will not be the fault of the conferees of the Committee on Rivers and Harbors, or the House Flood Control Committee.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. DONDERO. To say that what my colleague, the gentleman from California [Mr. CARTER] has said in regard to the position of the conferees on the part of the House is correct. I took the same position as the gentleman from Mississippi and other House conferees including the chairman of our committee, that this language should be stricken from the bill, but there was more than one reason advanced by the conferees of the Senate why it should remain in the bill.

Mr. WHITTINGTON. Mr. Speaker, I am familiar with the attitude of the conferees on the part of the House, and the alleged reasons advanced at the other end of the Capitol, but to keep faith with the Committee on Flood Control and the House I feel this statement should be made, because I believe it is utterly unsound that legislation in two successive days should be passed by Congress in identically the same language for identically the same purpose. It is duplication without justification.

Mr. DONDERO. I think the gentleman is in error in one statement he made in regard to the Missouri River. I do not recall that the Committee on Rivers and Harbors ever declined to hold hearings on the navigation feature of that river.

Mr. WHITTINGTON. I did not so state.

Mr. DONDERO. I so understood.

Mr. WHITTINGTON. No; I stated that when the pending bill was reported by the Committee on Rivers and Harbors and adopted by the House, there were hearings on the navigation features, that the House Committee on Flood Control declined to hold hearings on that feature, and that the Committee

on Rivers and Harbors declined to hold hearings on the flood-control feature. There was no conflict between the two committees of the House.

Mr. Speaker, there is another project embraced in this conference report, known as the Clark-Hill project, on the Savannah River, and that item was embraced in the river and harbor bill when it passed the House. It is fair to say that in its inception however, for preliminary work, I think it was in the Flood Control Act of 1938, provision was made for initial studies by the Committee on Flood Control. Subsequently that item appeared in the late river and harbor bill, but unfortunately was not approved by the President of the United States, and was vetoed. After this river and harbor bill under consideration was passed by the House, the Chief of Engineers submitted, as I recall, a supplemental statement or plan for flood control and other purposes, and provided for flood control along the Savannah River, by increasing the estimate of cost from the original $28,000,000 as in the river and harbor bill, to $35,300,000. The proponents of that legislation, and the Chief of Engineers so advised the committee of conference that there was material flood control features in project, and that it could properly be in the flood control bill. The conferees on the insistance of the Senate agreed that the project remain in the flood bill and we stated to the House in our conference statement that we agreed with the understanding that the Senate conferees would endeavor to strike it from the river and harbor bill. The Senate inserted that project in the flood control bill as it was amended in the Senate, and we informed the House that we had been assured by the Senate conferees that they would insist on that project being eliminated in the Senate, so that it would not be in conference in the pending bill. It is fair to say that the chairman of the Senate committee did undertake to eliminate it on the floor of the Senate but he was unsuccessful.

That left the project then in the rivers and harbors bill as passed by the House and Senate. I could appreciate that it was not involved in this conference; but I want to say that the advocates and sponsors in the other body were on notice, and our conference report stated, that we had been assured and felt as stated that that project would be eliminated in this bill. So that project is on all fours with the Missouri River project. When the sponsors of the one project, whether it be the Missouri River or the Savannah River, insisted on its remaining in both bills we already had a precedent that comes to us and in the conference report we have an authorization of $400,000,000 for the Missouri River Basin contained in the bill already agreed to by both Houses on yesterday; and we also have an authorization for the Savannah River in substantially $35,000,000. There are unwarranted duplications for which the Senate must assume responsibility.

It is fair to say that there has been and is no conflict in this body between the Committee on Rivers and Harbors and the Committee on Flood Control with respect to these two items and these two projects; but under the situation that obtains and under the facts, the bills from the Rivers and Harbors Committee and the bill from the House Committee on Flood Control are considered by the same committee in the Senate, to wit, the Committee on Commerce; and the conferees in the Senate on the flood-control bill are identical with the conferees on the rivers and harbors bill.

Mr. PETERSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. PETERSON of Georgia. I understood the gentleman to say we have passed both the Missouri River project and the Clarks Hill project.

Mr. WHITTINGTON. That was by reason of the action of the Senate and the House on the flood-control bill on yesterday. We had been told by the conferees of the Senate that every possible effort would be made there to abandon the Clarks Hill project so that it would be in conference in the rivers and harbors bill. That was not done.

Mr. PETERSON of Georgia. As I now understand, the Clarks Hill project was adopted by both the House and the Senate in both the flood-control and the rivers and harbors bill so that it could not be considered in conference.

Mr. WHITTINGTON. I anticipated the gentleman's question by saying that that project, or $28,000,000 of it that might be identical with the project in the flood-control bill, was embraced in the flood-control authorization, was embraced in the rivers and harbors bill. The conferees were authorized to carry out an agreement that the item would be eliminated in the Senate. They did their best, but it was not eliminated in the Senate so it could not go to conference and be there eliminated in the pending bill.

Mr. PETERSON of Georgia. So the House conferees could take no other action than they did take so far as the Clarks Hill project is concerned. The gentleman has made that clear.

Mr. WHITTINGTON. Yes; and we have established a precedent that we shall always regret.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. KEEFE. I ask this purely for information because I am not too familiar with flood-control procedure. As I understand it, river and harbor projects are under the jurisdiction and control of the Board of Army Engineers; is that correct?

Mr. WHITTINGTON. Yes; that is under their jurisdiction.

Mr. KEEFE. But flood-control projects are under the jurisdiction of the Department of the Interior?

Mr. WHITTINGTON. Oh, no; not at all.

Mr. KEEFE. Under whose jurisdiction do they fall?

Mr. WHITTINGTON. The Board of Army Engineers.

Mr. KEEFE. Both come under the same jurisdiction?

Mr. WHITTINGTON. That is right.

Mr. KEEFE. Then there is no conflict of interest as between departments of the Government over the carrying forward of a flood-control project as against a river and harbor project, is there?

Mr. WHITTINGTON. I anticipated the gentleman's statement by saying that the language in the two authorizations is identical. The projects are to be constructed under the same authority. But the fact remains that we are passing legislation twice in identically the same language in 2 successive days. I believe that policy is unsound.

Mr. KEEFE. The reason I asked that question is because I understood there was some controversy arising over the so-called Missouri River Valley Authority proposal as to whether or not part of the work is to be done under the direction of the Board of Engineers and part under the jurisdiction of the Department of the Interior.

Mr. WHITTINGTON. I have stated those matters were all worked out in an amendment that has been agreed to by the interested parties and States. It was embraced by the House conferees in the flood control bill and is embraced in this bill. The policy as agreed to is properly in both bills as section 1 as it applies to both navigation and flood-control.

Mr. KEEFE. The Board of Engineers constructs both types of projects?

Mr. WHITTINGTON. The Chief of Engineers constructs river and harbor projects and flood control projects. I have no disposition to detain the committee, but, as I stated, I merely wanted to state the facts. I felt I should keep faith with both the Committee on Flood Control and the House when our report on yesterday was approved by making this statement.

Mr. WALTER. Will the gentleman yield for the purpose of asking a question?

Mr. MANSFIELD of Texas. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I understand there are a number of projects that are now being considered by the Board of Engineers. Will it be possible to have those projects included in the authorization and in the appropriation bills to carry out the authorizations as set forth in the present legislation?

Mr. WHITTINGTON. No. I am sure the gentleman from Texas will agree with me when I say that appropriations are not made until the preliminary authorization acts or enabling acts are passed. There will have to be an authorization bill before an appropriation can be made.

Mr. WALTER. Will there be opportunity for such authorization bill to be considered before the appropriation bills providing for the work authorized under this legislation is disposed of?

Mr. WHITTINGTON. I think there should be an authorization bill first, and I favor annual authorization bills.

Mr. MANSFIELD of Texas. Mr. Speaker, the Savannah River has been under improvement in river and harbor bills for more than 50 years. There is a deep sea channel in the river now up as far as the city of Savannah 35 feet deep, the greatest port on the Atlantic coast south of Norfolk.

From Savannah up to Augusta there has been for many years a 6-foot barge

channel under improvement in river and harbor legislation. Many years ago when that was in the district represented then by the gentleman from Georgia, the Honorable CARL VINSON, but not now in his district, we had several bills up for further improvement and installation of additional locks and dams and improvements up to Augusta.

The Rivers and Harbors Committee nearly a year ago held hearings on this matter and put it in the river and harbor bill. I do not remember the date the pending river and harbor bill passed the House but it was some time early last spring, in the month of March, I believe. I will read a portion of this report from the Chief of Engineers:

After full consideration of the report secured from the district and division engineers, the Board recommends modification of the existing project for improvement of the Savannah River below Augusta to provide for construction of the Clark Hill Reservoir, for the regulation of the stream flow in the interest of navigation and for the development of hydroelectric power, at an estimated cost of $23,000,000.

Not one word is said about flood control in that report.

After this passed the House and was approved by the Commerce Committee of the Senate, another report came in and went to the Commerce Committee. They amended it to include exactly what we put in the Rivers and Harbors bill, but they went further and added an additional $7,000,000 for some additional work. Consequently the two bills are not identical in that respect.

The report upon which that was enacted, on page 12, shows that the Chief of Engineers allocates for the purposes for which the recommendation was made $100,000 out of the $35,000,000 for flood control. He allocates $14,600,000 for power and $4,660,000 for navigation. After it had passed the House, being solely a navigation-power proposition, then it was put in the flood-control bill without our knowledge or consent, and over our protest, and now they want to strike it out of the original bill that brought it into being. I do not think it is the right kind of practice.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. There is no disposition to want to strike it out at all. The House did not want to put it in the bill except upon the insistence of the Senate. The Chief of Engineers said that it properly belonged in the Committee on Flood Control, and for that reason we retained it. I concede everything that the gentleman has said, and I agree with him.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from Michigan.

Mr. DONDERO. The situation that has been presented to the House indicates one thing, and that is that some day this House will have to define either the jurisdiction of the Committee on Flood Control and the Committee on Rivers and Harbors, or else abolish one of the committees. We have case after case where we have flood control, navigation, and power on the same stream, and a continuous contest arises as to which committee shall have jurisdiction of that stream. The Savannah River is one of those.

Mr. WHITTINGTON. I appreciate what the gentleman is saying, and I want it understood that there is no contest. We sought no jurisdiction over the Savannah River project. It was entirely agreeable with me to have it authorized in the rivers and harbors bill, but they having insisted it should be in the flood control bill, I did not think it sound policy to put it in both.

Mr. MANSFIELD of Texas. After I heard that the matter was considered in both bills, I requested that it be stricken out of one of the bills. I was unsuccessful. The Senate insists on it being in both bills, and their conferees refuse and decline to recede on that point; consequently we had to agree with them, or else kill the bill, because the Congress is going to adjourn probably on Saturday, and unless we can get this through, why it will go down with the Congress. I do not like the idea of having $400,000,000 navigation, power and other improvements in the bill, many of which are extremely useful, and then have it killed and knocked out on a failure to agree to a conference report.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from Idaho.

Mr. WHITE. In the rivers and harbors bill, when the bill passed the House, there was an authorization for four dams on the Snake River in Washington and Idaho.

Mr. MANSFIELD of Texas. Yes.

Mr. WHITE. The Senate Committee authorized 10 dams. That has since been changed by amendment without naming any number of dams at all. May I ask, just what is the status of the dams on the Snake River?

Mr. MANSFIELD of Texas. The language, as I understand, provides for the engineers to put in a sufficient number of dams to secure slackwater navigation, all the way, whether it is 4 or whether it is 10.

Mr. WHITE. Is that left to the discretion of the Army engineer as to the number of dams to be built?

Mr. MANSFIELD of Texas. That is my understanding. You all understand that conference reports are compromises. No one man in a conference can have everything his own way. We have to have agreement between the House and the Senate.

We had to make concessions and they have made concessions. They have made a concession of a $25,000,000 project at the insistence of the conferees on the part of the House. They have made other concessions. We have accepted their survey reports, as we always do. We have accepted some five or six minor navigation projects that have been insisted upon, all of which are approved by the engineers in the regular course of procedure. The House conferees objected to the Congaree-Santee project in North and South Carolina and wanted to refer it back to the committees of both Houses for further hearings and for further study and consideration. That was done and the report will so show. That was a $25,000,000 project.

The Senate refused to put in quite a number of large projects that are controversial. They eliminated the St. Lawrence seaway, they eliminated the Beaver-Mahoning project in Ohio and Pennsylvania, and they eliminated the Tombigbee-Tennessee project in Alabama and Mississippi, all of which were very large projects and extremely controversial.

As far as I know, no project is now embraced in this report that might be considered as controversial. This is the first river and harbor bill we have had now for more than 6 years. Two bills, one survey bill and one general omnibus bill, were vetoed by the President on the ground principally that war had broken out in Europe and we would need all the money that could be made available for the purpose of national defense. We obeyed his veto message and did not even attempt to have it carried over the President's veto. We realized the importance of it. We realized that national defense should receive our first consideration. But now this bill provides for this work to be carried on in the postwar period 6 months after peace is restored.

If there are any questions that anyone wants to ask, I shall try to answer them if I can.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from California.

Mr. VOORHIS of California. I believe the gentleman knows the deep regard in which I hold him personally, and the honor I have felt in serving on his committee for a number of years. I have asked the gentleman to yield now in order that I may state that if my understanding of the provisions of this bill is correct as the conference report comes to us, I cannot support it, because it is my understanding that the amendment providing that there shall be a complete lifting of the 160-acre limitation on irrigated lands in the Central Valley project is restored to the bill and is in the conference report. Is that correct?

Mr. MANSFIELD of Texas. That is correct.

Mr. VOORHIS of California. That being true, I feel that there is a very fundamental principle at stake. I realize there are problems connected with the Central Valley project which would make an absolutely hard and fast application of the 160-acre limitation impractical and unfair, no doubt. I think that as to lands that have been developed through the years in excess of 160 acres you cannot come along and in an ex post facto fashion enforce such a limitation. On the other hand, there are many, many hundreds of thousands of acres of undeveloped land in the Central Valley project which I think should be saved under the 160-acre limitation as homesteads for men who want to have the advantage of that irrigated land to make little farms for themselves and their families and if possible for returning veterans in many, many instances.

It seems to me this principle is fundamental. I think the amendment that is included in the bill completely obliterates that principle and will prove of great advantage to some large-scale holders of undeveloped lands, not developed lands, in that area.

For that reason, I would express the hope that even though this bill may be enacted into law the Congress will not be satisfied with this disposition of the matter, which admittedly is a sweeping disposition without fundamental consideration of what might be worked out. I hope that further legislation on this subject, where it is possible for a congressional committee to sit down and consider all the factors involved, can be forthcoming in the next session.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from California.

Mr. CARTER. When you used the word "homestead" you did not imply by that that there was Government-owned land in the Central Valley project?

Mr. VOORHIS of California. No; I did not mean a homestead in the sense of the homestead law. I meant a farmstead, if the gentleman will. I meant an acreage of land on which people make a home.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from Arizona.

Mr. MURDOCK. I want to agree with my friend the gentleman from California, that the best thing in irrigation history has been the 160-acre limitation. I am sorry to see it modified. I think we ought to retain it as a principle to favor the family-size farm.

Mr. MANSFIELD of Texas. I will say to the gentleman it does not affect anything in the world except this particular project. And I may add there is no public land in that area. It is all privately owned. Every man that has 160 acres or 250 acres pays taxes just the same. The project was put in the bill on the floor of the House, not in the bill as we reported it. This House by a large majority put it in the bill. It passed the House. It went to the Senate. They cut it out and in the conference it was restored just as it passed the House.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield briefly to me?

Mr. MANSFIELD of Texas. I yield.

Mr. VOORHIS of California. I would like to make my own record plain. I think the gentleman will agree with me that when the bill was before the House I opposed that provision here in the House. Therefore my position on the matter is quite consistent.

Mr. MANSFIELD of Texas. You did oppose it, and the gentleman from California [Mr. ELLIOTT] spoke for it.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from California.

Mr. ELLIOTT. Mr. Speaker, this is an amendment which has been discussed pro and con for a long time. The people of the State of California where this project is, located in the Central Valley, the particular area that is affected is in my congressional district, the district of the gentleman from California [Mr. GEARHART], the district of the gentleman from California [Mr. JOHNSON], and a portion of the district of the gentleman from California [Mr. CARTER].

Both of the Senators from my State, one Democrat and one Republican, are in accord. All of the Congressmen whose district is served by this project are in accord. Also members of our water districts the people who are going to pay the bill approve of my amendment. We are only asking to borrow this money on this project to be paid back to the Federal Government. There is no one in the State of California, as I see it, or in any other State, who has any just right to tell my people who are going to pay the bill, that they cannot have a workable program. I want to take just a minute to explain what I mean. False information has been put out from time to time that the large land holder will receive great benefits under this amendment. That is as far from the truth as anything that I know of. I live in this valley. I will use the Tagus ranch as an example, which is one of the largest fruit orchards in the world. It has about 6,500 or 7,000 acres of highly developed land. That farm has perhaps the greatest series of deep-well pumps that there is in any agricultural area in the United States. With this 160-acre limitation on it at the present time, that ranch can pump water out of the ground because they cannot join in a water district. While all the small farmers around the ranch will pay for the Central Valley water and the water they put on their land will seep down through the ground and raise the underground water supply of the Tagus ranch and they will receive great benefits at the expense of the little farmer. If the limitation is lifted the Tagus ranch will be in the water district and will pay for its water just the same as the small landholder will pay. It has not been but a few years ago since I became a Member of this House when practically the same provision that I have asked for was given to the State of Colorado on Big Thompson, a Federal project.

Along about 1939 or 1940 this House and the Senate without a dissenting vote, passed a provision lifting this limitation on two projects in the State of Nevada. We have one project at the present time in the Imperial Valley in California where the Secretary of the Interior himself asked that the limitation be lifted in order that farmers might negotiate the purchase of water. No one is trying to steal anything from anybody. We only ask a just, an American program. We might say to the American people, about a store, say like Hecht's store in the City of Washington, you cannot have a seven-story building, you must have just a one-story building that they could do business in. Would it not be interesting to say to my people in the San Joaquin Valley, and to the returning soldiers, "You can have only 160 acres," and say to them that this House established as a program 160 acres, but it means this. The law provides that the Secretary of the Interior can set up the size of the farm, from 10 acres to 160 acres. He can say to the farmer, "I think you can make a living on 20 acres, and that is all of the water you can get," or he can say, "40 acres" under the present provision. Where would we be today so far as producing foodstuffs for the Nation is concerned, if we should put out such silly propaganda as that which has been developed from that viewpoint? This amendment is in the conference report now and I hope the House will vote the bill as it is. A rumor was put out yesterday that the President would not sign the bill if this amendment were left in the bill. That same kind of a story was put out the other day about the flood-control bill.

I say to you Members of the House, and I say it in all sincerity, we are the legislating body and we should pass the kind of legislation that we think should be passed here for the benefit of our people in our various States and districts. If the President does not want to sign such a bill, because some individual or department does not like some provision in it, then that is his prerogative, but I think it is wrong to put out information like that in the last 2 or 3 days and to say that any bill would be defeated unless certain things were put in or taken out. I thank the chairman for the opportunity of speaking for these few minutes. There is nothing wrong with this amendment and it should be remembered that my people are going to pay for this, and not the gentleman from California [Mr. VOORHIS], or his people in Los Angeles County. The only way they can get water from this project is to carry it over the hill in a bucket. My people are paying the bill and I think the time has come for Members of other States to refrain from discrediting my people when it does not affect them at all.

Mr. MANSFIELD of Texas. Mr. Speaker, I call attention to the fact that the 160-acre limitation has been yielded in the Humbolt project in Nevada, in the Boca project in Nevada, in the Colorado-Big Thompson project in Colorado, and in the Imperial irrigation district in California, in this same district.

Mr. ELLIOTT. Absolutely. I am only asking the House to grant this without a dissenting vote. I ask that it be kept in the bill.

Mr. MANSFIELD of Texas. Mr. Speaker, in regard to this Missouri River amendment, that is not in the bill at our instance. It will be remembered that when this bill was before the House we had a great contest with splendid gentlemen from all over the northwestern section of the country. There was a conflict of jurisdiction between the engineers of the War Department and the engineers of the Reclamation Bureau.

When it got to the Senate some 20 or 30 Senators formed a bloc against it. They finally reached an agreement between the Bureau of Reclamation and the Board of Army Engineers signed by Mr. Bashore, head of the Reclamation Bureau in the Interior Department, on

the one hand, and General Reybold, the Chief of Engineers, on the other. That agreement was reasonably satisfactory to all interests concerned, and the Senate insists on that agreement being established in both of these bills so it would be effective not only for flood control but for all navigation projects that are to come up hereafter.

Mr. Speaker, I now yield to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Speaker, it seems to me this particular amendment is not limited to any one congressional district or to any four congressional districts. I think it will prove to be a matter that involves all the people of California and the people of the Nation as a whole. I dislike very much to see this particular amendment tacked onto a rivers and harbors bill which has received the most careful consideration and which has finally been passed by the House.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. OUTLAND. In just a moment I will yield.

As far as I am concerned I think that the rivers and harbors bill as reported in an excellent one. It is a comprehensive one, it covers the entire United States; but I am sorry to see this particular amendment tacked on; and I should hope that after the points which my colleague, the gentleman from California [Mr. ELLIOTT] has brought out, and he has brought them out very well, that there might be separate legislation dealing with this matter.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield.

Mr. ELLIOTT. I would like to answer the gentleman in this respect: The Central Valley project in the first place originated in a rivers and harbors bill. I was told by the Department of the Interior that if I wanted to change this act I must go before the Committee on Rivers and Harbors because it would have to be germane to the original act setting up the Central Valley project. That was done in a rivers and harbors bill and that is why an amendment at the proper place in the rivers and harbors bill is necessary to make the correction.

Mr. MANSFIELD of Texas. Is it not a fact that when the gentleman first approached me on the subject I told him it was really a reclamation project?

Mr. ELLIOTT. That is right.

Mr. MANSFIELD of Texas. That the gentleman should go to the Committee on Reclamation. A few days later the gentleman came back with the information that he has here given us.

Mr. ELLIOTT. That is correct.

Mr. MANSFIELD of Texas. That in view of the fact that it was originally adopted in a rivers and harbors bill that the Committee on Rivers and Harbors would be the proper place to go for a correction.

Mr. ELLIOTT. The gentleman is correct.

Mr. MANSFIELD of Texas. Mr. Speaker, I yield to the gentleman from California [Mr. CARTER].

Mr. CARTER. Mr. Speaker, most conference reports are matters of compromises. That is true of this report. If I had my way entirely and without restraint there are some things I would change in this bill. No one Member, of course, can have his way entirely and so we reached an agreement after compromising on several matters. It was the best bill we could get under the circumstances. I regret that some of these provisions are duplicated in the flood-control bill; I think that is entirely unnecessary.

We established a formula for rate schedules for power in this bill. I endeavored to amend that formula in several particulars because I did not feel it was definite enough, it was too general; but I have the assurances of the members of the conference committee that perhaps at some later date a certain and definite rate schedule would be worked out and adopted by the Congress of the United States. I do not altogether agree with every term and condition in this conference report, but as it is a matter of compromise, I am going to stand for the conference report and I ask for its adoption by the House at the present time.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

REPEALING PROHIBITION AGAINST FILLING OF A VACANCY IN THE OFFICE OF DISTRICT JUDGE IN THE DISTRICT OF NEW JERSEY

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 3732) to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey, be discharged and that the House immediately proceed to consideration of the Senate amendment to that bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the request?

Mr. WALTER. Mr. Speaker, this bill provides for repealing prohibition against the filling of a vacancy in the office of district judge in a district in New Jersey. The Senate added an amendment which would prevent the filling of a vacancy in the office of district judge in the State of Pennsylvania. By agreeing to the Senate amendment, we make it possible that the number of district judges in Pennsylvania be decreased by one in the event a district judge is promoted.

Mr. MARTIN of Massachusetts. I have not heard anything from the ranking members of the committee. Have they been consulted?

Mr. WALTER. Oh, yes. The gentleman from Michigan [Mr. MICHENER] is for this, and the gentleman from New Jersey [Mr. TOWE] is very much in favor of it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I am given to understand this is acceptable so I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That the proviso in subsection (a) of section 2 of the act approved May 24, 1940 (54 Stat. 219; U. S. C. 1940, title 28, sec. 1, note), entitled 'An act to provide for the appointment of additional district and circuit judges,' be, and it is hereby, amended to read as follows: '(a) *Provided*, That the first vacancy occurring in the office of district judge in each of said districts, except the district of New Jersey, shall not be filled.'

"SEC. 2. That subsection (d) of the act approved April 28, 1942 (56 Stat. 247, U. S. C. 1940, Supp., title 28, sec. 1, note), is hereby repealed."

Mr. WALTER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

SIGFRIED OLSEN

Mr. ABERNETHY submitted the following conference report and statement on the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co., having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment to the title of the bill.

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment, as follows: Omit the matter proposed to be inserted by the said amendment, and in lieu of the sum proposed in line 7, page 1, of the House engrossed bill, insert the sum "$37,710.13", and agree to the same.

DAN R. MCGEHEE,
JOHN W. MURPHY,
W. A. PITTENGER,
Managers on the part of the House.
W. LEE O'DANIEL,
TOM STEWART,
KENNETH S. WHERRY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses, on the amendments of the Senate, to the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co. submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report.

The bill as passed the House appropriated to Sigfried Olsen, doing business as Sigfried Olsen Shipping Co., the sum of $48,562.35, as just compensation for actual cash losses necessarily incurred by him in the operation of two vessels to South America and return in the fall of 1941 in compliance with specific directions of the United States Maritime Commission, carrying in the interest of national defense cargoes specified

and at rates designated by the Commission outbound and return.

The Senate amended the bill by striking out all after the enacting clause and conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon this claim. The Senate has receded from its amendment and at the conference, the sum of $37,710.13 was agreed upon.

DAN R. MCGEHEE,
JOHN W. MURPHY,
W. A. PITTENGER,
Managers on the part of the House.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co., and I also ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the full report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this merely reduces the amount of the award?

Mr. ABERNETHY. That is my understanding, but I will be glad to yield to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, the amount of the bill was reduced by $10,800 in the Senate and that is the form in which it is returned to the House.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. ABERNETHY]?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I was impressed, as were the members of the Claims Committee who heard the testimony on this claim at the hearings held by the committee at which I was present, with the achievements of the Maritime Commission and the War Shipping Administration in reducing rates and values drastically from the high levels of 1941 to the moderate levels achieved in 1942 and 1943, to the rates and values prescribed by their General Orders 8 and 9. This represents a solid achievement of good Government administration, without parallel in the field of shipping in any war period. In contrast, it may be noted that in World War No. 1, rates and values paid by the Government were from two to three times as high as those paid in this war. Considerable material on this subject has been filed with the House Merchant Marine and Fisheries Committee, where it is published in the Document 20 Series. The Maritime Commission and the War Shipping Administration are to be commended for their achievements.

In achieving the economic and financial downward readjustments, neither the Commission nor the War Shipping Administration was deterred by the hardship or inequity that might have resulted in certain cases. Fortunately, it appears that this is the only case where a real inequity developed. The policy of proceeding with the program, notwithstanding the danger of inequity in isolated cases was the only policy which could have been pursued under the circumstances. Interest of the individual must be subordinated to that of the Nation as a whole. At the same time, it is only fair, particularly in a case such as this where material loss has been sustained in only one instance, and that by a small businessman financially unable to bear his loss, that the Congress should take occasion to correct the inequity by a suitable adjustment in the form of a claims bill. That is the basis on which the bill has been introduced and was approved by the committees of Congress concerned therewith. It is hoped that in considering the bill further, the administrative departments will appreciate that this legislation is in no way intended as a reflection upon the administrative results achieved by the agencies, and that on the contrary such accomplishments have been appreciated and are to be commended.

The conference report has reduced the amount originally provided in the bill by $12,097.98. Of this, $1,245.76 represents profits on a related voyage which the Claims Committee felt might justifiably be used as an off-set as suggested by the Maritime Commission in its report on this bill. The balance, or $10,852.22 of this reduction, represents overhead which, though computed and charged in accordance with standard practice, the Maritime Commission felt might be debatable as an actual cash loss and was, therefore, eliminated in conference between the two Houses of Congress.

The Maritime Commission and the War Shipping Administration objected to the bill on the ground that there was no legal basis for the claim under existing law and that it was one for consideration as a matter of relief peculiarly for the Congress to decide as to the extent, if any, of the relief that should be granted.

The committee believed that the reduced amount represents proper equitable relief for the claimant under the circumstances.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in Committee of the Whole today and include as a part of those remarks an article entitled "Futility of Inflation Discussion."

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD on the subject of ship construction and to include therein a letter from Admiral Land and a summary of the Maritime Commission, showing tonnage deliveries under the Maritime Commission's program through November 30, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in committee this afternoon, and include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a set of resolutions adopted by the Farm Bureau.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JUDD. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Minnesota [Mr. PITTENGER] be given permission to extend his remarks in the RECORD and include a newspaper article on the St. Lawrence seaway and power project.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD complimenting the Surgeon General of the Army and the Surgeon General of the Navy.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the Times-Herald of December 14 written by the distinguished columnist, John O'Donnell.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include part of a radio program and a short letter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from the Commodity Credit Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania [Mr. SNYDER] is recognized for 20 minutes.

THE DO MUCH CONGRESS

Mr. SNYDER. Mr. Speaker, in a few days we will draw down the curtain on the Seventy-eighth Congress of the United States. I think that in days gone by one Congress was called the "Do Little Congress." I believe future historians will call the Seventy-eighth the "Do Much Congress."

The Seventy-eighth Congress spent more hours in session and in committee meetings than any other one Congress in the history of our Nation. Future historians will all say of the Seventy-eighth Congress that it did a grand, constructive job, in the hours of the Nation's most perilous period.

Yes; when the curtain goes down on the Seventy-eighth Congress, we are informed by the Clerk of the House that 78 of our fellow colleagues will not be with us in the Seventy-ninth Congress. That seems like a large turn-over. It really is much larger than the turn-over in any business establishment in the country, yet it is not as large a turn-over as it was in the Seventy-third Congress, when I first served in this august body. On the 4th of March 1933, 151 new Members took the oath of office. Only 19 of that 151 that took the oath of office that 4th of March 1933, will be here to take the oath of office on January 3, 1945. Thus you will see that the turn-over in the lower House of the Congress of the United States is almost unbelievably large.

Yes, Members of Congress come and go at the rate of about a hundred every term.

But, Mr. Speaker, I am proud today to have the privilege of commenting on the merits and service of one of the top-notch pillars of our great Democracy, who for the last 29 years has filled with grace, efficiency, and honor, the No. 1 position on Capitol Hill—our friend Marc Sheild, clerk of the Appropriations Committee since 1916—just before we were driven into World War No. 1.

It has been my privilege, as a member of the Appropriations Committee for the last 10 years, and chairman of the Army Subcommittee on Appropriations for the last 7 years, to come in contact with Mr. Sheild through committee hearings and conferences many hundreds of hours—I might say thousands of hours, and thus learned to know him under all conditions. When things were stormy in committee, we had the same calm, deliberate, analytic Marc Sheild as we had when things were calm and running at a low ebb of interest. When checks had to be carefully made on items presented by the scores of the agencies of the Government before our committee, it was Marc Sheild who had the information and the data on the tip of his tongue.

Someone well said "and still the wonder grew that one small head could carry all he knew." It is just marvelous and an inspiration to me, to sit by and hear Marc Sheild unravel and explain, so that you can understand, any one of the tens of thousands of financial set-ups in this Government.

With all this marvelous ability, as an executive, as an administrator, as a financier, as an accountant, as a technician, he was always a courteous gentleman, ready to listen to the whims and whines of anyone that might approach him. We will miss Marc Sheild as clerk of the Appropriations Committee and financial adviser of this Government of the United States, but we are indeed most fortunate that we have Mr. Sheild's right-hand man, one that he has trained and worked with for the last quarter of a century, one that has cooperated in spirit and in work in a most wholesome way with Mr. Sheild—our mutual friend, John Pugh.

John Pugh has always been the clerk of my Subcommittee on Army Appropriations, and like Mr. Sheild, John Pugh is always calm, courteous—always a gentleman—and always on the job. I have ofttimes stated that he knows more about the Army and Navy as far as equipment and finances go, than any other man in the United States. I think he is also better versed in other financial settings of the House Appropriations Committee than any other one man except Marc Sheild.

Marc Sheild, we wish you many more years of health and happiness. We know that your services to your country will not cease on December 31, 1944. The good that men do lives after them.

RETURN OF SOLDIERS FROM LONG OVERSEAS SERVICE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning I had a conference with the Secretary of War on various matters pertaining to the war. One of the things I discussed with him again was bringing back our men from the Pacific and other theaters of war. He is very sympathetic to bringing them back and is eager to have them brought back as speedily as possible. Some of those men have been overseas over 3 years. He promised that additional effort would be made in order to have them brought back. I believe a better and more equitable system might be arranged by the War Department for their return to the United States.

We know that in both theaters of war the fighting is unusually trying. Our enemies are extremely fanatical and have been preparing for war a long time. We have a very cruel, a very ruthless, and a very savage enemy, both in the Pacific and in the European area. The fighting conditions there are extremely difficult in the Pacific. There is the extreme heat, there are the jungles, the difficulties that go with jungle fighting, and the difficulty of getting supplies to our troops.

In the European theater of war there is at the present time extreme cold and snow and mud. The mountain fighting in Italy involves difficulties which no one can realize who has not seen it. The fighting along the Siegfried line presents great hardships. Many of our soldiers have served overseas for 3 and 4 years.

Also the Secretary and I agreed that no men have the love of home that the Americans have. The Secretary of War, Mr. Stimson himself, has been a great soldier. He knows the soldier's problems and understands them. It seems to be a trait that is more developed in the American soldier than in the soldiers of any other country. We know how eager they are to get home at Christmas time, especially. Certainly their families in the United States want them to come back again if only for a time.

NEW APPROACH TO CANCER

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning's New York Times contained an editorial entitled "New Approach to Cancer." I was very grateful that some years ago the Committee on the Judiciary in the first instance agreed to pass and did pass a bill which I introduced establishing Cancer Control Month. Later the House passed the bill unanimously. Senator GEORGE, in the Senate, brought it up for action, and in less than 24 hours that bill was passed in the Senate.

Very much has been accomplished since the passage of the cancer-control-month bill by the Cancer Control Society and by the Women's Field Army of 300,000 volunteers, but the additional interest created by the formation of the board headed by Mr. Eric Johnston, which is to raise $5,000,000 and promote the interest of a multitude of persons, will undoubtedly result in the saving of more lives. Cancer, treated in time, will prevent the grim cancer killer from taking so many lives. Many cases of cancer can be cured if taken in time.

Mr. Speaker, the New York Times editorial reads as follows:

NEW APPROACH TO CANCER

By an act of Congress, April has been designated as Cancer Control Month. The American Cancer Society seizes the opportunity to press its educational work on a new scale and with new energy. A campaign to raise $5,000,000 is to be directed by a board of which Eric Johnston is the chairman and which numbers among its members representatives of labor, business, the press, and Congress.

With such an organization the society's State units of 300,000 women volunteers and thousands of men should be able to reach the multitude. It is especially important that labor should play a conspicuous part in

bringing home the facts about the recognition of early cancer and the cures that can be effected by the prompt eradication of a malignant growth. With labor unions enlisted through their leaders, the fight against cancer can be waged more effectively than by the devoted band of welfare workers who have to rely on their own eloquence and ingenuity. There is no nobler cause than this. Cancer is the country's second largest killer. Only heart disease claims more victims. With 600,000 Americans now suffering from cancer, there is work to do—work which can reduce the death rate from cancer by one-third to one-half.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2874. An act for the relief of Robert Will Starks; and

H. R. 3791. An act for the relief of the estate of Charles Noah Shipp, deceased.

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 198. An act to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended; and

S. J. Res. 155. Joint resolution to consider a site and design for a National Memorial Stadium to be erected in the District of Columbia.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Friday, December 15, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2102. A letter from the secretary of state of Maryland, transmitting a certified copy of the declaration of the result of the election of November 7, 1944, as made by the Board of State Canvassers of Maryland; to the Committee on Election of President, Vice President, and Representatives in Congress.

2103 A letter from the executive secretary, Office of Scientific Research and Development, transmitting a copy of the estimate of personnel requirements for the Office of Scientific Research and Development during the quarter ending March 31, 1945, and a copy of a letter of transmittal to the Bureau of the Budget; to the Committee on the Civil Service.

2104. A letter from the Acting Administrator, Federal Works Agency, transmitting a copy of quarterly estimate of personnel requirements, for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2105. A letter from Frank A. McNamee, Jr., colonel, Field Artillery, Office of Civilian Defense, transmitting a request for revision of quarterly estimate of personnel requirements for the quarter ending December 31, 1944, covering regular operations of the protective property program of the Office of Civilian Defense; copies of quarterly estimate of personnel requirements for the quarter ending March 31, 1945, covering regular operations of the Office of Civilian Defense and its protective property program; to the Committee on the Civil Service.

2106. A letter from the Chairman, War Manpower Commission, transmitting a copy of quarterly estimate of personnel requirements, during the third quarter of the fiscal year 1945; to the Committee on the Civil Service.

2107. A letter from the Archivist of the United States, transmitting a copy of the quarterly estimate of personnel requirements for The National Archives for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2108. A letter from the Acting Administrator, Federal Security Agency, transmitting the first quarterly report of the United States Commissioner of Education on the education and training of defense workers, covering the period beginning July 1, 1944, and ending September 30, 1944; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 650. Resolution providing additional funds for the Select Committee to Investigate Acts of Executive Agencies which exceed the scope of their power or authority; without amendment (Rept. No. 2065). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 678. Resolution authorizing the expenses of conducting the study and investigation authorized by House Resolution 592 of the Seventy-eighth Congress; without amendment (Rept. No. 2066). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 679. Resolution providing additional funds for the employment of professional and other necessary help in the House Disbursing Office; without amendment (Rept. No. 2067). Referred to the House Calendar.

Mr. PETERSON of Florida: Committee on the Merchant Marine and Fisheries. Report pursuant to House Resolution 52. Resolution on the investigation of fishery problems (Rept. No. 2068). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Joint Committee on Disposition of Executive Papers. House Report No. 2069. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. COLMER: Committee on Post-War Planning. Fifth report pursuant House Resolution 408. Resolution to create a Special Committee on Post-War Economic Policy and Planning (Rept. No. 2071). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MORRISON of North Carolina:

H. R. 5622 (by request). A bill to require the use of the Vaughn record system of watch comparison by persons subject to the Interstate Commerce Act· to the Committee on Interstate and Foreign Commerce.

By Mr. VOORHIS of California:

H. R. 5623. A bill to facilitate smaller war plants in reconversion to peacetime production; to assure the effective participation of Smaller War Plants Corporation in the reconversion period; to stimulate the development of new enterprises; to amend Public Law 603 (77th Cong.), and for other purposes; to the Committee on Banking and Currency.

By Mr. BULWINKLE:

H. J. Res. 324. Joint resolution to extend for 90 days the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. COOPER introduced a bill (H. R. 5624) for the relief of Nannie Bass, which was referred to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII,

6249. Mr. COFFEE presented a petition of the Building Service Employees International Union, Local No. 6, Seattle, pointing out that the affairs of Congress and of government are of vital moment to every citizen, insisting that radio ' : the most effective medium for communicating information, alleging that New Zealand has had a very effective broadcast of the proceedings of its Parliament to its citizenry, therefore urging that Congress adopt the pending Pepper-Coffee resolution, providing for the broadcasting of the proceedings of Congress, which was referred to the Committee on Rules.

SENATE

FRIDAY, DECEMBER 15, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou changeless God of the changing days, wrapped in its purple folds, Thou hast given to us the glory of a new day in which Thou hast decked Thyself with light as with a garment. We thank Thee for the darkness as well as the light, for even in the darkness we know that as sure as the gloaming and the dawning the earth rolls onward into light. As we toil in this new day with the sense of the eternal, may we live by the faith that while weeping may endure for a night but joy cometh in the morning.

In this black night of the world's agony may some star of hope touch into loveliness even the simple acts of life with an unearthly light as the shepherds in the fields so long ago found themselves and the sheepfolds they watched transfigured by a glory which shone round about, lifting them and that common night into immortality. As those called to places of high public trust, make us ever true to the light we see, that, despite misunderstanding and suspicion, which, like thick clouds, frown from the skies that arch the nations, we of this privileged land may proclaim the splendor that dawns when hearts are kind. To this end make of us a righteous nation, doing justice, loving mercy, and walking humbly with our God. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, December 14, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on December 14, 1944, the President had approved and signed the following acts:

S. 1471. An act for the relief of Mrs. Eugene W. Randall;

S. 1740. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of Marjorie E. Drake, Edith Mae Drake, Minnie L. Bickford, and Irene M. Paolini;

S. 1899. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of Alfred Files;

S. 1900. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claim of the estate of Bertha L. Tatrault; and

S. 2019. An act to establish the grade of Fleet Admiral of the United States Navy; to establish the grade of General of the Army, and for other purposes.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Austin	Guffey	Pepper
Bailey	Gurney	Radcliffe
Bankhead	Hall	Reed
Bilbo	Hatch	Revercomb
Brewster	Hawkes	Reynolds
Brooks	Hayden	Robertson
Buck	Hill	Russell
Burton	Holman	Shipstead
Bushfield	Jenner	Smith
Butler	Johnson, Calif.	Stewart
Byrd	Johnson, Colo.	Taft
Capper	La Follette	Thomas, Idaho
Caraway	Langer	Thomas, Okla.
Chandler	Lucas	Thomas, Utah
Chavez	McCarran	Truman
Clark, Mo.	McClellan	Tunnell
Connally	McFarland	Vandenberg
Cordon	McKellar	Walsh
Danaher	Magnuson	Weeks
Davis	Maloney	Wheeler
Downey	Maybank	Wherry
Ellender	Mead	White
Ferguson	Millikin	Wiley
George	Murray	Willis
Gerry	O'Daniel	Wilson
Gillette	O'Mahoney	

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Utah [Mr. MURDOCK] is absent from the Senate on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Delaware [Mr. BUCK], the Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], and the Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

CREDENTIALS

Mr. GUFFEY. Mr. President, as a privileged matter, I present for reading and filing the certificate of election of the Senator-elect from Pennsylvania, FRANCIS J. MYERS, signed by the Governor and attested by the secretary of the Commonwealth. In presenting these credentials I should like to state that this will be the first time in 95 years that the State of Pennsylvania will be represented by two Democratic Senators.

The credentials of Mr. MYERS, duly chosen a Senator from the State of Pennsylvania for the term commencing January 3, 1945, were read and ordered to be filed, as follows:

COMMONWEALTH OF PENNSYLVANIA,
Governor's Office.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 FRANCIS J. MYERS was duly chosen by the qualified electors of the Commonwealth of Pennsylvania a Senator from said Commonwealth to represent said Commonwealth in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, Edward Martin, and our seal hereto affixed at the city of Harrisburg, Pa., this 12th day of December, in the year of our Lord 1944.

EDWARD MARTIN.

By the Governor:
[SEAL] C. M. MORRISON,
Secretary of the Commonwealth.

Mr. JOHNSON of Colorado. Mr. President, I have the honor of presenting the credentials of my colleague, Mr. MILLIKIN, and send them forward to the desk to be read and filed.

The credentials of Mr. MILLIKIN, duly chosen a Senator from the State of Colorado for the term commencing January 3, 1945, were read and ordered to be filed, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 EUGENE D. MILLIKIN was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, John C. Vivian, and our seal hereto affixed at Denver, this 30th day of November, in the year of our Lord 1944.

JOHN C. VIVIAN,
Governor.

By the Governor:
[SEAL] L. J. BENNETT,
Secretary of State.

STATE DEPARTMENT NOMINATIONS

Mr. VANDENBERG. Mr. President, as in executive session, for the RECORD, I wish to report the receipt of a telegram from New York from the Senator from North Dakota [Mr. NYE], reading as follows:

You are authorized to vote me against MacLeish.

This message was sent in response to the rule of the Committee on Foreign Relations permitting absentee members to vote, but the authorization arrived too late to be included under the rule of the committee.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REGISTRANTS DEFERRED BECAUSE OF FEDERAL EMPLOYMENT

A letter from the Director of the Selective Service System, transmitting, pursuant to law, a report of the registrants deferred as of September 30, 1944, because of their employment in or under the Federal Government (with an accompanying report); to the Committee on Military Affairs.

PERSONNEL REQUIREMENTS, OFFICE OF COORDINATOR OF INTER-AMERICAN AFFAIRS

A letter from the Coordinator of Inter-American Affairs, transmitting, pursuant to law, estimates of personnel requirements for offices under his jurisdiction for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

PROHIBITION OF LIQUOR SALES AROUND MILITARY CAMPS—PETITIONS

Mr. AIKEN. Mr. President, I ask consent to present for proper reference several petitions requesting the enactment of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States. The first petition is signed by 132 persons. It is from Morrisville, Vt. The second petition is signed by 233 persons. It is from Barnet, Vt. The third petition is signed by 60 persons and is from Burlington and vicinity. The last petition is signed by 14 persons and is from Williamsville—all in the State of Vermont.

Mr. LANGER. Mr. President, I ask the Senator from Vermont, What is Senate bill 860? To what does it refer?

Mr. AIKEN. Senate bill 860 relates to the sale of intoxicants in and around Army camps. I believe it was previously known as the Sheppard bill in the days when some of us first came to the Senate.

The VICE PRESIDENT. Without objection, the petitions presented by the Senator from Vermont will be received and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Public Lands and Surveys:

H. R. 5409. A bill for the exchange of lands adjacent to the Pike National Forest in Colorado; without amendment (Rept. No. 1386).

By Mr. O'MAHONEY, from the Committee on Indian Affairs:

H. R. 4782. A bill to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington; without amendment (Rept. No. 1387).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BREWSTER (for Mr. BARKLEY), from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and disposition a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

JOINT RESOLUTION INTRODUCED

Mr. MURRAY introduced a joint resolution (S. J. Res. 165) extending the life of the Smaller War Plants Corporation, which was read twice by its title and referred to the Committee on Banking and Currency.

EXTENSION OF TIME FOR FILING REPORT BY SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. GREEN submitted the following resolution (S. Res. 355), which was referred to the Committee on Privileges and Elections:

Resolved, That the time for making a report by the Special Committee to Investigate Presidential, Vice Presidential, and Senatorial Campaign Expenditures in 1944, authorized by Senate Resolution 263, agreed to March 30, 1944, is hereby extended to March 1, 1945; and be it further

Resolved, That this extension of time for making its report shall not extend the authority of the committee except to employ and pay the necessary staff in connection with the preparation of its report.

REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—UNEXPENDED BALANCES (S. DOC. NO. 241)

Mr. BYRD. Mr. President, on September 21, 1944, an order was made, upon my request, that a report of the Joint Committee on Reduction of Nonessential Federal Expenditures, relating to unexpended balances of appropriations and contract authorizations, be printed as a Senate document.

The document has not yet been printed, and it is desirable that certain matter be added to and made a part of the said document. I therefore ask unanimous consent for authority to revise it by adding the matter referred to.

I also ask unanimous consent that the supplemental matter may be printed in the body of the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—REPORT ON UNEXPENDED BALANCES OF APPROPRIATIONS AND CONTRACT AUTHORIZATIONS

Pursuant to title 6 of the Revenue Act of 1941 (Public Law 250, 77th Cong.), approved September 20, 1941, the Joint Committee on Reduction of Nonessential Federal Expenditures was established in order to "make a full and complete study and investigation of all expenditures of the Federal Government, with a view to recommending the elimination or reduction of all such expenditures deemed by the committee to be nonessential, and to report to the President and to the Congress the results of its study, together with its recommendation."

The committee, after extensive study and review, herewith presents a report on unexpended balances of appropriations and contract authorizations under general and special accounts. These figures are based upon reports submitted by the various agencies of the Government to the Bureau of Accounts of the Treasury Department pursuant to Executive Order No. 8512, dated August 13, 1940.

AVAILABILITY OF FUNDS FOR FISCAL YEAR 1945 (THE YEAR ENDING JUNE 30, 1945)

Of immediate interest is the availability of funds to begin the fiscal year 1945. This availability is of two kinds, that which is available for obligation and that which is available for expenditure. The following figures are expressed in rounded millions.

Available for obligation:	
Unobligated balances brought forward July 1, 1944	$51,576,000,000
New appropriated funds July 1, 1944	60,581,000,000
New contract authorizations, July 1, 1944	11,079,000,000
Deduct appropriations, cancelations, and adjustments to contract authorizations, July 1, 1944	[1] 17,188,000,000
Total available for obligation July 1, 1944 [2]	106,048,000,000
Less obligations incurred to Sept. 30, 1944:	
July 1944	5,973,000,000
August 1944	5,745,000,000
September 1944	7,021,000,000
	18,739,000,000
Balance available for obligation Oct. 1, 1944	[3] 87,309,000,000
Available for expenditure:	
Available for obligation, as detailed in previous section	106,048,000,000
Not available for obligation, unobligated balances brought forward July 1, 1944	[4] 2,969,000,000
Unliquidated obligations, balances brought forward July 1, 1944	81,596,000,000
Deduct unappropriated contract authorizations July 1, 1944	[1] 16,108,000,000
Total available for expenditure July 1, 1944	174,505,000,000
Less disbursements made to Sept. 30, 1944:	
July 1944	7,149,000,000
August 1944	8,113,000,000
September 1944	8,010,000,000
	23,272,000,000
Balance available for expenditure Oct. 1, 1944	[3] 151,233,000,000

[1] Credit.

[2] On basis of reports received as of this date.

[3] Does not include deficiency and supplemental appropriations which will be made during the fiscal year 1945 and which will increase considerably the balances remaining at the close of the fiscal year.

[4] Available for expenditure only to the extent necessary to adjust obligations previously incurred.

Under the heading of "Available for obligation" we have unobligated balances of the prior year appropriations and contract authorizations which were continued available for the fiscal year 1945 and brought forward in the combined amount of $51,576,000,000; new appropriated funds, which for the fiscal year 1945 amount to $60,581,000,000, new contract authorizations amounting to $11,079,000,000; appropriations made to provide funds to liquidate obligations incurred under contract authorizations (included in new appropriated funds above), together with cancelations and adjustments to contract authorizations, amounting to $17,188,000,000, which have the effect of decreasing the amount available for obligation during the fiscal year; making a total available for obligation in the fiscal year 1945, as of July 1, 1944, of $106,048,000,000. Of this amount, $18,739,000,000 has been obligated to September 30, 1944, leaving $87,309,000,000 available for obligations during the remainder of fiscal year 1945.

To arrive at funds available for expenditure in the fiscal year 1945, there must be added to funds available for obligation, as detailed above, the unobligated balances of appropriations which have expired; as, although these funds may not be obligated, they may be expended in case of adjustments in obligations incurred before the expiration of the appropriations. The amount of these funds available for expenditure in the fiscal year 1945 is $2,969,000,000, but ordinarily only a small part of such funds are absorbed in making necessary adjustments. There must also be added the amount of unliquidated obligations, which represents the amount of obligations that have been previously incurred but not paid. This amount brought forward to the fiscal year 1945 amounts to $81,596,000,000. There must also be deducted the amount of outstanding unappropriated contract authorizations, as no funds have yet been appropriated therefor. This amount for the fiscal year 1945 is $16,108,000,000. We now arrive at the total funds available for expenditure in the fiscal year 1945, and subsequent thereto, as of July 1, 1944, amounting to $174,505,000,000. Of this amount, $23,272,000,000 has been disbursed to September 30, 1944, leaving $151,233,000,000 available for expenditure during the remainder of fiscal year 1945 and subsequent thereto.

EXPLANATION OF UNEXPENDED BALANCES AND CONTRACT AUTHORIZATIONS

In order to avoid confusion with respect to the terms employed in this report, there is set forth below a brief explanation of the terms "unobligated balances," "contract authorizations," "unliquidated obligations," and "unexpended balances."

Every appropriation made by the Congress is recorded in a separate account on the books of the Treasury Department. Most appropriations are made on an annual basis—that is, they may be obligated (the action of reserving funds for contracts awarded, orders placed, salaries or other liabilities incurred) only during the fiscal year for which the appropriation is made. The funds not thus obligated are reflected as "unobligated balances" and are divided into "available for obligation" (for balances which are reappropriated or extended) and "not available for obligation" (for balances which are not reappropriated or extended). Although balances not reappropriated or extended may not be obligated after the close of the fiscal year for which the appropriations were made, these funds remain on the books of the Treasury Department for 2 additional years for expenditure only in case of adjustments in obligations previously incurred. No-year or continuing appropriations follow the same procedure, except the "unobligated balances" continue available for obligation from year to year until entirely obligated or until the attainment of the purpose or object of the appropriation, after

which the balances are carried to the surplus fund.

Contract authorizations are statutory authorizations under which contracts or other obligations may be entered into prior to appropriations granted for the payment of such obligations. Contract authorizations in respect to obligations are the same as appropriations—contracts may be awarded, purchase orders issued, or projects put in work—but no expenditure may be made without an ensuing appropriation. Contract authorizations are usually made for long-term projects and require financing in the future; they may be financed in one appropriation or in installments.

The amount of obligations incurred against appropriations and contract authorizations minus the amount of money disbursed to liquidate those obligations is reflected as "unliquidated obligations." At the close of the fiscal year this figure of "unliquidated obligations" is supposed to reflect the amount of money yet to be disbursed, either already appropriated or yet to be appropriated, to liquidate obligations incurred under appropriations and contract authorizations.

To the extent money has been appropriated therefor, this balance of "unliquidated obligations" is available on the books of the Treasury Department for 2 additional years after the expiration of the appropriations, solely for the payment of bills properly incurred before the appropriations had expired for obligation by limitation of law.

The "unexpended balances" of appropriations and contract authorizations represent the amount of appropriations or other funds not yet expended, together with contract authorizations for which appropriations have not been made. Thus, the amount of "unobligated balances" plus the amount of "unliquidated obligations" is reflected as "unexpended balances" and represents the amount of appropriations and contract authorizations not yet disbursed. Part of this unexpended balance may never be disbursed, that is, as explained above, the amount of unobligated balances of those appropriations which have expired by limitation of law before the entire amount of the appropriation was obligated; the amount of obligations incurred against contract authorizations which may be canceled or reduced; and the amount of unliquidated obligations which may expire by limitation of law before disbursements are made.

APPROPRIATIONS, CONTRACT AUTHORIZATIONS, EXPENDITURES AND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 1941, 1942, 1943, AND 1944

The following table presents the funds available for obligation, the funds available for expenditure, and the expenditures for each of the fiscal years, together with the resulting balances at the close of the fiscal year and the adjustments to those balances to begin the new fiscal year.

TABLE I.—*Appropriations, contract authorizations, expenditures, and balances for the fiscal years ended June 30, 1941, 1942, 1943, 1944*

[NOTE.—This table comprises "general and special" appropriation accounts and related contract authorizations; it does not include trust funds, amounts payable from postal revenues, funds of Government corporations, the sinking fund, certified claims, judgments, and private acts. Working fund advances are treated as being fully expended]

[In millions of dollars]

Line No.	Item	Fiscal year ending June 30—				
		1941	1942	1943	1944	1945
1	Available for obligation:					
2	Unobligated balance from prior year	4,718	9,880	49,506	29,048	51,576
3	Appropriations	24,831	117,641	94,343	93,270	60,581
4	Appropriation transfers net		565	2,441	777	
5	New contract authorizations	14,503	15,855	16,485	11,369	11,079
6	Decreases in unappropriated contract authorizations	−1,863	−10,291	−22,083	−4,636	−17,188
7	Amount available for obligation	42,589	133,650	140,692	129,828	106,048
8	Add appropriations not available for obligation		18	42	75	
9	Deduct:					
	Transfers from expired to unexpired accounts net		−574	−2,442	−786	
	Transfers to surplus during the year		−11	−48	−77	
	Not available for obligation:					
10	Brought forward from prior year	102	364	2,660	1,024	2,969
11	Unliquidated obligations:					
12	Brought forward from prior year	3,269	22,681	69,818	100,525	81,596
13	Total appropriations, contract authorizations and balances	45,960	156,128	210,722	230,589	190,613
14	Deduct unappropriated contract authorizations	15,518	21,082	15,484	22,217	16,108
15	Total appropriated funds available for expenditure	30,442	135,046	195,238	208,372	174,505
16	Deduct expenditures	12,818	34,017	79,863	94,162	
17	Unexpended balances of appropriations	17,624	101,029	115,375	114,210	
18	Analysis of unexpended balances:					
19	Unobligated balances of appropriations and contract authorizations:					
20	Available for obligation at June 30	10,359	51,648	30,306	52,392	
21	Less amount becoming unavailable after June 30	479	2,142	1,258	816	
22	Net amount available carried forward	9,880	49,506	29,048	51,576	
23	Not available for obligation at June 30	102	645	28	2,409	
24	Add amount becoming unavailable after June 30 (line 21)	479	2,142	1,258	816	
25	Total amount unavailable	581	2,787	1,286	3,225	
26	Less amount reverting to surplus	217	127	262	256	
27	Net amount unavailable carried forward	364	2,660	1,024	2,969	
28	Unliquidated obligations:					
29	Available for expenditure at June 30	22,681	69,818	100,525	81,627	
30	Less amount reverting to surplus				30	
31	Net unliquidated obligations carried forward	22,681	69,818	100,525	81,596	
32	Total unexpended balances and contract authorizations	32,925	121,984	130,597	136,141	
33	Deduct unappropriated contract authorizations	15,518	21,082	15,484	22,217	
34	Unexpended balances of appropriations carried forward (lines 22, 27, 31, less line 14)	17,407	100,902	115,113	113,924	

Source: These figures are based upon reports of agencies except those for 1941, 1942, and 1943 which are partly estimated and subject to revision.

EXPLANATION OF TABLE I

The fiscal or operating year of the Federal Government begins on July 1 and ends on June 30 of the next calendar year; appropriations made by the Congress for operation of the Federal Government are made on a fiscal year rather than a calendar year basis.

Funds available for obligation in a fiscal year are composed of unobligated balances from prior years reappropriated or extended and continued available for obligation, brought forward July 1 (line 2); new appropriated funds (line 3); appropriation transfers net (line 4) which represents transfers by congressional action between expired and unexpired appropriations during the fiscal year, transfers to or from trust funds and other accounts, and transfers to surplus fund of balances of no-year appropriations when the purpose for which the funds were appropriated has been fulfilled; new contract authorizations (line 5); and decreases in unappropriated contract authorizations (line 6). This item represents the amount of appropriations that have been made by the Congress during the fiscal year to provide funds for liquidation of obligations previously incurred under contract authorizations, which funds are included in the "new appropriated funds," and also cancelations and adjustments of contract authorizations during the fiscal year.

Some deficiency appropriations are made to provide funds to liquidate obligations incurred in prior years and therefore are available for expenditure in the current fiscal year but not for obligation. These appropriations are included in line 8. Transfers between expired and unexpired appropriations, the contra entry of which is included in line 4 above is reflected in line 9 as well as transfers to surplus fund of expired amounts occurring during the fiscal year.

Funds not available for obligation (line 10) represent the unobligated balances of prior years which expired and were not reappropriated and which have not reverted to the surplus fund. Unliquidated obligations (lines 11 and 12) represent the amount of obligations previously incurred which have not been paid as of the close of the prior fiscal year and funds for the payment thereof have not reverted to the surplus fund. The sum of these amounts represents the total available for the fiscal year for obligation and/or expenditure (line 13). Contract authorizations may be obligated but not expended.

To arrive at the funds available for expenditure during the fiscal year (line 15) it is necessary to deduct the unappropriated contract authorizations (line 14) as no funds have been provided therefor.

The amount of unappropriated contract authorizations at the close of the prior fiscal year (lines 14 and 33) plus the amount of new contract authorizations during the fiscal year (line 5) minus the amount of appropriations for contract authorizations and cancelations and adjustments to contract authorizations (line 6) equals the amount of outstanding unappropriated contract authorizations at the close of the fiscal year (lines 14 and 33).

Expenditures (line 16) represent the amount of appropriations disbursed during the fiscal year to liquidate current and prior year obligations. Subtracting expenditures (line 16) from the total available for expenditure during the fiscal year (line 15) we arrive at the total unexpended balance of appropriations at the close of the fiscal year (line 17).

Unexpended balances at the close of the fiscal year must be adjusted to begin the new fiscal year to provide for unobligated balances of appropriations which have expired (not reappropriated) and to provide for transfer to the surplus fund for balances which have remained on the books of the Treasury Department 2 full years after expiration of the appropriations. The balance

of the amount available for obligation during the fiscal year which was not obligated during the fiscal year is shown at the close of the fiscal year as available for obligation (line 20) but must be reduced to begin the new fiscal year by the unobligated balance remaining in appropriations that expired by limitation of law (not reappropriated) (line 21) to arrive at the unobligated balances continued available for the new fiscal year (lines 22 and 2).

In addition to the unobligated balances continued available for the new fiscal year, certain unobligated balances whose availability for obligation has expired by limitation of law constitute part of the unexpended balance and are carried forward into the succeeding fiscal year. These balances, while not available for obligation, are carried on the books for 2 years beyond their availability for obligation and are then required by law to be returned to the surplus fund. Lines 23 to 27 show the component elements of these funds at the close of each fiscal year, the net amount (line 27) being carried forward as an unexpended balance in the succeeding year (on line 10). These funds are made up of the book balances on June 30 of amounts not available for obligation (line 23), plus the unobligated balances of appropriations expiring for obligation at midnight, June 30 (line 24), minus amounts reverting to the surplus fund after midnight June 30 (line 26). Thus, if Congress does not reappropriate balances expiring for obligation at the end of a given year, the amounts previously carried as unavailable are increased by new amounts expiring; and this total would continue to build up if it were not for the fact that certain appropriations making up the total have remained on the books 2 full years after their availability for obligation and must be reverted to the surplus fund.

Unliquidated obligations at the close of the fiscal year (line 29) represent the total amount of obligations incurred which have not been paid but must be adjusted to begin the new fiscal year in order to reflect any amounts reverting to the surplus fund (line 30). Obligations that were incurred during the life of an appropriation and which were not liquidated within 2 full years after expiration of the appropriation must be canceled and the funds appropriated therefor revert to the surplus fund. If these obligations that were not liquidated within the 2 full years after expiration of the appropriation are subsequently proven justifiable they can be paid only through submission of a claim to the General Accounting Office and a deficiency appropriation by Congress to provide funds for their payment. The adjusted unliquidated obligations (line 31) is the amount brought forward to the next fiscal year (line 12) to be included in unexpended balances.

The total adjusted unexpended balances of appropriations and contract authorizations to begin the new fiscal year (line 32) is reduced by the amount of unappropriated contract authorizations at the close of the year (line 33) to arrive at the total unexpended balances of appropriations for the new fiscal year (line 34), which differs from the total unexpended balance of appropriations at close of the fiscal year (line 17) by the sum of the amounts reverted to the surplus fund (lines 26 and 30).

UNEXPENDED BALANCES, FISCAL YEAR 1944

In the fiscal year 1941 and running through 1944, appropriations exceeded expenditures to such an extent that there has resulted large unexpended balances. Of course, it is not possible to maintain a balance between the two—plans, contracts, and purchases must be made well in advance of expenditure—but unnecessarily large balances are dangerous.

An analysis of unexpended balances at the end of fiscal years 1941, 1942, 1943, and 1944 is shown in table 1 above.

The fiscal year 1944, which covers the period July 1, 1943, through June 30, 1944, is taken to present a current picture with respect to unexpended balances. This information is presented in the following tables compiled from information furnished by the Bureau of Accounts of the Treasury Department and relates only to general and special accounts. The tables are based on reports submitted by agencies pursuant to Budget-Treasury Regulation No. 1, issued under Executive Order 8512.

Table 2 shows as funds available for obligation during the fiscal year 1944 a total of $129,828,000,000, against which, obligations were incurred to an amount of $77,436,000,000.

Table 3 is an analysis of the unexpended balances at June 30, 1944, showing $136,427,000,000 unexpended, of which unliquidated obligations are $81,627,000,000 and unobligated balances are $54,801,000,000. Included in the unliquidated obligations are unappropriated contract authorizations to an amount of $22,217,000,000.

It will be noted that the bulk of the moneys made available for the fiscal year ended June 30, 1944, were appropriations granted the War Department and Navy Department.

TABLE 2.—*Available funds, obligations, and expenditures for the fiscal year ended June 30, 1944*

[Figures are stated in millions of dollars and due to rounding off may not add to total]

Department or establishment	Obligations		Expenditures	
	Available for obligation	Obligated	Available for expenditure	Expended
War Department	75,007	41,072	128,896	49,423
Navy Department	32,020	20,756	47,184	26,463
War Shipping Administration	3,764	2,695	[5]199	2,071
U. S. Maritime Commission	[1]434	703	5,509	3,995
All other departments	15,949	9,557	18,799	9,601
Interest on the public debt	2,653	2,653	2,785	2,609
Total	[2]129,828	[3]77,436	[4]208,372	[6]94,162

[1] Does not include 5,700 million dollars additional contract authority under the Independent Offices Appropriation Act, 1945 (Public Law 358) approved June 27, 1944.
[2] Line 7, table I.
[3] The amounts of contracts awarded, orders placed, and all other transactions which have the effect of legally reserving appropriations so as to require expenditures or reserving contract authorizations so as to require appropriations.
[4] Line 15, table I. [5] Line 16, table I.

TABLE 3.—*Analysis of unexpended balances of appropriations and contract authorizations, as of June 30, 1944*

[Figures are stated in millions of dollars and due to rounding off may not add to totals]

Department or establishment	Unexpended balances of appropriations	Unappropriated contract authorizations	Total unexpended balances	Analysis of unexpended balances		
				Unliquidated obligations	Available for obligation in fiscal year 1944	Not available for obligation
War Department	79,473	----------	79,473	45,536	33,935	2
Navy Department	20,721	19,319	40,040	26,963	11,264	1,813
War Shipping Administration	3,128	----------	3,128	2,058	1,069	1
U. S. Maritime Commission	1,514	1,942	3,456	3,725	[5]269	----------
All other departments	9,198	956	10,154	3,169	6,392	593
Interest on the public debt	176	----------	176	176	----------	----------
Total	[1]114,210	[2]22,217	[3]136,427	[4]81,627	[6]52,392	[7]2,409

[1] Line 17, table 1.
[2] Line 14, table 1.
[3] Line 14, plus line 17, table 1.
[4] Line 29, table 1.
[5] Credit. Does not include $5,700,000,000 additional contract authority under the Independent Offices Appropriation Act, 1945 (Public Law 358), approved June 27, 1944.
[6] Line 20, table 1.
[7] Line 23, table 1.

The War Department had a total amount of $75,007,000,000 available for obligation during the fiscal year 1944. Against this availability, obligations in the amount of $41,072,000,000 were incurred leaving $33,935,000,000 unobligated. For fiscal year 1945 Congress appropriated $15,445,000,000 and in addition reappropriated unobligated balances in an amount of $33,873,000,000—making a total of $49,318,000,000 available for obligation during the fiscal year 1945, without considering deficiency and supplemental appropriations which will be made during the fiscal year. Against this availability $8,266,000,000 has been obligated to September 30, 1944.

The Navy Department had funds totaling $32,020,000,000 available for obligation during fiscal year 1944. Of this sum, $20,756,000,000 were obligated, leaving $11,264,000,000 unobligated. For fiscal year 1945 Congress made $26,489,000,000 available by appropriation and in addition approved contract authorizations in the amount of $5,075,000,000. Decreases in unappropriated contract authorizations, due to appropriations, adjustments, and cancelations, amounted to $10,446,000,000. An unobligated balance of $10,925,000,000 was made available in continuing appropriations or by extension of 1944 appropriations into 1945, making $32,043,000,000 available for obligation in fiscal year 1945, without considering deficiency and supplemental appropriations which will be made during the fiscal year. Against this availability $5,340,000,000 has been obligated to September 30, 1944.

Of the $136,427,000,000 shown on table 3 as the unexpended balance for fiscal year 1944, $81,627,000,000 is reserved to settle unliquidated obligations. Of this amount reserved for unliquidated obligations, $72,499,000,000 represents the War and Navy outstanding obligations.

In making the foregoing statements, it is taken for granted that the obligations of $77,436,000,000 are maximum. There is available billions of dollars of war matériel, including equipment, planes, munitions, and supplies, which will therefore cut down production requirements. Additionally, there is $81,627,000,000 of unliquidated obligations covering various sorts of matériel.

THE FISCAL SITUATION

The Bureau of the Budget in the Review of the 1945 Budget, released August 1, 1944, stated the public debt at June 30, 1944, was

$201,003,000,000, and estimated the public debt at June 30, 1945, as $251,286,000,000. The public debt on November 29, 1944, as reflected on the Treasury daily statement, was $214,077,915,000.

This is a tremendous sum and carries an annual charge for interest, at present low rates, approaching $5,000,000,000. The measure of the public debt may be more fully realized in the fact that it will mean a per capita debt equivalent to $1,800 for every man, woman, and child in the United States; or to state it in terms of labor force, it will mean a per capita debt equivalent to approximately $4,200 for each employable person.

The post-war budget should be balanced—revenues should equal or exceed possible expenditures on a peacetime taxing program—a taxing program favorable to the maintenance of high levels in business activity and full employment.

RECOMMENDATIONS

The committee recommends that:

1. Section 303 of the Second Deficiency Appropriation Act, 1944, approved June 28, 1944, be amended to provide that the Bureau of the Budget submit a report to Congress showing the condition of the balances of appropriations and contract authorizations at any time prior to, but not later than 6 months after, the conclusion of the European and Japanese wars and that the Congress consider unexpended balances then current and provide legislation to lapse or cancel out all unnecessary balances.

NOTE.—Revised on the basis of latest available information.

SUMMARY STATEMENT OF UNEXPENDED BALANCE REPORT

In the report it is strongly asserted that the post-war Budget should be balanced—revenues should equal or exceed possible expenditures on a peacetime taxing program—a taxing program favorable to the maintenance of high levels in business activity and full employment.

The committee recommended that "section 303 of the Second Deficiency Appropriation Act, 1944, approved June 28, 1944, be amended to provide that the Bureau of the Budget submit a report to Congress showing the condition of the balances of appropriations and contract authorizations at any time prior to, but no later than 6 months after, the conclusion of the European and Japanese wars and that the Congress consider unexpended balances then current and provide legislation to lapse or cancel out all unnecessary balances."

The report contains tables that showed the unexpended balance of appropriations and contract authorizations was over $136,000,000,000 as of June 30, 1944. At the beginning of the fiscal year 1945 (July 1, 1944, to June 30, 1945), there was over $174,000,000,000 available for expenditure, and on October 1, 1944, there had been expended a little more than $23,000,000,000, leaving a balance available for expenditure in the amount of more than $151,000,000,000.

The bulk of the moneys made available were appropriations granted the War and Navy Departments.

It was pointed out in the report that the data presented did not include deficiency and supplemental appropriations that will be made from time to time during the fiscal year 1945, and which will materially increase the balance remaining at the close of the fiscal year.

The figures in the report have been approved by the Treasury Department and the Bureau of the Budget.

OUR LIBERAL HERITAGE—ADDRESS BY SENATOR WHEELER

[Mr. HILL asked and obtained leave to have printed in the RECORD an address entitled "Our Liberal Heritage," delivered by Senator WHEELER at the Haverford College Forum, Haverford, Pa., on December 14, 1944, which appears in the Appendix.]

DOMESTIC ALLOTMENT PLAN—STATEMENT BY ROBERT M. HARRISS

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a statement entitled "Domestic Allotment Plan," by Robert M. Harriss, which appears in the Appendix.]

ST. LAWRENCE RIVER DEVELOPMENT—EDITORIAL COMMENT

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "Illinois and the St. Lawrence Project" from the Chicago Sun of December 13, 1944; an editorial entitled "St. Lawrence Plan" from the Easton (Pa.) Express of December 8, 1944; an editorial entitled "The St. Lawrence Seaway" from the Great Falls (Mont.) Tribune of December 3, 1944; and an editorial entitled "One Country, Too" from the Nashville Tennesseean of December 6, 1944, which appear in the Appendix.]

MESSAGE FROM THE HOUSE

Message from the House of Representatives, by Mr. Perry, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.

The message also announced that the House had receded from its disagreement to the amendment of the Senate to the bill (H. R. 3732) to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey, and concurred therein.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4911) to amend the Federal Crop Insurance Act; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FLANNAGAN, Mr. COOLEY, Mr. ZIMMERMAN, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

FIRST SUPPLEMENTAL APPROPRIATIONS, 1945

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 5587, a bill making appropriations to supply deficiencies in certain appropriations.

The VICE PRESIDENT. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none.

DECLARATION OF PORTION OF ILLINOIS & MICHIGAN CANAL TO BE NONNAVIGABLE

Mr. BROOKS. Mr. President, yesterday afternoon during the call of the calendar I was attending a meeting of the Committee on Appropriations considering the deficiency appropriation bill when House bill 4626, relating to the Illinois & Michigan Canal, was reached on the calendar and passed. I ask unanimous consent that the vote by which the bill was passed be reconsidered, and that it be restored to the calendar.

Mr. HILL. Will the Senator yield?

Mr. BROOKS. I yield.

Mr. HILL. What is the bill?

Mr. BROOKS. It is a bill relating to the Illinois & Michigan Canal, a canal entirely within the State of Illinois. It is a local matter, which I desired to discuss before it was passed.

Mr. HILL. Is that the bill which declares a particular stream to be nonnavigable?

Mr. BROOKS. Yes.

Mr. HILL. Is it a House bill, if I may ask?

Mr. BROOKS. It is a House bill.

Mr. HILL. Does the Senator know whether or not a companion bill has been introduced in the Senate?

Mr. BROOKS. No; there has not.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. LA FOLLETTE. Mr. President, what is the request of the Senator from Illinois? There was so much confusion in the Senate when he spoke that I did not hear.

Mr. BROOKS. Mr. President, I stated that during my absence from the floor yesterday attending the full hearing of the Appropriations Committee, House bill 4626 was called on the calendar and passed. I now ask that the vote by which the bill was passed be reconsidered, and that the bill be returned to the calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois? The Chair hears none, and the vote by which the bill was passed is reconsidered, and the bill is returned to the calendar.

RIVER AND HARBOR IMPROVEMENTS—CONFERENCE REPORT

Mr. BAILEY. Mr. President, I am under the necessity of reporting the conference agreement on the conference report on House bill 3961, the river and

harbor bill, and am under the further necessity of moving that the conference report be rejected. That is because I find here in the Senate a very determined and substantial opposition to what is known as the Elliott amendment. I take it I need not go into an explanation of that. The Senate struck out the Elliott amendment and we did our best with the House conferees to have it kept out, but they did not agree. The object of my motion is to send the matter back to further conference with a view to trying to arrive at some agreement which will enable us to get the river and harbor bill through at this session. It is rather difficult and rather desperate, and it is embarrassing, but I see no other course to pursue. I have been notified by a number of Senators on both sides that extensive debate on the subject of the Elliott amendment will take place. I hope there will be no debate at this time.

Mr. McKELLAR. What is the Elliott amendment?

Mr. BAILEY. The Elliott amendment is the amendment relating to the Central Valley in California. It is local to the State.

Mr. HATCH. Mr. President, I cannot agree with that statement. The Elliott amendment affects the fundamental irrigation and reclamation laws.

Mr. BAILEY. It takes that local project from under those laws.

Mr. HATCH. Yes.

Mr. BAILEY. That is what I mean by saying it is local to that State.

Mr. WHITE. Mr. President, is it the Senator's request that the Senate reject the conference report?

Mr. BAILEY. Yes; in order that we may ask for a further conference and do what we can to straighten out the matter. But I have no idea that we can come back here and get anywhere unless the Elliott amendment shall be stricken out. I have received sufficient notice from Senators to be suspicious that it would take a long time to complete action on the report. They do not say they would filibuster, and I am not charging them with filibustering, but they say they will take a great deal of time, and time we do not now have. So I wish to go ahead with this matter and do the best I can in the interest of the whole bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. MAYBANK. I should like to ask the distinguished Senator from North Carolina if this matter is carried back to conference will he exert his influence again on behalf of the $25,000,000 item which was cut from the bill by the House conferees?

Mr. President, I may say that I am indeed grateful for the assistance the Senator from North Carolina and the other Senate conferees gave to this amendment in conference. I extremely regret that there was a misunderstanding on the part of one of the Representatives, not one of the conferees, who thought the South Carolina project covered a situation which it did not cover. He has told me since that he would withdraw his objection. I earnestly urge, Mr. President, for the good of the people of South Carolina and the welfare of my State, that if the bill goes to further conference the Senator from North Carolina will carry on for us as he did in the previous conference.

Mr. BAILEY. Mr. President, I will answer the Senator's question. I went into the conference in good faith. I differed with other Senators about some matters in this bill, but I had instructions from the Senate to insist upon the Senate amendments, and I did insist. I waived everything respecting the controversial power item which the Senate passed in the flood-control bill. I have insisted as far as I can on the Senate's position in respect to the river and harbor bill, but I feel that I must make some sacrifices, if necessary, and I think the Senate must make some sacrifices in order to get a bill. I will do the best I can, however. That is all I can say.

Mr. MAYBANK. Mr. President, will the Senator again yield?

Mr. BAILEY. I yield.

Mr. MAYBANK. I should like again to express the deep appreciation of the people of South Carolina for what the distinguished Senator from North Carolina did, and I wish to say only this, that there seems to be a misunderstanding with respect to the South Carolina project; that is that sufficient hearings were not held on the subject. Unfortunately the report of the Army engineers covers two projects. On the second set of projects, such as the Buckingham Landing project, there have not, in my judgment, been sufficient hearings. I asked on the floor that the Buckingham Landing project be deleted, and it was deleted last week. The conferees also called attention to certain water that might back into North Carolina under a project contained in the second half of the Army engineers' report. The Senator from North Carolina will agree with me that I suggested to him that if he had any fear I would prepare an amendment which would prevent such a thing.

Mr. BAILEY. Mr. President, I can clear that matter up. I have no fear that such a thing would happen, and I showed the map to the conferees and stated that the dam to be built under this bill would not back water within 40 miles of the North Carolina border.

Mr. MAYBANK. I thank the Senator from North Carolina for that statement, because misinformation has been spread by those who would stifle and keep down the people of my State, to the effect that the water would back into North Carolina and that no hearings on the project had been held. As a matter of fact, the water will not come within 40 miles of the North Carolina border, as the Senator has just said. Mr. President, I ask only for the first part of the engineers' report to be adopted. I may say that the question concerning certain dams has been raised on the basis of insufficient hearings. The dam which is proposed to be built has been under discussion for years. This dam which is proposed to be built was approved by the State. The State Government of South Carolina formed a commission to build the dam, and I am happy that the Senator from North Carolina has made the statement he has here. I again thank him, and I again urge that the Senate, if possible, help the people of my State, and if anything is to be sacrificed, Mr. President, please do not, I beg, sacrifice South Carolina's largest project in the bill.

The VICE PRESIDENT. The conference report will be read.

Mr. BAILEY. Mr. President, I promised the Senator from California [Mr. DOWNEY] that I would yield to him.

Mr. DOWNEY. No, Mr. President; I want the floor in my own right before action is taken on the motion.

The VICE PRESIDENT. The report has not yet been read.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BURTON. I wish to say a word, as one of the conferees representing the minority party; and to pay tribute to the effort which the senior Senator from North Carolina made in conference to retain in the bill the amendments which were placed in it by the Senate when it passed the bill, both with relation to the matter to which the Senator from South Carolina referred and the matter relating to California. Everything possible was done at the conference to retain both amendments in the bill as the Senate had placed them in the bill. I am in sympathy with the Senator's position, and we should attempt to sustain that position further, but if there is to be a final agreement the Senate probably will have to yield on some point, or there will be no bill whatsoever in the end.

The VICE PRESIDENT. The clerk will read the report.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference have agreed to recommend and to recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7 and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 38, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, and 105.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: On page 17, line 24, and on page 18, line 1, strike out "in accordance with the report of the Chief of Engineers dated May 23, 1944," and insert in lieu thereof "Senate Document Numbered 230, Seventy-eighth Congress,"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: On page 34, line 6, strike out the word "numbered"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with amendments, as follows:

On page 43, line 25, after the period, insert the following: "Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years."

On page 44, line 3, before the word "to", insert the following: "from funds to be appropriated by the Congress";

On page 44, line 3, strike out the word "and", and insert in lieu thereof the word "or";

On page 44, line 3, after the word "acquire", insert the words "by purchase or other agreement";

On page 44, line 9, after the period, insert the words "All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts."

And the Senate agree to the same.

JOSIAH W. BAILEY,
HATTIE W. CARAWAY,
By J. W. BAILEY,
JOHN H. OVERTON,
By J. W. BAILEY,
OWEN BREWSTER,
BENNETT CHAMP CLARK,
A. H. VANDENBERG,
HIRAM W. JOHNSON,
THEO. G. BILBO,
HAROLD H. BURTON,
By J. W. BAILEY,
Managers on the part of the Senate.

J. J. MANSFIELD,
HUGH PETERSON,
C. JASPER BELL,
ALBERT E. CARTER,
GEO. A. DONDERO,
Managers on the part of the House.

Mr. DOWNEY obtained the floor.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. HATCH. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HATCH. Did the Presiding Officer state that the question was on agreeing to the report?

The VICE PRESIDENT. A negative vote will achieve the objective which the Senator from North Carolina has in mind.

Mr. HATCH. But the motion is to reject the report.

Mr. BAILEY. And ask for a further conference.

The VICE PRESIDENT. The custom is to put a motion of this sort in the affirmative. The same result can be attained by voting "nay."

Mr. BURTON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BURTON. How will the question be put?

The VICE PRESIDENT. The question will be put on agreeing to the conference report.

Mr. BURTON. Therefore, Senators who wish to reject the report will vote "no"?

The VICE PRESIDENT. The Senator is correct.

Mr. DOWNEY. Mr. President, I am exceedingly sorry that I am compelled to make any presentation to the Senate at this particular hour. I am fully conscious of the burdens of the Senator from North Carolina [Mr. BAILEY] and the Senator from Louisiana [Mr. OVERTON], and I am reluctant to add to them. I am fully conscious of the importance of passing the river and harbor bill; but let me say that if there is any delay in the passage of this bill because of the Elliott amendment, the responsibility will not be upon me, because in the course of an hour or two I think I can convince the Senate of the righteousness of the Elliott amendment. If other Senators think that they must talk for days to prevent the Senate from passing this bill with the Elliott amendment, the responsibility will be upon them and not upon me.

Before the Senate proceeds to this vote, I should be derelict in my duty as a United States Senator if I did not make a brief statement upon the pending issue.

Mr. President, the Central Valley project was organized under an act of Congress in 1937. At that time every intelligent person in California familiar with water conditions in the Central Valley project and with physical conditions there knew that it would never be possible to enforce the 160-acre limitation in the Central Valley project. It was totally impossible to enforce that limitation then. It is totally impossible to enforce it today.

Mr. President, in 1937 and since then, when our citizens, our State officials, members of our legislature, and the directors of our water districts discussed this matter with representatives of the Bureau of Reclamation, the view of the people of California was stated to the representatives of the Bureau of Reclamation, namely, that we in California see no way to enforce the 160-acre limitation in the Central Valley project.

From time to time the representatives of the Bureau of Reclamation kept promising that shortly they would either present some way of practically applying the 160-acre limitation in our Central Valley project, or they would consent to its elimination from the basic law so far as it applies to the Central Valley project. Year after year passed without that being done; and, of course, it was not done, because there is no way of applying any limitation in the Central Valley project, as I shall soon show.

I lived and practiced law for 20 years in that district. I know it intimately, and I know that Senators who are now threatening a filibuster to destroy this bill unless the Elliott amendment is eliminated are attempting to do something which is totally impossible, that is, to enforce any kind of a limitation in the Central Valley project.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. HATCH. It is not impossible for the Committee on Irrigation and Reclamation to receive a bill and give it study, is it?

Mr. DOWNEY. Mr. President, that should have been done many months ago. Since the distinguished Senator has raised that point——

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. DOWNEY. I yield.

Mr. HATCH. The Senator from California has been a Member of the Senate for several years. He could have introduced any bill that he might have wished to introduce. Such a bill could have been referred to the proper committee, and could have received proper consideration by that committee. It was not necessary to attach the Elliott amendment to the rivers and harbors bill without giving us an opportunity to discuss, even in connection with the conference report, the merits or demerits of that measure.

Mr. DOWNEY. I regret that I must digress from the main thesis of my argument to answer the distinguished Senator from New Mexico, but I am compelled to do so.

When the Elliott amendment came over with the rivers and harbors bill, there were extensive hearings before the committee on the Elliott amendment, and most of the Members on the committee individually told me that they saw no way by which any limitation could be enforced with respect to the underground waters of the Central Valley project. But the Senator from Louisiana [Mr. OVERTON], for whom I have deep affection and high respect, suggested to me that the proper thing to do would be to have the Bureau of Reclamation draft some measure, which I could introduce as a substitute for the Elliott bill, and have hearings before the Committee on Irrigation and Reclamation. I acquiesced in that suggestion as logical and proper. As I recall, that was 6 or 7 months ago. For probably 60 days I was engaged weekly in telephoning the Bureau of Reclamation in an effort to have the Bureau prepare a bill as a substitute for the Elliott amendment, if such a bill could be prepared. I know of no way to prepare such a bill, and I challenge any Senator to suggest one on the floor of the Senate.

Finally, the Bureau of Reclamation, without consulting with me as to the nature of the bill, told me that the bill was ready for Congress. I ask the distinguished Senator from New Mexico, What happened? That bill was handed to him for introduction; and although there is not a single acre of public land in the Central Valley project, that bill was referred to the Committee on Public Lands and Surveys.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. HATCH. It is obvious that if this debate continues, it will lead to quite lengthy discussions. Several matters about which the Senator from California is now speaking naturally prompt a reply on my part; but I do not care to take the time of the Senate just now to engage in this debate. The Senator from California has made a valiant fight in his State. We went all through the project. We discussed it for about a week, I believe.

Mr. DOWNEY. I was on the investigation for about a month. The Senator was there for about a week.

Mr. HATCH. I was instrumental in tabling the bill in the Committee on Public Lands and Surveys, to which the Senator refers. I said to the Senator that that measure must be considered by the

Committee on Irrigation and Reclamation, and that the Committee on Public Lands and Surveys would have nothing further to do with it. I told him that I would join him in the introduction of a bill or in any other effort to get the matter before the Committee on Irrigation and Reclamation. As the Senator knows, that is my purpose. I do not wish to be put in a false light in that regard, and I am sure the Senator from California does not wish to put me in a false light. These things show just how prolonged the debate will necessarily become if we must go into the question at this time.

Mr. DOWNEY. I want to assure the Senator from New Mexico that I mean no criticism of him for what I am saying. Mr. President, when I found that the bill on the Central Valley project had been referred to the wrong committee, nevertheless in my humble way I endeavored to abide by the rules of the Senate and do equity. So I went to the distinguished chairman of the Committee on Irrigation and Reclamation [Mr. BANKHEAD] and he helpfully and courteously, under a resolution which I had submitted, appointed me as chairman of a subcommittee of the Committee on Irrigation and Reclamation to consider the problems and difficulties of the Central Valley project, including the 160-acre limitation.

Because we did not have any legislation before the committee, we were unable to obtain an appropriation for the purpose of defraying the costs and expenses of carrying on the investigation. The Senator from Oregon [Mr. CORDON] acted with me on my subcommittee, and both of us were as economical as we could be and we spent as little money as possible. But in order to provide a committee of five on which the distinguished senior Senator from New Mexico [Mr. HATCH] might be a member, we asked him, the distinguished junior Senator from Arizona [Mr. MCFARLAND] and the distinguished senior Senator from South Dakota [Mr. GURNEY] to accompany us on the investigation. It happened that they were members of another subcommittee of the Committee on Irrigation and Reclamation.

So the five of us from the Committee on Irrigation and Reclamation went to California. We spent the first day reading aloud Senate bill 1948. As it was read aloud, not only the Senators who were members of the subcommittee shuddered at its terms—and I use the word seriously—but even the representatives of the Bureau of Reclamation who were present were in such distress over it that the Commissioner of Reclamation, Harry Bashore, immediately denied the validity of the bill and announced his opposition to it, and the distinguished senior Senator from New Mexico [Mr. HATCH] on that first day himself announced that he had never read the bill, that it was not his composition, that it was prepared by the Secretary of the Interior or the Bureau of Reclamation and was handed to him, and that he himself would be opposed to the bill, and he stated several times to our subcommittee that there was no chance that it would ever pass the Senate.

Let me again say I have no criticism for what was done by the Senator from New Mexico. He very properly, at the request of the Secretary of the Interior, introduced the bill in question, and immediately upon learning of its tenor very sincerely and plainly stated his opposition to it. I have no complaint against the Senator for this and hope he understands that.

Mr. HATCH. Mr. President, will the Senator yield for just one word?

The PRESIDING OFFICER (Mr. LUCAS in the chair). Does the Senator from California yield to the Senator from New Mexico?

Mr. DOWNEY. Yes; I yield.

Mr. HATCH. Merely to save taking time to reply later, I shall ask the Senator to permit me to interpolate at this point in my own defense.

Mr. DOWNEY. Yes; I shall be very happy to have the Senator do so, although the Senator needs no defense.

Mr. HATCH. So I will say that long before the bill was read, I told the Senator from California what my position would be. The moment I arrived in Sacramento I walked into the room where the Senator was holding a press conference.

Mr. DOWNEY. That is correct.

Mr. HATCH. The newspapermen asked me if that was my bill. I said, "No," and I said, "It is not the final answer of the Department of the Interior."

Mr. President, we must be frank about this matter. I said, "The Department of the Interior sent the bill over and asked that it be introduced as a springboard on the basis of which we could discuss this subject and obtain suggestions." And at that press conference I said, "In this form I will vote against the bill. I will not let it come out of my committee if I can help it. But it may serve a useful purpose." And I did exactly that.

Mr. DOWNEY. Mr. President, the distinguished Senator need not elaborate on that point. I am in total agreement with what he has said. I wish the Senate to know that the Senator had absolutely nothing to do with the preparation of the grandiose and extravagant bill which would have returned those of us in that part of California to a State of feudal existence. I know the Senator had nothing to do with the preparation of the bill. Of course, I have too high an estimate of the Senator from New Mexico to think that he had anything to do with its preparation.

Mr. President, let me say that by the time we had made our investigation and by the time we had considered the bill, everyone had abandoned the bill. I think that statement is correct. I wish to say that undoubtedly many months were spent by someone in the Bureau of Reclamation in preparing the bill, which is long, technical, and involved. It is a bill which some persons characterize as communistic. I would not characterize it as such. I would term it a bill attempting to return the Central Valley project to a state of feudalism, with the Bureau of Reclamation as the masters of it. Under the provisions of the bill, no one could ever again have sold an acre of land in the Central Valley project without the consent of the Secretary of the Interior. No one could ever again have had water except in such amount as the Secretary of the Interior wished to have allotted from time to time. The terms of the bill were so onerous and complicated that everyone who once read it realized its total impracticability and the fact that it could not become the law of the land.

At the conclusion of the hearings at which the four Senators I have named, in addition to myself, were present, the distinguished senior Senator from New Mexico [Mr. HATCH] very fairly, precisely, and justly, as he always does, restated his position that Senate bill 1948, which he had introduced for the Secretary of the Interior, was not a good bill, and should not be passed. Then the distinguished Senator said, "We must do one of two things. We must either find some way of enforcing the 160-acre limitation in the Central Valley project or we must have the Elliott amendment." The distinguished Senator himself said he did not see any way to practically apply the 160-acre limitation, but that he was not prepared to say that there was no way of doing so, and that what we all should do was to attempt to find the solution which the Bureau of Reclamation has now been seeking for 7 years.

I acquiesced in the statement of the distinguished Senator from New Mexico, and I returned to Washington. I held numerous conferences with Mr. Bashore, the Commissioner of Reclamation, with Bill Warne, the Assistant Commissioner, with Mr. Straus, First Assistant Secretary of the Interior, and with other persons from the Bureau of Reclamation. They discussed, as I thought, in a very impractical and unrealistic way, many solutions of the problem which were way up in the air. As soon as those gentlemen had called to their attention laws not only of man but of nature—for instance, the law of hydraulics—they would admit that their solutions were unworkable. So far they have not presented any solution whatsoever, and the distinguished senior Senator from New Mexico knows that months have passed since we concluded our hearings in California.

I have said they have not presented any solution, but I desire to qualify that remark. The distinguished members of the Bureau of Reclamation have finally said to me in effect, "No; there is no way we can apply the 160-acre limitation, but in lieu thereof we suggest that a higher water rate be charged the farmers in the Central Valley project, large and small." That is the only solution they have discussed with me. It is a way to increase water charges on farmers in California. It does not apply the 160-acre limitation.

Mr. President, I desire to be brief, and I shall conclude as rapidly as I am able to do so. But I wish to say to the Senators now in the Chamber that, for 7 long years, out of the 500 most intelligent and experienced people in California who know about this matter, there is not one person who does not know that the limitation cannot be enforced. Every Representative from the State of California in the House of Representatives

who comes from the area including the Central Valley project is firm in the opinion that the limitation cannot be enforced. Our legislature by almost unanimous vote of both the senate and the assembly resolved in favor of the Elliott amendment.

There are hundreds of directors in the water district who have been elected by popular vote. With a few exceptions, every one of them has stated that, in their opinion, there is no way of enforcing the 160-acre limitation. Every water engineer, every expert in irrigation law and every State official has reached the same conclusion. For 7 long weary years we have patiently, with our hats in our hands, asked the Bureau of Reclamation, "What are you going to do with us out there?" We have no effective answer of any kind.

Why did not Mr. ELLIOTT introduce the amendment to the rivers and harbors bill? Because the Central Valley project was created in a rivers and harbors bill and because we are now ready to deliver water out there, and 2,000,000 acres of the most fertile land in California is imperiled in its water supply merely because we cannot operate the Central Valley project with the limitation to which I have referred.

I should like to state briefly to the Senate why the 160-acre limitation cannot be enforced.

In the first place, Mr. President, there are 2,000,000 acres of land in this project. It is the most complicated, the most variegated project in the whole world. Four hundred thousand acres of those two million lie in the delta of the Sacramento and the San Joaquin Rivers, and are subject to inundation almost every month of the year except where islands have been created by building dikes right out in the delta. Those islands generally consist of 1,000 or 1,500 acres. They are below sea level. They are mosquito-infested. They are so hot that no one will live there. How any Senator can be so unrealistic as to believe that that area should be cut up into small farms when no one could or would live there is beyond my comprehension. Not only that, Mr. President, but it would be utterly impossible to farm that under those conditions unless we were to go into collective farming. I will explain why.

During periods of high water we must pump excess water out of those islands into the river. The water plane necessarily, as a matter of hydraulics, remains constant over one entire island, which generally means that only one crop may be raised, such as potatoes, asparagus, sugar beets, or what not. Almost every island is devoted to the raising of but one type of crop because only one water level can be maintained which comes close to the surface. It can be maintained only by pumping during periods of high water.

During periods of low water we have the reverse situation. The water is pumped in in order to irrigate, and generally the crops raised must require the same amount of irrigation.

When these facts were stated to Harry Bashore, Commissioner of the Bureau of Reclamation, he said what every engineer is compelled to say, namely, "Why, of course, you cannot cut those islands up." Those islands are being successfully farmed. The workers live in small towns 10, 15, or 20 miles away. Vast amounts of heavy equipment are used on the islands. No one in California with any degree of intelligence has the opinion that it would be possible to cut that land up into small farms of 100 or 160 acres, or into any size less than the size of the islands themselves. Even if that could be done the limitation still could not be enforced.

Mr. President, the water about which we are talking is stored principally behind the Shasta Dam. It is stored for several purposes—flood control, power, navigation, irrigation, and for what we call salinity control. This because during periods of low water the ocean tides flow up the river and impregnate the lands along the banks with salt or alkali. Out of the reservoir on the Sacramento River will be released enough fresh water to counteract the salty tides and protect adjacent lands from their effect.

It is true that the delta farmers can now pump fresher water than they could before the project was installed. It is true that the river water will not rise so high nor fall so low and pumping charges will be lower. Undoubtedly those islands are benefited by this project, but no plan has ever been proposed by which any acreage restriction could there be enforced.

As we proceed up the Sacramento River we are faced with a different situation. The Shasta Dam is on the Sacramento River. On that river we have water rights 50, 25, 20, and 10 years old. A water right which is 50 years old may mean that a farmer, under the pattern of the past, would have the use of water every year except once in a century when he might fail in 10 percent of it. If a farmer has a water right for a section and a century from now there may be a need for some of the stored water, would there be any way of enforcing the limitation against him? Take another example: Here is a man with a water right 20 years old who, ordinarily, once every 10 or 15 years fails to have sufficient water to fill his rights. All the bureaucrats and lawyers in the world could not work out any plan of imposing the acreage limitation in such cases. These are extreme cases it is true, but let me say that it is accepted by everyone of experience that the water I have described, to be used for firming up purposes, cannot possibly be restricted by any acreage limitation.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. RUSSELL. I should like to know whether the water rights to which the Senator refers were acquired by purchase or by settlement. I do not understand the difference between the advantages of those water rights.

Mr. DOWNEY. As the Senate perhaps knows, in California, as elsewhere in the West, we have what is known as the doctrine of prior appropriation. The man who first uses water has the first right in it. For example, if some man settled on a river 50 years ago and began to irrigate out of the river, he would have a right prior to any subsequent appropriations. That, generally speaking, is the irrigation doctrine of the West. In my opinion all the lawyers who are familiar with the conditions in the Sacramento River know that it is impossible to enforce any acreage limitation there.

Mr. President, we come, however——

Mr. RUSSELL. Mr. President, I do not like to disturb the Senator, but before he proceeds I should like to ask him a question.

Mr. DOWNEY. I am glad to have the Senator interrupt me.

Mr. RUSSELL. I was very much interested in the argument the Senator from California was making, but I am not clear in my own mind as to the basic issue. I must confess I am not as familiar as I might be with irrigation laws and reclamation laws. Am I to understand that the issue revolves around the fact that the Reclamation Service is insisting on applying the limitation of 160 acres to any one landholder to the lands which are lying within this area?

Mr. DOWNEY. No, but to lands which take their water from the project. I may briefly say that under the reclamation law which has been in effect for about 40 years no water from a reclamation project, except by special act of Congress, of which there have been several can be used for a parcel of land exceeding 160 acres, or such smaller unit as the Secretary may declare, down to as low as 10 acres. Originally, of course, that law worked fairly because we had large bodies of undeveloped public land and that land was free, and was taken up under the homestead rights which gave a person 160 acres.

Mr. RUSSELL. I understand that, but I understood the Senator to say that all the lands which were involved were privately owned.

Mr. DOWNEY. Yes, Senator; they are all privately owned, the bulk are now irrigated, and under the project they will receive additional water for replenishment purposes.

Mr. HATCH. Mr. President, if the Senator from California will yield, I should like to inform the Senator from Georgia a little further, if I can.

Mr. DOWNEY. I yield.

Mr. HATCH. What has just been discussed is the irrigation law. The whole policy of irrigation and the appropriations therefor by the Congress of the United States is based on the idea of providing small family-sized farms.

Mr. RUSSELL. I understand that.

Mr. HATCH. That has been the policy throughout the years, but in this particular project for which funds were provided as a reclamation project upon the same terms, as other such projects, with 40 years to repay, without interest, which was exactly the original plan, the large farm owners get all the benefits of the reclamation laws, but they do not want to comply with the provisions of the reclamation laws. It is not quite fair to the Senator from California to say they do not want to comply, because they do have the most complex situation which can be imagined, I think, and

there are many things which have to be worked out. So it is not fair to say they do not want to comply.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DOWNEY. I have the floor.

Mr. LANGER. May I ask a question of the Senator from New Mexico?

Mr. DOWNEY. I yield.

Mr. LANGER. I happened to be in California at the time hearings were being held and I read about the matter in the newspapers; but I never got it clearly in mind; I was out there only overnight. Would the Senator mind explaining a little further exactly why they should have more than 160 acres? What is their contention?

Mr. HATCH. That would involve an extended discussion, because they do have a very complicated situation there.

Mr. DOWNEY. Mr. President, I decline to yield further. I am about to take that up now.

Mr. President, the great bulk of this land lies in the Southern San Joaquin area. A hundred years ago that area had beneath its soil one of the greatest bodies of underground water in the whole world. When farming first started there about 1840 over that great area they generally had artesian water, and as the valley was farmed the farmers put down wells to get the water. Over the course of a hundred years, the withdrawal has been greater than the inflow, so that now in many places in that valley the water plane is down 300 feet, and wells may have to be put down 2,000 feet to tap the water and bring it up to that level. To make the situation more complicated and difficult to understand, in some areas there has been very little diminution of the underground water supply while in some regions it is almost wholly exhausted.

This project was conceived long ago principally in order to provide replenishment water to build up this underground supply to be used on lands already irrigated. Let me say that about 75 percent of all the project water for the Southern San Joaquin will have to be supplied by underground pumping and about 25 percent by surface irrigation; indeed the flood waters that are to be stored must largely be stored in underground pools as there are not sufficient surface reservoirs available.

Mr. LANGER. Mr. President, will the Senator from California yield for a question?

Mr. DOWNEY. I yield.

Mr. LANGER. I am not familiar with irrigation terms, but what is underground pumping and does it differ from ordinary pumping?

Mr. DOWNEY. I mean an underground reservoir from which the water may be pumped. I am not referring to water pumped from a river or conveyed in surface ditches.

Let me now in a few words state why the acreage limitation cannot be applied to underground waters. It is because if you allow a man with 160 acres to have the water, you cannot prevent the owner adjacent thereto from using it on a parcel of 64 acres. Gentlemen may not like that; they might desire to break up and disturb all these farms of over 160 acres developed over a hundred years, and apparently that is what they want to do; but they simply cannot do it by this acreage limitation, because they cannot repeal the law of hydraulics.

Let us take the one district of which we made a specific study—the distinguished Senator from New Mexico can check the facts as I give them—the Modera irrigation district, which was organized 25 years ago. All the landowners have paid the assessments since then. About one-half their land is in units of less than 160 acres and about one-half in units over 160 acres.

Mr. RUSSELL. Is that a reclamation project?

Mr. DOWNEY. It will receive reclamation water.

Mr. RUSSELL. But up until now it has been a private project?

Mr. DOWNEY. It is a State water district, obtaining water from underground sources. Most of that land which is held in units of more than 160 acres is either dairy land, alfalfa land, or land growing crops which require more than 160 acres, still unirrigated, or grain land or dry pasturage land. Under the California laws of setting up water districts, revenues for the water districts can be provided in one of two ways. The directors may either levy an ad valorem tax according to the value of the property and distribute water proportionately to the receipts from the ad valorem tax or the district can levy an assessment according to the benefits received by the landowner.

The Reclamation Bureau and everyone else admits that when the Modera district buys water it has got to utilize about 75 percent by pumping from underground sources. If it comes into the Modera by underground flow, it is going to go uniformly throughout the entire district, regardless of the units of landownership above.

It would be possible for the reclamation district under the law of California to say to the farmers of the district "You cannot have any surface water if you have more than 160 acres of land." That would then necessitate excluding the larger units from the district so that they would not be subject to any tax. But there is no possible way under the Constitution or laws of California to prevent the landowner having more than 160 acres of land continuing to pump out and use the underground waters. Exclusion from the district would free them from the tax and only that.

Many times while the hearings to which I have referred were in progress I discussed these problems with my fellow Senators. None of them have the slightest idea of any way in which the reclamation limitation to our underground water can be applied.

In the Central Valley project there are about 2,000,000 acres of this, there are about 500,000 acres which are not yet cultivated. The suggestion has been made many times not to apply this limitation to the developed area, but in the future to apply it only to the undeveloped area. One reason why that cannot be done is because of the underground water supply problem. Any man with a thousand acres of undeveloped land in the Madera project can put his wells down whenever he desires to. Let me say as a lawyer who practiced irrigation law in California, we just cannot prevent that being done by him. And he can do it whether his is developed or undeveloped. Of the 500,000 acres of unirrigated land about one-half is in units of 160 acres. Much of this 250,000 acres is second- and third-rate land. Much of it is the land which has not been developed because it is not the best land. It is now used largely in dry farming and for grain. It would be a great national tragedy to do what the Reclamation Bureau wanted to do, namely, create a colonization plan for returning veterans on that type of land. That was the primary idea of the bill of the Senate, S. 1948. I know something about the trials and tribulations of the small farmer, particularly on poor land. Never, so long as my voice will hold out, will I consent to the Reclamation Bureau taking our second- and third-rate lands and attempting to colonize them by our veterans, who have already had a hard enough time in life. In any event, let me say, even if we should want to do that very thing, there is no way, even in these undeveloped lands, of meeting the underground supply problem.

Mr. President, a word or two more, and I shall have concluded.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. MILLIKIN. I wish to make one thing very clear in my own mind. These undeveloped lands to which the Senator has been referring also have this underground reservoir under them?

Mr. DOWNEY. Yes, Senator; they have, and I might say to the distinguished Senator that they are scattered from Shasta Dam down to the Tehachapis, 400 miles away, they have every rate of rainfall, from 4 inches up to a hundred. They contain every quality of land. They are held in every kind of ownership, and this grandiose effort to turn the Central Valley into some sort of soldiers' colonization plan was doomed to failure for many reasons, from its very conception.

If I were stating only my own opinion I might do it with some degree of hesitation, in view of the fixation and the phobia which exists here in Washington on this particular issue, but the Governor of California, the attorney general of the State, our water project authority, almost every assemblyman and State senator, almost every director of every irrigation district, almost every engineer of importance that I know of, and almost every irrigation lawyer I know of, all are in agreement, after having lived there for 30 years, that we cannot enforce the 160-acre limitation in the Central Valley project.

Mr. President, I want to say that I think it was unfortunate that 6 months ago the bill introduced on behalf of the Secretary of the Interior by the distinguished Senator from New Mexico [Mr. HATCH], was not referred to the Committee on Irrigation and Reclamation. I cannot take any responsibility for that

except this: When I found the action which had been taken perhaps I should have arisen in the Senate and insisted that the bill be referred to the proper committee. But I did not want to cause ill feeling. I wanted to go along, and I tried to work out the situation as best I could.

Mr. President, I desire also to say that I am glad to submit this matter to the Senate upon as brief an argument as I can make, and I am about to conclude for the present, unless I have other questions or arguments to answer. If the great river and harbor bill is beaten by a semifilibuster or a long talk, that responsibility will not lie upon my shoulders. But I speak very firmly when I say to the Senate that after long investigation and consideration, after 20 years of living with the Central Valley project, I can assure the Senate that ultimately we can do nothing if we are ever going to utilize this water, except pass the Elliott amendment.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. DOWNEY. I yield.

Mr. LANGER. How many acres are involved altogether?

Mr. DOWNEY. About 2,000,000 acres, of which about 1,500,000 are cultivated and 500,000 are still not developed.

Mr. LANGER. A moment ago the Senator spoke of stock being sold. Did the Senator mean livestock, or financial stock.

Mr. DOWNEY. Corporate stock, sold to the extent of $5,000,000 to finance this great project.

Mr. LANGER. That was for 7,000 acres?

Mr. DOWNEY. Yes.

Mr. President, I ask to have placed in the RECORD at the conclusion of my remarks a telegram bearing on the issue now before us, from G. J. Jones, secretary of the Technical Engineers' Union, Local 89.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

OAKLAND, CALIF., *December 15, 1944.*
Senator SHERIDAN DOWNEY,
Senate Office Building,
Washington, D. C.:

Our organization vigorously opposes the Elliott amendment to the Rivers and Harbors Act. We call attention to the fact that this amendment is again before the House through action of the House conferees among whom is our lame duck Congressman ALBERT E. CARTER. California defeated Congressman CARTER precisely because of his past campaign for this amendment and similar policies. Passage of this amendment by Congress will be in opposition to the will of the people of this area. Please insert in RECORD.

G. J. JONES,
Secretary, Technical Engineers, Union Local 89.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was rejected.

Mr. BAILEY. I move that the Senate insist upon its amendments, request a further conference with the House thereon, and that the Chair appoint on the part of the Senate the same conferees as were previously appointed.

The motion was agreed to; and the Presiding Officer appointed Mr. OVERTON, Mr. BAILEY, Mrs. CARAWAY, Mr. CLARK of Missouri, Mr. EILBO, Mr. JOHNSON of California, Mr. VANDENBERG, Mr. BREWSTER, and Mr. BURTON conferees on the part of the Senate at the further conference.

Mr. HATCH. Mr. President, merely for the record, and also perhaps to help the conferees, I desire to make a statement, not in reply to the Senator from California at all, because he does have a very complicated situation in the Central Valley project. So far as I know, there is no one in the Senate who poses as an expert on that project; but there are many questions involved. I am not at all sure that the Central Valley project should receive some $400,000,000 of public funds, without interest, payable in annual installments, as in the case of all the other reclamation projects, unless the project also comes within the same terms and laws that apply to all other projects. I shall not argue that point today; but the principle of the 160-acre limitation, I think, ought to be preserved, and I can say to the Senator from California, as I said to him in his State, that if he cares to introduce a separate bill repealing the 160-acre limitation, let that bill go to the proper committee; and if there is no other solution, I will join the Senator, because some solution must be found. I am not ready today, however, to say there is no other solution. That is all I ask, that the Senate of the United States, through its proper committee, as well as the House, give every possible consideration to the question.

Mr. LA FOLLETTE. Mr. President, I ask to make a brief statement concerning the matter which has been under discussion by the Senator from California [Mr. DOWNEY] and the Senator from New Mexico [Mr. HATCH]. I am willing to concede that the historical development of this project has presented complex problems, but I am not willing to concede that the fundamental policy of the United States Government for the development of reclamation projects out of the Treasury of the United States should be altered, and the conditions under which those projects were started should be changed by a rider on a rivers and harbors bill, which excludes consideration by the committee of the United States Senate which knows most about reclamation, and is primarily responsible for the land policy of the United States in conjunction with reclamation projects. I am not willing that the matter should be handled in such a manner, and that that committee should be short-circuited by the rider which is here under discussion.

Mr. President, there are many aspects of the situation in California which the Senator from California has not discussed, but if we are to consider it in conjunction with a conference report, which cannot be amended and must be adopted or rejected in its entirety, I want the Senate and the country to know some of the other aspects of this problem, and some of the far-reaching consequences which I think would flow from the adoption of the Elliott rider on the rivers and harbors bill because, Mr. President, the people in the Central Valley project and those who are interested in it cannot secure this blanket meat-ax exemption from the traditional policy of reclamation which has existed ever since reclamation was started, without establishing a precedent which will justify those who see advantage in obtaining money from the Treasury of the United States for the development of land not now useful, and for their own enrichment, without carrying out any national policy with regard to the land of the United States.

This subject matter, Mr. President, goes clear back into the roots of the history of the economic development of America, and, if we are to determine this problem in this backhanded manner by a rider on a rivers and harbors bill, after the Senate has established the precedent on the flood-control bill of rejecting all amendments of this character and sending them to the Committee on Irrigation and Reclamation, and after the Senate has approved the committee's action in striking this rider from the bill, I do not believe that I can fairly be charged with any effort to filibuster if I insist that before the Congress of the United States takes a step which I regard to be against the public interest and as a dangerous entering wedge for the destruction of the land policy of the United States I shall be afforded my right here to discuss that subject, and that subject alone, in order that the Senate of the United States may know what is involved in this matter.

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. Yes.

Mr. HATCH. The Senator from Wisconsin is stressing the fact of changing the fundamental law, and I want to emphasize that point again, because the Senator from California has said here on the floor that officials of the Reclamation Service are trying to strait jacket the people of California. The people of California came to the Congress of the United States and obtained the appropriations under the reclamation laws. No one here is trying to do anything to California.

Mr. DOWNEY. Mr. President——

Mr. LA FOLLETTE. Mr. President, if the Senator from New Mexico has concluded, let me say that all this discussion about regimentation and about an effort to place certain areas of the United States in a strait jacket applies to every reclamation project which has been developed in the United States since 1902. So far as I know, every reclamation project has come before the Congress under that fundamental law. It has been the established policy of Congress for at least two or three generations that if public moneys were to be spent for the enrichment and development of private lands the Government of the United States should have a right to establish certain conditions precedent to the use of public money, in order that the development should inure, so far as possible, to the benefit of the largest number of people. I contend that that fundamental proposition is sound, and that it is in keeping with the policy established by the Government, starting in the early

history of the Republic with the preemption acts, and coming down through the Civil War, the Homestead Act, and finally the enactment of the irrigation and reclamation law.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. DOWNEY. I desire only to make a very brief comment upon what the Senator from New Mexico [Mr. HATCH] has said. When I was speaking about the attempt of the Bureau of Reclamation to place the farmers of California in a dictatorial strait jacket, obviously I was referring to Senate bill 1948.

Mr. President, if this debate proceeds much further, I shall be very glad to read the comments on that very bill made by the distinguished Senator from New Mexico and by the Commissioner of Reclamation, in which they themselves very strongly condemned the plan outlined in the bill which was handed to the distinguished Senator.

Before I conclude, I should like to say one thing further. We are not attempting to pioneer the way. Already the Congress, very intelligently and properly, where it found that the 160-acre limitation could not be applied in whole or in part, has enacted laws exempting certain projects. I believe there are two such projects in the State of Nevada. There is one such project in the State of Colorado. There is another such project in California. If the Senate of the United States should conclude that the reclamation States should lose their interest-free money, I could not prevent it.

I should like to say to the distinguished Senators from New Mexico and Arizona that we know there is a widespread evasion of the 160-acre limitation in projects in their States. As a matter of fact, we know that there is very little attempt to enforce it. By family deeds, leases, and other methods well known to the distinguished Senators, the 160-acre limitation, is not now in force in many of the reclamation projects.

Mr. HAYDEN. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. I yield to the Senator from Arizona.

Mr. HAYDEN. Mr. President, there is no question that there should be a limitation of 160 acres upon the right to the use of water from a reclamation project built at public expense. There are practical considerations in California, particularly with respect to lands irrigated by underground supplies, which make it very difficult to enforce the limitation. However, I am unwilling to concede that there is a lack of brains, skill, and ability in the United States Senate to deal with the situation in California and do the right thing about it. For that reason I believe that this question should be considered by the Committee on Irrigation and Reclamation, and should not be handled as a rider to a river and harbor bill.

Mr. LA FOLLETTE. Mr. President, I have only this to say in response to the statement of the junior Senator from California: In the first place, if exemptions have been made, that does not justify the blanket exemption attempted to be made in this bill. Secondly, if the Reclamation Act is being evaded, or if its general provisions are not being properly enforced, that certainly is no justification for further exemptions. In making that statement, I do not say that I am familiar with the situation, or know the statement made by the Senator from California to be true. However, that is no reason for the blanket exemption which is sought for this tremendous project in the State of California.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. As an outsider, so to speak, I wish to ask about the statement which has been made by two Senators, that the 160-acre limitation is being constantly disregarded by the authorities. If that is the case, it is certainly the duty of this body and the body at the other end of the Capitol to change that situation and bring about the enforcement of the law. I believe that the law is exceedingly wise. It is a crying shame if the administrators of the law are disregarding the plain mandate of the law.

Mr. LA FOLLETTE. I agree with the Senator, if that be the fact. I do not know it to be the fact.

Let me state further, Mr. President, that as one Member of this body I am exceedingly interested in the maintenance of the family-size, family-owned, family-operated farm, because I believe it is one of the cornerstones upon which our political democracy rests. I believe there should be a comprehensive review, study, and redetermination of the land policy of the United States; but, Mr. President, this is certainly no way to go about it. The method proposed could only have unfortunate repercussions and results.

In conclusion, let me say that no man should assume from the statement made by the Senator from California that all the citizens of California are in agreement with the position which he feels compelled to take upon this matter, as a perusal of the hearings will disclose.

This conflict runs back into the history of the land policy and development of California, as well as the United States. Any interest which I have in this matter stems from my deep concern about the future economic development of agriculture in the United States. I consider the matter paramount in importance; and so long as I am a Member of this body I shall exercise my rights in discussing the question legitimately, if we are forced to do so, when it is presented in a conference report which cannot be amended, but must be rejected or accepted in its entirety.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I agree with the Senator from Wisconsin. I have been following this particular project for years in the Committee on Appropriations. For years the people of the Central Valley in California have come before that committee asking for the appropriation of money under the authority of the Reclamation Bureau. The project started with a very moderate appropriation, but it has now increased to more than $200,000,000. From the information before the committee, it would probably cost the people of the United States $400,000,000.

Why should the people of California now seek to get out from under the laws of the country, or the authority of the Bureau of Reclamation, and say that the money which the Congress is appropriating should be only for the benefit of the people of California, or the people of a particular valley in that State, while the people in other sections of the country, whether in my State or in Oregon or Montana, where projects have been constructed under the reclamation law, are paying back the money? That is entirely aside from the policy of the 160-acre limitation, which I believe to be a good policy.

I hope the Senator from Wisconsin will bear with me for another moment.

Mr. LA FOLLETTE. I am pleased to yield to the Senator.

Mr. CHAVEZ. We have millions of soldiers now making or ready to make the supreme sacrifice. Why should we now pass a law in the interest of a few, contrary to sound policy which in the future might result in giving all the people of California a chance to own a little piece of land? I agree with the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I thank the Senator from New Mexico.

I state again that I concede there are complexities to this problem, but I refuse to believe it cannot be solved, and I state again that this is not the way to solve it. It does not give us the benefit of the consideration of the one committee in the Senate which has had long experience with this matter. If the problem is to be solved, a recommendation should first come from that committee.

Mr. President, I wish to say, furthermore, that the 160-acre limitation is not the only condition precedent which has been required by the States and projects which have secured money from the Treasury of the United States to develop undeveloped lands. There are provisions to prevent excessive speculation and provisions relative to other important aspects of the policy which would be completely eliminated should this rider prevail and this bill become law.

Mr. President, I have indulged only in this brief discussion of the subject because statements have been made here which would indicate that those of us who do not agree with the Senator from California and who are concerned about this matter must accept full responsibility for the consequences of any discussion of it. I wish to say that I think the responsibility rests squarely upon the shoulders of those in both Houses of Congress who have sought to change the fundamental land policy of the United States with regard to reclamation projects by a rider on a rivers and harbors bill which is denied the proper legislative consideration by the one committee in the Senate most competent to pass upon this complicated and vitally important problem.

FIRST SUPPLEMENTAL APPROPRIATIONS, 1945

The Senate resumed the consideration of the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

The PRESIDING OFFICER. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General appropriations—Legislative," on page 2, after line 2, to insert:

SENATE

For payment to Annie Farley Smith, widow of Ellison D. Smith, late a Senator from the State of South Carolina, $10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

Office of the Vice President: Beginning January 20, 1945, the allowance for clerical assistance to the Vice President hereby is increased from $11,460 to $15,420 per annum, the necessary additional amount to be paid from the appropriation for salaries of officers and employees of the Senate, and the Legislative Branch and Judiciary Appropriation Act for the fiscal year 1945 is amended accordingly.

The amendment was agreed to.

The next amendment was, on page 2, after line 13, to insert:

Clerical assistance to Senators: For an additional amount for clerical assistance to Senators (including chairmen of standing committees) from January 1 to June 30, 1945, to provide $5,040 per annum for each Senator from each State having a population of 4,000,000 or more inhabitants, $45,360; and $4,020 per annum for each Senator from each State having a population of less than 4,000,000, $156,780; in all, fiscal year 1945, $202,140.

Mr. LA FOLLETTE. Mr. President, I merely wish to ask the Senator in charge of the bill if he will give a brief explanation of how the committee arrived at the various categories contained in the amendment on page 2, beginning in line 14, which I understand is the pending amendment.

Mr. McKELLAR. The House passed and sent to the Senate, House bill 5590, a bill to increase clerk hire, and for other purposes. The House of Representatives increased the amount of their clerk hire by $3,000 a year for each Member. The bill came before the Senate committee. The committee voted to add an authorization which has not yet been taken up in the Senate. The following amendment will be agreed to, we hope, in the event that the authorization is provided:

SEC. 2. Effective January 1, 1945—

(a) The paragraph in the Legislative Branch Appropriation Act, 1945, which permits Senators and chairmen of standing committees of the Senate to rearrange the schedule of basic salaries of employees in their respective offices or committees is hereby amended by striking out "$4,500" wherever it appears and inserting in lieu thereof "$5,040."

The odd amount of dollars provided for is because multiples of $5 are used in making these changes.

The next provision is as follows:

(b) The aggregate amount of the basic compensation authorized to be paid to employees in the offices of Senators (including employees of standing committees of which Senators are chairmen) is hereby increased by (1) $4,020 in the case of each Senator from a State which has a population of less than 4,000,000 inhabitants and (2) by $5,040 in the case of each Senator from a State which has a population of 4,000,000 or more inhabitants.

Mr. CHANDLER. Mr. President——

Mr. McKELLAR. I will yield in one moment. I ask the Senator first to permit me to make an explanation, and then I will yield to him.

Mr. President, the committee thought, and I think correctly, that it is not our duty to interfere with what the House wishes to do with reference to their clerk hire, and I thought the provision affecting the House should be agreed to.

We submitted this matter to a subcommittee, as I recall. The subcommittee reported on the matter for the committee, and the committee sustained what the subcommittee had reported. Both the Senator from Connecticut and the Senator from Kansas had an idea that we should appoint assistant Senators or Senate investigators, or persons to serve in some such capacities; but on the whole the committee, by majority vote, concluded that the proper thing to do was to do what we have done heretofore and to follow the course we have previously followed, so that if any Senator wishes to divide the money allotted to him for clerk hire, he will be able to divide it as he pleases.

Mr. LA FOLLETTE. Mr. President, as I understand the statement of the Senator with regard to the contemplated change; namely, the amendment which will be adopted if the pending amendment is agreed to——

Mr. McKELLAR. No; the amendment will be adopted to the bill, if it is passed, we hope. I give notice of our desire to have both bills considered. Of course, we cannot consider two bills at the same time.

Mr. LA FOLLETTE. If it is a bill, then, as I understand the situation, a Senator representing a State with a population of 4,000,000 or more inhabitants would be permitted to employ 1 person as a secretary, and would be permitted to pay him $5,040.

Mr. McKELLAR Oh, no; he could do just as he pleased. He could rearrange the salaries to suit himself.

Mr. LA FOLLETTE. But that would be permissible, I understand.

Mr. McKELLAR. Yes.

Mr. LA FOLLETTE. But a Senator who happened to represent a State having a population of less than 4,000,000 persons could pay to only 1 individual $4,020.

Mr. McKELLAR. Unless he rearranged the salaries paid his personnel.

Mr. REED and Mr. GURNEY addressed the Chair.

Mr. McKELLAR. I yield to the Senator from South Dakota, who is a member of the committee, if the Senator from Wisconsin will permit me to do so. He probably wishes to answer the question.

Mr. LA FOLLETTE. Mr. President, I do not have the benefit of having before me the bill which we are to consider following the action on the pending amendment, if it is adopted. But whether the amount is $4,020 or $4,500, the point I wish to make is sound, I think, in either event; namely, that if what a Senator desires to do in connection with this matter is to secure an able, first-class secretary, the population differential will discriminate between Senators from States with a population of 4,000,000 or more and Senators from States with a population of 4,000,000 or less, or else I do not understand the situation properly.

Mr. McKELLAR. Oh, no; the Senator does not understand it properly. If the Senate so provides, the Senator from Wisconsin, as well as other Senators, may arrange for a salary of $5,040. But the remainder of the fund is to be divided as heretofore, namely, in the way the Senator has stated.

Mr. LA FOLLETTE. The point is clear, however, that in these times, when it is so difficult to obtain competent persons because of competitive salaries paid in the executive branch of the Government and in private industry, the net effect would be to make less money available to a Senator from a State with 4,000,000 or less population than to a Senator from a State with 4,000,000 or more population.

I submit, Mr. President, that if there is any justification for the limitation, so far as the actual number of clerks is concerned, because of the theory that a Senator from a populous State has more work to do than a Senator from a less populous State, the language should be so drawn that in the event a Senator from a less populous State than one containing 4,000,000 or more desires to concentrate the salary in the hands of one person of competence, he should not be discriminated against merely because he comes from a State of less than 4,000,000 population. A Senator who comes from a State with less than 4,000,000 population is entitled to the services of a person who is just as competent as is the employee of a Senator who comes from a more populous State.

Mr. McKELLAR. Mr. President, that is not the question involved here at all.

Mr. LA FOLLETTE. I believe it is.

Mr. McKELLAR. If the Senator will permit me——

Mr. LA FOLLETTE. I am delighted to yield to the Senator from Tennessee. The Senator from Wisconsin is merely seeking information. The Senator from Tennessee has the knowledge. The Senator from Wisconsin has not.

Mr. McKELLAR. I shall try to give the theory of the committee in regard to this subject. The committee received a number of applications from Senators representing large States; for example, the State of New York. I do not know

whether Illinois was included, and I am not sure whether Michigan was included.

Mr. VANDENBERG. Michigan was not included.

Mr. McKELLAR. I do not recall any requests with reference to Michigan. Perhaps the requests came only from Senators representing California and New York. The only discrimination would now seem to be with respect to the $1,020, which represents the difference between $5,040 and $4,020. If there is a discrimination it is because of the method used by Senators in dividing the salaries. It is a question of mathematics and not of money, or otherwise the amount would perhaps be $5,000. Senators from the large States are allowed an additional amount of approximately $1,000. That, however, would be the only discrimination. We thought we could save more money by giving them the difference than by giving them extra clerks at considerably greater salaries.

So far as I am concerned personally, it does not make a particle of difference to me what the Senate does with this provision. It means nothing to me whatever. I believe that if Senators desire an increased amount for clerk hire, now is the time to provide it, because the House has provided for a similar increase, perhaps not so large, but at least similar, and if Senators wish to make provision along the same line, now is the time to do it. However, Senators may vote as they wish, so far as I am concerned. I am indifferent to the matter either way. I shall vote in favor of the provision because the committee instructed that it be reported. It may be better to kill the whole thing. If the Senate does so it will be entirely satisfactory to me. I am not personally interested in the matter.

Mr. GURNEY rose.

Mr. McKELLAR. I will yield to the Senator from South Dakota [Mr. GURNEY] who was a member of the committee which made the report.

Mr. LA FOLLETTE. Mr. President, I thought I had the floor.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor. Does the Senator from Wisconsin desire to yield, and if so, to whom?

Mr. LA FOLLETTE. I will yield in a moment.

Mr. President, I can understand the adoption of the consolation differential so far as the number of clerks is concerned. I wish to suggest, however, that if this provision is agreed to there should be a proviso adopted which would permit a Senator from a State with less population than 4,000,000 to pay the same maximum salary to a single employee as would be paid by Senators who come from States of 4,000,000 population or more.

Mr. McKELLAR. If the Senator will yield, I may say to him that if he will read lines 12 and 13 on page 3 of House bill 5590, he will see that all Senators will have $5,040 for their respective offices.

Mr. LA FOLLETTE. Yes; but in the case of a Senator coming from a less populous State there would be available for him approximately $1,000 less, as I understand. After all, so far as ability of the person to be employed is concerned, what counts is the amount of money to be paid, and not what is authorized.

Mr. McKELLAR. Mr. President, I read from the law as it now stands:

> Senators and chairmen of standing committees may change the number of employees in their respective offices or committees, and may rearrange the schedule of basic salaries of such employees in multiples of $5 per month.

That would take care of the multiples, about which all of us, including myself, are perhaps somewhat ignorant. But it is the law of the land at the present time. That is why it is used in connection with the amendment to this bill.

I continue reading:

> *Provided*, That such changes and rearrangements shall not increase the aggregate of the salaries provided for such offices or committees by law or Senate resolution: *Provided further*, That no salary shall be fixed under this paragraph at a rate in excess of $4,500 per annum, and no action shall be taken to reduce any salary which is specifically fixed by law at a rate higher than $4,500 per annum: *Provided further*, That Senators and committee chairmen, before the day on which they are to become effective, shall certify in writing such changes or rearrangements to the disbursing office of the Senate which thereafter shall pay such employees in accordance with such certifications.

We do not change that law at all except to amend it so that the maximum amount which a Senator may pay a clerk will be raised from $4,500 to $5,040. Instead of providing Senators from the States of large populations with extra clerks, they are allowed approximately $1,000 more than they were before. As I understand it, that is the effect of the amendment.

If the Senator would be good enough to yield to the Senator from South Dakota [Mr. GURNEY], I should like to have him explain the amendment. I am sure he will give the Senator the facts about it.

Mr. LA FOLLETTE. I yield to the Senator from South Dakota.

Mr. GURNEY. I thank the Senator from Wisconsin. The subcommittee had information before it that it was not the desire of 96 Senators to have a high-priced assistant, expert, research man, or whatever he might be called. Many Senators of whom we inquired needed more help to work on soldiers' and veterans' affairs. The Senator from Wisconsin knows the increased load all of us have had. Some Senators want more clerks; some are losing clerks and stenographers because of the higher wages offered downtown or in private business. So we made it possible to pay an increased amount to the secretary, or whatever name he may be designated by. We want to give that opportunity to each Senator, and he would be allowed to do that, and there would be no discrimination between the Senators from the various States because of population. So as not to make it mandatory that they hire so many extra clerks, we provided a lump sum. I feel that that is about the best solution we could have come to, inasmuch as we all know of the extra assistance each Senator needs at this time.

Mr. LA FOLLETTE. What I was trying to get at was whether or not the Senator had considered the proposal that there should not be any discrimination in the total amount of money available to any one Senator on the ground of population provided the money was paid to one individual person.

Mr. GURNEY. That did not enter into the consideration of the subcommittee, because most of the Senators who were talking about an assistant felt that they could not get an assistant really capable of being a research man who would be efficient and could be relied on unless he was paid $6,000 or $7,000 or $7,500. We did not feel that $5,000 approached the necessary salary for such an assistant. So we provided in the bill that each Senator should have complete authority to separate his payments to his clerks as he desired, and made it possible for all Senators who desire to do so to pay a salary of $5,040 to a research man. I hope I have made it plain.

Mr. MALONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Connecticut?

Mr. LA FOLLETTE. I yield.

Mr. MALONEY. I want the Senator from Wisconsin and the Senate to know that the point which he is making was brought up in the Senate committee. We discussed it at some length, and I pointed out the discrepancy which the Senator has so ably described this morning. The committee, after quite lengthy consideration, decided to do what is provided in the bill. I desire the RECORD to show that I voted against this proposal, and that I thought it was a mistake. I made up my mind not to oppose it here because I did not want to run the risk of involving the Senate in a controversy with the House of Representatives. I do not think we should interfere with what Members of the other House feel is their need, and I was afraid if a controversy was provoked the Senate might possibly reject the House request, and, if that should happen, we would, in my judgment, provoke a feeling which might last as long as we live and be very detrimental to the Government.

Mr. LA FOLLETTE. I share absolutely the Senator's feeling that the House should be the judge of its own requirements and that neither body should interfere with the other. I was simply seeking information on this question.

Mr. CHANDLER. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Kentucky.

Mr. CHANDLER. The Senator from Wisconsin will recall that this matter has been discussed very frequently here before. I object to discrimination between the States. I agree that a Senator from a small State deserves adequate help just as much as a Senator coming from a larger State. I trust that all Members of Congress will read the statement made by the Senator from Connecticut, and I hope that comity may prevail in these matters between the two Houses.

Mr. MALONEY. Mr. President, will the Senator from Wisconsin yield to me once more?

Mr. AIKEN. Mr. President—

Mr. LA FOLLETTE. I yield first to the Senator from Connecticut and then I shall yield to the Senator from Vermont.

Mr. MALONEY. I feel that after the statement just made by my able friend from Kentucky the RECORD might mislead someone as to my position. I do not want to associate myself with that view. My concern is to get one especially able assistant, a research or executive assistant, and there should be no discrimination between the States as to size in that particular respect . That is the view of the Senator from Wisconsin, and it is with that view that I wish to associate myself.

Mr. LA FOLLETTE. Personally, I feel, as I have said, that this is a step in that direction, but I was somewhat concerned lest in trying to compare H. R. 5590 with the pending deficiency bill I may have gotten somewhat confused.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. I have a great deal of sympathy with the views which have been expressed. I shall attempt to use any money which may come to me under this provision of the bill for the very purposes suggested by the Senator from Connecticut. I believe that under this provision any Senator can allocate the funds which will come to him as he sees fit under the law. Therefore, if it is desired to have an assistant of the character referred to, or any other character, a Senator can have him under this law by rearranging the salaries of his office.

Mr. LA FOLLETTE. Yes, but here is the point: Suppose a Senator comes from a State with less than 4,000,000 population; he now has a staff of secretaries and stenographers in his office and he desires not to reduce the salaries or to discharge anyone now in his office, because they are already overburdened. He will find that when he comes to avail himself of this proposal, if it becomes law, he will only have $4,020 additional with which to employ a single individual, whereas a Senator from a State with 4,000,000 or more population will have $5,040.

Mr. McKELLAR. That is true.

Mr. LA FOLLETTE. So far as my own office is concerned, in all good conscience I am ashamed of the money which I now am forced to pay them in the light of what they can make somewhere else and the amount of work which they are called upon to do. Therefore, so far as I am concerned, coming from a State of less than 4,000,000 population I cannot in good conscience either discharge one person and thus increase the burden of the others nor can I in good conscience reduce the compensation they are now receiving. So, the net effect of this is that a Senator from a State with less than 4,000,000 population will have to engage someone for $4,020, whereas a Senator coming from a larger State can engage someone for $5,040.

Mr. McKELLAR. Mr. President, if the Senator will yield, we have those discriminations now; the Senators from the larger States have more clerks than do the Senators from the smaller States. That is discrimination as I understand discrimination to be. All Senators are not equal in the number of clerks they have.

I desire, however, to say for the Senator's information, that it will not be difficult to reallocate it, unless I happen to be the most unjust and unkind employer in the world, for in my office I have had a number of resignations lately, as I think all of us have had, because we do not pay as much salary as private business pays or as the departments pay. I know I have the greatest trouble in the world; I think I have had three or four or five resignations during the last year.

Mr. LA FOLLETTE. All I am seeking to do in this matter—and I should like to submit it for the consideration of the Senator—is to explore the possibility of an amendment being adopted which would provide—and I am not now proposing the amendment but simply stating the effect which I should like to see obtained—that if a Senator from a State of 4,000,000 or less population paid this additional money to one individual he should have the right to pay him $5,040 instead of $4,020.

Mr. McKELLAR. Will the Senator state what the population of Wisconsin is?

Mr. LA FOLLETTE. About 3,000,000.

Mr. McKELLAR. A little over 3,000,000?

Mr. LA FOLLETTE. Yes.

Mr. McKELLAR. Let me read the law:

> Thirty additional clerks, at $1,500 per annum each, one for each Senator from each State which has a population of 3,000,000 or more inhabitants, $45,000.

That is the provision of law at this time. It is said they should all be paid the same.

Mr. LA FOLLETTE. I did not say that.

Mr. McKELLAR. It was said this was a discrimination, in giving certain big States a thousand dollars more from the fund. Last year we passed a law giving to the Senators from States of 3,000,000 inhabitants or more another clerk. That is a discrimination in favor of the States with population of 3,000,000 or more.

I call the attention of Senators to this:

> For three additional clerks at $1,500 per annum each for each Senator from any State which has a population of 10,000,000 or more inhabitants, $18,000.

In other words, we discriminate in favor of certain States, of which the Senator's State is one, and then we go to the other big States and give the Senator from New York another clerk at $1,500.

Mr. LA FOLLETTE. Mr. President, I am familiar with that, and I understand the basis upon which it was determined, namely, that the amount of work which a Senator has to do in his office depends on how many people there are in his State. I have some doubt that that is necessarily true, but I am not asking for the right for any Senator who desires to employ more than one person to offset this population differential which is in the basic law, and maintained in the appropriation bill and the bill which is to follow, but I am asking that serious consideration be give to the suggestion that any Senator who desires to employ merely one single additional person should have the right to pay that person the same amount of money that any other Senator would have the right to pay.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. TAFT. I do not understand that a Senator could employ any additional person. There is no authorization in the bill to increase the number of employees. A Senator may take his $4,000 and add it to $1,500 if he wishes, up to $5,040, but we have specific authorization for a certain number of clerks at certain fixed salaries, which we may then readjust. I do not see anything here which would in any way increase the number a Senator might employ.

Mr. LA FOLLETTE. I yield to the Senator from South Dakota, who desires to interrupt.

Mr. GURNEY. I do not think the Senator from Ohio is interpreting the law correctly, because I am sure that, even as the law stands today—and we are not changing it—a Senator could have four assistants in his office, or ten. We are not told how many there can be in a Senator's office.

Mr. TAFT. Yes, the statute is in detail. The statute provides 6 clerks for every Senator. It provides one additional clerk for the Senators from 13 States, 2 additional clerks over the base for the Senators from 3 States, and 4 additional clerks over the base for the Senators from 2 States.

Mr. McKELLAR. Will the Senator from Wisconsin yield to me to read the present law?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. It reads:

> Senators and chairmen of standing committees may change the number of employees in their respective offices or committees, and may rearrange the schedule of basic salaries of such employees in multiples of $5 per month.

Mr. TAFT. I stand corrected.

Mr. McKELLAR. That is the law, and it has been the law for some time.

Mr. WHEELER. Mr. President, will the Senator from Wisconsin yield?

Mr. LA FOLLETTE. I yield.

Mr. WHEELER. Notwithstanding that the law, as the Senator has said, has been changed so as to give Senators from some of the larger States more help than those from the smaller States, I think all must realize that, as a matter of fact, that is not entirely a fair allocation, because the people in the larger States do not write to their Senators in proportion to the number who write to Senators from the smaller States. I happen to know that at times my correspondence has been larger than that of almost any other Senator. It depends to a large extent upon what the particular issue before us is, and what we are developing. So there is discrimination.

Let me say again, Mr. President, that a few years ago some of the progressive Republicans were referred to by some Senators from the Eastern States as "wild jackasses." Consequently, if we are from Western States, where we are

not supposed to have the intelligence possessed by those in the States with larger populations, like Pennsylvania and New York, and some of the other States, then it is without question that we should have more high-priced help than those of intelligence from the larger States. [Laughter.]

So far as I am concerned, I need some very high-class help, because I acknowledge that I do not compare, in intelligence, possibly, with the Senators from some of the larger States with populations of from four to six million, who are dependent for election on some machine organizations in their States.

Mr. DOWNEY. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. I yield.

Mr. DOWNEY. Mr. President, I certainly do not wish to be drawn into an argument as to the right of a Senator to have clerks based on his ability. I should then feel on very uncertain ground. I should rather stick to population as the basis for staff allocation. Yet, I wish to say that while I am one of the Senators who would benefit by the additional $1,000, I am convinced by the argument of the Senator from Wisconsin.

I wish to say that I am in the unhappy position of receiving 200 to 300 letters and telegrams and long-distance calls a day, and now, out of my own funds, I am carrying 1 clerk at $2,700 and 1 at $1,800 to handle that mail, and I shall be happy to shift that burden to this $5,000, if the bill shall be passed, as I hope it will be.

Yet, Mr. President, I am keenly conscious of the position of the Senator from Wisconsin. I do believe that Senators require economic assistants, and the Senators from a small State are certainly just as much entitled to that type of worker as are the Senators from a larger State.

So I should like to see an amendment in the law providing that any Senator who did pay the $5,040 to one employee should be entitled to the additional amount, as well as the Senators from the larger States.

Mr. LA FOLLETTE. Mr. President, I was merely raising the question because I think it is something which should have consideration of the Senate before the bill is disposed of. Now I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, there is one matter I should like to have cleared up. The Senator from Tennessee stated that the figure of $5,040 was arrived at because that would be the amount which the secretary could be paid. Yet as I read the bill, I find no words at all increasing the sum a secretary may receive from $4,500 to $5,040.

Mr. LA FOLLETTE. If the Senator will refer to House bill 5590, Calendar 1406, he will find that is a bill which amends existing law, and I assume the fate of that bill will depend on whether or not the Senate approves the item in the appropriation bill.

Mr. McKELLAR. That is the authority for it.

Mr. LA FOLLETTE. Exactly.

Mr. AIKEN. However, that bill has not yet been passed.

Mr. LA FOLLETTE. No; but I understand it is the plan, if the amendment shall prevail, to follow the deficiency bill with the other bill.

Mr. McKELLAR. That is correct.

Mr. LA FOLLETTE. That is the bill to which the Senator from Tennessee made reference last night when he was speaking of the appropriation bill.

Mr. McKELLAR. The Senator is correct; that is what I was referring to.

Mr. AIKEN. Then the figure $5,040 is provided in legislation which has not been enacted?

Mr. McKELLAR. It is. If the provision we are now considering shall be rejected, the House bill will not be enacted.

Mr. LA FOLLETTE. Mr. President, the Senator from Kansas [Mr. REED] wishes to discuss the substantive issue involved, and I have already long trespassed on his time, and I therefore yield the floor.

Mr. REED. Mr. President, an earnest discussion took place in the Appropriations Committee last evening, and the Senator from Connecticut [Mr. MALONEY], the Senator from Wyoming [Mr. O'MAHONEY] and some other Senators, including myself, have a different view from that represented by the provision contained in the bill. What we are talking about here is an increased amount of help from Senators. The question has been discussed for quite a long time. The bill does give relief in some directions, but I do not think, and the Senator from Connecticut has authorized me to say that he does not think the provision contained in the bill approaches the question properly. The Senator and I discussed the matter yesterday.

The bill increases the clerical expense of the Senate by $400,000 per annum. Two kinds of help are needed. So far as the character of the work done by a Senator is concerned, it does not make any difference whether he comes from Nevada or from New York. If the Senator is earnest, if he tries to understand the subject on which he is legislating, he must give considerable study to it. A Senator from the smallest State in area, Rhode Island, has just as much responsibility, and must do as much research and as much reading in connection with proposed legislation, as a Senator from the largest State in area, Texas. Or using the other illustration, that of population, the Senator from Nevada, who comes from the State having the smallest population, must devote as much time to study of legislation as any other Senator. In connection with this illustration we all know that the Senator from Nevada [Mr. McCARRAN] carries as heavy a load as does any other Member of the Senate, notwithstanding the fact that he comes from the State having the smallest population.

Mr. President, I am authorized by the Senator from Connecticut [Mr. MALONEY] to say—and the Senator from Wyoming [Mr. O'MAHONEY] and other Senators voted accordingly last night—that what we want to do is to provide competent research assistants at a salary perhaps of $6,000 a year, for which sum we thought competent research assistants could be obtained, and every Senator could have the benefit of such an individual, no matter whether the Senator came from a State large or small in area or large or small in population.

Referring to the clerical side, I grant that, while the need for assistance does not run constantly with population, population is some index of the amount of miscellaneous business, mail and telegrams and departmental errands and duties which a Senator may have to perform.

In my earlier years in this body I formed a very great admiration for the late Senator Alva Adams, of Colorado. I think he was as well poised and had as much judgment as anyone who has been a Member of this body during the years of my service. I remember that Senator Adams stood upon the floor of the Senate one day and said that everyone of us who takes his job seriously is overworked. He said that anyone who took his job seriously could not help but be overworked.

For myself, Mr. President, the only time in the 24 hours I can find to read and concentrate and study is from 9 o'clock to 11:30 every night; not a night now and then, but every night. The remaining 21½ hours are taken up with other things. Senator Adams said:

> We will give the departments downtown anything they ask of us. We give them all the assistants they need and pay those individuals up to $9,000 a year, and yet we do not have the moral courage to give ourselves a competent research assistant who can take off our shoulders some of the burdens which keep us struggling 7 days a week and 52 weeks in the year.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WHEELER. How many times are Members of the Senate compelled to vote on legislation they have not had an opportunity to study and understand, for the simple reason that it is physically impossible to do so? If we could hire high-class assistants and pay them salaries commensurate with what such individuals would receive in a Government department, we would not be compelled to take the word of a clerk in a bureau for everything. People complain about the Congress of the United States, and one of the reasons for complaint arises from the fact that we do not have sufficient help, we do not have available individuals who can give us the result of research conducted by them with respect to all important legislation that comes before the Congress.

Mr. REED. Mr. President, every Senator votes on some legislation concerning which he has a very dim understanding, if any, simply because he has had no opportunity to inform himself. We organize our offices upon the basis of salaries for clerical employees. I hold strongly to the belief that, instead of following the plan outlined here, the Senate ought to meet the issue squarely, and allow a research assistant—call him

whatever you want to, but that is simply a handy title—at a salary of $6,000 a year, and then provide whatever clerical assistance may be necessary, and that, of course, depends somewhat upon the size of the State from which a Senator comes.

I agree with the Senator from Connecticut. I do not want to interfere with what the House does. What the House does is none of my business. But while we are increasing our clerical expenses in the Senate $400,000 a year, I think we ought to do the job right. The Senator from Senator from Tennessee [Mr. McKELLAR] and the Senator from Georgia [Mr. RUSSELL], the chairman of the subcommitee, and I have talked about this matter. I think that when we are doing this thing we ought to do it right. I do not think the way now proposed is the right way to do it. I have taken the floor because I wanted Senators to understand fully and definitely on what we are voting.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REED. I yield the floor.

Mr. McKELLAR. No; I do not want the Senator to yield the floor. I want him to yield to me.

Mr. REED. I yield.

Mr. McKELLAR. The Senator says he wants the thing done right. I think that is the idea of everyone who has dealt with the subject. I will say that I was careful enough and scrupulous enough to appoint a special committee composed of the Senator from Georgia [Mr. RUSSELL], the Senator from Oklahoma [Mr. THOMAS], the Senator from South Dakota [Mr. GURNEY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Illinois [Mr. BROOKS] to investigate and make a report as to what they recommended be done. We had a discussion similar to the one now taking place, before the committee. My distinguished friend, the Senator from Kansas [Mr. REED], and the Senator from Connecticut [Mr. MALONEY], who is a splendid and upstanding Senator, both wanted an amendment which would give them what one Senator called an assistant Senator and another called a senatorial investigator.

Mr. REED. No; a research assistant.

Mr. McKELLAR. The committee voted to adopt the proposal contained in the bill by quite a large majority, and I hope the Senate will take the same view of the matter. I am merely acting for the committee, and not personally, because it makes no difference to me personally.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. REED. I will yield the floor in a moment. If the Senator from New Mexico wants to ask a question I shall be happy to answer it. After one additional statement, Mr. President, I will yield the floor.

What we are doing in this bill is to provide $4,000 a year additional for clerical expenses alone to Senators who do not need it. I do not need it. I can get along with my present office force. Other Senators tell me they are not using all the money provided for present clerical expenditures. Yet, regardless of their needs, it is proposed to give Senators an additional $4,000, but by so doing we are not reaching what, in my opinion, is the crux of the whole matter, that is, to give Senators a chance to employ real assistants who can help them with the difficult problems with which they have to struggle.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. CHAVEZ. With due deference to the Senator from Kansas, I think he is unfair in his conclusion as to what this money is intended for. I fully agree with the Senator from Kansas that we should meet this question squarely. The thing about which I have been complaining is this: In the Appropriations Committee we listen to requests from the departments, many of them approved by the Bureau of the Budget, and some not approved by the Bureau of the Budget. When we appropriate millions of dollars for the departments, we never inquire as to salaries. We take it for granted that the departments will do what is fair. Yet shoe clerks are hired at salaries of $6,500, $7,500, or $9,000; and we who are supposed to carry on the legislative work of the Senate, with tremendous responsibility, are worried about a salary of $4,020.

Let me say to the Senator from Kansas that I have a secretary who is just as good as any senatorial secretary from the standpoint of training, education, and experience. However, because he is so busy carrying on secretarial work, it is impossible for him to do the research work which should be done in my office. If the Senator can find someone in Kansas to do investigating and research work for the amount now provided, I have no objection. But members of the Committee on Appropriations have investigated the question; and the Senator from South Dakota [Mr. GURNEY], the Senator from Maryland [Mr. TYDINGS], the Senator from Oklahoma [Mr. THOMAS], and other Senators who are interested in the question, and who are just as sincere as we are, have come to the conclusion that these services are needed. I know that my office would be better served if I could pay a salary of $6,000 rather than $4,020.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. LA FOLLETTE. I agree with the Senator from Kansas, first, that if we are to settle this problem, we ought to settle it correctly now, because we all know that it will be some time before there will be another opportunity to approach it.

Secondly, I agree with him wholeheartedly that the crying need is primarily for an able, first-class research assistant.

Thirdly, however, I believe that we should be in a position to pay equal salaries for equal service and responsibility, as compared with the executive branch of the Government. Congress should not have such an inferiority complex that it is afraid to staff its own offices with as competent and well-paid employees as those in the executive branch of the Government.

Mr. REED. I thank the Senator from Wisconsin.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator from Montana.

Mr. WHEELER. I thoroughly agree with what the Senator from Kansas has said with reference to clerks and other employees. Downtown in the executive departments there are young persons drawing salaries of $9,000 and $10,000 a year, although they have had practically no experience in business or politics. They do not have to run for election, or spend money on a campaign. They do not have any calls upon them for money; and yet they are paid handsome salaries as clerks in the executive departments. A number of men who formerly worked for my committee in various capacities, such as special investigators, are now drawing high salaries in the executive departments of the Government. They have their clerks and stenographers, and finer offices than any Senator has. They come to Congress and get anything they want for their departments. They bring to committees of Congress proposed legislation which has already been drafted for them; and we do not have sufficient help to analyze the bills, or to make investigations to see whether or not they are telling the truth or whether their requests are based upor a desire to increase their own power.

I feel that the Senate of the United States is not doing a good job for the people of the country when it adopts a miserly attitude toward providing sufficient help for Senators. I believe that the people of the country would respect the Senate and Senators much more than they do if we had competent help to do research work for us.

Mr. President, I have become weary of discriminations against Senators from the Middle West or the West because our States do not have the great populations that reside in other States. I do not wish to say anything against any other State, but we all recognize the fact that in some of the larger States where vast political machines exist, the great majority of the citizens do not know one-tenth as much about their Government and what is going on in Washington as do the people in the sparsely settled communities of the country.

Mr. REED. Mr. President, I invite the attention of the Senator from Montana to the fact that the top salary in my office, for the principal assistant, is $4,500. Downtown in the executive departments there are clerks who have been given fancy titles in the classification schedules under the civil service and many of them are paid from $4,500 to $7,000 a year. None of them does work equal in importance to that done by my principal secretary, or by any of the five persons employed in my office. In every one of the departments, because of peculiar titles there will be found clerks

drawing salaries in excess of the highest salary we can pay to our principal secretaries.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WHERRY. Mr. President, I have been a Member of this body for a few days short of 2 years. Possibly I can speak with some authority, because I have been as active as I possibly could be in attempting to gain information with respect to legislation. It is most confusing to try to analyze all the bills which come before us and at the same time do all the committee work which we are called upon to do and which we are glad to do as Senators.

I shall support this provision in the bill, because I need the clerical assistance which would be provided. However, I offer the suggestion that for me, at least, this would not solve the problem. Possibly it may be because of the war or perhaps because of changed conditions, but it is physically impossible for me to correctly analyze and interpret proposed legislation without assistance. I should like to have someone who would be an assistant to me and not an employee of some Government agency which is lending me the services of a clerk.

There is another point to which I should like to invite attention. It will be recalled that about 2 months ago I submitted a resolution requiring committees of the Senate to make reports with respect to employees loaned to them by other governmental agencies, and who were not employed in the immediate offices of the committees. A report was required as to what agencies loaned the employees, and what salaries they were receiving. I do not know whether Senators have studied those reports, but if Senators will examine them, they will be surprised.

We do not question the salaries of employees who are loaned to Senate committees by executive agencies. It has been said that this proposal would cost $400,000. We could eliminate a sufficient number of employees who are loaned by the executive agencies to account for perhaps four times as much as the cost which we are discussing, and at the same time give each Senator a competent research assistant with a salary comparable to that which he might be paid in one of the executive departments.

There would be an additional advantage. If a person were employed directly by a Senator, he would be in the Senator's office, and would give the Senator his best efforts. In one committee of which I am a member there are 17 loaned secretaries, 1 from the W. P. B., another from some other agency, and so forth. When any question of legislation arises, almost always they interpret the proposed legislation in the interest of their own agencies and not in the interest of the Senate.

I do not believe that the pending proposal goes far enough toward granting the relief which I feel a new Senator needs if he is to vote intelligently on important legislation. The Senator from Nebraska must do research work, just as the Senator from New York does. A Senator should be able to employ a clerk or secretary who is just as competent and who could be paid as high a salary as a corresponding employee in any other Government agency. Such an assistant should represent the office which employs him. If a Senator could have such an assistant, he could be depended upon to make a fair investigation of proposed legislation, which would enable the Senator to render better service to his State.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I am glad to yield to the Senator.

Mr. WHEELER. I can give a concrete illustration. As chairman of the Committee on Interstate Commerce, I had a man who worked for the committee for several years. At that time I could pay him only $3,000 a year. He is now in the Navy. But if he had not gone into the Navy, he could have taken a position with a salary of $10,000 a year with a private company, because representatives of the company came to me and told me that if it were not for the fact that he was going into the Navy, they would have hired him and would have paid him $10,000 a year. He would have much preferred to stay with the committee, instead of going with a private company, provided he could have received anything like a reasonable salary on which to live.

Mr. REED. Mr. President, the subcommittee which drafted this program was headed by the very distinguished and able junior Senator from Georgia [Mr. RUSSELL]. The Senator from South Dakota [Mr. GURNEY] was a member. I wonder whether the Senator from Tennessee will be willing to pass over the matter temporarily, to permit the Senator from Georgia and the Senator from South Dakota confer with, let us say, the Senator from Wisconsin [Mr. LA FOLLETTE], to see if we can work out some language which might be better adapted to the situation.

Mr. McKELLAR. Mr. President, I ask the Senator please not to do that.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. GURNEY. I desire to call the Senator's attention to the fact that he could accomplish his purpose by offering as an amendment to the language which is now before us—it would be very easy to handle the matter in that way—a provision that, within their discretion, the respective Senators could determine whether they wished to use the entire amount for the payment of an assistant or a research man, or whether they wished to use only part of the entire amount of money for that purpose, or whether they wished to increase the salaries of some of their clerks. That could be accomplished by merely striking out the figure $4,020, and by inserting a larger figure. The exact figure to be determined upon can very easily be figured out quite quickly.

Mr. McKELLAR. Mr. President, I hope the Senator from Kansas, who is a member of the committee, will not request a rereference of this matter. The Senator will recall how much time this matter took in the committee yesterday, if he was there. If he was not there, I am sorry.

Mr. REED. Does not the Senator remember? I certainly was there.

Mr. McKELLAR. But the situation is that we have already taken every precaution under heaven to adjust and compromise and settle this matter. We have appointed a special subcommittee to do that; and the five Senators who are members of that subcommittee are as able as any other Members of this body.

We could not accept an amendment, much as we would like to. But we have come very near to it. Even the Senator from Connecticut stated, as I understood him awhile ago, that he would accept the provision which is in the bill.

I hope the Senator from Kansas will not insist on having this matter go over. We have argued it here. Many Senators have taken part in the discussion. Let us vote on the amendment. If it is to be voted down, it will be all right with me. But let us get rid of it. Let us not talk about it all day.

Mr. REED. Mr. President, I was only going to ask the Senator from Tennessee to let it go over for approximately 15 minutes, to see whether or not we might determine upon some language which would meet the views which have been expressed here. I judge that it will take at least that long to dispose of the bill.

Mr. CHAVEZ. Mr. President, if the Senator from Kansas does not believe that $4,020 is sufficient, he can certainly offer an amendment to increase the amount to $6,000. He might receive some help in that connection.

Mr. REED. I should like to have some comment made by the distinguished junior Senator from Georgia [Mr. RUSSELL], who is chairman of the subcommittee which considered this matter, and for whose opinion I have very high regard. I should like to have him express his opinion, if he cares to do so.

Mr. RUSSELL. Mr. President, I should like to say that yesterday the distinguished acting chairman of the Committee on Appropriations, during the consideration of the deficiency appropriation bill, appointed a subcommittee, composed of the Senators who have been named, to look into and examine a bill passed by the House of Representatives which relates to clerical hire by the lower body.

Mr. REED. May I inquire when that was done?

Mr. RUSSELL. The bill was passed in the last day or two, but the subcommittee was appointed yesterday.

The subcommittee met. We had a full attendance of all five Senators who were named as members of the subcommittee. The matter was discussed at some length. Three or four different ideas were advanced as to the best method of dealing with the question. The plan which has been suggested to the Senate was finally approved by four members of the subcommittee. I personally did not approve the plan, but I did not think there was sufficiently wide difference between the views to justify me in making a fight on the proposition here, particularly in view

of the fact that I had been chairman of the subcommittee which considered the matter.

Mr. REED. Let me suggest to the Senator from Georgia that the first I knew that this amendment was to be in the bill was yesterday afternoon at 4 o'clock, when I walked into the Appropriations Committee room and found the bill there with this provision. There was no opportunity for us to give it consideration, except for the brief time it was in the committee.

Mr. RUSSELL. Of course, Mr. President, the Senator states the facts, but there is nothing unusual, in what we hope are the last days of a legislative session, in having committees compelled to act very speedily. This matter was given as much consideration as I have seen accorded more important matters. Of course, the Senator from Kansas is correct; we did not invite other Senators to testify before the committee. We did not have an opportunity to do so. However, I think all members of the subcommittee had discussed the matter informally with other Members of the Senate.

Mr. REED. Mr. President, I am not of a disposition to be critical of either the subcommittee or the full committee or of the earnest zeal with which the distinguished senior Senator from Tennessee discharges his very heavy burden as acting chairman of the Committee on Appropriations. The only point I was attempting to make is that we are disposing of a very important matter without due consideration.

Mr. WHITE. Mr. President, I wish to say a brief word about the situation. I venture to say that I doubt whether there is any Member of the Senate who has more expansive or expensive notions about our clerical problems that I have. I think that some time—and I hope that time will occur in the near future—we will provide for every Senator of the United States a clerk or a secretary with education, with experience, and with capacity to take from the shoulders of Senators themselves a vast burden of work which cannot at this time be adequately handled. The difficulty is not altogether with the Senate. The difficulty lies in the fact that today there come from all the departments in Washington and from all the constituencies in the United States demands upon the time and the attention and the energies of Senators which cannot be adequately met. A physical limitation confronts us. I hope the day is not far distant when we will provide as effectively as we can for a lightening of the Senatorial burdens. I believe there will be a resultant increase in our efficiency as individual Senators and as a senatorial body.

Mr. President, this matter has had some consideration. As was pointed out, a subcommittee of the Appropriations Committee was appointed to deal with it. That subcommittee labored. That subcommittee submitted a report to the full committee. The report was definitely in the nature of a compromise, for it did not meet my view, and I do not think it met the views of many other Senators, but it is here as a compromise which has been agreed to, and I believe that the Senate of the United States would now approve the committee's recommendation.

Mr. President, I wish to say a further word with reference to the situation, because I believe that it has some bearing on the problem before us. The Senate of the United States has agreed to a concurrent resolution providing for a committee to study the entire organization of the Senate. There was agreed to by the other body a concurrent resolution authorizing a like consideration of the work of committees, rules, and practices of the House of Representatives. It seems to me absolutely certain that when that committee begins its work it will ultimately determine on the number of committees which should serve this body, the number of members to serve on each of the committees, and so forth. I believe that there will then necessarily be a consideration—thinking in terms of ultimate efficiency—of clerical staffs and the kind of service we shall be able to obtain from those who are or will be employed in the various senatorial offices. It is my conclusion that, much as I should like to see a $6,000 research expert provided for each Senator, the proper course of wisdom at the moment would be to adopt the committee's recommendation and pin our hopes and our faith on recommendations made hereafter by the joint committee which will study all the problems of the Senate so far as our machinery, our procedure, and, I hope, our efficiency are concerned.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, after line 13.

The amendment was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Mauer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1827) for the relief of Oliver N. Knight.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 23) establishing a Joint Committee on the Organization of the Congress, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1159) creating the city of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill., and it was signed by the Vice President.

OLIVER N. KNIGHT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1827) for the relief of Oliver N. Knight, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the amendment of the House, restore the matter proposed to be stricken out by the amendment of the House, and on page 1 of the Senate bill, lines 7, 8, and 9, strike out "for the destruction of the residence of the said Oliver N. Knight and of all the money and personal property therein contained and."

And the House agree to the same.

ALLEN J. ELLENDER,
E. V. ROBERTSON,
Managers on the part of the Senate.

EUGENE J. KEOGH,
JOHN JENNINGS, Jr.
Managers on the part of the House.

The report was agreed to.

FIRST SUPPLEMENTAL APPROPRIATIONS, 1945

The Senate resumed the consideration of the bill (H. R. 5587), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 2, after line 21, to insert:

Inquiries and investigations: For an additional amount for expenses of inquiries and investigations ordered by the Senate including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1945, $200,000: *Provided*, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—Office for Emergency Management—Office of Alien Property Custodian", on page 5, after line 4, to strike out:

The Alien Property Custodian is hereby authorized to pay out of any funds or other property or interest vested in him or transferred to him not to exceed $4,000,000 for the entire fiscal year 1945 for all necessary expenses incurred by the Office of Alien Property Custodian in carrying out the powers and duties conferred on the Alien Property Custodian pursuant to the Trading with the Enemy Act of October 6, 1917, as amended (50 U. S. C. App.): *Provided*, That after June 30, 1945, the Office of Alien Property Custodian shall not incur any obligations for the administrative expenses of said Office except pursuant to an annual appropriation by the Congress specifically therefor.

The amendment was agreed to.

The next amendment was, on page 3, after line 16, to insert:

COMMITTEE ON FEDERAL EXPENDITURES

For an amount, which is hereby authorized, to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry

out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $10,000, one-half to be disbursed by the Secretary of the Senate and the other half by the Clerk of the House on vouchers approved by the chairman of the committee.

The amendment was agreed to.

Mr. AIKEN. Mr. President, may we have an explanation of the amendment to which the Senate has just agreed?

Mr. McKELLAR. This is an item for the expenses of the joint committee of which the Senator from Virginia [Mr. BYRD] is the chairman. I may say that all the members of that committee—perhaps with the exception of myself, I being a member of the committee—have performed a splendid service. The Senator from Virginia asked for the additional amount which the amendment provides. Whatever funds his committee has expended have been expended economically and for the public interest. I hope the Senator from Vermont will not object to this very necessary item.

Mr. AIKEN. I am not objecting; I have not objected. I notice by the language of the amendment that the sum of $10,000 would be available during the existence of the committee. I should like to inquire what is the legal existence of the committee?

Mr. McKELLAR. The committee will be in existence until it makes a final report.

Mr. AIKEN. Does the Senator mean that the committee would carry over into the next session of Congress?

Mr. McKELLAR. Yes. I believe I am correct in that statement. I ask the Senator from Virginia to correct me if I am mistaken.

Mr. BYRD. Mr. President, if the Senator will yield, I will say that the Senator from Tennessee is correct in his statement. The committee is a joint committee of both the House and the Senate.

Mr. AIKEN. And the committee does not expire with the expiration of the present term of Congress?

Mr. McKELLAR. It does not.

Mr. BYRD. The total expenditures of the committee are only approximately $17,000 a year.

Mr. McKELLAR. I do not believe any Senator would care to vote against the splendid work which has been done and which is being done by the use of such a comparatively small sum.

Mr. AIKEN. Mr. President, I am not objecting, because I too believe that the committee is doing good work. But I should like to invite attention to the fact that we have a regular standing committee of the Senate known as the Committee on Expenditures in the Executive Departments, which was established many years ago, and has never been given sufficient money to enable it to function properly. If that committee had sufficient funds to function and perform the duties which naturally devolve upon it, it would be unnecessary to appropriate all the money which we have appropriated for the use of special investigating committees. It seems to me, Mr. President, that when the new Congress meets we should make provision for the Committee on Expenditures in the Executive Departments to be given sufficient funds with which to perform properly and function in a satisfactory manner. I have no objection to the appropriation provided by the amendment to which the Senate has agreed.

Mr. BYRD. I should like to make clear to the Senator from Vermont that the committee of which I am chairman is a joint committee including Members of the House and Members of the Senate; also the Secretary of the Treasury and the Director of the Bureau of the Budget.

Mr. RUSSELL. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. RUSSELL. Am I to understand from the Senator from Virginia that the total cost of his committee has been only $17,000 a year?

Mr. BYRD. That is correct.

Mr. RUSSELL. Does that include the cost of personnel involved?

Mr. BYRD. It includes stenographic expenses, the cost of the expert attached to the committee, and all similar expenses.

Mr. RUSSELL. In view of the expenses of other committees, I think the Senator from Virginia is to be commended for the splendid work which has been done by his committee with only $17,000 made available to it for annual expenses.

Mr. AIKEN. Mr. President, I understand the functions of the committee, and I know they are somewhat different from the functions of the Committee on Expenditures in the Executive Departments. But at the same time, I express the hope that the new Congress will make it possible for the Committee on Expenditures in the Executive Departments to function by making available to it necessary funds.

Mr. RUSSELL. Mr. President, I think that the Joint Committee on Reduction of Nonessential Federal Expenditures, having performed the work which it has performed on an annual expenditure of only $17,000, when considered in comparison with the expenditures of other committees, is to be highly commended.

Mr. McKELLAR. I think we all owe a debt of gratitude to the Senator from Virginia for the wonderful work which he and the other members of his committee have done.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 5, after line 4, to strike out:

The Alien Property Custodian is hereby authorized to pay out of any funds or other property or interest vested in him or transferred to him not to exceed $4,000,000 for the entire fiscal year 1945 for all necessary expenses incurred by the Office of Alien Property Custodian in carrying out the powers and duties conferred on the Alien Property Custodian pursuant to the Trading With the Enemy Act of October 6, 1917, as amended (50 U. S. C. App.): *Provided*, That after June 30, 1945, the Office of Alien Property Custodian shall not incur any obligations for the administrative expenses of said office except pursuant to an annual appropriation by the Congress specifically therefor.

And in lieu thereof to insert:

The Alien Property Custodian is hereby authorized to pay out of any funds or other property or interest vested in him or transferred to him not to exceed $4,500,000 for the entire fiscal year 1945 for all necessary charges and expenses in carrying out the powers and duties conferred on the Alien Property Custodian pursuant to the Trading with the Enemy Act of October 6, 1917, as amended (50 U. S. C. App.), without regard to any other provisions of law as to objects of expenditure: *Provided*, That of said sum, not to exceed $3,700,000 shall be available for the general administrative expenses of the Office of Alien Property Custodian, and not to exceed $800,000 shall be available for charges and expenses directly related to particular properties or interests vested in or transferred to the Custodian: *Provided further*, That after June 30, 1945, the Office of Alien Property Custodian shall not incur any obligations for the expenses of said Office except pursuant to a further annual authorization by the Congress specifically therefor: *Provided further*, That on or before April 1, 1945, the Alien Property Custodian shall make a report to the Appropriations Committees of the Senate and the House of Representatives giving detailed information on all administrative and nonadministrative expenses incurred in connection with the activities of the Office of Alien Property Custodian.

Mr. LA FOLLETTE. Mr. President, may I propound a question to the Senator from Tennessee?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. I yield.

Mr. LA FOLLETTE. I wish to inquire whether the sum of $4,500,000 was the amount requested?

Mr. McKELLAR. No; the amount requested was $4,800,000.

Mr. LA FOLLETTE. Will the Senator explain why the requested amount was reduced?

Mr. McKELLAR. It will be recalled that some time ago the Senator from Georgia [Mr. RUSSELL] insisted that all governmental agencies which were using without restriction money from funds obtained by them should report to Congress and receive their appropriations from Congress. This time $4,000,000 was asked for to cover all necessary expenses incurred by the Office of Alien Property Custodian in carrying out the powers and duties conferred on him pursuant to the Trading With the Enemy Act of October 6, 1917, as amended, with the provision that after June 30, 1945, the Office of Alien Property Custodian shall not incur any obligations for the expenses of the Office except pursuant to a further annual authorization by the Congress specifically therefor.

It developed that there were two kinds of expenses: One was the ordinary departmental expense and the other was the general expense for handling properties. It was believed by the committee that it should place a limit upon those expenses. It placed a limit of $800,000, and reduced the allotment for administrative expenses by $300,000.

Mr. LA FOLLETTE. Perhaps I did not make myself clear. Since these funds come out of receipts which the Alien Property Custodian receives, I was wondering what reasons prompted the

committee to reduce the amount requested by the Office of Alien Property Custodian from $4,800,000 to $4,500,000.

Mr. McKELLAR. I shall state the reason. The Senator will recall that some years ago the Alien Property Custodian very badly handled moneys and properties which came into his hands. I hardly know how to express it except to say that a scandal was created. The committee wanted to be very careful about having a report made—it would be merely for a part of the year, anyway—so that we could keep up with the expenditures of the Office as accurately as possible. That is all there is to it.

Mr. LA FOLLETTE. Mr. President, the Senator would not wish to leave the impression, I am sure, that there has been any suggestion that the present Alien Property Custodian or his predecessor has not conducted the office on the highest possible plane?

Mr. McKELLAR. Oh no, not at all; but we are merely making assurance double sure in making these appropriations. The Alien Property Custodian did not report to Congress at all before the Russell amendment, which is one of the best amendments which have been adopted for many years.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee, which has been stated.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, line 25, it is proposed to strike out "1944" and insert "1945."

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, under the heading "Independent executive agencies—Federal Security Agency—Public Health Service," on page 9, line 3, after the numerals "1945" to insert a comma and "and the pay, allowance, commutation of quarters, and uniform allowance of regular and reserve commissioned nurses, the number of regular commissioned nurses appointed to be in addition to the number of regular active commissioned officers otherwise authorized, and not to exceed 50 regular commissioned nurses may be appointed in grades above that of senior assistant and for purposes of pay and pay period shall be considered as having had on the date of appointment service equal to that of the junior officer of the grade to which appointed"; and in line 12, after the amendment just above stated, to strike out "$963,400" and insert "$1,225,823."

The amendment was agreed to.

The next amendment was, on page 10, after line 12, to insert:

Tuberculosis: For expenses necessary, fiscal year 1945, to carry out the purposes of section 314 (b) of the Public Health Service Act of July 1, 1944, including personal services in the District of Columbia; purchase of reports, documents, and other material for publication and of reprints from State, city, and private publications; the purchase (not exceeding six), and maintenance, repair, and operation of passenger-carrying automobiles; and items otherwise chargeable to the appropriation "Miscellaneous and contingent expenses, Public Health Service"; $668,000, of which amount not to exceed $129,032 may be transferred to the appropriation "Pay, and so forth, commissioned officers, Public Health Service," for the employment of 50 additional regular commissioned officers, of which number 24 are authorized to be commissioned in grades above that of senior assistant.

Mr. McKELLAR. I do not see the Senator from Kentucky [Mr. CHANDLER] in the Chamber at the moment. But I wish to say that this particular amendment refers to tuberculosis, and the Senator from Kentucky wanted me to say that he was very much in favor of the amendment. I make that statement for him. I think all of us feel exactly as does the Senator from Kentucky when it comes to making provision to combat the ravages of tuberculosis, and I have no doubt the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, under the subhead "Office of Education," on page 12, line 2, after the numerals "1945", to strike out "$15,200" and insert "$18,000."

The amendment was agreed to.

The next amendment was, on page 12, after line 2, to insert:

OFFICE OF THE ADMINISTRATOR

Traveling expenses: For an additional amount for traveling expenses, Federal Security Agency, fiscal year 1945, including the objects specified under this head in the Federal Security Agency Appropriation Act, 1945, $99,000.

The amendment was agreed to.

The next amendment was, on page 12, after line 7, to insert:

Printing and binding: For an additional amount for printing and binding, Federal Security Agency, fiscal year 1945, including the objects specified under this head in the Federal Security Agency Appropriation Act, 1945, $6,000.

The amendment was agreed to.

The next amendment was, under the subhead "Federal Works Agency—Office of the Administrator," on page 12, line 18, before the words "to remain", to strike out "$7,500,000" and insert "$15,000,000"; and on page 13, line 7, after the figures "$80,000,000", to insert a colon and the following additional proviso: "*Provided further*, That in making allocations out of the funds appropriated in this paragraph for construction projects priority shall be given to emergency projects involving an estimated cost to the Federal Government of less than $250,000."

The amendment was agreed to.

The next amendment was, under the subhead "Public Buildings Administration," on page 13, line 16, after the word "include", to insert "teletype service and."

Mr. LANGER. Mr. President, on page 13 I should like to have the Senator in charge of the bill tell me why a teletype service is needed?

Mr. McKELLAR. To what page does the Senator refer.

Mr. LANGER. To page 13. The committee has there inserted the word "teletype." Why does the Public Buildings Administration need teletype service?

Mr. McKELLAR. They do need it and so testified. Their testimony is here.

Mr. GURNEY. Mr. President——

Mr. McKELLAR. I yield to the Senator from South Dakota.

Mr. GURNEY. Information given to the committee was to the effect that the teletype is cheaper than telegrams, and of course it is cheaper than the telephone. There is a chance to save some money, as I understand, by inserting the words "teletype service" in the bill.

Mr. RUSSELL. Mr. President, I may say that this language was in the original bill. The teletype is already in operation, but, for some reason in the House of Representatives a point of order was made to the provision including teletype services because it apparently was not in the original act, and it was knocked out on a point of order. The teletype machine is in operation at the present time; it has already been installed, and this is merely authority to continue to operate the teletype.

Mr. LANGER. How long has it been installed?

Mr. RUSSELL. I do not recall the testimony on that score, but I understand it is already in operation, and has been for some time.

Mr. McKELLAR. It has been in operation for several years.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 13, line 25, after the word "and", to insert "teletype or."

The amendment was agreed to.

The next amendment was, under the subhead "National Housing Agency," on page 15, line 20, before the words "to remain", to strike out "$10,000,000" and insert "$20,000,000."

The amendment was agreed to.

The next amendment was, under the heading "District of Columbia," on page 17, after line 14, to insert:

REGULATORY AGENCIES

Office of Recorder of Deeds: For an additional amount for salaries and expenses, Office of Recorder of Deeds, fiscal year 1945, $700.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture—Conservation and use of agricultural land resources," on page 21, after line 23, to strike out:

The funds appropriated in the Department of Agriculture Appropriation Act, 1945, under the head "Conservation and use of agricultural land resources," notwithstanding any allocation thereof heretofore made by departmental order may be used to discharge

in full payments and grants earned by farmers in carrying out authorized soil and water conservation practices.

And in lieu thereof to insert:

For an additional amount, notwithstanding the limitations contained in the item "Conservation and use of agricultural land resources" contained in the Department of Agriculture Appropriation Act, 1944, including the objects specified under the same item in the Department of Agriculture Appropriation Act, 1945, $13,000,000.

Mr. LA FOLLETTE. Mr. President, may I ask either the acting chairman of the committee or the Senator from Georgia what if any effect the change in the language here, which is the first time I have had an opportunity to look at it, will have upon existing law?

Mr. McKELLAR. Mr. President, the Senator from Georgia [Mr. RUSSELL] is my expert on agricultural matters on the committee and I refer the question to him.

Mr. RUSSELL. Mr. President, I thank the Senator from Tennessee for his statement. When the regular appropriation bill for the Department of Agriculture was pending before the Senate last year the annual appropriation for what are commonly called triple A purposes was fixed at $300,000,000. I pointed out at the time that that involved a reduction of $100,000,000 in the amount of the appropriation as compared with the preceding year and a reduction of $200,000,000 as compared with the two preceding years.

These payments are made to farmers for following soil and water conservation practices. Before the crop year—and this program of necessity is on a calendar year basis and not on a fiscal year basis, because farming operations are carried on on a calendar year basis—before the crop year the triple-A committee in each State develops a program of soil and water conservation. The committee provides a program for the construction of terraces, for the planting of certain cover crops, for the use of certain phosphates and lime to enrich the soil, and they prescribe the schedule of payments which will be made to the farmers for following each of these practices. In other words, they pay so many cents a hundred feet for terraces constructed to conform to the standards which have been fixed; they pay a part of the value of the lime and the phosphates which the farmer applies to his soil in order to improve it and enable him to produce larger crops as well as to preserve for all the years to come, for generations yet unborn, the fertility of the soil on our farms.

All Senators are aware of the magnificent performance of the American farmer in supplying the food and fiber which have been essential for the fighting of this war. Under great handicaps, in the face of great obstacles, such as the shortage of labor and the shortage of machinery, the farmers of this country have greatly increased their production over that we have ever before known. As a result of these intensified farming operations, there has been a greater compliance with the soil-conserving practices of the crop year 1944 than there has ever been heretofore. For the first time all the funds allocated have been earned by the farmers. There have been years when as much as from sixty to eighty million dollars of this appropriation has been returned to the Treasury because the farmers did not earn it all. This year the farmers in this great agricultural movement to support the war effort have not only followed these practices to the extent of the $300,000,000 appropriated but have conformed to these practices prescribed by the State agencies of the Agricultural Adjustment Administration to an extent which will require $313,000,000 to pay all the farmers the full amount they have earned.

The House of Representatives by a vote on an amendment offered from the floor determined that insofar as was in their power, they would keep faith with the farmers of this country and pay them the full amount they have earned. It developed, however, that the language inserted by the House would not accomplish this purpose. So the committee had the Director of the triple A before it, and upon the advice of the Department and the heads of a number of farm organizations that are interested, this amendment was inserted in the bill.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ELLENDER. Did the committee obtain sufficient evidence to show that the amount of $13,000,000 is amply sufficient to pay those who have complied with the programs in question?

Mr. RUSSELL. The amount of $13,000,000 will enable the Department of Agriculture, through the Agricultural Adjustment Administration, to fully pay every farmer in the United States for compliance with the farm program of soil and water conservation.

Mr. ELLENDER. Mr. President, I desire to take this opportunity to compliment the distinguished junior Senator from Georgia for his untiring efforts in behalf of the farmers of our Nation. I may state that I consulted with the Senator in respect to this item and in respent to many other items which affected our farmers, and I have always found him willing and desirous of lending help.

Mr. President, I am very happy that the Appropriation Committee saw fit to include this item so that those in charge of the triple-A program are in a position to comply with a solemn obligation made to the farmers of our country, who have so valiantly responded to the call for more and more food. Mr. President, I thank the Senator.

Mr. LANGER. Will this take care of the 4-cent increase in wheat authorized a few days ago?

Mr. RUSSELL. No, this has no connection at all with the 4-cent authorization as to wheat. As I understand, that was a case where, due to the increase of the cost to the farmer, the parity price of wheat rose 4 cents a bushel, and that merely means that the market price and the loan value of wheat go up by 4 cents. This has to do with the soil-conservation practices.

Mr. LANGER. Soil conservation only?

Mr. RUSSELL. Solely soil-conservation practice.

Mr. LANGER. Does the Senator believe that $13,000,000 is sufficient?

Mr. RUSSELL. The information we have received from the Department of Agriculture enables me to state that certainly this $13,000,000 will enable the administration to pay every farmer in full for complying with the program.

Mr. LA FOLLETTE. Will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. LA FOLLETTE. I wish to thank the able Senator from Georgia for his very lucid explanation of this item, and to say that I think it is absolutely essential to provide all the money necessary to fulfill the obligations which the Government owes to the farmers under the act. I wish to subscribe to every word the Senator has said about the magnificent war efforts of the farmers. I also desire to say that, despite two enactments by Congress so far as support prices were concerned, some producers felt that they did not get adequate support, and that is not involved in this matter. We want to be doubly certain that no obligations which the Government owes to the farmers, in view of their magnificent war effort should lack complete fulfillment.

I wish to compliment the Senator for having taken this matter up and looked after it in this particular bill.

Mr. RUSSELL. I thank the Senator from Wisconsin.

Mr. President, I am sure all the Members of the Senate realize the fearful impact it would have on the entire agricultural program if we failed to pay the farmers after they have conformed to the requirements of the Government with respect to the soil-conservation practices the full amount they have earned.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, under the subhead "Office of Information," on page 22, line 16, before the word "including", to strike out "$7,353" and insert "$8,650."

The amendment was agreed to.

The next amendment was, under the subhead "Library, Department of Agriculture," on page 22, line 22, before the word "including", to strike out "$6,375" and insert "$7,500."

The amendment was agreed to.

The next amendment was, under the heading "Agricultural Research Administration, Bureau of Plant Industry, Soils, and Agricultural Engineering, Salaries and expenses," on page 23, line 9, after the numerals "1945", to strike out "$61,100" and insert "$83,000"; and in the same line, after the word "exceed", to strike out "$23,100" and insert "$45,000."

The amendment was agreed to.

The next amendment was, under the subhead "Extension Service," on page 23, line 15, after the word "expenses", to strike out "$34,000" and insert "$40,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Entomology and Plant Quarantine, Salaries and ex-

penses," on page 24, after line 2, to insert:

Forest insects: For an additional amount for forest insects, fiscal year 1945, including the objects specified under this head in the Department of Agriculture Appropriation Act, 1945, $47,000.

The amendment was agreed to.

The next amendment was, under the subhead "War Food Administration," on page 24, after line 11, to strike out:

Supply and distribution of farm labor: The authority and funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended, are hereby continued through December 31, 1945, for carrying out the purposes of said act, without regard to the limitation on the amount which may be used for administrative expenses, and, in addition to the amount hereby continued available, the War Food Administrator may, prior to July 1, 1945, enter into contracts for the same objects for which prior appropriations have been made under this head to an amount not in excess of $10,000,000.

And in lieu thereof to insert:

Supply and distribution of farm labor: The authority and funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended, are hereby continued through December 31, 1945, for carrying out the purposes of said act, and, in addition to the amount hereby continued available, there is hereby appropriated an additional $22,000,000 for such purposes, to be merged with the funds heretofore appropriated for the farm labor supply program: *Provided*, That not less than $7,000,000 and not more than $11,000,000 of such additional funds shall be apportioned among the several States in the manner and for the purposes specified in section 2 of said act: *Provided further*, That not more than $100,000 of the additional amount so apportioned may be expended by the State agricultural extension services for the construction of labor supply centers under the limitations of said section 2: *Provided further*, That in addition to the amounts heretofore made available for administrative expenses pursuant to section 3 (c) of said Farm Labor Supply Appropriation Act, 1944, as supplemented, there is hereby made available the amount of $605,228 for the purposes of said section.

Mr. LA FOLLETTE. Mr. President, I have received a number of communications concerning the farm-labor problem, and I should appreciate it if we could have an explanation of what the committee has done in this matter.

Mr. HAYDEN. Mr. President, if I may be permitted, I may say that we have continued, on the same scale and in exactly the same manner, what was done during the last calendar year. This matter has always been handled by the calendar year. The authority would expire on the 31st of December, so we carried it on for 1 more year, to December 31, 1945.

The amount available last year was about $38,000,000, $30,000,000 was expended, leaving a carry-over of $8,000,000. We have made the carry-over available, and added $22,000,000, so that the amount of money and the method of performing the work are provided for.

Mr. McKELLAR. Precisely the same as last year.

Mr. HOLMAN. If I may interrupt, on line 6, Senators will notice that not less than $7,000,000 is set aside for agricultural agents.

Mr. HAYDEN. That was the amount actually expended last year.

Mr. HOLMAN. We earmarked that much.

Mr. HAYDEN. We did last year, and the earmarking gives a latitude between $7,000,000 and $11,000,000, which is ample. I think there was latitude up to about $13,000,000 last year, but the actual amount used was about $7,000,000.

Mr. LA FOLLETTE. Is the net effect of the committee's action to provide the same amount of money, or more than last year?

Mr. McKELLAR. Exactly the same as last year.

Mr. LA FOLLETTE. None of the controversy we have previously had over this matter is involved?

Mr. McKELLAR. Not at all.

Mr. LA FOLLETTE. I thank the Senator.

Mr. McKELLAR. I wish to say to the Senator that the labor provisions have worked unusually well.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Department of Commerce," on page 26, after line 4, to insert:

BUREAU OF THE CENSUS

Census of agriculture: For an additional amount for census of agriculture, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945, $5,000,000, to remain available until December 31, 1946.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Administrator of Civil Aeronautics," on page 26, line 18, after the word "Administrator", to strike out "$207,718" and insert "$900,000."

The amendment was agreed to.

The next amendment was, on page 26, line 23, after the numerals "1945", to strike out "$152,860" and insert "$560,000."

The amendment was agreed to.

The next amendment was, on page 27, line 3, after the numerals "1945", to strike out "$180,163" and insert "$559,000."

The amendment was agreed to.

The next amendment was, on page 27, line 15, after the word "return", to strike out "$282,737" and insert "$467,000."

The amendment was agreed to.

The next amendment was, on page 27, after line 15, to insert:

Advisory services to States and other agencies: Not to exceed $240,000 of the consolidated appropriation "Development of landing areas" in the Department of Commerce Appropriation Act, 1945, available for administrative expenses, shall be available also for furnishing advisory services to State and other public and private agencies in connection with the construction and operation of airports and landing areas.

Mr. LA FOLLETTE. Mr. President, I should like to have an explanation of this item. It says, "Development of landing areas."

Mr. McKELLAR. Mr. President, the authorities have been doing that work all along, and there is an unexpended balance from the present appropriation which they can use. They have asked for the amount we have granted, and it was allowed them, as it was believed the landing areas were necessary.

Mr. LA FOLLETTE. Does this involve the question of airports, or are these simply emergency landing areas? Are they involved in the airport program? Can some Senator on the committee explain exactly what this involves? I have not had the benefit of the information.

Mr. McKELLAR. I shall read from the testimony of Mr. Stanton:

We had regular appropriations for that purpose up until the war started. After the war started we got this special "Development of landing areas" appropriation to build airports at places where the Army and the Navy certified that airports were needed for the war effort. At that time it was not possible for anyone else to build any other airports. Therefore, all our consultation work was devoted to work in connection with that particular type of airport. Now that this program is substantially completed, various State and municipal authorities are now extremely active in planning the development of civil airports to serve the various towns and cities throughout the country in the post-war period. We have been consulting with them as a side line to our engineering work in connection with the D. L. A. appropriation, but the D. L. A. appropriation really does not authorize us to incur any appreciable expense for the purpose.

Right now, since that program is almost finished, there is very little of this consultation work necessary in connection with the D. L. A., but there is a greater amount than ever necessary in connection with the plans of the cities and States for airport development after the war.

Mr. LA FOLLETTE. I thank the Senator for his explanation.

Mr. DANAHER. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. DANAHER. While the Senator is considering the Department of Commerce appropriation, let me call attention to a related item on page 26 under the Office of Administrator of Civil Aeronautics. The heading is "General administration." What was the amount provided for general administration in the original appropriation act, if the Senator recalls?

Mr. McKELLAR. The House allowed $207,718. The Senate committee increased it to $900,000, to take the matter to conference. In response to the Senator's question as to the original appropriation, I may say it was $2,459,000.

Mr. DANAHER. What need has been demonstrated in the meantime that led the House to appropriate only $207,718 while the Senate committee recommended $900,000?

Mr. McKELLAR. Heretofore the Bureau of Aeronautics had other funds with which to do this work. Now they do not have those funds, and are asking Congress for additional emergency funds with which this work may be done.

Mr. DANAHER. Did the House have this additional information before it?

Mr. McKELLAR. Yes; it did. It was a Budget estimate transmitted to the

House, and afterward sent to the Senate, and the Senate committee simply felt that the House had not given sufficient money for that purpose, and raised it, with the idea of letting it go to conference. It do not know what will be done in conference, of course. That is the situation. It is a Budget estimate.

RIVER AND HARBOR IMPROVEMENTS—CONFERENCE REPORT

Mr. BAILEY. Mr. President, I hereby enter a motion to reconsider the vote whereby the Senate rejected the conference report on House bill 3961, the river and harbor authorization bill. Having given that notice I move now under the rule that the House be requested to return the papers to the Senate. I ask that the motion be acted on at once.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. HILL. Does the Senator contemplate now not going back to conference on the bill?

Mr. BAILEY. We cannot go back to conference. The House is unwilling to go into conference.

Mr. HILL. The House is unwilling to go into conference?

Mr. BAILEY. Yes.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The question is on the motion of the Senator from North Carolina that the House be requested to return to the Senate the papers in the river and harbor bill.

The motion was agreed to.

Mr. BAILEY. We will receive the papers, I should say, about 4:30, and I intend to press my motion. Of course, I should like Senators who are interested to be present. I see that the Senator from New Mexico [Mr. HATCH] is present now.

Mr. HILL. Does the Senator intend to press for the adoption of the report? Is that correct?

Mr. BAILEY. Yes. I shall make the motion to reconsider first.

Mr. HILL. If the motion to reconsider the vote is agreed to, then the ultimate end would be to have the report adopted?

Mr. BAILEY. Yes.

FIRST SUPPLEMENTAL APPROPRIATIONS, 1945

The Senate resumed the consideration of the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the subhead "Coast and Geodetic Survey," on page 28, line 13, after the numerals "1945", to strike out "$34,000" and insert "$40,000."

The amendment was agreed to.

The next amendment was, under the subhead "Patent Office," on page 29, line 4, after the numerals "1945", to strike out "$71,000" and insert "$80,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior," on page 29, after line 23, to insert:

GRAZING SERVICE

Salaries and expenses: The limitation of not to exceed $12,000 for personal services in the District of Columbia contained in the Interior Department Appropriation Act, 1945, is hereby increased to not to exceed $21,500.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Reclamation—General fund, construction," on page 31, after line 12, to insert:

Colorado-Big Thompson project, Colo., $2,000,000.

The amendment was agreed to.

The next amendment was, on page 31, after line 13, to insert:

Colorado River project, Tex., $126,000.

The amendment was agreed to.

The next amendment was, on page 31, line 15, after "Columbia Basin project, Wash.", to strike out "$1,900,000" and insert "$2,000,000."

The amendment was agreed to.

The next amendment was, on page 31, after line 17, to insert:

FORT PECK PROJECT, MONTANA

For an additional amount, fiscal year 1945, for construction of the Fort Peck project, Montana, $400,000, to remain available until expended, and to be expendable as specified under this head in the Interior Department Appropriation Act, 1945.

The amendment was agreed to.

The next amendment was, on page 32, after line 8, to insert:

HUNGRY HORSE PROJECT, MONTANA

For work preliminary to construction of Hungry Horse project, Montana, as authorized by section 1 of the act of June 5, 1944 (Public Law 329), fiscal year 1945, to remain available until expended, $50,000.

The amendment was agreed to.

The next amendment was, on page 32, after line 18, to insert:

BUREAU OF MINES

Synthetic liquid fuels: The appropriation for synthetic liquid fuels in the Interior Department Appropriation Act, 1945, is hereby made available in an amount not to exceed $50,000 for temporary employment of engineers, architects, and technical consultants or firms or corporations thereof, by contract or otherwise, without regard to civil-service and classification laws.

The amendment was agreed to.

The next amendment was, on page 33, after line 2, to insert:

Mining experiment stations: For an additional amount for mining experiment stations, fiscal year 1945, including the objects specified under this head in the Interior Department Appropriation Act, 1945, $160,000.

The amendment was agreed to.

The next amendment was, on page 33, after line 6, to insert:

NATIONAL PARK SERVICE

National parks: For an additional amount for the furnishing and refurnishing of official residences in Acadia National Park, Maine, for fiscal year 1945, including the objects specified under this head in the Interior Department Appropriation Act, 1945, $4,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of State—International obligations," on page 45, after line 4, to insert:

United Nations Commission for the Investigation of War Crimes: For all necessary expenses of the participation by the United States in the United Nations Commission for the Investigation of War Crimes, including personal services without regard to civil-service and classification laws; traveling expenses without regard to the Standardized Government Travel Regulations and the Subsistence Expense Act of 1926, as amended, allowances for living and quarters for temporary and permanent personnel in accordance with standardized regulations prescribed by the President for civilian officers and employees of the Government temporarily stationed in foreign countries and in accordance with the acts of June 26, 1930, and February 23, 1931; entertainment, stenographic reporting and other services by contract, books of reference and periodicals, and rent of office space without regard to section 3709 of the Revised Statutes; printing and binding; and the share of the United States in the expenses of the Secretariat of the Commission; fiscal year 1945, $30,000, payable from the appropriation "Emergency fund for the President," contained in the First Supplemental National Defense Appropriation Act, 1943, as supplemented and amended.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department—Office of the Secretary," on page 46, after line 24, to insert:

Smaller War Plants Corporation, capital stock: For an additional amount to enable the Secretary of the Treasury to make payment for capital stock of the Smaller War Plants Corporation, $100,000,000, to remain available until June 30, 1945.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Penalty mail costs—Legislative branch," on page 51, line 15, after "Architect of the Capitol", to strike out "$255" and insert "$300."

The amendment was agreed to.

The next amendment was, on page 51, line 18, after "Library of Congress", to strike out "$12,750" and insert "$15,000."

The amendment was agreed to.

The next amendment was, on page 51, line 19, after "Government Printing Office", to strike out "$258,400" and insert "$304,000."

The amendment was agreed to.

Mr. McKELLAR. Mr. President, there are a number of other amendments dealing with penalty-mail costs. They extend to page 60 of the bill. I wonder if we could not agree to adopt those amendments en bloc. I hope they can be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee that the remaining amendments be adopted en bloc?

Mr. DANAHER. Mr. President, I have no intention of objecting. I should like to invite the Senator's attention, however, to page 46, line 25, the amendment which gives to the Smaller War Plants Corporation $100,000,000 with respect to its capital stock. I should like to know if there were hearings on that subject?

Mr. McKELLAR. Yes. The Smaller War Plants Corporation is out of money, and we have a Budget estimate for the amount. We thought that there was no other way but to allow that amount. That is the largest increase contained in

the bill. I should like to read some statements made by Mr. Maverick, who is the head of the Smaller War Plants Corporation. I read as follows:

There was a bill passed in Congress giving us an authorization of $200,000,000 for our corporation. I did not present it to the Appropriations Committee in the House because it was not passed in time.

The authorization is for $200,000,000. In order not to have any controversy, either with the Senate or with the House, or any individual, we have asked for $100,000,000. This smaller amount justifies itself.

We had a hearing before the Banking and Currency Committee of the House on October 31. At that time we had approximately $19,000,000 left; but I testified that before November was over we would not have a dime. This has turned out to be true.

Our situation today is that we had, as of December 2, $2,977,000. We have commitments of $3,000,000, and when I say "commitments" I mean we have approved that many loans. We haven't contracted to make the loans, but we should make these loans of $8,000,000. It all means, in any event, we are completely out of money.

Under those circumstances, while the sum was a very large one, the committee felt that it was very important to the country to have these small plants constructed. That was why this large appropriation was placed in the bill.

Mr. DANAHER. Would the Senator from Tennessee object to placing in the RECORD at this point the statement of the witness in that respect?

Mr. McKELLAR. Indeed not. I will give the Senator the hearings, and if he will mark the part he wants placed in the RECORD I shall be obliged to him, so we may move on with the bill.

Mr. DANAHER. Mr. President, in furtherance of the colloquy between the Senator from Tennessee [Mr. McKELLAR] and myself concerning Hon. Maury Maverick, let me say that the testimony begins on page 19 and runs through page 26 of the hearings.

Mr. McKELLAR. Yes. May it be inserted at this point in the RECORD?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SMALLER WAR PLANTS CORPORATION, CAPITAL STOCK

(Statement of Hon. Maury Maverick, Administrator)

AMOUNT OF APPROPRIATION REQUESTED

Mr. MAVERICK. Gentleman, there was a bill passed in Congress giving us an authorization of $200,000,000 for our corporation. I did not present it to the Appropriations Committee in the House because it was not passed in time.

The authorization is for $200,000,000. In order not to have any controversy, either with the Senate or with the House, or any individual, we have asked for $100,000,000. This smaller amount justifies itself.

We had a hearing before the Banking and Currency Committee of the House on October 31. At that time we had approximately $19,000,000 left; but I testified that before November was over we would not have a dime. This has turned out to be true.

Our situation today is that we had, as of December 2, $2,977,000. We have commitments of $8,000,000, and when I say commitments I mean we have approved that many loans. We haven't contracted to make the loans, but we should make these loans of $8,000,000. It all means, in any event, we are completely out of money.

URGENT NEED FOR APPROPRIATION REQUESTED

In justification for this $100,000,000, I refer to the testimony that we had in that other hearing. In that hearing it is shown that there is full justification for authorization of $200,000,000; in the first place, the Senate enacted the authorization bill unanimously last June on the basis of our usual loan rate.

I will now review briefly the real importance of this measure. I come before this committee in the interests of a situation which is a real emergency. Your committee is met to make deficiency provisions and it is my hope that the nonpartisan, noncontroversial request which I submit to you may be considered in the light of its utmost urgency and its direct effect upon the destinies of small business in this Nation.

USE OF ORIGINAL CAPITAL

In 1942 a capital stock authorization in the amount of $150,000,000 was redeemed and appropriated to the Smaller War Plants Corporation for the broad general purpose of insuring full participation of small business in the war effort and of equitable treatment of small business in the national economy. Of the original amount of $150,000,000, some $30,000,000 has over a period of 3 fiscal years been allocated for the administrative expenses of the Corporation. The total amount of the remainder has been invested for the good of small businessmen in loans and leases. Such loans and leases have had a direct and beneficial effect upon the successful prosecution of the war.

FIRST STEPS FOR CAPITAL INCREASE

Small businesses—small manufacturers—have been mobilized more effectively through the efforts of the Corporation than through any other conceivable Government machinery. At the time the present Chairman took office in the early part of the calendar year 1944, a vigorous reorganization was effected. This reorganization extended to all of the programs of the Corporation of which the lending and leasing program is one. As a result of more energetic effort throughout the entire Corporation and a certain amount of sensible and permissible publicity, the volume of loan applications greatly increased. So pronounced was the upward trend in the financial aid to small business that in May 1944 the Corporation, with the full approval of the President and the Budget Bureau, proposed a bill for an increase of $200,000,000 in the capital stock which was later translated into Senate bill 2004. This bill was passed unanimously by the Senate under date of June 22, 1944. It went to the House just before the summer recess and because the House Banking and Currency Committee had before it important legislation dealing with the price-fixing and price-adjustment program of O. P. A., there was no hearing.

BRIGHT WAR PICTURE POSTPONED CAPITAL EXPANSION

Fortunately, from the standpoint of the corporation, the military successes which took place in the summer months had a steadying effect upon the volume of loan applications. Had this condition not occurred, an insolvent financial position would have been inevitable in the early fall. The fortunes of war are changing fortunes and it became clear that the views in many quarters were overoptimistic. It was then that the generals on the fighting fronts all over the world pleaded for no diminution in war production. The Smaller War Plants Corporation and the small business interests represented thereby have heeded this call.

HOUSE PASSED AUTHORIZATION FOR $200,000,000

It was, therefore, with a feeling of real emergency that we renewed our efforts to obtain prompt congressional action on S. 2004. The latter part of November we were successful in obtaining a hearing on this bill before the House Banking and Currency Committee and a favorable report by that committee, issuance of a rule, and passage by the House followed.

At the time the deficiency bill was sent from the House, our bill, S. 2004, had not passed. After full hearing and debate, the House authorized $200,000,000, but the appropriation bill by that time was in the Senate. At the time of our appearance before the House Banking and Currency Committee, we had on hand approximately $19,000,000 in unencumbered cash. We advised the House that our volume of loans pending was such that that cash would be exhausted by the end of November. As of the date of this appearance before you—December 9—our cash resources have been exhausted.

REAL EMERGENCY EXISTS

Any further delay in provisions for appropriation under the authorization contained in S. 2004 will be of gravely harmful consequences. It will mean that the lending program of the Smaller War Plants Corporation is stopped in the hour of the small manufacturers' greatest need. It will mean that participation of small plants in such urgent production programs as the munitions program will be stopped to the great detriment of the war effort. It will mean, possibly, that millions of dollars will be invested by the Government in the construction of new facilities because of failure through systematic financial assistance for retooling purposes to utilize available small business production. It will mean that the offer of help and the promise of help for the preservation of free enterprise and the position of small business in our national economy, which American Government has given, will not be kept.

INTENT OF CONGRESS HAS BEEN TO HELP SMALL BUSINESS

This, I know, is not the intention of Congress. The certainty of congressional consciousness of the plight of small business has been repeatedly demonstrated. It was demonstrated in the enactment of Public Law 603, under which the Corporation was created. It has been demonstrated by a continuing and energetic congressional interest. It has been reaffirmed by the provisions for responsibilities of the Smaller War Plants Corporation in the Contract Settlement Act, the Surplus Property Disposal Act, and the Reconversion and Mobilization Act.

ONLY PART OF AUTHORIZATION REQUESTED

I am not unmindful that before we can go to any great length in the formulation of reconversion programs we must win this war. I have, therefore, refrained from seeking an appropriation to the full extent of our capital stock authorization. Instead, I have asked for an appropriation of only one-half of that sum, that is, $100,000,000. The promptness with which the Budget Bureau, and the President himself, have acted in placing before you an estimate request is clear indication of their awareness of its importance.

For our regular lending activities we are only asking for $62,000,000. At least $20,000,000 may be regarded as an extremely conservative provision for extraordinary increase in loan volume traceable to the munitions program and other critical production needs. The remainder is a modest sum, relatively regarded, for such specific transactions in surplus property purchase or interim financing due to contract termination, these being matters with which the Corporation is being confronted daily.

APPROPRIATION ESSENTIAL TO PROTECT SMALL BUSINESS

In other words, gentlemen, we are proposing to aline ourselves with the greatest emphasis upon war production and we are asking that the present need for small business in

the waging of the greatest production war in the history of the world not be sacrified. The easy and cheap credit opportunities for big business are well known. In the V–T loan program, for example, one single large industrial concern borrowed a billion dollars. The trend in all lending programs has been toward large-size loans to meet the demands of bigger businesses. Only in the Smaller War Plants Corporation has there been a lending program consistently and solely dedicated to the financial needs of small enterprises. The accomplishments of the Corporation's program and of its lending machinery to little business are written in the records of the loaded cargo ships, the best equipped army in the world, and the military successes of our armed forces everywhere. The job is not over and I ask this committee to regard this request as a need in which every citizen, indeed every individual affected by the state of our economy, has a stake.

JUSTIFICATION FREQUENTLY RECORDED

Details of the recorded accomplishments of the Smaller War Plants Corporation have been presented to Congress in a number of hearings in recent months. Bimonthly reports of the Corporation record even more vividly the progressive history of the organization. If I had the time I should like to review these same details, but because the deficiency bill which you are considering is itself an emergency measure, and because that part of it which relates to the Smaller War Plants Corporation is an extreme emergency, I will urge upon you the granting of this appropriation with my personal assurance that not one penny not needed for the preservation of small business and the ultimate degree of participation thereof in war production will be expended.

Senator McKELLAR. What was the reason the House did not include it?

Mr. MAVERICK. The legislation was not signed until this morning. It only passed last week.

Senator HAYDEN. All you want the committee to do is to request the Bureau of the Budget, if they have a budget estimate down there, to send it up here?

Senator McKELLAR. We have an advance copy of the Budget estimate.

All right; I think we understand it.

Mr. MAVERICK. Are you going to give us a hearing, or is this the hearing?

Senator McKELLAR. This is the hearing.

Mr. MAVERICK. Thank you, sir.

COOPERATION WITH THE WAR DEPARTMENT IN ORDNANCE PROGRAM

Senator GURNEY. Has the War Department requested that your Small War Plants Corporation assist in the presently increased ordnance program?

Mr. MAVERICK. Yes, sir. They have asked us to assist, and one of our men is in each ordnance office throughout the entire United States, and also our entire organization is at their disposal.

BREAK-DOWN OF AMOUNT REQUESTED

As I have stated we are only asking out of this $200,000,000, for $100,000,000, which we have broken down as follows: $62,000,000 for the regular program, $20,000,000 for munitions, $18,000,000 for loans and purchases.

Senator GURNEY. Loans and purchases of what?

ASSISTANCE TO SMALL PLANTS IN CONTRACT SETTLEMENTS

Mr. MAVERICK. That is under the Contract Settlement Act and the Surplus Property Disposal Act. Under these acts we are enjoined to do several things; among them to go out and assist in contract settlements of small plants or plants up to a certain size. In my opinion, the $18,000,000—well, if it is going to amount to anything, it will run far more than that. It is a type of interim financing. When a man gets his cut-back, he needs interim financing to determine his future activities, and $18,000,000 is an extremely small amount of money. We may, if necessary, purchase property surpluses for sale to small business. Our program has got potentialities of large amounts of money that will be necessary, and, according to our regular program, we think we are going to need $100,000,000, but we have made this $62,000,000 for the regular program and $20,000,000 and $18,000,000.

ORDNANCE FACILITIES

Ordnance is not even touched on. The facilities the War Department is going to build for that program will run into about $500,000,000. I don't know how much the ordnance is going to run, but it will be much more than that. It may run two or three billion or more for all I know. Our Corporation has put in a list of 236 plants in which I believe we will have contracts executed, and we will finance a considerable part of that.

Senator GURNEY. Two hundred and thirty-six plants, and you expect specific requests from Ordnance to help finance those plants?

Mr. MAVERICK. Yes, sir. And if we don't get specific requests, we are going to do it anyway, because, to be perfectly frank with you, little business has a hard time getting along. Of course, it has to be approved by Ordnance in the end. We get along very well with them, but we go after the business for the little plants, which is our duty under the law.

Senator GURNEY. You wouldn't just set up a plant and finance it, unless you knew it was going to get business from Ordnance or some other military branch of the Government?

Mr. MAVERICK. No, sir. I want to explain this: These 263 plants we have submitted are in order to set up a program with existing facilities, and not to set up a competitive enterprise against those in business now. If we use existing facilities and finance the amount of their contract, we are saving the Government time, and we are also saving the building of a lot of useless plant facilities throughout the United States that are going to be white elephants on the market when the war is over. Our program is very sound on that point. Nobody could object to it, I believe.

SUMMARY OF CASH POSITION AND FINANCIAL OPERATIONS

I should like to incorporate in the record a summary statement of our financial position and our balance sheet as of October 31, 1944.

(The statements referred to are as follows:)

REPORT NO. 34

Smaller War Plants Corporation—Summary of cash position and financial operations cumulative as of Dec. 2, 1944

Cash:		
In U. S. Treasury		$72,255,513.75
Held to our order at Defense Plant Corporation		1,910,206.20
Total cash		74,165,719.95
Earmarked for undisbursed loan and lease commitments		71,187,856.39
Net available (unencumbered) cash		2,977,863.56
Unrecorded cash encumbrances Dec. 2 to 7, inclusive		8,000,000.00
Unrecorded cash deficit		[1] 5,022,136.44
Loans:		
Direct loans:		
Net authorizations		112,396,908.00
Amount advanced under loan agreements	83,060,676.54	
Less: Principal repayments	49,284,598.92	
Outstanding loan balance		33,776,077.62
Undisbursed commitments		29,336,231.46
Outstanding emergency advances		383,297.65
Interest collected		850,095.48
Indirect loans (deferred participations):		
Net authorizations		44,123,165.34
Amount advanced by participating banks	15,337,508.26	
Less: Repayments to banks	8,622,422.72	
Outstanding deferred participations		35,500,742.62
Compensation collected		27,628.66
Leases:		
Net authorizations		19,232,443.19
Equipment purchased		12,881,560.88
Less: Equipment sold		18,728.98
Equipment inventory		12,862,831.90
Undisbursed commitments		6,350,882.31
Rents collected		1,190,050 82

[1] Collections in this approximate amount are in transit from the Treasury Department on redemption of unexpected balances of prior years' administrative appropriations.

Weekly comparative statistics

	Gross	Canceled	This week	Last week
Loans authorized	$12,605,948.50	$82,000.00	$12,523,948.50	$474,839.71
Loans disbursed			2,420,006.80	2,473,956.46
Leases authorized	120,993.07	152,804.67	(31,811.60)	(33,600.76)
Equipment purchased			116,403.44	263,046.27

EXHIBIT A

Smaller War Plants Corporation—Balance sheet as of Oct. 31, 1944

ASSETS

Current assets:		
Cash in U. S. Treasury:		
Available for loans and leases		$16,154,061.05
Reserved for unpaid commitments, loans, and leases		[1] 60,633,106.98
[1] See the following table:		
Ordinary loans	$7,175,439.48	
Production loans	19,125,915.92	
Deferred participation loans	27,327,685.00	
Leases	7,004,065.58	
Total	60,633,105.98	
Current assets—Continued.		
Reserved for administrative expenses, fiscal year 1943		$771,331.95
Reserved for administrative expenses, fiscal year 1944		5,394,151.18
Reserved for administrative expenses, fiscal year 1945		7,782,081.05
		90,734,731.21
Accounts receivable:		
Due from Defense Plant Corporation		3,753,278.00

Accounts receivable—Continued.	
Due from Government procurement agencies	$690,842.38
Loans receivable	28,538,243.04
Less: Reserve for loss on loans	1,031,052.48
	27,507,190.56
Interest receivable	137,524.71
Other receivables	1,066.45
Fixed assets:	
Machinery and equipment	12,182,876.17
Less: Reserve for depreciation	890,574.95
	11,292,301.22
Office furniture and equipment	484,613.25
Less: Reserve for depreciation	105,328.39
	379,284.86
Total assets	134,496,219.39

LIABILITIES AND CAPITAL

Current liabilities:	
Accounts payable (schedule 1)	$12,750.73
Other liabilities (schedule 2)	15,305.05
Other payables (administrative)	432,865.67
	460,921.45
Reserves: Reserve for adjustment of profit on prime contract	36,407.80
Capital stock and surplus:	
Capital stock	150,000,000.00
Deficit:	
To June 30, 1944, as adjusted	13,674,772.00
Current fiscal period	2,326,337.86
	16,001,109.86
Net worth	133,998,890.14
Total liabilities and capital	134,496,219.39

Senator McKELLAR. Well, thank you, Mr. Maverick.

Mr. WHITE. Mr. President, the Senator from Tennessee made request for consideration of a number of amendments en bloc.

Mr. McKELLAR. Yes. They all relate to penalty mail costs.

Mr. WHITE. Are those amendments based on judgments, or anything of the sort, or are they simply compromises with claimants that have been worked out, or what are they?

Mr. McKELLAR. They refer to penalty mail costs. The law requires that the department or agency turn back the money into the Treasury and we have to appropriate it in order that the department or agency be paid.

Mr. WHITE. Mr. President, of course I ordinarily rebel against consideration of amendments en bloc.

Mr. McKELLAR. That is entirely proper. If the Senator would prefer, I shall be perfectly willing to proceed with the consideration of the amendments individually.

Mr. WHITE. I do not object.

Mr. McKELLAR. Very well, then. I ask that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments referred to will be considered and agreed to en bloc.

The amendments agreed to en bloc are as follows:

Under the subhead "The Judiciary," on page 51, line 22, after the word "exceed", to strike out $1,360" and insert "$1,600."

On page 52, line 2, after the word "Appeals", to strike out "153" and insert "$180."

On page 52, line 7, after the word "Court", to strike out "$425" and insert "$500."

On page 52, line 11, after the word "Claims", to strike out "$425" and insert "$500."

On page 52, line 15, after "Miscellaneous expenses, United States Courts", to strike out "$71,400" and insert "$84,000."

Under the subhead "Executive Office of the President," on page 52, line 18, after the word "exceed", to strike out "$3,825" and insert "$4,500."

On page 52, line 21, after the word "exceed", to strike out "$425" and insert "$500."

On page 52, line 24, after the word "exceed", to strike out "$8,500" and insert "$10,000."

On page 53, line 4, after the word "exceed", to strike out "$21,250" and insert "$25,000."

On page 53, line 6, after the word "exceed", to strike out "$5,100,000" and insert "$6,000,000."

On page 53, line 9, after the word "exceed", to strike out "$25,500" and insert "$30,000."

Under the subhead "Executive Office of the President—Office for Emergency Management," on page 53, line 18, after the word "exceed", to strike out "$1,658" and insert "$1,950."

On page 53, line 22, after the word "exceed", to strike out "$638" and insert "$750."

On page 54, line 1, after the word "exceed", to strike out "$4,250" and insert "$5,000."

On page 54, line 5, after the word "exceed", to strike out "$178,500" and insert "$210,000."

On page 54, line 7, after the word "exceed", to strike out "$1,275" and insert "$1,500."

On page 54, line 10, after the word "Administration", to strike out "$43,605" and insert "$51,300."

On page 54, line 16, after the word "exceed", to strike out "$40,800" and insert "$48,000."

On page 54, line 20, after the word "exceed", to strike out "$8,500" and insert "$10,000."

On page 54, line 23, after the word "exceed", to strike out "$78,710" and insert "$92,600."

On page 55, line 1, after "War Manpower Commission", to strike out "$525,300" and insert "$618,000."

On page 55, line 2, after "Office of War Mobilization and Reconversion", to strike out $8,075" and insert "$9,500."

On page 55, line 4, after the word "exceed", to strike out "$298,006" and insert "$350,595."

On page 55, line 7, after the word "exceed", to strike out "$33,150" and insert "$39,000."

Under the subhead "Independent Executive Agencies," on page 55, line 18, after "Civil Service Commission", to strike out "$224,400" and insert "$264,000."

On page 55, line 19, after "Employees' Compensation Commission", to strike out "$11,050" and insert "$13,000."

On page 55, line 22, after the word "exceed", to strike out "$10,285" and insert "$12,100."

On page 55, line 24, after "Federal Power Commission", to strike out "$4,165" and insert "$4,900."

On page 55, line 25, after "Federal Security Agency", to strike out "$425,000" and insert "$500,000."

On page 56, line 1, after the word "exceed", to strike out "$3,443" and insert "$4,050."

On page 56, line 4, after "Federal Works Agency", to strike out "$28,050" and insert "$33,000."

On page 56, line 7, after "1945", to strike out "$38,250" and insert "$45,000."

On page 56, line 10, after "Interstate Commerce Commission", to strike out "$21,250" and insert "$25,000."

On page 56, line 12, after the word "exceed", to strike out "$4,272" and insert "$5,025."

On page 56, line 14, after the word "exceed", to strike out "$2,550" and insert "$3,000."

On page 56, line 17, after the word "Authority", to strike out "$2,550" and insert "$3,000."

On page 56, line 21, after the word "Agency", to strike out "$275,170" and insert "$323,729"; in line 25, before the word "Federal", to strike out "$6,375" and insert "$7,500"; on page 57, line 1, before the word "Federal", to strike out "$138,065" and insert "$162,429"; in the same line, after the word "Administration", to strike out "$34,000" and insert "$40,000"; and in line 2, after the word "Authority", to strike out "$96,730" and insert "$113,800."

On page 57, line 4, after the word "Board", to strike out "$15,045" and insert "$17,700."

On page 57, line 6, after the word "Board", to strike out "$659" and insert "$775."

On page 7, line 7, after the word "Board", to strike out "$25,500" and insert "$30,000."

On page 57, line 9, after the word "exceed", to strike out "$12,750" and insert "$15,000."

On page 57, line 11, after the word "exceed", to strike out "$2,040,000" and insert "$2,400,000."

On page 57, line 14, after the word "exceed", to strike out "$4,284" and insert "$5,040."

On page 57, line 18, after the word "exceed", to strike out "$1,186" and insert "$1,395."

On page 57, line 21, after the word "exceed", to strike out "$489" and insert "$575."

On page 57, line 23, after the word "exceed", to strike out "$45,900" and insert "$54,000."

On page 57, line 25, after "Veterans' Administration", to strike out "$446,250" and insert "$525,000."

On page 58, line 2, before the word "within", to strike out "$76,500" and insert "$90,000."

On page 58, line 7, after the word "exceed", to strike out "$850" and insert "$1,000."

Under the subhead "District of Columbia", on page 58, line 11, after the word "exceed", to strike out "$192" and insert "$225."

On page 58, line 16, after the word "exceed", to strike out "$400" and insert "$470."

On page 58, line 18, after the word "exceed", to strike out "$447" and insert "$525."

On page 58, line 21, after the word "exceed", to strike out "$425" and insert "$500."

On page 58, line 24, after the word "exceed", to strike out "$107" and insert "$125."

On page 59, line 3, after the word "exceed", to strike out "$425" and insert "$500."

Under the subhead "Department of Agriculture," on page 59, line 8, after the word "Administration", to strike out "$2,905,300" and insert "$3,418,000"; and in line 9, after the word "exceed", to strike out "$23,970" and insert "$28,200."

Under the subhead "Department of Commerce," on page 59, line 14, after "loan agencies)", to strike out "$263,500" and insert "$310,000."

On page 59, line 17, after "1945", to strike out "$3,145" and insert "$3,700."

On page 59, line 21, after the word "exceed", to strike out "$22,525" and insert "$26,500."

Under the subhead "Department of the Interior," on page 59, line 25, after "For the Department of the Interior", to strike out "$238,000" and insert "$280,000."

On page 60, line 2, after "For the Department of Justice", to strike out "$297,500" and insert "$350,000."

On page 60, line 4, after "For the Department of Labor", to strike out "$99,025" and insert "$116,500."

On page 60, line 6, after "For the State Department", to strike out "$42,500" and insert "$50,000."

On page 60, line 8, after "For the Treasury Department", to strike out "$5,412,800" and insert "$6,368,000."

Under the subhead "War Department—Civil Functions," on page 60, line 11, after the word "exceed", to strike out "$6,715" and insert "$7,900."

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the heading "Title III—Judgments and authorized claims—Property damage claims," on page 61, line 13, after "Federal Works Agency", to strike out "$903.80" and insert "$736.71."

The amendment was agreed to.

The next amendment was, on page 61, line 24, after the words "In all", to strike out "$95,222.02" and insert "$95,054.93."

The amendment was agreed to.

Mr. BURTON. Mr. President, I should like to ask the Senator from Tennessee or the Senator from Arizona a question. As I understand, a number of the penalty mail amendments are all based upon precisely the same rule of procedure.

Mr. McKELLAR. That is correct.

Mr. BURTON. Will the Senator please state for the RECORD what that rule is? That will explain every one of them.

Mr. HAYDEN. Mr. President, the amounts stated in the amendments are the amounts which were estimated for in the Budget estimates. They are the amounts which are required by the departments. The House simply slashed every one of them by 15 percent. Representatives of several of the departments, particularly the Department of Agriculture, appeared before our committee and stated that the departments simply could not function with the slash. In order to get the matter to conference we restored the Budget estimate in each instance.

Mr. BURTON. As I understand, every one of these changes is explained in the same manner—that is, it is a restoration of the Budget estimate.

Mr. McKELLAR. Exactly. Of course, each item will be considered in conference.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the heading "Title IV—General provisions," on page 86, after line 7, to insert a new section, as follows:

SEC. 404. That during the fiscal year 1945 there shall be available for expenditure or obligation for long-distance telephone tolls and for telegrams and cablegrams by the Department of Agriculture, the Department of Commerce, the Department of the Interior, the Department of Justice, the Department of Labor, the Treasury Department, and the Post Office Department not to exceed 90 percent in the case of each of said Departments of the amounts included for such purposes in the Budget estimates for the fiscal year 1945 under the schedules in the Budget under the heading "Communication services": *Provided further*, That the savings hereby effected in the items for long-distance telephone tolls and for telegrams and cablegrams for each of the said Departments shall not be diverted to other use but shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That section 8 of the Interior Department Appropriation Act, 1945, is hereby repealed.

The amendment was agreed to.

The next amendment was, on page 87, line 1, to change the section number from 404 to 405.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Without objection, the clerks will be authorized to renumber the sections.

The bill is before the Senate and open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill H. R. 5587 was read the third time and passed.

Mr. McKELLAR. I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS conferees on the part of the Senate.

INCREASED CLERICAL ASSISTANCE FOR MEMBERS OF CONGRESS

Mr. McKELLAR. I move that the Senate proceed to the consideration of House bill 5590, which increases the allowances for clerical assistance to Members of Congress, and which has already been discussed.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5590) to increase clerk hire, and for other purposes, which had been reported from the Committee on Appropriations with an amendment on page 3, after line 6, to insert a new section, as follows:

SEC. 2. Effective January 1, 1945—

(a) The paragraph in the Legislative Branch Appropriation Act, 1945, which permits Senators and chairmen of standing committees of the Senate to rearrange the schedule of basic salaries of employees in their respective offices or committees is hereby amended by striking out "$4,500" wherever it appears and inserting in lieu thereof "$5,040."

(b) The aggregate amount of the basic compensation authorized to be paid to employees in the offices of Senators (including employees of standing committees of which Senators are chairman) is hereby increased by (1) $4,020 in the case of each Senator from a State which has a population of less than 4,000,000 inhabitants and (2) by $5,040 in the case of each Senator from a State which has a population of 4,000,000 or more inhabitants.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. TAFT. Mr. President, this is the authorization bill relating to the salaries of clerical employees. The only limitation now imposed on salaries of employees of Senators is the maximum limitation, under which no employee may be paid more than $4,500. It is proposed by this amendment to raise the amount to $5,040.

Mr. McKELLAR. That is correct.

Mr. TAFT. That has no relation to the salary of any person stated in the appropriation bill. I cannot understand why, in rearranging the staff of a Senator, he should be limited to $5,040. I can not see that it would in any way change the general arrangement made by the committee if that figure were increased to $6,600, which it seems to me would accomplish all the purposes sought by various Senators in obtaining assistants of greater ability in the research field. If this amount were increased, of course, a Senator might pay his secretary $6,600, or he might use it for the employment of some other person.

The amendment would also allot $4,000 or $5,000 more for employees in the offices of Senators. Under existing circumstances, $500 of that amount might be paid to a secretary, but the remainder must be paid to the other employees.

Mr. McKELLAR. Mr. President, we have just been through a very long debate on this subject——

Mr. TAFT. What I wish to do is to offer an amendment, on page 3, line 13, in the committee amendment, to strike out the figures "$5,040" and insert in lieu thereof "$6,600."

I do not understand the philosophy of the committee amendment. When we grant to Senators the right to distribute the funds allotted to them among all their employees, why should we then impose a maximum limit, and say to Senators, "Under no circumstances may you pay an employee more than $5,040." I cannot understand the basis for that restriction, after removing all other restrictions in the rearrangement of a Senator's staff.

Mr. President, I offer the amendment to which I have referred. I can see no reason why it would change the other arrangements of the committee, except in the single respect which I have mentioned. Perhaps I am going a little further than the committee went. My amendment would cost the Government no more money. The committee has already approved the additional allotment of funds. Now I am proposing that we simply remove the restriction, or place the maximum limit higher, so that we can pay either a secretary or a special assistant more than $5,040.

Mr. McKELLAR. Mr. President, the trouble is that apparently it is impossible to pass a measure increasing clerk hire for Senators, to the absolute satisfaction of every Senator. This bill, together with the committee amendment, has received very careful consideration by our committee, as has been shown.

When I came to the Senate, the limit on salaries to employees of Senators was much lower than it is today. Since 1929 the limit has been $3,900. Before that time I understand that it was even lower. I have forgotten what I paid when I first came to the Senate, but it was less than $3,900. The limit was fixed at $3,900 in 1929. After that time the House increased its limit, and we likewise increased our limit to $4,500. The committee amendment would increase the limit to $5,040.

If we remove all limitations, we shall be out of line with the House. I think it would be exceedingly unwise to increase the amount which Senators may expend for clerical assistance almost at will, and fix no limit upon it, or fix a very high limit.

I hope the Senator from Ohio will not insist upon his amendment. If he does, then I hope Senators will vote down the amendment. All I can say is that this subject has been given the most careful consideration by one of the best subcommittees that could have been appointed in the Committee on Appropriations. It has been gone over most carefully, and I am absolutely sure that under the limitations set forth in the committee amendment Senators could readjust salaries so as to take care of every need.

Mr. TAFT. Mr. President, when I came to the Senate 6 years ago the salaries of secretaries to Senators were limited to $3,900. I made a general inquiry into the subject, and I found very few Senators who were not paying out of their own pockets an additional sum over the $3,900. Today the limit is $4,500, and there are still a number of Senators who are paying additional sums to their secretaries out of their own pockets. It seems to me that if we were to start on a scientific basis to organize a senatorial staff, we should certainly start with a man who would receive a salary of $6,600.

I do not see that the Senator from Tennessee has made any argument against such an allotment of funds. The departments are simply full of persons being paid $6,500 a year, and many of them assist our committees or special committees assigned to our regular committees. In the whole field of research and in the field of the type of work which must be done by secretaries, the scale of salaries has risen steadily. A Senator would not have to pay all the money to his secretary; he would be able to distribute the money among other persons, if he chose to do so. But if a Senator thinks that such a plan is the best arrangement relative to clerical help, he should not be limited by a provision to the effect that he could not pay any one person in his office more than $5,000.

Mr. McKELLAR. Mr. President, the Senator has spoken of salaries which have been raised to such large proportions in the various departments of government; but let me point out that the Senator has heard interminable criticism of that, too. So far as I know, however, no one has criticized the plan which the committee has undertaken to propose, except certain Senators themselves. No persons outside the Senate have criticized the plan, although many persons have criticized the salaries now being paid to many of the employees of the various departments and agencies of government.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LA FOLLETTE. As I understand the plan of the Senator from Ohio, it will not make an additional dollar available to a Senator, but it will simply enable a Senator to readjust the number of persons in his office and their salaries, if he is able to do so, and to pay the amount he suggests to a single individual if he desires to do so.

Mr. TAFT. That is correct.

Mr. LA FOLLETTE. But I understand that the amendment will not take one more dollar out of the Treasury.

Since we have removed the limitation as to the number of persons, it seems to me, we should increase the maximum amount which can be paid to a single individual. I do not think that could be subject to any legitimate criticism, because it would not be increasing the committee's proposal in dollars and cents by one penny.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio. [Putting the question.]

The Chair is in doubt.

Mr. TAFT. I ask for a division.

On a division the amendment was rejected.

Mr. WHERRY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report by the Executive Office of the President on clerks for the White House Office for the fiscal year 1945.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT—THE WHITE HOUSE OFFICE—FOR FISCAL YEAR 1945 [1]

1 CAF–16 employee at $10,000, secretary to President.
1 CAF–16 employee at $10,000, secretary to President.
1 CAF–16 employee at $10,000, secretary to President.
1 employee at $10,000, administrative assistant to President.
1 employee at $10,000, administrative assistant to President.
1 employee at $10,000, administrative assistant to President.
1 employee at $10,000, administrative assistant to President.
1 employee at $10,000, administrative assistant to President.
1 employee at $10,000, administrative assistant to President.
1 CAF–15 employee at $8,000, executive clerk.
1 CAF–14 employee at $7,000, special executive assistant.
1 CAF–13 employee at $5,600, executive clerk.
1 CAF–13 employee at $5,600, administrative officer.
1 CAF–13 employee at $5,600, personal secretary.
1 CAF–12 employee at $5,200, social secretary.
1 CAF–12 employee at $4,600, administrative officer.
1 CAF–12 employee at $4,600, administrative officer.
1 CAF–12 employee at $4,600, administrative officer.
Total, 18 employees at $140,800 in salaries per annum.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 2, after line 13.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BERTHA LE FRANCQ

Mr. ROBERTSON. Mr. President, on December 6, House bill 4333, making an appropriation of $3,805 for the relief of Bertha Le Francq was reported by the Committee on Claims to the Senate, with an amendment striking out the sum $3,805, and inserting in lieu thereof $4,250. Through an error, the reported prints of the bill did not show that any amendment was proposed by the committee, but they showed the committee amendment figures in roman type as the

[1] Source is the Budget for fiscal year 1945 at p. 42.

amount originally provided in the bill. The bill was passed by the Senate yesterday without amendment. The error was not detected until today.

In order to carry out the purpose and intent of the Committee on Claims, I ask unanimous consent that the votes by which the bill was ordered to a third reading and passed may be reconsidered, that the committee amendment be agreed to, and that the bill as so amended may be regarded as passed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. CONNALLY. Mr. President, in regard to the request made by the Senator from Wyoming, I wish to state that it seems to me that is rather a shotgun request. If the Senator wishes to have the bill reconsidered, let it be reconsidered. But to ask unanimous consent that the bill be reconsidered and the amendment stricken out and a new amendment considered, and so forth, all by one unanimous-consent request, is not in keeping with the dignity of the Senate or with proper parliamentary practice.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

Mr. CONNALLY. I object. I do not object to having the bill reconsidered. But I wish to see the bill and to know what is in it before I vote or agree by unanimous consent or agree to have action taken in any other way.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the votes by which the bill was ordered to a third reading and passed be reconsidered.

Mr. CONNALLY. That is all right; I do not object.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, the votes are reconsidered, and the bill is before the Senate. The question is on agreeing to the amendment of the committee, which will be stated.

The LEGISLATIVE CLERK. On page 1, in line 6, after the words "sum of", it is proposed to strike out "$3,805" and insert "$4,250."

Mr. HILL. Mr. President, may the bill be stated?

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 4353) for the relief of Bertha LeFrancq.

Mr. HILL. Mr. President, what is the purpose of the amendment?

Mr. ROBERTSON. There was an error.

Mr. HILL. The purpose is merely to correct a typographical error; is that correct?

Mr. ROBERTSON. Yes.

Mr. HILL. Oh, I did not understand. Certainly I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SUSPENSION BRIDGE CONVEYOR AT SPRIGG, W. VA.

Mr. CHANDLER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 5206, calendar No. 1402, an act to authorize the Belfry Coal Co., of Kentucky, to construct a bridge across the Tug Fork of the Big Sandy River. I have consulted the chairman of the Commerce Committee, the Senator from North Carolina [Mr. BAILEY], and he has no objection to the bill. I make this request at the request of the House Committee on Military Affairs. I take it there will be no objection to consideration of the bill or to the bill itself.

Mr. WHITE. Mr. President, let me inquire whether the measure is a bridge bill?

Mr. CHANDLER. It is. It is Calendar No. 1402, House bill 5206. It would authorize the construction of a local bridge in a local community.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5206) to authorize Belfry Coal Co., to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

Mr. McKELLAR. Mr. President, yesterday House bill 5566, an act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944, was reached on the calendar, but objection was made by the Senator from Ohio [Mr. TAFT]. I have asked the Senator from Ohio if he would not look into the matter further to see whether the objection could be withdrawn. He has indicated to me that it could be.

Therefore, in view of that situation, I ask unanimous consent to have the bill considered and passed.

Mr. TAFT. Mr. President, my objection is withdrawn. I have conferred with representatives of the R. E. A. about the bill, and I no longer have any objection.

Mr. McKELLAR. I thank the Senator.

Mr. WHITE. Mr. President, what is the calendar number of the bill?

Mr. McKELLAR. The bill is Calendar No. 1397, House bill 5566.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 5566) to amend section 502 (a) of the Department of Agriculture Organic Act of 1944, was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR subsequently said: Mr. President, with regard to House bill 5566, which we considered and passed a short time ago, I ask unanimous consent to insert in the RECORD following the passage of the bill, the departmental statement which I send forward.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D. C., December 15, 1944.

Hon. KENNETH MCKELLAR,
United States Senate.

DEAR SENATOR MCKELLAR: In accordance with your request I am sending you herewith information concerning H. R. 5566 which is pending in the Senate, having passed the House.

Enactment of this measure, in its present form, would make possible the refinancing of certain loans made by Tennessee Valley Authority pursuant to the provisions of the Tennessee Valley Authority Act of 1933. Fourteen R. E. A. borrowers have also incurred indebtedness to T. V. A. Eleven of these borrowing units are cooperative associations operating in Tennessee, Mississippi, Alabama, and Georgia. Two are Alabama municipalities, and one is a Tennesese municipality. In addition, four cooperative associations, which, to date, have not been recipients of R. E. A. loans, are indebted to T. V. A.

It would seem entirely consistent with sound business principles to consolidate in one agency the responsibility for Federal loans made for the purpose of extending central station electric service in rural areas. By making possible the refinancing by R. E. A. of this indebtedness to T. V. A., an annual saving of 1.5 percent to these borrowers can be effected. The indebtedness to T. V. A. bears interest at the rate of 3.5 percent, while the interest rate for R. E. A. loans made under section 4 of the Rural Electrification Act, as amended by the Pace Act, is 2 percent. The consolidation of financing contemplated by this proposal will undoubtedly be to the advantage of the borrowers and the resulting reduction in interest rate may make possible an acceleration of further extension of central station electric service in the areas affected.

According to our present information, the total balance of loans outstanding from T. V. A. to cooperatives is approximately $2,800,000. While we have no present knowledge as to the total amount of such refinancing which might be requested under the proposed legislation, the provisions of H. R. 5566 are so worded that the refinancing will not interfere with construction programs to reach persons not now served with electricity in the States involved. The provision in the bill authorizing the refinancing from sums made available by section 3 (d) and 3 (e) of the Rural Electrification Act without regard to the limitations contained in the section will preserve so far as possible for the States involved the maximum sums to which they would be entitled for new construction. To the extent that it is possible, it is contemplated that such refinancing of obligations owing to the Tennessee Valley Authority will be accomplished out of "carry-over" funds from preceding fiscal years as provided in section 3 (e) and that such refinancing loans will not be charged against sums available to the States involved for other purposes.

Since Congress has already determined the policy of 2 percent interest on R. E. A. obligations, including all loans that are presently outstanding as well as new loans, it would seem logical that all cooperatives engaged in rural electrification with Government financing should pay the same interest rate. An additional advantage of the bill, endorsed both by T. V. A. and R. E. A., is a simplification in administration of this Government program and elimination of the present necessity of certain borrowers dealing with two lending agencies with respect to a single program and business activity.

Sincerely yours,

VINCENT D. NICHOLSON,
Deputy Administrator.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LUCAS in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which, with the exception of those in the Army and Navy, were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Immigration:

Ugo Carusi, of the District of Columbia, to be Commissioner of Immigration and Naturalization, United States Department of Justice, vice Earl G. Harrison, resigned.

By Mr. CONNALLY, from the Committee on Foreign Relations:

William W. Corcoran, of Massachusetts, now a Foreign Service officer of class 5 and a secretary in the Diplomatic Service, to be also a consul general; and

Charles W. Lewis, Jr., of Michigan, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general.

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Bankhead	Hall	Revercomb
Bilbo	Hatch	Reynolds
Brewster	Hawkes	Robertson
Brooks	Hayden	Russell
Buck	Hill	Shipstead
Burton	Holman	Smith
Bushfield	Jenner	Stewart
Butler	Johnson, Calif.	Taft
Byrd	Johnson, Colo.	Thomas, Idaho
Capper	La Follette	Thomas, Okla.
Caraway	Langer	Thomas, Utah
Chandler	Lucas	Truman
Chavez	McCarran	Tunnell
Clark, Mo.	McClellan	Vandenberg
Connally	McFarland	Walsh
Cordon	McKellar	Weeks
Danaher	Magnuson	Wheeler
Davis	Maloney	Wherry
Downey	Maybank	White
Ellender	Millikin	Wiley
Ferguson	Murray	Willis
George	O'Daniel	Wilson
Gerry	O'Mahoney	
Gillette	Overton	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

SURPLUS PROPERTY BOARD

Mr. LA FOLLETTE. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Chair will state that the Chair hopes the Senate will cooperate in attempting to keep order while the Senate is in executive session. The Chair will also respectfully request the occupants of the galleries to keep order, and asks those in the rear of the Chamber to kindly be seated, so far as possible, and cooperate. Then we can expedite the business of the Senate, which is important.

The clerk will state the nominations on the Executive Calendar.

The legislative clerk read as follows:

Nominations passed over—Surplus Property Board.

Mr. CHANDLER. I move that the Senate proceed to consider the nominations of the two members of the Surplus Property Board.

Mr. CONNALLY. Will the Senator yield?

Mr. CHANDLER. I yield.

Mr. CONNALLY. The Senate has before it a number of nominations in the State Department. I am extremely anxious to have the Senate consider them at the earliest possible moment. I am not, however, going to make any motion which would displace that of the Senator from Kentucky, but I do hope the Senate will act with all speed in the consideration of any business which would in anywise delay or hinder the consideration of the State Department nominations.

Mr. President, this is a very critical period in our foreign relations. With one exception, the nominations in the State Department constitute the entire organization of the high officials of the State Department, there being only one Assistant Secretary there now. Under the Constitution and under the decisions of the courts, the President is our sole representative in conferring and negotiating with foreign nations, and it is of the highest importance that he have as his servants and subordinates men of his choice. These nominations are all the personal choices of the President of the United States, who, I feel, has the backing and the support of the Senate, the Congress, and the people of the United States, in the very onerous duties he has upon him in conducting our foreign relations. I am extremely anxious that our boys on the fighting front and our enemies, as well as our allies, may realize that we are not going to hesitate or delay in acting upon these nominations, which are of such vital importance not alone to our own country, but to all those with whom we are associated in the war.

Mr. CLARK of Missouri. Will the Senator yield?

Mr. CONNALLY. I do not have the floor.

Mr. CHANDLER. I yield.

Mr. CLARK of Missouri. I have a boy who is a private first class in the Marine Corps, and I should like to ask the Senator from Texas whether he thinks it is essential to winning the war to have a fellow like MacLeish confirmed. If the Senator can convince me of that, I shall be very glad indeed to yield.

Mr. CHANDLER. Mr. President, I believe I will not yield for an answer to that question at the moment. That can be answered a little later.

The PRESIDING OFFICER. The clerk will report the nominations.

Mr. AUSTIN. Mr. President——

Mr. CHANDLER. I have the floor.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. CHANDLER. I decline to yield for the present.

Mr. AUSTIN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state his parliamentary inquiry.

Mr. AUSTIN. Is there a request for unanimous consent pending?

The PRESIDING OFFICER. There is nothing before the Senate at this time.

The clerk will state the nominations.

Mr. DANAHER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it,

Mr. DANAHER. Did not the Senator from Kentucky move that the Senate proceed with the executive nomination of Mr. Robert A. Hurley and Lt. Col. Edward Heller?

The PRESIDING OFFICER. The first thing that comes before the Senate is what is on the Executive Calendar, which is the names of those who have been appointed. Then it will be necessary for the Senate to take up the question as to whether it will advise and consent.

Mr. DANAHER. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. Has the Senate discretion as to the order in which it may proceed to consider nominations of the Executive Calendar?

The PRESIDING OFFICER. The regular order would be to take them up as they appear on the calendar, but the Senate can do anything it wishes to do.

Mr. DANAHER. Mr. President, I would respectfully move that the Senate proceed to the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. CHANDLER. Mr. President, I make the point or order that that motion is not in order.

The PRESIDING OFFICER. The point of order is sustained. The clerk will report the first nomination on the Calendar.

Mr. CLARK of Missouri. I make the point of order that there is not a quorum present.

Mr. WHITE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. Is it now in order to move to postpone the consideration of the nominations of the members of the Surplus Property Board to a time certain, or indefinitely?

Mr. CHANDLER. Mr. President, I make the point of order that such a motion is not in order, because the Senator from Kentucky has the floor.

The PRESIDING OFFICER. The Chair will state that the motion is not in order until something is before the Senate, as the Chair has tried to state. If the Senate will permit the clerk to state to the Senate the first nomination on the calendar, then that question would be in order.

Mr. TAFT. A point of order.

Mr. CLARK of Missouri. A parliamentary inquiry.

Mr. TAFT. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. When the name is stated, during the time it is being stated, can the Senator from Kentucky retain the floor?

Mr. CHANDLER. You see if he cannot. [Laughter.]

Mr. CLARK of Missouri. A parliamentary inquiry.

Mr. TAFT. I should like to have an answer to my inquiry, whether that does not automatically take every Senator off the floor.

The PRESIDING OFFICER. The clerk will state the first name on the Executive Calendar.

Mr. CLARK of Missouri. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Missouri will state it.

Mr. CLARK of Missouri. Did the Presiding Officer state that I could not make a point of no quorum?

Mr. CHANDLER. Mr. President, I have not yielded for that purpose.

The PRESIDING OFFICER. There is nothing before the Chair to decide.

Mr. CLARK of Missouri. I make the point of no quorum.

The PRESIDING OFFICER. The Senator from Kentucky did not yield for that purpose.

Mr. CHANDLER. I did not yield for that purpose.

Mr. CLARK of Missouri. Very well. I will stand on my feet until some business has been transacted, and I will make the point of order.

The PRESIDING OFFICER. The clerk will report the first nomination.

Mr. AUSTIN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state it.

Mr. AUSTIN. What is the parliamentary effect of having the clerk report the first name on the calendar?

The PRESIDING OFFICER. The Chair has tried to state to the Senate that it is necessary to have something before the Senate before any business can be transacted, and when the clerk reports the name of the first one who has been nominated by the President for the Surplus Property Board, then there will be something before the Senate.

Mr. AUSTIN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. What will be the effect on the parliamentary situation of this report by the clerk? What will be the situation in the Senate?

The PRESIDING OFFICER. When that is stated, then the question before the Senate will be, Will the Senate advise and consent to the nomination?

Mr. CLARK of Missouri. Whose nomination?

The PRESIDING OFFICER. The nomination stated by the clerk.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. Is not the effect of that procedure then that the Presiding Officer of the Senate determines, without consideration by the Senate, the question of whether that nomination shall be before the Senate? That is a straight question.

Mr. CONNALLY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Texas will state the point of order.

Mr. CONNALLY. The point of order I make is that if the Chair submits the nomination, then any Senator may make any motion to postpone with regard to the nomination, but a Senator cannot do so until the nomination is presented to the Senate.

Mr. AUSTIN. Mr. President, a further parliamentary inquiry.

Mr. CHANDLER. Mr. President, Senators cannot by such a device take the Senator from Kentucky off the floor. I am going to keep the floor, and I now serve notice that I shall keep the floor.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that it has been the universal practice since he has been here that nominations are taken up in order. What motion may be made after they are taken up in order, or during the debate, is something else that may come along during the regular parliamentary procedure.

Mr. CLARK of Missouri. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. I made a point of order a moment ago when one of these nominations was called, suggesting the absence of a quorum. If the roll has been called I have not been able to hear it.

The PRESIDING OFFICER. The Senator from Kentucky [Mr. CHANDLER] still has the floor.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. CHANDLER. No; I decline to yield for the purpose the Senator has in mind.

The PRESIDING OFFICER. The Senator from Kentucky declines to yield for the purpose suggested by the Senator from Missouri.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. Can a Senator keep the floor while business is being transacted by the Presiding Officer of the Senate which amounts to placing before the Senate a nomination?

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky to speak after the business is transacted.

Mr. HILL. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HILL. Is it not true, as the Chair stated, that a nomination has to be stated in order that business may be before the Senate.

The PRESIDING OFFICER. That is correct.

Mr. HILL. And then the fact that a Senator is recognized on the nomination does not defeat any other Senator's right at any later time to make any motion which may otherwise be in order in reference to the nomination. If any Senator wants to make a motion to postpone the consideration of the nomination to a later date, or anything of that kind, the fact that another Senator had made a speech in behalf of a nomination or opposed to a nomination would not interfere with the right to make such a motion. Is that not correct?

Mr. CHANDLER. Mr. President, as soon as these matters are disposed of, if they are disposed of, the Senator from Kentucky is going to have business with the Senate.

The PRESIDING OFFICER. The Chair will answer the Senator from Alabama. The Senator from Alabama has stated the situation correctly. The Senate will operate under rule XXII as soon as the business is started. Any Senator can make any motion in line with rule XXII at any time he receives recognition to do so.

The clerk will now state the nomination.

The legislative clerk read the nomination of Robert A. Hurley, of Connecticut, to be a member of the Surplus Property Board.

Mr. CHANDLER. Mr. President——

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. CHANDLER. I ask the Senate to proceed to consideration of the nomination of Robert A. Hurley, of Connecticut, to be a member of the Surplus Property Board, and, if there is no objection, I should like to have also Lt. Col. Edward Heller's name considered at the same time.

Mr. WHITE. I object.

Mr. CHANDLER. Mr. President, I want to discuss with the Senate at this time the nomination of Robert A. Hurley, of Connecticut.

Mr. CLARK of Missouri. Mr. President——

Mr. CHANDLER. Mr. President, Robert A. Hurley——

Mr. CLARK of Missouri. Mr. President——

Mr. CHANDLER. I have not yielded.

Mr. CLARK of Missouri. Mr. President, before the Senator proceeds I certainly have the right to suggest the absence of a quorum.

Mr. CHANDLER. I do not yield for that purpose.

Mr. CLARK of Missouri. I do not care whether the Senator from Kentucky yields for that purpose or not. Before he undertakes to make a speech I am certainly entitled to suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Missouri is out of order. The Senator from Kentucky has the floor.

Mr. CLARK of Missouri. Does the Chair mean to say that the Senator from Kentucky can take the floor and make a speech in the absence of a quorum? That is the most remarkable rule that

has been made in the Senate for a hundred years.

Mr. CHANDLER. Mr. President, I want to speak to the two or three Senators who are present. [Laughter.] I have no desire for a crowd.

Mr. CLARK of Missouri. Mr. President, I insist on my right to make the point of order that there is no quorum present.

The PRESIDING OFFICER. The point of order is overruled. The Senator from Kentucky did not yield for that purpose.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. CHANDLER. I yield for a question.

Mr. VANDENBERG. Does the Senator understand that the able Senator from Vermont [Mr. AUSTIN], who certainly has been a very faithful member of the Military Affairs Committee in the consideration of these nominations, is proposing to ask simply that the nominations go over until the printed record is available, and should he be foreclosed from raising that point before the nominations are brought up, in the Senator's opinion?

Mr. CHANDLER. I am glad to answer the Senator. Under ordinary circumstances I would join with my friend the Senator from Vermont and say that consideration of such important matters as these ought not to be had until the records are fully completed or printed. I want to say to the Senator that I have complete records of the hearings on my desk. But if it is proposed to lay aside the Surplus Property Board nominations, upon which admittedly the hearings are not printed, and every Senator will not have a copy when the nominations are discussed, and take up State Department nominations, with respect to which the record is not complete—if the business is so important that it has to be rushed, then I prefer to be in front and rush my own first, and the others can be rushed later. That is the practical proposition which is presented here.

Mr. VANDENBERG. So the Senator is proceeding on a filibuster against a menace which he foresees confronting him later?

Mr. CHANDLER. No; but if I can get these nominations before the Senate and if within a reasonable time I can have the Senate proceed to vote on the nominations, I certainly am not going to filibuster on the nominations. I am going to make a reasonable presentation.

Mr. CLARK of Missouri. The Senator is not going to save any time.

Mr. CHANDLER. Let me proceed.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield for a question.

Mr. AUSTIN. I should like to ask the Senator from Kentucky, who I have found is always reasonable and fair, whether we cannot clear the atmosphere of a little confusion, if we state clearly that our purpose is not to delay the consideration of the Surplus Property Board nominations, and it is not our purpose to put them behind the State Department nominations, and that the whole point is that we ought not to consider these nominations until we have the printed hearings before us, because the discussion is sure to involve disagreement about what the testimony was. I have found that so up to date, and we will have to point out what the testimony was. We cannot do that with a couple of copies of typwritten transcript. I say it is simply a reasonable consideration of this matter that is necessary. Let us agree here that we will make this nomination the unfinished business, but not proceed with it until we have the printed copies of the hearings. I suggest that to the Senator.

Mr. CHANDLER. I would be agreeable to that if we would make all nominations the unfinished business of the Senate, take up nominations in order at a reasonable time, and proceed to a careful consideration of all nominations on the calendar. I intend to proceed, because these nominations have been called on the calendar. They have been before the committee. The hearings have been completed. I know that every Senator does not have a complete copy of the hearings, but I happen to have a complete record of what has gone on in the Senate Committee on Military Affairs. I am unwilling to put aside my unfinished symphony and take on another symphony which has just been begun. I am quite certain that my good friend the Senator from Texas [Mr. CONNALLY], who has to handle the State Department nominations in the Senate, also will be confronted with the same kind of objection that is now raised, because the Committee on Foreign Relations has not had time—having closed the hearings only on yesterday—to print the hearings and place a copy into the hands of every Senator.

Mr. STEWART. Mr. President, will the Senator yield for a question?

Mr. CHANDLER. I yield to the Senator from Tennessee.

Mr. STEWART. Would it be the purpose, if there is delay, to have printed the hearings concerning the nominations of Messrs. Hurley and Heller?

Mr. CHANDLER. If there were to be a delay, I take it that all of the hearings would be printed, and that in due time every Member of the Senate would have a complete copy of them.

Mr. STEWART. Would the hearings concerning the State Department nominations also be printed?

Mr. CHANDLER. If the leadership were to agree, and Members generally on both sides of the aisle should agree, I should have no objection to that. I do not know of any opposition on this side to confirmation of the nominations of Messrs. Hurley and Heller. I have not been informed that a single Senator on this side of the aisle intends to speak against the nominations of those two men. I know of one or two Members on the other side of the aisle who will speak against the nominations. I do not intend unduly to delay the Senate in the discussion of these nominations; but there may be considerable debate before the State Department nominations are confirmed. I do not forecast a filibuster against them; but if one were to be assumed, I do not wish to be behind the filibuster when I am in front of it at the moment. [Laughter.] Senators who have been behind filibusters know what it means to be behind one.

If that course were to be adopted by any Senator or group of Senators—and I do not say that it is contemplated—the State Department nominations would go out, and take the Surplus Property Board nominations out with them on the last day of the Congress. I have a reserved seat, and I prefer to keep it. [Laughter.]

Mr. STEWART. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. STEWART. It is not my purpose to try to deprive the Senator of his reserved seat. It seems to me that the observation which the Senator has made, regardless of which side of the aisle objection may come from, merely emphasizes the importance of having the hearings printed in both instances, so that every Senator may inform himself as to everything that was said. I was unable to be present on the occasion of state in the caucus room. There was quite an assemblage there on Tuesday when hearings were held with respect to the nominations for the State Department. Because of a hearing of the Small Business Committee, of which I am a member, I was unable to attend on that day. The Small Business Committee has held hearings continuously, during the day-time hours, until this afternoon at about 2 o'clock.

I have heard various reports as to the testimony, both in the case of the nominations for which the Senator seeks confirmation, of the two members of the Surplus Property Board, and also those having to do with the State Department, I should like to see printed copies of both hearings. If one is to be printed, I should like to see them both printed. The Senator has said that the nominations might be discussed at length. I believe that emphasizes the need for printed hearings, because until we can procure printed copies of the hearings, we shall not know what was said or what was not said.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. AUSTIN. With regard to the point as to the time involved in obtaining printed hearings on the Surplus Property Board nominations, I stated yesterday that the printed hearings would be ready this morning; but this morning I was informed that something had happened with respect to printing the hearings which had delayed them, so that they would not be ready today. My judgment is that we shall have them by tomorrow morning. So there need be no delay which would upset anyone. It is now 25 minutes after 4, and if we were to suspend business at this point, no harm whatever would some from it.

Mr. HILL. Mr. President, will the Senator yield?

Mr. CHANDLER. In a moment. If it were agreed by unanimous consent that the Senate should discontinue business at this point and reconvene at 11 or 12 o'clock tomorrow, and that I could then proceed to make the speech which I now intend to make, I should be glad to abide by that decision. I do not intend to abandon the floor. I shall continue to make my speech until I finish it, unless there is a unanimous consent agreement such as I have described.

Mr. HILL. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. HILL. There is a large attendance of Senators at this time. What harm could result if the Senator were to proceed with his speech at this time? I am sure the Senator has much information to give the Senate on the subject of these nominations. I can see no reason for the Senate now taking a recess, in view of the fact that the Senator is present and prepared to speak. He has a fine attendance of Senators to hear him, and he has much information to give the Senate.

Mr. CHANDLER. Mr. President, if not interrupted, I shall proceed to advocate approval by the Senate of the nomination of the former governor of Connecticut, Robert A. Hurley, to be a member of the Surplus Property Board. If given an opportunity, I shall proceed to consider the case of Lt. Col. Edward Heller. Originally I asked that the two nominations be considered together, because I thought that would save the time of the Senate.

Mr. President, every Senator and every other citizen of the country realizes the importance of a board to take charge of the more than $100,000,000,000 worth of surplus property which the people of the United States will possess when the war ends. This property is property which has been made for the armed services, for the defense of the people of the United States; and it ought to be disposed of by a board named by the President and confirmed by the Senate, which board should be able to dispose of the property to the greatest advantage to all the people of the United States.

In order to give the Senate some idea of the magnitude of this job, I should like to recall that at the close of the last war there was approximately $6,000,000,000 worth of surplus property, after the endeavors of the American people in that great war.

Not so long ago a report was made to Congress to the effect that at that time there was $104,000,000,000 worth of surplus property. The members of the Surplus Property Board—the two men whose nominations are before the Senate for consideration, in addition to a third member of the Board—will have charge of the distribution of this property to the people of the United States.

Mr. President, the Senate Committee on Military Affairs gave most careful attention to the provisions of the bill. When the bill came over from the House, the committee conducted a long series of hearings. It went over the bill item by item, and practically rewrote the entire bill. It rejected the idea of prompt disposal of the surplus property of the people of the United States. It rejected the idea that the main object should be to try to get the money into the Treasury as quickly as possible.

When complaints are made by the people that the war has cost tremendous sums of money, the answer is that we must have sufficient goods and materials to conduct the war; that war is costly; and that failure to have enough means that we might lose the war. In war the loser loses everything; so I have never been willing to join in criticism of our men in the armed services who have earnestly sought to acquire a sufficient amount of materials, and to get those materials into the hands of the Army of the United States, where they could be used against the enemies of the United States.

After this carefully prepared bill was passed by the Senate, and after the Senate had carefully considered whether or not disposition of surplus property should be left in the hands of one man—a proposal which consumed a great deal of time in debate, and was finally rejected—we passed a bill creating a three-man board. The names of two members of that board have been submitted to the Senate by the President of the United States, and the question before us is the confirmation of those nominations.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. WHEELER. I agree with what the Senator says about creating surpluses for the Army, and that it is necessary to have even more than what is expected to be used; but what is puzzling a great many persons—and I must confess that I have been asked questions about it and have been unable to answer them—is the question, What is the reason for the sudden shortage of ammunition and other supplies, when we have a vast surplus in other lines? Who is to blame for that? What is the explanation of it?

Mr. CHANDLER. Mr. President, I will say to the Senator from Montana that we are probably short 27 percent of the critical materials the Army now needs. There are many reasons for that situation. One reason is that eminent statesmen such as Mr. Churchill and others forecast the early end of the war. They were too optimistic. Some of our own people were too optimistic. They thought we had sufficient supplies for almost any emergency. As it turned out, after some plans were made to reconvert the industries of the country to peacetime pursuits, it was found that there was a shortage of supplies which were critically needed.

Another thing which caused the shortage, I will say to the Senator from Montana, was that certain officers found, after they reached the battlefront, that more shells were required than they thought would be needed. The fact was simply that more shells were fired. The explanation of the shortage is simply that there was a failure to know in advance all the hazards and complexities which would arise.

Some of the shortage is because of human failure; some of it is because of error in judgment; some of it is because of failure on the part of some of the people of our country to realize tha' the war was not over. They thought the war was about over, and they quit work and went on vacation.

There are a great number of other factors. For instance, in a democracy there is a tendency for people to think that when things are about done they can slow up and stop. There are many other factors which enter into the situation.

Mr. WHEELER. But, Mr. President, if the Senator will yield——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. CHANDLER. I yield.

Mr. WHEELER. The Government has a vast surplus of certain materials, but apparently there is a shortage of other materials. Certainly someone either made a bad miscalculation about what would really be necessary or overestimated by a great deal what we needed in the way of other articles.

Mr. CHANDLER. I think mistakes unquestionably have been made. Some articles were obtained more easily than it was anticipated they could be obtained; it was found that stocks of them were not so difficult to obtain. But what we must consider is the entire job. The whole job is the greatest job of its kind that has ever been done by any people in all the history of mankind. In this emergency the American people have produced more things and better things, and against all the hazards they have transported them across all the oceans and deserts and seas and jungles, and have put them into the hands of the American boys, who made the best possible use of them. The whole matter has been handled better than such an undertaking has been handled by any other people in all the history of mankind. So we cannot simply point out isolated instances of failure, which we all regret, and which we all must admit have happened, and say that they amount to so much that we should repudiate the whole job. Mr. President, the whole job is magnificent.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Kentucky yield to the Senator from New Mexico?

Mr. CHANDLER. I yield.

Mr. HATCH. In reference to the remarks the Senator has just been making, let me say that I recognize the deficiencies which have existed, but I am continually amazed that more mistakes have not been made.

Mr. CHANDLER. Mr. President, war needs changed. The democracies were not ready for war; they did not want war; they were not experienced in war. The manifold complexities and difficulties of the job—in short, the logistics—created some almost impossible situa-

tions. All the situations which have arisen have, in total, made the job a most difficult one.

Mr. HILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Alabama?

Mr. CHANDLER. I yield.

Mr. HILL. For instance, as the Senator from Kentucky knows, on the German front the weather has been the worst that has been experienced there in 40 years. There has been much more rain and fog and snow than ordinarily occur. What does that mean? It means that we have not been able to use our airpower as much as we estimated we would be able to use it. Ordinarily we would have been able to use it to a much greater extent, but we could not foresee the unusual weather which would prevent the normal use of our bombers and other aircraft. That meant that it was necessary to use more artillery, and that meant that more of the big guns had to fire more shells. Is that not correct?

Mr. CHANDLER. The Senator is undoubtedly correct.

Mr. HILL. There are many other factors which could be cited, which have brought about changes, and they have required changes in production in order to meet the needs.

Mr. CHANDLER. The statement of the Senator from Alabama is correct.

Mr. President, the President of the United States has undertaken to appoint a former Governor of Connecticut, Governor Hurley, and Lieutenant Colonel Heller, of San Francisco, Calif., and their names are before the Senate, for its consent and advice. Both those men appeared before the Senate Committee on Military Affairs. The Committee on Military Affairs made a careful investigation into certain charges which had been filed with the committee with respent to the conduct of the Narragansett Machine Co., of Pawtucket, R. I.

First, let me say that in the operation of that company in January 1943, Governor Hurley became its vice president in charge of production. Colonel Heller went to the Boston ordnance district as the finance officer for the Army in June 1942. At first, if unexplained, some suspicion would arise because of the fact that the President of the United States had appointed to this very important Board two men who had been working in a small community or a small section of New England.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. CHANDLER. I yield to the Senator from Montana.

Mr. WHEELER. What experience had Governor Hurley had prior to the time when he became vice president of the company?

Mr. CHANDLER. He had been Governor of Connecticut. He had been an engineer. He had his own engineering and construction firm. I will say to the Senator that, in spite of the efforts made to find something wrong with Governor Hurley, nothing of the sort was developed at the hearings.

Mr. WHEELER. The fact that he had been Governor of a State would not give him much experience——

Mr. CHANDLER. Oh, that gives a person tremendous experience. I am bound to testify what the governorship of a State will do to a person. [Laughter.]

Mr. WHEELER. But I wonder what his experience had been before he became vice president of the company in charge of production. If he had merely been a politician who was put into that position, that would be another matter.

Mr. CHANDLER. He was a Public Works Commissioner, he had been a manufacturer, and he had had his own engineering and construction firm.

Mr. WHEELER. What had he manufactured?

Mr. CHANDLER. I shall have to examine the record in order to determine that. I believe he had manufactured some automotive parts. I must consult the record on that point.

I wish to say that the record will show that there was no connection at all between these two men and the fact that they were located in one section of the country, because I am sure the record is plain that they never consulted with each other with respect to loans made by the Industrial Trust Co. of Rhode Island, by the Federal Reserve Bank of Boston, or by other financial institutions which made loans to the Narragansett Machine Co. Colonel Heller was the finance officer for the Boston ordnance district. It was his duty, when called upon by the Ordnance Department of the Army, to make investigation into companies such as the Narragansett Machine Co., to ascertain whether they could make important war material and equipment for the Army and Navy of the United States.

The Boston ordnance officials requested Colonel Heller to examine the Narragansett Co. Colonel Heller did make an inspection. He recommended to his superiors that the Narragansett Co. was in position to make important war material; that it be given a contract; and that it be given financial support by banking institutions or by the Government of the United States.

When they were asked whether the Narragansett Co., according to its record of performance and its financial condition, was entitled to a banking loan, the answer was "No." But this was an emergency, and the Government needed the things the Narragansett Machine Co. could make; and Mr. Pittman, of the Federal Reserve Bank of Boston, said that if every cent of money in the way of loans to the Narragansett Co., which the Government had guaranteed 100 percent, had been lost, nevertheless, the work the company did for the Army and Navy of the United States in making war materials which were so seriously neeeded by the Government would have entirely justified the loss.

Some question may be raised, because, after the first loan was made and Colonel Heller had recommended the loan to his superior, Colonel Meacham, in Washington, the Narragansett Co. obtained a loan which was 90 percent secured by the Government of the United States and 10 percent secured by the Industrial Bank of Rhode Island.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. HOLMAN. It is my recollection that the Narragansett Co. had a poor record of performance until Governor Hurley became associated with it as vice president and general manager, after which the efficiency of production was greatly improved. Am I not correct?

Mr. CHANDLER. I believe the Senator's statement is entirely correct. The first loan which Colonel Heller was criticized for making—he did not make the loan; he recommended it—was a loan in the amount of $2,000,000. It was made because the Narragansett Co. had contracts with the Ford Motor Co. I ask the Senator to tell me what the company was making. I do not recall at the moment.

Mr. DOWNEY. The company was making gun mounts.

Mr. CHANDLER. Yes; gun mounts. The contract amounted to more than $4,000,000 and later aggregated approximately $8,000,000. The Ford Motor Co. was a prime contractor. The Narragansett Co. was a subcontractor. The prime contract was canceled. But at the time of the cancelation of the prime contract the total amount owed to the Industrial Bank was only approximately $230,000. So at that time it was not bad business even to have made the loan, and the record of performance on the part of the Narragansett Co. in delivering gun mounts to the Ford Motor Co. was exceptional. They had delivered more gun mounts than the Ford Motor Co. was able to use in the time required. The subcontract was canceled not because of the Narragansett Co. but because of the cancelation of the prime contract held by the Ford Motor Co.

I may say that Colonel Meacham came before the committee and stated that Colonel Heller's actions as director of finance for the Army in the Boston district was exceptional, that he took no action which was not in accordance with good business or good judgment, and which was not either directed or approved by his superiors in Washington. The colonel offered the testimony of character witnesses from his native State of California. I ask unanimous consent, Mr. President, to include in my remarks at this point in the RECORD the statement of Colonel Heller's business experience.

Mr. AUSTIN. Mr. President, reserving the right to object, I should like to ask the Senator from Kentucky what is the source of the paper to which he refers? What is the authority for it?

Mr. CHANDLER. Mr. President, if the Senator wishes to raise the question of authority, I will get the record from Who's Who.

Mr. AUSTIN. I do not think the Senator should treat my question in that manner. What is the authority for the statement? Is it taken from Who's Who?

Mr. CHANDLER. No; but I will take it from Who's Who if the Senator wishes me to do so.

Mr. AUSTIN. No; I am not trying to be technical.

Mr. CHANDLER. I wished to put into the RECORD the statement which was given concerning Colonel Heller's business associations, and so forth.

Mr. AUSTIN. Was the statement made outside the committee hearing?

Mr. CHANDLER. Was it not asked for by the committee?

Mr. AUSTIN. I do not know. All I want is the source of the paper.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield to the Senator from California.

Mr. DOWNEY. I may say to the distinguished Senators that Colonel Heller sent a telegram to me stating the names of the corporations and business enterprises with which he had been connected in a general way. That telegram was introduced in evidence, and appears in the record. As a matter of fact, it was read twice, once by Mr. Pittman and once by Mr. Raymond. The material included in it is in the record at another place.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CHANDLER. If the Senator from Vermont objects, I will read the statement into the RECORD.

Mr. AUSTIN. I have not objected, Mr. President.

Mr. CHANDLER. I will read the statement into the RECORD on my own behalf and have it made a part of my remarks.

Mr. AUSTIN. I trust the Senator from Kentucky will be patient with the Senator from Vermont.

Mr. CHANDLER. I will be patient.

Mr. AUSTIN. All I want to have the RECORD show is the nature of the paper which the Senator from Kentucky has asked to have printed in the RECORD. Where did it come from? That is all I wish to know. If it is the paper to which the distinguished Senator from California [Mr. DOWNEY] has referred, I have no objection to its being printed in the RECORD. I am merely trying to identify the paper.

Mr. President, the distinguished Senator from California nodded his head in the affirmative. I should like to have him make a statement so that it may go into the RECORD.

Mr. CHANDLER. Mr. President, I should like to state that I will adopt the statement made by the Senator from California so that the Senator from Vermont will have no objection to the exhibit. I should like to have the statement of Colonel Heller's business connections, which is shown in the telegram sent to the Senator from California, and to which he has referred, incorporated in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. JOHNSON of Colorado. I ask the Senator from Kentucky if Colonel Heller is interested in the following companies: Permanente Metals Corporation of Los Angeles, the Permanente shipyards, Permanente magnesium plant, Permanente cement plant, and the former Richmond Shipbuilding Corporation.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. DOWNEY. I believe, if the Senator from Kentucky desires me to do so, I can properly answer the inquiry of the Senator from Colorado.

Mr. CHANDLER. I yield to the Senator from California.

Mr. DOWNEY. I believe the distinguished Senator from Colorado has read a list of companies largely owned and controlled by Mr. Kaiser.

Mr. JOHNSON of Colorado. That is correct.

Mr. DOWNEY. Yes. Colonel Heller has no interest in the Richmond Shipbuilding Corporation, the Permanente magnesium plant, or any other company among those which the Senator has mentioned, except that he does have a small financial interest in the Fermanente Cement Co. He has a comparatively small financial interest in that company. The other companies which the Senator has mentioned are the companies of Henry Kaiser.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

The telegram ordered to be printed in the RECORD is as follows:

Grandfather I. W. Hellman was one of founders of First Bank established in Los Angeles. Father E. S. Heller was senior member of law firm of Heller, Ehrman, White & McAuliffe. Born in San Francisco March 15, 1900. Attended San Francisco public schools. Volunteered in Army 1918, served as private in Infantry and at end of war was at Central Infantry Officers Training School, Camp MacArthur, Waco, Tex. Graduated from University of California 1921. Worked several years in Wells Fargo Bank & Union Trust Co. Became partner of Schwabacher & Co., investment bankers, and later members of New York Stock Exchange in 1925, a connection which I still retain. I was director and member of executive committee of Wells Fargo Bank for many years, since passage of bank act which required me to resign as director. I have been invited as stockholder to attend directors meetings and meetings of executive committee. As result of my connection with Schwabacher & Co., became interested and active management of concerns in diverse fields. When I again volunteered in the Army June 2, 1942, was a Director of Pacific Coast Aggregates dealing in building materials: Permanente Cement Co., Permanente Steamship Co., Roos Bros., Inc., a chain of department stores; Bankers Investment Co., an urban real estate holding company; Sonora Products Co., a concern which owns farm lands; Mark Hopkins Hotel Co.; Curle Manufacturing Co., a machine shop; and Pigin Whistle Corp., a chain of restaurants. I am a substantial stockholder but not a director of Pacific Intermountain Express Co., a motor truck common carrier operating between Los Angeles and San Francisco in the West and Kansas City and St. Louis in the East. I am a regent of the University of California. Was commissioned as above stated on June 2, 1942, as a major and assigned as liaison officer in the office of the Fiscal Director, Special Financial Services Division, Washington. Was sent to the Federal Reserve Bank of Boston in the same month to assist in making War Department guarantees of loans to concerns doing work necessary to the war effort, and have remained in Boston since. Was promoted to lieutenant colonel September 23, 1943. You can obtain details of my Army record by securing my 201 file which is in Washington or by communicating with my Chief, Col. John C. Mechem, chief, Special Financial Services Division, Office of the Fiscal Director, Republic 6700, extension 3364.

EDWARD H. HELLER.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. JOHNSON of Colorado. I ask the Senator from Kentucky if Colonel Heller has any interest whatever in the Kaiser Co., Inc., the Fontana Steel Co., at Fontana, Calif., or the holding company of that company known as the Henry Kaiser Co.? Does the colonel have any interest in any of the business enterprises to which I have referred?

Mr. CHANDLER. Mr. President, I can only say that I have no personal knowledge of Colonel Heller's connections, and I do not recall anything in the record which would answer the question propounded by the Senator from Colorado.

Mr. JOHNSON of Colorado. If there were anything in the record I would not have asked the Senator.

Mr. CHANDLER. I am merely saying that I have no information about the matter. I do not know what else I can say to the Senator. I have no information about the subject.

Mr. JOHNSON of Colorado. The Senator is proposing to put into the RECORD the names of companies in which Colonel Heller is interested, and I want to know whether he has any financial interest in those companies.

Mr. CHANDLER. In proposing to place the names of the companies into the RECORD I was proposing to put them all in. I have no objection if the Senator from Colorado can prove that Colonel Heller has any interest in any other company.

Mr. JOHNSON of Colorado. I am not trying to prove anything. I am trying to obtain some information. The Senator from Kentucky has told us about Colonel Heller's financial holdings. I should like to know whether he has an interest in the companies to which I have made reference.

Mr. CHANDLER. I can answer that, Mr. President. I do not know. I would have put it in if I had known.

Mr. DOWNEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from California?

Mr. CHANDLER. I yield.

Mr. DOWNEY. I might state to the distinguished Senator from Colorado that I discussed with Colonel Heller in a general way the various and many enterprises with which he is connected. As the Senator should be advised, the record shows that he is a very wealthy man, with very large interests, and is managing director in many large affairs.

I asked Mr. Heller whether or not he was connected with Mr. Kaiser's enterprises except the Permanente Cement Co. The reason for asking him that was that Colonel Heller in his telegram to the

committee did state that he had an interest in that company, and knowing that Mr. Kaiser was also interested in it, I asked the question as I have indicated of Colonel Heller. He told me that he had no other interest with Mr. Kaiser except in the Permanente Cement Co.

Mr. JOHNSON of Colorado. That answers my question.

Mr. AUSTIN. Will the Senator from Kentucky yield?

Mr. CHANDLER. I yield.

Mr. AUSTIN. I wished to ask whether the Senator from Kentucky had, in his list of the corporations in which Colonel Heller said he was interested, the Permanente Shipbuilding Co.

Mr. CHANDLER. I understood that was in the telegram.

Mr. DOWNEY. I do not understand that the Permanente Ship Co. was in the telegram. Is it, I ask the Senator from Vermont?

Mr. AUSTIN. I do not know. I have never seen the telegram.

Mr. DOWNEY. It was introduced in the committee. It is attached to the file which the Senator has from the Military Affairs Committee. It is the first paper. I have seen it attached to the Senator's own file. It was introduced in the record.

Mr. AUSTIN. I have never seen it.

Mr. DOWNEY. I will find a copy of it.

The PRESIDING OFFICER. The Senator from Kentucky has the floor. Does he yield, and, if so, to whom?

Mr. CHANDLER. I do not yield at the moment. Let me explain that I wanted to get a statement which would show the truth of Colonel Heller's connections. My friend the Senator from Vermont by his question seeks to force me to state one. I am not certain I have one. I thought the statement was accurate. If it is not accurate, I disavow it. I just want the RECORD to show, if it can show, what the connections were. The Senator from California has said, in answer to the question, that it did show he had interest in certain business concerns. If I am asked to tell which ones they were I am not prepared to state which ones they were, because I do not know. I have heard numerous ones mentioned, but if the statement does not show the true record, I disavow it. I merely wished to ascertain the true status of his business connections.

Mr. President, I think the record will definitely show that there was no connection, so far as the Narragansett Co. and its financial operations were concerned, and so far as the Federal Reserve Bank of Boston and the Industrial Trust Co. of Rhode Island were concerned, of collusion or cooperation between Colonel Heller and Governor Hurley. It is a pure matter of coincidence that Colonel Heller came all the way from San Francisco to the New England States and was assigned there as the chief finance officer for the Army in the Boston ordnance district. Colonel Heller performed his duties at the direction of his superior officers, and, according to their testimony, he did an exceptional job. Colonel Heller handled the loans which were made to this company. It is my opinion that they produced an entire justification of the recommendations he made, and that the record will so show.

Numerous citizens from the great State of California, the home of my very dear friend the distinguished senior Senator from California [Mr. JOHNSON], who sits before me and for whom I have the warmest personal affection, appeared to testify to this man's character and to his business acumen; Democrats and Republicans, and no member of the committee would have failed to be deeply impressed with the testimony that was offered in support of Colonel Heller. They said he was an outstanding man. One man, in answer to a request, said he was a lifelong Republican, and added, "If you want me to tell you what I think of Colonel Heller, I will say that I said to my wife, 'If anything happens to me and you get in trouble with my estate, go consult Colonel Heller and then do what he says.'"

Another Republican from California said, in answer to a question by my beloved friend the Senator from Vermont as to whether or not he saw any Republican names on the list, "Senator, when I saw Colonel Heller's name on the list, I did not look for any."

In my opinion, he made before the committee a good case for himself. I was convinced that he was a careful and successful businessman, and I believe that if given this position he will do a conscientious, honest, and faithful job, and I am going a long way when I say that, because only the good Lord above knows what trouble can come to three men who undertake to handle satisfactorily to the people of the United States over a hundred billion dollars worth of surplus war property.

I do not know who the third member will be. I have suspicions that it may be my beloved friend, the senio. Senator from Iowa [Mr. GILLETTE], and if it is, every Senator here knows the character of work he will perform on a board of this sort.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. DOWNEY. I have here in my hand the telegram about which I, and, I think, the other Senators were talking. It is slightly at variance with my own memory. I think it might be worth while for the Senator to read it; it is very short, and then yield to me further for a correction of one statement I made to the Senate.

Mr. CHANDLER. Mr. President, this telegram is addressed to the Honorable SHERIDAN DOWNEY, Senate Office Building, Washington, D. C., and is dated November 22, 1944, and reads:

Grandfather I. W. Hellman was one of founders of first bank established in Los Angeles. Father E. S. Heller was senior member of law firm of Heller, Ehrman, White & McAuliffe. Born in San Francisco, March 15, 1900. Attended San Francisco public schools. Volunteered in Army 1918, served as private in infantry and at end of war was at Central Infantry Officers Training School, Camp MacArthur, Waco, Tex. Graduated from University of California 1921. Worked several years in Wells Fargo Bank & Union Trust Co. Became partner of Schwabacher & Co., investment bankers, and later members of New York Stock Exchange in 1925, a connection which I still retain. I was director and member of executive committee of Wells Fargo Bank for many years, since passage of bank act which required me to resign as director. I have been invited as stockholder to attend directors' meetings and meetings of executive committee. As result of my connection with Schwabacher & Co., became interested and active in management of concerns in diverse fields. When I again volunteered in the Army June 2, 1942, was a director of Pacific coast aggregates dealing in building materials: Permanente Cement Co., Permanente Steamship Co., Roos Bros., Inc., a chain of department stores; Bankers Investment Co., an urban real estate holding company; Sonora Products Co., a concern which owns farm lands; Mark Hopkins Hotel Co.; Curle Manufacturing Co., a machine shop; and Pigin Whistle Corp., a chain of restaurants. I am a substantial stockholder but not a director of Pacific Intermountain Express Co., a motor truck common carrier operating between Los Angeles and San Francisco in the West and Kansas City and St. Louis in the East. I am a regent of the University of California. Was commissioned as above stated on June 2, 1942, as a major and assigned as liaison officer in the office of the Fiscal Director, Special Financial Services Division, Washington. Was sent to the Federal Reserve Bank of Boston in the same month to assist in making War Department guarantees of loans to concerns doing work necessary to the war effort, and have remained in Boston since. Was promoted to lieutenant colonel September 23, 1943. You can obtain details of my Army record by securing my 201 file which is in Washington or by communicating with my chief, Col. John C. Mechem, chief, Special Financial Services Division, office of the Fiscal Director, Republic 6700, extension 3364.

EDWARD H. HELLER.

Mr. CLARK of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Missouri?

Mr. CHANDLER. I yield.

Mr. CLARK of Missouri. I think it ought to be added to the telegram from Colonel Heller, whom I never saw, that his wife is the Democratic national committeewoman in California, and she is a very lovely lady. I had the pleasure of meeting her at the last Democratic convention. She was the lady who took the California delegation away from Mrs. HELEN GAHAGAN DOUGLAS and voted it for HARRY TRUMAN.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield to the Senator from California.

Mr. DOWNEY. When I was discussing Colonel Heller's holdings with him I had before me that telegram. My recollection is it only mentioned the Permanente Cement Co. Whether or not Mr. Kaiser has an interest in the Permanente Steamship Co. I do not know. I would assume, however, from the similarity of names that he does. But what Colonel Heller told me was that he had no connection with any of the other Kaiser companies, except the ones mentioned in the telegram. I wanted that statement to appear in the RECORD.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. CHANDLER. I yield to the Senator from Nebraska.

Mr. WHERRY. In the absence of further information, does the Senator from Kentucky now mean to give the Senate the impression that these are all the corporations in which Colonel Heller has an interest, or some executive position, or does the Senator still maintain, as he said before, that he does not know whether or not the Colonel is interested in other corporations?

Mr. CHANDLER. I do not want to give the Senate any impression which is not accurate, and I disavow trying to give anything but an accurate impression. I have given the Senate his business connections, so far as I am informed. If I find there are others, and I shall inquire, I want to have them placed in the RECORD. I want every business with which he is connected placed in the RECORD.

Mr. WHERRY. I wish to thank the Senator, because in arriving at a decision with respect to the nomination it is of vital concern to the Senate that we know every business with which the colonel is affiliated, and that it be placed in the RECORD.

Mr. CHANDLER. Yes. I want to say that Colonel Heller as an Army officer in the Finance Department of the Army, whose duty it was to inspect facilities able to do important war work, has made those inspections under the direction of his superiors, one of whom was Julius H. Amberg, special assistant to the Secretary of War. He appeared before the Military Affairs Committee and expressed approval of Colonel Heller and his action. Colonel Mechem, who is his direct superior, said to the committee that this man had not done anything which had not had the approval of his superiors, or that had not been done at their direction, although he was not simply a mere "yes" man. He had performed his duties earnestly and conscientiously, and I submit there is not a single word of testimony in the entire record that casts any reflection upon the business ability or the honesty or integrity or, in my opinion, the ability of this man to perform the services he will have to perform in carrying out the provisions of the law.

I rather gained the impression from the witnesses who came from his home State that they had a high regard for his devotion generally to the public welfare and for his great anxiety to undertake to administer the provisions of the law so that the provisions of the law, as they were passed upon by the Senate Military Affairs Committee and later by the Senate, would be effectively executed, so that the surplus property could be widely spread among the people of the United States, because it belongs to the people of the United States, and was paid for by the taxpayers of the United States. The colonel does not want this property to get into the hands of speculators so that they can make profit at the expense of the people of the United States. He wants the land provisions of this act carefully executed, so that the land declared to be surplus will get into the hands of farmers and small businessmen and tenants and previous owners; that it will get into the hands of those individuals who can move onto the land and establish homes and farms and raise families and enjoy this blessed country of ours.

I was impressed not only with his record, but with his disposition and desire in the future to promote the welfare of the people of the United States through the proper administration of the act, and I repeat to the Senate that the job is a terrific one; it is a tremendous job. It is barely possible that after examination and investigation, Senators might find other individuals whom they would wish named and considered for the position, but it must be remembered that these appointments belong to the President of the United States, and that unless there is some reason for the Senate failing to advise and consent, the Senate should give the President its advice and its consent to the nominations, because ultimately the President is going to be charged with the over-all responsibility for handling the job.

We have before us the nominations of Colonel Heller and Governor Hurley. I want to say a word now for Governor Hurley. Governor Hurley has been the governor of a sovereign State, the State of Connecticut. It was brought out in the record that Governor Hurley in the last election was not reelected by the people of Connecticut. I do not want any Senator to damn individuals who are not reelected by the people, because the people have the right to defeat an individual who is running for office, as my friend former Senator Henry Ashurst used to say, for a good reason or a bad reason or for no reason at all. In the short time I have been in the Senate, which is now going on 6 years, I have seen many good men defeated for public office. I am persuaded, after having been 22 years continuously in public office, which it will be when I shall have finished my present term, without having been out of office a day, that is because of the goodness to me of the people of Kentucky, because of their kindly feeling toward me. The people can make mistakes just as politicians do, and sometimes they do, and the only difference between the people and a man who is in public office is that the man who is in public office does not always have a chance to correct himself, but every time an election comes along, if the people find they have made a mistake they usually at the first opportunity correct it.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. DOWNEY. Will not the distinguished Senator agree with me in the statement that certain Senators who were defeated in the last election were men of the very highest integrity, ability, and energy, and were a high credit to the Senate of the United States, and that the Senate will be a poorer place without them?

Mr. CHANDLER. That is exactly what I wanted to say. If Old Dobbin were placed in a race with Man-of-War he would be badly defeated. Sometimes defeat comes because of the conditions which exist at the moment. As has been said, there is a good time to run and there is a bad time to run.

Mr. DOWNEY. Mr. President, will the Senator again yield?

Mr. CHANDLER. Yes; I yield to the Senator from California.

Mr. DOWNEY. Would not the Senator agree that probably Governor Dewey can continue to do a fairly good job although he was beaten by a better man?

Mr. CHANDLER. I do not know that. I think Governor Dewey got exactly what he wanted. He said, as I recall, that he wanted to serve out his term as Governor of New York, and it may be that the people of New York decided that they wanted to help him attain that desire. Certainly the people of the United States in a measure contributed to it.

Mr. President, I wish to say that Governor Hurley made a good record as Governor of Connecticut. It will probably be urged that he was the only Democrat who did not win in Connecticut this year. I should rather have some citizen of Connecticut explain that situation, because I would not undertake to explain it. There is no record here that in any way shows the commission of any improper official act or any other act of fraud or dishonesty which disqualifies Governor Hurley from being a member of this Board. I am quite certain that if such a record could have been found it would have been produced at the hearing. So I urge the Senate, as speedily as possible, after a careful, full, and free discussion of the record of these nominees, to give the President approval of the nominees and let them proceed to this important task.

Based on the record, I express my own faith in their ability to perform these difficult duties. They will make mistakes. I am certain that it requires a courageous man even to agree to undertake this job, because it is one of the most difficult jobs that any citizen of this country will have been called upon to perform. Thousands of people in the United States will want things, and will be unable to get them because they cannot be supplied. When various things are declared surplus, there will be a rush for such materials. These men will have to tell some people, "You can have these things," and they will have to tell others, "You cannot have them, because there are not enough. They are gone." In my opinion, it will be one of the most difficult jobs that two American citizens ever undertook. They will need the prayers, good wishes, and support of every patriotic American.

The thing that we most want to do is to get this material, which has been paid for by the people of the United States, back into the hands of the people of the United States, where good use of it can be made for the benefit of as many citizens as possible.

Mr. President, I earnestly hope that after a full and free discussion, based upon the record which was produced in the hearing, the Senate will give its approval to Governor Hurley of Connecticut and Colonel Heller of California. No reason is shown in the hearings why the nominations of both men should not be confirmed.

The PRESIDING OFFICER. The question is, Will the Senate advise and

consent to the nomination of Robert A. Hurley of Connecticut to be a member of the Surplus Property Board?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the following bill and joint resolution of the Senate:

S. 1971. An act to provide for the disposal of certain mail matter condemned by the Director of Censorship; and

S. J. Res. 148. Joint resolution authorizing the disposal of certain blood-plasma reserves.

The message returned to the Senate, in compliance with its request, the bill (H.R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. ENGEL of Michigan, Mr. CASE, and Mr. KEEFE were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1963) for the relief of G. H. Garner.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 976. An act for the relief of Mr. and Mrs. Sebastian Eger;

H. R. 1023. An act to establish a Chief of Chaplains of the United States Navy;

H. R. 1284. An act relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war;

H. R. 3400. An act for the relief of LaVerne Whipple;

H. R. 3645. An act for the relief of Mary Agnes Lichtefeld Droppelman;

H. R. 4101. An act for the relief of P. E. Brannen;

H. R. 4333. An act for the relief of Bertha LeFrancq;

H. R. 4367. An act for the relief of Mrs. Julia Toler;

H. R. 4481. An act for the relief of William H. Crompton;

H. R. 4588. An act for the relief of Robert L. Whiddon; and

H. R. 5590. An act to increase clerk hire, and for other purposes.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 2005. An act for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum;

H. R. 2066. An act for the relief of A. L. Rinkenberger and John Floering; and

H. R. 4918. An act to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service.

JOINT COMMITTEE ON ORGANIZATION OF THE CONGRESS

Mr. MALONEY. Mr. President, I ask unanimous consent that, as in legislative session, the Chair lay before the Senate the amendments of the House of Representatives to Senate Concurrent Resolution 23.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

There being no objection, as in legislative session, the Presiding Officer laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 23) establishing a Joint Committee on the Organization of the Congress, which were on page 3, to strike out all after line 21 over to and including line 2 on page 4; on page 4, line 3, to strike out "(d)" and insert "(c)"; and on page 4, line 5, to strike out all after "recommendations" down to and including "study," in line 7, and insert "not later than April 1, 1945."

Mr. MALONEY. Mr. President, I am about to ask that the Senate concur in the House amendments, but I shall delay that request for a moment to make a brief explanation.

This concurrent resolution was unanimously adopted by the Senate some time ago. Amendments were offered in the Committee on Rules of the House and sustained by the House.

As the Senator sponsor of the concurrent resolution, I am disappointed in the changes which were made. The original proposal provided for a report to the House and Senate within 6 months. The House reduced the period to 3 months. I am assuming, however, and it is my understanding, on the basis of discussions which I have had with House Members, that the limitation of time provided, that is, not later than April 1, 1945, is not intended to mean that the committee will expire on that date, but is rather intended to mean that the committee must report and make recommendations by that time.

If this were at a different time, I should be hopeful that by sending the concurrent resolution to conference we might more nearly meet the desire of the Senate, and might increase the time within which the report must be made. Three months is not time enough. However, because of the lateness of the hour, and because of the seriousness of the subject, as well as the very great need for a study of the reorganization of Congress, I do not wish to run any chance of the matter going over until the next Congress.

Mr. President, I now move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut that the Senate concur in the House amendments to Senate concurrent resolution 23.

The motion was agreed to.

NOMINATIONS OF ADMIRALS OF THE FLEET AND GENERALS OF THE ARMY

Mr. HILL. Mr. President, today the President of the United States submitted to the Senate the nominations of Admiral William D. Leahy, Admiral Ernest J. King, and Admiral Chester W. Nimitz to be fleet admirals of the United States Navy, and the nominations of Gen. George C. Marshall, Gen. Douglas MacArthur, Gen. Dwight D. Eisenhower, and Gen. Henry H. Arnold to be generals of the Army.

I have today conferred with the distinguished chairman of the Senate Committee on Naval Affairs [Mr. WALSH] and he and I, as well as the distinguished chairman of the Senate Committee on Military Affairs [Mr. REYNOLDS], are in full accord that our country has been most fortunate in having military commanders of the character, courage, and great ability of these men. I hope that the Senate may, as a tribute to the magnificent services of these men, confirm their nominations at this time.

Mr. CONNALLY. Mr. President, are these the nominations of the so-called 5-star generals and admirals?

Mr. HILL. Yes.

Mr. CONNALLY. Is there any law authorizing such action?

Mr. HILL. Oh, yes. Congress has recently enacted such a law.

Mr. CONNALLY. Does the Senator ask that the pending nomination be temporarily laid aside?

Mr. HILL. The Hurley nomination is pending. I was about to yield to the distinguished Senator from Massachusetts, chairman of the Committee on Naval Affairs, to ask unanimous consent for the confirmation of the naval nominations, and to the distinguished chairman of the Committee on Military Affairs to ask unanimous consent for the confirmation of the Army nominations.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHITE. Mr. President, these officers have rendered such distinguished service to our country that I am in complete sympathy with the request of the Senator from Alabama. I hope the rule may be waived, and that these nominations may be acted upon immediately.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. CHANDLER. Do I correctly understand that the Senator wishes temporarily to lay aside the pending nomination?

Mr. HILL. It would amount to that. The pending nomination would be temporarily laid aside, but consideration of it would be immediately resumed.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WALSH. In view of the fact that comment has been made of the omission of the name of Admiral Halsey from the list of nominations submitted by the

President, I think I should offer a word of explanation.

The Senate authorized the naming by the President of four fleet admirals. The President has sent to the Senate but three nominations, leaving one vacancy.

I conferred with representatives of the Navy Department to ask for an explanation, and was informed that the Navy Department felt that Admiral Leahy, Chief of Staff of the President, should be promoted to this rank; that Admiral King, who is Commander in Chief of the United States Fleet and Chief of Naval Operations, and in command of all military forces of the Navy, should be promoted to the rank; and that Admiral Nimitz, Commander in Chief of the Pacific Fleet, and Commander in Chief of the Pacific Ocean area, should be promoted, because of the large number of naval units under his command.

Serving under Admiral Nimitz are two full admirals, namely, Admiral Halsey, Commander of the Third Fleet, and Admiral Spruance, Commander of the Fifth Fleet.

The Navy Department felt that an officer of the rank of fleet admiral was not required under Admiral Nimitz at this time, and that it was undesirable to appoint one of these officers to the rank of fleet admiral and not the other, in view of the fact that they were both in command of separate fleets and performing the same type of duty.

I was also informed that at the present time the Navy Department believes that three officers of the new rank are all that are required, even though the Congress has authorized four. It might be pointed out that the original bill, as approved by the Senate Committee on Naval Affairs, actually authorized only two officers in the new rank. The Navy Department stated, however, that it was very probable that at some time in the future it might become necessary or desirable to appoint another officer of the Navy to the rank of fleet admiral.

I make that statement in view of the fact that there appears to be some disappointment that the name of Admiral Halsey was not included in the list of appointments.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. CLARK of Missouri. Of course, this rank is an entirely new one.

Mr. HILL. Yes.

Mr. CLARK of Missouri. It is a rank which has never before been authorized in the United States Army or Navy.

Mr. HILL. That is true.

Mr. CLARK of Missouri. The officers who may be appointed to this rank will have a higher rank than that held by General Washington or General Grant or General Sherman or General Sheridan, who were appointed generals under special provision.

Mr. HILL. But not higher than General Pershing has.

Mr. CLARK of Missouri. He is only a four-star general.

Mr. HILL. I will say to the Senator from Missouri that the legislation which was passed by the House and Senate and was signed by the President, under which these nominations have come to the Senate, provided that such appointees should not take any higher rank than the rank of General Pershing. He is the General of the Armies of the United States.

Mr. CLARK of Missouri. However, he has only four stars.

Mr. HILL. I am not sure how many stars he has, but I know the legislation we passed particularly provided that he should continue to be the General of the Armies.

Mr. CLARK of Missouri. He is the General of the Armies, but he has the rank of general, and he wears four stars.

As I understand the legislation, each one of the generals or admirals to be appointed will take rank with five stars, at least temporarily, far outranking anyone the United States ever appointed before, in the theory that their rank will be equivalent to that of a field marshal in the British Army.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Rhode Island, because he was the author of the legislation in the Committee on Naval Affairs. I am delighted to yield to him.

Mr. GERRY. I made an inquiry in regard to General Pershing. General Pershing has higher rank than any other general, and he would outrank these officers, because General Pershing's rank is General of the Armies. He is entitled to wear any uniform he chooses to wear.

So there is no question. The point was made in the House. I asked the same question the Senator from Missouri has asked. Although these officers will wear five stars, General Pershing's rank is higher than the rank of any of them.

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me again?

Mr. HILL. I yield.

Mr. CLARK of Missouri. Does the Senator say that General Pershing could wear seven or eight stars if he chose to do so?

Mr. GERRY. I do not know how many he could wear. The point was brought out that he can wear any uniform he chooses to wear. He is the ranking general of the Army, and his title is General of the Armies.

Mr. CLARK of Missouri. I am very familiar with his title, and I am very familiar with General Pershing, so far as that is concerned. I knew him in the service, and saw him several times.

But the point I make, Mr. President, if I may be permitted to do so, is that the rank of admiral and the rank of general have been very carefully reserved in the history of the United States to be bestowed upon very few individuals, and only for conspicuous and outstanding accomplishments. That rank was bestowed on General Grant, General Sherman, and General Sheridan at the end of the Civil War, with the understanding that the title would lapse at the end of that service. It was bestowed on General Pershing. Afterward the title of General of the Armies was bestowed upon him, with the understanding that he can hold it as long as he lives or as long as he wishes to hold it. He has held it ever since.

I do not think we should be too free in granting these extraordinary titles and extraordinary ranks simply because we happen to be in a war, except for extraordinary accomplishments.

I think the Senator from Texas will bear me out when I say that when the matter of the appointment of the new lieutenant generals was first mentioned, the understanding was that there would be only 4 of them. Now we have at least 12 or 13; in fact, I do not know how many we have.

It seems to me that the whole theory, from the time of the Revolutionary War on, has been to be very careful about the bestowing of these very high titles. I do not think it has ever hurt the United States Army or the United States Navy. The fact is that the Congress of the United States has been very meticulous in its granting of these very high titles.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. GERRY. General Pershing can wear any uniform he wishes to wear. So far as I have been able to ascertain, he can wear any number of stars. He is the General of the Armies. It was the intent, in connection with the legislation, and it was made perfectly clear, that no rank created by Congress would exceed General Pershing's rank. I asked that very question.

Mr. CLARK of Missouri. If General Pershing chose to wear 15 stars——

Mr. GERRY. I suppose he could.

Mr. CLARK of Missouri. It would not make any difference so far as I am concerned. I do not think anyone should be put on the same footing as that of the commanders of our forces in other wars, until after the war is over.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WALSH. I might add another word. The increased rank will not bring increased pay, except an increase in personal allowances from $2,200 to $5,000, but there will be no increase in the base salary.

I wish to join with the distinguished junior Senator from Alabama and the distinguished senior Senator from Maine in expressing the hope that now that the nominations are before the Senate the Senate will act in accordance with the usual rule and will confirm them en bloc.

Mr. President, I ask unanimous consent that the nominations in the Navy be confirmed. It seems to me to be a gracious and generous act and an evidence of our confidence and support of these naval officers who have rendered such magnificent service to our country.

The PRESIDING OFFICER. Without objection——

Mr. CONNALLY. Just a moment, Mr. President. Will the Senator yield to me?

Mr. HILL. I yield.

Mr. CONNALLY. Are these ranks temporary?

Mr. HILL. They are temporary.

Mr. CONNALLY. Will they lapse 6 months after the war?

Mr. HILL. They will lapse, I will say to the Senator.

Mr. CONNALLY. Does the Senator recall at the moment how many lieutenant generals we now have in the Army?

Mr. HILL. I cannot recall offhand.

Mr. CONNALLY. Inasmuch as the Senator is a member of the Military Affairs Committee, I ask him to have the military aide of the committee obtain that information for the RECORD, please.

Mr. HILL. I shall be delighted to obtain that information.

Mr. RUSSELL. Mr. President, I shall not, of course, object to the confirmation of the nominations. In the first place, the Congress has enacted the legislation providing for these ranks. In the second place, the men on whom these honors have been conferred have directed the military effort of the United States in this war, and they are entitled to every tribute, every honor, and every consideration the American people can pay them. I would not object or express any regret on the ground stated by the Senator from Missouri that by this action we create a new rank. I am sorry I was not present when the bill was considered, because I wished to state my objection to the enactment of the legislation for the reasons which were given.

I understand that these bills were passed to enable us to have some super rank which would compete with the rank of field marshal and the ranks of the other high-titled dignitaries of the Allied Nations. I think that is a perfectly absurd premise for the enactment of legislation to increase the rank of any person in the armed services of the United States. By doing so, we merely get into a contest as to the titles which can be conferred. If one of our allies names a man a "Great Exalted Super-duper Field Marshal", instead of just Field Marshal, are we to have a feeling of inferiority which is to drive us to find some title to make the individual officers of our armed forces equal in dignity to those of our allies?

So far as my judgment goes, if we should see fit to call the commanding officer of all the American Fleets a seaman fourth-class, or the commanding officer of all the American armies a private fifth-class, the mere fact that he was leading the forces of the United States would make him the equal of or superior to any rank, however it might be embellished by words, held by officers in the armed forces of any other army or navy of the world.

I regret that I was not present to make this brief statement when the subject was considered the other day, but I was attending a conference on the crop insurance bill, and could not be present in the Senate.

Mr. President, the officers in question will take their places in history among the great military and naval leaders of all times, and nothing that we do here by way of making a new rank conforming to that of some other nation will be able to embellish by one whit the magnificent record they are making in leading our brothers and our dear ones into battles on the seas, on the land, and in the air.

Mr. CHANDLER and Mr. CLARK of Missouri addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield, and if so to whom?

Mr. RUSSELL. I yield first to the Senator from Kentucky.

Mr. CHANDLER. Mr. President, this question may ultimately become the subject of a treaty between the countries. Perhaps some day we shall go just so far, and then make a treaty that every nation will abide by. I become very tired of other countries of the world having officers who outrank ours. I think the rank and dignity of any representative of the United States should be equal to that held by any other person in the world. If any Senator thinks that our representative is not put to great disadvantage because of not holding a rank equal to that of those with whom he is dealing, he is badly mistaken.

Mr. RUSSELL. The statement of the Senator from Kentucky is absolutely correct, if we are to be governed by the ranks created in other armies. On the trip which some of us took around the world we sometimes observed that some of the officers of our Army felt themselves to be at a disadvantage when dealing with representatives of our allies. I have specifically inquired of the War Department whether there had been any agreement, treaty, or understanding which would enable an officer in an Allied army to outrank our officers merely because of his title, and I was told that it was merely a matter of agreement. I have no objection to the new title being created. It could not be more worthily bestowed. But the reason which was given for the creation of the title, namely, to make our officers rank with those of other nations, did not appeal to me.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK of Missouri. The Senator will remember that probably the greatest seaman who ever fought under the American flag was Commodore John Paul Jones. He fought as a captain during the greater part of his naval experience. He became a commodore. He never actually became an admiral in the American Navy. I believe that his name stands as high as that of any other officer in naval history. I agree with what the Senator from Georgia has said. When an American has deep respect for his enemies or his allies, I do not believe that it is necessary to have any title whatever.

Mr. GERRY. Mr. President, a rather practical example of what has been stated occurred just before the last World War at Veracruz, where a large part of our fleet was assembled. A British vice admiral came in on a cruiser and, if my recollection is correct, he became the senior ranking officer, and it was most embarrassing.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and the nominations of Admiral William D. Leahy, Admiral Ernest J. King, and Admiral Chester W. Nimitz to be fleet admirals of the United States Navy are confirmed, and, without objection, the President will be notified forthwith.

Mr. REYNOLDS. Mr. President, I ask that the Army nominations be included in this consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina? The Chair hears none. Without objection, the nominations of Gen. George C. Marshall, Gen. Douglas MacArthur, Gen. Dwight D. Eisenhower, and Gen. Henry H. Arnold to be generals of the Army are confirmed, and, without objection, the President will be notified forthwith.

The clerk will state the next nomination on the calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of Hallett Johnson to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

Mr. HILL. I ask that the nomination be confirmed, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc; and, without objection, the President will be notified forthwith.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. HILL. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Navy nominations are confirmed en bloc, and, without objection, the President will be notified forthwith.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. HILL. Mr. President, I ask that the nominations in the Marine Corps be confirmed en bloc, and that the President be notified forthwith.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc; and, without objection, the President will be notified forthwith.

That concludes the calendar.

Mr. HILL. Mr. President, I desire to state that the Government Printing Office has advised me that the hearings on the Hurley and Heller nominations will be available tomorrow morning. We

hope to have a copy of the hearings on the desk of each Senator tomorrow.

Mr. AUSTIN. May I inquire of the Senator from Alabama if there is any way in which to obtain a copy tonight?

Mr. HILL. I know of no way of obtaining one. I have been advised that the copies will be ready at approximately 9 o'clock tomorrow morning. I believe the distinguished Senator from Vermont has a typewritten copy of the hearings.

Mr. AUSTIN. I have a transcript.

Mr. President, it is my purpose to take the floor, if I can secure it, in the morning at 11 o'clock and speak on the nominations. I wish that I could be placed in position to turn to pages of the printed hearings in order to enable Senators to know to what I shall be referring.

Mr. HILL. As the distinguished Senator from Vermont knows, the first part of the hearings is, of course, already available in printed form.

Mr. AUSTIN. Yes.

Mr. HILL. According to the information which I have received from the Government Printing Office, the second part which, as I recall, should not be very voluminous, will be available tomorrow morning at 9 o'clock.

Mr. AUSTIN. I thank the Senator for the information.

RECESS

Mr. HILL. I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Saturday, December 16, 1944, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate December 15 (legislative day of November 21), 1944:

DIPLOMATIC AND FOREIGN SERVICE

James C. Sappington 3d, of Maryland, to be a Foreign Service officer of class 5, a secretary in the Diplomatic Service, and a consul of the United States of America.

Hervé J. L'Heureux, of New Hampshire, now a Foreign Service officer of class 5 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

Andrew E. Donovan 2d, of California, now a Foreign Service officer of class 6 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

U. Alexis Johnson, of California, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

IN THE ARMY

TO BE GENERALS OF THE ARMY

Gen. George Catlett Marshall (major general, U. S. Army), Chief of Staff.

Gen. Douglas MacArthur (general, U. S. Army, retired), Army of the United States.

Gen. Dwight David Eisenhower (major general, U. S. Army), Army of the United States.

Gen. Henry Harley Arnold (major general, U. S. Army), Army of the United States.

IN THE NAVY

TO BE FLEET ADMIRALS

Admiral William D. Leahy, United States Navy, retired, to be a fleet admiral of the United States Navy.

Admiral Ernest J. King, United States Navy, to be a fleet admiral of the United States Navy.

Admiral Chester W. Nimitz, United States Navy, to be a fleet admiral of the United States Navy.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Martin V. Griffith, Hanceville, Ala., in place of G. W. Burkart, removed.

ALASKA

Beatrice A. Huntley, Palmer, Alaska, in place of H. B. DeLand, resigned.

ARKANSAS

Cecil L. Horn, Black Rock, Ark., in place of R. W. Moore, resigned.

ILLINOIS

Albert Engel Croegaert, Annawan, Ill., in place of A. J. Verdick, resigned.

Ralph Leinicke, Ava, Ill., in place of B. H. Gardner, deceased.

Nautee F. McCrary, Robbins, Ill., in place of L. P. Thomas, retired.

IOWA

Florence E. Wynn, Gilman, Iowa, in place of M. E. O'Connor, deceased.

KENTUCKY

Ralph M. Ramey, Praise, Ky., in place of S. H. Ratcliff, resigned.

LOUISIANA

Lydia M. Coroy, Gonzales, La., in place of A. B. Coroy, deceased.

MICHIGAN

Roland H. Kolb, Fairview, Mich. Office became Presidential July 1, 1944.

MINNESOTA

Hannah L. Strand, Perley, Minn., in place of H. O. Hoganson, deceased.

MISSISSIPPI

Olin H. Akers, Pontotoc, Miss., in place of J. C. Edwards, transferred.

MISSOURI

Vera T. Sydnor, Blackburn, Mo., in place of Pearl Herndon, removed.

NEW JERSEY

Thomas H. Ryan, Jr., Cliffwood, N. J., in place of Emma Metze, resigned.

NEW YORK

Earl J. Hotwes, Elma, N. Y. Office became Presidential July 1, 1944.

Roy A. Alstead, South Wales, N. Y. Office became Presidential July 1, 1944.

OKLAHOMA

John B. Taber, Osage, Okla. Office became Presidential July 1, 1943.

PENNSYLVANIA

Clifford F. Steinmetz, Catasauqua, Pa., in place of S. H. Hauser, removed.

William A. Thompson, Waynesboro, Pa., in place of A. R. Warner, resigned.

SOUTH DAKOTA

Oscar G. Westgard, Astoria, S. Dak. Office became Presidential July 1, 1943.

TENNESSEE

Jacob M. Jennings, Brush Creek, Tenn. Office became Presidential July 1, 1944.

Horace M. Coffey, Thorn Hill, Tenn. Office became Presidential July 1, 1944.

Essie M. Britt, Wildersville, Tenn. Office became Presidential July 1, 1944.

TEXAS

Elmer Carlton, Carlton, Tex. Office became Presidential July 1, 1944.

Oscar B. Fields, Jr., San Angelo, Tex., in place of T. M. Herring, retired.

UTAH

Orion Gottfredson, Circleville, Utah. Office became Presidential July 1, 1944.

WASHINGTON

Sadie Ensch, Clearlake, Wash. Office became Presidential July 1, 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 15 (legislative day of November 21), 1944:

FOREIGN SERVICE

Hallett Johnson to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

IN THE ARMY

TO BE GENERALS OF THE ARMY

Gen. George Catlett Marshall
Gen. Douglas MacArthur
Gen. Dwight David Eisenhower
Gen. Henry Harley Arnold

IN THE NAVY

TO BE FLEET ADMIRALS OF THE UNITED STATES NAVY

Admiral William D. Leahy
Admiral Ernest J. King
Admiral Chester W. Nimitz

TEMPORARY SERVICE

William L. Calhoun to be a vice admiral in the Navy, for temporary service, to rank from February 27, 1942.

Oscar Smith to be a commodore in the Navy, for temporary service, to rank from April 12, 1943, and to continue while serving as deputy chief of staff to the commander in chief, United States Atlantic Fleet.

IN THE MARINE CORPS

TEMPORARY SERVICE

To be brigadier generals for temporary service in the Marine Corps from the dates indicated

John T. Walker, from October 4, 1942.
Merwin H. Silverthorn, from April 1, 1943.
Maurice C. Gregory, from May 7, 1944.

POSTMASTERS

CONNECTICUT

Anne V. Kenney, Mechanicsville.

MICHIGAN

E. Bernice Knisley, Avoca.
Viola M. Meyer, Fair Haven.
Rolland F. Allen, North Street.

MISSOURI

Alonzo E. Ellis, Dodson.
Blanche G. Griffith, Perryville.

NORTH DAKOTA

Edmond M. Ellingson, Kintyre.

OKLAHOMA

Lee Nora Simpson, Caney.
Nelle B. Harbin, Mutual.
Mary McCutcheon, Schulter.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 15, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery D. D., offered the following prayer:

Thou whose name is called Wonderful Counselor and Prince of Peace, for whom the heavens echo and who givest an overmastering strength, in Thee we find One altogether lovely. Wherever Thy voice is heard and understood, the earth smiles a sweet welcome and the stars gleam with promises of a glad reunion. O keep our faith alive in the vastness of Thy do-

minion and in the sweep of Thy Being; surely in Thee there is hope to find wherever there is man to seek. With Thy changeless hand lift up our souls as their tendrils twine around the manger Child of Bethlehem.

As we approach the foreglow of the Christmastide with toiling hands and heavy hearts, may each human soul be Thy child; let them cherish the power of hoping and believing, with their eyes facing the future with glad expectancy. We pray that we may not be indifferent to faults of character or to human suffering; let us be to others such examples in conduct and character as we would have them be unto us. O may we magnify Thy name in our own world by adding to those less fortunate—happiness, peace, and plenty. Strengthen our wills, that out of the agony of the battlefields our defenders shall not have suffered in vain, and that from the womb of pain and death there may be born a better world in which righteousness and brotherhood shall be exalted. In the name of our blessed Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 195. An act for the relief of Gladys A. Ennis as executrix of the estate of George Pearse Ennis, deceased, and Oscar H. Julius; and the Excelsior Automotive Service, Inc.;

H. R. 449. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 545. An act for the relief of G. F. Odom;

H. R. 763. An act for the relief of Lindsey Harcrow;

H. R. 1218. An act for the relief of F. L. Riddle;

H. R. 1556. An act for the relief of Archie Barwick;

H. R. 1643. An act for the relief of Mary Lovis Elliott;

H. R. 1772. An act for the relief of Henry Stovall;

H. R. 2016. An act for the relief of William H. Linhart;

H. R. 2150. An act for the relief of Diemer Adison Coulter and Frances Andrews Coulter;

H. R. 2213. An act for the relief of Mrs. Agnes Wolters;

H. R. 2300. An act for the relief of Rose B. Luzar;

H. R. 2354. An act for the relief of the estate of Mrs. Phoebe Sherman, and for Mrs. Harriett W. Vanderhoef and Allan Vanderhoef;

H. R. 2373. An act for the relief of Pearl Saievitz Hurwitz and Ruth Levin;

H. R. 2543. An act for the relief of Mrs. Nelle Jones;

H. R. 2688. An act for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor;

H. R. 2827. An act for the relief of the estate of Ida M. Rutherford;

H. R. 2903. An act for the relief of the Washington Asphalt Co.;

H. R. 2969. An act to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals;

H. R. 2994. An act to extend Reissued Letters Patent No. 19,023;

H. R. 3017. An act for the relief of Hubert McMahon and the legal guardian of Barbara McMahon;

H. R. 3138. An act for the relief of Mrs. Bertha Macklin;

H. R. 3191. An act for the relief of Lillian Hill;

H. R. 3192. An act for the relief of Mrs. Bertha Grantham;

H. R. 3218. An act for the relief of Enid M. Albertson;

H. R. 3250. An act to confer jurisdiction upon the United States District Court of Maine;

H. R. 3279. An act for the relief of Clarence G. Doelling and Doris J. (McNeil) Doelling;

H. R. 3285. An act for the relief of Mrs. Rose Poisson;

H. R. 3302. An act for the relief of Eleanor Parkinson;

H. R. 3323. An act for the relief of Mrs. William M. Watson and R. H. Price;

H. R. 3369. An act for the relief of Harry V. Hearn;

H. R. 3414. An act for the relief of Edward C. Robbins;

H. R. 3465. An act for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osgetel Berberian;

H. R. 3467. An act for the relief of Miss Anne Watt;

H. R. 3484. An act for the relief of Mrs. Pearl W. Peterson;

H. R. 3584. An act for the relief of Elsie Hawke;

H. R. 3590. An act for the relief of the city and county of San Francisco;

H. R. 3614. An act for the relief of the Queen City Brewing Co.;

H. R. 3639. An act for the relief of Herman Weinert, Jr., M. D.;

H. R. 3678. An act for the relief of Floyd E. and Lena Mae Drummond;

H. R. 3709. An act for the relief of Harley E. Carter;

H. R. 3727. An act for the relief of the legal guardian of Violet DeGroot;

H. R. 3781. An act for the relief of Hall Farris;

H. R. 3814. An act for the relief of M. Senders & Co.;

H. R. 3852. An act for the relief of the O. S. Stapley Co.;

H. R. 3880. An act for the relief of Mrs. Anna Zukas;

H. R. 3881. An act for the relief of Mrs. Anna Chandler;

H. R. 3928. An act for the relief of James LeRoy Eden;

H. R. 3931. An act for the relief of the estate of Dr. A. D. Gibson;

H. R. 3995. An act for the relief of Walter Lundmark;

H. R. 4014. An act for the relief of Mrs. Ruby Winsch;

H. R. 4016. An act for the relief of John Casey and Marie Casey;

H. R. 4038. An act for the relief of Joseph W. Steel;

H. R. 4049. An act for the relief of Alfred F. Ross;

H. R. 4080. An act for the relief of certain former employees of the United States Court for China;

H. R. 4105. An act for the relief of Ira Cannon;

H. R. 4111. An act for the relief of Louis Beckham;

H. R. 4125. An act for the relief of Kelly Hobbs;

H. R. 4144. An act for the relief of Brig. Gen. Louis J. Fortier;

H. R. 4159. An act to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742);

H. R. 4200. An act for the relief of William Weber;

H. R. 4212. An act for the relief of Robert Rowe and Mary Rowe;

H. R. 4213. An act for the relief of Karl Lungstras;

H. R. 4305. An act for the relief of Henry Clay Walker;

H. R. 4309. An act for the relief of Rosa Lee Foreman;

H. R. 4322. An act for the relief of the estate of Floyd M. Adair, deceased;

H. R. 4331. An act for the relief of Mrs. Florence Armstrong;

H. R. 4345. An act for the relief of the legal guardian of Luther Marcus Smith, a minor;

H. R. 4363. An act for the relief of Ollie Brashear Hearldson;

H. R. 4380. An act for the relief of Mabelle E. Olive;

H. R. 4442. An act for the relief of Albert B. Weaver;

H. R. 4451. An act for the relief of John McLaughlin, Sr., and John McLaughlin, Jr.;

H. R. 4502. An act to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended;

H. R. 4525. An act for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy;

H. R. 4542. An act for the relief of Harold Miller;

H. R. 4547. An act to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business;

H. R. 4549. An act for the relief of Sandy C. Brown;

H. R. 4593. An act for the relief of Thomas R. Clark;

H. R. 4629. An act for the relief of Ludwig Wolf;

H. R. 4631. An act for the relief of John L. MacNeil;

H. R. 4674. An act for the relief of the estate of Everette Maxwell; the estate of Redman P. Maddux; and the legal guardian of Elmer Massa, a minor;

H. R. 4703. An act for the relief of the estate of Annie Brown;

H. R. 4736. An act for the relief of Dr. H. L. Klotz;

H. R. 4786. An act for the relief of the estate of Kimball Lee Beckner;

H. R. 4815. An act for the relief of the Board of County Commissioners of Volusia County, Fla.;

H. R. 4817. An act for the relief of Wilfred T. Plant, Sr.;

H. R. 4878. An act for the relief of the estate of Emma B. Fleet, deceased;

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the State of Arizona and California, jointly or separately, for public-highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.;

H. R. 4921. An act for the relief of Dr. J. Sims Norman;

H. R. 4927. An act for the relief of Francis D. Stovall, Jr.;

H. R. 4962. An act for the relief of Jessie Springsteen and John Springsteen;

H. R. 4968. An act to amend section 511 (c) of the Merchant Marine Act, 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes;

H. R. 5034. An act for the relief of the estate of Francis A. Collins;

H. R. 5048. An act for the relief of the estate of Cecile H. Burgett, deceased;

H. R. 5060. An act for the relief of Clyde H. Palmer; estate of Lola J. Palmer; legal guardian of Margie Joan Palmer, a minor;

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes;

H. R. 5154. An act relating to dual employment in the Postal Service, and for other purposes;

H. R. 5167. An act to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital;

H. R. 5219. An act to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.;

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard;

H. R. 5331. An act to authorize the transfer of certain lands within the Colonial National Historical Park, Yorktown, Va., to the Secretary of the Navy;

H. R. 5453. An act authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway Co., a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park;

H. R. 5518. An act to amend section 119 of the Judicial Code;

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service;

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.;

H. R. 5535. An act to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps; and

H. J. Res. 317. Joint resolution recognizing the outstanding service rendered to the United Nations by Field Marshal Sir John Dill.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 976. An act for the relief of Mr. and Mrs. Sebastian Eger;

H. R. 1023. An act to establish a Chief of Chaplains of the United States Navy;

H. R. 1284. An act relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war;

H. R. 2005. An act for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum;

H. R. 2066. An act for the relief of A. L. Rinkenberger and John Floering;

H. R. 3400 An act for the relief of LaVerne Whipple;

H. R. 3645. An act for the relief of Mary Agnes Lichtefeld Droppelman;

H. R. 3996. An act for the relief of F. L. Gause and the legal guardian of Rosalind and Helen Gause, minors;

H. R. 4101. An act for the relief of P. E. Brannen;

H. R. 4367. An act for the relief of Mrs. Julia Toler;

H. R. 4481. An act for the relief of William H. Crompton;

H. R. 4588. An act for the relief of Robert L. Whiddon; and

H. R. 4918. An act to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1817. An act authorizing the appointment of an additional judge for the district of Delaware;

S. 1885. An act for the relief of Oscar Griggs;

S. 1910. An act to provide for the presentation of medals to members of the United States Antarctic Expedition of 1939–41;

S. 1957. An act to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs;

S. 1971. An act to provide for the disposal of certain mail matter condemned by the Director of Censorship;

S. 1985. An act to amend an act entitled "An act authorizing the temporary appointment or advancement of certain personnel of the Navy and Marine Corps, and for other purposes," approved July 24, 1941, as amended, and for other purposes;

S. 2002. An act for the relief of John T. Cooper;

S. 2056. An act to authorize the Secretary of the Navy to lease certain lands situated in San Diego County, State of California;

S. 2067. An act to authorize an exchange of lands between the city of Eastport, Maine, and the United States, and the conveyance of a roadway easement to the city of Eastport, Maine;

S. 2070. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

S. 2071. An act to eliminate as uncollectible certain credits of the United States;

S. 2073. An act to authorize the Secretary of the Navy to convey to Oanu Railway & Land Co. an easement for railway purposes in certain lands situated at Halawa, Ewa, Oahu, Territory of Hawaii;

S. 2088. An act for the relief of Galen E. Walter;

S. 2123. An act for the relief of Antonio Ruiz;

S. 2132. An act for the relief of Ensign Frederick Matthews McCord, United States Naval Reserve;

S. 2179. An act to reimburse certain Navy personnel for personal property lost or damaged as the result of a fire at the naval auxiliary air facility, Astoria, Oreg., on April 2, 1944;

S. 2180. An act to provide reimbursement for personal property lost, damaged, or destroyed as the result of an explosion at the naval mine depot, Yorktown, Va., on November 16, 1943;

S. 2181. An act to authorize the Secretary of the Navy to grant to the city of Canton, Ohio, for highway purposes only, a strip of land situated within the United States Naval Ordnance Plant at Canton, Ohio;

S. 2185. An act to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the city of Los Angeles, Calif., for fire-station purposes, the title to certain land located at Veterans' Administration Facility, Los Angeles, Calif.;

S. 2189. An act for the relief of G. F. Allen, chief disbursing officer for the Treasury Department, and for other purposes;

S. 2195. An act to further amend section 22 of the act approved March 4, 1925, entitled "An act providing for sundry matters affecting the naval service, and for other purposes," by changing the limitation on the total personnel of the Naval Reserve Officers Training Corps, and for other purposes;

S. J. Res. 106. Joint resolution granting permission to Charles Rex Marchant, Lorne E. Sasseen and Jack Veniss Bassett to accept certain medals tendered them by the Government of Canada in the name of His Brittanic Majesty, King George VI;

S. J. Res. 139. Joint resolution designating period from Thanksgiving Day to Christmas of each year for Nation-wide Bible reading; and

S. J. Res. 148. Joint resolution authorizing the disposal of certain blood plasma reserves.

FEDERAL CROP INSURANCE

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4911) to amend the Federal Crop Insurance Act, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Chair appointed the following conferees: Mr. FLANNAGAN, Mr. COOLEY, Mr. ZIMMERMAN, Mr. HOPE, and Mr. AUGUST H. ANDRESEN.

ORDER OF BUSINESS

The SPEAKER. Yesterday the Senate passed many bills, House bills with Senate amendments. The clerks at the desk cannot go through these bills rapidly, so any action with reference to them will be delayed until later in the day.

FACT FINDERS ACT

Mr. WHITE. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill (H. R. 4803) to amend the Fact Finders Act, for printing under the rule.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

WIDOWS AND ORPHANS BILL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include therein a copy of the bill H. R. 1744.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

SELECT COMMITTEE TO INVESTIGATE F. C. C.—PERMISSION TO FILE REPORT

Mr. PRIEST. Mr. Speaker, by direction of the Select Committee to Investigate the Federal Communications Commission I ask unanimous consent that notwithstanding any possible adjournment of the House this committee may have until midnight on January 2, 1945, to file a report with the Clerk of the House.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, as I understand, this is simply a request from this committee for permission to file a report?

Mr. PRIEST. Yes; to file a report with the Clerk of the House on or before the 2d of January next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REHABILITATION OF THE PHYSICALLY HANDICAPPED

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY. Mr. Speaker, as chairman of the Subcommittee of the Committee on Labor Investigating Aid to the Physically Handicapped, created under House Resolution 230, I have been instructed by the committee to file a report, which I shall do today, covering the activities of the Subcommittee Investigating Aid to the Physically Handicapped.

Mr. Speaker, the objective we feel we should achieve is the formulation of a program which should result in the permanent integration of the millions of physically handicapped into the normal social and economic life of the Nation.

In our work thus far we have heard from the handicapped and from those whose interest and occupation is the care and assistance of the handicapped. From all comes the same complaint—no knowledge about the problem, no information among the handicapped as to what facilities are available, no plan, and no program.

On the other hand, we read in our daily papers about the great need for manpower—this when we have about 3,000,000 physically handicapped persons registered with Federal vocational rehabilitation and placement agencies.

To restore these people we must develop devices to educate employers as to their qualifications and abilities, studies, and surveys to show how the handicapped perform on the job—how they compare with the nonhandicapped as to accident frequency, productivity, and absenteeism.

Figures placed before the subcommittee show that handicapped persons are rehabilitated at an average cost of less than $200; that in 1 year some 44,000 handicapped persons increased individual earnings from around $150 per year to $1,700 per year.

No national survey and study has ever been made with our goal in sight. We have made a beginning, but we have much more to do.

At this time I want to take the opportunity to express to the subcommittee members and the staff my deep appreciation of their work and untiring assistance.

PERMISSION TO DECLARE RECESSES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that for the balance of the week it may be in order for the Chair to declare a recess of the House subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. HARLESS of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances: In one to include two telegrams and in the other extension to include a speech delivered by Grover Loening.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

(Mr. TOLAN asked and was given permission to extend his remarks in the RECORD and to include an editorial.)

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in 2 separate matters, one on the subject of environmental protection in which I wish to include a speech delivered by Colonel Doriot of the Quartermaster General's Office. The Government Printing Office advises me it will cost $156. In the other I wish to include a statement from the Wall Street Journal. The Government Printing Office advises me this will cost $41.60.

The SPEAKER. Notwithstanding the cost, without objection it is so ordered.

There was no objection.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a letter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. POULSON] may have permission to extend his remarks in the RECORD and to include an item on the Japanese situation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JENKINS. Mr. Speaker, I have three unanimous consent requests, first that I may be permitted to extend my remarks in the RECORD in reference to the widows' pension act, next to extend my remarks in the RECORD with reference to the food situation in America and finally to extend my remarks and to include an editorial.

The SPEAKER. Is there objection to the requests of the gentleman from Ohio?

There was no objection.

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD and include therein a statement by the Assistant Secretary of State.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. CRAWFORD addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CURTIS. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Nebraska [Mr. MILLER] may have permission to extend his remarks in the Appendix of the RECORD and include a letter and certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HOLMES of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article from the Columbia Basin Herald, published at Moses Lake, Wash.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by the Secretary of State, and also an address by the Minister of Foreign Affairs of Panama.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STIGLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by Judge N. B. Johnson, president, National Congress of American Indians, made to the Subcommittee on Indian Affairs of the House, at Oklahoma City, November 21, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. STIGLER]?

There was no objection.

STORAGE OF RECORDS OF VETERANS OF WORLD WAR NO. 1

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, for some time I have been on the point of addressing the House for just a moment in reference to a small but important matter. Some years ago I had a veteran's case arise in which it was necessary to examine the original file. I was told that these files were stored out here in the northwest in a garage. My

secretary and I went cut there. There was only a guard at the door. We told him we wanted to see the files in order to look after a veteran's claim. He said, "Go on upstairs and see if you can find it." We went up there and fortunately we did find the file. There was nobody there to assist us.

Mr. Speaker, there are millions of dollars involved in the First World War in these old files. While this building may be fireproof, after all those papers can catch fire where they are now stored. I believe Congress should look into this matter. We should not risk all those valuable papers of the First World War by having them stored in a garage.

The other day a messenger had to be sent out there from the Veterans' Bureau to get the files in another claim in order to prove a case. This matter, in my opinion, ought to be taken up by the Veterans' Committee, looked into and better provision made for the filing of these valuable papers. Surely these claims of World War No. 1 and the millions of claims from the present World War No. 2 should be provided protection against loss by fire and other hazards.

EXTENSION OF REMARKS

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include two radio addresses recently delivered by myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Texas [Mr. PATMAN] may be permitted to extend his own remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

STORAGE OF RECORDS OF VETERANS OF WORLD WAR NO. 1

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very glad that the gentleman from New York [Mr. REED] has brought to the attention of the House the deplorable condition of the buildings in which the very valuable veterans' files have been placed. We all know that by reason of fire losses oftentimes information cannot be secured to establish service connection. I am sure the gentleman from Mississippi [Mr. RANKIN], chairman of the Veterans' Committee, of which I am ranking minority member, will be very glad to look into the matter. I hope the gentleman from New York has already taken that matter up with General Hines, of the Veterans Administration.

EXTENSION OF REMARKS

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

STORAGE OF GOVERNMENT RECORDS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, for years I have been trying to have a building constructed in the District of Columbia for the use of every Government department and agency where inactive but not obsolete files can be placed. That matter was advanced until a special committee from the executive branch was appointed, this during the days that Admiral Peoples was Chief of the Procurement Division. That committee, by one majority, voted to use money that was available to put up some shelves in the center of The Archives Building instead of constructing a suitable building where files could be stored. There are valuable files all over Washington inactive but not obsolete such as the gentleman from New York referred to. The Comptroller General's office has stored very valuable records in about 20 different buildings. If they were destroyed, there is no telling the cost to this Government. This is not the job of the Veterans Committee, but it is the job of the Committee on Public Buildings and Grounds that has jurisdiction to recommend legislation to authorize such a building.

This matter was thoroughly discussed at many conferences. The thought was that it should not be a monumental structure but more of a warehouse with several subbasements about 10 stories high and covering about 2 city blocks. There was no necessity to place this building, say, in the Mall. It was suggested that it would not be necessary to have any mahogany or walnut fixtures. In fact it would not be necessary to construct rooms on any of the floors except probably on the main floor where each department and agency could have an office with a telephone.

It was thought that heavy wire screening could be used on the various floors to enclose the space allotted to the agency or department with suitable locks on the doors to prevent anyone from disturbing the files.

The file clerk or clerks assigned to this warehouse would immediately get files when called upon by the department or agency and dispatch those files by messengers who could use motorcycles.

Only documents that are obsolete insofar as Government use is concerned are sent to The Archives. The departments and agencies retain records, although inactive, that might be called for from time to time.

It was estimated that over 25 percent of the space used by Government departments and agencies was taken up with files of this character and therefore there would be a great saving in space if such a warehouse was constructed.

This really is a very important matter if not an emergency matter because there will be a tremendous accumulation of files that cannot be immediately destroyed when this emergency is over and we should have a concrete building something along the line I have suggested to house such files.

PALESTINE RESOLUTION

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. WRIGHT addressed the House. His remarks appear in the Appendix.]

G. H. GARNER

Mr. KEOGH submitted the following conference report and statement on the bill (H. R. 1963) for the relief of G. H. Garner:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1963) for the relief of G. H. Garner having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered (1).

That the House recede from its disagreement to the amendment of the Senate numbered (1), and agree to the same with an amendment as follows: In lieu of the figures "$2,500" insert the figures "$1,750".

And agree to the same.

JOHN JENNINGS, Jr.,
T. G. ABERNETHY,
Managers on the part of the House.

ALLEN J. ELLENDER,
E. V. ROBERTSON,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses, on the amendment of the Senate to H. R. 1963, for the relief of G. H. Garner, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report.

The bill as passed the House appropriated to G. H. Garner the sum of $2,500 for personal injuries as a result of an automobile accident on November 10, 1941, near Montgomery, Ala.

The Senate reduced the amount to $1,250 and at the conference a compromise of $1,750 was agreed upon.

EUGENE J. KEOGH,
THOS. G. ABERNETHY,
JOHN JENNINGS, Jr.,
Managers on the part of the House.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 1963).

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

Mr. PLUMLEY. Reserving the right to object, Mr. Speaker, may I say, impromptu and out of my own judgment, that some of us older Members do recognize, on both sides of the aisle, the fact that in the gentleman who has just submitted this conference report we have one of the ablest and most hard-working Members of this Congress, buried as he is in one of the most inconspicuous but most important committees of the House, whose ability is exercised in the discharge of a duty, arduous and exacting, which few have an opportunity to appreciate.

Mr. KEOGH. I thank the gentleman very much.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. KENNEDY] be permitted to extend his remarks in the RECORD in two respects.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A TREE GLOWS IN BROOKLYN

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, today and until the end of the year at Borough Hall a tree glows in Brooklyn, a beautiful and majestic spruce, adorned with the festive decorations of the season, surmounted with the symbolic star of hope, signifying to the 3,000,000 inhabitants of Brooklyn and to the world that hope springs eternal in our breasts. The hope, too, that with the coming year the country and the world will be inhabited by men of good will and of peace.

PERMISSION TO ADDRESS THE HOUSE

Mr. DIMOND. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the delegate from Alaska?

There was no objection.

EXTENSION OF REMARKS

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two different subjects, and in one to include an editorial from Life magazine and in the other an article from the Plate Printer.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address recently delivered by me.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

U. S. CUTTER "MACKINAW"

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extends my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigar?

There was no objection.

[Mr. BRADLEY of Michigan addressed the House. His remarks appear in the Appendix.]

AMENDING RECLAMATION PROJECT ACT OF 1939

Mr. WHITE submitted the following conference report and statement on the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

COMPTON I. WHITE,
J. W. ROBINSON,
JAMES F. O'CONNOR,
ROBT. F. ROCKWELL,
Managers on the part of the House.

PAT MCCARRAN,
DENNIS CHAVEZ,
ERNEST W. MCFARLAND,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

STATEMENT RE SECTION 4—SALT RIVER PROJECT, ARIZONA

Section 4 relates to the Salt River project in Arizona. It appeared in S. 1782, as passed by the Senate. The same provision was reported unanimously by the House Irrigation and Reclamation Committee (H. Rept. No. 2045, 78th Cong., 2d sess.), in a report upon an identical bill, H. R. 4932, for which S. 1782 was substituted in the House. The conferees have included section 4 for the reasons stated in the House report, which is to be deemed a part of the legislative history of this legislation.

The effect of this bill is to clarify and restate existing law, relating to the Salt River project. It is intended to make clear:

First, that after the retirement of all debt owed by the project to the United States and all bonded debt, the power revenues shall be covered into the reclamation fund. This is the general law, and the present bill removes any doubt that this policy was intended to apply to the Salt River project.

Second, that no distribution or dividend of power revenues before or after completion of debt retirement, shall be made to individual water users or others. All of the power and water revenues on Salt River project are derived from the operation of federally owned works, and are applied to project purposes by law, and Congress has never intended that they shall be for the private profit of any corporation or individual.

Third, that the application of power revenues heretofore or hereafter made to reduce the cost of water service shall not be deemed a distribution or dividend. This is a multipurpose project on which power has been developed and sold in order to bear part of the burden otherwise falling on the cost of irrigation, and to thereby aid in making the project self-supporting. Such an application of revenues to project purposes does not constitute a dividend or distribution to the farmers who use the water.

Section 4 does not confer any advantage or special treatment upon the Salt River project, but instead is designed to assure this project the same treatment that prevails as to the projects operated by the Secretary of the Interior and those operated by irrigation districts. The reclamation laws intended no discrimination between the three types of projects.

COMPTON I. WHITE,
J. W. ROBINSON,
JAMES F. O'CONNOR,
ROBT. F. ROCKWELL,
Managers on the part of the Senate.

ESTABLISHING JOINT COMMITTEE ON ORGANIZATION OF CONGRESS

Mr. COX. Mr. Speaker, I call up Senate Concurrent Resolution 23 and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Joint Committee on the Organization of the Congress (hereinafter referred to as the committee) to be composed of six Members of the Senate (not more than three of whom shall be members of the majority party) to be appointed by the President of the Senate, and six Members of the House of Representatives (not more than three of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. No recommendation shall be made by the committee except upon a majority vote of the Members representing each House, taken separately.

SEC. 2. The committee shall make a full and complete study of the organization and operation of the Congress of the United States and shall recommend improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations, improving its relationships with other branches of the United States Government, and enabling it better to

meet its responsibilities under the Constitution. This study shall include, but shall not be limited to, the organization and operation of each House of the Congress; the relationship between the two Houses; the relationships between the Congress and other branches of the Government; the employment nd remuneration of personnel by the Members and the committees of the Congress; and the structure of, and the relationships between, the various standing, special, and select committees of the Congress: *Provided*, That nothing in this concurrent resolution shall be construed to authorize the committee to recommend any amendment to or change in the parliamentary rules governing proceedings in either House.

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee may utilize such voluntary and uncompensated services as it deems necessary and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government.

(c) The expenses of the committee, which shall not exceed $10,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

(d) The committee shall report to the Senate and the House of Representatives the result of its study, together with its recommendations, within six months after the passage of this concurrent resolution and every six months thereafter until the completion of its study. If the Senate, the House of Representatives, or both, are in recess or have adjourned, the report shall be made to the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

With the following committee amendments:

On page 3, line 24, strike out all of section (c).

On page 4, line 5, strike out "(d)" and insert "(c)."

On page 4, line 7, after the comma, strike out the words "within 6 months after the passage of this concurrent resolution and every 6 months thereafter until the completion of its study" and insert the words "not later than April 1, 1945."

Mr. COX. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and also to revise and extend the remarks of my colleague the gentleman from California [Mr. VOORHIS] at this point.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Speaker, I appreciate the opportunity given me by the members of the Rules Committee, and the leadership of the House, to take up at this late date the proposal of the Senate Concurrent Resolution 23, to study ways to modernize the organization and the machinery of the Congress.

The fact that during the past session over 32 individual bills have been introduced by Members of Congress proposing various improvement in the House machinery, in our equipment and in our way of doing business,I believe is illustrative of the interest of the Members of Congress in the necessity for improving and strengthening this organization.

CONGRESS IS COEQUAL

It is fundamental, I believe, that the framers of the Constitution intended the Congress to be a coequal branch of our Federal Government. It is mentioned first in the Constitution, and I believe more often in that document than any other of the three branches of Government. Yet we find the Congress for the past 30 years remaining almost static in its equipment and resources for doing its job, to cope with the problems that have become increasingly more confusing and complex.

STRUCTURE COMPLETED IN 1893

When you consider that the last real organization of the House or committee structure, which, of course, is the workshop of the House, was virtually completed in 1893, I believe you will agree with me that it is at least time for the Congress to study ways of improving its own operation, and to give it added strength to keep up with the new and manifold problems heaped upon us.

Consider, if you will, the condition in 1893, when the committee set-up, and most of the staffing was completed, and you will see that the appropriations for that year totaled $314,000,000. Our job this year involved the appropriation of $78,000,000,000. Our machinery is carrying this load that is 230 times greater than the load it was designed to carry.

CONGRESS NEEDS NEW TOOLS

The difficulty with Congress is not in its constitutional authority. It is in the tools that Congress has supplied itself with to do the job. The Congress is literally trying to serve as the board of directors—the comptroller—of the biggest business in the world—with hopelessly outmoded tools and organization.

The machinery that Congress has was once adequate. It was adequate in those gay nineties when the chief problems before us were in the determination of what cities would get new post-office buildings, or what few harbors would be deepened or whether a slight revision would be made in the tariff laws. Those were the chief tasks before the Congress when the machinery in use today functioned adequately.

Today Congress allots the funds for a business a hundred times bigger than General Motors, Ford, and the United States Steel all put together. It raises forty-five billions in taxes that affect every business and every worker. It administers an insurance program many hundred times bigger than any of our great insurance firms and does a banking business that would make Wall Street look like a country bank. It does this job practically with a quill pen and an old-fashioned bookkeeper's ledger. Aside from the mammoth business operations, it has the important function of passing laws that affect world peace, the farmer, labor, investments, and business of all kinds.

PENNY-WISE AND POUND-FOOLISH

In my opinion we have been penny-wise and pound-foolish not to insist that this important branch of the Government be as well equipped for efficiency and facts as American ingenuity can make it.

The job has outgrown the capacity for Congress to adequately meet its constitutional duty without extra tools, equipment, and help. Congress is important for our liberty and our freedom and for our purse. Yet it costs only half as much to operate the entire legislative plant that is the House and the Senate, as it does to run the Office of Indian Affairs. All of the salaries of Members of Congress, their clerk hire, their committee staffs, their investigators, and even their travel cost a total of $13,000,000. The Office of Indian Affairs costs $27,000,000.

PUBLIC DEMANDS EFFICIENCY

I believe the people of this country are turning more to Congress in a feeling and hope that through the strength and an effective use of legislative authority by an efficient Congress we will keep the spirit of democracy and public interest alive in this vast Government of ours. Consider for a moment if you will that aside from the Members of the Senate and the House, that today, of the 3,000,000 officials and employees of the Federal Government who exercise varying degrees of authority over our life and freedom, there are only 2 other men who are elected by vote of the people.

LINE OF DEMOCRACY WEARS THIN

The line of democracy wears very thin as it reaches down through the vast Federal departments, and I believe that only through improving the strength and ability of Congress to meet this challenge can we hope to bring more effective public interest to bear on the operation and working of the Federal machine.

Consider if you will for a moment a few of these comparisons. Take the very important job of writing the laws that we pass. Every Member sitting before me today knows that more than 90 percent of the laws considered by this House are drafted not here on Capitol Hill, not by our own drafting legislative service, but are drafted by men downtown in the departments. The very departments to be regulated and governed by the laws we pass prepare the language of the laws that are to govern them. I believe it is time for Congress to survey this situation here. We have been penny-wise and pound-foolish.

STAFF OF FIVE DRAFTSMEN

Consider if you will the legislating drafting service in the House. Perhaps it is as efficient a branch of the Congress as we have, and yet they employ 5 members today in drafting the legislation for

the House. In the Senate only 3 are employed for this important job. Yet downtown we have in the Solicitor's office of the Department of Agriculture some 600 employees costing this Government $1,600,000 a year. Yet we limit ourselves to $83,000 for the important job of this legislative drafting.

Experts, not only in draftsmanship, but also to advise Congress from a pure and undefiled source of information on the manifold world problems Congress must meet in the next 4 years, are badly needed on the Hill. We have literally appropriated most freely for the departments of the executive branch of the Government to equip itself with thousands of experts, researchers, and statisticians.

MUCH INFORMATION IS SLANTED

Business has equipped itself with all kinds of experts to put this information before the Congress. But here we sit, a memory of the gaslight days, without any way of finding out and determining the truth in research data and statistics which come from interested departments downtown and those which come from pressure groups or business organizations that are seeking legislation.

A brief comparison might be interesting because one of the big jobs that Congress will have in the post-war period will be to try to bring some financial stability out of the muddled world affairs. The Banking and Currency Committee of this House and of the Senate will have a tremendous job dealing not with millions but billions of dollars in trying to restore post-war monetary stability; yet the Congress has one expert employed by the legislative drafting service, our only source of completely unbiased information on world monetary problems. This one expert on banking and currency is employed at a salary of $2,600 a year.

FOREIGN COMMERCE EXPERT—$3,200

Foreign and domestic commerce undoubtedly will be of great importance to all this Nation and to the world in the post-war period. On the decisions of this Congress will rest much of the success of our national policy. Yet the Library of Congress, in the legislative service, has one expert in foreign and domestic commerce on whose judgment and whose advice we can rely for statistics and unbiased information. He draws $3,200 a year.

The situation can be analyzed on down through these various groups. You will find the almost microscopic size of the legislative research service which is our only source of completely unbiased information. They do their best to organize, brief, and submit this information to Congress.

VOLUMES OF INFORMATION COMPILED

It is not able to carry even a fraction of the load the Members have a right to expect it to carry. Literally, great amounts of the information gathered by the departments downtown, compiled in vast volume by business interests, and by special economic studies flows past Capitol Hill almost like the Mississippi River. Yet we cannot ladle out of this vast stream of information even a teaspoonful to be of assistance to the Congress. Over there within one block is the Library of Congress with all that information on file, indexed, and convenient for use. It is necessary only to add a slight additional staff to properly organize and brief information needed by the membership to keep them informed on these vital and important subjects we must understand if we are to legislate intelligently.

COMMITTEE STAFFING NEEDED

I believe the system of staffing our committees could be vastly improved. I believe we are penny-wise in not having a general counsel for each major committee of the House, of caliber equal to any of the general counsel in the departments downtown; and I believe these standing committees should be further strengthened so they can deal intelligently with these problems that come before them by having perhaps an expert or two to help them.

One other important point I believe this resolution covers is that of a careful study to find how the relationship between the departments downtown and the Congress itself can be improved. The Members present on the floor know that not for 8, 10, or 12 years, but for more than 20 years, this gulf between the departments and the Congress has been widening.

MUST BRIDGE WIDENING GULF

Until Congress finds a way to bring national public interest to bear on the operation of this vast governmental machine you will find us stripped of any real and lasting influence on the operation of this Government save by passing extraordinary laws.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. COX. Mr. Speaker, I yield 3 additional minutes to the gentleman from Oklahoma.

Mr. MONRONEY. I believe it would be possible to strengthen the standing committees of this House so that they could continue their interest in the laws they pass and how they are administered. We should not only give birth to a law but we should continue our interest in it to find out what happens to that law after it is laid on the doorstep of the departments downtown.

An additional and competent staff in the standing committees would help strengthen the Congress in that respect. It seems to me this at least deserves careful study by the House and by the Senate.

BIPARTISAN STUDY NEED

I believe also that this bipartisan study should find ways and means to strengthen the organization of the Congress, by regrouping and consolidating a few committees if necessary, to strengthen a few of the crucial committees, perhaps by making them major committees. We should rearrange the staff of those which must carry extra heavy work and responsibility in relationship to the job they have to do.

It seems patent to me that without a firm determination by Congress itself to improve its own machinery, that nothing will be done. Yet, we have been talking for many sessions that we ought to strengthen the Congress. Bear in mind the Congress can order the reorganization of the Army or Navy, it can reorganize the executive departments, if it pleases, but there is only one body that can reorganize or improve the functioning of Congress, and that is the Congress itself.

IMPORTANCE OF CONGRESS SLIPPING

I am telling you that it is my sincere belief that if we do not do something now; if we wait too long, we will see the Congress degenerate to merely a body of harping criticism without having a real effect on legislation; without having the right to help guide this Government in the interest of the public.

We are the elected representatives of the public. We only kid them by irate speeches about violation of public interest by the bureaucrats when we refuse to organize ourselves to give effective public direction to the activities of this Federal Government.

This resolution does not propose any witch hunt. It proposes a careful, constructive study in order to find a way to make Congress effective, to improve the relationship between the Congress and the departments downtown, and to improve the relationship between the two bodies. It is bipartisan in its nature and is aimed only at constructive help for the institution of Congress. It is a great institution of democracy. We must not, we dare not, consider that the way we run Congress is the personal and private business of the membership. Our efficiency is a public trust.

Mr. JOHNSON of Oklahoma. Will the gentleman yield for a brief observation?

Mr. MONRONEY. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I have listened with unusual interest to the informative and constructive suggestions of my brilliant and able colleague the gentleman from Oklahoma. I desire to congratulate him upon his persistent efforts to bring his resolution to a vote. It has not been an easy task. The fact that his measure is now pending here with no visible opposition is a genuine tribute to him and to his tireless energy. I sincerely hope and believe that the pending resolution will be adopted without any opposition. Permit me to add that, in my judgment, this is one of the most important steps made by the House of Representatives during my years of service in the Congress.

Mr. MONRONEY. I thank the gentleman for his contribution. There is one further point I want to call to the attention of the Members of the House before we close, and this is it:

In all of the foreign countries that once enjoyed representative government and no longer have it, before dictators were able to destroy the representative and parliamentary systems of government, these parliamentary systems had largely destroyed themselves on account of their inability to meet the challenge and to carry the load which had been thrust upon them.

The SPEAKER. The time of the gentleman has expired.

Mr. VOORHIS of California. Mr. Speaker, I am very glad that this resolution introduced by our able colleague the

gentleman from Oklahoma [Mr. MONRONEY], is before the House. I think it should pass the House unanimously.

This is as important an undertaking as the Congress has embarked upon for many decades.

If this committee does its work as effectively as I am confident it will, the ultimate result will be to equip the Congress with such sources of accurate, complete, and independent information, with such machinery for following through the administration of the laws it passes, as will assure to the Congress its coequal and coordinate position in the scheme of American government, upon the maintenance of which the whole future of constitutional government in this and other nations may well depend.

The job of government today is tremendously more complex, tremendously more difficult than it was even 30 or 40 years ago.

In every nation of the world where democratic government, and with it individual liberty, have been lost, those things have been lost because of the fact that the national legislature in that nation declined in prestige and in its ability to cope with the problems that the country faced. For one reason or another the national legislature was not doing the kind of job that a national legislature ought to do.

What is that job? In the first place, it is to be the source of legislation and of law, to be the body which conceives legislation, not without help, it is true, not without suggestion from the executive department or from other sources, or from the people, or from pressure groups, if you will, but the source of legislation nonetheless so that legislation when passed by that legislature bears indelibly the stamp of the collective action of that legislature upon it.

In the second place, the function of a national legislature is to see that the laws it passes are carried out in accordance with its own intent.

In the third place, as that national legislature faces the problems of modern government, it is inevitable that it must make certain grants of power to the executive, but as it does so it has one primary duty to its own constitutional position and to constitutional government. That duty is to see to it that those grants of power are guarded so that it may never be in doubt that the only sources of executive power that can possibly be valid are; one, the constitution of the nation itself; and two, a specific grant of power by the Congress.

There is not any source from which the executive can properly derive power except those sources. What shall we do about it? What is our problem? What shall we try to do? I think that there are a number of things that need doing.

The first of them is the absolute necessity for Congress to have complete, expert, factual sources of information. By that I do not mean just the information we get because we ask for it. I mean a staff of people on the pay roll of Congress, and responsible to nobody but Congress, who will not only get information that Congress requests but who will anticipate the course of necessary legislative action and be prepared ahead of time to testify before committees with that information, just the same as representatives of Government departments are prepared to testify, and who will be in every sense of the word the research staff of the Congress of the United States. I do not think anybody will question that we have to have that.

There are ramifications of that. I would expect in the course of time that certain people from the staff would be working in certain fields and would inevitably be attached to certain specific committees and be, as it were, those committees' experts.

Without these independent sources of complete factual information, the Congress will find it impossible to do its fundamental job, which is to develop continuously a sufficiently constructive and complete legislative program to meet the needs of the United States. There are people in this Nation who identify executive action with progress and congressional action merely with the blocking of action—saying "No." The reason this is true is primarily, in my judgment, because the Congress has not seen this one important fact—that under the American form of government, when an executive proposal is refused by the Congress, the Congress immediately must assume the responsibility for putting its own constructive proposal in the place of that executive proposal. Our Government does not work like the British Government. In Britain, when that happens, the ministry falls and there is an election. But in our Government, if Congress negates an executive proposal for the meeting of a certain problem, the responsibility for finding an answer to that problem immediately passes to Capitol Hill. I think we have to see that. I think the chief position of the Congress in the Government of America and before the American people's eyes will depend upon the effectiveness with which the Congress is able, on its own motion and by its own legislative action, to meet the needs of the Nation.

The second point on which I believe we could take action now relates to the problem of delegation of power and grants of power. I said in the beginning that whenever a national legislature has declined in its position in the government, or has lost its equal position in government, from that time on the basic freedoms of the nation have been imperiled, and I think the reason is quite obvious, for in the absence of effective action by the national legislature, in the absence of that national legislature holding on to grants of power and seeing to it that those grants of power are not abused but are made sufficiently specific so the legislature knows exactly what is happening, in the absence of that type of action, the executive departments will be making rules and regulations which have the force of law itself, and becoming therefore not only a law-enforcing body but a lawmaking body as well.

I do not need to go into a lot of lurid phrases about what that situation is. That situation means the concentration of government power in one branch of government, and that is not democratic government. It is a threat to the basic liberties of the people.

I think there need be no difference of opinion that we have to do something in this field, and I think that the key to it has already been suggested. Here it is. When Congress passes a law the job of Congress is not complete. When Congress passes a law it remains for Congress to see to it that that law is carried out in accordance with the intent of Congress when it was passed. And if it be a law in which grants of power are included, as in many instances it will undoubtedly be, then it is necessary that the Congress have machinery whereby it can keep check upon whether or not those grants of power are abused or exceeded, and whether the exercise of such rule-making power as is granted to an executive agency is exercised within the limits prescribed by the Congress or not.

I think you know I am very far from having any hostility toward any executive department of the Government. I would like to see Congress get away from special committees that are set up because we get angry at somebody. What I would like to see is a continuing relationship between the legislative and the executive whereby we will not wait until we think some department or agency is all wrong and then set up a committee to find out how bad it is, but whereby from day to day and month to month the Congress will have its means of keeping in touch with the Executive and just as soon as it feels that a law is not being administered in accordance with congressional intent, a bill can be brought in to amend the basic act to prevent that from happening.

There will be found times when an executive agency is set up and Congress has put in the beginning of the bill that such an agency is created for the purpose of solving a certain problem, when we may not have equipped that agency with the necessary tools to solve that problem, and it may be necessary for Congress to specifically empower that agency to do things which it was not originally empowered to do. In any case, the thing that we must have—and I do not think there will be must disagreement about this—is the assumption of a new function on the part of Congress, namely, the function of continuously reviewing the actions of the executive agencies to see to it that the law is carried out in accordance with congressional intent.

I hope that it will not be out of place for me to call attention to my own resolution, House Resolution 60, which I introduced in January of last year, which proposes to do the same job precisely except that it proposes the job shall be done by all standing committees of the House—that each standing committee shall do the job of reviewing the action of the executive agencies regarding which that standing committee passed laws. In other words, the Banking and Currency Committee would do it with regard to the O. P. A. or the Reconstruction Finance Corporation. The Agricultural Committee would do it with regard to the Department of Agriculture, and so on. I only suggest that because if you do believe it is too big a job for one commit-

tee to do, it seems to me that my proposal in House Resolution 60 is the answer. That resolution would mean that the committees of Congress would have responsibility not only for the enactment of legislation, but for seeing to it that the legislation is carried out in accordance with congressional intent. That, in my judgment, will go a long way toward avoiding a misunderstanding between the executive and legislative branches.

I hope and believe that all the problems connected with the job of Congress, some of which I have discussed here, will receive the careful attention of the committee to be appointed. I am certain that out of this study will come guidance whereby we can measurably strengthen the work of this Congress so that there will be no question about its remaining the greatest legislative body in the world.

Mr. COX. Mr. Speaker, I now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER] to be reyielded by him as he sees fit.

Mr. MICHENER. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN] who has introduced a resolution along this line and has given much study to the matter.

Mr. DIRKSEN. Mr. Speaker, I wonder how fresh there is in the minds of the Members the experience we had a few years ago when we were the recipients of bundles for Congress? I wonder if you remember with some degree of acuteness the awful pasting we took in the press on the X cards. That is not so long ago. That was probably a part of the feeling in the country concerning the legislative branch of our Government and it is a matter that should disturb everyone who has pride in this body.

I am not too happy about the comments that appear in the newspapers and are heard over the radio about the competence of the Members of Congress. The other day we were considering a resolution dealing with additional clerk hire and that night no less a commentator than Lowell Thomas remarked on the fact, with some levity, that maybe Congressmen because they were seeking more clerk hire and more pay might be called upon to sell apples on the street in the post-war period. It is a part of the literature in the discussion that has developed over a period of time, concerning the efficacy of Congress and its place in public esteem.

Let me refresh you briefly on some of the titles to this literature that have come to my attention in recent days.

There is, for instance, the critique of Charles Beard and Mary Beard, celebrated historians, on Congress as Power. There was a full-scale work by John T. Flynn, Meet Your Congress. Mr. Pendleton Herring, who has been a student of legislative procedure, has written a book entitled "The Politics of Democracy," in which he deals with Congress. Alfred E. Smith, of late and lamented memory, wrote a very interesting book entitled "The Citizen and His Government." Roland Young, secretary to a Senate committee for a long time, wrote a rather provocative work entitled "This Is Congress." If you examine the literature in the periodicals in the last year or two you will find titles such as these: "Stop Kicking Congress Around," which appeared in American Mercury; "Rebellion on Capitol Hill" and also "Hot Seats," which appeared in Collier's; "Progressives in Congress," which appeared in Common Sense magazine; "On Reforming Congress," which appeared in the magazine known as Free World; "How the House of Representatives Works" and "How the Senate Works," which appeared in the magazine called Glamour; "Congress Has a Post-war Plan," which appeared in Harper's; "Congress Faces the People," which was written by R. L. Strout and appeared in the Independent Woman. Life magazine carried a series of articles by Roger Butterfield under the title of "Is It True What They Say About Congress?"; the New Republic, which has been quite a critic of this body, writes under the title "Congress As Usual." I could quote titles to dozens of articles in Reader's Digest, the New York Times, Vital Speeches, and other periodicals which not only evince the abiding interest in Congress but in the larger interest of a Congress that is in truth and in fact a completely coordinate branch of government.

There has been a lot of withering and constructive criticism. Some of it has been on the malicious side. But there has been much on the constructive side, moved by an earnest desire for congressional improvement, and it is high time that we turn the searchlight on ourselves. We have investigated everything and everybody except ourselves. We have investigated the cost of the Pentagon Building and we have made money available for research in the development of thrips on onions. We have investigated everybody from Fannie Perkins to Sidney Hillman, but we have not investigated ourselves. It is no wonder that George Creel wrote in Colliers a year or more ago that these were ox-cart days so far as the legislative branch is concerned, and that there is ox-cart and horse-and-buggy technique, when at the other end of the excutive branch it is a 16-cylinder technique that is burning high-octane gas. It is time that we measure up to our responsibilities in this whole structure of government. So the searchlight must go on, and I think the time has come to investigate our own procedures, to streamline and to modernize them, to improve them, to simplify them and to strengthen them, to do those things that the people of this country expect and the things that are a responsibility, because legislative power is in retreat in every section of the earth.

There has not been an election in Great Britain since 1935. In Brazil, Getulio Vargas, the President, sent the congress home. He said, in effect, "Go home; I do not need you." That is the story in every section of the earth, and if we are going to be introspective now and turn on the searchlight, we are faced with this question of whether or not legislative power is in retreat and whether it is a period of executive mastery in what we are pleased to call this great representative democracy, and whether popular government as we have known it will be foreclosed and eclipsed in our country. That is something just a little bit more than personal selfishness in the desire to come back from time to time. I have said often and often as unselfishly as I could—and of course, we have to take account of the fact that it involves a personal equation—said that if I could see this body streamlined and made more effective, I would be willing to relinquish my seat, if that were to be the cost of such an accomplishment. If I could do that, and if I were the cause, I think I would be glad to do that.

Think of the folks who have been here and who will not be with us next session—60 or 70 of them. That has been the history of Congresses ever since we have operated under a Constitution. Probably more than 9,000 men and women have served in this body. Members come and go. Death, resignation, and defeat takes its toll. Behind this House is a great tradition. It must be upheld. When I came here I early developed a pride in Congress. I wanted it to fulfill its whole responsibility under the Constitution and to redevelop and to recapture that prestige which it has always enjoyed. People are often heard to say that there are no more Websters and Clays, no more Calhouns and Bentons in Congress. There are still plenty of Websters and Clays and Calhouns and Bentons here, and there always will be. But the limits of time, the complexities of Federal business, the volume of chores afford small chance for the same luster that was achieved in those days when the population was but 10 percent of what it is today.

I came across something rather interesting the other day in that connection. Sitting up here in this press gallery 25 years ago was a gentleman by the name of Clinton Gilbert, who used to represent the Philadelphia Evening Ledger. Back in 1922 he wrote a book called Behind the Mirrors. He was commenting in this book upon the passing of Executive power, and, mind you, he had this to say, and it is only 22 years ago that the book was written. He said:

> Presidents might become largely ornamental, largely links with the past, symbols to stir our inherited feelings as we watch their gracious progress through the movies. Mr. Harding is headed that way.

Twenty-two years ago a student, a very introspective student, saw the eclipse of the Executive power and saw Congress moving forward larger and larger in the governmental scheme in this country. Lift your eyes like Ishmael did of old and contemplate what has happened in the last 12 or 15 years in our governmental structure and how badly Mr. Clinton Gilbert missed his guess as to whether Presidents were going to become largely ornamental. Today the power is in the executive branch. Nor does that fact spring from the war. Power moved toward the executive branch long before the war and continues to do so. If legislative retreat and executive mastery is going to be brought to an end and a certain amount of balance is to be restored in Government, then it is time for us to revamp our techniques, to examine this structure in

which we work, to modernize it, to make it a branch of Government which operates with speed and dispatch, to make it fulfill not only every responsibility which the Constitution imposes upon it, to make it function as the people expect and have a right to expect, to make it so function that this will remain a government of law and not of men, to keep the executive branch in its proper sphere, and to provide assurance that as the tides of communism sweep over many areas of the earth, government by the people as well as of the people will be maintained.

There are 498 agencies of Government today. You have 2,880,000 people working on the civilian pay roll. That is testimony to the growth of Executive power and administrative power, where the interpretative power of the things we do here is delegated to somebody else who is not responsible to the electorate of the country and to whom we have to appeal and go hat in hand ofttimes in the hope that we can get an interpretation consonant with the intent of Congress that may aid our constituents.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. MICHENER. Mr. Speaker, I yield 5 additional minutes to the gentleman from Illiinois.

Mr. DIRKSEN. You remember the celebrated hosiery order in O. P. A. or W. P. B., some 14 pages in length, with logarithmic tables, and that sort of thing. You probably could have built a cruiser or a destroyer on the basis of the blueprints set out there, the number of threads that were to be put in the heel and the toe of a woman's hose, how much they should be sold for by large department stores, by small dry-goods stores, and by chain stores at the various levels. It is one of the results of delegated power. Probably there was not a Member of this House who did not call up the Administrator and raise a big fuss because the folks back home saw here the reaching of administrative power to the point where it bade fair to put a lot of our people out of business. It is a fair illustration of the excesses committed when broad powers are delegated and we are completely unequipped today to follow through on the powers that we grant and make certain that the will and intent of the lawmaking branch is carried out. Surely, such a situation admits of remedy. Take a look at this whole scheme and see how weak we are. We are supposed to initiate legislation. Do we do it? In the first session of the Seventy-seventh Congress 271 bills were drawn in the executive branch, not here, and those are the bills that seem to have priority because behind them is administration policy. How do we do our job of initiating legislation? That is a fair question because it is part of the responsibility of the lawmaking branch. How well equipped are we to do it? There is the job of legislating. Who are the first witnesses and ofttimes the only witnesses before a committee? The very people to whom the power is to be delegated and who will exercise it over the people of this country. Too often, the only witnesses from whom we derive information concerning a bill or an appropriation are those who will wield the power and spend the money. Should there not be a reliable and independent source of information at hand at all times before powers are granted or appropriations authorized which touch the pockets and the lives of every man, woman, and child in the land? It is fair then to ask why such sources of data have not been made available. Are we doing a job when we do not have independent sources of information and data so that we do not constantly have to rely upon the information which we get from the very people who are to be entrusted with the issuance of countless rules and regulations, orders and decrees which reach down to the humblest people in the land?

How well do we appropriate? I wish there were an hour available because I could tell you a story of just exactly what is going to happen on the 8th of January when the first subcommittee of the Committee on Appropriations begins to take testimony on appropriation bills for the fiscal year 1946. We will be ranged on one side of the committee table. There will be a great procession of departmental heads and agency heads on the other. They will have their experts and statisticians. We will not have anybody on our side to help quiz and cross-examine them, to help supply the data by which we may elicit the story so that we can better and more intelligently appropriate the people's dollars out of the Federal Treasury. I have said before that it is like trying a lawsuit without any witnesses and without any evidence. Often, it seems like a fruitless proceeding. One develops a sense of frustration about it at times. So there is a field now in which we can do something. We can retool and reequip ourselves for the business of initiating legislation because this is the exclusive legislative body in this Government. We can reequip ourselves to better legislate by securing the information that is necessary on which to predicate our judgments when bills go across this floor. We can equip ourselves the better to properly appropriate money and coordinate revenue-raising and the revenue-spending powers which we enjoy. May I say, and I trust somebody may correct me if I am in error, I have served on the Committee on Appropriations for a good many years. I have no recollection that there has ever been a joint meeting of the Committee on Appropriations and the Committee on Ways and Means during my service on the spending committee of the Congress. Is it not strange that we do not coordinate the work of both committees? Each committee travels its separate uncoordinated and independent way and as a result, do we get the maximum of efficiency in this whole fiscal field, which becomes more and more disturbing as the national debt moves in the neighborhood of three hundred thousand million dollars?

In addition to the task of initiating legislation and policy, the task of properly legislating, and the task of appropriating public funds, it seems to me there devolves upon us a responsibility of supervising, to some degree at least, the impact of legislation upon the whole economic structure of the country. For example, we will delegate broad power to the Administrator of the Office of Price Administration. He spells it out the best he knows how and gets out thousands of regulations. They fall with great weight upon this whole finely integrated business structure of the country. How ill equipped we are to see whether they are carrying out the intent of Congress! As testimony to that, just this week there was a decision of the Supreme Court which nullified evidently the intent of Congress, and we passed a bill just a day or two ago to roll back a decision because it was not in consonance with the intent of Congress or the Constitution. We had a deficiency bill here last week where the Agricultural Administration had committed $13,000,000 more than we authorized in the annual appropriation bill. It was clearly an abuse of authority. There seemed to be real unanimity that those responsible should be disciplined and called to account. But nothing was done. In my opinion, the proclamation under the Antiquities Act whereby Jackson Hole was taken over in Wyoming was a clear nullification of the intent of Congress. The action of the Interstate Commerce Commission in reducing the existing capitalization of railroads is a complete nullification of legislative intent and the gentleman from Alabama [Mr. HOBBS] seeks to cure it by so modifying the language of existing law that it cannot be done. These few examples which come to mind in recent days seem persuasive enough that our whole job is not done when a law goes on the books. It needs policing to make certain that legislative intent is carried out. But where are the tools to do it? Where is the equipment? How long is this going to continue before we generate some respect for ourselves by supervising the things we authorize and translating them way down to where the dollar is finally expended? You see, that is part of our job, because this is the body without whose action no dollar can, under the Constitution, be appropriated out of the public treasury. So as the debts go up, as bureaucracy swells, we have to do something more about it than just give lip service and make speeches. I went all through the country during the last campaign discussing these matters. I think in the last 65 days I spoke in some 15 States.

May I say to you gentlemen, particularly over on the other side, with what grace I could bring to bear, I criticized bureaucracy and the usurpation of power very freely.

I am not and I was not unmindful of the fact that there must be and there always will be administrative agencies of government. In an age when government grows more and more complex, such agencies are necessary. Such powers as they enjoy are derived from this branch of government. Such qualifications as they bring to their tasks are broadly prescribed by this branch of government. Such funds as they expend are derived from this branch of government. The investigation of their performance of the duties reposed in them is the task

of this branch of government. As government grows bigger and bigger, so our responsibility grows bigger and bigger and there must be the tools, the weapons, the instruments, the procedures that will make it possible to do that job with the highest degree of competence.

I can think of a good many things that might be done to improve our efficiency. The resolution before us will provide the opportunity to explore and to recommend to Congress changes that should prove salutary and helpful. It has to be done here, and here is our chance. I think in 1942 I stood in the well of this House and talked for an hour shortly after the President said, in connection with the price-control proposal, "You do it, or I will." But we had no substitute. You cannot criticize the President, even though you think he is wrong, unless you have an alternative proposal and have the data on which that should be predicated, and that is our job. So, why not be introspective? Let us make this mean something. Let us start overhauling this structure that has gone on without any material change since 1830, when Daniel Webster was a Member of either the House or the Senate, probably the Senate, and there were 203 Members in this body. We have now 47 standing committees, but, in the name of good legislation, in the name of solidarity as a legislative branch of the Government, in which we must have pride, and in the name of freedom, which, in my judgment, will give way if we impair and destroy or neglect the functions of this branch of the Government, this job of reorganization must be done. President Monroe once said that the legislative branch is the center of government, because everything has to come from that branch.

There could be no Presidential Cabinet except as it was provided by the Congress. There could be no court system except as it was provided by Congress. There could be no administrative agencies which we affectionately refer to as the bureaucracy, except as it was provided by Congress. Truly, the Congress is the very core and center of government and an appreciation of that fact should enlarge its responsibilities.

I do not mean for one moment that the legislative power should be exercised in a capricious or arbitrary manner to prove that it has such power. I do mean that in those periods of our national life when government was in proper balance that we enjoyed our greatest progress, our greatest contentment, our greatest prosperity, for all these stem from the confidence that is born of balanced government. It could be so again.

I know and you know that in a body so large as this, there develops a certain inertia. There is an indisposition toward change. That is only human. It has always been so. The change from tallow candles to kerosene and from kerosene to the incandescent lamp; the change from hand work to machinery in the mining industry; the change from the horse and buggy to the horseless carriage—all these were met with resistance simply because human nature is that way.

But there is a challenge before us. It has been growing as evidenced by the literature of dissent. We are on trial. It takes a long time to live down the appellation of "rubber stamp" when once it has been popularized.

I do fervently hope that this resolution will pass and then be reenacted in the Seventy-ninth Congress to follow, and that under it we can simplify and strengthen the processes and operations of this body to recapture the glory and prestige which belongs here, and make it stand forth as a beacon of hope to every corner of the earth where legislative power has yielded to Executive mastery.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, this concurrent resolution relates to a matter in which I am and have been very intensely interested. It was almost 3 years ago that I first introduced in this body a measure to create as an agency of the House of Representatives an office of fiscal investigations, to follow up the appropriations that are made, to see how the money is expended, to get the information upon which we might be able to detect and eliminate extravagance, duplication, and waste. That was presented simply as a basis for consideration. It did not involve the whole problem of proper staffing of the Congress. It does at least bespeak the intense interest I have had in this subject for a long time.

In the present organization of the Congress we also have duplication and waste, duplication of effort in that some measures, dealing with the same proposal, from the standpoint of their substance, are referred to more than one committee, and that involves a waste of effort and a waste of time. So, from the standpoint of duplication and waste the time has certainly arrived when we should give due heed and attention to a reorganization of our own legislative procedure in order that we may cope with the problems which modern conditions bring before us.

We are the only direct representatives of the people. Of the more than 3,000,000 Federal employees today, in the final analysis there are 531 selected by the people themselves as their direct agents and representatives. They are the Members of the Senate and the House of Representatives; because, as has happened in this country, nominees for the Presidency and Vice-Presidency may be elected without a majority popular vote.

As the direct representatives of the people, and legislatively their only ones to combat abuses, extravagance, and waste, and to promote economy and efficiency, it behooves us in their behalf and not as a matter of selfish concern to have an organization that will effectuate the purposes for which we are assembled and concerning which we deliberate.

Let me bring it to your attention that it required centuries for the people to wrest their rights from the autocratic power of the ruling classes. It required toil and hardship and bloodshed for the rights of the people to be secured. They can be assured of legislative protection only in bodies composed of representatives they themselves select. It is a very difficult matter to recover the rights of the people from Executive authority when once they have been relinquished, and surely the trend in recent years, augmented and accelerated by the necessary powers that must be bestowed in time of war, has been to decrease and to minimize the effectiveness of those who serve in this body as the only representatives of the people selected by the voice of the people themselves.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. COX. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Speaker, this is a great day in the history of representative government in this country. The American people want a strong Congress. Indeed, if the representative system is to survive in this country, we must have a strong Congress, well equipped to perform the duties imposed upon it.

The gentleman from Oklahoma [Mr. MONRONEY], the sponsor of this resolution, has performed a great public service in vigorously and intelligently advocating an expert and thorough examination of our congressional uses and methods. The gentleman from Illinois [Mr. DIRKSEN] and others who have worked with the sponsor of this resolution, who have pointed out the ways and means for strengthening of Congress, deserve the gratitude of their colleagues and of the people of the Nation.

Unfortunately there are some few Members of Congress who feel there is no necessity of improving our methods and who condemn any Member who suggests that the workings of Congress could be improved. The gentleman from Oklahoma [Mr. MONRONEY] and others of us who have been advocating plans and changes which we think would make Congress stronger are often sneeringly referred to as reformers or meddlers. There is no more conscientious or sincere Member of the House than the sponsor of this resolution. I feel, and I know that he feels, that Congress has an excellent membership. During the time I have been here I have had no occasion to doubt the patriotism or integrity of any Member. We may differ vigorously at times, but my experience is that Members of Congress are conscientious in doing what they think is right. But the truth is that under our present technique we do not have time to give legislation the consideration it deserves.

Congress, during the past few years, has become more and more an index to the bureaus. It is impossible to keep thoroughly familiar with all the legislation before one major committee of the House, let alone study and analyze all the legislation which is presented for our consideration. Unquestionably, we need better staffing, we need more expert advice, and we need fuller information. The great bureaus of the Government file annual reports, but they are voluminous, and no Member of Congress has time to read all of them, so we have no system of

keeping fully informed of how the laws we pass are being administered or of the activity of the great agencies of our Government.

For many years I have advocated a resolution to make it possible for Cabinet members and top administrators to be invited by the committees having jurisdiction of the subject matter involved to appear on the floor of the House and report to all the Members of the House on the operation of their particular departments and of their policy in the administration of the laws passed by Congress. Early in this Congress I filed a resolution (H. R. 327) to amend the rules of the House so as to make this report and question period possible. The resolution received Nation-wide approval in the press. Scores of House Members expressed interest in and support of the idea. For more than a year and a half I have been persistent in trying to secure a hearing before the Committee on Rules; but my efforts have been in vain. Many eminent students of government wished to appear before the committee and testify in favor of the proposal. They have been afforded no opportunity. It is true, of course, that the Rules Committee has been busy during this Congress, but whatever the reason for not being afforded a hearing, it demonstrates the desirability of the passage of this resolution.

The committee appointed under this resolution will, of course, study all of the proposals that have been made. I assume that they will grant sponsors and those interested in the various ideas an opportunity to be heard. The sponsor of the resolution stated before the Rules Committee that I would have an opportunity to be heard in support of H. R. 327 and that it would be considered.

The members of this committee will be rendering a great service to the Congress in studying and considering methods to help us meet the problems which are being presented to Congress with increasing rapidity. Let us hold up the hands of the members of this committee, and help them and support them in carrying out their difficult task.

Mr. COX. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, during the past 6 years, in my capacity as chairman of the Committee on Revision of the Laws, I have come to have a personal knowledge which has been fortified by expressions of opinion from all parts of the country, of the great need for a complete reviewing, revamping, and modernizing of our legislative drafting and law revision services.

I should like to commend the author, the gentleman from Oklahoma [Mr. MONRONEY], of the House resolution, companion to the pending one. He is one of the most studious and serious-minded Members of the House and has, over a long period, given great consideration to the subject matter of this resolution. The accomplishment of the objectives of this resolution will, in my opinion, be of immeasurable service to the entire membership of the Congress and to the country. I, therefore, am pleased to join with the other Members who have spoken on the pending resolution and to urge its favorable adoption.

Mr. COX. Mr. Speaker such time as he may desire to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Speaker, on January 24 last, I addressed a representative number of department heads and bureau chiefs on the subject now under consideration, giving special attention to the functions of the legislative branch of our Government, and I ask unanimous consent that part of these remarks be printed in the RECORD at this point. They are as follows:

When the 57 delegates arrived in Philadelphia in 1787 to form a more perfect union of the 13 States, they were very much in agreement as to the type or form of government they wanted. They were not long in deciding that the new government should be made up of three separate but coordinate branches to be known as the legislative, executive, and judicial departments. These departments collectively were to constitute the Government of the United States. The delegates had two outstanding common purposes in mind. One was to see to it that the new Government did not appropriate the rights and powers of the uniting States; the other was that neither of the departments should absorb the powers and discharge the functions of the other. The delegates were not unmindful there would be times when one department would be inclined to exercise the functions of another or undertake to discharge the functions of the States; and in order there could be no misunderstanding in the matter they proceeded to specifically enumerate the powers of each. Then to make more certain their common purpose, it was made clear that any powers not delegated to the departments individually or collectively were reserved to the States or to the people. They were specific in saying that the laws should be enacted by the Congress—the legislative branch—and were to be administered or enforced by the executive branch. It was felt that with specific powers lodged with the different branches it would be an easy matter for each to discharge its functions and there would be little or no excuse for one to trespass upon the rights and responsibilities of another. This was particularly true as applied to the legislative and executive branches, for it was thought the executive branch would be content to look after only those matters specifically required or authorized by the legislative branch. But here is where the forefathers were mistaken for one time. In actual practice it was soon found that most administrative or executive officers, instead of being content to administer what was specifically and clearly provided in a law, were inclined to enlarge the work of their offices by reading into the law additional allied matters or what they refer to as "necessarily implied activities."

It was emphasized that the legislative branch was to be primarily the people's branch of the Government and that it would devote its time to the study and enactment of legislation and take no part in the administration of the law. Again our forefathers were somewhat mistaken because as soon as a new law became operative and was administered to the inconvenience of some people they knew of no one to whom they could make complaint except their Representative in the legislative branch—their Congressman—who would then become busy and proceed to suggest or direct how and to what extent the law should be administered or enforced. There was not only a possibility, therefore, but an inclination for the two branches to infringe upon the powers and functions of the other. Opportunities for increasing their respective services have been enlarged in recent years on account of increased legislation in which individuals participate directly, such as farm credits, social-security benefits, soil conservation, rural electrification, farm security, old-age assistance, grants for crippled children, aid to the blind, compensation for dependents of men in military service, employment facilities, etc., all of which increased the duties of many members of the legislative branch and the work of their offices, thereby reducing the time to be given to a study of legislation and legislative policies, and under the stress for such time conceded increased powers to be exercised by the executive branch.

All of us now understand how the work or duties of a member of the legislative branch may increase to the point it is physically impossible to perform such duties efficiently and find time to give the required attention to all legislative matters. The situation is well illustrated by an observation made by one of our members when he spot-checked the work of his office for the month of last November. Counting the telegrams received, the telephone calls, personal calls, air mail, special deliveries, and other mail he found the number of inquiries or requests requiring his attention totaling an average of approximately 100 per day. If it should take on an average of 3 minutes of his time to answer an inquiry or comply with a request, that will total 300 minutes, or 5 hours per day. He was a member of a committee that conducted hearings practically every day for the first 5 months of the year, these hearings lasting about 5 hours per day. This means another 5 hours, or a total of approximately 10 hours per day, leaving only a limited time he may devote to purely legislative matters apart from those considered by his own committee. Most members take the position that their first duty is to their constituents because they are servants of the people. This is a logical attitude because it was contemplated when the Constitution was ratified the legislative branch was to be the people's forum and it was their representatives to whom they naturally and logically could make inquiries and complaints. It is not difficult to see, therefore, that members are anxious to personally look after matters coming from their constituents, and it is not hard to understand that under pressure for time there is a temptation to transfer some of the functions of the legislative branch to the administrative branch or why the executive branch should undertake to assume some of these duties and responsibilities.

Although the legislative branch is often charged with being extra liberal in providing appropriations for running the Government it should be observed that it has been less generous in providing facilities for efficient discharge of its own functions than to other branches of the Government. To illustrate, according to figures furnished by the clerk of the Appropriations Committee, appropriations for operating expenses of the legislative branch were 4 times as much in 1940 as in 1900, whereas the appropriation for the executive branch was 17 times greater, showing that the legislative branch has not increased its facilities for discharging its functions in proportion to its increased duties and responsibilities but apparently has delegated some of its functions or powers to the executive branch. This transfer of responsibilities began several years ago when the legislative branch resorted to a practice of incorporating into new legislative bills a provision giving the executive branch the right to "make such rules and regulations as the administrator may find to be necessary in the administration or enforcement of the law."

With the inclusion of such a provision, the rules and regulations generally made have full force and effect of law and are consid-

ered by some as being equivalent to turning on the green light for the development of what we know in recent years as the bureaucrat. Of course, the Congress felt that such a provision should aid and facilitate efficiency in the administration of a law, but there seems to have been a hidden danger the Congress did not recognize. (I refer to the Congress and the legislative branch synonymously.) Delegating to an administrator the power to make rules and regulations he considers advisable in the administration of a law virtually gives him the right and power of interpreting and enlarging the scope of the law almost without limit.

The Congress seems not to have fully recognized that with such a power practically any administrator subject to human frailties could be expected to enlarge his powers in the application of the law. The Congress further failed to recognize that the love of power is one of the strongest passions of the human soul and, like any other human passion, grows by what it feeds upon, and that a little power invariably begets a love for more power. The modern bureaucrat, therefore, is not an accident, and I would not say his existence is due to any well-laid designs or plans on the part of anyone; he is simply an ambitious person to whom a little extra power has been given to be used in the administration of a law. We sometimes speak abusively of bureaucrats, and I have no sympathy for their exercise of unwarranted powers, but the legislative branch cannot offer a complete alibi when charging them with having usurped the authority of the Congress for, in many cases, they were first given an "inch" of additional power and then they just naturally took an "ell."

The creation of the Budget Bureau was designed originally to assist or aid the legislative branch in its work, but it was a mistake to place it in the executive branch, because in actual experience it has not proven to be of great value to the legislative branch for the reason it is still necessary for the Congress to review the work of the Budget Bureau almost to the same extent as formerly.

We said earlier in our remarks that "a little power begets a love for more power." We could have observed further that a gradual and growing increase in the exercise of a power by anyone or a Government agency will eventually convince such person or agency that the added power is properly placed and therefore presents an increased responsibility that must be discharged. I would not have you infer I am alleging there is designedly too much power or authority being exercised or lodged in the executive branch, but it leads me to make the observation that some agencies have reached a point where they feel that they have a greater right or responsibility to speak and act for the people than the legislative branch; they insist that they are responsible for the supervision and direction of the people in their economic activities and their plans for economic security. There is hardly a day passes but what someone in the executive branch frankly and openly undertakes to tell or advise the legislative branch what the people are doing, what they are thinking, and how they feel about this, that, or the other, and then insist that the Congress should proceed to act in accordance with his or her suggestions. They seem to lose sight of the fact that Members of the legislative branch are the servants and direct representatives of the people, and as a rule, have a much better opportunity of knowing what the people are doing, what they are thinking, and how they feel about this, that, or the other Members of the legislative branch are in contact with a hundred or more people of their districts practically every day and therefore have first-hand information as to what they are doing and what they are thinking about. Only last week several persons representing different agencies in the executive branch were telling a committee of the legislative branch they had recently received information that our men in the armed forces are definitely dissatisfied with the many strikes in our war-industry plants and are now insisting that the legislative branch do something about it.

Just why these people should think they were bringing news to Members of the legislative branch is hard to understand, because the legislative branch has been in possession of such information for the past 2 years. In fact, Members of the House of Representatives had this information on December 3, 1941—4 days before Pearl Harbor—when it passed H. R. 4139, a bill designed to obviate or prevent further strikes in war-industry plants. Apparently the executive branch did not feel the legislation was necessary or advisable and succeeded in having it stopped in the other body. The entire legislative branch had this same information nearly a year ago when it enacted what is known as the Smith-Connally law, designed to obviate or prevent further strikes in war-industry plants, but apparently this action of the legislative branch did not impress the executive branch until recently, when it seems to have picked up the information somewhere that our soldiers and sailors, including our civilian population, are not very well pleased with strikes in our war-industry plants and their home-front sympathizers and now want to blame the legislative branch for not having seen and corrected the situation heretofore.

I want to make it clear that I am in no way reflecting upon the integrity, devotion, or patriotism of any individual or group of individuals, but I am trying to emphasize the thought that it is indispensable for every branch of the Government to follow and adhere strictly to certain fundamentals established by the Constitution. Neither branch can afford to allow itself to follow the line of least resistance and develop a habit of doing things for the sake of expediency and establishing policies and programs that distort the powers and functions definitely lodged with the three branches of our Government. We have been told that a house divided against itself cannot stand, and that a kingdom divided against itself will come to desolation.

These statements are not mere observations; they represent a fundamental established by a law of nature. The maximum service can only be obtained by the studied and unselfish efforts of each branch acting within the scope of its constitutional authorities. There is a special field for each and ample opportunity for all. Neither can succeed permanently by failure to discharge its responsibility or by a successful effort to exercise the authority of another. Neither can lay claim to the highest degree of efficiency and loyalty when it knowingly neglects its responsibilities or when it knowingly undertakes to discharge the functions of another. Repeated or continued violation of this principle can only interrupt or destroy the symmetry of our governmental structure and operate to divide it against itself, the future of which is then doomed. Neither agency can excuse or justify itself in exercising unwarranted powers upon the ground that the other has failed to exercise or discharge its functions. The executive branch cannot justify its actions by pointing out that the legislative branch has delegated its powers or neglected to exercise them to the fullest extent, nor can the legislative branch excuse itself in any way by showing that the executive branch is appropriating or exercising powers and functions not contemplated by the Constitution. Our Government cannot permanently endure if the specific powers and functions of one branch are absorbed by either of the others. This is fundamental, and if mistakes or errors have been made by either or both the great question is how such mistakes or errors are to be corrected. It is not a one-man problem; it is not a one-agency problem; it is the responsibility of the individual and collective leadership of all; the responsibility cannot be shifted.

The problem will not be solved by complaining and criticizing. I have never seen two persons succeed in solving a problem of mutual interest by continually finding fault with the other, but I have never seen a failure where they were equally anxious to find the law and follow it. Policy-making programs are primarily the function of the legislative branch. No doubt the executive branch has the power and duty to advise the legislative branch from time to time on the state of the Union and offer such suggestions as may be appropriate, but the legislative branch has a greater responsibility than the mere ratification of suggestions. Under a policy which has existed for a number of years bills introduced by members of the legislative branch are first submitted to the executive branch for an expression of opinion as to their merits. Should the report be unfavorable, the proposal rarely receives further consideration. That is, it is almost impossible under existing relationship for the legislative branch to give consideration to legislation designed for the benefit of the people unless it is first approved by someone in the executive branch, which means that the latter has and exercises a veto power in advance and more often such power is exercised by a bureau chief or a department head, neither of which is clothed with such constitutional power and have no direct responsibility to the people further than to see that laws are properly administered. The legislative branch has no right or authority to transfer or delegate its powers and responsibilities to the executive branch. If additional facilities are necessary in order to discharge its functions, such facilities should be provided. If they are not available, they should be made available. Sir Philip Sidney gave expression to this idea when he said: "Either I will find a way or I will make one." If the legislative branch has more to do than can be done with existing facilities, it should enlarge such facilities and retain its responsibilites.

Mr. MICHENER. Mr. Speaker, someone has said that everybody talks about the weather, but no one ever seems to do anything about it. I think we can apply that to the objective sought by the pending resolution.

At the outset I want it distinctly understood that I am going to support this resolution and that I supported it in the Rules Committee.

This Maloney-Monroney Concurrent Resolution No. 23 loses all of its vitality when the Seventy-eighth Congress expires. In short, it will be dead and have no force or effect after the Seventy-eighth Congress terminates.

The rules of the House contemplate three types of resolutions: House resolutions, concurrent resolutions, and joint resolutions. A House resolution applies to procedure in the House entirely. A concurrent resolution deals with matters in which both the House and Senate are interested. Joint resolutions for all practical purposes have the same legal effect as bills. House and concurrent resolutions are not laws and are not signed by the President. Joint resolutions may become laws, the same as bills, if signed by the President or passed by the Congress over the President's veto.

Now this is a concurrent resolution, originating in the Senate, and will be binding on the House and Senate if and when the two bodies agree to it. We all realize that the House cannot bind its successors by concurrent resolution.

This concurrent resolution passed the Senate in August 1944 and was referred to the Rules Committee of the House on August 24. It slumbered in the Rules Committee until December 7, 1944, when it was reported to the House in the form in which we are now considering it.

May I call your attention to section 2 of the resolution as it passed the Senate, which provides in part:

The committee shall report to the Senate and the House of Representatives the result of its studies, together with its recommendations, within 6 months after the passage of this concurrent resolution and each 6 months thereafter until the completion of its study.

If the resolution had passed both Houses in August, as was expected by its proponents, a report might have been made during the Seventy-eighth Congress. The Rules Committee, however, amended the resolution, requiring but one report to be made not later than April 1, 1945.

Now, it is perfectly apparent that nothing can be accomplished under this resolution except possibly the appointment and organization of the committee. This is December 15, and are any of us so naive as to even think that committee hearings can or will be had between now and January 3? Certainly not. In these circumstances, the passage of this resolution at this late hour in the session is at most a gesture. It may satisfy some of its many proponents throughout the country. It will be a good medium of publicity and will have some propaganda and newspaper value, as I have already suggested. Do not forget that inasmuch as this resolution is amended it must go back to the Senate and possibly to conference. Unless the amendments are unanimously accepted by the Senate at once the House will have just marched up the hill and down again before adjournment, like the people who talk about the weather and do nothing about it.

A few days ago when the bill was before the House, providing additional clerk hire of $3,000 for all Members, I called attention to the Maloney-Monroney resolution and predicted what was going to happen. The additional clerk hire bill passed the House and will be back here as a rider on the deficiency appropriation bill. Of course, as I suggested, the Senate undoubtedly will take advantage of the House bill and provide for additional clerk hire. I took the position that an over-all investigation should be made as to the needs and requirements of the Congress and, after all phases had been considered, then the committee should report remedial legislation that would possibly increase expenses in some places, decrease expenses in others, and make a more workable and efficient institution of the Congress. Well, additional clerk-hire legislation has been assured and now we are going through the form of indicating that we are going to reform the entire procedure—maybe sometime.

There are some inconsistences in the resolution which I think no one will deny. I do not want a resolution to pass the House containing language which I think is contradictory and which might be misleading. I make reference to section 2 which reads in part as follows:

The committee shall make a full and complete study of the organization and operation of the Congress of the United States and shall recommend improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations—

And so forth. At the end of this vital section is found this language:

Provided, That nothing in this concurrent resolution shall be construed to authorize the committee to recommend any amendment to or change in the parliamentary rules governing proceedings in either House.

This instruction, providing what the committee is to accomplish, is entirely nullified as far as any "change in the parliamentary rules governing proceedings" in either House is concerned.

The gentleman from Illinois [Mr. DIRKSEN] has just argued that there are too many committees under the parliamentary set-up of the House. This resolution will not permit any change along that line. My thought is that there are possibly many things in connection with the House that should be investigated and changed, but this proposed investigating committee is mandatorily prohibited from even recommending any amendment or change along this line. You know, this provision reminds me of the old story of the lady who authorized her daughter to go for a swim but said: "Hang your clothes on a hickory limb, but don't go near the water."

Of course we can all understand that the Senate might not want this committee to make any recommendation concerning the cloture or seniority rules, and that the House might not want this committee to make any recommendation providing for the elimination of committees with clerks, messengers and other prerequisites, as well as the seniority rule. I do not believe this proviso should be in this resolution. Nevertheless, no amendment to strike it out is in order or will be permitted. It is, therefore, a question of taking the resolution for what it is worth or killing it. Of the two evils, I prefer the first, entertaining the fond hope that the next Congress, which will necessarily have to pass a similar resolution if anything is done about this matter, will take the proper action.

Mr. Speaker, this is not a partisan resolution and a more efficient Congress is a national question and not a politically partisan one. This fact is recognized by the provision that of the six Senate Members not more than three shall come from an one party, and the same provision applies to the House Members.

Here is another admirable passage from the resolution:

No recommendation shall be made by the committee except upon a majority vote of the members representing each House, taken separately.

I think most of us appreciate that joint Senate-House committees have not always in the past been successful. However, it seems to be the consensus of opinion that a joint committee should be given another trial. Where there is life there is hope and where there is willingness there is prospect.

Mr. Speaker, there is a practical side as well as a theoretical side to reorganizing Congress. Congress has its shortcomings. It is not always efficient, but we must not forget that the present rules and the present organization are the development of 150 years of experience. Representatives have come and Representatives have gone. All have undoubtedly wanted more efficiency, and each has in his day and time contributed his bit. The Congress is composed of 531 Members coming from all sections, from varied environments, and representing different and ofttimes conflicting local interests. Suffice it to say that unanimous agreement is almost always impossible, yet the country has worried along somehow, and on the whole the Congress has done a pretty good job. There is room for improvement and a careful, consistent, tolerant study can undoubtedly be of much value. In these circumstances, I am supporting this resolution, with the full knowledge that no adequate report can be made by April 1, 1945, and that the Seventy-ninth Congress will be obliged to take action if this suggested committee is to in any way approximate the expectations of its sincere advocates.

Mr. COX. Mr. Speaker, I yield the remainder of my time to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, the United States Congress is not only the greatest legislative body in the world but it has the greatest system of procedure of any legislative body in the world. And that system of procedure is today the most efficient system in use in any session since the establishment of the Congress in 1789. It is effective; it is efficient; it is flexible; it is expeditious; it answers every legislative need.

I make this statement on the authority of one who over a long period of years made a more exhaustive study of the subject than anyone who has spoken today, the Parliamentarian of the House, who says in his preface to the Rules and Manual of the House of Representatives for the Seventy-eighth Congress:

The parliamentary practice of the House is a system of procedure which ranks second to none. It has proven adequate to meet all the emergencies that have arisen in the past. It will meet the emergencies and problems of the future with the same degree of success.

I call attention to this, Mr. Speaker, merely to keep the record straight, because the impression may be given tomorrow in the press or over the radio that the House has today by the passage of this resolution conceded that there is something drastically wrong with Congress and its method of transacting the business of the Nation; that it is antiquated and obsolete; that it lacks parlia-

mentary facilities for the consideration and disposition of the congressional program.

Let me say emphatically, Mr. Speaker, that such is not the case. There is nothing wrong with Congress or its procedure and no need or demand for any material modification of its method of doing business. That is the composite opinion of the Congress. Out of the more than 500 Members of the House and Senate there are probably less than a dozen—certainly not more than a score—who are aggressively supporting this resolution. The great majority of the Members of the Congress, and especially those who have had an opportunity to observe intimately its operation over a number of years, will tell you that the present system answers every requirement and meets every need. Of course no one is going to vote against such a resolution as this because no Member could vote against a resolution to investigate himself. So when anyone comes along with a proposition of this kind we say: "Certainly. Go ahead. Investigate to your heart's content. It may not do any particular good but it can't do any harm."

But let no one get the idea that there is anything culpably hidden to investigate or that anything except the usual report filled with the usual platitudes and topped with a recommendation to increase salaries—including Members' salaries—will come of it. The membership of the House, in its good-natured tolerance of the perennial attacks on Congress and its rules, has no criticism to make of House procedure, nor any expectation or belief that material defects can be found through such an investigation and no one has this morning offered any argument to shake that confidence.

In the limited time allowed, may I take for example the speech made by my good friend the gentleman from Illinois [Mr. DIRKSEN], for whom I have the greatest admiration and affection. Let us analyze briefly the arguments advanced in this, the longest and most entertaining speech made in favor of the resolution this morning. First, he alluded to the bundles-for-Congressmen protest against a proposal to bring Congressmen under the civil-service pension system. Now, what reference has that to procedure and how could a change in the rules of the House affect either the bundles or the pensions?

Then he called attention to the newspaper criticism of Congressmen who applied for X-cards in the rationing of gasoline. What had that to do with procedure or what change in the rules would have affected either the criticism, the cards, or the gasoline?

Then he drew a vivid picture of the evils of the O. P. A.—an exercise of the war powers of the President enacted by the Congress to facilitate the prosecution of the war. And, again, how could that affect congressional procedure and how could it be cured by an amendment of the rules of the House?

Next, he animadverted to the $13,000,000 which was voted on the floor here the other day for soil conservation. What in the world had procedure to do with that?

Regardless of what system of procedure you had, a majority of this House would have voted the $13,000,000. Such comment was wholly beside the point and without the remotest connection with the resolution pending before the House.

And then he got down to cases. And I want to call particular attention to the suggestion that next month the Committee on Appropriations will begin hearings on appropriation bills with the representatives of the departments before us and no means of checking or verifying their statements. What are the facts? Throughout the consideration of the appropriation bills, this session, the Committee on Appropriations has had at its command the highest type of investigators, auditors, accountants, and scientists available anywhere in the United States today. Only yesterday the gentleman from Illinois met with his subcommittee and voted to send investigators into the departments for this purpose, and after the vote had been taken he was asked if there was anything further in the estimates which would come before his subcommittee during the coming session that he wanted investigated and he said there was not.

Mr. Speaker, it is surprising that when a resolution which has been so widely publicized comes before the House there should be so little tenable argument offered in favor of it. It was suggested by one of the speakers that there was imperative need of a better drafting service. Why, Mr. Speaker, we have the most efficient drafting service that could be secured—five men in the House and three men in the Senate, all of them experts of long experience, who collaborate with each other between the two Houses. Too much cannot be said in commendation of the service rendered by the present staff, and if they have ever failed to provide for any committee I have never heard of it. And in addition there is available the drafting service of the Legislative Reference Service of the Library of Congress which has supplied every need and complied with every request submitted by any Member of Congress.

The only other complaint submitted this morning is that committees ought to be reorganized. That is a perfectly simple matter. If you want more committees, or if you want less, offer a resolution; and if there is any merit in your proposition, it will have instant attention. But remember this, whether you have many committees or few, the same men have to do the work and get the bills out. And whether you have many small committees or one large committee with a lot of subcommittees, the men who do the work will find themselves in about the same groups.

In other words, there is yet to be offered any substantial reason for any material change in congressional procedure. After all, the test of any system is the results secured. You judge any plant by its product. Judged by that high criterion, the Congress of the United States measures up to every requirement. During the last 4 years this Congress, operating under the greatest stress to which any parliamentary body of like importance has ever been subjected, has functioned faultlessly. It has met at the right time and in the right way every problem and every emergency growing out of the greatest war in history. With the preservation of the Nation at stake, it has functioned effectively, efficiently, and expeditiously. It has met every test. It has made a record of which the Nation may well be proud and is proud.

It is a flexible system. Under our procedure the House can legislate when it wants to legislate and refuse to legislate when it does not want to legislate. Witness, the passage last week of the bill offered by my distinguished colleague, the gentleman from Missouri [Mr. COCHRAN], to increase clerk hire. It was offered, ruled out, submitted to the Committee on Rules, reported out, authorized and passed—all in one brief hour, without estimates, hearings, or preliminary proceedings of any character whatever. On the other hand, the Townsend bill in favor of which a majority of the House has been pledged since before the election, is still on the calendar and will die there when the House adjourns tomorrow. Let no one say the House is fettered by its rules. It does what it wants to do, when it wants to do it—and refuses to do what it does not want to do. It is the freeest, most versatile, most independent deliberative body on earth. And it has in its own hands the means of modifying its procedure to meet new demands or new requirements. If there is any need for streamlining Congress—I don't know what that means and apparently none of the proponents of this, people who use the term, know what it means—but if there is any need for a changed status, we have at hand the machinery with which to bring it about. The procedure of the House is not static. It is progressively mobile. The statements that our committee system—or any other feature of our procedure—goes back to the last century are absurd. The revision of 1911 alone drastically revised the rules and procedure of the House. In fact House procedure has changed so rapidly and so completely in the last quarter of a century that if Asher Hinds and Speaker Reed should return to this forum they would not recognize it. No special committees or commissions were utilized to bring about these remarkable changes.

The Committee on Rules, made up of men more familiar with the rules and better qualified to change them than any special committee that could be appointed, acting on resolutions introduced by Members of the House, or on their own initiative, recommended them to the House and the House adopted them. And whenever there is need for further revision, the Committee on Rules will again recommend, and the House will again adopt. And the very fact that no resolutions of any moment have been introduced during sessions of Congress is conclusive evidence that the Congress is satisfied with its system of procedure and there is no real demand—or need—for the appointment of a special

committee to discharge the duties of the Committee on Rules.

Mr. Speaker, I trust I make my position clear. I am not opposed to this resolution. I have no objection to any study or investigation under its provisions. But it should be understood that in its passage there is no reflection on Congress or indictment of its methods of deliberation.

May I repeat, Mr. Speaker, that Congress during the critical period of the last 4 years—under its present system of procedure—has made a world record for parliamentary efficiency. It has provided every legislative requirement for winning the war. It has dealt successfully with unprecedented domestic issues.

I reiterate—the Congress of the United States of America is not only the greatest deliberative body in all the annals of time but it has the most progressive and effective system of procedure in parliamentary history. It is the most democratic of all democratic agencies and the most American of all American institutions.

The SPEAKER. The time of the gentleman from Missouri has expired. All time has expired.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the amendments. Is a division demanded on the committee amendments? If not, I shall put them en gross. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSAL OF CERTAIN BLOOD PLASMA RESERVES

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 148, authorizing the disposal of certain blood plasma reserves, and agree to the same.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the consideration of the Senate joint resolution?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman from North Carolina please explain this matter.

Mr. BULWINKLE. Mr. Speaker, the plasma referred to consists of 49,850 units of dried human blood plasma and 29,200 units of frozen plasma, which was obtained from blood donated to the American Red Cross, for the treatment of civilian casualties resulting from enemy activity within the United States, Alaska, and Puerto Rico. Hawaii and the Canal Zone, being under military control, were supplied by the Army. The Public Health Service obtained this plasma by paying only the processing costs which amounted to $7 a unit for the dried plasma and $4 a unit for the frozen.

The law authorizing the procurement and distribution of this plasma restricted its use to the treatment of casualties resulting from enemy action, sabotage, or other war hazards. It is now apparent that, fortunately, only a small portion of this valuable material has been or will need to be used for the purpose intended. Because of its unequaled value in saving the lives of injured persons and its cost both in respect to the patriotic citizens who donated the blood as well as to the Federal Government in processing the plasma, it must not be wasted. Like all biologic products, plasma has definite useful life beyond which it deteriorates and is no longer of value. Therefore, it is imperative that the law be modified to allow as much of this plasma as is in excess of the needs for wartime emergencies and the treatment of patients receiving Federal medical care to be released for use by State, Territorial, and local governmental medical care agencies before time renders the plasma unfit for use.

The dating period for frozen plasma is 3 years; for dried, 5 years.

Mr. MARTIN of Massachusetts. And the gentleman's committee has considered the legislation?

Mr. BULWINKLE. The committee has not, but I have spoken to the members of the committee—Mr. WOLVERTON of New Jersey, Mr. HOLMES of Massachusetts, Mr. O'HARA, and others.

Mr. MARTIN of Massachusetts. And they are all in favor of it?

Mr. BULWINKLE. Yes.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection.

The SPEAKER. Is there objection?

Mr. SMITH of Ohio. Mr. Speaker, I reserve the right to object. Could not that plasma be made available for the Army, or does not the Army need it?

Mr. BULWINKLE. I could not tell the gentleman.

Mr. SMITH of Ohio. It seems to me that that is rather an important consideration.

Mr. BULWINKLE. I know that the Public Health Service has this plasma and I assume that Dr. Parran would have taken this up with the Surgeon General of the Army if it needed it.

Mr. SMITH of Ohio. I understand there is great demand for plasma.

Mr. BULWINKLE. There is also a great demand among the civilians in the United States.

Mr. SMITH of Ohio. I understand that also. I am merely inquiring the reason.

Mr. BULWINKLE. I have stated to the gentleman that I could not answer that question.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. MILLER of Connecticut. Will this plasma be available to the Red Cross in communities should there be a civilian disaster?

Mr. BULWINKLE. It has been bought from the Red Cross by the Public Health Service, to be sold to States and localities.

Mr. MILLER of Connecticut. Will it be available for some unexpected emergency? I have in mind that last summer after the circus fire there was a mad scramble for blood plasma in the city of Hartford. Fortunately the civilian defense set-up was then functioning and had on hand a fair supply, and the testimony was that that did save scores of lives following that fire. I am wondering if this would take any supply of blood plasma now in the hands of the civilian defense authorities, out of the communities.

Mr. BULWINKLE. This bill would make it available for that, it would make it available to the counties and different localities in the United States which are requesting the plasma.

Mr. MILLER of Connecticut. I am sorry; I misunderstood the gentleman. I thought this was to gather the blood plasma into the Public Health Service.

Mr. BULWINKLE. No; the Public Health Service has it and wants to dispose of it before it is of no good.

Mr. HOLMES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. HOLMES of Massachusetts. As a matter of fact in all large municipalities, through the Red Cross the public and private institutions get their plasma.

Mr. BULWINKLE. Yes.

Mr. HOLMES of Massachusetts. But there are towns and communities where they have not those facilities and this will give them an opportunity to acquire this plasma.

Mr. BULWINKLE. That is correct.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution as follows:

Resolved, etc., That so much of the reserves of liquid, frozen, or dry-blood plasma or serum albumin established from funds appropriated under the heading "Emergency funds for the President" in the Independent Offices Appropriation Act, 1942, or from funds appropriated for emergency health and sanitation activities (national defense) under the heading "Public Health Service" in the Labor-Federal Security Appropriation Act, 1943, and required by law to be held in reserve for casualties resulting from enemy action as the Surgeon General of the Public Health Service determines are no longer needed for the purpose for which established or are likely to become ineffective prior to use if kept in reserve, may be disposed of by such Surgeon General by transfer or release to Federal, State, or local public-health authorities or to Federal or other public or nonprofit hospitals: *Provided*, That any cost incidental to such transfer shall be borne by the transferee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSITION OF CERTAIN CONDEMNED MAIL MATTER

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1971) to provide for the disposal of certain mail matter condemned by the Director of Censorship.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MASON. Mr. Speaker, reserving the right to object and I shall not because I think it is a worthy bill, but I do believe the chairman should explain

the purpose of the bill and its need at this time.

Mr. BURCH of Virginia. Mr. Speaker, this bill makes the Postmaster General and the Director of Censorship a committee to dispose of useless mail they have on hand at the present time that has been condemned by the Office of Censorship and is taking up valuable space in the Post Office Department and elsewhere. This bill simply gives them the right to dispose of this mail matter. It will bring about a saving of some 10,000 square feet of valuable floor space and $7,500 or $10,000 a year in custodial care. It is for the duration of the war only; it is temporary legislation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby established a committee composed of the Postmaster General and the Director of Censorship, or their alternates duly designated by them, which shall have authority to dispose of mail matter consisting of (1) printed matter containing propaganda material, and (2) printed matter mailed by or to or published by persons whose names are on the proclaimed list of certain blocked nationals, and (2) parcel-post packages or small packets containing articles of no monetary value or articles which may be used by the United States in the prosecution of the war, if such mail matter has been censored and condemned by the Office of Censorship as being inimical to the war effort of the United States or contrary to the interests of the United States or its allies, but no mail matter shall be disposed of under this act until the expiration of at least 90 days after the date of condemnation. Such committee may promulgate such rules and regulations as it deems necessary to carry out the provisions of this act.

SEC. 2. This act shall expire upon the expiration of 6 months after the date of the termination of hostilities in the present war as proclaimed by the President or declared by concurrent resolution of the Congress.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHIEF OF CHAPLAINS, UNITED STATES NAVY

Mr. BRADLEY of Pennsylvania. Mr. Speaker, by direction of the Committee on Naval Affairs I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1023) to establish a Chief of Chaplains of the United States Navy, with a Senate amendment and agree to the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That until the termination of the wars in which the United States is now engaged, by proclamation of the President or such earlier date as the Congress by concurrent resolution may fix, there shall be in the Chaplain Corps of the Navy one officer, designated as Chief of Chaplains, under the Chief of Naval Personnel, who shall be entitled to hold the temporary rank of rear admiral, and shall receive the pay and allowances of a rear admiral of the lower half while serving in such grade."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendment?

Mr. BRADLEY of Pennsylvania. I shall be pleased to.

Mr. Speaker, this bill was originally introduced in the House by the distinguished gentleman from Vermont [Mr. PLUMLEY]. I wish at this time to express appreciation for his efforts and for the cooperation he gave to the Committee on Naval Affairs. As the bill passed the House it provided that the Secretary of the Navy should designate the officer who would be Chief of Chaplains; that during peacetime he should have the rank of captain, and the temporary rank of rear admiral during the war emergency.

The Senate amendment eliminates the necessity of designation by the Secretary of the Navy and says nothing about the permanent rank of captain because for many, many years it has been the practice to appoint an officer of the rank of captain as Chief of Chaplains. It provides for the rank of rear admiral for the Chief of Chaplains during the war and that he shall serve under the Chief of the Bureau of Personnel.

I have spoken to the members of the committee on the Republican side as well as this side and they believe that the best thing to do at the present time is to accept the Senate amendment. All the religious bodies in the country are in favor of this legislation and the Senate amendment is acceptable to them, also. It is a recognition that is meritorious and which has been too long delayed. I am anxious to complete action on the legislation and send it to the President for his signature.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I yield to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. All I care to say is that I am not so concerned about the matter of rank or who holds the job except I do want to impress upon this Congress that the people of this country who interested us in the bill have a right to feel that religious aid and comfort will be given their sons and their daughters who happen to be members of the United States Navy.

I have absolute confidence that those in high command in the Navy who have directed the amendment as made will see to it that the wishes of the people are conserved.

Mr. Speaker, I have no objection to the amendment.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today at the conclusion of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PAYMENT TO CERTAIN GOVERNMENT EMPLOYEES FOR ACCUMULATED OR ACCRUED ANNUAL LEAVE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4918) to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 5, after "service", insert "or in or under the government of the District of Columbia."

Page 2, line 11, strike out "The" and insert "In the case of reemployment in the Federal service the."

Page 2, line 13, after "Receipts", insert "and in case of reemployment in or under the government of the District of Columbia the sum so refunded shall be covered into the Treasury to the credit of the District of Columbia."

Page 2, line 14, after "regarded", insert "except for purposes of taxation."

Page 2, strike out line 23 and insert "shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries, if any, lawfully designated by the employee under the retirement act applicable to his service;

"Second, if there be no such designated beneficiary, to the estate of such deceased employee."

Page 3, line 7, after "regarded", insert "except for purposes of taxation."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendments?

Mr. RAMSPECK. Mr. Speaker, the principal amendments are two. One makes certain we are not exempting from taxation money which would be received for the accumulated leave. The other is instead of having the money paid in case of death to the estate alone it shall be first paid to a named beneficiary if the employee has already designated one under the Retirement Act and, if not, then it will be paid to the estate of the deceased employee.

Mr. MARTIN of Massachusetts. Is there any vital change in the tax structure?

Mr. RAMSPECK. Not at all. The Senate amendment makes it certain that it does not change the tax feature. In other words, it preserves the right to tax the money.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

NATURALIZATION OF PERSONS NOT CITIZENS WHO SERVE HONORABLY IN THE MILITARY OR NAVAL FORCES

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1284) relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war, with Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, strike out all after line 2 over to and including line 2, page 2, and insert "That section 701 of the Nationality Act of 1940 (56 Stat. 182–183; 8 U. S. C. 1001), as amended, is amended—

"(a) By striking out 'who, having been lawfully admitted to the United States, including its Territories and possessions, shall have been at the time of his enlistment or induction a resident thereof' and inserting in lieu thereof the following: 'Who shall have been at the time of his enlistment or induction a resident thereof and who (a) was lawfully admitted into the United States, including its Territories and possessions, or (b) having entered the United States, including its Territories and possessions, prior to September 1, 1943, being unable to establish lawful admission into the United States serves honorably in such forces beyond the continental limits of the United States or has so served'.

"(b) By inserting after the words 'no declaration of intention' the following: ', no certificate of arrival for those described in group (b) hereof'."

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment?

Mr. ALLEN of Louisiana. I will be happy to do so. This bill passed the House twice, in late 1942 and on April 5, 1943. The bill is designed to facilitate the naturalization of men in the armed services. The Second War Powers Act authorized the naturalization of men in the armed services, but it did not do away with the question of lawful admission, and this bill seeks to cure that defect. We have many men in the armed services who cannot establish the fact that they came to this country lawfully.

The Senate restricted the House bill by making the benefits of this bill apply only to those who came here prior to September 1, 1943, and only to those who are serving outside the continental United States.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Gatlin, one of its Clerks, announced that the Senate disagrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3961), entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes."

The message also announced that the Senate insists upon its amendments to the foregoing bill disagreed to by the House; asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. OVERTON, Mr. BAILEY, Mrs. CARAWAY, Mr. CLARK of Missouri, Mr. BILBO, Mr. JOHNSON of California, Mr. VANDENBERG, Mr. BREWSTER, and Mr. BURTON to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. MCMURRAY] be given permission to extend his remarks in the RECORD and include an address notwithstanding the fact that the matter is in excess of two pages. The estimate of the Public Printer is 2⅔ pages at a cost of $138.80.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ENGEL of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter I received from the National Music Camp in my district.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD following the debate on the reorganization resolution and include a statement by Mr. Wilcox.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

OLIVER N. KNIGHT

Mr. KEOGH submitted the following conference report and statement on the bill (S. 1827) for the relief of Oliver N. Knight:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1827) for the relief of Oliver N. Knight, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

Omit the matter proposed to be inserted by the amendment of the House, restore the matter proposed to be stricken out by he amendment of the House, and on page 1 of the Senate bill, lines 7, 8, and 9, strike out "for the destruction of the residence of the said Oliver N. Knight and of all the money and personal property therein contained and".

And the House agree to the same.

EUGENE J. KEOGH,
JOHN JENNINGS, Jr.,
Managers on the part of the House.

ALLEN J. ELLENDER,
E. V. ROBERTSON,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses, on the amendment of the House, to S. 1827, for the relief of Oliver N. Knight, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report.

The bill as passed the Senate appropriated to Oliver N. Knight $20,442.16 for the death of his wife and three children as the result of an airplane in the service of the United States Navy crashing into his residence on September 13, 1943.

The House increased the amount to $22,992.16, and at the conference a compromise of $20,442.16 was agreed upon.

EUGENE J. KEOGH,
JOHN JENNINGS, Jr.,
Managers on the part of the House.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill S. 1827.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MR. AND MRS. SEBASTIAN EGER

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 976) for the relief of Mr. and Mrs. Sebastian Eger, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "$2,000" and insert "$1,000."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

A. L. RINKENBERGER AND JOHN FLOERING

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the bill (H. R. 2066) for the relief of A. L. Rinkenberger and John Floering, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 6, strike out "$5,000" and insert "$2,500."

Page 1, line 7, strike out "$10,000" and insert "$7,500."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MARY AGNES LICHTEFELD DROPPELMAN

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3645) for the relief of Mary Agnes Lichtefeld Droppelman, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "An act for the relief of Mary Agnes Lichtefeld Droppelman and Fred J. Lichtefeld and Josephine Lichtefeld."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

LAVERNE WHIPPLE

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3400) for the relief of LaVerne Whipple, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$4,500" and insert "$3,000."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

P. E. BRANNEN

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4101) for the relief of P. E. Brannen, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$3,626.30" and insert "$4,195.06."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. JULIA TOLER

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4367) for the relief of Mrs. Julia Toler, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "$3,000" and insert "$3,500."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, this amendment apparently is an increase. Is it not rather unusual for the Senate to increase House bills? Therefore, I am a little bit suspicious. Will the gentleman explain the amendment?

Mr. KEOGH. This bill passed the House appropriating the sum of $3,000 to Mrs. Toler in full settlement for all claims against the United States for the death of her minor daughter, who had been struck by a United States Army truck. The effect of the Senate amendment is to increase that sum from $3,000 to $3,500. The only explanation I might assume to give to the gentleman, not knowing the actions of the minds of the Members of the other body, would be to tell him that on review of the facts they probably deemed the $3,500 to be more just compensation for the damages incurred.

Mr. MARTIN of Masschusetts. I appreciate that, but how does the gentleman's committee feel about the increase?

Mr. KEOGH. I have been directed by the committee to ask for concurrence in the Senate amendment, which would seem to indicate that the committee is in accord with the action taken.

Mr. MARTIN of Massachusetts. Does the gentleman himself think the increase is justified?

Mr. KEOGH. I am a ministerial officer at the moment. I am not personally acquainted with the facts in this case.

Mr. MARTIN of Massachusetts. Does not the gentleman think he had better withdraw his request until he does become acquainted with the facts?

Mr. KEOGH. As I review the bill, since it is compensation for the death of a minor child, I would certainly say it would be unreasonable to take the position that that life is worth not more than $3,000 or $3,5000.

Mr. MARTIN of Massachusetts. I think life is worth that, all right, but I want to feel sure that the gentleman is satisfied the increase is necessary.

Mr. KEOGH. If the gentleman needs an unequivocal answer to that, I will say "Yes."

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ROBERT L. WHIDDON

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4588) for the relief of Robert L. Whiddon, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$3,935" and insert "$4,835."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this another increase?

Mr. KEOGH. It is, Mr. Speaker.

Mr. MARTIN of Massachusetts. What character of bill is this?

Mr. KEOGH. Mr. Speaker, this is a bill to compensate for personal injuries and property damages resulting from the claimant having been struck by an automobile in the service of the United States Public Health Service. The accident took place on April 21, 1943. I have no further information with respect to this other than that the committee has directed me to ask that the House concur in the Senate amendment.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein an article written by Capt. Richard L. Neuberger, entitled "Go North Young Man" appearing in Collier's magazine for December 23, 1944.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a letter addressed to me by the Assistant Secretary of the Interior, Hon. Oscar L. Chapman, and a statement made in Alaska by my successor, Hon. Edward L. Bartlett.

The SPEAKER pro tempore (Mr. HAYS). Is there objection to the request of the Delegate from Alaska?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the Delegate from Alaska [Mr. DIMOND] is recognized for 20 minutes.

ALASKA

Mr. DIMOND. Mr. Speaker, some weeks ago, in fact before the last recess of the House, several Members were generous enough to say kind things about my service in the House of Representatives as Delegate from Alaska for nearly 12 years past. Later, in the Committee on Territories and in the Committee on Indian Affairs, members of those committees and other Representatives were in like manner and measure generous in their statements relative to my service here and of their regret for my impending departure. I am keenly sensible of the gracious spirit which led them to make such observations knowing that they were inspired by that charity which St. Paul tells us is even greater than faith and hope.

I am equally sensible of the many similar expressions which have been made to me privately by Members of the House, and of the uniform and unfailing courtesy which has always been accorded me here since I first entered the House as Delegate from Alaska. No treatment could have been finer, none more consoling and helpful. The position of a Delegate, as we all know, is unique since he is without the power to vote and, therefore, I am the more grateful to the Members of the House over all the years I have been here because in their attitude toward me none could possibly have been motivated by a spirit of self-interest.

May I heartily commend to you for similarly generous treatment my successor, Hon. E. L. Bartlett who will take office on January 3, 1945. I have known Mr. Bartlett for many years. He is a man of outstanding ability and of unquestioned and unquestionable integrity. Anything which Mr. Bartlett says upon any subject can be confidently relied upon as being true.

After a residence in Alaska of upward of 40 years, I am more than ever confident of the great future of the Territory. My ardent hope is that it will not long remain a Territory but will presently be admitted to the Union as a State. Alaska, even now, is ready for statehood, and in my considered judgment is able to undertake all the burdens and responsibilities of statehood.

Those who have lived in territories will know the political limitations of a territorial establishment. This is especially true of territories like Alaska where the vast bodies of the land are still owned by the Federal Government. It is not too soon for Alaskans to assume the labor of maintaining a State, and the admission of Alaska as a State would be in the national interest. We, in Alaska, know that we can do a better job of taking care of our own affairs than can be done by some Secretary of a Department or chief of an agency or head of a bureau whose office is in Washington and who necessarily is lacking intimate first-hand knowledge of a land so far away from the National Capital as is Alaska. The admission of territories to statehood as soon as they are ready and can undertake the obligations of a State government is in complete harmony with the whole theory and essential purpose of our national life. If self-government is to survive on earth, as I believe it will, then that self-government must begin and be firmly established in the local communities and in the States. In fact, unless we have a firm belief in the principles of local self-government, a belief that we are eager to transmute into action, there is no reason why we should not join with the numerous people of the world who have yielded to the seductive ease and lack of personal responsibility for government which are always promised by a dictatorship. Statehood will give to the citizens of the United States who reside in Alaska a standing and a dignity with which they are not possessed under a territorial form of government.

Of course, there will be opposition to statehood both in and out of Alaska but principally from persons who do not reside in the Territory. This opposition will come largely from two classes, first, those whom I refer to as "absentee landlords", persons who have considerable capital investments in Alaska and who will resist and resent any proposed change in its political status, for their interest in the Territory is not the establishment of homes or the development of a civilized society but in extracting from the Territory all wealth that can be taken in a lawful manner; and second, those in the Federal Government who represent various departments and agencies and who at the present time exercise vast authority in Alaska because of its Federal status and who are more concerned with maintaining their own authority and power than they are in building the State of Alaska as an abode for increasing numbers of citizens.

Months ago I introduced a bill—H. R. 3768—proposing statehood for Alaska. Of course, before such a bill is enacted it will be necessary to have a definite expression of opinion from the citizens of Alaska on the subject. Mr. Bartlett has informed me that he is equally ardent for statehood for the Territory, and he will press for legislation to grant statehood to Alaska at the earliest possible date. We both realize that during the course of the war the military authorities may be reluctant to have any change in the political status of Alaska, although how such a change could in any way harm any military operation I am unable to see. But surely when the war is ended no such reason can possibly be urged against Alaska statehood.

Alaska is a great country, and its future possibilities are simply incalculable. As I have said on several occasions before, Alaska lies in substantially the same latitudes as three countries of northern Europe with which comparison can be made, namely, Norway, Sweden, and Finland, and the climate of Alaska on the whole is not more severe than that of those three nations. We know from factual observations that the natural wealth of Alaska is on the whole larger than that of Norway, Sweden, and Finland. When we reflect that before the war the three countries of northern Europe just mentioned supported in comfort a population of more than 13,000,000, possessing a high degree of culture, there is good ground to assert that eventually Alaska can support in like comfort and with a like degree of culture a population equally large.

And yet, at the present time Alaska is nine-tenths wilderness, and the wilderness is always hard to subdue. While the natural wealth of Alaska is undeniably great, prodigious labor is required over a period of many years to make that wealth completely productive. I expect to see a considerable increase in the population of Alaska in the post-war years, but I hope that people will not come to Alaska faster than they can be assimilated and that no one will enter the Territory without understanding the difficulties which must be overcome in order to establish a home in the Territory. I have known persons to come to Alaska dead broke, confident that within a few days at the outside enough gold nuggets could be collected from some nearby stream to provide the newcomer with everything he needed if not with great wealth. Of course, such ideas are fantastic. Anyone thinking of coming to Alaska should first sit down and count the cost and try to understand that Alaska can support hardy and resourceful people like those who crossed the plains and settled the West, and that anyone lacking the stamina of pioneers had better stay where the conveniences of luxurious living are more abundant.

For its development the outstanding need of Alaska is the construction of roads. In modern days a wilderness area is not suitable for civilized living unless facilities for land travel exist. Many other things are required in Alaska, as in any other frontier country, but the construction and maintenance of an adequate system of roads for those parts of the Territory which are now suitable for immediate settlement is the outstanding requirement. Any plan for the development of Alaska which does not put roads in the first category of need is bound to lack full success.

As a part of the highway system of Alaska, most of which is yet to be built, the highway to connect the States with Alaska is of prime importance. Many people think that the existing so-called Alaska Highway satisfies our every need for highway connection between the States and Alaska. But such is not the case. Recently the eminent Alaska civil engineer, Donald McDonald, who is known all over Alaska as "the father of the Alaska Highway," set forth the present and pressing need for the construction of a real highway to Alaska in an article which appeared in the Alaska Life, a magazine devoted to Alaska development and printed in Seattle, Wash. Mr. MacDonald entitled his article, "The Unfinished Fight for the Highway We Must Yet Build." It appeared in the issues of the magazine of September, October, and November 1944. In his article Mr. MacDonald has stated with honesty, candor, and vigor the case for the Alaska Highway. That highway, as Mr. MacDonald points out, should be built to connect Prince George, British Columbia, with the existing Alaska Highway, probably making the juncture some miles east of Whitehorse in Yukon Territory. The distance remaining to be built is less than 700 miles, and with such a road in being we would have a real highway to Alaska. The existing

Alaska Highway was built primarily to supply airfields along its route and also as a supply line to Alaska in case of need. Since it feeds into the middle of the continent, it is of little use to Alaska and Alaskans. The whole economy of Alaska is intimately associated with that of the western coast of the United States and of Canada, and has little, if any, relation to the economy of the Central States. As Mr. MacDonald has pointed out, the possibility of transport by highway is virtually without limit. In the States many short railroads, and particularly logging railroads, have been abandoned in recent years because highway transportation has proved cheaper and more satisfactory. The highway, when built, should be so constructed as to carry heavy loads and to make possible the transportation over the highway of any quantity of materials or equipment or supplies, civilian or military, that may be required. May I further invite the attention of the Members to an article appearing in the December 1944 issue of Alaska Life, by Mr. Dewey Bullock, a highly competent engineer, who has made an examination of the Alaska Highway project. In this article entitled "The Coming Highway to Alaska," he points out the convincing reasons for its construction. Mr. Bullock's article is accompanied by maps and a profile showing the ease with which a highway can be constructed along the route mentioned.

While it is always useful to build roads in any wilderness that is capable of human habitation, the existing Alaska Highway serves Canada much more largely than it does the United States and Alaska. The highway which Mr. MacDonald and Mr. Bullock recommend, and which is unanimously approved by the Alaskan International Highway Commission, of which our distinguished Senator MAGNUSON is chairman, is vitally necessary for the true development of Alaska and to enable the several States to benefit to the utmost extent from the really material wealth of the Territory.

Alaska should become self-supporting so far as possible at the earliest practicable date. The economy of the Territory is ill-balanced as long as 90 percent of the foodstuff consumed in Alaska is imported from the United States. Most of this foodstuff could be grown in Alaska itself. More than 40,000,000 acres in Alaska are suitable for agriculture and grazing. Some of this land is as fertile as any to be found in the world. The growing season of Alaska is sufficiently long to mature crops of ordinary grain, such as rye, wheat, oats, and barley, as well as the ordinary vegetables. Marketing is a problem which should engage the attention of all citizens who are interested in the development of the Territory. The agricultural experiment work in Alaska should be much enlarged. Special problems concerning the growing and maturing of the various types of grains and grasses and other foodstuffs which may be produced in Alaska are constantly encountered. The average farmer has neither the time nor the money to make the experiments necessary to know precisely what ought to be done. I have introduced bills to put Alaska in the same status as the several States with respect to experiment station work and extension work carried on in Alaska under the supervision of the University of Alaska now under charge of the able Dr. Lorin T. Oldroyd. This is as valuable as any work now being done in Alaska, and it should be sufficiently expanded to meet the needs of the Alaskan farmers. In this respect, we may well pay attention to what has been accomplished under similar conditions in Siberia in recent years.

The incidents of the war have made the people of the United States conscious of Alaska and of its possibilities. Literally thousands upon thousands of citizens from all parts of the country have asked for information about Alaska and a great proportion of them have evidenced an interest in the possibility of settling in Alaska. This is particularly true of young men who have had military service in and out of Alaska. When I was last in the Territory in the summer of 1943, hundreds of men in service told me that they intended to remain in Alaska and make it their permanent home when they were discharged from military service. Surely the subject is one which may well engage the attention of the Congress of the United States, because whatever is done to insure the settlement in Alaska of veterans or others in the post-war period must have the interest and approval of Congress. I hope that the Members will give thought to the entire subject and to take whatever action may seem wise to make Alaska the land of homes and civilization which its resources so amply warrant.

The disposition to withdraw vast areas of land in Alaska from settlement and entry is a cause for genuine alarm. Since the war started, more than 90,000,000 acres of land in Alaska have been withdrawn from entry. Some of these reserves were made for military purposes, some to keep for national use the potential oil lands of Alaska, some to aid in the construction of the Alaska Highway, and some for Indian reservations.

One Indian reservation in what is known as the Chandalar region of northern Alaska embraces 1,408,000 acres of land and has been so reserved for a claimed population of 202 Indians, although the 1940 census would appear to indicate that not more than 82 Indians were then found in this entire area. The use of a law authorizing the Secretary of the Interior to create reservations of public land in Alaska for the benefit of the Alaskan Indians and other natives to create a reservation so vast in area for so few Indians is startling, to say the least, but in order that the views of the Department may be known, I insert here an explanation of the subject embraced in a letter dated December 13, 1944, addressed to me by Hon. Oscar L. Chapman, Assistant Secretary of the Interior, as follows:

UNITED STATES
DEPARTMENT OF INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., December 13, 1944.

Hon. ANTHONY DIMOND,
Delegate from Alaska,

MY DEAR MR. DIMOND: With reference to the establishment of the Venetie reservation, I am quoting below excerpts taken from the justification furnished by the Indian Office at the time the creation of the reservation was recommended:

"The proposed reservation lies north of the Arctic Circle and covers an area of approximately 2,200 square miles, or 1,408,000 acres. The general character of the land within the boundaries of the proposed reserve is rolling and mountainous with a maximum elevation of approximately 3,000 feet. There are numerous lakes and marshes and small streams. The large area in the southern part of the reserve is flat and marshy and much of it is covered with a growth of scrub spruce, alder, moss, and other arctic vegetation. The area is a natural range for caribou, mountain sheep, moose, and other game animals, as well as for such fur bearers as muskrats, beaver, mink, marten, lynx, and others. Whitefish are found in the streams and lakes, although the number of salmon taken is small. Since this land lies north of the Arctic Circle, most of which is very swampy and dotted with lakes, there appears to be very little likelihood that it will ever be valuable for agricultural purposes or be capable of supporting any other than a sparse population.

"The native population residing in this area consists of 47 families, or a total of 202 individuals. The area is used by the native people as hunting, trapping, and fishing grounds, upon which they must depend for their livelihood. Each family, therefore, requires a large area of land from which to provide food for themselves and their dogs.

"The people of Venetie and neighboring villages have resided in their present locality for many years. They have lived off the country depending upon game and fish for a major part of their food supply and upon furs for their cash income. In order to use those widely scattered resources they have developed an extensive system of trails, traplines, hunting and trapping camps and fish camps. These trails and camps represent a considerable investment in time and labor.

"The people of the four main villages of Venetie, Arctic Village, Christian Village, and Robert's Fish Camp, as well as of the small semipermanent camps are all more or less interrelated. Many of the trails and camps are used jointly by the people of the different villages. Such camps and trails are indispensable to the utilization of the resources of the region. Since the entire area lies north of the Arctic Circle, the resources are sparse and large areas are required for the support of a few people. Travel over these areas in search of game and fur would be impossible without well-developed trails and a sufficient number of shelter cabins or camps.

"The natives depend upon the rivers which form the boundaries of their proposed reservation for their supply of food for themselves and their dogs. The streams are also used as routes of transportation, in summer by boat and in winter by dog sled. For these reasons, the natives request that the center of the streams bounding the proposed reservation be made the boundary of their reservation.

"The main need for creating a reservation is to protect the hunting and trapping grounds of the natives from exploitation by white trappers. Well equipped white trappers go by plane into the areas habitually used by the natives. Through the depletion of the breeding stock, fur-bearing animals are becoming more and more scarce each year, and unless something is done to stop the ruthless exploitation and slaughter of game and fur-bearing animals of this area, these people will soon be compelled to request aid from the Government to prevent starvation. The fact that white trappers can fly into these areas and are taking as much fur as two or three native families can catch in one season, is tending to break the morale of these people, as well as to reduce them to

poverty. If the native people of these villages are to remain self-supporting, they must be protected against the exploitation of the white hunters and trappers. If this area is not reserved white trappers will continue to fly into the territory and with the very best of equipment available, they will be able to diminish the fur to a point where it will be impossible for the natives to subsist.

"There are no existing reservations in the area of the proposed reservation, and there are no known coal or other minerals that are found in paying quantities. Very few if any white people are now living within the area."

Sincerely yours,

OSCAR L. CHAPMAN,
Assistant Secretary.

One of the most disturbing features of these reservations is the fact that all of them either directly or by implication forbid the prospecting for and development of minerals in the areas so reserved, and thus the provisions of the general mining laws of the United States are virtually circumvented. Surely, a reservation of this size for such a small population, even in view of the explanation of the Bureau of Indian Affairs as set forth in the letter of the Assistant Secretary of the Interior, should leave the area open to bona fide development of its mineral wealth under the general mining laws of the United States which have been found so adequate over such a long period of time. It is plain that one way to maintain the wilderness in all its primeval glory and uselessness, and to prevent the settlement of Alaska, and to preclude the building of homes therein is to put the Territory in reserves, for the creation of a reservation will, in almost every instance, effectively prevent the possibility of settlement or of adequate use of the area embraced therein.

Recently alarm has been expressed by many citizens of Alaska about the dangers of the creation of further large Indian reservations in southeastern Alaska. I have always considered that one of my first duties and obligations as Delegate was to protect the rights of the native peoples of Alaska. To that end I have earnestly and vigorously supported all the measures looking toward the aid or assistance to the natives. Prominent among these measures is the act of June 19, 1935, Public Law 152, Seventy-fourth Congress, supplemented by Public Law 587, Seventy-seventh Congress, approved June 5, 1942, giving the Tlingit and Haida Indians of southeastern Alaska the right to bring suit in the Court of Claims to recover compensation for the property rights of which they may have been unlawfully deprived, and the so-called Reindeer Act of September 1, 1937, Public Law 413. For the further assistance of the natives, I sponsored legislation for the extension of certain beneficial features of the Wheeler-Howard Act to Alaska, Public Law 538, Seventy-fourth Congress, approved May 1, 1936, and at the suggestion of the Department of the Interior and the Office of Indian Affairs, there was included in this legislation a provision giving the Secretary of the Interior the right to create Indian reservations in Alaska upon approving vote of the Indian affected. The Tlingit and Haida Indians of southeastern Alaska object to having the reservation plan applied to them, and in a meeting of their association called Alaska Native Brotherhood held recently in Kake, Alaska, and attended by 102 delegates, under the leadership of their able and patriotic president, Mr. Roy Peratrovich, resolutions were adopted opposing reservations, but strongly insisting at the same time that the aboriginal property rights of those Indians be recognized and established and compensation paid therefor.

Justice to the natives of Alaska demands that their aboriginal and other rights be judicially determined at the earliest possible moment and that just compensation be paid therefor. Nothing less is in harmony with political or public or private morality. But solution of the problem arising out of determination of the native claims and the payment of just compensation in satisfaction of such claims cannot be had by the creation of vast new reservations. This is another case where common sense and reason are, as always, not only useful but completely indispensable. Before leaving Alaska recently Mr. Bartlett made a statement on the subject of Indian claims and Indian reservations which is so inspired by a keen sense of fair dealing and so replete with common sense that I present it here. It is as follows:

In a few days I shall depart from Juneau en route to Washington, D. C., preparatory to taking over my duties as Delegate to Congress from Alaska in January. Before leaving I consider it my duty to inform Alaskans as to my views regarding the Indian claims which have been the subject of several hearings in southeastern Alaska and concerning which another hearing is scheduled to be held in Seattle beginning November 15.

No matter has come before the Alaska public in years which has occasioned so much discussion, public and private, and which has aroused so much controversy.

Prior to the general election in Alaska on September 12 I was constantly invited, in fact urged, to denounce the claims and everything and everyone having to do with them. For two very valid reasons I declined these pressing invitations. First, because I believed and still believe the injection of the issue as a matter of partisan politics was entirely meaningless, could not affect that issue in any sense whatsoever and would only stir up emotion without any useful result. Second, because no hearings had been held then, the facts available were insufficient to support anything but a snap judgment and to come out for either side then would have been similar to arriving at a decision in a law case without consideration of the evidence.

Now hearings have been held. The general objectives are better known. It is possible to arrive at a conclusion based on a sufficient body of facts to be supported adequately.

As your Delegate in Congress I intend to do these things:

First. Oppose, with all the vigor at my command and for reasons to be stated presently, creation of a wholesale system of reservations for exclusive use or benefit of the native race in southeastern or any other part of Alaska.

Second. Support to the very best of my ability, the taking of these claims into competent court of jurisdiction so that the Indian people may receive just compensation in whatever amount they have been damaged.

Third. Support, with a very real conviction as to the desirability thereof, the granting of trap sites in selected Indian localities so their economic lot may be bettered.

If affirmative action were taken with respect to every petition pending there would be a strong tendency to give over to, or hold in trust for the Indian people large areas of southeastern Alaska. From a practical standpoint it is difficult to see why these claims could not eventually be enlarged to include other parts of Alaska.

Assuming every claim is just in its entirety, assuming every petition is granted, assuming a series of reservations is created, a question arises which has not been sufficiently explored. It is altogether unlikely the natives as individuals, as tribes, or as a race would administer these reservations. This would be done by a Government agency and the profits, if precedent were followed, would go to the United States Treasury to be disbursed eventually for improvement of native communities and for the betterment of the native race generally. Perhaps no other agency ever established in Alaska would be called upon to cope with such a complex problem. The task ahead of it staggers the imagination. If it were simply a proposition of taking over existing trap sites no especial difficulty would be encountered in setting up adequate machinery. In a majority of instances it is highly probable that the same companies now operating the traps would continue to do so under a leasing arrangement, or some similar arrangement, with the natives through their government agents.

That would be simple by comparison with what would have to follow. There would have to be taken into consideration the white fisherman, the small independent, who, with his Indian counterpart, is the economic backbone of southeastern Alaska. Most of these men, out of necessity if nothing else, would have to stay here. They have their homes here. There is no logical reason, no reason in justice or equity, why they should be dispossessed. What kind of a contract could be entered into with every last one of these fishermen? It would take an army of snoopers, a veritable gestapo, to see to it these contracts were enforced.

No. If for no other reason at all, the proposition would collapse under the burden of an appalling administrative weight.

More. Simple justice, entirely aside from laws, calls for and should compel equal treatment for all classes of citizens. That is a principle we most assuredly aim at constantly even if we fall short of attainment. Because we do fall short does not constitute valid reason for turning upon one class at this time and placing it under serious economic handicap by administrative ruling.

Establishment of reservations over such a broad expanse of country and over the bordering ocean where settlement both of natives and whites has proceeded for generations according to an entirely different principle would be a departure from established American procedure as unique as it would be unworkable.

Let us not overlook the certainty that bitter antagonisms would be aroused. Where they would lead no man can foretell and I, for one, care to speculate as little as possible on that feature.

Under the present system of taxation—and under any system which may be adopted in the future—the territorial government necessarily looks for a considerable percentage of its income from the products of the sea and the land in southeastern Alaska. This fruitful source of taxation would be denied our own Government in respect to those sections covered by reservations. They would be nontaxable. Since this is true, one firm foundation of the future state we look forward to would be removed, taken away forever. A State, like a Territory, cannot subsist upon nothing.

So much for what might be termed the white side of the case. There is another side.

There is the native side. We cannot and must not overlook that side for a moment. The native races go to make up almost one-half the population of Alaska. Indians, Eskimos, and Aleuts—they were here long before us. In comparison with them, the very oldest of the old-timers among the whites are cheechakos indeed. They are all-year residents of Alaska in a sense the white people never have been. The forefathers of the native people living here today did not invite the Russians or the Americans to come to this land. In that distant day when they were undisturbed in their holdings they obtained all they needed and wanted from the rich natural resources of Alaska.

All this changed with the advent of the white man. He brought certain material advantages, it is true, but he brought other things as well. He brought diseases formerly unknown. He brought about a necessity for economic competition the end results of which today engage our attention.

To these people we owe much. In common humanity this obligation must be discharged. It is certainly as proper that we strive to curb and abolish injustices which relate to American citizens as that we grieve for subject peoples of dictator nations a world away and prepare, out of our generosity and abundance, to alleviate their suffering.

A while ago I referred to the principle of equality of treatment for all classes of citizens. This principle most assuredly has not been reached in respect to the native people of Alaska. There have been, and are, discriminations against them. These must be righted as speedily as possible for the benefit of all Alaskans. It is a common saying that Indians receive more than the whites instead of less because the Federal Government makes special appropriations for their education and medical care. But is it not true these appropriations have merely served to lighten a load which otherwise would have been placed on the Territorial government? If the Federal Government did not educate native children, the Territorial government would have to according to a ruling by the Territorial attorney general. And that the special medical services we hear so much about are inadequate and in fact altogether insufficient is amply attested by the disturbing truth that the native people of Alaska have the highest tuberculosis rate in the world.

As a race, the natives are not naturally more lazy or indifferent to success than any other race. However, they have been placed in a competitive world to which they have not yet become fully accustomed. They have not had equality of opportunity. Everything else aside, this is forcibly demonstrated by the fact that the average Indian income is so far below the average white income. The Indian father is as fond of his family as the white father. If he could make more money so his family could be better housed and better clothed and better fed and better educated most assuredly he would work to reach those objectives.

From purely selfish motives alone the white population ought to do everything possible to augment the income of the native people. As it increases, the general, over-all income will increase. That additional money would be spent right here by people who have no thought of or desire to take their money outside.

We must work together to accomplish this. It is our duty as Americans. It is our duty as Alaskans. Believing this ardently as I have believed it for years, I am still of the opinion that the very last way to do so is to set up reservations.

For economic advantages which would accrue in greater or lesser degree, the native would be compelled to surrender a precious heritage. He would become a ward in the typical, generally accepted sense. Likewise, he would soon find that his life would be hinged about with restrictions imposed by government. For every gain, there would be a double loss.

Gone forever would be the prospect, which has gradually appeared brighter, of whites and natives working together in real equality for a better Alaska. A racial wall which has been crumbling rapidly would be raised to a higher level than ever before.

It will not work. It has not worked elsewhere where conditions were so much better. At this late date it is quite impossible it could ever succeed here.

There is another way, a better way, to redress whatever wrongs may have been done. That is through presentation of claims for damages to the Court of Claims or other court of competent jurisdiction. As Delegate I shall stand ready to introduce and work for the passage of whatever legislation may be required to get the matter before a court.

Then, if the court makes an award and Congress passes the necessary appropriation bill—as it surely would—we shall have gained a common objective without the objectionable features of reservations. Then there would be money available for rehabilitation of native villages—truly a desperate need; then there would be money for medical services on the scale essential if disease is to be conquered; then there would be money for economic rehabilitation. That, in my judgment, is the proper manner to settle this matter. It is the manner endorsed by many prominent native leaders who see disaster lying ahead for their race if they become reservation people.

This would permit, and in truth encourage, a common solidarity as between the whites and the natives. It would make it possible to lift eventually the sheltering hand of the Federal Government from the native people.

One thing further. One very important thing. Defend or oppose the fish trap as you will, there can be no gainsaying it is an instrument of special privilege. He who possesses something more important in fishing than industry or brains. There are hundreds of traps in Alaska. Most of them are owned by nonresidents. But out of all these few indeed are owned by Indians.

There is a cooperative community cannery at Hydaburg owned by Indians. It has no trap. I do not believe it would be such a dreadful thing to give the Hydaburg Indians a trap location. I do not believe it would be a dreadful thing to give similar associations of Indians elsewhere trap locations. They are entitled to them so long as the trap remains in use. A few traps out of the almost 500 in Alaska should not be considered an excessive number for the Indian population.

I have presented my views at considerable length because of the importance of this issue.

I feel it is my duty to make my position clear without equivocation before I go to Washington.

To repeat:

Whatever influence I have will be directed to opposing reservations; to working for submission of claims to a competent court; and, finally, to assisting Indians to obtain proper fishing locations for the benefit of communities or other associations of Indians.

Mr. Speaker, Alaska is truly a great country, and as the years pass its value is being more and more recognized. Justice to all without regard to race or color, as well as wisdom and foresight, even now more than ever before, are seen to be not only desirable but of absolute necessity if Alaska is to fulfill its abundant promise. In none of these essential attributes of good government can be found any justification for an unlimited use, which amounts to abuse, of the power to create reservations. Some of the existing reservations of Alaska lands, such as that which embraces 20 miles on each side of the Alaska Highway, should be revoked forthwith, and many others either similarly set aside or radically reduced in area and so modified as to permit mineral development.

The time of my departure from the House of Representatives is at hand. This Hall and its environs will always be to me a place of singularly happy recollection by reason of the great good will and friendship of the many high-minded Members with whom I have been privileged to associate here, and because such thoughts of what has occurred in this House in the last 12 years will always reawaken in my heart a sense of keenest appreciation and gratitude to the people of Alaska for their confidence and generosity and persevering friendship.

I hope that as many of you as possible will some day visit Alaska that you may come to know more about the great land that is my home and that I may thus have an opportunity to renew the friendly associations which I have here so long enjoyed.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I wish to compliment the gentleman on the splendid address he has made today. I am sure the demonstration of applause by the Members just now shows him the high esteem in which they hold him. During the years I have had the opportunity of associating with the gentleman from Alaska, I have always found him very eager to give the facts and the truth about that great Territory. I believe every Member of this House wishes the gentleman every success in his new undertaking.

Mr. DIMOND. I thank the gentleman.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. May I say to the gentleman that we who went to Alaska last summer realized then what the people of Alaska think of Judge DIMOND. We wish for him the greatest success in the new duties upon which he will shortly enter.

Mr. DIMOND. I thank the gentleman.

Mr. JACKSON. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Washington.

Mr. JACKSON. I join my colleague from North Carolina in his statement about the Delegate from Alaska. I recently returned from a trip in connection with a fisheries hearing, and I can verify the statement as to the high standing and esteem in which the distinguished Delegate from Alaska is held by the people of that Territory. He has been one of their outstanding representatives in Congress, and has probably done more for Alaska than any single man I know of.

Mr. DIMOND. I thank the gentleman.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. I feel very reluctant to have the gentleman leave us. I have enjoyed very much the association which has been permitted me in visiting back and forth with the gentleman from our offices across the hall. Personally, I shall miss the gentleman very much, and I know that though we shall welcome his successor, we shall always wish that he were with us.

Mr. DIMOND. I thank the gentlewoman from Ohio.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. My colleagues who have preceded me have spoken of the high esteem in which the gentleman is held by the people of Alaska. I do not know about that. All I can speak of is the high esteem in which the gentleman is held by his colleagues in the House on both sides of the aisle.

Mr. DIMOND. I thank the gentleman.

PERMISSION TO ADDRESS THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that following the remarks of the gentleman from Michigan [Mr. HOFFMAN] I may be permitted to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN. Mr. Speaker, here is a Detroit Free Press of Wednesday, December 13. Extending across the front page from one side to the other is this caption: "Labor Board members join Ward pickets." From down in the story I read the following:

As the announcement was being made local members of the W. L. B. were marching in a picket line in front of the Ward's store on Grand River.

Down a little further the story continues:

Dan Gallagher, chairman of the C. I. O. membership of the regional W. L. B. panel and Morris Field, vice president, picketed for several hours in front of the entrance of the Ward Grand River store.

Get that. A member of a Federal agency joins a picket line. What kind of a fair and impartial agency is it when a member called upon to settle a dispute joins one party in an effort to prevent workers going to their jobs?

That strike grows out of the refusal of the Montgomery Ward & Co. to obey an order of the War Labor Board which contains among other things, two provisions. One is an order that the company increase its wages to a certain sum per week and the other is that the company enter into a contract with the C. I. O. containing a security-of-membership clause. Note this, Congress has never passed a law which gave any authority to the President or to any executive agency, giving to him or any agency authority over any business other than war industries. The Ward stores which are being struck and around which these picket lines are being thrown are not war industries. They are ordinary mercantile establishments having no connection with the war effort; that is, no more connection than any retail store in any small town or in any city.

Now, the War Labor Board admits, and I have heard its Chairman testify two or three times, that it had no authority to enforce these orders requiring a security-of-membership clause. The courts, time and time again over a period of more than 2 years, have refused to take jurisdiction to determine whether or not those orders were legal or illegal, just or unjust, and has refused by court order to enforce them or to declare them illegal. The court has declared and the Board has said that those orders were merely advisory; that the court has no authority to enforce those orders, and the Board admits it has no authority to enforce the orders. The only thing that so far has been done is for the President to take possession of the plant or business. The officials of the C. I. O., according to these newspapers, are asking that the President take possession of the retail establishments of Ward and put these two orders into effect. That means that the Government of this country is to take possession of those retail stores, give the employees the wage scale recommended by the Board, compel the employees to remain in the union or resign within 15 or 30 days, depending upon the terms of the order. Then the Government will operate the retail store. You see where we are getting? Under this procedure, the executive department of the United States assumes the power to take possession and operate any business. The Congress gave the President no such authority. To go one step further, suppose the man or the men put in charge of the Ward retail stores do not make a success of the business? Suppose it runs on, as it evidently will, Ward's attitude being what it is, suppose the matter runs on for months or a year and the store, under Government supervision and operation, does not make a profit?

The theory of the Government in this case is that the War Labor Board has the authority to order an individual or a corporation engaged in a retail business, which in no way affects the war, to comply with the wage and other demands of a labor union. Analyzed, that amounts to the proposition that a labor union, by making demands on management, can, if it secures favorable decision from the W. L. B., control and operate through the Government the business of the individual or corporation.

It is a new way of imposing labor management upon industry and business.

If the businessman does not comply with the demands of the labor union, then the President, by Executive order, will take over the business and operate it in accordance with the union plan at the expense of the stockholders. It is just another way of establishing state socialism, Government control of business.

Suppose, under Government operation, the assets of the company are dissipated, used up. Is the Federal Government, by appropriation, to make good the loss to the stockholders? Obviously someone would object to that. Then it follows that this is what the executive department can do. It can take possession of any retail business, operate it at a loss, and deprive the stockholders or the owner of that business of his property. Is that due process of law under the Constitution which provides that no man's property shall be taken from him without due process? You cannot hook it up with the war effort, claim the Government is acting because of a war necessity. I read you now from another Detroit newspaper, the Detroit Evening News, of the same date. After reciting that the union officials asked that the Ward stores be seized by the Government, it says:

Approximately 1,450 production workers at the Briggs Outer Drive plant struck today in a disagreement about the transfer of an inspector.

That is a war plant. The strike means the nonproduction of war materials which will be needed before the winter is over. Reading further from the newspaper:

According to a company spokesman the strike began when the management "refused to violate its contract with the union by allowing an inspector a breaking-in period on a new job after he had been moved with agreed seniority provisions to another department."

In the next paragraph:

He said the company wanted to demote the inspector instead. The strike had held up production of ball turrets for bombers.

The press of today reports the destruction and loss of bombers by the Japs—the strike causes the loss of the bombers because they are not completed on time.

Here is another:

Nearly 500 employees of Bohn Aluminum struck early today. Company and union officials were unable to explain the reasons.

No one knows why they struck. Nevertheless they struck, and that plant is engaged in war work. That is the same company which back in 1937, for 42 days had a strike which tied up the manufacture of airplane engines for fighting ships.

Here is another:

Officials of local 208, U. A. W.-C. I. O., which represents the workers, has scheduled a meeting for 11 a. m. Wednesday, at the local hall, to determine the issues involved and to seek an end of the strike.

Then further on down in the same newspaper:

The 1,300 striking employees of the Fruehauf Trailer Co., ignored pleas of the Army to return to work for the third straight time.

That strike is 8 days old. That strike is in a plant of a company which is making trucks for the Army and the Army has asked them to go back to work and they will not do it. They have been out 8 days. Did the Government do anything about that? Did the administration do anything about it? Does it order the union men back to work? No, it does not, but in an ordinary retail store like Montgomery Ward, it seizes the property of the company, it intends to put those striking employees back to work, pay them the wage which the Government says they should have and force the company to take them back and force the workers to join a union and pay dues. But when it comes to a strike in a war industry, a strike in a plant on which the Army is depending for trucks for transportation of its supplies, including shells and gasoline on the fighting front across the sea, then the administration refuses to take any action against those who cause the loss of bombers by nonproduction. I wonder if the Members of the House, if the people of our country as a whole, realize what this administration is up to? Realize what it is doing—how it, while asking the people to buy War bonds, itself condones and encourages a policy which may result in a prolongation of the war, the loss of life? Do they realize that the administration is encouraging the strikers to strike in war industries by refusing to take any action against them? By granting the demands of strikers? Do they realize the Government is taking over private business and intends to operate private business even though that must be done at a loss? Do we realize that some members of the W. L. B. panel have now openly joined the picket line to aid the Government in establishment of Government operation and eventually ownership of private enterprise?

The SPEAKER. The time of the gentleman from Michigan has expired.

EXTENSION OF REMARKS

(Mr. JACKSON asked and was given permission to extend his remarks in the Appendix and include an editorial from the National Herald.)

RIVER AND HARBOR BILL

Mr. MANSFIELD of Texas. Mr. Speaker, I renew my unanimous-consent request to further insist upon the position of the House conferees on the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors and for other purposes, and to agree to the further conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ELLIOTT. Mr. Speaker, I object.

COMMITTEE ON MILITARY AFFAIRS—PERMISSION TO FILE REPORT

Mr. MAY. Mr. Speaker, I ask unanimous consent that notwithstanding the sine die adjournment of the Seventy-eighth Congress the Committee on Military Affairs may have until midnight January 2, 1945, to file a report on Army hospitals with the Clerk of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial dated December 12, 1944, from the Arkansas Gazette.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

HOLDING THE LINE

Mr. REES of Kansas. Mr. Speaker, during the last few days there has been a considerable amount of legislation introduced providing for the increase of salaries for the President, the Vice President, the Cabinet, and for Members of Congress, as well as other legislation for the benefit of Members of Congress.

Mr. Speaker, I do not believe this is the time for Congress to give favorable consideration to such legislation, especially when so much is being said about the necessity of holding the line on salaries, expenses, and cost of living. We hear a lot of discussion about adhering to the Little Steel formula in order to prevent inflation. I voted against the legislation to increase the allowance for assistance in congressional offices because I felt that if later on there were a greater need for it, than now, we could take care of it at that time.

Mr. Speaker, under a proposed measure a few days ago the President's salary would be increased to $100,000. The President himself said he felt $25,000 should be the limit for any executive. I do not see how he can approve such action.

Mr. Speaker, we are in the midst of a most critical period of this war when everyone is expected to bend his energies and his efforts to bring this war to a successful conclusion just as promptly as possible. Congress is being called upon on the one hand to fix ceilings on the things we buy and the things we sell. Demands are also being made for increases in salary payments and wages of people in all walks of life. Many of these demands are justified. Salaries and incomes of many of our people that are frozen are being shrunk because of increased prices and more taxation.

Mr. Speaker, the old adage of charity begins at home ought to apply with respect to this matter. We ought not, in my judgment, and I speak for myself only, to increase our own salaries or that of Cabinet members or the President or Vice President in this crucial time. Mr. Speaker, I believe in view of the situation this House and this Congress ought not to give favorable consideration to such legislation. It is untimely and out of place.

POST-WAR PROBLEMS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentlewoman from New York [Miss STANLEY] may address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Miss STANLEY. Mr. Speaker, no matter what other subjects we may discuss in this illustrious forum, most of us are constantly thinking about the terrible toll of the war. Even those of us who have only young brothers, cousins, and friends engaged in combat overseas spend many hours trying to be of real service in the world crisis.

For that reason this Representative finds courage to rise in the presence of those who possess so much wisdom and such superior seniority. Naturally every one of us is deeply concerned with the conclusion of the war and with problems of post-war adjustment. However, many of us feel that unless we devote our best attention to the important matter of finding the most practical methods of maintaining world peace, other efforts will have been in vain. Certainly we must be both idealistic and realistic if we are to help prevent future wars.

A great many voices have been raised in favor of some kind of world organization to maintain the peace. Paradoxically, such an organization may find it necessary to use force to prevent future wars. Even in the most peace-loving community there arise occasions when lawbreakers must be curbed by force. The proposed United Nations organization would not use force as a declaration of war. Instead, it would be employed in the nature of a sanction to maintain world harmony. In the event of a threat to world peace, it might become essential to use this force immediately. There seems to some of us good reason, therefore, to give to the United States delegate to any such organization some congressional authority in advance concerning the use of that force.

The following resolution is respectfully submitted:

Resolved, That for national security and world peace, the Representatives of the Seventy-eighth Congress, contingent upon the ratification of a United Nations Compact, as a treaty, favor enactment of legislation establishing and maintaining a peace authority of specific armed forces for the purpose of suppressing breaches or threatened breaches of the peace, and empowering the President without further sanction by the Congress to use the peace authority or any part of it for the purpose stated, on the occasion and conditions as stipulated in the treaty.

Mr. Speaker, a few weeks ago our office wrote to a very seriously wounded boy from Buffalo who is now in Walter Reed Hospital. We offered to help him with any problems that he might have. In reply we received a dictated letter. This youngster, one of those casualties so very concisely referred to as an amputation case, said in his letter:

Thank you very much. I have no problems, but you people who serve in Congress have many. I pray that God will help you solve them for us.

In his recent report on the state of the war, Mr. Walter Lippmann has suggested that those of us who have the privilege of serving in public office should act with an understanding of the magnitude as well as the dangers of the task our fighting men face. An American infantryman states the premise simply: "How strange that war's arithmetic discounts the spread of sorrow as the sorrow mounts." Opinions in this great forum as to the best way to maintain world peace will, of course, vary. One fact is clear, the intense patriotism and keen intelligence of the Members of this distinguished House of Representatives guarantee their appreciation of the magnitude of the job of maintaining world peace. It is obviously a job which will last as long as the human race survives.

The SPEAKER. From information the Chair has at this time, it might be wise for Members to wait until afternoon tomorrow before leaving the city.

RECESS

The House will now stand in recess until 4:30 today.

Accordingly (at 2 o'clock and 45 minutes p. m.) the House stood in recess until 4:30 p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4:30 o'clock p. m.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. Gatlin, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5206. An act to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 4333. An act for the relief of Bertha LeFrancq; and

H. R. 5590. An act to increase clerk hire, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5587. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, Mr. HOLMAN, and Mr. BROOKS to be the conferees on the part of the Senate.

The message also announced that the Senate has ordered that the Secretary be directed to request the House of Representatives to return to the Senate the bill (H. R. 3961) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes."

ELECTION TO COMMITTEES

Mr. DOUGHTON of North Carolina. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 680), as follows:

Resolved, That the following-named Members be, and they are hereby elected members of the standing committees of the House of Representatives, as follows:

Irrigation and Reclamation: ALFRED J. ELLIOTT, of California.

Merchant Marine and Fisheries: RALPH H. DAUGHTON of Virginia.

Immigration and Naturalization: RALPH H. DAUGHTON of Virginia.

The resolution was agreed to.

FIRST SUPPLEMENTAL APPROPRIATION BILL, 1945

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Speaker appointed the following conferees: Messrs. CANNON of Missouri, WOODRUM of Virginia, LUDLOW, SNYDER, O'NEAL, RABAUT, JOHNSON of Oklahoma, DIRKSEN, ENGEL of Michigan, CASE, and KEEFE.

RIVER AND HARBOR BILL

The SPEAKER laid before the House the following request from the Senate:

Ordered, that the Secretary be directed to request the House of Representatives to return to the Senate the bill (H. R. 3961) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," together with the papers thereon.

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Massachusetts. Do I correctly understand the parliamentary situation in regard to this bill to be that if we grant the request of the Senate it permits that branch of the Government to accept the conference report which was agreed to by the House?

The SPEAKER. The Senate may reconsider its former action in rejecting the conference report.

The question is on agreeing to the request of the Senate.

The request of the Senate was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL CLERK HIRE

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5590) to increase clerk hire, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

On page 3, after line 6, insert:

"SEC. 2. Effective January 1, 1945—

"(a) The paragraph in the Legislative Branch Appropriations Act, 1945, which permits Senators and chairmen of standing committees of the Senate to rearrange the schedule of basic salaries of employees in their respective offices or committees is hereby amended by striking out "4,500" wherever it appears and inserting in lieu thereof "$5,040."

"(b) The aggregate amount of the basic compensation authorized to be paid to employees in the offices of Senators (including employees of standing committees of which Senators are chairmen) is hereby increased by (1) $4,020 in the case of each Senator from a State which has a population of less than 4,000,000 inhabitants and, (2) by $5,040 in the case of each Senator from a State which has a population of 4,000,000 or more inhabitants."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CROP INSURANCE BILL

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent that the House conferees on the crop insurance bill (H. R. 4911) be given until midnight tonight to file a conference report and statement on that bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

BERTHA LEFRANCQ

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4333) for the relief of Bertha LeFrancq, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "$3,805" and insert "$4,250."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

WILLIAM H. CROMPTON

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4481) for the relief of William H. Crompton, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "$5,000" and insert "$4,000."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CHRISTINE MANGRUM, LUSTER MANGRUM, AND NATHAN MANGRUM

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2005) for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 6, strike out "$3,500" and insert "$2,000."

Page 1, line 7, strike out $5,000 and insert "$4,500."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. TABER (at the request of Mr. GAMBLE), for this week, on account of illness.

To Mr. HULL, for 1 week, on account of official business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1159. An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2874. An act for the relief of Robert Will Starks; and

H. R. 3791. An act for the relief of the estate of Charles Noah Shipp, deceased.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 38 minutes p. m.) the House adjourned until tomorrow, Saturday, December 16, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2109. A letter from the Coordinator of Inter-American Affairs, transmitting a copy of the estimates of the number of employees required for this Office during the period ending March 31, 1945; to the Committee on the Civil Service.

2110. A letter from the Chairman, Federal Power Commission, transmitting the quarterly estimate of personnel requirements for the Federal Power Commission covering the period ending March 31, 1945; to the Committee on the Civil Service.

2111. A letter from Charles B. Shaw, major, Army of the United States, officer in charge, the American Battle Monuments Commission, transmitting a copy of the quarterly estimate of personnel requirements for the American Battle Monuments Commission for the quarter ending March 31, 1945; to the Committee on the Civil Service.

2112. A letter from the Director, Selective Service System, transmitting a report of the registrants deferred as of September 30, 1944, because of their employment in or under the Federal Government; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEMKE: Committee on Irrigation and Reclamation. H. R. 4808. A bill to amend the Fact Finders Act; with amendment (Rept. No. 2021, pt. II). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. Interim report pursuant to House Resolution 52. Resolution on the investigation of East Coast Shipyards, Inc. (Rept. No. 2075). Referred to the Committee of the Whole House on the state of the Union.

Mr. CAPOZZOLI: Committee on the Merchant Marine and Fisheries. Report pursuant to House Resolution 52. Resolution on the investigation of ship-repair yards (Rept. No. 2076). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLEY: Committee on Labor. Report pursuant to House Resolution 230. Resolution on aid to the physically handicapped (Rept. No. 2077). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MUNDT: Committee on Indian Affairs. S. 1746. A bill authorizing and directing the Secretary of the Interior to issue to Peter A. Condelario a patent in fee to certain land; without amendment (Rept. No. 2079). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Indian Affairs. S. 1925. An act to authorize and direct the Secretary of the Interior to issue to Charles F. White a patent in fee to certain land; without amendment (Rept. No. 2080). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Indian Affairs. S. 2026. An act authorizing the issuance of a patent in fee to Richard Pickett; without amendment (Rept. No. 2081). Referred to the Committee of the Whole House.

Mr. MUNDT: Committee on Indian Affairs. S. 1602. An act authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind, a patent in fee to certain land; without amendment (Rept. No. 2082). Referred to the Committee of the Whole House.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6250. By Mr. MOTT: Petitions signed by J. H. Van Winkle, of Oregon City, Oreg., and 2,342 other citizens of the State of Oregon, protesting against enactment of House bill 2082 and Senate bill 860 or any other legislation having as its purpose the reenactment of prohibition by direct or indirect means, for the duration of the war or for any other period; to the Committee on the Judiciary.

6251. By the SPEAKER: Petition of the secretary, Casper Chapter, No. 159, Order of AHEPA, protesting against any outside interference in the internal affairs of Greece; to the Committee on Foreign Affairs.

SENATE

SATURDAY, DECEMBER 16, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met in executive session at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, who stooped so nigh
When love flamed in the Bethlehem sky,
With face uplifted, seeking light,
We peer with hope on Christmas night.
Above earth's gloom and hate of men,
Hang in the heavens Thy sign again.

If in the window where we kneel
A flag tells price of nation's weal,
Calm anxious hearts, if blue the star,
God bless and keep the one afar.
O Kindly Light, with love enfold
The weeping hearts whose star is gold.

In the dear Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, December 15, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	O'Mahoney
Austin	Gurney	Overton
Bailey	Hall	Pepper
Bankhead	Hatch	Radcliffe
Bilbo	Hawkes	Reed
Brewster	Hayden	Revercomb
Brooks	Hill	Reynolds
Bushfield	Holman	Robertson
Butler	Jenner	Russell
Byrd	Johnson, Calif.	Shipstead
Capper	Johnson, Colo.	Smith
Caraway	La Follette	Stewart
Chandler	Langer	Taft
Chavez	Lucas	Thomas, Idaho
Clark, Idaho	McCarran	Thomas, Okla.
Clark, Mo.	McClellan	Thomas, Utah
Connally	McFarland	Truman
Cordon	McKellar	Vandenberg
Danaher	Magnuson	Walsh
Davis	Maloney	Weeks
Downey	Maybank	Wheeler
Ellender	Mead	Wherry
Ferguson	Millikin	White
George	Murdock	Wiley
Gerry	Murray	Willis
Gillette	Nye	Wilson
Green	O'Daniel	

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Delaware [Mr. TUNNELL], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Delaware [Mr. BUCK], the Senator from Ohio [Mr. BURTON], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

CREDENTIALS

Mr. RADCLIFFE. Mr. President, on November 7 last the people of Maryland, by a very large majority, reelected my colleague the senior Senator from Maryland [Mr. TYDINGS] to membership in this body for a 6-year term. It is a pleasure for me to present the certificate of the Governor of Maryland showing the reelection of the senior Senator from Maryland.

The credentials of Mr. TYDINGS, duly chosen a Senator from the State of Maryland for the term commencing January 3, 1945, were read and ordered to be filed, as follows:

STATE OF MARYLAND,
Annapolis, Md.

To the PRESIDENT OF THE SENATE:

This is to certify that on the 7th day of November 1944 MILLARD E. TYDINGS was duly chosen by the qualified voters of the State of Maryland a Senator from said State to represent said State in the Senate of the United States for a term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, Herbert R. O'Conor, and our seal hereto affixed at Annapolis this 12th day of December, in the year of our Lord 1944.

HERBERT R. O'CONOR.

By the Governor:

[SEAL] WILLIAM J. MCWILLIAMS,
Secretary of State.

Mr. BUSHFIELD presented the credentials of CHAN GURNEY, duly chosen a Senator from the State of South Dakota for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF SOUTH DAKOTA,
OFFICE OF THE GOVERNOR.

CERTIFICATE OF ELECTION

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944 CHAN GURNEY was duly chosen by the qualified electors of the State of South Dakota a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor, M. Q. Sharpe, and our seal hereto affixed at Pierre this 8th day of December, in the year of our Lord 1944.

By the Governor:

M. Q. SHARPE.

[SEAL] Mrs. L. M. LARSEN,
Secretary of State.

TRANSACTION OF LEGISLATIVE BUSINESS

As in legislative session, and by unanimous consent, the following business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PERSONNEL REQUIREMENTS

Letters from the Secretary of the Navy (confidential), administrative assistant to the Secretary of Commerce, Chairman of the Federal Power Commission, Administrator of the War Shipping Administration, Chairman of the United States Maritime Commission, and the officer in charge of the American Battle Monuments Commission, transmitting, pursuant to law, estimates of personnel requirements for their respective departments and offices for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of War (4) and the Navy (2), the National Housing Agency, and the United States Maritime Commission and War Shipping Administration which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS

The VICE PRESIDENT laid before the Senate telegrams in the nature of petitions from sundry citizens, postal employees, of New York City and vicinity, praying for the prompt enactment of the bill (S. 1882) to increase the compensation of employees in the Postal Service, which were ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Public Lands and Surveys:

H. R. 2241. A bill to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943; without amendment (Rept. No. 1388).

By Mr. MALONEY, from the Committee on Public Buildings and Grounds:

S. 2208. A bill providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national-park purposes; without amendment (Rept. No. 1389).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on December 15, 1944, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 198. An act to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1930, as amended;

S. 1159. An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.; and

S. J. Res. 155. Joint resolution to consider a site and design for a national memorial stadium to be erected in the District of Columbia.

INCREASE IN GRAZING FEES ON THE PUBLIC DOMAIN—RESOLUTION BY COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. McCARRAN. Mr. President, 2 or 3 weeks ago the Grazing Service, under the Interior Department, made known from the city of Salt Lake that they were intent upon raising and increasing grazing fees on the open public domain throughout the open-public-domain States, under the Taylor Grazing Act.

The announcement struck so hard into the industry in the West that those affected have been telegraphing their Representatives and Senators to do everything possible to prevent an increase of the fees for grazing on the open public domain during the present war. It has struck consternation into the industry and into the financial institutions which stand behind the industry. For that reason the matter was brought to the attention of the Committee on Public Lands and Surveys this morning, and the committee adopted a resolution unanimously and directed that I request that the resolution be placed in the CONGRESSIONAL RECORD, and I ask that it be printed in the RECORD in connection with my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas it has come to the attention of the Committee on Public Lands and Surveys that the Interior Department, acting by and through the Grazing Service under said de-

partment, is seriously considering, or is about to effect an increase in the fees charged for the grazing of livestock on the open public domain, administered under the Taylor Grazing Act by the Interior Department; and inasmuch as such proposal nnounced by the Grazing Service has created, and is now creating, widespread discontent and uncertainty in the livestock industry, and in financial agencies connected with the livestock industry, and in the economics of agriculture in the open public-domain States: Now, therefore, be it

Resolved, That it is the sense of the Committee on Public Lands and Surveys of the Senate of the United States that no increase in grazing fees should be imposed until the Committee on Public Lands and Surveys has had an opportunity to make a full and complete study of the subject.

REGULATION OF STOCK TRANSFERS IN THE DISTRICT—REENROLLMENT OF A BILL

Mr. BILBO. Mr. President, as in legislative session I send to the desk a concurrent resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated for the information of the Senate.

The legislative clerk read the concurrent resolution (S. Con. Res. 57), as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 1979) to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto; that if and when the said bill is returned by the President, the action of the presiding officers of the two Houses in signing the said bill be deemed to be rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed, in the reenrollment of the said bill, to make the following correction, namely, on page 12 of the Senate engrossed bill, in lieu of the matter contained in lines 23 and 24, insert the following:

"SEC. 25. This act shall take effect on the 1st day of January 1945."

Mr. LANGER. Mr. President, will the Senator from Mississippi explain the resolution?

Mr. BILBO. In Senate bill 1979, to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto, the Senator from Maryland [Mr. TYDINGS] omitted from the bill its effective date. It is necessary that the omission be corrected. The bill had gone to the White House before the omission was discovered.

Mr. LANGER. I thank the Senator.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 57) was considered and agreed to.

SANTEE AND CONGAREE RIVERS PROJECT—AMENDMENT

Mr. MAYBANK. Mr. President, as in legislative session, I ask unanimous consent to have printed in the body of the RECORD a proposed substitute amendment for the Santee and Congaree Rivers amendment which the Senate adopted to the river and harbor bill and which was stricken out by the conferees. I am perfectly familiar with the situation in which the river and harbor bill is at this time, but for the permanent RECORD I should like to have the proposed substitute printed in the body of the RECORD.

There being no objection, the proposed substitute was ordered to be printed in the RECORD, as follows:

In lieu of the language of the Senate amendment insert the following:

"Santee and Congaree Rivers, S. C.; the improvements designated in Senate Document No. 189, Seventy-eighth Congress, as the first step, and consisting of a dam at the Blairs site, a dam at the Frost Shoals site, a reregulating dam at the Columbia site, and channel improvements, all in the State of South Carolina, are hereby adopted and authorized; and the sum of $25,000,000 is hereby authorized to be appropriated for the initial and partial accomplishment of such improvements: *Provided*, That this authorization shall not be construed as in any way adopting or approving any of the recommendations contained in such Senate document other than those specifically referred to above as being included within the first step and shall not be construed to authorize or approve any project, or the extension of any project, which will result in backing up any water at any place in the State of North Carolina."

EXTENSION OF TIME FOR FILING REPORT BY CIVIL AERONAUTICS BOARD

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to lay aside the pending business and, as in legislative session, proceed to the consideration of House Joint Resolution 324 to extend for 90 days the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce.

I can say to the Senate that I have been informed by the Acting Chairman of the Civil Aeronautics Board that it is impossible, as a matter of physical effort, for the Civil Aeronautics Board to submit the report which has been required by the measure heretofore passed by Congress.

I now ask unanimous consent, Mr. President, that the pending business be temporarily laid aside so as to take up and pass the joint resolution.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. WHITE. Will the Senator from Missouri again state what the matter is? I understood it simply to be a joint resolution extending the time within which a required report might be submitted.

Mr. CLARK of Missouri. That is entirely correct. The Acting Chairman of the Civil Aeronautics Board has called me up in my capacity as chairman of the subcommittee of the Committee on Commerce to advise me that it is a physical impossibility for the Board to make the report.

Mr. HILL. Mr. President, as I understand, the distinguished Senator from Missouri is chairman of the subcommittee of the Committee on Commerce which handled the original measure, which was passed by Congress calling for the report?

Mr. CLARK of Missouri. Yes. It is simply desired now to extend the time for 90 days so as to make it physically possible to carry out the request of Congress.

The VICE PRESIDENT (Mr. LUCAS in the chair). Is there objection to the request of the Senator from Missouri for the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 324) to extend the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce, was read twice by its title, considered, ordered to a third reading, read the third time, and passed.

AWARD OF NOBEL PRIZES

Mr. WILEY. Mr. President, in a world torn with strife and warfare, we can well pause to reflect on the lesson given us in the recent ceremonies at the Waldorf-Astoria Hotel in New York City, when the King of Sweden, acting through his Minister to the United States, awarded the Nobel prizes to five Americans and one resident of Denmark. The event took place on December 10 and is the first occasion when the Nobel awards were awarded in the United States.

The whole event was an inspiration, and I consider the proceedings of sufficient importance and interest to ask that the full record be spread in the CONGRESSIONAL RECORD.

Particularly is this event a mirror of the character of the peace-loving Swedish people, and it is a pleasure to me to be the means of placing these proceedings into the public records of our country.

I ask that the proceedings be printed in the body of the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

THE WHITE HOUSE,
Washington, December 6, 1944.

HENRY GODDARD LEACH, Esq.,
President of the Board the American Scandinavian Foundation, New York, N. Y.

DEAR MR. LEACH: It is of particular interest to me to learn that two residents of the United States, Prof. Otto Stern and Prof. Isidor Isaac Rabbi, have been selected to receive the 1943 and 1944 Nobel prizes for physics. I am also glad to note that the 1943 and 1944 Nobel prizes for physiology and medicine are shared by four residents of this country, Prof. Henrik Dam and Prof. Edward A. Doisy, Prof. Joseph Erlanger and Prof. Herbert S. Gasser. Here in America we have always believed that science should be a servant of the people. I am confident that after this war the scientists of all nations will again contribute their talents to a world body of knowledge, useful alike to all people. The Nobel prizes for the past 43 years have fostered this concept that science and art are builders of peace.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

MESSAGE BY RADIOGRAM TO NOBEL FESTIVAL IN NEW YORK DECEMBER 10, 1944, FROM HIS MAJESTY, KING GUSTAF V OF SWEDEN

The present war conditions prevent me from distributing personally here in Stockholm the Nobel prizes, together with diplomas and medals, to the prominent scientists in the United States who this year have been designated as Nobel prize winners. I therefore wish, in this manner, to convey to them

my sincere congratulations and express, at the same time, my hope that the scientists of my country and those in the great Republic on the other side of the Atlantic will in the near future be able to resume to the fullest extent their fruitful cooperation for the benefit of mankind.

GUSTAF.

NOBEL PRESENTATION LUNCHEON, WALDORF-ASTORIA HOTEL, DECEMBER 10, 1944, HENRY GODDARD LEACH, PRESIDING

Your Excellency, Nobel prizemen, and guests, the lights that have gone out in Europe have not gone out in Sweden. In Sweden the lights of charity and of intelligence still glow with incandescent gleams. Sweden has this year awarded eight Nobel prizes in science and in art, six of them to residents of the United States. Today we celebrate the anniversary of the death of Alfred Nobel. Nobel had invented a powerful explosive and discovered the greater usefulness of oil in the service of mankind and he gave the rewards of his labor to stimulate science, literature, and the organization of peace. It is but another example of the ironies of civilization that his inventions and discoveries have been appropriated by men of evil design. A problem of this global war is to restore the works of Alfred Nobel into the hands of those who will use them for human welfare.

It is the custom that the Nobel prizes be presented to the recipients in the concert hall of Stockholm by His Majesty the King of Sweden. The present occasion is a dramatic exception. The American-Scandinavian Foundation is honored to have been asked to make arrangements for this unique occasion in harmony with the program of this foundation now for more than 30 years to sponsor the intellectual relations between America and the Scandinavian nations. On behalf of the Nobel Foundation prizes are to be presented today to five Americans and one citizen of Denmark by the representative of the King, Wollmar Filip Boström, Envoy Extraordinary and Minister Plenipotentiary of Sweden to the United States of America. In his youth Mr. Boström was secretary to His Majesty. They were friends in work as well as champions in tennis. Mr. Boström's long diplomatic career has been a distinguished one. Since 1926, as Minister to the United States, he has understood that intellectual relations are equally important with commercial intercourse. Sweden has scored many firsts in her relations with America. Sweden was the first nation that, unsolicited, sought, through Benjamin Franklin, diplomatic relations with the new Republic. In Mr. Boström's tenure Sweden was the first nation in Europe to recognize the importance of American art by inviting a retrospective exhibition of our paintings. Sweden was the first nation to conclude, through Minister Boström, one of the reciprocal trade agreements proposed by Secretary Hull.

It is a privilege to present to this assembly the beloved envoy of Sweden to the United States, His Excellency Wollmar Filip Boström.

ADDRESS OF WOLLMAR F. BOSTRÖM, MINISTER OF SWEDEN

Mr. Chairman, honored guests, ladies and gentlemen, the first distribution of the Nobel prizes on American soil is indeed an historic occasion. I need not tell you how much I appreciate the honor of having been asked to officiate here today.

Since 1901, on this anniversary of Mr. Nobel's death, with but a few wartime interruptions, the Nobel prizes have been given out annually in Stockholm and His Majesty the King of Sweden has always made the presentations himself. This year, on account of the obstacles to travel, the Nobel Foundation, which has charge of the funds left by the great inventor, decided to omit the usual festivities and have the prizes given out instead by the Swedish diplomatic representatives abroad. It so happens that a majority of the new winners—in fact, all but two—reside in the United States. This makes our gathering here today the only foreign substitute for the traditional observance in Stockholm. As Sweden's Minister in Washington, I bid you all a hearty welcome.

We are fortunate to have as hosts the distinguished and long-established American-Scandinavian Foundation under whose gracious auspices so many events relating to the cultural bonds between the United States and the Scandinavian countries during the past generation have taken place. Founded in 1911 by the late Niels Paulson, an American industrialist of Danish extraction, to foster closer educational relations between this country and the peoples of the north, it has fulfilled this mission in a manner that has been fruitful to both sides of the Atlantic. By the exchange of graduate students, one of whom is today here as a former Nobel prize winner, the publication in English of the best books of the north—the Scandinavian Classics—the exchange of art exhibits and academic lecturers, and not the least by the publication of a literary quarterly, The American-Scandinavian Review, it has done pioneer work in creating closer international understandings which must precede all hopes of future international peace. I take this occasion to pay tribute from Sweden to the unselfish labors of Dr. Leach, who has been the main force of the foundation ever since its inception, of Miss Hanna Astrup Larsen, Dr. John Watkins, and their associates.

The problem of international peace, which I just mentioned, lay ever close to the heart of Mr. Nobel. He was, first of all, a practical engineer, largely self-taught, like the late Mr. Edison, but like him an inventor who believed that the road to temporal happiness, if not eternal salvation, lay in man's growing mastery over the forces of nature. While best known for his high explosives, such as dynamite, by means of which new highways and railroads, new tunnels, new navigation channels, new building sites, could be blasted out, he also was a pioneer in developing the oil resources of Russia, bringing new light and heat to millions of homes. To the end of his life, he also experimented with such modern articles as artificial silk and artificial rubber. His was a very fertile mind from which new ideas radiated constantly. While his first patent, obtained in 1863, when he was 30 years old, related to explosives, by the time he died in 1896 at the age of 63, he had obtained or applied for no less than 355 patents covering a great variety of subjects.

But while not unmindful of the military value of some of his inventions, this was not his primary interest. Throughout his life there always lay behind his experiments with explosives and munitions the hope that ultimately he would be able, with his aid to science, to make war so terrible that it would have to be abolished. This life-long ambition, to which there are continual references in his letters and other writings, he summed up in 1892 in his famous remark to the Austrian author and peace advocate, Bertha von Suttner: "My factories," he said, "may end war sooner than your peace congresses. The day when two army corps will be able to destroy each other in 1 second, all civilized nations will recoil from war in horror and disband their armies."

But disappointed as he must have been at the failure of this hope, had he lived through the past 30 years with its two world wars, he might not have fallen completely into despair, because in this war for the first time, thanks both to aviation, which he could not have foreseen and the further improvement of his own explosives, the effects of modern warfare have been generally felt for the first time by the civilian populations as well as by the military forces. Is not there some slight hope that this very effectiveness in destruction will bring to war its own self-cure? Once the inevitable futility of war, the cost to the winners as well as to the losers becomes apparent to all, will not the wisdom of setting up lawful methods of settling international disputes, followed by gradual disarmament, become self-evident to all nations?

Mr. Nobel's formula for settling international quarrels was not entirely negative. He had positive ideas, too. Early, he contended that disarmament was not the way to begin. Some system besides national self-defense, of assuring justice and guaranteeing safety to all nations, both large and small, must be organized first. He foresaw not only the need of a League of Nations, but also that of an international police force. "I am beginning to believe," he wrote to a Belgian friend in October 1892, "that the only true solution would be a convention under which all governments would bind themselves, collectively, to defend any country that may be attacked. Such a treaty might gradually lead to partial disarmament, which is, in fact, the only disarmament possible, for it is necessary that there should be an armed force to maintain order."

This kind of a convention, which Mr. Nobel proposed in 1892, you might say, is exactly the kind that was embodied in the Covenant of the League of Nations in 1919, only to fail of its purpose. But mark well, he said, "all governments" and once the League failed to become universal, it was, of course, doomed, as President Wilson so clearly foresaw.

In January 1893, or 2 years before he signed his will, Mr. Nobel wrote to Baroness von Suttner, "I should like to use part of my fortune for the formation of a prize fund to be awarded at least once in every 5 years. This prize would be awarded to the man or woman who had done most to advance the idea of general peace in Europe."

Having read such sentiments, his friends could not have been surprised when they learned that in his will he had established a peace prize "to be awarded" and I quote from the will, "to the person who has done the most to promote the fraternization of the nations and for the abolition or reduction of standing armies and the organization and distribution of peace congresses."

Though executed in Paris, the will was written in his own hand in Swedish. It was witnessed by four of his assistants, most of them Swedes, and was signed at the Swedish Club in Paris. As executors he chose two collaborators in Sweden, one of whom is still living. The care of his funds he thus entrusted wholly to his own countrymen, but in order to promote the solidarity between Sweden and Norway he assigned the selection of the winners of the peace prize to the Storting, or National Parliament of Norway. Like most of his contemporaries, he admired greatly certain Norwegian writers and he was known to have great sympathy with the advanced political ideas of Norway. This year, as during the past 5 years, the Nobel Foundation in Stockholm decided, with the approval of the Swedish Government, that no funds were to be made available for a peace prize. May we not hope that someone will be found worthy of at least one next year?

The nominations of winners of all the other prizes he entrusted to learned bodies in Sweden. Being himself an inventor rather than strictly a scientist, it was not surprising that he should feel grateful to the research workers in pure science on whose discoveries practical inventions are so often based. And indeed, have not the scientists, at least partly through the encouragement

and the material help of his prizes, made discoveries which have benefited all humanity?

Mr Nobel's hand-written will provided that after taxes, administration expenses, and personal bequests to servants and friends had been paid, the residue should be converted into cash and then reinvested in safe securities, the income from which should be divided into five equal parts. One of these parts he set aside for the peace prize. Another part, he directed should be paid, and I quote the will, "to the person who shall have made the most important discovery or invention in the domain of physics." Today we have two such prizes to give out here. A similar prize was to be given and here I quote again, "To the person who shall have made the most inportant chemical discovery or improvement." Of this prize there is no new winner here today. A Hungarian scientist living in Stockholm has received the 1943 prize while that for 1944 has been reserved until next year. The selections of the winners of both the physics and the chemistry prizes he left to the Swedish Academy of Science, founded in 1739, of which, since 1884, he had himself been a member.

It will be observed that he left no prizes for biologists, who unquestionably also "render great services to mankind," to quote his will. But he did leave a share "to the person who shall have made the most important discovery in the domain of physiology or medicine." Is it not likely that his life-long struggle with poor health was the reason? The winners of this prize are chosen by the Caroline Medical Institute of Stockholm, founded in 1815, and of these prizes we have today before us four winners, each of the two prizes, those for 1943 and 1944, being divided between two men.

Nor did Nobel establish any prizes in music, painting, or any of the fine arts. He could never be induced to pose for a portrait; even photographs of him are rare. But he was fond of reading and all his life he wanted to be a writer. He did try poems, novels, and dramas and in several languages, including English, but none survived him, except as curiosities and in manuscript. What he did write masterfully was letters, about thirty a day, and all in his own hand. Some day, I hope, at least the best ones will be published. In his will he left a prize "to the person who shall have produced in the field of literature the most distinguished work of an idealistic tendency." The choice of winners he left to the Swedish Academy, a self-perpetuating body of 18 Swedish writers, first organized in 1786 on the model of the French Academy in Paris. This year's only winner of this prize is Johannes V. Jensen, a Danish author now living in Copenhagen.

It is, of course, a source of happiness and satisfaction that even before the war is over Sweden has been able to resume the distribution of the Nobel prizes. The founder's gloomy forebodings about a world-wide reversion to barbarism have not yet come true. We hope that next year the prizes can again be given out in the usual place and manner in Stockholm, for Sweden is very proud to have been entrusted with this task by her very cosmopolitan son, Alfred Bernhard Nobel, whose concern was for the interest of mankind.

ADDRESS OF PRESIDENT HAROLD W. DODDS OF PRINCETON UNIVERSITY

Your Excellencies, Nobel prize winners, and guests, it is a pleasure to be here on this occasion, historic in the annals of science and education when for the first time a ceremony of presenting Nobel prizes is held in the United States. It is a privilege to have been asked to thank His Majesty again on behalf of the six new prize winners as well as to express the gratitude of American institutions of learning to the Nobel Foundation and the institutions associated with it in making the awards; to the Swedish Academy of Sciences, which awards the prizes in physics and chemistry; to the Carolinian Institute of Stockholm, which awards the prize in physiology and medicine; to the Swedish Academy of Literature, which awards the prize in literature; and to the Norwegian Storting, which awards the peace prize. For during the past four decades there have been American prize winners in all these divisions. American scientists have won prizes in physics, chemistry, and medicine. American authors have won the prize in literature, and American statesmen and humanitarians the peace prize.

There are some 33 Nobel prize winners now resident in the United States. These prizes, the largest offered annually for disinterested service to mankind, are not only a reward to the winner but an incentive to creative intelligence. They are made without fear or favor, after expert study and deliberation, regardless of political or commercial expediency. It is a great encouragement to science and the liberal arts in America that our scholarship merits the approval of the deliberate judgment of Scandinavia.

It was indeed fortunate for human welfare that Alfred Bernhard Nobel was a man of broad sympathies and understanding. He lived in an age which worshiped ardently at the feet of science. He made a fortune by his unusual technological and inventive talents. Physics and chemistry were his specialties, yet he was passionately devoted to literature and he desired peace with all his heart. Two of his prizes he dedicated to pure science, viz, physics and chemistry; one to a mixture of science and art, viz., physiology and medicine; and two to the arts, viz., literature and peace, for I include the attainment of peace as an art, which it certainly is.

A man of Nobel's background, living when he did, might naturally have devoted all of his prizes to science, for science was riding high at the time. In 1897, a few months after Nobel died, Sir William Roberts, in his Harveian oration before the Royal College of Physicians expressed the prevailing preoccupation with science in these words:

"There is no doubt that, under the reign of science, a striking amelioration in the state of society has taken place * * *. There is some evidence that * * * modern civilization is acting favorably in the direction of making people more reasonable and better conducted. Peace is now the normal condition between civilized states; and there is a growing trend of opinion in favor of settling international differences by the more rational methods of arbitration, rather than by war. Political morality approximates more nearly to that recognized as proper in private life * * *. Power has passed forever into the hands of the nations which cultivate science and invent."

Obviously, something went wrong. The next half century sadly betrayed Sir William's optimistic forecast. If science was the key to the new Jerusalem, mankind certainly mislaid the key.

Who has been responsible for this backfiring of civilization? The scientist says that he is not, because science is responsible only to itself; it is amoral and has nothing to say about whether its findings are put to good or bad use by others. The fault, continues the scientist, has been with the social scientist who has failed to keep his subject abreast of rapidly advancing natural science.

Now the social scientist has become quite conditioned to the disparaging question: Why have you lagged so far behind the natural scientists and when will you catch up? Fuller consideration, however, reveals that the question is misleading. It assumes that the two fields of knowledge are comparable, when there is no measurable standard of comparison between them. Of course, the social scientist is only human and he cannot avoid nourishing a lingering grievance in his breast that in the minds of so many people he should be left holding the bag of moral responsibility, while his colleague in the physics laboratory performs his experiments and makes his discoveries without being accountable at all, it seems, for any relationship between his findings and the well-ordering of society.

Both the social scientists and the humanists resent being told that they are fumbling in the dark, while science stands ready to release them and set their feet on the true steps to human perfection, if they would only avail themselves of it. Bernard Shaw expressed this irritation in his usual acid manner when he fretfully asserted, "I prefer the mystic to the scientist: the man who at least has the decency to call his nonsense a mystery, to him who pretends that it is ascertained, weighed, measured, analyzed fact." And when he was asked, "Have we lost faith?" he responded, "Certainly not; but we have transferred it from God to the General Medical Council."

Is it clear, however, that we cannot retain both faith in God and faith in the Medical Council? Is it an "either or" proposition? When Hippocrates asserted that disease was nature and not evil spirits and that the way to combat it was by careful observation and analysis of experience to discover how nature was disturbed by illness and how the process of recovery might be aided, his scientific method may have shaken faith for the time being, but in the long run it was bound to open the way to a purer and higher faith.

As between science and faith, the social sciences, to which I shall devote the rest of my remarks, seem to occupy an ambiguous position. They seem to be neither fish nor fowl, but rather a mixture of both. They utilize the methods of science so far as they can. Sometimes they overdo it. Admittedly we have not developed a science of society, and I don't think we ever shall in the sense that the term "science" is applied to physics or chemistry.

Although the social sciences have much to offer us as guides to conduct, they are not accepted by the man in the street as possessing any authority comparable to that of natural science. It is still true that an age willing to accept without question the newest thought in the natural sciences continues to hold the social sciences in suspicion. If he has a stomach ache, the man in the street gladly submits himself to a physician, but in economics he wants to be his own doctor. You can sell a toothbrush by calling it scientific. You cannot promote a political platform by calling it scientific.

The preference of the common man for "horse sense" is not surprising or unnatural, and I confess to some sympathy with him. Certainly social science has helped him but little in deciding how he should vote. Scientific research has returned no clear objective answer to such problems as the stupendous puzzle of business depressions; nationalism versus internationalism; whether Germany's territorial ambitions would not have developed under a democracy much as they did under fascism, or what sort of a peace should be imposed on Germany.

The social studies are a science only within fixed limits. They are concerned with self-conscious individuals who are to a degree masters of their fate and thus are able to circumvent prophecy. Science is impersonal; social life is incorrigibly personal. Science belittles the individual; it seems interested only in statistics. Yet from the standpoint of human culture the evolution of the last three centuries has been characterized by increased respect for the individual and his integrity, and this we consider to be progress.

The method of science utilizes repeated experimentation under controlled laboratory conditions. In large measure the variables with which science deals can be segregated

and measured mathematically. Every factor not germane to the experiment can be and is ignored. But you cannot divide a man. Human nature contains an infinite number of variables, of which at best we can harness only a few at one time. The scholar may select some of them for special treatment, but he cannot disregard the rest, as science may. When he tries to do so, it is no longer a man that he is studying but a figment of the imagination. Our experience with that hoary abstraction, the economic man of classical economics, is proof enough of this fact.

The social sciences cannot attain to the predictive powers of the objective sciences because man as a self-conscious being carries within himself a capacity for conscious change. An atom, I understand, does not learn from experience and revise its conduct accordingly. A man can; but how he will use his experience is not predictable by the methods by which the conduct of atoms is foretold. In human conduct, knowledge of past effects modifies future results of familiar causes. The more we learn of past responses to old stimuli, the more thereafter are similar stimuli likely to arouse unforeseen responses. For example, may it not be true that the knowledge that certain monetary policies brought inflation in the past has set up new forces which will temper inflationary tendencies today? No one can yet answer with assurance. But we can know that beyond the realm of the stable in human nature lies the realm of the personality and the scientifically unpredictable. The more we know about history, the truer it becomes that history never repeats.

Because the social sciences must deal with ends they cannot escape the necessity of considering ultimate reasons for things. Science is satisfied when it describes phenomena. Therefore, by its intrinsic limitations, it is amoral. But the social scientist cannot evade judgments of good or bad, just or unjust, for they are implicit in all with which he deals, and when he judges he steps out of science. J. A. Hobson correctly contends that no other economics than welfare economics is possible. To pretend that there is a purely objective, exact science of economics or politics, he asserts, is a species of intellectual self-conceit.

This drives us to the humanities and to the admission that questions of moral ends and ethical values are part of the world we seek to understand, explain, and direct. In our infatuation with science we often tried to high hat the humanities. Dictators make no such mistake, and they have driven us back to a reconsideration of the same questions that Socrates talked about.

Is it not clear, therefore, that the social studies are as closely related to the humanities as to the sciences? They cannot escape attention to the same ultimate values and human ends that concern the humanities. When the scientist begins to play his faith in science on the weaknesses of our social order and to proscribe treatment for them, his reasoning may lead to some surprising conclusions. For example, certain of them have seriously suggested that we can cure the evils in our political system by exalting scientists into a new priesthood of political rules. Anyone familiar with "new day" political literature can testify how heavily the advocates of the all-inclusive state rely on the skill of the scientist to lift us out of our difficulties. Nor do they stop with mere expertise; they go further and endow the expert with noble spiritual qualities which will protect him and us against low motives and selfish ambitions. Indeed the best theoretical case for collectivism rests upon the assumption that experts working in the name of science will be lifted above the vile weaknesses of ordinary public officials to the plane of disinterested supermen. This is one form of mother-knows-best school of thought which does not belong in a democratic system.

This exaltation of the state, and of the expert who is to officiate in its name, was set forth not long ago by an English writer of great distinction in the following frank terms. He was defending the proposition that the state can know better than I what is for my good, and arrange matters to my advantage better than I can. His explanation is that the state is to be administered by disinterested experts. "Modern life has become so complex," declares the writer to whom I am referring, "that the average man is no longer competent to decide what is good for him, since he can't possibly have personal knowledge of the factors involved. We must accept science and the experts," he concludes, "as men who do have such knowledge and it is they who must decide those issues which cannot be left to the casual, shifty tastes and desires of individuals." It is curious that the author I have quoted should be at heart a sincere humanitarian with a long record of concern for the welfare of the common people. He would angrily deny that he is a Fascist but his psychology nevertheless is Fascist.

You will note that it is assumed that these decisions which are too involved for popular treatment will be made by disinterested experts. How the experts are to become and remain more disinterested than ordinary people is not made clear. It is true that adequate education and strict professional standards tend to develop a sense of duty and a commendable esprit de corps comparable to the noblesse oblige and willingness to sacrifice that were so prominent in the old German bureaucracy. But it is a shallow view which holds that you can kill the old Adam in a man by tagging him as a scientist and an expert.

The truth is that the social studies are by nature as much subjective and philosophical as objective and scientific. Each man treats the available facts in accordance with the philosophical and ethical hypotheses derived from an individual view of life which cannot be expressed within the boundaries and limitations of science. Indeed the conceptual pattern behind our approach to social judgments determines what are facts for us to a greater extent than the facts control our hypothesis.

But please do not misunderstand me. Please do not interpret my remarks as antagonistic to science or as unmindful of what it has meant to human welfare. Its standards and methods have led to clarity in all fields of knowledge. Specifically, what I have said is not to be understood as depriving scientific methodology of a worthy place in the social studies. On the contrary, the methods of the natural sciences have had a tremendous influence on the social studies, an influence which is still capable of immeasurably greater development and effectiveness.

We owe a heavy debt to science for leadership toward the ideal of an objective, disinterested approach to a problem. The self-critical mind for which science strives, ever curious and ever flexible to new evidence, should be the goal of every student of social affairs, but he should remember that conscious experimentation after the manner of the physical sciences is possible only to a slight degree. No nation will deliberately consent, for example, to abolish the family for an experimental period and to substitute state parenthood. By the time it decides that the family is to be abolished all thought of experimentation has passed in favor of conviction that it is the best thing to do. But we who term ourselves social scientists can observe with as strong a scientific attitude as we can command what is going on about us; and we can inspire this attitude in our students. Social and political movements provide us a clinic for as cool and objective research as we know how to apply. And our methods of observation, of getting at the facts, of analyzing them and drawing conclusions from them, can constantly be improved by borrowing from the technique of science much that we can use profitably.

No art or no science has a right to exist for itself alone, exclusively for the entertainment or enjoyment of its devotees. To justify itself each must lead to an end product. The end product of the social studies should be social wisdom expressed in improved social judgment. There are grounds for pessimism, if you want to be a pessimist, in the fear expressed by Graham Wallas before he died that, despite the enormous increase in accumulated knowledge and specialized information, man's social judgment is becoming more and more inadequate. Specialism, so successful in the physical sciences, he believed to be one of the chief reasons for the decline of social judgment. The idolizing of the laboratory in social research he considered to be another obstacle to social wisdom. The idolizing of the pulpit he likewise condemned. He correctly believed that each of the two spheres, the sphere of the laboratory and the sphere of human values, are valid within their proper domains, and that social wisdom consists in their combination in proper harmony. He was essentially optimistic as to the future because he believed, on the one hand, that the realistic scientist was coming to accept the world of values as real and, on the other, the speculative idealist was becoming more hospitable to the contribution of science. In the willingness of each side to recognize that its field is not coextensive with wisdom lies its greatest possibility for contributing to the improvement of social judgment. Surely the issues of this war, not to mention its degradation and destruction, are contributing to this end.

The guerilla warfare between science and the arts still breaks out whenever occasion affords. On the one hand we have scientific imperialism, and on the other humanistic imperialism, and such imperialism is no credit to either side. Let science concede that it is concerned with means, but admit that until men agree on a destination they are in a "hopeless muddle on how to get there." Conversely, let humanism confess that science does modify our culture, and in so doing it gives man's nature a chance to expand to new values and to release new strength to the old ones.

In both science and sociology the prizes go to the great imaginative minds of deep penetrating power. It is often said that we should let the facts speak for themselves. But facts do not speak for themselves. Great science, like great art, is the product of the inspired imagination, nourished and seasoned by hard work. It is not a mechanistic or pedestrian thing. I take it that neither science nor art were so conceived by the imaginative founder of the Nobel prizes. Certainly, over the years, the Nobel laureates have been people of inspired vision. With such as them am I willing to entrust the future of the race.

You have kindly borne with me during my long discussion of the nature of the social sciences which deal with people, their organization, and institutions. I have tried to demonstrate that social judgment, which it is their business to cultivate, involves both scientific truth and human values and belief. With our world in flame, my remarks may have seemed irrelevant to the needs of the day, at best an interesting academic discourse, if you happen to be interested in it. It is my contention, however, that the civil strife between objective science and subjective personality is of prime significance always.

In the generation before the war college and university faculties tended to make objectivity a fetish or, at least, the hallmark of all reputable opinion. We liked to talk about cause and determined effect in politics, sociology, literature, culture, and history, just as the scientists do about light. This attitude led us dangerously close to a sort of intellectual nihilism which destroys belief in anything but what is physically observable or mathematically measurable. We courted knowledge for its own sake alone. We carefully weighed and balanced, and thereby canceled out, our thoughts regarding a moral ordering of the world. We froze our urge to action; we had ample knowledge on which to act but no incentive to act against the evils that were building up to engulf us. Finally, the war reached our shores. Attacked by physical violence, we found that our emotions stimulated us to action to which our intellects had failed to arouse us. Our objectivity, with its corresponding moral indifference to the course of history, blinded us to the truth that nazi-ism was bad and that its leaders were bad men. When the Axis Powers had conquered almost half the world, we of the older generation discovered that our objectivity was more easily laid aside than was true of many thoughtful young men and women. Seeing them less shocked by Hitler's wave of the future than we were, some of us became a little hysterical over youth's callous indifference to values we had been prone to forget but now remembered were fundamental. How gloriously have these young men since refuted their elders who questioned their moral stamina. Daily are they proving that any doubts concerning them were truly evidence of a guilty conscience in ourselves rather than weakness in them, once the fog in which the older generation had enveloped their minds was burned away.

Human history is the resultant of two forces. One force is the logic of natural law which science reveals. The other is the creative personality of man energized by his loves and his hates, but also by high aspirations with which he feels at home because he recognizes that they reach out to values of the spirit. The world needs leaders such as are symbolized by the whole pattern of the Nobel prizes; leaders who can combine skeptic objectivity and spiritual subjectivity in the classic tradition of the golden mean. It is the duty of all friends of learning, whether scientist, sociologist, or humanist, to apply the scientific methodology to their scholarship; it is their duty also not to shun their moral and social responsibility to history. On this platform comprehended by the scope of the Nobel prizes all who are dedicated to the advancement of learning can unite. Nothing short of this will save us. But with mutual respect and assumption of a common responsibility the promise quoted from Sir William Roberts at the beginning of my remarks can be fulfilled.

THE NOBEL PRIZE WINNERS IN 1944

Dr. Otto Stern, a member of the faculty of the Carnegie Institute of Technology, Pittsburgh, Pa., was born in Germany and came to the United States in 1933. At present he is engaged in work for the American Government. To him has been awarded the 1943 Nobel prize in physics with the following citation: "For his contributions to the atomic ray method and his discovery of the magnetic moment of the proton."

Dr. Isidor I. Rabi, professor of physics at Columbia University, New York, N. Y., was born in Austria and brought to the United States in infancy. At present he is associate director of the radiation laboratory at the Massachusetts Institute of Technology, Cambridge, Mass. To him has been awarded the 1944 Nobel prize in physics: "For his resonance method of recording the magnetic properties of the atomic nuclei."

Dr. Joseph Erlanger, professor-emeritus of physiology at the Washington University, St. Louis, Mo. He was born in San Francisco, Calif., in 1874. To him has been awarded one-half of the 1944 Nobel prize in physiology and medicine "for his discoveries concerning the highly differentiated functions of single nerve fibers."

Dr. Herbert Spenser Gasser, director of the Rockefeller Institute for Medical Research, New York, N. Y., was born in Platteville, Wis., in 1888. To him has been awarded the other half of the 1944 Nobel prize in physiology and medicine "for his discoveries concerning the highly differentiated functions of single nerve fibers."

Dr. Edward Adelbert Doisy, professor of biochemistry at the St. Louis University School of Medicine, St. Louis, Mo. He was born in Hume, Ill., in 1893. To him has been awarded one-half of the 1943 Nobel prize in physiology and medicine "for his discovery of the chemical nature of vitamin K."

Dr. Henrik Dam, professor of biochemistry at the Copenhagen Institute of Technology, Denmark. He came to the United States in 1940 as a fellow of the American Scandinavian Foundation and is now continuing his research work in vitamins and allied subjects at the University of Rochester School of Medicine, Rochester, N. Y. To him has been awarded one-half of the 1943 Nobel prize in physiology and medicine "for his discovery of vitamin K."

Dr. George von Hevesy left his native Hungary about 10 years ago to work with Niels Bohr, winner of the 1922 Nobel prize in physics, in Copenhagen, Denmark. He is now continuing his research work in Stockholm, Sweden. To him has been awarded the 1943 Nobel prize in chemistry. (Citation not yet published.)

Johannes V. Jensen, born in 1873 at Farsoe, Denmark, is the author of more than 60 volumes of poetry, plays, short stories, and novels. To American readers the best known are the Fall of the King and the Long Journey. A study of his work by Signe Toksvig appeared in the American-Scandinavian Review for December 1943. See also a review of his book about the United States, the Free States, by Francis Hackett, New York Times, November 23, 1944. Mr. Jensen is now living in Copenhagen. (His citation has not yet been published.)

THE NOBEL PRIZES AND THEIR DONOR

The Nobel prizes were established by the late Alfred Bernhard Nobel, a Swedish inventor, who lived most of his life in Paris. He was born in Stockholm in 1833 and died at San Remo, Italy, on December 10, 1896. His will, signed the year before in Paris, was composed by himself and written out in his own hand in Swedish. It disposed of an estate worth about $10,000,000, one of the largest private fortunes ever known up to that time. It had been earned, partly from his own inventions, chiefly that of dynamite and other high explosives, and partly from the Russian oil fields in the Caucasus which he and his brothers, Robert and Ludwig, were the first to develop.

Alfred Nobel never married. His will provided that after all minor legacies, taxes, and administration expenses had been paid, the residue should be reinvested in good securities and the annual yield divided into five equal parts, and then be distributed in the form of the same number of prizes. No attention must be paid to the nationality of the winners. One prize should be given for the most important discovery in physics, another in chemistry, a third in physiology and medicine; a fourth in literature, and a fifth to peace workers. The selection of the winners of the first two he left to the Royal Swedish Academy of Science, the third to the Royal Caroline Institute of Medicine in Stockholm, the fourth to the Swedish Academy of Letters, and the fifth to the Storting or national parliament of Norway. The main fund out of which these prizes are paid is administered by the Nobel Foundation of Stockholm, chartered for the purpose by the Swedish Government. One of the five trustees is appointed by the Government, and the other four by the institutions which select the winners. The value of the prizes fluctuates, as a rule, between $30,000 and $40,000, depending on the income earned by the fund, which is invested in Swedish securities. The prizes were first given out in 1901, but by special permission from the Swedish Government, the distribution of all prizes has been omitted in wartime, both during the First World War and so far during the second. The peace prize has not been given out since 1938. Any prize, omitted one year, can be given out the next. If omitted more than a year it reverts to the main fund or to special funds to support work in corresponding fields. Until this year all prizes have been given out in Stockholm.

DUMBARTON OAKS CONFERENCE—LETTER FROM JOHN B. TREVOR

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a letter written by Capt. John B. Trevor, president of the American Coalition of patriotic societies, with headquarters in the Southern Building, at Washington. The letter is dated December 13, 1944, and is entitled "Dumbarton Oaks Conference."

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN COALITION,
Washington, D. C., December 13, 1944.

MY DEAR COMPATRIOT: The charter for the United Nations evolved at the Dumbarton Oaks Conference has stimulated discussion of the problem of preventing another world war. A great many of the people who seem to favor the project appear, however, to be unaware that the Russian reservations to the plan, as reported unofficially in the press, would prevent any action being taken against a member of the Council of the proposed international body without the consent of that nation's delegate. As a world war, by definition, could not exist without the participation of a major power, this reservation would exclude the proposed body from any field of effective action.

All wars are caused by the existence of an unsatisfied want on the part of an aggressor nation for something owned by another nation and a willingness on both sides to fight for its ultimate possession. The thing wanted may range from real estate to dominion over men's souls, but if either side is unwilling to fight, the other will satisfy its desire to obtain it, or retain it, as the case may be, without war.

The United States, as the richest nation in the world, is naturally subject to the envy of the "have not" nations. Due to our strength we are only in danger of attack by major powers, yet we must not lose sight of the fact that many smaller nations would gladly relieve us of our wealth if we should provide them with an opportunity.

The wealth of the United States is an incentive to war, yet no other nation is justly entitled to the fruits of our labors. That peace cannot be bought was demonstrated as early as the time of Croesus, and the effort to purchase peace has never been considered a desirable policy by a nation bred in the tradition of "millions for defense, but not one cent for tribute." However, let me point out that the charter approved by the delegates at Dumbarton Oaks provides for jurisdiction over economic and social questions

which may well be subject to varying interpretations as to scope. In the event of controversy over such matters the decision would be made by a court composed chiefly of judges appointed from the "have not" nations.

I suggest, therefore, that there is grave peril to our whole social and political system should we give power over our economic life to any international body. To do so would enable our commercial rivals to obtain by the hocus pocus of diplomacy, or so-called judicial decision, things they could never win from us on the field of battle. Our standard of living might be reduced to that of Asia if our tariff is to be determined by an international body. Make no mistake about it now, there is danger that elaborate international machinery for the prevention of war may precipitate grave external and internal crises rather than avert them. It is conceivable that small nations, feeling the support of a coalition, may become unduly belligerent. For example, suppose that Poland should appeal to the United Nations for protection against the carving up of her territory by the Soviet Union, or that Iran should refuse to yield to Russia's demand for oil concessions and is attacked in consequence. Here are concrete issues which may plunge us into war upon the ratification of the Dumbarton Oaks charter. I ask you, are these issues sufficiently important for the people of the United States to risk another world war through the decision of the all powerful security council created by the Dumbarton Oaks charter?

Do not be misled by the charge that if the United States had adhered to the Covenant of the League of Nations, there would have been no Second World War. The record supports the assertion that our Government did nothing to frustrate the League's action on political questions, and, in fact, was cooperative by taking, what it was pleased to call, parallel action on various issues as they arose.

England and France held the fate of Europe in their hands for at least a decade following their ratification of the Treaty of Versailles. The trouble was that England reverted almost immediately after the signature of the treaty of peace to her traditional policy of promoting a balance of power on the Continent of Europe. She thwarted every effort of the French Government to secure enforcement of the disarmament clauses embodied in the Treaty of Versailles. In England there was much jealousy of the prestige which France had gained as a result of the First World War, and little sympathy for her fears that her eastern frontier would once again be assailed by a rearmed Germany. As evidence of this attitude, Clemenceau said to Lloyd George some years after hostilities had ceased, "From the very day after the armistice, I found you an enemy of France," to which Lloyd George replied frankly, "Well, was it not always our traditional policy?" (World in Trance, by Leopold Schwarzschild, p. 66.)

The British Government even went so far in 1935, as to brush aside a whole series of agreements forbidding England to reach a separate accord with Germany on the question of naval rearmament, and despite the protests of the Italian and French Governments, Sir Samuel Hoare signed a pact on June 18, 1935, which granted to Germany the right to build a larger fleet than either France or Italy. Incredible as it may seem, England's support of Germany against the French throughout the crucial years following the First World War was consistently and persistently supported by the liberal and leftist groups in France, England, and the United States.

The next world war if reasonable precautions are taken to prevent the rearmament of Germany and Japan, can be started only by Russia, Great Britain, or the United States. Of the three, Russia is the unknown quantity. No plan for international peace will function which does not envision the possibility of Russian aggression. Her actions in Poland, Lithuania, Latvia, the Balkans, Iran, and China give us fair warning of what to expect. Due to the weakness of Great Britain most of the burden of meeting this aggression would, of course, devolve upon the United States. If our military might is sufficiently great, and our national morale is not sapped by boring from within, we could meet this responsibility. In that event, the need for using force would be as little likely to arise without the embarrassment of entangling alliances as with it. Is it not the part of wisdom to be ready to cooperate in the cause of peace against any aggressor, but leave the decision open for Congress to determine our course of action at the moment, as is provided in the Constitution of the United States?

In conclusion, let me emphasize the fact that the delegates at Dumbarton Oaks were unable to agree upon the method of voting by which the Security Council of the United Nations may give effect to its decisions. Until such a decision is reached the charter offered for our consideration is a meaningless document. I suggest, however, you must envision the possibility that not only might our country be plunged into war by the vote of our American delegate in collaboration with his foreign colleagues, but also that American manhood could be led to slaughter even against the protest of our representative in the council and contrary to the will of the American people. To my mind, adherence to the charter prepared at Dumbarton Oaks would be a complete repudiation of the basic principles upon which our American Republic was founded.

Sincerely yours,

JOHN B. TREVOR.

ADDRESS BY SENATOR THOMAS OF UTAH AT DINNER IN HONOR OF THE AMBASSADOR FROM THE SOVIET UNION

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Senator THOMAS of Utah at the Waldorf-Astoria Hotel in New York, November 25, 1944, on the occasion of a dinner tendered in honor of the Ambassador from the Union of Soviet Socialist Republics, which appears in the Appendix.]

GERMANY'S CAMPAIGN OF MASS MURDER OF JEWS—ADDRESS BY SENATOR GILLETTE

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD an address delivered by him on December 15, 1944, dealing with Germany's campaign of mass murder against the Hebrew people, which appears in the Appendix.]

MR. CHURCHILL'S SPEECH IN THE HOUSE OF COMMONS

[Mr. DANAHER asked and obtained leave to have printed in the RECORD the speech of Winston Churchill delivered in the House of Commons on December 15, 1944, which appears in the Appendix.]

POLITICAL QUESTIONS AND THE PEACE

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an editorial entitled "Those Non-Interventionists," published in the Hartford Courant, of Hartford, Conn., December 15, 1944, and an article by Constantine Brown entitled "Political Questions Arising to Plague Peace Planners," published in the Washington Star of December 10, 1944, which appear in the Appendix.]

THE SPANISH SITUATION—ARTICLE BY WILLIAM PHILIP SIMMS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article entitled "Remember Hooligan?" by William Philip Simms, from the Washington Daily News of December 15, 1944, which appears in the Appendix.]

THE POPE VERSUS STALIN—EDITORIAL FROM THE WASHINGTON TIMES-HERALD

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "The Pope versus Stalin," from the Washington Times-Herald, which appears in the Appendix.]

AMERICA'S VILLAGES CARRY ON—ARTICLE FROM NEW YORK TIMES

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an article entitled "America's Villages Carry On," published in the New York Times of August 20, 1944, which appears in the Appendix.]

CHRISTMAS—POEM BY HORACE C. CARLISLE

[Mr. BILBO asked and obtained leave to have printed in the RECORD a poem entitled "Christmas," by Horace C. Carlisle, which appears in the Appendix.]

SURPLUS PROPERTY BOARD—ROBERT A. HURLEY

The VICE PRESIDENT. The Senate is in executive session, and the pending question is, Will the Senate advise and consent to the nomination of Robert A. Hurley, of Connecticut, to be a member of the Surplus Property Board.

Mr. AUSTIN. Mr. President, the Surplus Property Act of 1944 is a war measure of the greatest importance. This Congress was urged by the Chief Executive to enter upon a study of both the mobilization and the demobilization of all the physical property and resources of the country in order that we might on the battlefield win the victory we seek at the earliest possible time, in the most efficient manner, with the least expenditure of human life. That is the primary purpose of the Surplus Property Act of 1944. It is the first purpose declared in the act. The first obligation imposed on the Surplus Property Board is in these words, in the paragraph headed "Duties and authority of Board," in section 6:

> The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort.

That is the No. 1 responsibility of this Board, the nominations for membership on which are now under consideration by us. That obligation is grave enough to cause us, as representatives of the men on the battlefield, to examine with the utmost care the nominations of men for the important duties of members of this Board, and with that objective to ascertain whether these candidates are the very best, whether they are above reproach, and whether they will command the confidence and inspire the morale of the boys at the front.

That is not all. The Surplus Property Act of 1944 established other duties for this Board of only three persons. Section 6 also provides as follows:

> Until peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. The Board shall have general supervision and direction, as provided in this act, over (1) the care and handling and disposition of surplus property; and (2) the transfer of surplus property between Government agencies.

That has simplified the objective and purpose of this law to the degree that if one did not go on and study with care the policies which are declared in the act, and study the other sections of the act which impose specific obligations and duties on this Board, he would hardly realize that in section 6 is contained the investment of enough authority and power over the economic and social life of this country so that if it were improperly or carelessly handled, or inefficiently managed, we could disrupt the economy and cause the greatest of confusion and distress materially, and drive our people into a social attitude toward government which would be the cause of greater distress than we have ever experienced in this country. In my judgment, the hope of reconstruction, and of saving our free institutions from the holocaust of this very disastrous war, depends upon the manner in which the Surplus Property Act of 1944 is administered, because there is so much in it of great portent that even mistakes, if nothing more, may cause the greatest impediment to recovery and reconstruction.

But there is more to it. In setting up this authority Congress went through a storm and stress of apprehension which was represented by a great conflict between the House and the Senate over who should administer the act. The House passed a version of the surplus property disposal bill in which one person should be the authority and should formulate all the rules and regulations governing the selection of disposal agencies, the division of used property, and the allotment of properties to certain priorities, having regard, first, to the claims of the war and of the Federal Government; then the claims of States; then the claims of eleemosynary institutions; then the claims of prior owners; then the claims of veterans, and so forth; having due regard to our effort to prevent monopolies and to divide the property fairly and justly, so as to promote the economic and social life of this country in the reconversion period.

The time element was very important; and yet the question of the economic need and the question of where this property could do the greatest service to humanity were up for consideration. The House said, "We will vest this extraordinary authority in one individual." The Senate said, "No; we cannot do that. This problem is so enormous, and the discretion is so important, that we should have the benefit of more minds." So we said, "We will have a board of eight," consciously making it an even number, so that above the eight there could be a deciding vote in case of a tie; and we made provision to recognize various geographical areas in this country and various economic divisions of our society. At first we considered dividing the Board into four groups, representing labor, agriculture, industry, and consumers; but we abandoned that theory, because we have come to see that when we write into our statutes a recognition of classes, we are doing something which emphasizes the evils which we try to avoid, for we try to prevent the setting up of class consciousness, and we try to promote the American idea of all classes working together for the common good.

We met those two ideas confronting each other in the conferences between the two Houses, and we worked for 3 weeks. I have not had much experience with conferences; but I must say that if the experience which we had in this conference is typical of what goes on in conferences, it is a wonder to me that men survive them. The strain on the members of the conference was so great that often the conference came near simply blowing up and the members of the conference walking out. I speak of this for the purpose of undertaking to state for the RECORD, and keeping it in the RECORD, that the importance and seriousness of the problem before us today should cause us to vote with great care and according to our consciences.

I wish briefly to point out some of the duties the law imposes upon the men whose nominations we are considering. I shall read from the section relating to regulations. I may omit some of the text, for the purpose of sparing the Senate so much listening, but I will bring out the high lights:

SEC. 9. (a) The Board shall prescribe regulations to effectuate the provisions of this act.

We formulated a great number of policies in section 2. There are lettered paragraphs running from (a) to (t), and they cover nearly two pages. So it can be seen that the Congress itself laid down certain broad policies, but expected the Board to fill in the details. Thus, we gave the Board the power to fill them in.

I read further:

In formulating such regulations, the Board shall be guided by the objectives of this act.

(b) Regulations issued pursuant to subsection (a)—

Which is the one I have just read—

may, except as otherwise provided in this act, contain provisions prescribing the extent to which, the times at which, the areas in which, the agencies by which, the prices at which, and the terms and conditions under which, surplus property may be disposed of, and the extent to which and the conditions under which surplus property shall be subject to care and handling.

Mr. President, if you can, imagine the magnitude of that commission. It is said that the surplus property to be so handled will aggregate $105,000,000,000. We have no proof of that, and I use that figure with the caveat, "It is said." We claim no more for it than that. But it is enough to put us on notice, to recognize that the people of America believe that the amount of this property is so vast that no enterprise in all history every equaled it. Therefore, the business we have before us today is a challenge to our judgment far greater, I think, than any challenge we have had in a long time.

I call attention to the matter of publicity merely in support of the claim I make that the public is greatly concerned, and is watching Congress, the Members of which are their only recourse in this situation.

Mr. President, I hold in my hand the current issue of Life magazine. It contains an editorial entitled "Surplus Property: Must a Great Chance to Broaden Economic Freedom Go by Political Default?" The editorial concludes with two brief paragraphs which read as follows:

Last week the President made his choice of men for the Surplus Property Board. They are Guy Gillette, of Iowa, the lame-duck Senator; Robert Hurley, a former Governor of Connecticut; and Col. E. H. Heller, a California financier and active Democrat. Honest men, no doubt. But as the Washington Post remarked, the President seems to have confused the problem of surplus property with the problem of surplus politicians. One looks in vain for the stature which the noble aims and practical pitfalls of this job demand.

Reconversion problems are not popular when the war news is bad. That does not make them unimportant. Our surplus-property problem contains the chance of a lifetime for a rebirth of economic freedom in America. If we let it go by default, the spirit of Thomas Jefferson will not forgive us.

The reference last made in the editorial is to another part of it which quotes Thomas Jefferson. Mr. President, I ask unanimous consent to have the entire editorial printed as a part of my remarks at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SURPLUS PROPERTY—MUST A GREAT CHANCE TO BROADEN ECONOMIC FREEDOM GO BY POLITICAL DEFAULT?

Wrote Thomas Jefferson in 1785: "I am conscious that an equal division of property is impracticable. But * * * legislators cannot invent too many devices for subdividing property. * * * The earth is given as a common stock for men to labor and live on." His ideal citizen was the self-sufficient farmer, for he believed that only men who are economically independent can long remain free.

His was quite a different theory from socialism. It is the theory that government, by subdividing property, can make its citizens more independent of government itself. The next question, of course, is how far government can go without producing less justice and freedom than ungoverned men would produce among themselves. To date, man-made law is assumed to be somewhat superior to the jungle's, and we keep trying. The latest try in this country, a law which the President signed in October, may launch the United States Government on one of the greatest subdividing experiments of its career.

ANOTHER LOUISIANA PURCHASE?

The law is the Surplus Property Act of 1944. It governs the disposal of all the things the Government bought or built to fight the war with and doesn't want to keep. In land acquired for camps, etc., the Government will sell something like 12,000,000 acres. In industrial-plant capacity the Government owns around one-third as much as all American corporations. Perhaps Secretary Ickes did not exaggerate too much when he said that the consequences of how we dispose of this wealth may make the consequences of the Louisiana Purchase look insignificant. The Louisiana Purchase (530,000,000 acres) about doubled America's area in 1803.

Surplus, or waste, is in the nature of war. It is already piling up—planes and plants, mattresses and monkeywrenches; trucks and timberland; pressure cookers and police dogs. Everything you can think of, and in quantities you can't imagine. The R. F. C. is

building a chain of warehouses just to display the stuff. There will be no single dam break, no one big auction day; the sales have already started and will go on for years. In October alone four Government agencies sold $28,700,000 worth, including two locomotives and 6,500,000 rlide fasteners. The total amount ultimately to be sold is variously valued at from fifteen to one hundred and three billion dollars. It can't be appraised in advance even approximately, for its volume would break any market it was dumped on; in fact, it can be measured only against the post-war economy as a whole.

So what method, what objectives should we adopt for the disposal of this war-built wealth? Mr. Ickes, as usual, is preoccupied with the problem of "checkmating scoundrels"—i. e., preventing speculation and inside track meets. One very simple method would be to sell it to the highest bidders, thus realizing the greatest sum for the Government and with it reducing the national debt. Another possible method is to dispose of it with the least possible disruption of normal trade channels and the price level, on which it is bound to have a deflationary effect. From this standpoint the suggestion of a Navy man makes good sense: That everything be loaded on battleships and dumped in the middle of the sea.

There is another objective, however, which is not so cynical or lazy as these. It is that, since the disposal of this property is bound to have a vast effect on the character of our post-war economy, we should decide now what kind of economy we want and aim our policy at that.

This objective, starry-eyed or not, is now the law of the land. The Surplus Property Act is a poorly drawn compromise, unworkable as it stands and due for revision. It is nevertheless one of the few public acts of recent months that exhibit a profoundly idealistic purpose. Its chief aims are these: To reestablish free independent enterprise, to strengthen the competitive position of the new and small businessman and the family farmer; and to put Government property to widespread, nonmonopolistic use. It is a bill in the Jeffersonian tradition, an attempt to redistribute property in a way to make men free.

EFFICIENCY IS NOT EVERYTHING

When he saw the bill Will Clayton, who had been handling surplus property under Executive order, resigned his job in disgust. It was the disgust of a capable, efficiency-minded administrator. For example, in selling farm land the Government (according to the law) must offer it first to the former owner or heirs, then to any tenant farmers he may have had, then to any farm-minded veterans who may want it, then to other candidates for subsistence farming.

Mr. Clayton wanted to put the land on the market fast, via R. F. C. and the professional real-estate brokers. But the Senators had a different idea. They were more impressed by the testimony of Norman Littell, the recently fired Assistant Attorney General, who convinced them that under Clayton's methods the land would wind up in the hands of big corporate farmers. Said Senator CHANDLER, in the nearest imitation of Jefferson he is ever likely to achieve: "It is better security for the country to have our people on their own farms."

The law also tries to help the little businessman. Maury Maverick's Smaller War Plants Corporation is authorized to intervene whenever it sees a chance to put industrial property into new and independent hands. This is inefficient. But efficiency is perhaps not the sole motive of all the enemies of the law. Established retailers, for example, who still shudder at the memory of the Army and Navy stores of post-war No. 1, are lobbying for orderly distribution through normal trade channels.

The economic responsibility of our Government does not lie toward any particular trade channel, union, or company, however many E banners it may fly. It lies toward the general level of prosperity and the freedom and openness of the economy as a whole. To foster this freedom of the market, the Government may seem to be playing favorites at times. Its favorites under the Surplus Property Act are veterans, small farmers, and small businessmen. But without favoritism these three groups would be at a positive disadvantage, not in wealth but in opportunity. For big business and corporate farming enjoy trading advantages which threaten ultimately to close the door on individuals and newcomers if competition is not ceaselessly renewed.

CHANCE FOR A JOLT

Every generation or so our Nation has been jolted into a great commercial expansion by some Government-assisted project. Northwest Territory development, railroad grants, homestead laws, rord building, and the like. The disposal of our new war-built wealth could be another such jolt. Let realists predict that 10 years hence the beneficiaries of a new distribution, the favored veterans and tenants, will be broke and landless once more. Many of them will, no doubt. They will nevertheless have had their moment of equal opportunity, which is all democracy promises and all Americans have ever asked.

But to give them even that much, those in charge of demobilization must rise to the challenge. If the Surplus Property Act were rewritten by Jefferson himself, it would still require great courage and imagination to carry it out. Its administrators must not only be in sympathy with its aims but must be men of enough political adroitness and guts to resist enormous pressure.

Last week the President made his choice of men for the Surplus Property Board. They are Guy Gillette of Iowa, the lame-duck Senator; Robert Hurley, a former Governor of Connecticut; and Col. E. H. Heller, a California financier and active Democrat. Honest men, no doubt. But as the Washington Post remarked, the President seems to have confused the problem of surplus property with the problem of surplus politicians. One looks in vain for the stature which the noble aims and practical pitfalls of this job demand.

Reconversion problems are not popular when the war news is bad. That does not make them unimportant. Our surplus-property problem contains the chance of a lifetime for a rebirth of economic freedom in America. If we let it go by default the spirit of Thomas Jefferson will not forgive us.

Mr. AUSTIN. Mr. President, I have not read all the authority granted in the section to which I have referred. I have omitted some of it, because I wish to take less time.

I now come to the matter of disposal agencies. It is covered in section 10:

DESIGNATION OF DISPOSAL AGENCIES

SEC. 10 (a). Except as provided in subsection (b) of this section, the Board shall designate one or more Government agencies to act as disposal agencies under this act. In exercising its authority to designate disposal agencies, the Board shall assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, shall centralize in one disposal agency responsibility for the disposal of all property of the same type or class.

That is an enormous ticket. All vehicles of a class will have a single disposal agency named by the Board, from whose decision there will be no appeal; and that situation applies to the entire category of personal property, which is vast. A great catalog will not cover all the detailed properties which will have a disposal agency created by this Board.

When it comes to the disposal of real property, a vast power is vested in the Board. I turn to section 21 of the act, and read the following:

DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

SEC. 21 (a). Subject to the supervision of the Board, the War Food Administrator, or his successor, shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, which shall be administered by the disposal agency or agencies designated by the Board.

I have not read the entire section. There is much more to it, relating to personal property of an agricultural kind. But the real-estate provision contains the element of power over our economy. The Board is vested with authority so to devise the regulations governing the disposal agency which transfers real estate that in cutting it up into individual family-sized farms and in regulating the terms which hover over the purchaser of the land as long as the Government has a claim upon it for the purchase price, a soviet can be set up, a communistic element can be established, right in the United States on the soil. Our ideology, and our theory of free economy, free governments, and free institutions can be damaged to a degree which is unthinkable.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. DOWNEY. Are we to draw the inference from the Senator's statement that a board consisting of Colonel Heller, Governor Hurley, and the Senator from Iowa [Mr. GILLETTE] would use its power to create soviets, collectivism, or socialism in the United States?

Mr. AUSTIN. Mr. President, I hope the Senator does not draw such an inference. I did not make such an implication.

Mr. DOWNEY. I am glad the Senator did not. Otherwise I should have to admit that I do not see the relevancy.

Mr. AUSTIN. Oh, very well. I do not expect to convert the Senator from California, and certainly I could not educate him today upon the importance of the act of Congress. I am undertaking to show its importance, and have it recorded in this RECORD, because there will be a day of reckoning before the Congress and before this administration. There will come a day when people will turn to this RECORD and read the names of the men who, in their launching of this enormous piece of administrative law, chose men in the light of the evidence which has been introduced relating to these two nominees, Governor Hurley and Lieutenant Colonel Heller.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. AUSTIN. They will ask, How did it happen that men with no more general experience, and with no more standing before the public than those men had at

the time, were chosen for this great responsibility?

I now yield to the Senator from California.

Mr. DOWNEY. I wish to say to the distinguished Senator from Vermont that I am very much in agreement with most of what he has said. I very greatly admire the work of the distinguished Senator as a member of the Military Affairs Committee in helping to shape this great law, and I certainly join with him in his apprehension that the abuse of power under the act could result in many different kinds of unfortunate consequences. My attention was attracted to the very considerable discussion of the point that the power under the act might be used to set up what I understood the Senator to designate as soviet organizations, or something of that character. I must admit that I could not understand the relevancy of the statement unless the Senator felt that if the nominations of Colonel Heller and Governor Hurley were confirmed they would abuse their power and do something which would be inimical to our system of free enterprise.

Mr. AUSTIN. Mr. President, the claim I make is that under the act we vested the Surplus Property Board with the power of doing the very thing to which I have referred. I have not said more for it than that it shows how important it is for the Congress, in exercising its obligations with respect to the appointive power, to do so carefully and wisely and have no fear of facing possibilities in advance.

I wish to observe at the outset that in what I am about to say I am not charging Lieutenant Colonel Heller or Governor Hurley with any crookedness, fraud, or misconduct.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. Before the Senator leaves his general discussion I should like to ask him a question. I am impressed by the fact that this law, enormous as it is in its implications and impacts, does not contain the usual provision requiring that it shall be administered in a bipartisan manner. I have heard the Senator discuss that phase of the matter and I hope he will not omit reference to it before he proceeds.

Mr. AUSTIN. Mr. President, I am willing to refer to the matter now.

The omission to which the Senator has referred was not a careless act on the part of the conferees. The subject of whether we should restrict the Executive and the Senate to certain limitations in the selection of the men to administer the act was carefully canvassed in the conference. As I have already said, we eliminated all geographical and economic limitations and conditions. We discussed the question of partisan politics and whether we should provide that not more than so many members of the Board should be members of the party in power at the time. Those questions were discussed, and we decided that we would not intrude into this great piece of legislation any such thought or theory. We decided that we would not give emphasis to sectionalism or to partisan politics, but that we would provide for ample appointive power and authority to choose the members of the Board without regard to their politics, their geographical location, or their economic theories in order to insure that the act would be administered as correctly, and as nearly in accordance with the spirit and policy of Congress as possible. As I have said, the omission was not an oversight. It was a deliberate decision that the appointing power, when selecting these men, should have no limitations placed upon it. I assert that that places on us a greater responsibility than if language had been written into the act providing that there should not be on the Board more than two Democrats and one Republican, or two Democrats and one Independent.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. JOHNSON of Colorado. The Senator may recall that we not only did what he has stated but we rejected the suggestion of having an agricultural representative, a labor representative, and an industry representative. We eliminated those representatives for the reason which the Senator has stated.

Mr. AUSTIN. Mr. President, the Senator from Colorado is correct in his statement, and I thank him for refreshing my recollection. It will not be strange if we forget some of the events of those conferences, which extended over a period of 3 weeks.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. CHANDLER. I wish my friend the Senator from Vermont would refresh my recollection. At the hearings I believe the Senator asked a question of one of the witnesses from California in order to elicit the truth as to whether there were any Republicans on the list. I think my distinguished friend from Vermont asked such a question, and I ask the Senator if he recalls the colloquy which took place at that point.

Mr. AUSTIN. Yes. I should like to read that colloquy. I do not know that I have the particular colloquy, but I will have it before I conclude. I am reading from page 112. The witness, a Republican, is Fred A. Wickett, formerly vice president of the New York Life Insurance Co., and from his appearance a credible witness. I thought he looked like a dignified and reliable citizen. I quote from his testimony as follows:

> Senator DOWNEY. Is it your opinion that Colonel Heller would be an efficient member of the Surplus Property Board if he should receive that appointment ultimately?
>
> Mr. WICKETT. I do not see how you can get a better one, in spite of his being a Democrat.

That is the way this subject got into the particular inquiry.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. AUSTIN. Let me finish the quotation, please—

> Senator DOWNEY. I am glad that you agree with this Democratic Senator. That is all the questions I have.
>
> The CHAIRMAN. Senator Chandler?
>
> Senator CHANDLER. If he were a Republican that would not disqualify him?
>
> Mr. WICKETT. This is not a partisan proposition. He has got a great job to do, and a business job, and I believe he will do it.
>
> Senator CHANDLER. That is right.
>
> The CHAIRMAN. Senator Austin?
>
> Senator AUSTIN. You do not notice a great number of Republican appointees on this Board, do you?
>
> Mr. WICKETT. After Colonel Heller got on I did not look for any.
>
> Senator AUSTIN. Did you look at Governor Hurley, who had run for governor in his State this last election?
>
> Mr. WICKETT. Yes.
>
> Senator AUSTIN. You realize what the voice of the people from Connecticut was, don't you?
>
> Mr. WICKETT. Yes.
>
> Senator AUSTIN. The only Democratic candidate on the ticket who was defeated, wasn't he?
>
> Mr. WICKETT. Yes; but we are talking about Colonel Heller.

I now yield to the Senator from Kentucky.

Mr. CHANDLER. I think my friend will see if he will examine the hearings closely that that was not the first time the discussion of politics occurred. If he will observe the testimony of other witnesses it had occurred before in comments by other witnesses.

Mr. AUSTIN. Mr. President, one cannot overlook it; the subject of politics just intruded upon our hearings at different times, and apparently could not be avoided; it was so conspicuous as to indicate that at the outset of this great enterprise upon which our country was starting there had been no effort at all to keep the smell of brimstone off the garments of this commission, and men who had been conspicuous in politics and in political life were appointed, thus exposing us to the charge of starting out with this great power and this great property and creating a monster machine, for I can conceive of nothing more monstrous politically than to use this act for the purpose of aggrandizement of any political party. To void that the appointive power, of which we are a part, should make an effort, I think, to prevent the charge and the suspicion that cropped up all the time in these hearings.

Mr. CHANDLER. Mr. President——

Mr. AUSTIN. I yield to the Senator from Kentucky.

Mr. CHANDLER. The Senator has a different idea than I have about how politics became injected into it. It was my impression that the appearance of so many stanch Republicans from California to testify to the good character of Colonel Heller brought in the political question. Before that I do not recall that there was any politics in it.

Mr. AUSTIN. That is in reverse of a political question when members of the opposing party whose natural political inclinations would be conserved by stating otherwise come in, and against their political interests say "this man is a good man, I am for him." It is not a thing to be criticized and it is not the method I am referring to. It is not the method this evidence refers to.

Mr. DANAHER. Mr. President——

Mr. AUSTIN. I yield to the Senator from Connecticut.

Mr. DANAHER. Am I correct in my recollection that the testimony indicated that the wife of Lieutenant Colonel Heller is the Democratic national committeewoman from the State of California.

Mr. AUSTIN. I will answer that in this way: I have no personal knowledge of it, but the document entitled "Factual Campaign Information, compiled under the direction of Edwin A. Halsey, Secretary, United States Senate; revised October 2, 1944; printed for the use of the Office of the Secretary of the Senate," contains this on page 27 under the heading "Officers of the Democratic State Committees," under the column headed "State," we find "California"; under the column "Chairman" we find "William Malone, 849 Mills Building, San Francisco"; under the column headed "Secretary," we find "Harry Burns, Fresno."

On page 26, under the title "Democratic National Committeemen and Committeewomen" we find the following: Column headed "State," "California"; column headed "Committeeman," "Edwin W. Pauley, 756 South Broadway, Los Angeles"; under the heading "Committeewomen," "Mrs. Edward Heller, Petrol Co., Los Angeles."

That answers the question, does it not?

Mr. DANAHER. Will the Senator read further and tell us what the column shows as to who was Democratic national committeeman for Connecticut?

Mr. AUSTIN. Connecticut is the second name following after California. Under the column "Committeeman" there appears the name "Robert A. Hurley, 99 Outlook Avenue, West Hartford."

That answers the question, does it not?

Mr. DANAHER. If the question of politics were raised anywhere in this whole matter it seems to me it would stem from the initiating source.

Mr. FERGUSON. Mr. President, after the name of Mrs. Heller the Senator read "Petrol Company."

Mr. AUSTIN. Yes; P-e-t-r-o-l.

Mr. FERGUSON. Does the Senator have any knowledge as to what this is?

Mr. AUSTIN. No, I have no knowledge. Perhaps the Senator from Michigan can tell us.

Mr. FERGUSON. No.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. CHANDLER. I think the discussion in the committee will clearly show that at least those of us on this side were trying to prove that being a Democrat did not wholly disqualify one for public service. I do not know how we came out in that effort, but we thought, in view of all the circumstances and the discussion that went on, that some on the Republican side rather indicated that it might be up to the people in the election, and that may be the reason why the Republicans have not had any better success.

Mr. AUSTIN. Mr. President, in Connecticut the record is that this candidate who was selected in a very peculiar situation to which I am about to refer was the only candidate on the Democratic ticket to be defeated, and that the reversal of votes that would normally have gone to him had his Democratic and Republican friends supported him as they did other candidates on the ticket aggregated about 60,000 ballots.

Mr. DOWNEY. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. DOWNEY. I should like to say to the distinguished Senator that when the question was raised as to the confirmation of Colonel Heller and Mr. Hurley, I was deluged with letters and telephone calls from leaders of every kind of group in California stating the desire of individuals there to testify that in their opinion Colonel Heller was an outstanding, almost perfect, choice for this position. I chose to ask to come to Washington principally prominent Republicans, and we did present to the committee five or six or seven of the outstanding Republicans, industrialists, and businessmen of the State, who testified that in their opinion Colonel Heller was an outstanding candidate for this position. I know that many Senators on the Republican side have received many telegrams from prominent Republicans in the West endorsing Colonel Heller, because I have copies of the telegrams in my possession.

I desire to ask the distinguished Senator a question. Does he know of one single Republican leader in the West who has stated the opinion that Colonel Heller would not be an outstanding and efficient member of the Surplus Property Board?

Mr. AUSTIN. Mr. President, I do not know whether they have or not. Acting on the committee, of course, we had Republicans and Democrats alike who had been invited by Colonel Heller or the Senator from California [Mr. DOWNEY] to support Colonel Heller, who had been asked to come here to do that, and of course they supported Colonel Heller. One of them, who was not hostile to Colonel Heller in any way, namely, Mr. Chauncey Tramutolo, a lawyer practicing in the city of San Francisco, who was not a Republican, but who was himself active in politics there, Democratic politics, testified as follows:

> Senator JOHNSON. Has Colonel Heller or any member of his family been actively engaged in partisan politics in California?
>
> Mr. TRAMUTOLO. Well, that is putting it rather strongly, Senator. I would say that he is what is known to be a Democrat. I know the Colonel and his wife were delegates, at least he was a delegate to the Houston convention, and also in 1928, but I know of instances where he has backed people that were not Democrats.
>
> Senator JOHNSON. That is all.

Mr. President, it seems a most unfortunate circumstance that both these nominees should have to be taken covered with the cloud of the investigation made in May 1944, regarding the Narragansett Machine Co., of Providence, R. I. Is it a mere coincidence, as my esteemed friend the Senator from Kentucky said yesterday, that both these nominees happen to come out of the cloud which surrounds the Narragansett Machine Co.? That is a matter which the public is entitled to regard as a very strange and suspicious fact attending these nominations.

Mr. MALONEY. Will the Senator yield to me?

Mr. AUSTIN. Not yet; I will yield in a moment. If it is a mere coincidence, as claimed by the Senator from Kentucky—and I want to take the position that it is a mere coincidence—it is nevertheless such a circumstance that we cannot overlook it.

Now I yield to the Senator from Connecticut.

Mr. MALONEY. I wish to ask the Senator if he himself did not believe that it was a coincidence. I attended the hearings, I listened to the very careful and able and constant cross-examination of the distinguished Senator from Vermont, and I know that he could not come to any other conclusion than that it was clearly and without a question of doubt a coincidence.

Mr. FERGUSON. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. FERGUSON. The Senator asked me a few moments ago if I had any knowledge of the Petrol Co. Since he asked me, I have used the telephone and obtained some knowledge.

Mr. AUSTIN. The Petrol Co.?

Mr. FERGUSON. The Petrol Co. is a California corporation. It has a telephone number listed in the Washington directory. It sells petroleum products, principally asphalt, and as a coincidence Mr. Edwin Pauley, who is treasurer of the Democratic National Committee and Democratic national committeeman of California, is president of the company, Mr. Harold Pauley is vice president, and Mr. Claude Cameron is treasurer.

Mr. DOWNEY. Will the Senator yield?

Mr. TAFT. Will the Senator yield a moment? The office——

Mr. DOWNEY. Mr. President, I have addressed the Chair.

Mr. AUSTIN. Mr. President, I have the floor, and I wish to be fair to my colleagues on the floor, and I yield first to the Senator from Ohio.

Mr. TAFT. I merely wish to ask whether the address of this corporation is not the Mayflower Hotel in Washington.

Mr. FERGUSON. That is true, and that is where I telephoned to obtain this information.

Mr. AUSTIN. I now yield to the Senator from California.

Mr. DOWNEY. Mr. President, I must admit it is difficult for me to understand the mental processes of the Senators who are now engaged in the discussion. We have a Mr. Edwin Pauley in California, who is our Democratic national committeeman. He is head of the Petrol Co. Mr. Heller and Mrs. Heller have no more connection with the Petrol Co. than any Senator on this floor. I have no idea from what document or record the Senator was reading, but the gentleman the distinguished Senator from Michigan is now talking about, Edwin Pauley, has no connection with this matter as head of the Petrol Co. Colonel Heller has no connection with the Petrol Co. Mrs. Heller has no connection with it. The reference to it has no more relevancy to this argument than if we were talking

about something in the Fiji Islands—and I know whereof I speak in this matter.

Mr. FERGUSON. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. FERGUSON. When the Senator read from the document compiled by the Secretary of the Senate, Colonel Halsey, he read the name of Mrs. Edward Heller, Petrol Co. It was significant that her name should be listed in that way, and having some knowledge that Mr. Pauley was connected with that company, I sought some information on the subject. It is significant, or, rather, probably, a coincidence, that that address and that name should be listed in connection with the national Democratic committeewoman. I might say that the Washington address being the Mayflower Hotel, may in a slight way help to get business for that corporation, listed as it is.

Mr. DOWNEY. Will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. DOWNEY. Is it not correct that the reference is the Petrol Co., Los Angeles?

Mr. FERGUSON. Will the Senator from Vermont yield?

Mr. AUSTIN. I shall yield in a moment. This reads, under the head of "Committeewoman," Mrs. Edward Heller, Petrol Co., Los Angeles.

Mr. DOWNEY. If the distinguished Senator will further yield to me, this is all it is. Ed Pauley is national committeeman in California, Mrs. Heller is national committeewoman, and undoubtedly she has given that address so as to receive her official mail as national committeewoman at the office of the national committeeman in California. If Senators can find in that any reason for objecting to the appointment of Colonel Heller, I hope the most will be made of it.

Mr. AUSTIN. It just turns out that the record is as follows with respect to Mr. Pauley. The address he gave for himself is something else; namely, 756 South Broadway, Los Angeles.

Mr. DOWNEY. Again I might say to the distinguished Senator that the Petrol Co. has its address in Los Angeles at the address which he has just read.

Mr. CHANDLER. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield to the Senator from Kentucky.

Mr. CHANDLER. I welcome an inquiry into the politics, if there is any, of the proposed members of the Surplus Property Board, and their wives and families. I am glad that that is being initiated by my friends on the other side, including my friend the Senator from Vermont. I wish to serve notice that when the State Department nominations come before the Senate I want him to be just as diligent to call attention to the Liberty Leaguers, presidents of big corporations and steel companies, and so forth, and contributors to both parties. I want Senators to be just as fair as they can be about the matter. Let us just investigate all of them. Then if we find that taking part in politics, or having political views, or party views, or belonging to the Liberty League disqualifies an individual, let us make a decision accordingly. I know my friend from Vermont does not want to limit the inquiry to two members of the Surplus Property Board. We will take as much time in determining the political views and motives of the nominees to the State Department when we come to consider them.

Mr. AUSTIN. Mr. President, when we come to the nominations to the State Department we will have quite a different proposition before us than we have before us at this moment. Then we will be dealing with the President's family, his official life. In the case of the State Department nominees we do not have the special responsibility caused by their representation of Congress. The appointees to the Surplus Property Board are going to carry out a policy established by Congress. They are going to report to Congress, and many of the great events in connection with surplus-property disposal will be the result of a legislative process as the consequence of the members of the Board returning to Congress and saying, "Here are 11 categories of goods and properties on which we must have instruction," and submitting the matter to us. They are to be our representatives. And so, Mr. President, I think our approach to the duty of participating in the appointment of the Surplus Property Board is a somewhat distinct approach, a somewhat different approach from the approach to participation in the nominations for the State Department.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. CHANDLER. What greater or more important matter can be brought back to the Senate than a treaty of peace with other countries, with the responsibility for which this team of State Department nominees is going to be charged? Of course, I disagree with the Senator from Vermont when he says that we are not a part of this so-called family of the President; that we have not the highest duty to ascertain, if we can, the views of the men who are going to undertake to deal with other nations, and submit to the Senate for its approval a treaty of peace upon which probably will be based the hopes of all the world.

Mr. AUSTIN. Mr. President, we have not reached that debate yet. If we reach it and when we reach it I hope to participate in it. But I do not care to be diverted to that ground at the present time.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. AUSTIN. I yield to the Senator from Ohio.

Mr. TAFT. I wanted to suggest that in considering the qualifications of men for the Surplus Property Board it is more relevant as to whether they have been connected with corporations which have been selling goods to the Government, particularly through political channels, because such corporations naturally are interested in the disposal of surplus property of the same kind which they may have bought. I do not mean to indicate that the evidence, so far as it has gone, has shown that; but I think it is a much more relevant inquiry as to whether a man is connected with corporations which have had extensive dealings with and selling goods to the Government in the case of the Surplus Property Board nominees, than it would be in the case of Cabinet members or other individuals who are connected with the Government and who, after they are appointed, will no longer have anything to do with that kind of a connection.

Mr. AUSTIN. Mr. President, the evidence did prove without contradiction the connection of Lieutenant Colonel Heller with such corporations. It proved his connection with accessories for airplanes, material for construction, crushed rock, cement, magnesium, and such things. I may find time and strength to bring out all the different parts of this testimony showing how many of these institutions Colonel Heller was either a stockholder in or a director of. He did not mince the matter at all in his own statement before us. On page 50 of the hearings he says:

I was a director—

That is in the past tense—

I was a director of the Wells-Fargo Bank and Union Trust Co. of San Francisco.

Then he goes over to the present tense:

I am a director of the Permanente Cement Co. of San Francisco—

Which we have found out is one of the Kaiser companies—

of the Pacific Coast Aggregates—

And we find out—it is in the record somewhere but I cannot turn to it quite handily—that this is a company which sells all kinds of materials for building great dams and public works, and that the Federal Government is one of its important customers.

Mr. CHANDLER. Mr. President——

Mr. AUSTIN. Just a moment. Let me finish my statement.

The Permanente Steamship Co.—

That is another one of the Kaiser companies—

of Bruce Bros., Inc., a chain of department stores; of the Pig'n Whistle Corporation, which is a chain of restaurants and candy stores; of the Sonora Products Co., which is an urban land-holding company; of the Bankers' Investment Co., which is a company which holds city land—

It will be seen he has his grasp upon both types of land—

of the Mark Hopkins Hotel Co., which owns a hotel in San Francisco.

And then this significant answer:

And of several others, sir.

Now we have picked up through the testimony of men who were associated with him in other corporations several others, and among them are corporations that deal with the Government of the United States, and that seek and obtain contracts with the United States, and men who will have, without any question at all, either surplus property to dispose of themselves and get rid of, or who will be in the market seeking to purchase surplus property.

I now yield to the Senator from Kentucky.

Mr. CHANDLER. Mr. President, I want to apologize to my friend for trespassing on his time. I know that my friend from Vermont is fair, and my service with him on two important committees, the Committee on the Judiciary and the Military Affairs Committee, has always convinced me of his sincere desire simply to find out the truth of things and to do the right thing.

It seems to me that all this is relatively unimportant when we compare it with the same duty with which we are going to be faced almost immediately in advising and consenting to the appointments to the State Department. Cotton is very important in the war effort; steel is very important in the war effort. Here are two men who undertake to convince Senators in a hearing that they are able to perform the job to which they are appointed, and if they convince the Senator that they have had some business experience the Senator will not have them, and if they cannot convince the Senator they are not eligible.

I want my friend, who is diligent and fair and honest and patient, to join me when the State Department nominations come before the Senate for consideration in finding out how important cotton is to the war effort, and to one who engages in foreign trade in many countries, and how important steel is to the war effort, and whether, on the other hand, there is a prospect of involving the United States in that sort of business. A Senator suggests oil. Yes; oil and steel and cotton. I simply wish to find out that which really is important, whether the future of the United States is going to be made safe by a smattering of surplus property, or whether it is going to be made secure in the long run by giving close attention to the important matters I have just suggested, and I am going to call on my friend the Senator from Vermont to exercise the same diligence he is now exercising in inquiring about these matters which seem to me to be under all the circumstances relatively small.

Mr. AUSTIN. Mr. President, this "smattering of surplus property" is about all that I can handle at this time.

Mr. DOWNEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LUCAS in the chair). Does the Senator from Vermont yield to the Senator from California?

Mr. AUSTIN. I yield.

Mr. DOWNEY. I desire to read into the RECORD two very brief telegrams, which I think will perhaps clarify certain statements which the Senator has been making with respect to Colonel Heller. Yesterday there was some discussion on the floor of the Senate as to the extent to which Colonel Heller was associated with Henry Kaiser in his enterprises. I find that this is the fact—and I should like to read the telegram into the RECORD to support it—Colonel Heller has an interest in the Permanente Cement Co., in which Mr. Kaiser also has an interest. The Permanente Cement Co. is sole owner of all the stock of the Permanente Steamship Co., which owns two barges in which cement is hauled. The telegram which I hold in my hand reads as follows:

CAMBRIDGE, MASS., *December 16, 1944.*
Senator SHERIDAN DOWNEY,
Senate Office Building:

My only connection with Kaiser is through Permanente Cement Co. and its subsidiary, Permanente Steamship Co., besides a joint gravel venture which is now being wound up. Permanente Cement Co. is not subsidiary of any other Kaiser company and is owned independently by various interests besides Kaiser. I have no interest or connection, direct or indirect, in Kaiser's Fontana Steel Co., his shipbuilding activities, his magnesium plant, or any other of his enterprises.

EDWARD H. HELLER.

I have another telegram from Colonel Heller, which he sent me at my request, because I anticipated the character of the argument which would be made by certain Senators. This telegram is dated Cambridge, Mass., December 16, and reads as follows:

CAMBRIDGE, MASS., *December 16, 1944.*
Senator SHERIDAN DOWNEY,
Senate Office Building:

If I am a member of the Surplus Property Board would not permit any company in which I am interested to deal directly or indirectly for the acquisition of surplus property. If, despite my efforts, such dealing were attempted would promptly notify Attorney General and disposal agency. Would use greater than ordinary precautions in dealings with friends of former business associates.

EDWARD H. HELLER.

There are in the record statements by leading Republicans from the West, to the effect that Colonel Heller is the very type of man who would conform to such ethical conduct.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. FERGUSON. In order that the RECORD may be clear after the reading of that statement, let me say that I believe the facts will show that the Permanente Cement Co. is a company owned by six other companies. The ownership of the stock of Mr. Heller is in the Edward Heller Co. Other stockholders are the Henry J. Kaiser Co., the Columbia Construction Co., Inc., the Utah Construction Co., the Shay Construction Co., and the Pacific Bridge Co.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. DOWNEY. That is entirely consistent with what Colonel Heller's telegram says, namely, that the Permanente Steamship Co. is owned by several stockholders, and that he has an interest in it. Colonel Heller also stated to me over the telephone that his interest is inconsequential—to him, at least—amounting to a value of about $17,000. There are many interests in the Permanente Cement Co. Kaiser is one stockholder, and Colonel Heller is another.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. FERGUSON. I thought it would probably be interesting to trace the interlocking directors of these various companies in the cement company and the steamship company, as well as the other Kaiser companies. If there is sufficient time I may try to do so.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. MILLIKIN. I should like to ask the distinguished junior Senator from Michigan to read again the names of those companies.

Mr. FERGUSON. I shall be glad to do so if the Senator from Vermont will yield.

Mr. AUSTIN. I yield.

Mr. FERGUSON. The Henry J. Kaiser Co., the Columbia Construction Co., Inc., the Utah Construction Co., the Shay Construction Co., the Pacific Bridge Co., and the Edward Heller Co.

Mr. MILLIKIN. I thank the Senator very much.

Mr. AUSTIN. Mr. President, I do not ask any other man, either in this great body or outside the Senate, to follow me on a question of this kind; but I wish to say that I would not vote for Lieutenant Colonel Heller after acquiring this information connecting him, as it does, with Mr. Kaiser's enterprises, which are tied up with the war effort over which Colonel Heller is given jurisdiction and in connection with which he has very important responsibilities. Such enterprises will certainly be interested in the decisions of Lieutenant Colonel Heller to be made with respect to the demobilization of property. I would not vote for a man so encumbered. If the result is to be that he will lean over backward, that will be almost as bad as leaning sidewise, or forward. He has himself confessed, by telegram, that those connections will affect him, and that he will not be a free man to serve us on the Board. That settles it, does it not?

Mr. President, I had started to show how the two nominees before the Senate came into the picture in a very strange manner, and really in a cloud.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. LA FOLLETTE. I do not wish to divert the Senator; but while he is on the question of the business or financial interest of appointees to the Board, is there anything in the record to show whether or not these men intend to dissociate themselves from their present financial and business connections, if any, in case their nominations as members of the Board are confirmed?

Mr. AUSTIN. There is not.

Mr. LA FOLLETTE. Was any inquiry made in that regard?

Mr. AUSTIN. I believe not.

Mr. President, these men were appointed from the same neighborhood which was investigated by a subcommittee of the Military Affairs Committee of the House in May 1944. The committee made a report, an extract from which is to be found at page 178 of the printed hearings. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the extract from

House Report No. 1903 dated September 19, 1944, of the House Committee on Military Affairs.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

EXTRACT FROM HOUSE REPORT NO. 1903, DATED SEPTEMBER 19, 1944, OF THE HOUSE MILITARY AFFAIRS COMMITTEE, ENTITLED "INVESTIGATION OF THE NATIONAL WAR EFFORT"

NARRAGANSETT MACHINE CO., PAWTUCKET, R. I.

Because of numerous complaints that Government contracts were being awarded in connection with the war effort and loans guaranteed by or with the consent of the War Department to the Narragansett Machine Co., and that such company was in control of and directed by inexperienced persons, one or more of whom with a questionable background, inquiries were instituted and hearings held April 28, May 6, 12, and 24, 1943, by the committee to ascertain the facts.

Testimony adduced at the hearings was to the effect that about 1930 or 1931, the company had a volume of business approximating $1,000,000, but subsequently it declined to less than $300,000 annually.

The common stock, which carried the voting privilege except when dividends were voted on the preferred stock, had been held continuously by the Thornley family until April 19, 1941.

Eventually, on January 28, 1943, through the instrumentality of a complex series of transfers, all of the common stock came under the control of Norman T. Bolles without the payment of any money whatever on his part. Bolles thereupon became vice president and general manager of the Narragansett Machine Co.

On April 24, 1942, the Narragansett Co. entered into a contract with the Ford Motor Co. to manufacture 2,260 gun mounts at $2,100 each, or a total for the completed contract of $4,746,000. Under date of June 9, 1942, Ford advanced $220,000 on this contract, which amount was to be administered under the direction of the Boston ordnance district, War Department.

On July 27, 1942, the Industrial Trust Co., of Providence, R. I., made a $2,000,000 loan to the Narragansett Machine Co., guaranteed 90 percent by the War Department. At that time, a financial statement was submitted showing a capitalization of $850,000, divided equally between preferred and common stock. The security given was a mortgage on the real estate and other property of the company, also a general assignment of receivables and a specific assignment of all contracts over $5,000. The statement of December 31, 1942, reflected a value of real and personal property, after depreciation reserves had been applied against it, of $975,495.10. The April 30, 1943, statement listed the amount of contracts signed by the company as $3,381,252.89.

The loan was predicated on Navy and Ford subcontracts, and obtained from the Industrial Trust Co. with the help of the Boston ordnance district. At the time the application was made for the loan, Narragansett needed working capital to carry out its war contracts, and when applying to Ford and the Navy for an advance, they were directed to the Industrial Trust Co., according to Colonel Mechem, of the Fiscal Division, Service Forces, Advance Payment and Loan Branch, Washington, who stated that it was the policy of the Government to have private banks make such loans instead of using funds of the United States Treasury. Therefore, Colonel Mechem arranged with the Boston ordnance district to confer with Narragansett and Industrial Trust. Accordingly, a complete investigation was made of Narragansett, and at first the suggestion was made that the loan could not be arranged unless the company selected someone of sound business experience to manage it. This was due in part to a record of Norman T. Bolles, n New York State. This record is designated as Calendar No. 77,735, Indictment No. 216,-478, signed by Thomas E. Dewey, district attorney, and John J. Bennett, Jr., attorney general, versus Robert Luther and Norman T. Bolles, defendants; the charge was grand larceny in the first degree, and the amount of money involved was $5,000. However, the record indicates that the indictment was dismissed upon the agreement of Bolles to settle for an amount almost twice that named in the indictment.

Maj. F. A. Ritchie, of the Boston ordnance district, was instrumental in removing the objection to the loan by an arrangement whereby the Boston ordnance district placed officials of their own selection in the plant to control the manufacture and manage the finances of the company.

Out of the loan was paid $200,000 for accounts payable, $75,000 for settlement of city tax liability, $275,000 for repayment of moneys advanced on governmental contracts, $10,000 for payment of machinery notes, and $100,000 for payment of United States Finance Co. obligations. Except the $275,000 repaid for moneys advanced on governmental contracts, the items were obligations of the company outstanding when it began to seek war contracts, and indicates an insolvent condition.

On December 8, 1942, the Ford Motor Co. abrogated its subcontract with the Narragansett Machine Co. The Government had canceled its prime contract with Ford thus making it obligatory on Ford to cancel the subcontract.

The Ford contract, which originally called for 2,260 gun mounts, was subsequently reduced to 250. Shipment was made of 253, of which 3 were returned. The total amount of money received from the Ford Co. covering contract-termination settlement in connection with the purchase orders on the gun-mount assemblies, plus the 250 assemblies shipped and 38 sets of spare parts, was $1,583,978.07. This would indicate that it cost $6,000 to manufacture each gun mount.

The settlement funds received from Ford were applied against the loan with the Industrial Trust Co., and a second loan of $2,000,000 was obtained from the Federal Reserve bank on March 29, 1943, with a 100-percent guaranty by the War Department. They then proceeded to operate under this new loan on the same mortgage basis as was given under the first loan.

Prior to obtaining the second loan, Bolles decided that it would be advisable to bring in someone to elevate the standing of the company, primarily for the credit effect. In January 1943 Robert A. Hurley, a former Governor of Connecticut, was made vice president at a salary of $12,000 a year. Evidence indicated that Hurley spent as little as 1 day a week at the plant and had no specified duties. Bolles attempted to justify this employment on the ground that Hurley's association with the company strengthened the morale of the plant personnel.

There was little favorably to impress the committee with the action of the War Department in the development and financial support of this facility. It was the general belief of the committee that sufficient care and discrimination had not been exercised by officials of the War Department in selecting as a facility to be supported and financed, one that had as its administrative head a man whose background was principally that of a promoter and whose record was such as that of Norman T. Bolles. If the responsible Army officials had been cognizant of the stock transactions and manipulations as shown by the evidence adduced at the hearings, and notwithstanding such knowledge had proceeded to develop and support this facility for war-production purposes, they were open to criticism; and if they did not know, they were equally so because they had the same opportunity to learn the true facts as the committee had.

Nevertheless, in view of the statements by War Department officials and assurances that in their opinion this facility was absolutely necessary in the promotion of the war effort, and that they had had and still had it under careful scutiny at all times, the committee refrained from issuing any findings and recommendations.

Mr. AUSTIN. I read a portion of the report:

Because of numerous complaints that Government contracts were being awarded in connection with the war effort and loans guaranteed by or with the consent of the War Department to the Narragansett Machine Co., and that such company was in control of and directed by inexperienced persons, one or more of whom with a questionable background, inquiries were instituted and hearings held April 28, May 6, 12, and 24, 1943, by the committee to ascertain the facts.

Testimony adduced at the hearings was to the effect that about 1930 or 1931, the company had a volume of business approximating $1,000,000, but subsequently it declined to less than $300,000 annually.

There follows in the report the development of the financial weakness of the Narragansett Machine Co., and then the finding which affects this candidate, Governor Hurley. I read from page 179:

Prior to obtaining the second loan, Bolles decided that it would be advisable to bring in someone to elevate the standing of the company, primarily for the credit effect. In January 1943 Robert A. Hurley, a former Governor of Connecticut, was made vice president at a salary of $12,000 a year. Evidence indicated that Hurley spent as little as 1 day a week at the plant and had no specified duties. Bolles attempted to justify this employment on the ground that Hurley's association with the company strengthened the morale of the plant personnel.

There was little favorably to impress the committee with the action of the War Department in the development and financial support of this facility.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. AUSTIN. I yield.

Mr. LANGER. Was that before he was governor, while he was governor, or after he was governor?

Mr. AUSTIN. It was after he was defeated in the election for governor. He had previously been governor. Then he came up for reelection and was defeated. Thereupon, he was made a vice president of the Narragansett Machine Co.

Mr. LANGER. I thank the Senator.

Mr. AUSTIN. I continue to read from the committee report:

It was the general belief of the committee that sufficient care and discrimination had not been exercised by officials of the War Department in selecting as a facility to be supported and financed, one that had as its administrative head a man whose background was principally that of a promoter and whose record was such as that of Norman T. Bolles. If the responsible Army officials had been cognizant of the stock transactions and manipulations as shown by the evidence adduced at the hearings, and notwithstanding such knowledge had proceeded to develop and support this facility for war-production purposes, they were open to criticism; and if they did not know, they were equally so because they had the same opportunity to learn the true facts as the committee had.

Nevertheless, in view of statements by War Department officials and assurances that in their opinion this facility was absolutely necessary in the promotion of the war effort, and that they had had and still had it under careful scrutiny at all times, the committee refrained from issuing any findings and recommendations.

That report was made in September of this year. In the face of it, and with the knowledge of the testimony Mr. Hurley himself had given, and which is in the record at page 176 and following, the President sent the nomination of Mr. Hurley to the Congress, which had in its records that finding, for this highly responsible position. Is it not strange indeed that the President should also have sent up at the same time the nomination of Lieutenant Colonel Heller, who was working with or working in respect of the same Narragansett Machine Co. of which Governor Hurley was the vice president? What sort of lodestone was there to draw the attention of the President to that spot in all the United States and to pick out of that spot the two men whose nominations are before the Senate today for consideration?

Mr. President, although I dislike to take so much of the valuable time of the Senate, I shall refer to the record in order to show what Colonel Heller's work was. Mr. Pitman, of the Federal Reserve Bank of Boston, while testifying, said the following, which appears at page 93:

Senator AUSTIN. Then he does not check the decision of Ordnance on that policy at all?

Mr. PITMAN. No; he does not.

Senator AUSTIN. What does he, of his own volition, do? What discretion does he exercise in that position of liaison officer?

Mr. PITMAN. He works with me, or with the Federal Reserve bank. We work as a team. We sit down and discuss the problem, we work together, and through our investigations and reports we make our recommendations. If we disagree, then it has to go to the War Department for approval.

Senator AUSTIN. That is between you. You could really put an end to the extension of this loan, could you?

Mr. PITMAN. We could not on this particular loan, because the amount is over our delegated authority.

That refers to the loan to the Narragansett Machine Co. to revitalize the company, which had lost its largest contract and was in a deplorable condition creditwise.

I continue to read from tne testimony:

We would have to go to Washington to get it finally approved or disapproved.

Senator AUSTIN. What is that limit?

Mr. PITMAN. It was $100,000, and now it is $250,000.

Senator AUSTIN. Did these discussions with you and Colonel Heller amount to this, that in a loan like this one here you formed a judgment about the merit of the loan based on all the different factors, necessity, and so on, and you made the recommendation to some higher authority; is that right?

Mr. PITMAN. That is right.

Senator AUSTIN. That authority is the Federal Reserve bank here in Washington; is it?

Mr. PITMAN. No. We send our recommendations through the Federal Reserve Board, who, in turn, sends it in to the War Department. It is the War Department's finance section, the Fiscal Division.

On page 94 we find the following:

Mr. PITMAN. Colonel Heller came to me and said that the Boston ordnance district had helped to find financing for the Narragansett Machine Co., because it had important contracts, and it was through Colonel Heller that we got a certificate of necessity, I believe through the Boston Ordnance Co. It was through them that we got it.

Senator CHANDLER. When did Colonel Heller first meet you in Boston?

Mr. PITMAN. June 11, 1942.

Senator CHANDLER. Was that at the time he commenced his duties in the Boston district?

Mr. PITMAN. That is right.

On page 95 we find the following:

Senator CHANDLER. Did you and Colonel Heller participate in the approval of the first loan of $2,000,000 from the Industrial Trust Co. of Rhode Island?

Mr. PITMAN. Oh, yes; we sat in on that.

Senator CHANDLER. You sat in on that?

Mr. PITMAN. Yes.

Senator CHANDLER. You recommended that loan, you recommended for the Industrial Trust Co. group to make it?

Mr. PITMAN. That is right.

Senator CHANDLER. Of course, it was approved in Washington?

Mr. PITMAN. That is right.

Senator CHANDLER. You and Colonel Heller just recommended it and the Industrial Trust Co. agreed to make the loan?

Mr. PITMAN. Yes.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. LANGER. The Senator understands, of course, that we have not received the printed record.

Mr. AUSTIN. I have been reading from it.

Mr. LANGER. The Senator has it and the Senator from Kentucky [Mr. CHANDLER] has it——

Mr. AUSTIN. No, Mr. President; a copy is available to every Senator. One is in front of the Senator now.

Mr. LANGER. It was made available this morning; was it?

Mr. AUSTIN. Yes.

Mr. LANGER. I wish to find out what Heller, from California, was doing in Boston.

Mr. AUSTIN. That is what I am trying to show now. I am trying to show that this member of the Army was made the liaison officer between the Finance Division or the Credit Division of the Army, which is somewhat equivalent to a bonding house, and the Federal Reserve Bank of Boston, in New England. He was the liaison officer. That is what he was doing over there.

Mr. LANGER. Mr. President, will the Senator yield again?

Mr. AUSTIN. I yield.

Mr. LANGER. Was it customary, all over the country, to bring men 2,000, 3,000, or 4,000 miles away, to pass on loans two or three or four thousand miles away from their homes? Is that customary?

Mr. AUSTIN. I do not know whether it is or not. But the Army is organized with its headquarters in Washington, and Colonel Heller came to Washington as a major. He entered the service of the Army as a major. He was not brought from California to the East just to handle this particular transaction. He was assigned to this duty as a member of the military forces. He was assigned to the duty of liaison officer. That is all.

That is what makes this subject so interesting. What a strange coincidence it is—assuming it is nothing but a coincidence—that the President should go into the neighborhood which I have described from the testimony, and pick two men, one of them the vice president of the Narragansett Machine Co., and the other the liaison officer who participated in the financing of the company. Is that not strange?

Mr. LANGER. It is very strange, indeed. May I ask the Senator another question?

Mr. AUSTIN. I yield.

Mr. LANGER. What are the duties of a liaison officer?

Mr. AUSTIN. We tried to find that out. On the basis of the evidence the duties are somewhat conflicting. Sometimes they are narrowed down, and I shall try to bring that point out by reference to the testimony. My own impression, based on the evidence, is that his duties were very limited, that he was not quite a mere automaton, but that he had no final discretion. It appears that he passed up to his chief, Colonel Mechem, information regarding the necessity and convenience of the Narragansett Machine Co. and other prospective borrowers in that neighborhood in promoting the war effort by the production of munitions. He passed up the information with a recommendation. It further appeared that his superior officer made the decision. In other words, his being in liaison with the bank meant that he would do as Mr. Pitman has described, namely, "sit in with me, and we would go over the prospective loan and make the recommendation, and Boston ordnance would pass upon it." I believe that the Senate should know of the connection existing between Lieutenant Colonel Heller and Governor Hurley in the particular transaction to which I have referred.

Mr. LANGER. Mr. President, will the Senator yield for another question?

Mr. AUSTIN. I yield.

Mr. LANGER. If the question is embarrassing, I do not wish the Senator to answer it. I should like to know if there is any evidence at all that the President, in choosing two men—one from California and one from Connecticut—was deceived in any way. I should like to know if someone may have deceived the President.

Mr. AUSTIN. The question is not embarrassing, and it is not true that the evidence shows any such thing.

Mr. DOWNEY. Mr. President, will the Senator yield to me in order that I may place a telegram in the RECORD?

Mr. AUSTIN. Yes; I yield. I do not like to have too many interruptions made of my speech for the purpose of putting telegrams in the RECORD.

Mr. DOWNEY. I think the telegram is very pertinent to the subject which is being discussed. I think that it would, perhaps, somewhat answer the question

asked by the Senator from North Dakota [Mr. LANGER].

Mr. AUSTIN. Mr. President, the request of my distinguished friend from California is to have printed in the RECORD a copy of a telegram which he sent to the President. I have no objection to it going into the RECORD, but I ask if he will not be good enough to have it placed in the RECORD before the beginning of my remarks. The order of it is very important to me. I do not want the telegram to be inserted during my address. That is the only objection I have. If the Senator will have it printed in the RECORD before my address starts, I shall be glad to have it.

Mr. DOWNEY. I shall offer it for the RECORD as a part of my own address. I thought that by having it printed in the RECORD now I could assist in answering the question of the distinguished Senatory from North Dakota [Mr. LANGER].

Mr. AUSTIN. Mr. President, I wish to answer the distinguished Senator from North Dakota [Mr. LANGER] a little more completely, and I hope the interruption will not separate too much the answer from the question.

On page 96 of the hearing we find the following:

Senator CHANDLER. Were the Industrial Trust Co.'s officers asked to approve the appointment of Governor Hurley as vice president of this company?

Mr. PITMAN. I do not know. It required the approval of the Industrial Trust Co. and the Boston ordnance, and I believe they gave their approval, but I do not know that. I have no information in my file on that.

Senator CHANDLER. Of course, Colonel Mechem testified—

It will be remembered that Colonel Mechem was the superior officer of Colonel Heller. I continue reading from the hearings—

Of course, Colonel Mechem testified here before the committee that the Industrial Trust Co. and the Boston ordnance did approve the appointment of Governor Hurley.

Mr. PITMAN. I suppose they lived up to their agreement.

Senator CHANDLER. That was a condition they had a right to impose?

Mr. PITMAN. That is right.

The subsequent testimony of the vice president of the Industrial Trust Co., Mr. Brown, showed that the Industrial Trust Co. did not approve the election of Governor Hurley as vice president of this company, which occurred on January 10, 1943, but it did show the approval by Boston ordnance and thus Colonel Heller is connected indirectly with the appointment or election to the position of vice president of this customer, and the whole transaction is all knit together.

I am showing by the evidence I am reading that Colonel Heller sits in with the Federal Reserve bank officer and passes upon the eligibility of the Narragansett Machine Co. for a loan which is to be financed through the Industrial Trust Co., and subsequently that there is a separation of the Industrial Trust Co. from the loan and the assumption of the liability by the War Department of the Federal Government, which Colonel Heller represented as liaison officer, of 100 percent responsibility for the loan, which was renewed at $2,000,000 on a date subsequent to the one about which we have been inquiring. There has been a renewal and there is now under consideration a further renewal.

Here are these two candidates before the Senate today all tied in to this financing of the Narragansett Machine Co., whose record I am going to point out later, and whose record and condition are referred to in the report of the Military Affairs Committee of the House of Representatives which has been inserted in the RECORD.

Now I read from page 97, pursuing the subject: What did Colonel Heller do, what was his job, how was he connected with this transaction?

Mr. LANGER. Mr. President, will the Senator yield for another question?

Mr. AUSTIN. I yield.

Mr. LANGER. Has this loan been repaid?

Mr. AUSTIN. Yes, the first loan was wholly repaid and the Industrial Trust Co. severed from the connection, but does not the Senator see it has been extended and continued and is in existence today, and there are about a million and a quarter dollars of unpaid loans now.

Mr. LANGER. That is what I wanted to know.

Mr. AUSTIN. The loan is still very much alive.

Mr. LANGER. I thank the Senator.

Mr. AUSTIN. Now, reading from page 97:

Senator CHANDLER. The Boston ordnance district represented to you that this company was still needed to do important war work?

Mr. PITMAN. That is right.

Senator CHANDLER. With that understanding you approved the financial arrangement?

Mr. PITMAN. That is right.

Senator CHANDLER. And they gave them a new loan of $2,000,000, 100 percent guaranteed by the War Department?

Mr. PITMAN. That is right.

Senator CHANDLER. You considered at that time the company's work, the importance of its work, its ability to pay its then existing obligations, and is it not a fact that at that time the company was good for the $230,000 in liquidation that it owed?

Mr. PITMAN. In liquidation; yes.

Senator CHANDLER. The Narragansett Co. certainly was not in a position to loan any money at that time?

Mr. PITMAN. The Industrial Trust Co.?

Senator CHANDLER. I mean the Industrial Trust Co.; yes, sir.

Mr. PITMAN. That is right.

Senator CHANDLER. All right. Now, do you know what duties Governor Hurley performed as the vice president of the Narragansett Machine Co.?

Mr. PITMAN. I do not.

Senator CHANDLER. Did he participate in conferences with your bank with respect to loans for the Narragansett Machine Co.?

Mr. PITMAN. Only one. That was the last loan. It was a preliminary discussion held in Boston, I believe, on January 11, 1944. I think he was present at that meeting.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. DANAHER. When the witness there refers to the last loan and identifies the date as of January 11, 1944, the fact was that Governor Hurley, according to this record, had become associated with the company only the previous day, or January 10. Is not that so, or was that date January 10, 1943?

Mr. AUSTIN. It was January 10, 1943. He had been with the company a year.

Mr. DANAHER. I thank the Senator.

Mr. AUSTIN. The first time this witness dealt with him, he said, was in June 1943, and the second time was in January 1944. The following evidence shows the connection with Colonel Heller:

Senator CHANDLER. Do you consider that in approving this first and second loan, you and Colonel Heller exercised sound business judgment?

Mr. PITMAN. From a credit standpoint we could not recommend that loan. They needed it and we recommended it from a credit standpoint. We recommended it purely from a war-effort point of view. There were important facilities that had to be gotten out.

Mr. President, I have read sufficient of this record, I believe, to inform any Member of the Senate of the close connection between both these candidates for the two appointments which we have under consideration; and I ask the question, How will the public of America view these men; what significance are the people going to attribute to the fact that the Government went to that one spot, which had a cloud over it, and picked out these two men? What does it mean? Of course, we could not probe that; we could not find out what the significance was; but it has created so great a suspicion that we have had wave upon wave of public opinion expressed by the press, by the radio, the newspapers, by correspondents, and by witnesses. Witnesses representing labor, farmers, and small business organizations appeared and opposed the appointment of both these men, not on the charge of any fraud or defect of morality or misconduct, but on the ground that these men were not competent and did not command the confidence of the people.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. MALONEY. I think the record will show that the Senator is in error in his last statement. I think that he has reference to the Smaller Business Committee or Association of New England, of which the witness testified that there were seven members. The labor group associated with the opposition repudiated the opposition, and the lady who formed the organization and spoke for the farmers had been on a farm but had never been a farmer. She was a writer, and that was the extent of her experience with the organizations which were alleged to have made up this group.

Mr. CONNALLY. Mr. President, will the Senator yield for a slight interruption of about half a minute?

Mr. AUSTIN. Yes; but I should like to answer the statement just made. It will take but a moment.

Mr. CONNALLY. Very well.

Mr. AUSTIN. I shall read from the record. We do not have to stand on statements. I read from the testimony of Mr. Stewart, at page 167, who describes his organization, which was one of the organizations in the combination

representing labor, agriculture, and small business:

Mr. STEWART. May I state one thing extra in regard to the Smaller Business Association of New England?

The CHAIRMAN. Proceed.

Mr. STEWART. That organization is composed, as you heard in my testimony, of all kinds of small business, and we have thousands of direct and indirect members. We had the largest dinner for the members in June that the Copley-Plaza in Boston has had in more than a decade. More than 1,100 small businessmen appeared at that convention to listen to one of your worthy committeemen as guest speaker, Senator MURRAY, and Mr. Maury Maverick, and we turned away hundreds of other small businessmen that could not be taken care of. That is the organization which I represent. I just wish to put that in the record.

Mr. MALONEY. Will the Senator permit me to read a little on that point?

Mr. AUSTIN. Certainly.

Mr. MALONEY. I read from the record. The witness was a Miss Speare, who had been testifying for some time. I asked the chairman of the committee if I might ask a question.

Mr. LANGER. From what page is the Senator about to read?

Mr. MALONEY. From page 161 of part II. I read:

Senator MALONEY. Might I ask a question?

The CHAIRMAN. Yes, certainly.

Senator MALONEY. Did you know that Mr. Carmichael—

Who was the labor representative alleged to have joined in the protest—

Did you know that Mr. Carmichael had repudiated your telegram?

Miss SPEARE. Yes; I do know. There is quite a bit about that.

Senator MALONEY. Do you know how many people attended the meeting on August 25?

That was the original meeting of this organization—

Miss SPEARE. All of us.

Senator MALONEY. Your organization meeting?

Miss SPEARE All of us.

Senator MALONEY. The whole seven?

Miss SPEARE. Yes.

Senator MALONEY. Who is the organizer of this group?

Miss SPEARE. I am. I mean I thought of the idea, of the farm, labor, and small business getting together, and I was the one who spoke to all national heads

Senator MALONEY. Have you ever been a farmer?

Miss SPEARE. What do you say?

Senator MALONEY. Have you ever been a farmer?

Miss SPEARE. I have never been any of those things. That was the reason I was able to get the three different elements together, because they each felt I had no ax to grind and was looking at it from a completely economic point of view.

Senator MALONEY. You said earlier you did not like the appointment of Governor Hurley because of his economic views, I think.

Miss SPEARE. I did not say because of his economic views; I said because of our economic views.

Senator MALONEY. You are not taking his views into account? Are you familiar with Governor Hurley's economic views?

Miss SPEARE. I am. I think he has an extraordinarily liberal record and is a very, very remarkable man in many ways. It is only because this post is such a crucial one that we have made this protest.

Senator MALONEY. You just testified he has had a remarkable record.

I thank the Senator.

Mr. AUSTIN. Mr. President, this lady, who certainly appeared to be a credible citizen, also testified about labor's participation in her organization, in this way. I read from page 160:

Senator AUSTIN. Did Frank Carmichael attend any of these meetings?

He was a prominent C. I. O. leader in New England.

Miss SPEARE. Yes; he was the more faithful of the two. Mr. Murphy, our other member, the New England regional director of C. I. O., is organizer, also, for New England. He has to be away constantly. Frank Carmichael has been at every meeting but one.

Senator AUSTIN. Did he participate in the discussions which resulted in this telegram?

The telegram is in the record, and that is the telegram which by letter, delivered by someone else, not by Frank Carmichael, he undertook to withdraw.

Miss SPEARE. That was done informally in the office of Mr. Frank Carmichael on November 30. I happened to be there. We had been held up and had not been able to have a meeting for some time, because we could not get hold of Mr. Murphy, who was away. I had expressed my regret that we had not been able to get together, because we had intended to oppose these nominations and had hoped to take action on them before now. Mr. Carmichael, in the presence of another witness, stated that he would go along with us in the matter.

We have in the record here, at page 162, telegrams directly from the Massachusetts State Grange, and from the New England Smaller Business Association. They appear on page 162.

The evidence cannot be disputed that groups of our economic society, living in the neighborhood where these two candidates have operated, are opposed to the confirmation of their nominations, not because of specific fraud, or allegations of misconduct, but on the grounds they have stated in their testimony, having consideration for the high objective of these appointments, and taking into account the fear these people have that the appointments cannot be backed up by the confidence of the people who are in a position to know what the candidates have done, how little they have done, and what little evidence there is of qualification to perform this great duty.

Mr. CONNALLY. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. CONNALLY. I apologize to the Senator for bringing up an extraneous matter, but I wish to call to the attention of the Senate and of all Senators, in view of the wide interest in the so-called State Department nominations, that I have had the printed transcript of the hearings before the committee placed on the desk of every Senator. I invite the attention of Senators to these hearings over the week end. There was some interest in the Senate when the nominations were sent back to the committee, evidence that Senators desired full and complete information. I am trying to supply such information to Senators, and I hope all will avail themselves of the opportunity to read the hearings and see the fruits of their recommitting the nominations to the committee.

I wish to say further that the Committee on Foreign Relations has been very diligent in giving attention to these nominations. We have sat through long sessions, and tried to accord to all Senators every courtesy, and every opportunity to come before the committee if they desired, and to ask questions of any of the witnesses. I thank the Senator from Vermont.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. Before the Senator was interrupted awhile ago he was dealing with the general subject of the impact of these nominations on public opinion in the country. I want to say a word on that point, if the Senator will permit me.

Mr. AUSTIN. I am very glad to have the Senator make a statement.

Mr. VANDENBERG. I come from a section of the country which is known as the arsenal of democracy. It has probably the greatest interest in war contracts, the greatest interest in the production of war materials of any like area in the land. Therefore, in reverse it is desperately dependent upon the prompt and adequate reconversion of industry in the post-war period and upon the prompt and adequate and economic handling of surplus property. It was as a result of that tremendously intimate interest that I took it upon myself in August to try to organize the movement which brought Congress back into session during the hot months in order to perfect the legislation under which these appointments have been made. That simply emphasizes the dreadful importance which I assigned then to the legislation, and therefore inevitably now assign to these appointments.

Mr. President, when these nominees for these almost incalculably important places were announced I was simply shocked beyond expression; I was disappointed beyond expression. It seemed to me that the appointing power had not remotely risen to the height that Congress had undertaken to rise when it passed the legislation. It seemed to me that the stature of the appointments was almost inexcusable and, Mr. President, I have found in my inquiries through my section of the Nation and through the rather bitter comments in the press in my section of the Nation, that this feeling is very widely held. It is no reflection on the character of the nominees. It is simply a reflection on the fact that they do not remotely measure to the magnitude of the task which Congress itself felt was involved when the law under which these appointments are made was being passed. Without any disrespect to the nominees themselves, even though it seems to me there is some question to be raised at certain points, but simply on the basic proposition that these nominees do not remotely measure to the magnitude of the challenge, I do not understand how they can be confirmed.

Mr. AUSTIN. Mr. President, I agree with the Senator from Michigan. The

effect of our act must be very grave in its consequences on the faith of the people in Congress. If we should hastily approve these nominations, if we should approve these nominations by a large majority, if we should pass up the duty which we have to exercise as a part of the appointing power, and fail to point cut the facts with respect to their insufficiency and inadequacy, I think we would deserve the judgment of the people against us.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. AUSTIN. Yes.

Mr. WHERRY. I should like to ask the Senator a question because I was called from the floor during a part of the time the Senator was talking and also during a time when colloquy was engaged in relative to Mr. Stewart. I am intensely interested in small business, as the Senator knows, and I happen to have known something about Mr. Stewart in his relationship to small business in New England. In his testimony does Mr. Stewart oppose the nomination of Colonel Heller or ex-Governor Hurley, or does he have another plan which he presented to the Senate committee?

Mr. MALONEY. I will say no.

Mr. WHERRY. Mr. President, I asked the question of the Senator from Vermont.

Mr. MALONEY. The Senator was looking at me and was pointing directly at me when he asked the question. I will gladly answer the question if the Senator from Vermont so desires.

Mr. AUSTIN. I will answer it in due time, Mr. President.

Mr. WHERRY. Mr. President, while the Senator is looking for the part of the record which deals with the testimony of Mr. Stewart, I should like to add the further statement that to me it is certainly highly important that the policies which are to be outlined by the three Surplus Property Administrators be fair and equitable, especially so far as small business is concerned. I have been with the chairman of our Small Business Committee in hearings which took us to Seattle and San Francisco, and it appears that the burden of the testimony which has been adduced is that small business is afraid that in the policy which will be determined by the three individuals composing the Surplus Property Board there will not be the proper allocation of goods, there will not be an equal chance for small business with big business to obtain necessary goods, even though it has the money with which to buy them, or even though the goods were made available to small business, yet the Smaller War Plants Corporation will have something to say with respect to reversal of labor and small-business questions whether it will receive its share. So I should like to ask the Senator if Mr. Stewart, who is president of the Smaller Business Association of New England, is either for or against Colonel Heller or ex-Governor Hurley. I did not hear the testimony, and I do not know what Mr. Stewart said relative to his position or the position of the association with regard to these two men. I think that is of vital interest, because certainly they know the problems of the small businessman in New England. The problems of the small businessman in New England are the problems of the small businessman throughout the country. I for one wish to see this act administered in a fair and equitable manner, because I wish to continue to do what I can in behalf of the small businessman of the country. I should like to see the disposal of the $103,000,000,000 worth of property made in a fair and equitable fashion; and I want the small businessman to have an equal opportunity with the largest business in the country.

Mr. AUSTIN. Mr. President, Mr. Stewart's statement implies opposition to both candidates. While standing here I cannot find any direct statement to that effect, but I read what I do find, and let the Senator be the judge.

In the first place, on page 162, he read certain telegrams. I read from the hearings:

Mr. Chairman, the first telegram which I read is addressed to me as chairman of the Farm-Labor-Small Business Congress of New England, as follows:

"The Massachusetts State Grange supports the plan that will today be outlined to you by Edward J. Stewart, chairman of Farm-Labor-Small Business Congress of New England, with reference to the surplus property bill. This I feel is worthy of your serious consideration."

That is signed by Harvey G. Turner, State master, Massachusetts State Grange.

The next telegram I read is addressed to Senator ROBERT R. REYNOLDS, chairman, Senate Military Affairs Committee, and reads as follows:

"The Massachusetts State Grange supports the plan that will today be outlined to you by Edward J. Stewart, chairman of Farm-Labor-Small Business Congress of New England, with reference to the surplus property bill. This I feel is worthy of your serious consideration."

That is signed Harold G. Turner, State master, Massachusetts State Grange.

The next telegram I read is addressed to Senator ROBERT REYNOLDS, Senate Military Affairs Committee:

"The appointments to the Surplus Property Board deserve to be carefully considered. New England Smaller Business Association speak my opinions. Politics must be forgotten."

Signed Rosamond R. Vahey, who is the secretary of the Smaller Business Association of New England.

The next telegram I read is addressed to Senator ROBERT REYNOLDS, Senate Military Affairs Committee, and it reads:

"Request you give Mr. Stewart's testimony on Surplus Property Board consideration. He speaks for New England small business. Politics should not enter into these appointments."

Signed by Edward H. Baker, and I believe he is or was the secretary of the Massachusetts Automobile Dealers' Association.

Thereupon he proceeded with a statement in which he said:

Honorable Mr. REYNOLDS and members of the Senate Military Affairs Committee, the Smaller Business Association of New England, of which I have the honor to be president, appreciates the opportunity to be present here today. At this hearing it should be made clear that I speak only for our Smaller Business Association, which represents a multitude of varied concerns, from auto dealers to furniture dealers and manufacturers, from machine builders to grocers, from insurance agencies to banks, from beverage manufacturers to paper makers and textile fabricators, and so forth.

We recognize the very great responsibility placed on your very able committee in recommending men to serve on this policy board, which has for its duty the liquidation of surplus war property now and in the future in the hands of the various departments of our Government.

He then read a plan, in the seventh section of which he said:

Small business believes the selection of this board should be free of all political entanglements. We do not oppose any nominee who can measure up to our suggested qualifications, whether Democrat or Republican, but we will definitely oppose those whom we consider do not qualify and whom we fear will fail to administer the act as passed. There are many capable men available and we might suggest a few for your consideration, and while we realize the necessity of organizing this department as soon as possible, speed should be of secondary consideration. Quality and ability must be the watchwords.

I am not entirely relying upon that statement to say that my impression of his testimony is that of opposition to the named persons. I am also relying on a telegram which he signed, and which is a part of the RECORD, definitely opposing these nominations and pointing out that men having the characteristics named in that telegram ought to be selected. So my answer, on the whole, is that the effect of his testimony is opposition.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. WHERRY. Is this the same Mr. Stewart who, on page 167 of the record, testified that he represented 1,100 small businessmen who appeared at a particular meeting?

Mr. AUSTIN. That is not the total membership.

Mr. WHERRY. I mean those who appeared at a particular meeting.

Mr. AUSTIN. He was then speaking of the meeting at which there were 1,100 present.

Mr. WHERRY. One thousand and one hundred small businessmen of New England?

Mr. AUSTIN. Yes; but his organization is much larger.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. MALONEY. I have no more interest in this discussion than to keep the record clear. There never was any satisfactory indication to me at the hearings that this organization was made up of 1,100 members. The best I could find was that it was made up of 7 members.

Mr. AUSTIN. Mr. President, let me suggest something to the Senator——

Mr. MALONEY. I have not quite completed my thought. There were 1,100 persons at a dinner in Boston. I know that the dinner was largely promoted by the Smaller War Plants Corporation in Washington and also, I believe, by the Office of Price Administration in New England. I applaud that; I believe that is entirely proper. In Mr. Stewart's testimony he referred to hundreds of direct and indirect members. I appreciated the

testimony of Mr. Stewart. He impressed me as being a fine and good man; but I gathered that he had assumed that every small businessman in New England was a member of his organization, either directly or indirectly. I further gathered the impression that this smaller business group was a paper organization and, to some extent, existed in the minds of those who testified. I am able to say, because I attended the hearing, that Mr. Stewart, for himself, not only failed to oppose the nominations in his testimony but he never mentioned the name of either nominee during his testimony, except as they are referred to in telegrams which he was asked by the chairman of the committee to read.

Mr. AUSTIN. Mr. President, he suggested the names of others whom he considered to be qualified. As appears on page 168, he suggested Donald Nelson. He also suggested the name of another.

Mr. MALONEY. Mr. President, I can help the Senator, if he will yield.

Mr. AUSTIN. I yield.

Mr. MALONEY. He suggested a man named Shoup, who works for the O. P. A. in Boston; and I think he would have suggested many other names except for the fact that he was cautioned by the distinguished Senator from Colorado against using the names of any persons unless he, himself, had talked with them and, in substance, had their approval for so doing. I believe that this organization, including Miss Speare and Mr. Stewart, did have in mind the names of many persons for these positions.

Mr. AUSTIN. I thank the Senator from Connecticut. I do not know what the effect of his testimony is, but I wish to read it, because it created the impression upon me of an organization of importance and magnitude. On page 163 Mr. Stewart testified as follows:

> I speak only for our Smaller Business Association, which represents a multitude of varied concerns, from auto dealers to furniture dealers and manufacturers, from machine builders to grocers, from insurance agencies to banks, from beverage manufacturers to paper makers and textile fabricators, and so forth.

To me, that, coupled with his subsequent statement regarding the presence at a meeting in Boston of 1,100 persons who were able to get in, and uncounted numbers who could not get into the room where the meeting was being held, meant that the Smaller Business Association of New England was a substantial organization. It was that organization, plus the other organizations mentioned in the evidence, which constituted the seven members of the unit for which Miss Speare testified as a liaison among them all.

Mr. MALONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HALL in the chair). Does the Senator from Vermont yield to the Senator from Connecticut?

Mr. AUSTIN. I yield.

Mr. MALONEY. I feel a little guilty in interrupting the Senator so often. But because this matter is of some importance and because one of the candidates happens to be a resident and a former governor of my State, and because I, too, am deeply concerned with this matter, I feel the need to do the best I can to keep the record straight. I have been informed on good authority that tickets for this dinner—and I do not speak disparagingly of the dinner—were sold largely by Government employees—employees of the Smaller War Plants Corporation and other governmental agencies. I, myself, was asked to go. I have been asked to go to similar dinners. But I was asked by members of the Smaller War Plants Corporation. I think they felt it would be a good thing to have a chance to acquaint the people of New England with the accomplishments, aims, and purposes of the Smaller War Plants Corporation. I think the dinner was all right.

But I do not wish the impression to prevail, if I can help it, that all the people of New England engaged in small business are members of that organization. Even though they are in sympathy with the organization, I would not have it supposed here for a moment that they are opposed to these nominees. I do wish to make it clear that there were never more than seven persons at a meeting when this matter was discussed, insofar as the testimony before the committee is concerned.

Mr. AUSTIN. Mr. President, I am going to confront the distinguished Senator from Connecticut with what the testimony shows, and I will leave the matter there. I will make no comment. I read from page 167 of the hearings:

> Senator MALONEY. May I ask a question now, Mr. Chairman?
>
> The CHAIRMAN. Yes; certainly.
>
> Senator MALONEY. Who arranged that dinner at the Copley-Plaza?
>
> Mr. STEWART. That was sponsored by our organization, with some assistance from the Smaller War Plants of New England.
>
> Senator MALONEY. With the assistance of Smaller War Plants Corporation representatives?
>
> Mr. STEWART. That is right.
>
> Senator MALONEY. As a matter of fact, the Smaller War Plants Corporation was foremost in the arrangement of the dinner; was it not?
>
> Mr. STEWART. I don't think so. We had full charge of the dinner in all of its major arrangements.
>
> Senator MALONEY. It was proposed by the Smaller War Plants Corporation; was it not?
>
> Mr. STEWART. No.
>
> Senator MALONEY. The Smaller War Plants Corporation did not handle it?
>
> Mr. STEWART. They had a part in it, but they did not handle it. We handled all of the financing, all of the advertising, all of the major costs.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. MALONEY. As a matter of fact, a Deputy Administrator of the Smaller War Plants Corporation is one of the leading officers of the small business group, and formerly was president of the Farm-Labor-Small Business Congress of New England.

Mr. AUSTIN. Mr. President, the significance of the testimony I have read is apparent. I do not need to comment on it. So far as the interrogatory by the Senator from Nebraska is concerned, the main point is that the substantial representative of the public opinion of the community from which these men were selected is against them for these offices. That is the importance of it.

Mr. MALONEY. Mr. President, if the Senator will permit me to do so, I should like to suggest that the record does not show that.

Mr. JOHNSON of Colorado. Mr. President——

Mr. AUSTIN. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. As I recall the testimony of Mr. Stewart, we had a list of witnesses who were going to appear for or against the appointment of Colonel Heller and Governor Hurley. They were separated into groups. One group was composed of those opposed to the appointment of Colonel Heller and Governor Hurley, and in that group were listed Miss Speare and Mr. Stewart.

The following is what Mr. Stewart said on that point:

> We do not oppose any nominee who can measure up to our suggested qualifications, whether Democrat or Republican, but we will definitely oppose those whom we consider do not qualify and whom we fear will fail to administer the act as passed. There are many capable men available and we might suggest a few for your consideration, and while we realize the necessity of organizing this department as soon as possible, speed should be of secondary consideration. Quality and ability must be the watchwords.

Then, when he reached the point of making suggestions of persons whom he thought were suitable and qualified, Mr. Stewart said, in answer to an observation of mine:

> Mr. STEWART. Well, I think I can answer you, Senator, in this way: One of the gentlemen I shall suggest is known to all of us. He is a man that has had a vast experience in this war. He knows foreign markets, he knows manufacturing, he knows war goods. At the present time he is doing special work for the President. I refer to Donald M. Nelson, whom I consider to be a qualified possibility for this Board. The other gentleman, I have his approval to use his name, is Eldon C. Shoup, now New England Administrator of O. P. A., who has a very amazing record. I believe he would be qualified to be a member of that Surplus Property Board.

Mr. President, I feel certain that everyone who attended that hearing knew that Mr. Stewart was appearing there in opposition to Colonel Heller and to Governor Hurley.

Mr. AUSTIN. Mr. President, he was called there by reason of his telegram expressly opposing those two nominations. We instructed our liaison officer to notify those who signed the telegram that they would have an opportunity to be heard. It was because of his opposition that he was there.

Mr. MALONEY. Mr. President, will the Senator yield to me?

Mr. AUSTIN. I will yield to the Senator after the Senator from Colorado concludes.

Mr. JOHNSON of Colorado. Mr. President, these two witnesses, Miss Speare and Mr. Stewart, leaned over backward to place their testimony on a broad plane, not on a narrow one. Because they leaned over backward and did not become too definite in respect to certain matters, now their testimony is being

interpreted as being in support of Colonel Heller and Governor Hurley, which is absolutely not the case. They leaned over backward in order to be decent and to place their testimony on a high plane.

Mr. AUSTIN. I shall send for the telegrams.

Mr. MALONEY. Mr. President, will the Senator now yield to me?

Mr. AUSTIN. I yield.

Mr. MALONEY. Lest I be misunderstood, I should like to associate myself with the Senator from Colorado as to these witnesses. I earlier said that I was very much impressed with Mr. Stewart. I thought he was a fine and good man. I did not think anyone would receive the impression from what I said that I was trying to persuade anyone to believe that Miss Speare or Mr. Stewart were advocates of Colonel Heller and Governor Hurley. Of course, they were not. Of course, they were there in opposition. I think they were exceedingly fair. I think they did lean over backward. I think they were among those who had indicated opposition to the appointments, and who later were invited by the Committee on Military Affairs to testify.

I believe that up to a certain point the Military Affairs Committee had invited every opponent of the nominations to come before the committee and testify in opposition to them. I further believe that in addition to the two witnesses to whom reference has been made, there were probably one or more other persons who came and opposed the nominations. I certainly do not want the impression to prevail that I was trying to lead anyone to believe that those persons were proponents of the candidates. Obviously they were against them; but so far as the testimony shows there was not one word of criticism offered by them in the hearings.

I concede that those two witnesses were not present in support of the two nominations. But if the record shows any valid objection on their part to the appointment of either one of the nominees I have failed to find it.

Mr. AUSTIN. We will try to find it.

Mr. CHANDLER. Mr. President, I believe that Mr. Stewart, as well as the lady, said that they would like to see the men receive the appointments.

As I read the testimony and listened to much of it, it did not occur to me that the weight of the evidence offered by labor and small business in that section of the country actually was against either one of these nominees. I invite my friend's attention to the testimony of Mr. Conroy, of the C. I. O., in which he repudiated the attempt to link Mr. Carmichael's name to the nomination of those two men. With the exception of a few persons in that section of the country, it was rather definite that the C. I. O. had gone on record as approving the nominees.

Mr. AUSTIN. Mr. President, I cannot agree with that statement. I believe that any Senator who analyzes the record will find that it boils down to three members of the C. I. O. who were in a position to cause the telegram or letter to be sent which was read in the committee. That was very definitely and clearly established.

Mr. CHANDLER. If the Senator will look on page 139 of the printed hearings, he will find the following testimony:

Senator AUSTIN. The C. I. O. is not united in backing Hurley for Governor, is it? At least, it was not in the election.

Mr. CONROY. There were no formal endorsements of any other candidate.

Senator AUSTIN. You say "any other candidate." Was there a formal endorsement of this candidate?

Mr. CONROY. Yes; there was.

Mr. President, I took Mr. Conroy's testimony to mean that he and his organization were undertaking to put an end to the general belief which had been created by the signing of an original letter by Carmichael. I thought he came to wipe that belief out and establish the point that the majority of his organization were in favor of the nominees. If I am mistaken about that I am willing to be corrected.

Mr. AUSTIN. Mr. President, I have already referred to the testimony of Miss Speare as showing Frank Carmichael's participation in the opposition to these candidates, and I now refer to page 141 as showing a revision of Frank Carmichael's participation, and as showing the fact that those who revised it were referred to by the witness as "we," so that we might think that the entire C. I. O. organization had caused him to send the letter, when it really boiled down to three persons.

I read from the testimony. Mr. Conroy was the witness. The part I read commences on page 140, and is as follows:

Senator AUSTIN. When you say "Our" you mean Mr. Zeman and you; is that it?

Mr. CONROY. That is right.

Senator AUSTIN. You and Mr. Zeman, having seen this information in the press, called up Mr. Frank Carmichael, regional director of the C. I. O. for New England, to get him to say that he did not authorize his name to be used; is that right?

Mr. CONROY. We called him to ask what the story was on the thing. He told us then that he had not authorized his name to be used.

Senator AUSTIN. Did he tell you at that time that he had not agreed to oppose Mr. Hurley for this appointment?

Mr. CONROY. You have the letter.

Senator AUSTIN. No, no, no; that does not answer the question. I ask you if he told you that.

Mr. CONROY. Yes.

Senator AUSTIN. He did?

Mr. CONROY. Yes.

Senator AUSTIN. Well, now, did you have any meeting of the C. I. O. on this matter?

Mr. CONROY. No; no formal meeting.

Senator AUSTIN. You are really here stating the opinion of Mr. Zeman and yourself?

Mr. CONROY. No, I would not say that. I have been in consultation with the general offices of my international union on this matter.

Senator AUSTIN. Where is that?

Mr. CONROY. The office is in New York.

Senator AUSTIN. What person did you talk with?

Mr. CONROY. Mr. Abbott Fitzgerald, who is the general president.

Senator AUSTIN. Anybody else?

Mr. CONROY. No.

Senator AUSTIN. It gets down to three men in C. I. O. that occasioned this endorsement?

Mr. CONROY. The general president sets the policy of the organization. If he is wrong, he is told he is wrong.

Senator AUSTIN. I think that answers my question exactly. That is all.

Mr. CHANDLER. Mr. President, I will concede, if the Senator from Vermont will permit me, that perhaps two or three men got together and decided that at least the leadership of the C. I. O. organization did not want the Carmichael protest to be placed against Governor Hurley. I also assert that two or three—my friend from Connecticut says there were no more than seven—of the small business groups got together and set themselves up as representatives of the hundreds of thousands of small business enterprises in the country which were interested. I think that if the Senator concedes that in one instance two or three persons got together and accomplished a certain thing, he should be willing to concede that it could be done in another instance. Has the Senator read Carmichael's disavowal in the RECORD?

Mr. AUSTIN. I believe it would be well for the Senator from Kentucky to read it in if he wishes to do so. I do not care to have my speech further interrupted with that subject.

Mr. CHANDLER. I offer it at this point because I think it is pertinent.

Mr. AUSTIN. Very well; I yield for that purpose.

Mr. CHANDLER. It might be well first to state that Mr. Carmichael was one of those who had his name attached to a telegram protesting against the appointment of Governor Hurley and Colonel Heller. Later he wrote a letter to Governor Hurley, which was put into the record by the witness, Conroy. The letter reads as follows:

MY DEAR MR. HURLEY: Have been informed of newspaper release concerning your appointment to Surplus Property Board. Wish to inform you that I did not sign such a release nor had I any knowledge that such a release was to be issued as emanating from and speaking for me as an individual member or in a representative capacity of the Farm-Labor, Small Business Congress of New England.

In justice to you and to myself it should be known that the inclusion of my name was without my authority or consent.

Several of your good friends including Mr. Edward McCrone, our regional director of Connecticut, Mr. John Danks and others who are affiliated with our organization were kind enough to call this matter to my attention.

I trust that this will rectify any misunderstanding in this matter.

Respectfully yours,

FRANCIS F. CARMICHAEL,
Regional Director, Congress of Industrial Organizations.

I am sorry to trespass on the Senator's time, but I thought it was pertinent to have that letter go in the RECORD.

Mr. AUSTIN. Very well. The Senator can make as much of it as he wishes to do.

Mr. CHANDLER. At some later time, if I decide to do so.

Mr. AUSTIN. I think I have been more than fair in treating the situation that exists in the record. All I have done is to show that the witness, Miss Speare, testified so and so, that she testified that

Carmichael was present on all the occasions, except one when this organization acted in opposition to the candidate. This man does not come before us in committee for examination on that question. He had someone else bring a letter in and that letter gets into the record by virtue of some other witness appearing, not Frank Carmichael.

Mr. CHANDLER. The Senator understands that it might have been embarrassing to him. There is no objection to a man writing a letter if he has gotten between two sides.

Mr. AUSTIN. I think we had better drop this subject before we get on grounds that I do not wish to take in a discussion in the United States Senate.

Mr. CHANDLER. I am not ready to take any such grounds, but I am not trying to avoid any discussion of it.

Mr. AUSTIN. I am affected a little bit by knowledge I have off the record, but I have not used it, and I do not want to use it.

Mr. CHANDLER. I have some such knowledge, too. and if the door is thrown wide open, I can refer to it.

Mr. AUSTIN. I think we ought to leave alone such collateral matters. It will be good for the country to do so.

Mr. CHANDLER. If the Senator puts it that way, he can not exceed me in interest for the country.

Mr. AUSTIN. I do not propose to debate such things in the United States Senate. I merely give the Senator that information.

Now, Mr. President, I want to speak of this hole through which a horse and buggy might have been driven if the effort had been successful to show that this Farm-Labor Small Business Congress of New England had not put itself on record in opposition, by reading at this point the very telegram that caused the presence here of Mr. Stewart and of Miss Speare. This is a telegram which I received, a duplicate of which was sent to the Senator from Connecticut [Mr. MALONEY]—I will read the one I received, which was put on file in the committee for the use on the Senate floor I am making of it:

The Farm-Labor-Small Business Congress of New England is earnestly opposed to the confirmation of former Gov. Robert A. Hurley, of Connecticut, and Lt. Col. Edward H. Heller, of California, as members of the Surplus Property Board.

I do not care to read any more of it; that is the point. Their testimony and their coming here and taking a position that is so liberal and broad-minded, so free from anything that would cast a reflection upon these candidates, ought not to be made use of to claim that they were not opposing the nomination of the two candidates. There they tell us exactly that they do oppose them, and, they say, "earnestly" oppose them.

Mr. President, another telegram I am about to put in the RECORD is provoked by this discussion with respect to the position of Mr. Stewart, a witness. This telegram from Mr. Stewart is dated December 16, which is today—the other telegram was dated December 4—and I think that it shows that he is today as earnestly opposed as he was on December 4 and on the day he appeared before the committee:

BOSTON, MASS., *December 16, 1944.*

Senator WARREN R. AUSTIN:

We earnestly call to your attention current Life editorial titled "Surplus Property," with subtitle "Must a Great Chance to Broaden Economic Freedom Go by Political Default?" It explains aims of Surplus Property Act specifically, deploring Hurley-Heller nominations, and closes: "Our surplus-property problem contains the chance of a lifetime for a rebirth of economic freedom in America. If we let it go by default, the spirit of Thomas Jefferson will not forgive us." We recommend this to be used in floor debate and read into CONGRESSIONAL RECORD.

EDWARD J. STEWART,
President, Smaller Business Association of New England.

That is of too great importance to be brushed aside. There is a cross section of thought, and we stand here to try to represent the thought of the community from which these two nominees were drawn. I would say that the thought of that community is earnestly opposed to these nominations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1602. An act authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind a patent in fee to certain land;

S. 1746. An act authorizing and directing the Secretary of the Interior to issue to Peter A. Condelario a patent in fee to certain land;

S. 1925. An act to authorize and direct the Secretary of the Interior to issue to Charles F. White a patent in fee to certain land;

S. 2026. An act authorizing the issuance of a patent in fee to Richard Pickett; and

S. 2071. An act to eliminate as uncollectible certain credits of the United States.

The message also announced that the House had passed a joint resolution (H. J. Res. 324) to extend the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4911) to amend the Federal Crop Insurance Act.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1819. An act to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry, in Charlotte County, Va.;

S. 1827. An act for the relief of Oliver N. Knight;

S. 1971. An act to provide for the disposal of certain mail matter condemned by the Director of Censorship; and

S. J. Res. 148. Joint resolution authorizing the disposal of certain blood plasma reserves.

NOMINATION OF W. L. CLAYTON

Mr. BANKHEAD. Mr. President, it is perfectly apparent that this debate is going to proceed for some time; indeed, it is almost certain that it will go over into next week or longer. I find that I cannot be here after today. So I intend to trespass upon the Senate for a very short time to make a statement setting forth some of my reasons for opposing Mr. Clayton for appointment as an Assistant Secretary of the Department of State.

Mr. LA FOLLETTE. Mr. President, will the Senator yield for the purpose of permitting me to suggest the absence of a quorum? I know that a number of Senators who did not know he was going to speak on this nomination at this time would like to hear the Senator.

Mr. BANKHEAD. In view of that statement, I yield.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	O'Mahoney
Austin	Gurney	Overton
Bailey	Hall	Pepper
Bankhead	Hatch	Radcliffe
Bilbo	Hawkes	Reed
Brewster	Hayden	Revercomb
Brooks	Hill	Reynolds
Bushfield	Holman	Robertson
Butler	Jenner	Russell
Byrd	Johnson, Calif.	Shipstead
Capper	Johnson, Colo.	Smith
Caraway	La Follette	Stewart
Chandler	Langer	Taft
Chavez	Lucas	Thomas, Idaho
Clark, Idaho	McCarran	Thomas, Okla.
Clark, Mo.	McClellan	Thomas, Utah
Connally	McFarland	Truman
Cordon	McKellar	Vandenberg
Danaher	Magnuson	Walsh
Davis	Maloney	Weeks
Downey	Maybank	Wheeler
Ellender	Mead	Wherry
Ferguson	Millikin	White
George	Murdock	Wiley
Gerry	Murray	Willis
Gillette	Nye	Wilson
Green	O'Daniel	

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Eighty Senators having answered to their names, there is a quorum present.

Mr. BANKHEAD. Mr. President, there seem to be rather strong currents and cross currents of opinion prevailing in the Senate on the subject of the pending nominations, and I refer particularly to the nominations to the State Department. Those nominations are, of course, of tremendous importance because individuals have been selected for the posts of Under Secretary and Assistant Secretaries of State, and the nominations have been sent to the Senate. This group will deal with our post-war problems, possibly with our treaties of peace. In view of the very great conflict prevailing here and the differences of understanding with respect to how this matter has developed, and how these individuals were selected, it would really seem to me to be in the interest of the public to have more orderly and more deliberate action upon matters of such vast importance, which may affect our country for years to come rather than to follow the procedure we are asked to follow, which is to act immediately upon six nominations to the

State Department. We are urged by the chairman of the committee to expedite action upon all these nominees because of the importance of the positions. I believe it would be better to take a little time at least to consider the nominations. The holidays are approaching. Some Members of the Senate—and I am one of them—are obliged to go away today because of the approach of this season, and the difficulty of securing reservations and transportation after today.

I cannot see, Mr. President, how any loss would result to the public if we were to postpone consideration of this matter, I would say until the first part of January, when the new Congress assembles, when we could then go into a consideration of the nominations. We will have ample opportunity in the meantime to give thought and investigation to these nominees and will be in a position to take speedy action when Congress assembles.

From a parliamentary standpoint, I am not in a position at this time to make any motion concerning the matter, but postponement of action, which would be in order, would enable Members of the Senate to avoid the jam of traffic and get home over the holidays, where they can deliberately and quietly give consideration to these matters, and then come back and, with a full sense of responsibility, each Member of the Senate cast his vote upon the question of acceptance or rejection of the nominees.

Mr. BILBO. Mr. President——

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. BANKHEAD. Yes; for a question only.

Mr. BILBO. Does not the Senator think that it would be well if the Members of the Senate were to go home for Christmas, since that would really afford them an opportunity to consult their constituents about the questions involved in these important nominations?

Mr. BANKHEAD. I do, yes; in a matter of this very grave importance, considering the suddenness with which we were presented with this surprising situation in connection with which we observe that fundamental differences exist—let us be frank about it—between the President and his closest friends. We have that situation to meet; whether we talk about it in the open or do not, it is here; and I submit that it will be helpful to us to have an opportunity to talk with our constituents in our respective States and get their views, and we can also give them our views with respect to the matter.

Mr. President, I think I have arranged for a pair. I am not sure. Senators do not like to give pairs. That shows the difficulty of postponing action so that we may have a fuller expression of the membership of the Senate upon these important questions.

I want to take this opportunity, because I probably will have no other opportunity, to express my opposition to Mr. Clayton for appointment to the position of Assistant Secretary of State in charge of foreign economic affairs. I am not opposed to him on any personal grounds. My contacts with him have been few. My appraisement of him is based upon his activities and transactions in the cotton trade throughout the South for many years. He possesses great ability. As a businessman he is engaged in all of the cotton services. His firm under his management has accumulated a large fortune, $50,000,000 in fixed assets, according to Mr. Clayton's testimony. He is the chief stockholder of Anderson, Clayton & Co., and has control of the business management of that firm. He and his family control about 40 percent of its stock. The company has $10,000,000 in fixed assets in foreign countries, mostly in Brazil, and invested chiefly in gins, warehouses, and other facilities for handling cotton.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. AIKEN. Does the Senator know whether the company has any interest in airlines in foreign countries?

Mr. BANKHEAD. I have no information on the subject.

Mr. AIKEN. Did the committee find what his investments are in?

Mr. BANKHEAD. In facilities for handling cotton.

Mr. AIKEN. Ten million dollars in that alone?

Mr. BANKHEAD. Ten million dollars. That is the extent of Mr. Clayton's foreign interest in the cotton business in competition with the American cotton farmer.

Mr. AIKEN. Then, if the company does have any interest in airlines or other foreign interests, they probably are not included in the amount which was named by Mr. Clayton?

Mr. BANKHEAD. No; they clearly are not, because Mr. Clayton listed the properties which were included in his statement, that is, gins, warehouses, and other facilities for handling cotton.

Mr. Clayton started his operations in South America in 1930, and since that time the production of cotton in Brazil has increased about 2,000,000 bales. In 1930 cotton production in Brazil was 483,000 bales. In 1940 it was 2,507,000 bales, and it was approximately that amount last year. In answer to the charge that he had spent a fortune to build up foreign competition with our own cotton producers Mr. Clayton said that if he had not done so someone else would have done it. I invite the Senator's attention to that statement as the only explanation for a situation which has developed to the very great detriment of our cotton producers, and which is now used as an argument against fair American prices.

The defense suggested by Mr. Clayton is not firmly established. Through all the years of the cotton trade—more than 100 years—no other citizen of the United States has contributed in a substantial way to an increase of cotton production in Brazil or any other foreign country. Based upon that fact, I say that his defense that someone else would have done it is not sound, and is not justified, even if it be true.

Mr. GEORGE. Mr. President, I do not wish to interrupt the Senator if he does not wish to be interrupted.

Mr. BANKHEAD. I welcome an interruption from my friend.

Mr. GEORGE. So far as I am concerned, it makes no difference whether the nomination of any of these appointees is confirmed; but I shall take the position which I took when the first proposal to pay an export subsidy on cotton was brought forward, that by that process we were bound to increase the production of cotton in all foreign countries. I make this statement at this time because I understand that the Senator is leaving the city shortly. It is not a new position on my part, and has nothing to do with Mr. Clayton; but the policies pursued by the Government of the United States directly have tended to increase the production of cotton in all producing areas. It was inevitable.

Mr. BANKHEAD. Of course, the Senator recognizes that that has no application to the argument I am now making against Mr. Clayton, because the tremendous increase in foreign production was in no sense attributable to the payment of subsidies or otherwise. It was directly attributable to the expenditure in a foreign country of Mr. Clayton's money, which had been made with the help of our cotton farmers.

Mr. GEORGE. I merely wish to make my position clear, because I expect to speak on that question later. I am absolutely sure in my own mind—and statistics will bear me out—that the policies pursued by this Government under the Secretary of Agriculture from 1934 on directly encouraged the production of cotton in all foreign countries. It was inevitable that they should do so.

Mr. BANKHEAD. Of course, that is Mr. Clayton's view also, as he testified; but I am not in accord with that view, and neither is the Congress of the United States in accord with it.

Mr. GEORGE. The Congress of the United States was in accord with that view, on the first proposal to pay an export subsidy on cotton. I fought it on this floor, and the distinguished Senator from Alabama was the chief proponent of that measure. By a vote of the Senate we decided against it; but the Department of Agriculture, or those in charge of the A. A. A. program, simply ran around the Congress, as has frequently been the case in past years, and paid the subsidy anyway.

Mr. BANKHEAD. The Senator from Georgia has one proposition in mind and I have another. He is confining himself to the question of the soundness of export subsidies.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. AIKEN. Does the Senator have any information which would indicate what percentage of the South American export crop of cotton is handled by Anderson, Clayton & Co.?

Mr. BANKHEAD. I do not have that information. The only opportunity I had to develop any facts from Mr. Clayton was the other day when he was before the committee. I had been out of

the city and returned. I went to the committee room, and the committee gave me every opportunity; but, of course, without any notice, without any preparation, and without any figures with me, I could not make a full and complete examination of Mr. Clayton; but I assume—and I think this statement will be found to be correct; at least, I shall have plenty of time to demonstrate it before this debate closes, which may not be before January, according to the rumors going around the Chamber—that he handled the exportation from Brazil of practically all the increase in the production of cotton in that country.

Mr. AIKEN. As I understand, the Canadian market has been diverted from United States cotton to South American cotton. Does the Senator know whether that business is being handled by this corporation or not?

Mr. BANKHEAD. No; I could not tell the Senator. But it is a fact that much of the Brazilian cotton has been shipped to Canada. The Canadians buy Brazilian cotton instead of buying our cotton, which is just across the line.

Mr. AIKEN. Does not the United States Government pay a subsidy, or make up in some way to the American cotton growers for the loss of that cotton market?

Mr. BANKHEAD. The Senator has two questions involved in one. I am not sure that it has paid any subsidy at all since the time in 1937 or 1938 to which the Senator from Georgia has referred. But the Surplus Property Disposal Act has an authorization in it for the payment of agricultural subsidies. I do not know whether they are limited to cotton or not. I know that some years ago, in addition to the payment of subsidies on cotton, the Government also paid export subsidies on wheat. That great Republican leader and great friend of the farmer, the late Senator McNary, was interested in that subject. We had a large surplus of western wheat which could not be moved across the country, and for which there was no outlet, so an arrangement was made for the payment of an export subsidy to get rid of that great surplus of wheat in the West.

Going back to the defense that someone else would have done it if Mr. Clayton had not built up that business in Brazil, which had nothing to do with the matter mentioned by the Senator from Georgia in connection with subsidies, in 1932, soon after Mr. Clayton began operations there, production increased to 1,000,000 bales, and has steadily climbed to two and a half million bales.

It could well be said that Mr. Clayton's success in that field demonstrates his business acumen. However, it does not show very ardent loyalty on his part to the cotton producers in our country, who, over the entire period of his business experience, have furnished a basis for him to accumulate a tremendous fortune. He did not engage in cotton production in Brazil or other South American countries in which he operated. He established gins, cottonseed-oil mills, warehouses, and compresses. These constituted the necessary equipment for handling cotton produced in Brazil. Mr. Clayton bought the equipment in this country and shipped it to Brazil to establish the facilities referred to.

In addition to operating in Brazil, Mr. Clayton also operated in Peru, Argentina, Paraguay, Mexico, and Egypt. He sold cotton throughout the world, and is understood to have been the largest cotton handler in history. His business is often said to have amounted to 2,000,000 bales a year. His firm owns gins, warehouses, and compresses throughout the Cotton Belt in this country, and has innumerable agents purchasing cotton from the farmers and looking after the cotton business of Anderson, Clayton & Co. His firm has membership in cotton exchanges, and has been active in buying and selling futures contracts on exchanges. Because of the importance of cotton and its products to the people of the world, and especially to the economy of the United States and the Cotton Belt, cotton has been crowned King Cotton. Mr. Clayton could appropriately be named King of Cotton.

Unfortunately, Mr. Clayton has not applied any part of his ability, resourcefulness, talents, or wealth to the human side of the great cotton-producing and handling industry. There are approximately 10,000,000 people—men, women, and children—residing on the cotton farms of this country. They have constantly been the poorest paid major group of workers in the United States. Nearly half of them are tenants. A very large percentage of them are Negroes, who in large measure work as tenants upon our farms. Their income has been pitifully low from the days of the Civil War until now, with the exception of a few years following World War No. 1 and the last 2 years. In 1939 the cash farm income per family was only $160. That was just a year or so before the war started. I have used the figures for that year in order to have figures which would not be influenced in any way by the income received in connection with the public works of the present period. Those are official figures prepared by the Bureau of Agricultural Economics.

Because of the very low earnings of the cotton producers, a few years ago the President called the Southeastern States economic problem No. 1 of the United States. The price of cotton constituted the cash income and also was the source, through its sale, of practically all the money which came to that area to be used to pay for everything the people living there bought outside the South. During many long years Mr. Clayton was in close touch with these unhappy people, who, in the face of poverty, were working long hours to produce sufficient cotton to supply our domestic consumption needs and also to supply the needs of the cotton handlers, like Mr. Clayton and others, who export cotton to foreign countries.

During all that time numerous efforts were made by friends of the farmers in Congress to secure the passage of legislation to provide Government nonrecourse loans to the producers of cotton, to provide credit facilities to enable them to hold their cotton, hoping for an increase in price, and also to put a floor under the price of cotton. Mr. Clayton, as the outstanding representative of the cotton trade, opposed every effort along that line which was intended to raise somewhat the standard of living of the cotton producers and to relieve them of competition with cheap oriental labor in the world cotton markets. Of course, I do not refer to all the cotton producers, because there are many in the South who do not need any help, especially those with great plantations in sections of the delta and on the plains of Texas.

Mr. AIKEN. Mr. President, the Senator has stated that the average income of the southern family growing cotton was $160 a year. Has the Senator any information to show what the average income or daily wage of the Brazilian cotton farmer may be?

Mr. BANKHEAD. I regret that I do not have it at this time. I have not had sufficient time in the preparation of this argument to go thoroughly into the details of the cotton business.

Mr. AIKEN. It was interesting to note that at one of the hearings of the Rubber Committee it was brought out that our rubber companies which have established factories in Brazil pay 50 cents a day for common labor. It seems reasonable to believe that this is a great deal more than workers in the cotton fields receive.

Mr. BANKHEAD. As I have said, I do not have the figures.

Mr. AIKEN. It was testified by one of the Government officials that the pay of industrial workers was approximately 50 cents a day.

Mr. BANKHEAD. Of course, the income of the southern cotton farmer is not based upon the daily rate of pay to labor. It is based upon the income from the products of his year's labor.

Mr. AIKEN. But it is evident that, however poorly paid the southern cotton workers may be, the Brazilian cotton workers are paid very much less.

Mr. BANKHEAD. I believe that is understood, although, as I stated before, our cotton farmers receive the lowest income received by any group of workers in this country.

Mr. AIKEN. I understand that the cost of growing cotton in Brazil is approximately 5 cents a pound. If we use the same standard for workers there that we use for workers here, that would mean that the field workers would receive approximately 5 cents an hour.

Mr. BANKHEAD. As a matter of fact, Mr. President, I will suggest at this point, although I shall make further reference to it a little later, that the most difficult competition the southern cotton farmer has is from the lowest paid workers in the world; namely, the oriental laborers. I will refer to that point again in a few moments. Competition with workers in Brazil is bad enough; but under Mr. Clayton's doctrine our cotton workers would have to meet with competition much worse than that of the Brazil workers.

Whatever relief Congress has given to our cotton farmers in the way of Government cotton loans has been given in the face of opposition by Mr. Clayton.

He restated before the committee the other day his continued opposition to the loan program or any other program which would tend to give an artificial price to cotton, one not based entirely and wholly on the law of supply and demand in the face of world-wide competition.

Incidentally, let me say that Congress has been good not only to the cotton farmers but to the wheat and tobacco farmers and other producers of basic crops; and now Congress has embarked upon a more liberal program. Congress has been generous and kind to the farmers.

I wish Senators to think about the position Mr. Clayton has taken. He has been steadily opposed, and is now opposed, to any legislative program which would tend to increase the price of American cotton in the world market. He insists that there should be one price for cotton in all the markets of the world, and that in order to hold our foreign markets we should meet the competition of the cheapest labor on earth, including—although he did not mention them, but his statement would include them—the untouchables of India. India is the next largest cotton-producing country in the world. But Mr. Clayton insists that even if it results in the sale of our cotton at prices below the cost of production, and results in the lowering of the standard of living, somehow we must hold the foreign markets, through competitive open-market prices, if Congress does not appropriate a sufficient amount of money to supplement adequately the world market price.

Mr. Clayton opposed the Federal subsidy on cotton exports, as was stated a while ago. He is in line with the senior Senator from Georgia [Mr. GEORGE] on that point. He is unwilling to have the Government make a contribution in that way to help hold foreign markets for our cotton producers. He wants the whole cotton price problem handled on a cold basis of meeting competitive prices, and then to call on the Government of the United States to make adequate and sufficient appropriations to afford relief to the cotton farmer as between the war price, based on competition of all cotton-producing countries, and a suitable top price, perhaps parity, or whatever it can be induced to provide.

We understand the difficulty of securing adequate appropriations from year to year in order to meet payments to the cotton farmer, which may amount to half a billion dollars a year. Then, of course, we should be obliged to include—and no one from the cotton-producing States would object to it, if such a program were to be adopted—a similar program for wheat, tobacco, rice, corn, and other major agricultural commodities. Every Senator with good judgment understands that we cannot expect the Congress of the United States, in order merely to maintain foreign markets for cotton, to involve the Treasury of this country in staggering appropriations from year to year in carrying out such a program. So, it naturally would follow, as has already been anticipated, that the production of cotton would be shifted in the South and would be established largely in the rich lands of the Delta of the Mississippi, on the plains of Texas, and other parts of the West, where, by the use of machinery, the cost of production could be reduced.

Mr. President, what is to be done with the families of the farmers of the Carolinas, Georgia, Alabama, Mississippi, Tennessee, and Arkansas? They have been rooted to the soil in those sections for many years. They belong to local churches and organizations. Are we to force them to move from their homes and hunt other places in which to live where the cost of production of cotton can be lowered by the use of high-priced machinery? If they desired to obtain land in the delta of the Mississippi and on the plains of Texas they could not obtain it.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that economists have figured out that the selling price of a pound of cotton is approximately the amount per hour which the cotton farmer receives for his labor?

Mr. BANKHEAD. I believe the Senator is correct. It was so asserted before the Committee on Agriculture and Forestry, and I know the Senator from Oklahoma has held such to be the fact.

Mr. THOMAS of Oklahoma. Hearings before the Committee on Agriculture and Forestry for several years have demonstrated that to be the fact. The hearings have demonstrated that when cotton sells in the market at 10 cents a pound the farmer receives 10 cents an hour for producing the cotton. When cotton sells for 22 cents a pound, that is all the farmer receives for an hour's work.

I have heard it said in very high places that the South was developed on 10-cent cotton. I should like to have the Senator's reaction to that statement.

Mr. BANKHEAD. The price of cotton has not been above 10 cents a pound many times since the First World War. Whether the South was developed on 10-cent cotton or not, the people of the South have been forced to live on it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. AIKEN. I have listened to the remarks of the Senator from Oklahoma, but I am wondering if the formula referred to, of the selling price of a pound of cotton being equivalent to the hourly wage of the producer for his labor, would hold good in South America. The reason I ask the question is that one day we were going through some figures with regard to the importation of fruit from the Argentine. I was amazed to learn that a box of pears selling on the New York market for $9.60 netted the Argentine grower but 25 cents. If there is that much spread in the handling of fruits from South America, why would not the spread with regard to other commodities be as great?

Mr. BANKHEAD. I cannot answer the Senator. I know that Mr. Clayton is not a producer. Therefore, the cost of production does not enter into his calculations. He is a handler. Whether the cotton is raised in Brazil or in some other place, if he handles it his handling is on a quantity basis, and the handling charges are figured in.

Mr. AIKEN. The spread on all commodities, such as pears and other fruits, is undoubtedly represented by handling costs, transportation costs, and profits.

Mr. BANKHEAD. Mr. Clayton recognizes that our production of cotton in the United States is considerably in excess of the normal domestic, and the probable normal world requirements. Nevertheless, he is opposed to farmers being given the right to adjust their supplies of cotton to fit the demand for it on the ground that such action would tend to increase the price of cotton by limiting the quantity, and interfering with the free flow of cotton through the channels of trade. He has opposed every program which was passed by the Congress to bring about living prices for the farmer who produces cotton. No Senator can class him as a friend of the cotton farmer. It has never been brought to my attention that any Senator has attempted to do so. Judging from Mr. Clayton's business operations, no Senator could so class him. As I have said, he is not a friend of the cotton farmer. I am afraid to have a man with his qualities placed in a position where he can deal with foreign economic affairs.

It has been said that in the position which he seeks Mr. Clayton would have no power to do anything which would affect the price of cotton. Who knows—and I invite the attention of Senators on the other side of the Chamber—who knows what power the sole representative of the high staff of the State Department would have in the new domain of international relations and business cooperation?

Mr. President, I invite attention of Senators to the fourth section of the Atlantic Charter, which is as follows:

Fourth, they—

The nations—

will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.

There is a doctrine to which the nations, including the United States, are committed, to have free access to the trade of all these countries. When a treaty of peace is made or subsequent treaties are negotiated through the State Department, bear in mind that the Atlantic Charter obligates us to admit all states, great or small, on equal terms to the trade and raw materials of the world which are needed for their economic prosperity.

Mr. Clayton may take the view that other nations are not admitted to the trade of this country if artificial prices on cotton prevail. With such prices prevailing, other countries would not have free access, because there would be the barrier created by the loan program and the production control program, and, therefore, it seems likely that, under this

provision of the Atlantic Charter, Mr. Clayton, as administrator of foreign economic affairs, when the subject of cotton is reached will rule and hold that loans on cotton which put up the price are in violation of this covenant in the Atlantic Charter. If he can do it in the case of cotton, he can do it in the case of other agricultural products; he can do it in the case of livestock; he can do it in the case of poultry; he can do it in the case of any commodity which falls under a program of reduction of tariff rates.

Mr. LA FOLLETTE. Mr. President, since he has raised the question of other commodities, I should like to ask the Senator from Alabama, who has given so much study to the subject of cotton and its production in the South, to answer the question, if he cares to in the course of his remarks——

Mr. BANKHEAD. I shall be very glad to answer any question I can.

Mr. LA FOLLETTE. What would be the economic consequence upon the rest of the agricultural sections of the country of the logical application of Mr. Clayton's policy with regard to cotton going to a world price and the constant readjustment of the agricultural economy of the South.

Mr. BANKHEAD. There could be several results. In the first place, of course, it would bring almost starvation to that great section of the country unless its population migrated to other sections or unless it diverted its labor and its thought and its attention to the production of other commodities in competition with other sections of the United States.

Mr. LA FOLLETTE. Mr. President, if the Senator will permit one further question, if other commodities come to be on an export basis the logic of Mr. Clayton's position is that the world price should prevail with regard to such commodities.

Mr. BANKHEAD. Of course, if that is Mr. Clayton's view as a matter of principle, he has no reason to apply it only to the one commodity.

Mr. LA FOLLETTE. I give him the benefit of the doubt that it is on the basis of principle upon the statements he made in this record and other records as to his attitude toward cotton. The logical application of that policy and its effect not only upon the South but upon every other agricultural section of the United States is something on which I hope the Senator will touch before he concludes.

Mr. AIKEN. Mr. President, will the Senator from Alabama yield to me?

Mr. BANKHEAD. I yield.

Mr. AIKEN. The Senator's remarks have been in reference to agricultural projects, but is there any reason to believe that we would have one policy with regard to agricultural projects and not have the same policy with regard to industrial projects and manufactured goods?

Mr. BANKHEAD. I will say that Mr. Clayton surely is not establishing himself on a principle merely because it is to his advantage—I do not think he is; I believe he is an honorable man—and, of necessity, as the Senator from Wisconsin has suggested and as the Senator from Vermont now suggests, if that is a sound rule of economics for the government of the affairs of this country in its dealings with foreign nations in relation to one commodity the principle must apply to all commodities, agricultural or industrial, which are traded in the dealings between the nations of the world.

Mr. AIKEN. Is it not a fact that hundreds of industrial plants have been moved from this country to foreign countries since the beginning of the war, and is it not very likely that they were moved, solely because of labor conditions, to places where labor could be hired for a very small sum in comparison to what it receives for similar work in the United States?

Mr. BANKHEAD. I understand that is true; and probably other industries will be moved.

In further answer to the Senator from Wisconsin, I had intended to discuss the subject brought up by him and I am now ready to approach it.

Mr. Clayton—and the Senator heard his testimony—frankly believes that important adjustments should be made in our tariff rates with the view of increasing the exchange of goods between the nations of the world. I have no criticism of his position on that subject, but I have the right to refer to its effect if put into operation. It seems to me that anyone nominated to an office with such highly important responsibilities and possibilities which inhere in the development of foreign affairs and which affect the life and business of the farmers in all sections of the United States, as well as the industries of the East, should be carefully and thoroughly and painstakingly considered with reference to his viewpoint on the subject mentioned.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CHANDLER. As I understand, Mr. Clayton's company, Anderson, Clayton & Co., has made loans to cotton farmers in other countries, principally South American countries and Mexico. To what extent has that influenced the production of cotton in those countries?

Mr. BANKHEAD. Of course, that would depend somewhat upon the volume of the loans. I am not entirely informed about it. The record shows that he has sent there in the way of fixed assets $10,000,000 for the establishment of gins and warehouses and cottonseed oil mills. Of course, in order to capitalize upon such a tremendous investment, he will, I assume, do what may be necessary to accomplish the result, and if money is needed to be loaned—he said something about it, I do not know whether he meant in South America or not—I assume he will make money available to make his facilities profitable. But there they are. Their production has been increasing year after year until it has been moved up from half a million bales to two and a half million bales since Mr. Clayton went in there, a period of 10 years, a gradual, steady, and constant step-up in production in a country which had not had any substantial increase in production for 50 long years. I do not think it was brought about because of a spirit of altruism; he put his money on the barrel head.

Mr. CHANDLER. Mr. President, suppose he decided to do the same thing with tobacco.

Mr. BANKHEAD. There would be the same situation, undoubtedly.

Mr. CHANDLER. If he loaned his money to tobacco farmers and provided machinery for them, and if it were deemed profitable business to increase the production of tobacco in other countries, if he has the feeling that it is the duty of businessmen in the United States, where there is an opportunity to their advantage, to increase the production of cotton, to make loans to cotton farmers in other countries, and then reduce the price of cotton to a general world level, which, as I understand, would be 7 or 8 cents lower than the price fixed for cotton grown in the South——

Mr. BANKHEAD. That is true.

Mr. CHANDLER. Then he could do the same thing in the case of tobacco. If it is a good thing for cotton, he might assume it would be a good thing for tobacco.

Mr. BANKHEAD. He would so assume if he were consistent in the advocacy of the principle he applies to cotton. That develops the importance of the question of the Senator from Wisconsin, as to the effect on other agricultural commodities, and of the Senator from Vermont relating to industrial commodities. What effect would the application of the principle advocated by Mr. Clayton have?

Senators, this is no idle subject. This is a serious problem. It affects the peace and the happiness of all our southern people, white and black, poor and rich. One can go into the largest department store in Birmingham, Ala., or in any other city in the South, and from the celler clear to atttic, find scarcely any articles, except country produce, which were manufactured in the Cotton Belt. Our people have not gone into industry; they did not have the money to do so after the Civil War and the loss of their slave property. So they drifted along, learning the production of cotton. They have not even invaded the field of production of things manufactured in other sections of the country. They have not increased to any great extent their production of livestock, hogs, and things of that kind. They have not done much in the dairy business, in cheese production; there is just a little showing here and there. But if Mr. Clayton's doctrine is put into effect and those people are prevented from continuing the production of cotton upon all the little hillside farms, they are going to find something else to produce. Many of them will move. He says they will move out into the plains country. There will be a great many left who will hang on for years to come, trying to find some substitute for the cash they have been getting from cotton. Then the competition will come, from people on a starvation basis. They are not that way now, they get along very well, if they are let alone. The last 2 or 3 years, chiefly under the loan program, which has given them decent prices, not above parity, but a

percentage of parity, they are adjusting themselves. They are a happy people. If they are let alone they will work out this market problem in some way. They have done it all these years. I have official figures but have not time to present them now to show that as the price of American cotton went up, farm production did not follow it.

I do not know who suggested the name of Mr. Clayton for this position. I wish I did know. I know that as administrator of foreign economy he would be dangerous to the American farmer. He has demonstrated that; the doctrine he advocated before the committee shows that he would be dangerous.

Whether he puts his doctrine into effect or not, why cause our people to be upset and to remain in a disturbed state of mind by keeping them believing they are going to have to move, as Mr. Clayton and others have been advocating; indeed, a number of cotton buyers at the conference recently held advocated that they should move, on the ground that their farming operations were not consistent with sound economics. That was stated in Washington by a number of those who attended the conference last week.

Mr. President, that is upsetting and disturbing. Whether Mr. Clayton got the opportunity to put his doctrine into effect or not, his holding this very position, after his record of these years of antagonism to the welfare of the cotton farmer in the matter of a decent price, which is known throughout the South, would be upsetting.

For these reasons, I hope this man's nomination will not be confirmed by the Senate. He is not essential to the peace program, or the foreign economy that is to come. He has confessed, in effect, that he knows nothing about anything but cotton, and he virtually admitted that he would not recuse himself on that subject. Then he will not have anything to do for which he is qualified.

Mr. President, there is no politics in this matter; and there should not be. I do not know with what party Mr. Clayton affiliates. I am not actuated on that account, as Senators know. I do not know who caused his name to be sent to the Senate. I do know, if I know anything on the subject of the effect upon a great mass of people, that Mr. Will Clayton should not be held as a threat over them by being lifted up into the great State Department, and put in charge of the very part of the program which affects our southern people, white and black, in connection with the price of cotton.

Adopt his doctrine, and the price of cotton will be bound to go down. No one disputes that. He says he wants it adopted for that purpose, so that there will be true and real competition for the world market by the cotton merchants of this country.

There are two great classes in the cotton business. One consists of the producers; the poor cotton farmers en masse. The other is the cotton buyers and handlers, the ones who profit by the quantity of cotton, who make more money in proportion to the quantity they can run through their gins and store in their warehouses and compresses. Mr. Clayton is the outstanding representative of the latter group. Whenever we speak of cotton merchants in the South, we instinctively think of Mr. Will Clayton.

I would not make any appeal against him because he is rich. I do not have any prejudice on that account, but it gives him power. That we all know.

Mr. LANGER. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LANGER. I do not know much about the cotton problem, but I do know that in years gone by there have been grain gamblers who would buy and sell billions of bushels of nonexistent wheat. Does the same situation apply with regard to cotton?

Mr. BANKHEAD. I do not know that I understood the Senator.

Mr. LANGER. In connection with the raising of wheat, and selling it on the grain markets in Chicago and Minneapolis, speculators buy and sell many billions of bushels of nonexistent wheat.

Mr. BANKHEAD. Yes.

Mr. LANGER. Wheat which never was grown.

Mr. BANKHEAD. Yes.

Mr. LANGER. Does the same situation exist in connection with cotton?

Mr. BANKHEAD. Yes. The late Senator Smith brought about a cotton investigation which lasted for months, and Mr. Clayton was the most conspicuous character in the whole proceeding. That will be discussed later. I have not the time to go into it now.

Mr. LA FOLLETTE. Mr. President, if the Senator has time, I should like to ask him one more question.

Mr. BANKHEAD. I yield.

Mr. LA FOLLETTE. During the course of the examination, brief as it was, before the Committee on Foreign Relations, I noticed that Mr. Clayton kept reiterating that his program was in agreement with that of Secretary Wickard; that whenever the Senator pressed him, or in answer to the few questions I asked him in the course of the examination, he kept saying he was in agreement with Secretary Wickard. Would the Senator clear up for me, because I am not absolutely familiar with it, this point, which I understand to be the fact, namely, that Secretary Wickard in his appearance before the so-called Pace committee presented a number of alternatives?

Mr. BANKHEAD. He presented four.

Mr. LA FOLLETTE. So the one which Mr. Clayton contended was in conformity with his position was one only of four possible alternatives?

Mr. BANKHEAD. That is correct.

Mr. LA FOLLETTE. Can the Senator tell me whether the Secretary endorsed all these proposals, or was he simply discussing what might possibly be done?

Mr. BANKHEAD. The Secretary was merely submitting for the consideration of the committee different plans which had been suggested for consideration. He said in winding up that he preferred the fourth, which was the payment out of the Treasury of an adjustment price to make up the difference between the world price and parity, which would require an appropriation of approximately one-half billion dollars a year. Of course, Mr. Clayton was for that, because if the Government paid it, it gave him his big trade, such as he wanted, without cost to him—the Government paying the cost.

CROP INSURANCE—CONFERENCE REPORT

As in legislative session,

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4911) to amend the Federal Crop Insurance Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its amendment numbered 11 and agree to the provision of the House bill amended to read as follows: "*Provided*, That, after the crop year of 1949, not more than a sum equivalent to 25 per centum of the premiums collected in the preceding year (beginning calculation of premiums collected in the crop year of 1949) shall be used for administrative expenses in any current operating year"; and the House agree to the same.

That the Senate recede from its amendment numbered 12 and agree to the provision of the House bill amended to read as follows: "*Provided, however*, That, after the crop year of 1949, if the total amount of accumulated claims for losses on any agricultural commodity for any year exceeds the total amount of the premiums collected less the accumulated premium reserves of the Corporation with respect to any such commodity (which reserves, after the crop year of 1948, shall not be less than 10 per centum of the premiums collected on such commodity), such claims shall be paid on a pro rata reduced basis"; and the House agree to the same.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, and 18, and agree to the same.

ELMER THOMAS,
J. H. BANKHEAD,
ALLEN J. ELLENDER,
RICHARD B. RUSSELL,
ARTHUR CAPPER,
HENRIK SHIPSTEAD,
GEORGE D. AIKEN,
Managers on the part of the Senate.

J. W. FLANNAGAN, JR.,
HAROLD D. FOLEY,
ORVILLE ZIMMERMAN,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the part of the House.

The report was agreed to.

SURPLUS PROPERTY BOARD

The Senate resumed the consideration of the nomination of Robert A. Hurley to be a member of the Surplus Property Board.

Mr. DOWNEY. Mr. President, I shall speak briefly in support of confirmation of both Governor Hurley and Colonel Heller to be members of the Surplus Property Board. As a member of the Military Affairs Committee, which heard all the testimony, I am strongly of the opinion that Governor Hurley should be confirmed, but I shall leave any detailed discussion of him, or the testimony with respect to him, to another Senator, and shall but briefly tell the Senate what I know about Colonel Heller, of San Francisco, Calif. I am not compelled to enter

into long and tortuous examination of any record for the defense of Colonel Heller. The facts of the record are so plain that it is astounding that any Senator who knows them could make some of the statements that have been made in opposition to Colonel Heller.

It is, Mr. President, the simple truth that Colonel Heller is one of the ablest businessmen in the entire West, a man of unblemished character, a man of honesty, humanity, and honor. We called before the Military Affairs Committee—or rather they volunteered—several important witnesses for Colonel Heller. I preferred to present as witnesses leading Republicans of California and this Nation, because I anticipated the partisan character of the arguments that would be made here. Leading Republicans, great industrialists, and businessmen from various places in the United States paid high tribute to Colonel Heller. I will not take the time to read any of such tributes from leading Republicans and businessmen from California. Let us rather consider what witnesses from Vermont and elsewhere had to say about Colonel Heller.

Mr. President, I shall first read a telegram sent from the State of Vermont to the senior Senator from Vermont [Mr. AUSTIN]. The colloquy leading to that telegram is as follows:

Senator AUSTIN. Mr. Chairman, I would like to state that the Honorable Ralph E. Flanders, who is a resident of Springfield, Vt., and, I believe, chairman of the board of the Federal Reserve Bank of Boston, sent me the following telegram, dated November 27, 1944, supporting the nomination of Lt. Col. Edward H. Heller, which I would like to have inserted in the record.

That testimony, which the Senator from Vermont placed in the RECORD, reads as follows:

It was a great satisfaction to learn that Lt. Col. Edward H. Heller's name was to be presented to the Senate as a member of the Surplus Property Board. It is my pleasure strongly to urge that his appointment be confirmed. In my judgment his integrity is above question and his abilities, experience, and character are such that he would make an ideal Chairman of the Board. As liaison officer stationed at the Federal Reserve Bank of Boston he has given valuable service to the War Department and aid to this bank in connection with Government-guaranteed war production loans to borrowers in this district, including the Narragansett Machine Co. In all matters his actions have been of great value to this bank and strictly in the best interests of the War Department and of the war production financing program.

Mr. President, I might say that is the tenor of every statement made about Colonel Heller. There was not one derogatory statement made against him by any witness. No improper act was charged against him.

It is true, Mr. President, that Colonel Heller is a businessman of large undertakings as well as great ability, and we therefore find this strange situation among the Senators opposing the nominees of the President. At one moment a Senator will say, "We do not want these men because they are not men of importance who have handled important affairs," and at another moment another Senator will condemn them because they have large property interests. The distinguished Senator from Vermont has raised one very unfortunate point, as he claims, against Colonel Heller. What is that? We have in the West a great, a dynamic industrialist, Henry Kaiser, with many great interests. He is a one-sixth owner, I think, in the Permanente Cement Co.

There are other corporations having an interest in that company. Colonel Heller has an interest in another company which has an interest in the same Permanente Cement Co., his interest being worth, so he tells me, about $17,000. So, because Colonel Heller has an interest in a company in which Henry Kaiser and other businessmen in the West are interested, he is to be stigmatized by the United States Senate as an undesirable citizen.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from California yield to the Senator from New Mexico?

Mr. DOWNEY. I yield.

Mr. CHAVEZ. What is wrong with Henry Kaiser having such interests? He has earned them. He has contributed immensely to the war effort. To this day I have heard no one say that an American citizen should not get ahead and become something in this world, either economically, politically, or otherwise. The fact that we have such men as Colonel Heller, Henry Kaiser, Chrysler, Ford, Sloan, and others, is what makes America.

Mr. DOWNEY. I thank the distinguished Senator for that statement. I must admit that I am unable to answer his question.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. PEPPER. It would certainly be undemocratic for anyone in a democracy to criticize another, or to hold him ineligible for responsible office merely because he happened to be fortunate enough to have a considerable amount of money. In the case of Colonel Heller, if I correctly understand, his background and record are those of a liberal, progressive man who has manifested a deep regard for the true principles of democracy. Is not that correct?

Mr. DOWNEY. That is correct. Colonel Heller has the support not only of the great business groups of California, but likewise of the labor groups and the liberals. He is a man almost unique in our State. By virtue of his integrity, ability, kindness, and philanthropy, he has endeared himself to all our people. Not one telegram, not one letter, and not one word has been presented against him. The only thing that can be said is that he is a man who, by his vast ability, has been able to handle successfully great enterprises.

But the distinguished Senator says that there is another unfortunate thing, and that the tragic impact upon American opinion of that thing is most regrettable. He says that out of the dark clouds surrounding the Narragansett Machine Co. appear these two figures, Governor Hurley and Colonel Heller, mysteriously linked together. He cannot understand how they could have been selected from that same arena, at the same time, for the same board, and he attempts to create a sinister atmosphere of suspicion in our minds because of this situation. I believe the distinguished Senator stated that it is almost incredible that the appointment of Colonel Heller and Governor Hurley could be nothing more than a coincidence.

Let me say to the distinguished Senator that it is a coincidence. If he desires to trace the simple and natural steps which is readily explainable by which Colonel Heller and Governor Hurley came to know each other casually, I am glad to help him.

Colonel Heller was a volunteer in the first war, at 18 years of age. When this war broke out he again volunteered his services. He was brought to Washington by the War Department, and because of his business ability the War Department assigned him as liaison officer at Boston, with the Federal Reserve bank. Is the distinguished Senator insinuating that some mysterious and sinister machinations of the War Department placed Colonel Heller there improperly? Is he for some reason insinuating that he enlisted in the Army so that he could be sent to New England? The simple truth is apparent. Colonel Heller enlisted in the Army, and was assigned by the War Department to the city of Boston. In that city he worked with the Federal Reserve bank to help make loans to industries which were in poor credit condition, but were vitally needed by the War Department because of their facilities for producing arms and munitions for our military purposes. I am surprised that any Senator should cast suspicion upon Colonel Heller or upon the War Department because Colonel Heller was in Boston and had something to do with the Narragansett Machine Co. with which Governor Hurley was also naturally associated.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. LUCAS. Is there any evidence in the record which discloses what the War Department did in connection with the Narragansett transaction so far as Colonel Heller is concerned?

Mr. DOWNEY. I will answer the question of the distinguished Senator by reading from the record on that point. There was a hearing before a House committee on the question of the Narragansett Machine Co. As a result, Julius H. Amberg, special assistant to the Secretary of War, made an exhaustive investigation of the affairs of the Narragansett Machine Co. and everyone connected with it. Mr. Amberg appeared before our committee and made the following statement:

I am here today, authorized by the War Department to come, to state that in the course of my investigation into the matter, I have found nothing which the War Department in any way condemns with respect to the conduct of Lieutenant Colonel Heller, one of the nominees whom the committee is considering today.

Mr. LUCAS. Was Colonel Heller ever demoted or removed from any responsible position in the War Department as the result of any transactions or negotiations which he had with the Narragansett Machine Co. as an agent of the War Department?

Mr. DOWNEY. No; he was not. On the contrary, he was promoted from major to lieutenant colonel during that time. He received the highest commendation, not only from the War Department, but likewise from the Federal Reserve bank. I have read a message from Mr. Flanders to that effect. I could cite others from impartial and high sources.

The truth is that, while the Senator himself cast wide suspicion over the affairs of the Narragansett Machine Co., the situation is simple and plain. Four months before Colonel Heller was assigned to Boston, and almost a year before Governor Hurley was connected with the Narragansett Co., the Ordnance Department of the Army put $500,000 worth of machinery in the Narragansett Co.'s plant, and was instrumental in obtaining for the Narragansett Co. a large subcontract from the Ford Motor Co. That set the stage for what happened thereafter. It is my opinion that had the War Department done anything else except what it did, namely, to try to help, as best it could, an institution which was weak financially, but which had important war facilities, those responsible should have been strongly condemned. As a matter of fact, the Narragansett Co. has done a first-class job. There will probably not be $1 of loss on the loans which were made. Ninety-five percent of its contracts were performed very well indeed.

However, let us further trace this alleged coincidence which seems so suspicious to the Senator from Vermont. How did it happen that after Colonel Heller had been assigned to Boston, he was appointed to the Surplus Property Board at the same time when Governor Hurley, of Connecticut, was appointed? In answer to that question I may say with some slight degree of satisfaction that after 6 years of trial and effort, I do believe I was successful in calling seriously to the President's attention a California citizen for possible appointment to important office. We on the Pacific coast, so far as I know, have not one important officer in the administrative branch of the Government at Washington. I felt that in view of the huge amount of surplus property which would be left in the West, we should have a westerner on the Board, one familiar with western conditions. Of course, I realized that his duties would be Nation-wide and that he should be a man of outstanding ability.

Mr. President, I faithfully searched the State of California to find for the people of this Nation a man in the western region whom I believed would be the best man for this position. I believed that man to be Colonel Heller, and I presented his name to the President.

I shall read only a short portion of the telegram I sent to the President. I read all of it this morning, and in a few minutes I shall ask unanimous consent to have the entire telegram placed in the RECORD. It was on September 7, 1944, that I telegraphed to the President:

MY DEAR MR. PRESIDENT: May I recommend for your consideration the appointment of Edward H. Heller, of San Francisco, Calif., as Surplus Property Administrator. Mr. Heller is now a lieutenant colonel in the Army, stationed at Boston, Mass.; and while he is still a comparatively young man, being only 44 years of age, he has behind him a long record of successful business administrations, having managed, or been connected with, many of the largest industrial and business enterprises in the West. His intelligence and patriotism are beyond question, and his appointment would be recognized as a most perfect one by all who know him.

Mr. President, I ask unanimous consent that the entire telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SEPTEMBER 7, 1944.

Hon. FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: May I recommend for your consideration the appointment of Edward H. Heller, of San Francisco, Calif., as Surplus Property Administrator. Mr. Heller is now a lieutenant colonel in the Army, stationed at Boston, Mass., and while he is still a comparatively young man, being only 44 years of age, he has behind him a long record of successful business administrations, having managed, or been connected with, many of the largest industrial and business enterprises in the West. His intelligence and patriotism are beyond question, and his appointment would be recognized as a most perfect one by all who know him.

We all agree that it is most important that all inefficiency, dishonesty, profiteering, and tendency toward monopolism must be prevented in the sale of our surplus governmental property. Colonel Heller's ability and character and his devotion to liberalism more highly qualify him to perform the necessary duties of the Surplus Property Administrator than any other man I know. I believe California possesses within its borders substantially more surplus Government property than any other State in the Union, and I think it is generally conceded our problem of reconversion will be greater than almost any where else. California is now third State in the Union in population, and first in combined production of agricultural and industrial goods. I believe the entire western portion of the United States would highly approve and appreciate Colonel Heller's appointment as one to which our region is fully entitled and one to which he is ideally fitted. Let me express my deep appreciation for your attention to this communication.

SHERIDAN DOWNEY.

Mr. DOWNEY. Mr. President, I am led to believe that upon receipt of that telegram the President of the United States instituted a rigid inquiry into the background and character of Colonel Heller, and that as a result of that investigation, prompted by my letter, Colonel Heller has received this nomination.

I desire likewise to state to the Senate that I was not prompted in any way by any political considerations in presenting the name of Colonel Heller. In a matter of this kind, I would agree with the distinguished Senator from Colorado that it would be a tragic national misfortune if we did not place men of high ability and integrity in these positions. Perhaps I should not say this, and I ask pardon if I am wrong in doing so, but it is a fact that Colonel Heller was a supporter of the late Senator McAdoo, not of me, 6 years ago when I was a candidate against Senator McAdoo. It is true that he did not contribute one cent to my recent campaign; and because he was in the Army, he took the position that he should not make any political contribution at all, nor did his delightful and charming wife contribute to my campaign, nor did I ask her to do so.

And so, Mr. President, when a man of the character and genius of Colonel Heller, receiving the universal approval of the Republicans and Democrats of his State, alike, is suggested for a great position of this kind, I do not understand why opponents should stigmatize the appointment as a political one.

I must admit I cannot see the objection to appointing Democrats by a Democratic administration, if the man selected is a man of ability, one able to do the work. On the whole, Mr. President, it is my notion that the President has named a very fine board, assuming that he will name the Senator from Iowa [Mr. GILLETTE] as the third member. Here is Colonel Heller, a man of wide and vast experience. Here is the Senator from Iowa [Mr. GILLETTE], a man who is noted for his integrity and his honor, who is acquainted with the bureaucratic labyrinth which we call Washington. I think a man of that character is needed on the Board. And then I think it was a most admirable thing to select for the third member of the Board a man from the Atlantic seaboard who had been an outstanding and able Governor of his State, a man who has the background which Governor Hurley possesses. Of course, being Governor of Connecticut will not help to sell elephants we now own over in India or mosquito netting in Panama or overshoes in Iceland. It will not help to sell the hundreds of thousands of other items of surplus property. But the very qualities of integrity, industry, and ability which Governor Hurley has shown in his conduct of affairs as Governor of his State show that he has the executive ability, the courage, the honor, and the energy to successfully perform the functions of this office. I am convinced that our President has acted wisely and judiciously in presenting these nominations, and that the nomination should be approved.

Mr. President, I could stand upon the floor of the Senate and could discuss for 2 or 3 hours, as did the distinguished Senator from Vermont [Mr. AUSTIN], the record of the Narragansett Co. But I have satisfied myself, and I hope I have satisfied the Senate, by reading the commendation of Colonel Heller from the War Department and the Federal Reserve bank, who for 2 years have lived with Colonel Heller and this matter. I prefer to take their representations, rather than to take what I consider to be the partisan and prejudiced viewpoint of Senators who for political reasons would endeavor to defeat these appointments.

Mr. President, I shall not longer intrude upon the time of the Senate. I merely say that I speak with a large degree of confidence when I say that in my

opinion the Senate will do a just and wise act by the immediate approval of the nominations now before us.

Mr. REYNOLDS obtained the floor.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. AUSTIN. I ask unanimous consent to have printed at this point in the RECORD, following the speech of the distinguished junior Senator from California, an important letter which I intended to have inserted when I was addressing the Senate, but which I did not then request to have inserted. The letter is to be found in the printed hearings at page 104. It is signed by Stanley C. Utter, lieutenant, United States Naval Reserve, and is dated November 2, 1944.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NAVY DEPARTMENT,
OFFICE OF RESIDENT INSPECTOR
OF NAVAL MATERIAL,
Pawtucket, R. I., November 2, 1944.

To: Capt. John J. Hyland, United States Navy, Inspector of Naval Material, Boston, Mass.

Subject: Narragansett Machine Co.—War Department guaranteed Federal Reserve bank loan—Request for renewal.

Reference: (a) Headquarters, Army Service Forces, letter SPFGF 1-2319, dated October 31, to RinsMat, Pawtucket, R. I.

1. Reference (a), enclosure (1), requested of this office a report on the contract performance of Narragansett Machine Co., as regards the renewal of their War Department guaranteed Federal Reserve bank loan. It is felt, however, this being a matter of policy and of sufficient importance, that it should be referred to the inspector of naval material for an answer.

2. Subject manufacturer holds two prime contracts at this time: (a) N288s-25611 from ASO, Philadelphia, for cam assemblies. Contract was originally to have started in October, but an extension has been requested and granted; dollar value, $92,800; (b) N156s-22642 from NAF, Philadelphia, for rod ends. Delivery is not yet due; dollar value, $7,240. In addition to the above, Narragansett Machine Co. holds several Navy subcontracts, the latest of which is a Navy rocket job from Ranger Aircraft Co.

3. Following are four specific instances of contract performances from the files of this office:

(a) Contracts NOs-95470 and NXs-11400 covering bomb racks. These contracts have had a long disastrous history, the latest of which is a rejection of 2,645 racks—reference enclosure (2).

(b) Contract NXsx-41116 — Confidential safe lockers. After failure to make deliveries on this contract, it was finally necessary, at great inconvenience to the Navy, to cancel and purchase an emergency portion of the material elsewhere. Narragansett Machine Co. was invoiced for $9,636.30 as additional expense incurred by the Bureau in procuring the safe lockers on which they defaulted. Enclosure (3) is copy of cancelation letter.

(c) Contract NXsx-44144 was bid on and awarded to this company covering aluminum lockers in the amount of $341,170. However, no effort was made by the company to get into production, and the contract was eventually returned to the Bureau. Mr. Boiles, president of Narragansett Machine Co., stood on the technicality that the contract had not been signed by the company, and, therefore, there was no responsibility on their part to the Navy.

(d) Geo. Lawley & Son order No. 743-287X on Walter R. Falck Co., Philadelphia, their order No. 3298, on Narragansett Machine Co. This contract covered confidential safe lockers for the accelerated landing craft program—LCL (L) vessels. The company repeatedly broke delivery promises, and when they finally did start shipping the quality was so poor that assistant superintendent of ships at Lawley was forced to waive inspection and accept lockers which this office termed "junk." After considerable inconvenience, an alternate source was located and the balance of Narragansett's order was canceled, reference enclosure (4).

4. Subject company has had an unusually high turn-over of personnel in key positions, and they have been notably weak in the past in engineering and estimating. There has also been a tendency to solicit contracts for which their shop and personnel are not adapted.

5. Narragansett Machine Co. has a well-equipped shop and their facilities could be very valuable to the Navy, but, as the record shows, this has not always been the case.

STANLEY C. UTTER,
Lieutenant, United States Naval Reserve.

TRANSFER OF FARM FROM HOME OWNERS' LOAN CORPORATION TO ACADIA NATIONAL PARK

As in legislative session,

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. BREWSTER. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 2208, calendar 1410, which has been reported by the Committee on Public Buildings and Grounds.

The PRESIDING OFFICER. Is there objection?

Mr. HILL. Mr. President, reserving the right to object, let me say I understand that the bill is one about which the distinguished Senator from Maine spoke to me earlier in the day, and I understand it has been unanimously reported by the Committee on Public Buildings and Grounds. I also understand that it deals only with a matter which pertains to the State from which the distinguished Senator comes. Is that correct?

Mr. BREWSTER. The bill would transfer to a national park a farm which now belongs to the Home Owners' Loan Corporation.

Mr. HILL. It would merely transfer one farm in the State of Maine from one Government agency to another Government agency; is that correct?

Mr. BREWSTER. That is correct, and with the full approval of everyone.

Mr. HILL. I have no objection.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2208) providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national-park purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Home Owners' Loan Corporation (herein called the "Corporation") is authorized and directed to convey and transfer to the United States of America, upon the terms and conditions provided in section 4 hereof, all right, title, and interest vested in the Corporation, at the date of such conveyance and transfer, in and to real property and interests therein in the county of Hancock, State of Maine, acquired by the Corporation through the foreclosure of that certain mortgage deed, dated October 20, 1933, executed to the Corporation by Percy B. Russell and Florence L. Russell, and appearing in book 642, page 389, of the Registry of Deeds of Hancock County, State of Maine.

SEC. 2. The Secretary of the Interior, for and on behalf of the United States of America, is authorized and directed to accept the conveyance and transfer of such property without regard to the provisions of section 355, as amended, section 1136, as amended, and section 3709 of the Revised Statutes (except the last paragraph of said section 355, as amended, which shall be applicable hereto), or any other provision of law. The Secretary of the Interior is further authorized and directed to pay all necessary fees, charges, and expenses in connection with such conveyance and transfer.

SEC. 3. Upon the conveyance and transfer of such property as herein provided, it shall be used and administered by the Secretary of the Interior solely for national-park purposes, and it shall be deemed to constitute a part of the Acadia National Park.

SEC. 4. Any other provision of law to the contrary notwithstanding, the Secretary of the Treasury shall, upon such conveyance and transfer and in lieu of any other payment by the United States to the Corporation as consideration for the conveyance and transfer of such property, cancel bonds of the Corporation, in the principal sum of $18,000, purchased by the Secretary of the Treasury under or by reason of the provisions set forth in section 4 of the Home Owners' Loan Act of 1933, approved June 13, 1933 (48 Stat. 128), as amended (which bonds are hereby made available to the Secretary of the Treasury for the purposes of this section), and all sums due and unpaid upon or in connection with such bonds at the time of such cancelation and discharge, together with any accrued interest: *Provided*, That the Secretary of the Treasury and the Corporation are authorized and directed to make adjustments on their books and records as may be necessary to carry out the purposes of this act.

Mr. BREWSTER. Mr. President, I ask that the bill be promptly messaged over to the House, if possible.

MR. CHURCHILL'S SURPRISING SPEECH—EDITORIAL FROM THE PHILADELPHIA INQUIRER

As in legislative session,

Mr. DAVIS. Mr. President, in view of the statement made yesterday by Prime Minister Churchill that an agreement had been reached between Russia and Britain with regard to moving the boundary line of Poland so as to conform with the so-called Curzon line, I believe the administration should make its position clear on this subject, so that the American people may be informed with regard to it.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial from the Philadelphia Inquirer of December 16, 1944.

Mr. VANDENBERG. Mr. President, I should like to observe that I would

greatly appreciate a similar speech on the same subject by the President of the United States being made available for insertion in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. CHURCHILL'S SURPRISING SPEECH

Prime Minister Churchill's remarkable statement in the House of Commons yesterday made more imperative than ever the earliest possible get-together of the heads of the three great Allied Nations.

For the problems discussed by Mr. Churchill almost with an air of finality are too vitally important to the maintenance of peace after this war to be settled, in a slapdash fashion, by agreement between Britain and Russia.

It is hard to understand why the Prime Minister seems to believe that the British-Russian plan for central Europe comes within the framework of the Atlantic Charter.

It is just as hard to understand why the United States Government has not seen fit to remind London and Moscow that the people of Poland, as well as the people of Italy and Greece, have a right to an undictated voice as to their country's fate. Does Washington view the Atlantic Charter as dead?

Mr. Churchill made no bones about saying that he and Premier Stalin had agreed on moving the eastern boundary of Poland to the Soviet-demanded Curzon line and on repaying Poland with a slice of German soil.

But he indicated, also, that to Russia's lot would fall a chunk of German East Prussia.

Thus it appears that Russia and Britain are not only in basic agreement on the chopping up of Poland but on the beginning, at least, of the partitioning of Germany.

Since the war against Germany is still being fought furiously, and since the final victory is still to be won by hard and bloody battles, this cool redrawing of the map of Europe by two of the United Nations while the war goes on is an astonishing revelation.

Whatever justice there may be in Russia's demand for a protective zone—at Poland's expense—in the west, why should these complicated arrangements, involving, as Mr. Churchill admits, the shifting of large masses of population, be decided upon in advance of a general peace conference?

Why, moreover, should they be decided upon in the absence of an outspoken statement of policy by the United States?

The Prime Minister insisted that President Roosevelt has been kept informed of Russian-British decisions respecting Poland. He reiterated, in fact, that "the President is aware of everything that has passed." Then why, if that is so, hasn't the White House made its position plain—if it has a position—not only to our allies but to the American people, whose stake in the war and in the peace certainly is not inconsiderable?

Secretary of State Stettinius now promises a statement "soon" on American policy with regard to British and Russian political operations. It seems to us that Secretary Stettinius should issue his statement right away, at the same time explaining to our people precisely why America's policy relating to British and Russian moves was not made clear long ago.

All of this is of tremendous moment in the preservation of the peace which, we fondly hope, is somewhere ahead. Americans don't want to see Europe relapse into power politics and a balance-of-power bloc system. They want to help establish a world organization against war, an organization in which small nations, as well as great ones, will have a chance to work out their destinies.

The Washington Government should insist, therefore, that Russia and Britain pause in their labors of cutting up Europe to their own satisfaction until all parties at interest have been heard.

AMERICAN NATIONALISM VERSUS INTERNATIONALISM

As in legislative session,

Mr. REYNOLDS. Mr. President, I rise today with a heavy heart in contemplation of the fact that in approaching the Christmas holidays we find the world in deadly combat in both hemispheres thereof. It is bad, indeed, for you, for me, and for every person who sits at this hour within the sound of my voice, to realize that now, at Christmas time, when we and the peoples of the entire world should have peace, and when brotherly love should be exhibited on every hand, thousands upon thousands of human beings are being slaughtered and are dying hourly upon the innumerable battle fronts.

I desire to preface my observations by reading a poem written by an elderly and beloved gentleman, Horace C. Carlisle, well known to all of us as the poet of the Senate. I read into the RECORD at this point one of his latest creations. The title of the poem is "What's the Matter With the World?"

WHAT'S THE MATTER WITH THE WORLD?

As long as nations keep on fighting
They need not hope for peace.
Nor can they ever commence righting
Their wrongs till hatreds cease.
It might be well for all the nations
On this earth, everywhere,
Before they make their supplications,
To pray the Saviour's prayer.

How can the nations be forgiven
Till they, themselves, forgive?
How can the peace for which they've striven
Have its new birth and live,
In this bleak atmosphere of horror,
With hatred everywhere,
That robs today, and grieves tomorrow,
And mocks devotion's prayer?

While "Lead us not into temptation,"
Men pray, they won't be led,
But follow their own inclination,
And madly rush ahead,
And into war, self-led, self-guarded,
Unmindful of God's laws,
Then pray to Him, whom they've discarded,
To help them win their cause.

—*Horace C. Carlisle.*

Mr. President, a few evenings ago I read a very interesting column which is written daily by Mr. Thomas L. Stokes for the Washington Daily News, one of his clients. I wish to read the opening paragraph of this particular column of December 12, 1944.

It's probably a healthy thing that the American people got a dose of disillusion at this stage of the war about the possibilities of political adjustments in Europe, instead of waking up some morning, as after the last war, to find too many deeds done secretly and irrevocably.

I assume he refers to the desertion of Poland, as reported yesterday by the press.

I continue to read from Mr. Stokes' column:

For that previous disillusionment, after the act, contributed to the wave of isolationism which followed World War No. 1, made the American people susceptible to propaganda. A warning in advance now, with the publicity that attends it, opens the way to solutions that may be more in accord with American principles and—

Says Mr. Stokes—

may help to avert the rebirth of large-scale isolationism.

Mr. President, I ask that the full text of this particular article be published in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. REYNOLDS. Mr. Stokes further says:

What we are seeing is the opening of the big battle between the right and left for the control of post-war Europe.

Mr. President, in reference to Mr. Stokes' statement as to the rebirth of large-scale isolationism, as a humble citizen of the American public I wish to express my opinion to the effect that within 2 years from now the people of the United States of America will have turned again to isolationism and to real, genuine American nationalism.

I wish to say further, Mr. President, that in my humble opinion, if we had stuck by isolationism and attended to our own personal business, today we would not be involved in wars everywhere upon the face of the earth. As I have repeatedly declared in this body for years gone by unhesitatingly and unblushingly, I am today more thoroughly in favor of isolationism for America, more thoroughly an American firster and an American nationalist, than ever I was in all my life, because I have observed without any difficulty whatever the results of internationalism, what it has brought about abroad, and the consequences of our having indulged in that which is contrary to American firstism and to American isolationism.

Mr. President, these are sad hours for the mothers and fathers of America, who already today grieve over the loss of their sons and daughters who have given ther lives in the battles which rage throughout the world—sons and daughters upon whose faces they can never again look, sons and daughters whose arms will never again embrace fondly that father and that mother. These are sad hours for the American people.

In this connection I wish to say that, in my opinion, one of the most honest men in the United States, one of our country's most courageous and most brilliant writers, is none other than David Lawrence, who is the editor and publisher of a periodical issued weekly known as the United States News, whose editorials daily I read in the columns of the Evening Star, of Washington, and whose complete magazine I read regularly each week for the very interesting and worth-while information it provides its readers.

Mr. President, I read now from his issue of a few days ago under the heading "Newsgram":

Breaks are running against us in Europe.
We all know that.
Are prolonging the war.
We say indefinitely.
Weather is the worst in 100 years, denying full use of air power.
Russians still haven't opened their second front, and it is getting late.
United States, Great Britain, Russia are giving encouragement to Germans by squabbles of their own, by lack of agreement on peace policy, by shooting Greeks, by telling Italians, Belgians, Poles, Yugoslavs, etc., who are to be their rulers.
That is very bad news for people in this country. It is bad news because biggest battles of the war still lie ahead, because biggest losses are to come.
Americans apparently must accept this prospect.

And I add, as sad as it may be:

Russia lacks the power alone to deliver the knockout to Germany.
Britain lacks the manpower, the strength, to drive through in the west.
United States Army and Air Forces, therefore, must do the main job, must bear the brunt of attack through the Siegfried line and into the vitals of Germany.

All of which, I respectfully submit, is the raw and unadulterated truth. Mr. Lawrence continues:

In more specific terms, the meaning of the present situation is this:
United States must supply at least 2 men to the British 1 in the west.
United States can expect at least 2 American casualties to 1 for Britain-Canada.
United States Air Forces must continue the costly daytime air assault on Germany.
It already is necessary for United States to feed into combat 18-year-old boys who lack the promised year of training, who are going in as battle replacements.

Unfortunately, I might add, evidently we have found it physically necessary to send these men to the four corners of the earth, and to the battle fronts of the world, without the necessary training. Some perhaps we trained not more than 4 months, though I am in high hope that situation may be corrected at an early date.

Mr. Lawrence continues:

United States, too, must carry on the war against Japan almost single-handed.
This country is investing at least $300,000,000,000 and 1,000,000 men in killed and wounded to win these wars. That is a high price. It raises a very real question of whether United States could afford another war as costly or more costly.

There I shall pause to make the observation, as I have frequently done before on this floor, that in my opinion before these wars shall have been won, and before we shall have been able to readjust the situation in our own country, the national debt placed upon the shoulders of the taxpayers will have exceeded by far $500,000,000,000.

Mr. President, I arrive at that figure as a result of information upon which I shall be pleased to comment. I believe that last spring we voted a top for the national debt of $260,000,000,000. It is my information that commitments exceed that figure at the present time. I particularly wish to call the attention of the Members of this body to the fact that if this war within itself is to cost, as Mr. Lawrence says, $300,000,000,000, we must add at least a hundred and twenty to a hundred and fifty billion in order to take care of the widows of the war, the dependents of the soldiers who are fighting in the war, the wrecked and wounded and injured who must be hospitalized, and the ex-servicemen of the war who must be compensated in pensions.

I arrive at the figure of $120,000,000,000 to $150,000,000,000 by way of facts revealing that we have paid the soldiers of World War No. 1 up to date, according to the figures of the Veterans Adminstration, about $15,000,000,000. According to my information, as a result of an inquiry I directed to a witness who appeared before the Committee on Military Affairs of the Senate, before we shall have liquidated our obligations to the soldiers of World War No. 1 we will have paid out an additional $15,000,000,000, which will make a total, therefore, of $30,000,000,000 as compensation in pensions and the like to soldiers of World War No. 1.

Mr. President, I respectfully submit that before the present war shall have been concluded there will be at least four times as many casualties as we had in World War No. 1, because, as we all know, the real slaughter has not begun, the fighting, as David Lawrence has said, has yet to come, and thousands upon thousands are to die, and thousands upon thousands of women are to be made widows, and boys and girls rendered fatherless.

Four times $30,000,000,000 makes $120,000,000,000, and I add the additional $30,000,000,000 for the reason that fortunately we are being more generous with the soldiers of this war in every respect than we were with the soldiers of the last war. I have voted for every single benefit for the soldiers of this war, because I want them and their dependents to be compensated as far as we are able.

Mr. President, several evenings ago I clipped from the Washington Evening Star an Associated Press dispatch which said that 562,368 casualties had been reported by the United States in all war theaters. That, I believe, is more than twice the number of casualties suffered by the United States in World War No. 1. I do not think that Mr. Lawrence's estimate and my estimate are far wrong—that there will be in this war at least 1,000,000 American casualties. I shall state further that in my opinion the number of casualties will exceed 1,000,000.

Mr. President, I ask that the Associated Press article giving the number of American casualties to date in the war, as well as an Associated Press article giving war expenditures in November, be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

562,368 CASUALTIES REPORTED BY UNITED STATES IN ALL WAR THEATERS—ARMY'S LOSSES TOTAL 483,957, WITH NAVY'S PLACED AT 78,411

Army casualties for all theaters now total 483,957, and losses in all branches of the armed forces have reached 562,368.

Secretary of War Stimson, announcing the Army figure today, said it represents casualties reported through November 28. This was an increase of 9,059 for a 1-week period between November 22 and 28.

The latest Navy report announces 78,411 casualties, an increase of 1,291 from the previous week.

The Army totals, together with those of a week ago, follow: Killed, 92,135 and 91,625; wounded, 272,351 and 268,099; missing, 62,786 and 58,926; prisoners, 56,685 and 56,248.

The Navy casualties: Killed, 30,029 and 29,738; wounded, 34,503 and 33,469; missing, 9,493 and 9,427; prisoners, 4,486, unchanged.

Casualties among American Army ground forces in Italy increased 16,255 between September 25 and December 9.

Mr. Stimson said that from the time of the landing at Salerno in September 1943, through last December 8, a total of 93,366 casualties had been reported. Of the total, 18,898 were killed, 67,194 wounded, and 12,274 are missing. As of September 25 the list had reported 15,889 killed, 56,178 wounded, and 10,044 missing.

WAR EXPENDITURES IN NOVEMBER HIT NEW LOW FOR 1944

November war expenditures dropped to a new low for 1944.

The War Production Board today reported that the November expenditures amounted to $7,095,000,000, a decrease of $352,000,000, or 4.7 percent, from October.

This country spent $236,700,000,000 for war purposes between July 1, 1940, and November 30, 1944.

Mr. REYNOLDS. After having stated, Mr. President, that we would be so thoroughly depleted at the expiration of this war that we could not afford another war, Mr. Lawrence continues:

That's the reason this Government is hinting that it may want something to say about what goes on in the world, about the shape of things to come.
As the situation is working out to date: Stalin is carving out a sphere for Russia in eastern Europe; is building his political outposts, his strategic positions for what he must regard as a coming war. There is no sign that Stalin is listening to Roosevelt and Churchill.
Churchill is striving to build a sphere for Britain; is conscious of the need for friendly governments in Spain, Italy, Greece, Turkey to safeguard the empire's lifeline. Churchill is acting on his own; is striving to impose the type of government Britain wants in Belgium, Italy, Greece.
Roosevelt for the United States, is on the side lines again; is hinting cautiously that maybe this country's investment in war might entitle it to the right of prior consultation; might entitle it to a voice in some decisions that could be laying the groundwork for another war to come after a rest from this one.
All signs now suggest that Roosevelt is learning at the tag end of this war what Wilson learned at the tag end of the last war; namely, that United States must insist upon its conditions before a war is won if it wants to be heard; if it wants to have a voice in the settlements that really count for the long pull.
As things stand, the United States is being given another run around.
But if and when the next war develops out of maneuvers now under way in Europe this country will be expected to win that war as it has the last two.
It is Mr. Roosevelt's present idea that everything can be straightened out in postwar with big dollar loans; that nations can be brought to time when they come to the United States for capital with which to put their countries back in shape.
That's the real meaning back of shifts at the top in the State Department. It is the reason why men who are not afraid of big ideas were put into office.

The plan is to use dollars to help solve world problems, to give a new shot in the arm to the world system of capitalism, to assure a world prosperity that will ease tensions, remove pressures leading to revolution and war.

Troubles ahead for those plans are two:

1. Congress may not approve the idea of priming the world pump.

2. Other countries may be less willing to accept large new dollar loans than the White House imagines; may be more sold on nationalistic methods of getting back on their feet, may go for import quotas, exchange controls, export subsidies, nationalization of basic industries, economic planning at home.

Mr. President, in reference to the "big dollar loans" that Mr. Lawrence speaks of, let me say that it is apparent that some of the hundreds of millions of dollars, totaling almost the one billion dollar mark, have not been of very great benefit in improving the European situation. I have in mind the fact that not long ago we voted one billion dollars or approximately that amount and the United States was to pay 90 percent of all the money that was voted for the use of the United Nations Relief and Rehabilitation Administration, and that was for the purpose of putting shots in the arms of the European countries. I voted against that measure because I am one who believes in keeping at least a little bit of money at home to pay our soldiers and their widows when the war will be ended. I voted against it because I did not believe that it would be of as much benefit as was claimed. And what do we find at this hour? We find that Mr. Stalin says, "You cannot make distribution of what you have to give away, you gentlemen of the United Nations Relief and Rehabilitation Administration, in Yugoslavia, unless I am permitted to make that distribution through the Communist members of my party whom I direct." In other words, our ally, Mr. Stalin, says that we shall not distribute the products needed by the hungry and the dying in Yugoslavia unless he and his officials may say who is hungry, who is dying, who needs medical care. The same situation I am informed exists in Poland. Therefore I am naturally of the opinion that the relief organization to date has not done a great deal of good.

Mr. President, I have read that six ships loaded with goods purchased by the money of the taxpayers of America, supplies for the needy, the ill, the hungry, and starving and dying in Greece, were anchored in one of the Greek harbors, and there elements opposing the British in Greece today would not permit those ships to be unloaded in order that the needy might be cared for.

Mr. President, I was very unhappy when I noticed in yesterday's newspaper, and a fuller account in this morning's newspaper, that our allies, through the voice of Mr. Churchill, have deserted Poland.

For many weeks I have known, as other Senators have known, that one of our allies has brought to her knees little Finland; has taken over Latvia, Lithuania, and Estonia; and reduced Warsaw, with its 1,500,000 people, to ruins. I was in high hopes that Poland would be spared and that the Polish people would be saved and provided an opportunity to enjoy the liberties for which we and our allies once fought. But it appears from all that I have read that the poor Poles have been deserted, and that the Senator from Kentucky [Mr. CHANDLER] has not yet been able to locate the Atlantic Charter, which guaranteed the four freedoms to all the humble, feeble nations for which our sons and daughters have bled and died upon foreign shores.

In Parliament there was amazement as a result of the statement made by Mr. Churchill. Last evening, while reading one of the local newspapers, I clipped from an article of three columns a section which I desire to bring to the attention of Members of this body. It is headed "Russia Justified." That headline refers to Mr. Churchill's statement. I read:

RUSSIA JUSTIFIED

Churchill's sweeping endorsement of Russia's claim to territory in eastern Poland as a buffer against the possibility of future German aggression came at the opening of a Commons debate on the entire Polish question.

Conservative Henry Raikes immediately challenged the Prime Minister's stand, asserting that the future European peace depended upon a freely negotiated agreement between the Poles and Russians.

"The Atlantic Charter has become a ghost that a ghost laid today," he said.

Capt. Alan Graham, another Conservative, also took issue with Churchill.

"Is it conceivable," he asked, "that 5,000,000 Poles died in order that half of their territory should pass under an alien yoke and the rest be governed by a stranger?"

National Conservative Kenneth Pickthorn asserted that Poland's interests were not the direct concern of the British Parliament.

"Our specific business is to consider the interests of the British Empire and the British people," he said.

"The Prime Minister has said for the third time in the last 3 or 4 weeks that this country had two great allies, perhaps greater than us," he added. "They are not greater than us, but if we think they are, then they will be."

During the debate, Laborite Ivor Thomas commented:

"It is melancholy to think that after more than 5 years of fighting, which we entered to defend the independence of Poland, we should be debating whether Poland is to be a state at all, for that is the issue before us.

"The Prime Minister's speech is composed of dragon's teeth. The seeds of future war are certainly in that speech."

In reference to the people of Poland, a few days ago I received from the Polish organization with headquarters in New York a copy of a resolution. No doubt every other Member of this body received a copy. Being in sympathy with the Poles, I read it. Realizing that our boys and girls were dying on foreign shores to liberate the Polish people and to assure them independence. I read that resolution with much interest and appreciation to the framers of the resolution. I wish to read briefly from the resolution:

That 6,000,000 Americans of Polish descent stand determined in defense of the cultural rights of Poland to her pre-war boundaries and territory.

* * * * *

If this tragedy is permitted to occur, it will be a disgrace and an everlasting shame to the entire civilized world.

The resolution contains this concluding paragraph:

We call upon you to use your influence and power to prevent the perpetration of the greatest crime of modern times, the unjust and inhuman imposition of a foreign culture upon a great nation, a nation that has contributed so much to the culture and learning of western and Christian civilization—our own.

Mr. President, I ask unanimous consent to have the entire resolution printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Fully aware of their privilege and responsibility to act at this crucial moment in world history in the interest of a just peace, outstanding leaders in the field of culture and education, presidents of cultural and educational organizations, chairmen of educational and art committees, specialists in education, art and music, meeting in the first Chicago Regional Conference of the Commission on Culture and Education of the Polish American Congress at the Woman's City Club, 410 South Michigan Avenue, on November 3, 1944, recommended that the Polish American Congress adopt the following resolution with the request that it take action on a Nation-wide scale to inform our fellow Americans of the following facts:

That 6,000,000 Americans of Polish descent stand determined in defense of the cultural rights of Poland to her pre-war boundaries and territory.

That the Polish Nation created a culture during the past 1,000 years which has preserved the ideals of western European civilization and which has always been a barrier against the encroachment of barbaric influences on the European Continent.

In the twentieth century, an era of great progress and the spread of the ideal of democracy, we cannot permit the destruction of the Polish Nation and its rich culture, a culture which has given to the civilized world such intellects as Copernicus, Sklodowska-Curie, Sienkiewicz, Conrad, Chopin, and Paderewski.

If this tragedy is permitted to occur, it will be a disgrace and an everlasting shame to the entire civilized world. There is no historical or political foundation to support assertions that cutting off any Polish city, or any part of Polish territory from Poland is in accord with the wishes of the people who have lived there for centuries. It is significant that of Poland's most famous artists, scholars, and apostles of Christianity, 46 percent came from that part of Poland which lies east of the Bug and Niemen Rivers—among them, Paderewski, Szymanowski, and Conrad. The people who come from the cities and rural areas of Poland which lie east of the so-called Curzon Line have been faithful throughout the centuries to Polish culture. They have preserved it in their hearts and in their homes, and when necessary, fought and died for it.

That in September 1939 Poland went to war in defense of her culture and territorial integrity. The civilized world joined Poland because it realized at last that it, too, faced the same danger. Their country overridden by the enemy, the gallant sons of Poland continue to fight gloriously beside their American and British Allies on all fronts. Are they giving their lives that their country be sacrificed, her lands torn from her, her people intimidated and persecuted?

That our American boys answered the call of their country. They went to war in defense of the principles of the Atlantic Charter and of the "four freedoms." Hundreds of

thousands are shedding their blood in defense of the sacred human rights of men and nations. Are their sacrifices to be in vain and the principles and rights for which they are fighting repudiated and trampled upon? Many have already made the supreme sacrifice. Because they cannot speak for themselves, it is our sacred duty to speak for them; be it

Resolved, That—

We call upon you to join us, our fighting sons, and Polish brethren in protest.

We call upon you to join us in warning the responsible leaders of the United Nations, that if they dare to subject Poland, our ally, to the humiliation and punishment that should be accorded only a vanquished enemy, their act will be forever condemned by history.

We call upon you to use your influence and power to prevent the perpetration of the greatest crime of modern times, the unjust and inhuman imposition of a foreign culture upon a great nation, a nation that has contributed so much to the culture and learning of western and Christian civilization—our own.

CHARLES ROZMAREK,
President, Polish American Congress.
JANINA PALCZYNSKA,
Chairman, Commission on Culture and Education.

Mr. REYNOLDS. Mr. President, I read quite consistently—I may say almost daily—articles written for the Washington Daily News by William Philip Simms. I recognize that he is possessed of much good, old-time horse sense. He speaks the language of the common man, of those who are desirous of learning the truth. I wish to read merely a couple of paragraphs from an article which I read the other night, entitled "Future of Europe:"

Even if Britain and America maintain a model hands-off attitude and Russia proceeds to organize Europe to suit herself—which is what she is doing now—our soldiers will have died and our billions will have been spent merely to shift world domination from one totalitarian power to another.

I ask unanimous consent that the entire article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FUTURE OF EUROPE

(By William Philip Simms)

A meeting between Secretary of State Edward R. Stettinius, Jr., Foreign Secretary Anthony Eden, and Foreign Commissar Viacheslav Molotov is said to be under consideration, perhaps for January.

The purpose of the meeting would be (1) to come to a better understanding on the dangerous political situation in Europe and (2) prepare the way for a new conference between Marshal Stalin, Prime Minister Churchill and President Roosevelt. General De Gaulle might make it a foursome.

It is privately admitted in diplomatic circles here that on some such developments as these hangs the future of Europe and, by the same token, the future of post-war collective security.

On paper, of course, a fundamental understanding already exists between Russia, Britain, and America. They and other United Nations are formally pledged to undertake no territorial changes that do not accord with the freely expressed wishes of the peoples concerned, and to respect the right of all peoples to choose the form of government under which they will live.

That pledge, however, has been broken time and time again. It is still being broken almost every day. Power politics is now in full swing in Europe and is gathering momentum as hopes for the end of the war burn brighter. Russia has already obtained a dominant position throughout two-thirds of Europe and is increasing her influence while an alarmed Britain is seeking to pick up at least some of the crumbs.

Lack of a positive American policy in all this, it is widely held, would doom everything we had been led to expect from Dumbarton Oaks. Certainly the American people are overwhelmingly opposed to participation in Europe's power politics, but from every indication they are equally emphatic against underwriting a peace in which they are denied a voice.

Unless all the great powers—not just one or two—honor their pledges as outlined above, the whole collective peace proposition will fall to the ground. Even if Britain and America maintain a model hands-off attitude and Russia proceeds to organize Europe to suit herself—which is what she is doing now—our soldiers will have died and our billions will have been spent merely to shift world domination from one totalitarian power to another.

Few United Nations observers believe even a congressional majority, let alone a two-thirds vote of the Senate, would bind this country to send its armed forces to maintain an international status quo thus arrived at.

Thus the whole post-war set-up is definitely in the balance. Says Liston M. Oak, in a page 1 article in the liberal-labor organ, The New Leader:

"Each of the new coalition governments in the liberated countries of Europe is facing a crisis: Poland, Greece, Belgium, Italy, France, Finland, Romania, Holland. Whether we like it or not the United States is involved. We have already intervened in some degree in the domestic affairs of European nations. We cannot escape responsibility. The military leaders cannot tolerate chaos and civil war to interfere with the job of defeating Germany. And after the war ends, it is the duty of the United Nations to guarantee the free election of a democratic government, not a dictatorship imposed upon the people by terrorism."

Unless Washington can prevail upon London and Moscow to implement the pledges they have already made, and to collaborate democratically through the European Advisory Commission and other allied machinery until the end of the war, post-war plans made at Dumbarton Oaks haven't a chance.

Mr. REYNOLDS. In other words, Mr. Simms is saying that it is abundantly evident from what we observe at the present hour that we are here supinely witnessing the transfer of power in Europe from the dictatorship of Hitler to Russia.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. McKELLAR. When I read in the newspapers that Great Britain has taken over France, Italy, Greece, and Belgium it seems that Europe is to be divided up.

Mr. REYNOLDS. I thank the Senator very much for his comment.

Several days ago there was a great deal of criticism about Great Britain being engaged in a fight in Greece for the control of the Grecian Government. It is said that Great Britain wishes to restore King George to the throne, and that the Communists are opposed to such restoration. It therefore follows that the fight which is going on in Greece is between Great Britain and the Communists.

Criticism was directed at Britain for her endeavor to take control of Greece. Criticism likewise has been directed to and against Mr. Churchill for interfering in Italian matters and endeavoring to control the Italian Government. But I cannot understand why we should criticize Mr. Churchill for interfering in the affairs of Greece and Italy and trying to take over those countries for his own expire, while on the other hand no criticism whatsoever has been directed against another one of our allies, Mr. Stalin, for taking over Latvia, Lithuania, Estonia, Czechoslovakia, Poland, Bulgaria, and Rumania. I have observed from the conduct of the press that criticisms have been directed toward one of our allies—the Russians—for not giving the Germans the knock-out blow on the western front. The articles have alleged that our ally, Russia, was too busily engaged in subjecting the people of Latvia, Estonia, Lithuania, Poland, Czechoslovakia, Bulgaria, Rumania, and Yugoslavia. It is also said in behalf of our ally that she is merely desirous of fortifying herself in Poland by proceeding to a certain line, and that is all. But at the same time we find that we are getting back, according to the columnists and according to many of the editorial writers, to the same old question in power politics, "Who is going to control Europe?" My answer is that I am inclined to believe that at the end of this war Mr. Stalin will control all of Europe.

The revolution which occurred in Spain in 1936 and 1937, and again in 1938, was a fight between the Fascists and the Communists. It is true that Italy and Germany tried out their weapons of war by going to the aid of Franco. That was a struggle to the death. The same revolution which was fought between the Communists and those who are lined up with Franco has already begun again. We read that from 10,000 to 40,000 persons interested in putting Franco out are on the border line, in the south of France and at the north of Spain, where the two countries are separated by the Pyrenees Mountains. It is already related in the columns of the press that fights have occurred in Spain—fights which are the beginning of the revolution which will grow into flame. We know that prior to the beginning of this war on September 3, 1939, France was largely controlled by the Communists. We know of the tremendous demonstrations which have recently occurred. We all know of the visit of General de Gaulle to Moscow, to pay honor, homage, and respect to Mr. Stalin. We know there has been trouble in Holland and in Belgium. I venture the assertion that when this war has ended, it will not be a question of the power politics of Mr. Churchill. It will be a question of Mr. Stalin's continuing his rule and extending his rule over all of Europe.

It is sad, when we think and ponder upon the fact, that while America's sons and daughters are dying on all the battle fields of the world, our Allies are in disagreement in regard to certain rules in certain countries, at a time when, of all times, there should be unity, with the sole and purposeful objective of bringing vic-

tory in this war to the United Nations—victory in Europe and victory in the Orient. That is what the fathers and mothers of the men and women in uniform everywhere want. They do not want bickering between the Allies; they do not want bickering anywhere. They want these wars to end now, in order that their dear ones may be returned to the arms an dembraces of those at home.

Mr. President, I hold in my hand a very interesting article appearing in the column entitled "This Changing World" written by Mr. Constantine Brown. The column is one which many Senators have read, because I recall numerous occasions when Senators have requested unanimous consent to have articles by Mr. Brown printed in the RECORD. In the one which I now hold in my hand Mr. Brown mentions some of the conferences between leaders of the United Nations, and he discusses very intelligently and most interestingly the present situation. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS CHANGING WORLD

(By Constantine Brown)

In the absence of a political understanding among the big three the American and British Governments may have to revert to the Atlantic Charter as the basis for their postwar policies.

The Charter was the embodiment of the views of the two remaining great world democracies and fell into oblivion shortly after the Tehran Conference because of Moscow's interpretation of that instrument of peace. The interpretation given to the Charter by the U. S. S. R. Government, according to the few who have been informed of the Russian note, is that Ambassador Maxim Litvinov signed it in the name of his government on January 1, 1942, in the belief that it would not be retroactive.

The Russian Government accepted that document with the unspoken understanding that territorial changes which had occurred prior to the date of the signature would not be affected by the charter. This meant that those portions of Finland, Poland, the Baltic states, Bessarabia, and Bukovina which had been incorporated into the Soviet Union before January, 1942, would not be affected in any way by Russia putting her stamp of approval to the document.

Under these conditions the American and British Governments, which were anxious not to cross the Soviet wishes, preferred to place the Atlantic Charter among many other obsolete documents such as the Kellogg-Briand Pact.

Since the conclusion of the Moscow and Tehran agreements no high-ranking American or British policy framer has mentioned that document which in the past was being held before the world public opinion as the essence of the democratic principles against those of the conquest-bent totalitarians. The fact that Russia had signed it without reservation served to calm the qualms of many people in this country and in Great Britain who were still inclined to judge the Soviet by its policies between 1939 and 1941 when Stalin had joined Hitler in dividing the eastern portions of Europe.

The dramatic developments in the last few weeks in every liberated European country, and particularly in Greece and Italy, compelled the American and British policy framers to give some thought to the Charter. It is obvious that the western members of the United Nations begin to feel the lack of a constructive policy for the time when all organized Nazi resistance ends. This has been brought forcefully before the public through the incidents between the United States and Great Britain over Greece and Italy. Previous less spectacular incidents between Britain and Russia when Moscow manipulated to overthrow the government of Iran because of its willingness to discuss oil concessions with London also have contributed to the Western Powers' desire to have some concrete basis for their foreign policies.

It is fully realized in Washington and in London that mere words and statements that everything will henceforth be for the best are not sufficient. As the liberation of Europe from the Nazi yoke is proceeding at a greater pace, the great political game for power policy is also increasing. The arrangements reached at Tehran dividing Europe into two zones of influence are also threatened. They lack the moral foundation of justice and it is obvious that while bayonets may keep the liberated people down for some time, this cannot be continued indefinitely.

The troubles in the liberated countries in western and eastern Europe are only beginning. A mixture of many ideologies together with unbelievable physical hardships is playing havoc with our plans to restore at least a relative peace on that continent. All those who have returned from recently liberated countries are unanimous in their summary that organized war between the Allies and the Germans is being replaced by civil wars in every European state.

This applies to France, Belgium, and all the other liberated countries as far as the borders of the Union of Soviet Socialist Republics. The people are exhausted after 5 years of hardships but they are also driven to despair. The nations which are playing power politics are encouraging these desperate peoples and are helping them with arms and ammunition in order to gain their political objectives.

The prospects of a real peace after the German defeat are becoming every day more questionable and the policy framers in Washington are becoming aware that unless something is done in the near future to improve conditions and induce our major allies to revert to a reasonable policy, as provided in the charter, this war may have been fought in vain.

Mr. REYNOLDS. Mr. President, I shall conclude by requesting unanimous consent to have printed at this point in the RECORD an editorial entitled "Are We Scared?" which appeared in the Daily Mirror, of New York, N. Y., on December 12, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Daily Mirror for Dec. 12, 1944]

ARE WE SCARED?

Why do the United States and England make fish of Italy and Greece and fowl of Soviet Russia?

Secretary of State Stettinius' statement of December 4, directed mainly at the Churchill government, says that "the composition of the Italian Government is purely an Italian affair," and that the United States "expects the Italians to work out their problems of government along democratic lines without influence from outside."

He further says that "this policy would apply to an even more pronounced degree with regard to governments of the United Nations in their liberated territories."

These statements record the State Department's dissent from Churchill's antagonism to the ascension to power of Count Sforza in Italy and his indorsement of the monarchist regime in Greece.

Why has our Government not said the same things to Soviet Russia?

Why is it that the composition of the Italian Government is purely an Italian affair and the composition of the governments of Poland, Lithuania, Latvia, Estonia, Iran, and Finland purely a Russian affair?

Why do we expect Italians (and presumably the Greeks and Belgians) to work out their problems of government along democratic lines without influence from the outside, and remain fearsomely mum when Soviet Russia does not allow the countries she forcibly annexes to work out their problems along democratic lines?

In 1939, after the infamous Stalin-Hitler deal which precipitated this war, did Soviet Russia allow the Baltic states and Poland to work out their problems by democratic processes?

She did not.

She treated these nations precisely as Hitler treats conquered nations—play the game our way—or else—.

Why, then, does our State Department slap Churchill in the face because he is interfering with Italian, Belgian, and Greek affairs and not slap Stalin in the face for doing the same thing—only on a more colossal and dangerous scale?

If we have the courage to dictate to one of our allies, England, why have we not the courage to dictate to another one of our allies, Soviet Russia?

And while we are on this important subject let us ask Mr. Churchill a pointed question:

Why does he condemn the Communist movement in Greece and Italy, while supporting it in Yugoslavia and Poland?

All of which apparently boils down to this:

Soviet Russia can do as she pleases.

She can violate all agreements and charters and the comity of allies.

She can destroy democratic processes whenever she sees fit.

What secret power has made this Kremlin oligarchy exempt from criticism?

Is it fear or the sinister working of the worldwide Communist revolution—aimed mainly at the United States?

EXHIBIT A

WARNING IN ADVANCE

(By Thomas L. Stokes)

It's probably a healthy thing that the American people got a dose of disillusion at this stage of the war about the possibilities of political adjustments in Europe, instead of waking up some morning, as after the last war, to find too many deeds done secretly and irrevocably.

For that previous disillusionment, after the act, contributed to the wave of isolationism which followed World War No. 1 made the American people susceptible to propaganda. A warning in advance now, with the publicity that attends it, opens the way to solutions that may be more in accord with American principles and may help to avert the rebirth of large-scale isolationism.

This is in reference to the way the British Government, through Prime Minister Churchill, threw its weight around—in Belgium, in Italy, in Greece—to impose its preferences as to who should control governments there, and the prompt and public way in which our Government, through Secretary of State Stettinius, called attention to what was going on, and expressed our disapproval of it.

Some very interesting and salutary developments have occurred.

Secretary Stettinius' statement, reasserting the traditional policy of noninterference in governments of other nations, seemed to set a style of publicity under which there may be an approach to Woodrow Wilson's postulate, not successfully carried out then, of "pitiless publicity" and "open covenants openly arrived at." Thus far there's been too much of the opposite.

It puts the people of this country and of the world on notice in advance of the next meeting of the Big Three—President Roosevelt, Prime Minister Churchill, and Marshal Stalin—in which the political adjustments of Europe will be a chief concern, and it arms the President with the public opinion that was promptly aroused.

If the President is not satisfied with the results, he can appeal to world opinion, since the issue has been drawn ahead of time. His purpose begins to shine through developments of the last few days.

Another very salutary result of these developments, too, was the quick response of the British people, through their Parliament, to call their government to account, so that Mr. Churchill had to explain himself. And explain himself he did, in his usual effective fashion. Leading British newspapers joined in the hue and cry.

What we are seeing is the opening of the big battle between the right and left for the control of post-war Europe. The Continent may be expected to be in a constant state of upheaval. There will be no quick and easy solutions, because of what is at stake. There's Great Britain on the one side and Russia on the other, with the United States as a sort of arbiter or umpire trying to establish some middle liberal course, and being in the difficult position of the harassed liberal who is caught in the crossfire from each side.

Mr. Churchill's position is thoroughly understandable. He's looking out for the Empire in the good old-fashioned way, intruding in Italy and Greece to protect the Mediterranean line. He never intended to stand by and see the liquidation of the British Empire and he is restating this now in action.

His excuse is the necessary "restoring of order," which was one that was familiar in our diplomacy back in the twenties, in various interventions in the Caribbean area and in Central America for the benefit of certain American interests, business and otherwise. Our term for it was "dollar diplomacy," which was quite frank.

Mr. Churchill is getting off to a head start. All this raises the question as to whether Great Britain—and Russia, too, for that matter—are to proceed independently in the old, familiar pattern of what is commonly known as "power politics," or whether they are to be brought effectively within the orbit of the world peace organization envisioned in the Dumbarton Oaks preliminaries and there work out adjustments that will save as much for everybody as possible, but with consideration for everybody.

The present situation suggests that it is imperative for the Big Three to get together and work out some common program for Europe, which up to now is sadly lacking, and to get the world organization under way before the situation is frozen beyond repair and the American people begin to lose hope.

THE PRODUCTION PROBLEM

As in legislative session,

Mr. MEAD. Mr. President, the Special Committee on National Defense is now in the midst of hearings on manpower. We interrupted our study of surpluses because of the increasing evidence through the last few months that war production was falling behind the requirements of the military. We have not discontinued our work on surpluses. In fact, the contrary is true.

But, at this moment, the committee has determined to make some formal comment on the production problem. We desire to emphasize the immediate production needs of the Nation, which every American should fully understand, to the end that each can do his full patriotic duty.

By far our most pressing immediate objective is to obtain greater war production of certain critical items. The committee feels it to be its duty to advise the Congress and the people immediately that reports which have reached it from the Army, the War Production Board, the War Manpower Commission, and others, indicate that the tremendous power of American production must be brought to bear at once in eliminating these shortages.

The victory of our armies in the field depends on their receipt of munitions in overwhelming amounts. This is the principle on which America has fought this war. It has saved thousands of American lives.

There has been a misconception of the problem. Insufficient production in the United States has not up to this time been the cause of shortage of weapons and ammunition at the front. Any shortage has been due, up to now, solely to transportation problems overseas.

Unfortunately, certain news stories concerning actual shortages of ammunition in the hands of our fighting men have carried the implication that the lack of cartridges and ammunition at the front was due to some failure of production at home. These implications, we are assured, were not intended, and they are not well founded. To date, the problem has been one of transporting supplies from shipboard and from the Normandy beaches.

When our armies reached the borders of Germany, it was not only necessary to regroup troops, but to build adequate reserves of supplies for today's battles. Now, General Eisenhower's armies are using some of these reserves faster than new supplies are being shipped from home. You must note that I say "some," rather than all reserves. It is a question of increased production. The Nation, its manufacturers, its workers, must decide whether they can step up production of these critical items so that General Eisenhower and his men can continue to use them as fast as they need to in order to win.

The tempo of the war has speeded up. More men have come into combat. Demands for our productive capacity are becoming greater and greater.

We must assume that the demands for increased production are predicated on a military decision to continue to use material at the same or an increased tempo in future months.

Not all war production is behind schedule, but a large proportion—27 percent of the Army's supply program, consisting for the most part of critical items urgently needed—is behind schedule. Most prominent of those behind schedule are heavy artillery ammunition, certain types of aircraft, heavy trucks, heavy artillery, cotton duck, and large size heavy-duty tires.

Of the 27 percent that are behind schedule, 40 percent are behind because of program step-ups. That means that 40 percent of the trouble is due to increased war needs requiring procurement programs to be increased. Twenty-six percent of the critical programs are attributable to changes in design for the purpose of making the latest and most modern equipment available for the men at the front. Those soldiers are entitled to the best and must have it. We want no American soldier to die or be wounded because his equipment is in any way inferior to that of the enemy. Quite the contrary, we can save American lives by having superior equipment. Twelve percent of the critical programs can be attributed to a need for increased facilities and 22 percent of the critcal program is behind schedule because of labor shortages. We must bear in mind that the critical programs constitute only 27 percent of the whole war production picture, but that victory might well turn on the successful completion of these programs.

We are assured that everything is being done that can be done to keep design changes to a minimum, to avoid unnecessary fluctuation in production schedules, and to have facilities available when needed. The committee is carefully studying these aspects of the production program. What remains to be done is to find the labor to man the machines.

The committee has been advised that there are 1,300,000 less people engaged in war production in this country than a year ago. As these people left war production, it declined each month between November 1943 and August 1944. Since August, there has been an up-turn. Most recently, in November, there was an increase which the Acting Chairman of the War Production Board called, "tremendous." But, he added that even more production is needed. The task is still before us. War production requires workers in critical spots. Now, more will be needed next month, and still more in the month after that.

Your committee feels that it is its duty to call to the attention of the Congress and the people the urgency for the immediate return of workers to war jobs. This must be done now. For the present, one thing must be stressed. Those charged with war production have said that workers are needed. Hundreds of thousands of soldiers who are facing the rigors of winter in France and Germany are entitled to the unquestioned help of those who are comfortable at home. Those who desire to seek jobs which they think may have a post-war future must pause to consider the men in the foxholes, who may have no future at all.

The armed forces, the War Production Board, and the War Manpower Commission have assured our committee that they are taking and will take strenuous steps to cooperate with labor to the end of showing them what the jobs are, and of letting the people know how they may fill them. In some critical areas civilian production will have to be reduced. Materials may not be available for the manufacture of some civilian items. In areas where manpower is short, spot authorizations for the resumption of civilian production will have to be limited. This is a perfectly normal step. In fact, our committee recommended it in March of this year in its annual report. At that time, in urging a spot-authorization program, the committee cautioned

that the program should be limited to materials which are not needed for war production and to areas where manpower is not critical.

Organized labor and industry have pledged their support. Your committee has confidence that America will respond, and that the war will be fought vigorously on the home front as it is being fought in all parts of the world overseas. We have the assurance of those responsible for war production that they will not hesitate to come to Congress for additional legislative powers, should the present effort fail. But the effort must not fail, because any lag in war production today may mean that in the future our armies will lack the weapons for the battles which they must fight.

American labor and industry have proved their will and their ability to produce miracles. They will do the job again. It will be necessary only to tell them clearly what must be done.

The committee is steadily watching the war production and the manpower pictures. We shall continue to be alert to any changes which might imperil American striking power. We promise the Senate that we shall report such changes promptly.

SURPLUS PROPERTY BOARD—ROBERT A. HURLEY

The Senate resumed the consideration of the nomination of Robert A. Hurley to be a member of the Surplus Property Board.

Mr. FERGUSON. Mr. President, when the senior Senator from Vermont [Mr. AUSTIN] was speaking earlier in the day concerning the nominations which are before the Senate for confirmation, I asked certain questions and indicated that I would try to obtain for the RECORD certain data.

I state for the RECORD that in the October 1943 issue of Fortune magazine, on page 147 and subsequent pages, the following information is contained:

Henry J. Kaiser Co., the parent company, is the owner of Kaiser Co., Inc., and Kaiser Cargo, Inc. Kaiser Co., Inc., is the operator and owner of an interest, at least, in Fontana Steel Co., and Fleetwing Co., which manufactures in the State of Pennsylvania. Kaiser Cargo, Inc., is the operator of Richmond No. 3 Shipyards, Richmond No. 4 Shipyards, Swan Island Shipyards, and Vancouver Shipyards.

We also find that Kaiser Co., Inc., is the owner with Henry J. Kaiser Co. of a 50 percent interest in Consolidated Builders, Columbia Construction Co., Permanente Cement Co., Permanente Metals Corporation, and Evansville Shipyards. Henry J. Kaiser Co. is also part owner of Richmond No. 3 Shipyards, Richmond No. 4 Shipyards, Swan Island Shipyards, Vancouver Shipyards, and Fleetwing.

From the records of the Navy Department I have ascertained that Kaiser Co., Inc., operates the Fontana Steel Mills, Richmond No. 3 Shipyards in California, Vancouver Shipyards, a shipyards owned by the Government but operated by Kaiser Co., Inc.; and Swan Island Shipyards at Portland, Oreg.

I have also found that Henry J. Kaiser Co. is the stock holding company of the Permanente Metals Corporation, Kaiser Co., Inc., Permanente Cement Co., and Permanente Steamship Co., and has a one-half interest in Kaiser Cargo Co. of Bristol, Pa. It also owns a one-half interest in the Morrison-Knutson Co.

The Permanente Cement Co. is owned by six corporations, namely, Henry Kaiser Co., Columbia Construction Co., Inc., Utah Construction Co., Shay Co., Pacific Bridge Co., and the Edward Heller Co. Part owners are W. A. Bechtel Co., and Bechtel, Parson & McComb.

Bechtel, Parson & McComb is a general construction company, and it owns stock in all the Kaiser companies except the Permanente Steamship Co. and the Permanente Cement Co.

Bechtel, Price, Callahan is the company which performed work on the Canol project, and it is owned by or composed of W. H. Bechtel Co., W. E. Callahan Construction Co., and H. C. Price Co.

Mr. CLARK of Missouri. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Aiken	Guffey	O'Mahoney
Austin	Gurney	Overton
Bailey	Hall	Pepper
Bankhead	Hatch	Radcliffe
Bilbo	Hawkes	Reed
Brewster	Hayden	Revercomb
Brooks	Hill	Reynolds
Bushfield	Holman	Robertson
Butler	Jenner	Russell
Byrd	Johnson, Calif.	Shipstead
Capper	Johnson, Colo.	Smith
Caraway	La Follette	Stewart
Chandler	Langer	Taft
Chavez	Lucas	Thomas, Idaho
Clark, Idaho	McCarran	Thomas, Okla.
Clark, Mo.	McClellan	Thomas, Utah
Connally	McFarland	Truman
Cordon	McKellar	Vandenberg
Danaher	Magnuson	Walsh
Davis	Maloney	Weeks
Downey	Maybank	Wheeler
Ellender	Mead	Wherry
Ferguson	Millikin	White
George	Murdock	Wiley
Gerry	Murray	Willis
Gillette	Nye	Wilson
Green	O'Daniel	

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. MALONEY. Mr. President, the nominee before the Senate is a former Governor of my State. Members of his family have been listed in Connecticut for generations.

I do not know whether or not Governor Hurley, if confirmed—and I anticipate his confirmation—will measure up to the high expectations of the Members of the Senate in the disposition of surplus war materials and property. I could not honestly say that I would be certain of any man in that post right now. Much has been said of the need for experience. I do not suppose the man lives who in all his lifetime, excepting with great help, has ever undertaken to dispose of more than a hundred billion dollars worth of property.

I shall be brief, Mr. President, because the hour is late, and because almost everything that could be said has been said.

I attended the hearings of the Committee on Military Affairs. I was an attentive spectator. I have, of desire and necessity, given very close attention to the nomination.

Governor Hurley left Lehigh University early in the First World War to join the naval forces, and I think he served in submarine operations in that war. Returning from the war, he engaged in the manufacturing business, and I am told with success. He is a practicing engineer. In addition to having engaged in the manufacturing business he was a member of a well-known construction firm in my State. Some time later he was appointed Works Progress Administrator in Connecticut, and I am able to tell my colleagues that of my own knowledge he conducted that office efficiently, and with pretty general satisfaction.

On occasion he was confronted with acute problems as Works Progress Administrator, particularly during the periods of the devastating floods which caused great damage in Connecticut. Because of his obvious talents in that field Governor Wilbur L. Cross appointed him Public Works Commissioner of Connecticut, where he directed a $25,000,000 construction program, and without criticism, and with complete applause.

He was elected Governor of Connecticut, and the legislative record of his administration is a liberal record.

I have received some communications of opposition from my State to the nomination of Governor Hurley; all of them sincere, but not many in number; less than 20. I have received many messages urging his confirmation by the Senate. For the most part similar messages were directed to the committee. Some of those who had telegraphed came on the invitation of the committee to testify in Governor Hurley's behalf. I know that the former Governor discouraged their coming, and gave as his reason the transportation problem, the need in these distressing times that men do not use our transportation facilities unless they are seriously needed, and the difficulty in obtaining hotel accommodations here in Washington. And I say to the Senate in all sincerity that in my judgment, if Mr. Hurley had sought people to come and testify in his behalf he could bring them in very great numbers.

Among those who testified for him was a former vice president, and an official for more than a quarter of a century of the Aetna Insurance Co., in Hartford, Mr. William L. Mooney. Mr. Mooney was very high in his praise of Governor Hurley. During the course of the questioning of Mr. Mooney, the chairman of the committee, the Senator from North Carolina [Mr. REYNOLDS], asked the following question:

> Knowing that, would you say in your opinion he is sufficiently qualified and experienced to handle the job as a member of the Board?
>
> Mr. MOONEY. I do not know that anybody—

And I say in parentheses, Mr. President, that I associate myself with that observation—

> could well handle the disposition of $100,000,000,000 worth of surplus property, but I

know of no one in this country that I believe could handle such a job better than Governor Hurley.

That in itself is a most unusual expression of confidence. Among those who have written or wired to me in behalf of Governor Hurley are leading newspapermen of the State of Connecticut and some of the State's outstanding industrialists.

Mr. President, during the course of the hearings before the Committee on Military Affairs, and during the course of the Senate discussion, insofar as I know, not a single word or question has been raised as to the character or the integrity of the man. The witnesses coming to testify before the committee expressed confidence in his character and his integrity, and on occasion they gave praise to his record. And as I understand the hearings and the debate, the questions about Governor Hurley are as to whether or not he has had the experience and sufficient intellectual capacity to do the job. And emphasis, I thought was placed upon the fact that he is a defeated candidate for public office. Such men are in certain instances called "lame ducks."

Reference is made to a surplus of politicians, and fearful that that may be a stigma, let me remind my colleagues in the Senate of the fact that we have time and time again, the Members who are here now, voted to place in high office former Members who had fallen into the "lame duck" category. I was never impressed with that argument, Mr. President. I do not vote on a political basis in wartime or peacetime, and my especial concern now is that a resident of my State be given fair play, and that the Members of the Senate be fully informed as to the record.

It is a good thing for us, Mr. President, that we here in the Senate who have such a chronic appreciation of our own talents have not followed a different practice, that we have not really, except in the excitement of debate, paid much attention to the "lame duck" charges and the "lame duck" arguments. If we had, Mr. President, this country would have on so many occasions suffered a great loss. I shall not take the time of the Senate to remind the Members of those "lame ducks" who were appointed to high places. But I do remember a few. Senator Poindexter, who suffered defeat, was called back to governmental service in the diplomatic branch of our Government.

I remember that Senator Townsend, from the State of Michigan, was called back to serve his Government, and that Frank B. Kellogg, of Minnesota, returned to serve as Ambassador to Great Britain. Senators will remember some of their colleagues of another year—Senator Lenroot, of Wisconsin; Senator Fred H. Brown, of New Hampshire; Senator Minton, of Indiana; Senator Ashurst, of Arizona; Senator Prentiss Brown, of Michigan, and Senator Clyde Herring, of Iowa, all of whom were with us only a little while ago. Ever so many more distinguished names might be added to the list if we had the time.

I am sure that every Senator will remember that the distinguished father of the junior Senator from Massachusetts [Mr. WEEKS] returned to give his Nation distinguished public service in the President's Cabinet. They will remember the return of another Senator, Harry New, to the Cabinet as Postmaster General. I am sure that no Senator will forget that John Quincy Adams, of Massachusetts, returned to the Congress after having been defeated for reelection as President of the United States. Who will forget James G. Blaine and his return? Senators on this side of the aisle will not better remember than those on the other side of the aisle that William Jennings Bryan rendered great service to his country after having been defeated three times for the Presidency of the United States. Perhaps the memory will be better on the other side of the aisle as I recall the return of Joseph Cannon to the House of Representatives after defeats. Grover Cleveland was a "lame duck," and Rutherford B. Hayes felt the sting of defeat. Every Senator present will recall the several returns to governmental service of Henry Clay.

If the people of this country had raised a barrier against so-called lame ducks, Franklin D. Roosevelt would have been ineligible for the Presidency of the United States, and if the people of England had raised such a barrier the world would have been denied the war leadership of Winston Churchill, who suffered defeat on several occasions.

If I were to call the entire roll, I believe I could name one distinguished man—and in some instances many distinguished men—from every State in the Union who came back after having been rejected by the people at the polls. My own State is proud of the fact that the great father of the distinguished senior Senator from Ohio [Mr. TAFT], after having been repected at the polls in 1912, was recalled from Connecticut to become Chief Justice of the United States.

Mr. President, I wanted to lay that ghost. I wanted to be sure that there was not a single chance of any Senator being misled or misguided with respect to the "lame duck" charge.

I am sure that the neighboring State of New York is proud that, in spite of the fact that Charles Evans Hughes lost the Presidency in 1916, he came to the Supreme Court to reflect great credit upon himself, the State of New York, and the United States by his great service.

It is an almost endless chain. I might go on for hours reciting the names of great Americans who, because they were candidates at the wrong time, or at the wrong place, seem temporarily to have been rejected by heart and mind, as well as by the ballots of the people. So that reason is not a good one.

Who is to say that any conscientious American of reasonable talents cannot handle this job? I do not know.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. CHAVEZ. Is it not a fact that the most beloved President of them all——

Mr. MALONEY. I was coming to him. The Senator has in mind the Great Emancipator, of course.

Who is to say what man can or cannot do this job? There are some conscientious and able Senators who firmly believe—and please believe that I have some understanding of the importance of the office and of the magnitude of the task—that we should not place any of these surplus products on the market at this time. I do not necessarily agree with that view. Now might well be the time—and I have not discussed this matter with Mr. Hurley—to dispose of some of these things, when they are so sorely needed and when the funds to pay for them are available, rather than to delay the distribution of necessary goods until the people are without funds. In a period of even mild depression, people might not have the money to pay for them.

I remind my colleagues of the experience in the last war. Let them, and let the American people, not be misled into the belief that we are going to get back a large portion of the money which these materials cost. If we are, some of them must be sold now, when the money is available.

Mr. President, I discussed this whole matter at some length with Mr. Hurley. I should be less than frank with him and my colleagues, and less than fair to myself, if I did not spend some time, after his nomination was submitted, in attempting to ascertain his views and his plans. I spent hours questioning him. He told me that he shared my view that every transaction should be exposed to public view. He shares the feeling which I have—because he told me so—that there should not be one iota of political favoritism.

I told him that I was disappointed that the law did not specifically provide for a bipartisan board. I told him that were I nominated in his place, and confirmed, I would endeavor to have the Congress write into the law a provision that every single transaction should be made public. I told him that in the disposition of these properties he could not under any circumstances yield to any partisan desire of those uptown or downtown and he told me that he shared that view.

Because I am so much concerned, I believe I have gone as deeply into this matter as a man could. Mr. Hurley was not my candidate; but because he has been nominated, and because I expect that his nomination will be confirmed, he is of a little more concern to me than to other Senators, because he comes from my State, and because I now speak in his interest. I have told him that he will have no more harsh or interested critic than I am; and let me assure my colleagues that he convinced me of his conscientiousness and determination to endeavor to do a good job.

If I, a resident of his State, failed to speak here, my colleagues would assume and the interested people of the country would assume that it was a condemnation of the man. Because he is entitled to have me say what I have said, as are my colleagues, and because the Members of the Senate are entitled to know as

much as they can know about the candidate to this high office, I have taken up this much of the time of the Senate at the end of a day.

There should be no political hostility in this matter. If the nominees were Republicans and in my judgment worthy, they would receive my votes.

I realize there is a lack of enthusiasm for almost all the candidates presented to us in recent days. To a degree I share that feeling. But, regardless of party, I shall never fail to give my support to the confirmation of a candidate unless I have good reason therefor. We deal with the character of men. We deal with the record of men's capacity. Unless I am convinced that a nominee's character and capacity are not what they should be, I shall be among those who will cast a yea vote.

As I have said, I attended the hearings. In my judgment, there was no development there of anything which was wrong. The already great admiration I had for the distinguished senior Senator from Vermont [Mr. AUSTIN] was magnified by the manner in which he pressed every witness and by the energy with which he followed the entire proceedings.

So, Mr. President, I say to my colleagues that for the reasons I have stated I will vote to confirm Governor Hurley. I do not believe a single Senator will cast a vote on a party basis, and I do not believe there will be a vote against Mr. Hurley because he is a so-called lame duck. To my mind, the greatest of all lame ducks was Abraham Lincoln, who came back after defeat to lead our country in one of its very dark periods.

Mr. President, I shall not take more time. I am grateful to my colleagues for the patience they have extended to me.

Mr. DOWNEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Murray
Austin	Guffey	Nye
Bailey	Gurney	O'Mahoney
Bilbo	Hall	Pepper
Brewster	Hatch	Radcliffe
Brooks	Hawkes	Reed
Bushfield	Hayden	Revercomb
Butler	Hill	Reynolds
Byrd	Jenner	Robertson
Capper	Johnson, Calif.	Russell
Caraway	Johnson, Colo.	Smith
Chandler	La Follette	Stewart
Chavez	Langer	Taft
Clark, Mo.	Lucas	Thomas, Utah
Connally	McCarran	Truman
Cordon	McClellan	Vandenberg
Danaher	McFarland	Walsh
Davis	McKellar	Weeks
Downey	Magnuson	Wherry
Ellender	Maloney	White
Ferguson	Maybank	Wiley
George	Mead	Willis
Gerry	Millikin	
Gillette	Murdock	

The PRESIDING OFFICER. Seventy Senators have answered to their names. A quorum is present.

Mr. DANAHER. Mr. President, in the few remarks which it is my purpose to make I would divorce myself at the outset from any thought of partisanship, to the end that my colleagues on both sides of the aisle may realize that on that account there is no position which I am about to take which would be in derogation of that mentioned by my colleague.

Since November 7 I have personally refrained from taking part in expressions with reference to national policy. So far as the matter of senatorial prerogative and its share in appointive powers may be involved in the matter before the Senate, it has seemed to me that an expression is called for on my part, particularly since the nominee comes from my State.

When the President is surrounding himself with advisers of his own choosing, it seems to me that he is entitled to very wide latitude in the selections he makes. When, however, we, in the exercise of our part in the appointing power, are asked to advise and consent to the nomination of one who is to be administrator or executor of a law which Congress has passed, a very different situation arises. We are charged primarily, it has seemed to me, with inquiry into the capacity of the individual to fill the post to which he has been nominated. It is in that attitude that I approach the pending question.

Surely the record of the past 6 years will indicate that time and time again I have supported the President in the exercise of his personal choice of appointees. In this instance, however, we do not have that situation. On the contrary, we are called upon to weigh the question of whether or not we shall advise and consent to the nomination of the man who is to execute one of the most far-reaching pieces of legislation ever enacted by the Congress. Its import can scarcely be magnified to coincide with our own appreciation of its ultimate impact. It will be a tremendous task.

Nothing has been said on this floor by the distinguished Senator from Vermont [Mr. AUSTIN] in his very able presentation, or by any of the other Senators who have spoken in opposition to the nominee, which could even remotely approximate what the members of the nominee's own party said of him in the nominating convention held in Connecticut last summer. Therefore, so far as any partisanship is concerned, I can assure the Senator from Vermont that the record in the State of Connecticut speaks for itself in that respect.

Actually, the situation devolves to the appraisal made by the candidate himself when he was before the committee. I read from page 174 of part 2 of the hearings:

> I am very frank to state to you, sir, that my experience did not encompass disposal of any such quantities of property.

Of course, he is referring to $100,000,000 worth of surplus property. No man, Mr. President, has had any such experience. He points out further his understanding that the board will be required "to write regulations from time to time, so that the disposal agencies will be directed by the board as to whom to dispose to, and I believe that those directions will have to be changed as experience dictates, as we learn more about it."

Mr. President, I end the quotation there simply to comment that nothing in the nominee's record indicates any qualification whatever to write any regulations with reference to this type of project.

I shall conclude by briefly pointing further to the testimony of the candidate when he said:

> I think that this board will need the best brains of this Nation as advisers.

Mr. President, if the board is to need the best brains of the Nation as advisers, surely it will need no less as members of the board itself. Surely they must be competent to appraise the nature and the wisdom of the advice they will receive. Surely the ultimate responsibility is that of the board, not of its advisers. If, Mr. President, the board is to need the best brains of this Nation, I respectively submit, without going into the individual items of fact which might be submitted in this respect, that the record is barren of fact or incident, insofar as the public life of the nominee in Connecticut is concerned, to justify his selection. I agree that we need the best brains of the Nation for this prodiguous task, and I doubt that Mr. Hurley can meet that requirement.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Robert A. Hurley to be a member of the Surplus Property Board?

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. NYE (when his name was called). On this question I have a pair with the senior Senator from Alabama [Mr. BANKHEAD], who is necessarily absent. Were he present and voting he would vote "yea." Were I permitted to vote I would vote "nay." So I withhold my vote.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. I transfer that pair to the junior Senator from Ohio [Mr. BURTON], who if present would vote as I am about to vote. I am, therefore, at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Virginia [Mr. GLASS], and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Oklahoma [Mr. THOMAS], the Senator from Delaware [Mr. TUNNELL], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], the Senator from Washington [Mr. WALLGREN], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi

[Mr. EASTLAND], the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], the Senator from Oklahoma [Mr. THOMAS], the Senator from New York [Mr. WAGNER], and the Senator from Washington [Mr. WALLGREN] would vote "yea."

I further announce that the Senator from Kentucky [Mr. BARKLEY] is paired with the Senator from Montana [Mr. WHEELER]; the Senator from Delaware [Mr. TUNNELL] is paired with the Senator from Idaho [Mr. THOMAS]; and the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Idaho [Mr. WILSON]. I am advised that if present and voting, Senators BARKLEY, TUNNELL, and TYDINGS would vote "yea," and Senators WHEELER, THOMAS of Idaho, and WILSON would vote "nay."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Oklahoma [Mr. THOMAS], and vote.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. I am advised that if present and voting, he would vote "nay." His general pair and its transfer have heretofore been announced.

The Senator from Minnesota [Mr. BALL], the Senator from Ohio [Mr. BURTON], the Senator from Oklahoma [Mr. MOORE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Delaware [Mr. BUCK], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from Oregon [Mr. HOLMAN] are necessarily absent.

I also announce the following pairs on this question: the Senator from Idaho [Mr. THOMAS], who, if present, would vote "nay," with the Senator from Delaware [Mr. TUNNELL], who, if present, would vote "yea"; the Senator from Iowa [Mr. WILSON], who, if present, would vote "nay," with the Senator from Maryland [Mr. TYDINGS], who would vote "yea."

The result was announced—yeas 41, nays 28, as follows:

YEAS—41

Bailey	Guffey	Maybank
Bilbo	Hall	Mead
Byrd	Hatch	Murdock
Caraway	Hayden	Murray
Chandler	Hill	O'Mahoney
Chavez	Johnson, Calif.	Pepper
Clark, Mo.	Langer	Radcliffe
Connally	Lucas	Reynolds
Downey	McCarran	Russell
Ellender	McClellan	Stewart
George	McFarland	Thomas, Utah
Gerry	McKellar	Truman
Gillette	Magnuson	Walsh
Green	Maloney	

NAYS—28

Aiken	Ferguson	Smith
Austin	Gurney	Taft
Brewster	Hawkes	Vandenberg
Brooks	Jenner	Weeks
Bushfield	Johnson, Colo.	Wherry
Butler	La Follette	White
Capper	Millikin	Wiley
Cordon	Reed	Willis
Danaher	Revercomb	
Davis	Robertson	

NOT VOTING—27

Andrews	Glass	Thomas, Idaho
Ball	Holman	Thomas, Okla.
Bankhead	Kilgore	Tobey
Barkley	Moore	Tunnell
Bridges	Nye	Tydings
Buck	O'Daniel	Wagner
Burton	Overton	Wallgren
Clark, Idaho	Scrugham	Wheeler
Eastland	Shipstead	Wilson

So the nomination of Robert A. Hurley, of Connecticut, to be a member of the Surplus Property Board, was confirmed.

NOMINATION OF EDWARD HELLER TO BE A MEMBER OF THE SURPLUS PROPERTY BOARD

The VICE PRESIDENT. The Clerk will state the next nomination on the Executive Calendar.

The legislative clerk read the nomination of Lt. Col. Edward Heller, of California, to be a member of the Surplus Property Board.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination? [Putting the question.] The ayes seem to have it.

SEVERAL SENATORS. Division.

Mr. HILL. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. NYE (when his name was called). On this question, I have a pair with the senior Senator from Alabama [Mr. BANKHEAD], who is necessarily absent. Were he present and voting, he would vote "yea." Were I permitted to vote, I would vote "nay." So I withhold my vote.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. I transfer that pair to the junior Senator from Ohio [Mr. BURTON], who, if present, would vote as I am about to vote, and I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Virginia [Mr. GLASS], and the Senator from Louisiana [Mr. OVERTON] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Oklahoma [Mr. THOMAS], the Senator from Delaware [Mr. TUNNELL], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], the Senator from Washington [Mr. WALLGREN], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Kentucky [Mr. BARKLEY], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], the Senator from Oklahoma [Mr. THOMAS], the Senator from Delaware [Mr. TUNNELL], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], and the Senator from Washington [Mr. WALLGREN], would vote "yea."

I further announce that the Senator from Delaware [Mr. TUNNELL] is paired with the Senator from Idaho [Mr. THOMAS]; and the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Iowa [Mr. WILSON]. I am advised that if present and voting, the Senator from Delaware and the Senator from Maryland would vote "yea," and that the Senator from Idaho and the Senator from Iowa would vote "nay."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. I am advised that if present and voting, he would vote "yea."

The Senator from Minnesota [Mr. BALL], the Senator from Ohio [Mr. BURTON], the Senator from Oklahoma [Mr. MOORE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Delaware [Mr. BUCK], and the Senator from Oregon [Mr. HOLMAN] are necessarily absent. I am advised that if present and voting, the Senator from Ohio [Mr. BURTON] would vote "nay."

I also announce the following pairs on this question: The Senator from Idaho [Mr. THOMAS], who, if present, would vote "nay," with the Senator from Delaware [Mr. TUNNELL], who, if present, would vote "yea"; the Senator from Iowa [Mr. WILSON], who if present, would vote "nay," with the Senator from Maryland [Mr. TYDINGS], who would vote "yea."

The result was announced—yeas 43, nays 26, as follows:

YEAS—43

Bailey	Hall	Maybank
Bilbo	Hatch	Mead
Byrd	Hawkes	Murdock
Caraway	Hayden	Murray
Chandler	Hill	O'Mahoney
Chavez	Johnson, Calif.	Pepper
Clark, Mo.	Johnson, Colo.	Radcliffe
Connally	Langer	Reynolds
Downey	Lucas	Russell
Ellender	McCarran	Stewart
George	McClellan	Thomas, Utah
Gerry	McFarland	Truman
Gillette	McKellar	Walsh
Green	Magnuson	
Guffey	Maloney	

NAYS—26

Aiken	Davis	Smith
Austin	Ferguson	Taft
Brewster	Gurney	Vandenberg
Brooks	Jenner	Weeks
Bushfield	La Follette	Wherry
Butler	Millikin	White
Capper	Reed	Wiley
Cordon	Revercomb	Willis
Danaher	Robertson	

NOT VOTING—27

Andrews	Glass	Thomas, Idaho
Ball	Holman	Thomas, Okla.
Bankhead	Kilgore	Tobey
Barkley	Moore	Tunnell
Bridges	Nye	Tydings
Buck	O'Daniel	Wagner
Burton	Overton	Wallgren
Clark, Idaho	Scrugham	Wheeler
Eastland	Shipstead	Wilson

So the nomination of Edward Heller, of California, to be a member of the Surplus Property Board was confirmed.

Mr. CHANDLER. Mr. President, I ask that the President be notified forthwith of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

DEPARTMENT OF STATE—JOSEPH C. GREW

The VICE PRESIDENT. The clerk will state the next nomination on the Executive Calendar.

The legislative clerk read the nomination of Joseph C. Grew of New Hampshire to be Under Secretary of State.

Mr. PEPPER. Mr. President, on behalf of myself, the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. GUFFEY] and the Senator from Wisconsin [Mr. LA FOLLETTE] I submit the resolution, which I send to the desk, and ask to have read and lie on the table.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read as follows:

Whereas the Under Secretary of State and the five Assistant Secretaries of State, whose names have been submitted to the Senate constitute a complete reorganization of the Department of State, which will necessarily have great influence in determining the attitude and the policy of the Department of State and the foreign policy of the United States, in the conclusion of the war and the making of the peace; and

Whereas these policies will have a profound effect upon the future welfare and the peace of the people of the United States and the world; and

Whereas there is not time remaining in the present session of the Congress for due and adequate consideration to be given all these names in view of their great importance in these critical times: Now, therefore, be it

Resolved by the Senate, That further consideration of the nominations of the Under Secretary of State and the five Assistant Secretaries of State, on the Senate Calendar be postponed to January 3, 1945.

Mr. WHITE. Mr. President, is the Senator from Florida asking for immediate consideration of the resolution?

Mr. PEPPER. No.

Mr. WHITE. Mr. President, I wonder what the purpose is with respect to further session of the Senate today? We have been here now almost 7 hours.

Mr. HILL. I wonder if we could have a vote on the next nominee?

Mr. CONNALLY. Mr. President, I wish to make a point of order against the consideration of the resolution. I do not object to the submission of the resolution.

The VICE PRESIDENT. Does the Senator from Texas object to the resolution lying on the table?

Mr. CONNALLY. No; if it will just continue to lie on the table. [Laughter.]

The VICE PRESIDENT. Without objection, the resolution will be received and will lie on the table.

COMPENSATION OF EMPLOYEES IN THE POSTAL SERVICE

Mr. MEAD. Mr. President, I should like to have the attention of the acting majority leader and the minority leader. The other day we considered Senate bill 1882 to increase compensation of employees in the Postal Service, and at that time the junior Senator from Virginia [Mr. BYRD] wanted it to go over for a day. I understand that there is no objection to it now, and I should like to ask unanimous consent, as in legislative session, that the House bill, which has passed the House and is now on the desk, be considered at this time.

Mr. HILL. Mr. President, reserving the right to object, if it will not provoke any discussion or debate I have no objection.

Mr. MEAD. I do not believe it will, and if it will, I shall withdraw the request.

Mr. BAILEY. Mr. President, I object. I want to have the conference report on the river and harbor bill brought up for consideration. I do not think I should sit here and permit other legislation to come up during the executive session unless we can have the conference report on the river and harbor bill brought up.

Mr. HILL. I will say to the distinguished Senator from North Carolina that the conference report on the river and harbor bill will provoke considerable discussion. As I said to the distinguished Senator from New York, if his bill will provoke no discussion I shall have no objection to it.

Mr. MEAD. I see no objection to the consideration of the conference report on the rivers and harbors bill, and I hope my distinguished colleague will not object to a consideration of my bill unless it will provoke discussion. We had the matter up the other day, and the distinguished junior Senator from Virginia [Mr. BYRD] wanted an additional day to study it, and I thought that was a reasonable request.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. HATCH. I hope the Senator is not committing himself to the rivers and harbors bill.

Mr. MEAD. No, but I shall not object to it being considered. We had the increase of pay in the Postal Service up for consideration the other day. The bill has passed the House by practically a unanimous vote, a vote of 133 to 1, and I should like to have it disposed of, if it could be disposed of unanimously and quickly before the holidays.

Mr. WHITE. Mr. President, the Senator from Alabama [Mr. HILL] has indicated that he has no objection, if there shall be no debate. I should like to add one further condition, and that is that it is not going to open up this session to a lot of other legislative proposals. The trouble with the situation is that when one reaches back into the calendar at such a time as this and brings forward for action a bill which has been on the calendar and which has been passed over for reasons that seemed sufficient to some Members of the Senate, we are always confronted with a multiplicity of similar requests. I do not want at this time of night and after this lengthy session to consent to other legislative proposals.

Mr. LUCAS. Mr. President, I ask for the regular order.

The VICE PRESIDENT. Unanimous consent has been denied.

Mr. MEAD. Mr. President, who has denied unanimous consent? I did not hear any denial.

The VICE PRESIDENT. The Chair understands the Senator from Illinois has asked for the regular order. Therefore, the Senator cannot obtain unanimous consent.

Mr. MEAD. I doubt very much whether the consideration of the bill will take more than a minute. I wish my distinguished friend the Senator from Illinois would withdraw his request.

Mr. LUCAS. I withdraw my request for the regular order.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York?

Mr. BAILEY. Mr. President, unanimous consent was asked, and I stated that I objected. I reiterate the objection.

The VICE PRESIDENT. Objection is heard.

NOMINATION OF JOSEPH C. GREW TO BE UNDER SECRETARY OF STATE

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. HILL. Mr. President, has the nomination of Joseph C. Grew to be Under Secretary of State been stated yet?

The VICE PRESIDENT. Yes; it has been stated.

Mr. HILL. The nomination of Mr. Grew is now the business before the Senate?

The VICE PRESIDENT. It is now the business before the Senate.

Mr. HILL. I ask that the consideration of the nomination of Mr. Grew to be Under Secretary of State be laid aside temporarily and that the routine nominations on the Executive Calendar be considered at this time.

The VICE PRESIDENT. Without objection, the nomination of Joseph C. Grew, of New Hampshire, to be Under Secretary of State will be temporarily laid aside, and the routine nominations on the calendar will be considered.

FOREIGN SERVICE

Mr. HILL. I ask that the nominations in the Foreign Service be confirmed.

The VICE PRESIDENT. Without objection, the nominations in the Foreign Service are confirmed.

DEPARTMENT OF JUSTICE

Mr. HILL. Mr. President, I ask that the nomination in the Department of Justice be confirmed.

The VICE PRESIDENT. Without objection, the nomination in the Department of Justice is confirmed.

POSTMASTERS

Mr. McKELLAR. I ask that the nomination of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. HILL. I ask that the President be immediately notified of all routine nominations on the calendar this day confirmed.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

NOMINATION OF JOSEPH C. GREW TO BE UNDER SECRETARY OF STATE

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my

remarks a biographical sketch of Mr. Grew.

There being no objection, the sketch was ordered to be printed in the RECORD, as follows:

JOSEPH CLARK GREW

Born in Boston, May 27, 1880. Son of Edward Sturgis and Annie Crawford (Clark) Grew; student Groton (Mass.) School, 1892–98; A. B., Harvard, 1902; LL. D., George Washington University, 1926; LL. D., Norwich University, Colgate University, Trinity College, 1942; Bates College, Tufts College, Princeton University, Clark University, Bethany College, Harvard University, 1943; D. C. L. (and honorary chancelor) Union College, 1943; L. H. D., Denison University, 1943; LL. D. Rutgers University, 1944; married Alice de Vermandois Perry, October 7, 1905; children: Edith Agnes (deceased), Lilla Cabot (Mrs. J. Pierrepont Moffat), Anita Clark (Mrs. Robert English), Elizabeth Sturgis (Mrs. Cecil Burton Lyon). Traveled extensively in Europe and the East; appointed clerk to consulate general, Cairo, Egypt, 1904; deputy consul general at Cairo, Egypt, 1904–6; third secretary, American Embassy, Mexico City, 1906–7, St. Petersburg, 1907–8; second secretary, Embassy, Berlin, 1908–11; secretary of Embassy, Vienna, 1911–12; secretary Embassy, Berlin, 1912–16; Counselor Embassy Berlin, 1917; Counselor Embassy and Charge d'Affaires at time of break of diplomatic relations with Austria-Hungary, Vienna, 1917; assigned to Department of State, Washington, May 23, 1917; acting chief, Division of Western European Affairs, March 14, 1918; attended prearmistice negotiations at Versailles, as secretary to American delegation, October-November, 1918; secretary general, American Commission to Negotiate Peace, with rank of Envoy Extraordinary and Minister Plenipotentiary, Paris, November 30, 1918; designated as American secretary on International Secretariat of the Peace Conference, January 18, 1919; Counselor of Embassy at Paris, November 28, 1919; appointed Envoy Extraordinary and Minister Plenipotentiary to Denmark, April 7, 1920; appointed Envoy Extraordinary and Minister Plenipotentiary to Switzerland, 1921; unofficial observer American Conference on Near Eastern Affairs, Lausanne, 1922–23; negotiated and signed treaty with Turkey, August 6, 1923; American unofficial representative with Temporary Mixed Commission of League of Nations for Control of Traffic in Arms, Geneva and Paris, 1924; Under Secretary of State, 1924–27. Served as chairman personnel, examining, and school boards of Foreign Service and as member central committee, American Red Cross. Ambassador to Turkey, 1927–32; negotiated and signed treaty of commerce and navigation, 1929, and treaty of residence and sojourn, with Turkey, 1931; Ambassador to Japan, February 1932-December 8, 1941; Special Assistant to the Secretary of State since 1942. Director of the Office of Far Eastern Affairs 1944. Recipient Howland Memorial Prize, Yale, 1943; Roosevelt Distinguished Service Medal, 1943; Holland Society Gold Medal for Distinguished Service; 1943. Life membership National Geographic Society; fellow Royal Geographic Society (London), Harvard Travelers Club (Boston). Author: Sport and Travel in the Far East, 1910; Report from Tokyo, 1942; Ten Years in Japan, 1944. Episcopalian. Home: 2840 Woodland Drive, Washington, D. C.

Mr. CONNALLY. Mr. President, I do not know what the attitude of the Senate is at this time, whether it desires to proceed or to take a recess. I am not intruding my views on that subject at all. However, I wish to say that the printed hearings before the Committee on Foreign Relations have been placed on the desk of every Senator, and I invite the attention of Senators to what occurred in the committee. If the Senate is disposed to vote on this nomination at this time, it is entirely agreeable to me.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I should like to say that I have been very active and outspoken in the Foreign Relations Committee against the confirmation of the nomination of Mr. Archibald MacLeish. I still think it is a very unfortunate nomination. I should be very glad indeed to have his nomination rejected, but in view of the fact that the effort has been made in the committee to tie Mr. MacLeish's nomination to the nominations of Mr. Grew, Mr. Clayton, and the other nominees, I stated to the chairman of the committee this afternoon that, so far as I am concerned, it is my intention not only to vote, but, if necessary, to speak for the confirmation of Mr. MacLeish and the other nominees. It seems to me that the effort which has been made in the committee by other members of the committee to defeat such very excellent appointees as Mr. Grew, Mr. Clayton, and General Holmes is entirely unjustifiable. Therefore, if necessary, I shall not only vote but speak for the confirmation of all the nominations.

Mr. CONNALLY. I thank the Senator from Missouri.

Mr. President, if the Senate is disposed to vote on the nomination of Mr. Grew at this time, I have no objection; but I shall not burden the Senate with a speech.

Mr. GUFFEY. Mr. President, I should like to be heard at some length in opposition to the nomination of Mr. Grew. Three or four hours on Monday will probably give me sufficient time. If it is thought desirable, I can start tonight.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committee.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Hervé J. L'Heureux, of New Hampshire, now a Foreign Service officer of class 5 and a secretary in the Diplomatic Service, to be also a consul general;

Andrew E. Donovan 2d, of California, now a Foreign Service officer of class 6 and a secretary in the Diplomatic Service, to be also a consul;

U. Alexis Johnson, of California, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul; and

James C. Sappington 3d, of Maryland, to be a Foreign Service officer of class 5, a secretary in the Diplomatic Service, and a consul.

By Mr. WALSH, from the Committee on Naval Affairs:

Commodore Marion C. Robertson, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving under commander, United States naval forces in Europe, and until reporting for other permanent duty;

Capt. Lester T. Hundt, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, naval air training bases, Pensacola, Fla., and until reporting for other permanent duty;

Capt. Charles J. Parrish, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as chief of staff and aide to commander, Hawaiian Sea Frontier; and

Capt. Fred D. Kirtland, United States Navy, to be a commodore in the Navy for temporary service, to continue while serving in the Pacific Ocean areas and until reporting for other permanent duty.

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

NUMBER OF GENERALS IN THE ARMY

As in legislative session,

Mr. HILL. Mr. President, on yesterday the distinguished Senator from Missouri [Mr. CLARK] asked me if I could advise him as to the number of lieutenant generals in the Army. I did not at that time have the figures as to the number of lieutenant generals, but I now have the figures. I wish to state that in the Army today there are 4 generals of the Army, and 2 full generals, 38 lieutenant generals, 369 major generals, and 976 brigadier generals, or a total of 1,386 generals in the Army of the United States.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. PEPPER. I wonder if the able Senator has also information as to how many of the top generals were in the reserve or in the national guard?

Mr. HILL. I cannot give the Senator that information tonight, but I will be delighted to obtain it for the Senator.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. CLARK of Missouri. I simply desire to call attention to the fact that at the time the authorization was passed assurance was given to Congress that there would be only 4 lieutenant generals.

Mr. HILL. Mr. President, I do not question what the Senator from Missouri has said, but I do not recall that there was such an understanding. There may have been some such understanding, but I myself do not recall it.

Mr. CONNALLY. Mr. President, the Senator from Missouri no doubt refers to the original bill creating four lieutenant generals. I do not know of any subsequent legislation. The Senator from Alabama [Mr. HILL] will know whether or not any additional legislation was approved by this committee.

Mr. HILL. There must have been additional legislation. Otherwise the War Department would not have had authority to name additional lieutenant generals.

Mr. CONNALLY. I am advised that the War Department takes the position that if the Congress creates that rank,

the Department is then at liberty to appoint as many as it desires to that rank. I was told that by an Army officer.

RECESS TO MONDAY

Mr. HILL. Mr. President, the Senate has now been in session for 7 hours. In view of the statement of the Senator from Pennsylvania [Mr. GUFFEY] I think we might well take a recess at this time. I therefore move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate in executive session took a recess until Monday, December 18, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 16 (legislative day of November 21), 1944:

IN THE NAVY

Capt. Ben H. Wyatt, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, naval air bases, First Naval District, and until reporting for other permanent duty.

Capt. Thomas E. Van Metre, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as assistant naval inspector general and until reporting for other permanent duty.

Commodore Burrell C. Allen, United States Navy, retired, to be a rear admiral in the Navy on the retired list, for temporary service, to continue while serving as chief of staff to the commander, Western Sea Frontier.

Capt. Paul E. Pihl, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as assistant chief of staff (logistics) to the commander, Western Sea Frontier, and until reporting for other permanent duty.

Rear Admiral Frederick G. Crisp, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 1st day of June 1942.

Rear Admiral Edward L. Cochrane, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 21st day of June 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 16 (legislative day of November 21), 1944:

FOREIGN SERVICE

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

William W. Corcoran
Charles W. Lewis, Jr.

DEPARTMENT OF JUSTICE

Ugo Carusi to be Commissioner of Immigration and Naturalization, United States Department of Justice.

SURPLUS PROPERTY BOARD

TO BE MEMBERS OF THE SURPLUS PROPERTY BOARD

Robert A. Hurley
Lt. Col. Edward Heller

POSTMASTERS

CALIFORNIA

Vera L. Toleman, Happy Camp.

LOUISIANA

Minnie Murphey Fontane, Hessmer.

MICHIGAN

Charles F. Greenlease, Biteley.
Sadie Curran, Caseville.
Harper W. Capman, Lambertville.
M. Adele Zinger, Ruth.
Jennie L. Wyman, South Rockwood.

NEW YORK

Thomas J. Tighe, Jr., Amsterdam.
Eunice A. De Lisle, Berne.
Lucy B. Pulver, East Nassau.
Joseph P. Hertz, Glenmont.
Helen Wheatley, Greenfield Center.
Mortimer E. Clement, Honeoye.
William Light, Morrisonville.
Mildred S. Makyes, Onondaga.
Leo S. Kittell, Silver Creek.
Anna M. Isbell, Warners.
W. Kenneth Atkins, Westerlo.
Helen K. Morrison, Westmoreland.

UTAH

Agnes Ellen Scow, Dragerton.
James C. Hill, Elsinore.
Nell M. Ekker, Loa.
Fenton T. Draper, Moroni.
Christena G. Frank, Providence.
Thomas J. Morley, Salina.
LaPreal Richards, Spring Canyon.
Rulon L. Blain, Spring City.
Lois M. Jones, Sunnyside.
Florence Taylor, Willard.

HOUSE OF REPRESENTATIVES

SATURDAY, DECEMBER 16, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O harbinger of peace and of good will to the children of mankind, we acknowledge Thee to be the only Saviour of the world. Thou hast broken the silence of eternity and made the face of the Infinite God most glorious. Beneath the cover of frail flesh has throbbed the power which built the world, for in the might of the manger cradle is the hand of the Creator of heaven and earth. O speak in this year of our Lord, that loathsome wickedness may lose its power, that untruth may cast aside its mask, and that man may walk everywhere in newness of life and in the peace of brotherly esteem.

As we contemplate Thy lowly birth, we feel a devout spirit of mystery, yet we are conscious that the darkness is only the blindness of our own eyes, too weak to bear the white light of the holy promise; O teach us of Thy ways that we may walk in Thy paths. We praise Thee that we shall soon hear the angels' chorus: "Watchman, what of the night?" "Glory to God in the highest; on earth peace, good will toward men." O Thou whose halo is the light of timeless past, with Thine all-seeing eye move through this troubled world and touch its imprisoned soul; then the eyes of the blind shall be opened and the ears of the deaf unstopped and Thou wilt comfort Thy people and have mercy upon the afflicted. Fill our homes with the sweetest joy and bless the loved ones near and separated far away. Keep in Thy loving care our President, our distinguished Speaker, the Members, officers, employees, and the pages of the Congress—may Thy merciful providence abide with them. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5566. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944.

The message also announced that the Senate agrees to the amendments of the House to a concurrent resolution of the Senate of the following title:

S. Con. Res. 23. Concurrent resolution establishing a Joint Committee on the Organization of the Congress.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1827) entitled "An act for the relief of Oliver N. Knight."

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two different matters, in the first to include an editorial which appeared in the Boston Sunday Post and in the second to include an editorial which appeared in the Christian Science Monitor, of Boston.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter which I received from one of my constituents.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a news article.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by me at Knoxville, Tenn., December 1, 1944.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RANKIN. Also, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by the Honorable Winston Churchill in the House of Commons a few days ago on the Greek situation.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FEDERAL CROP INSURANCE ACT—CONFERENCE REPORT

Mr. FLANNAGAN. Mr. Speaker, I call up the conference report upon the bill (H. R. 4911) to amend the Federal Crop Insurance Act, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Without objection, the Clerk will read the statement of the conferees.

The Clerk read the statement to the conferees.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4911) to amend the Federal Crop Insurance Act having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 11 and agree to the provision of the House bill amended to read as follows:

"*Provided*, That, after the crop year of 1949, not more than a sum equivalent to 25 per centum of the premiums collected in the preceding year (beginning calculation of premiums collected in the crop year of 1949) shall be used for administrative expenses in any current operating year."

And the House agree to the same.

That the Senate recede from its amendment numbered 12 and agree to the provision of the House bill amended to read as follows:

"*Provided, however*, That, after the crop year of 1949, if the total amount of accumulated claims for losses on any agricultural commodity for any year exceeds the total amount of the premiums collected less the accumulated premium reserves of the Corporation with respect to any such commodity (which reserves, after the crop year of 1948, shall not be less than 10 per centum of the premiums collected on such commodity), such claims shall be paid on a pro rata reduced basis."

And the House agree to the same.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18, and agree to the same.

J. W. FLANNAGAN, Jr.,
HAROLD D. COOLEY,
ORVILLE ZIMMERMAN,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the part of the House.

ELMER THOMAS,
J. H. BANKHEAD,
ALLEN J. ELLENDER,
RICHARD B. RUSSELL,
ARTHUR CAPPER,
HENRIK SHIPSTEAD,
GEORGE D. AIKEN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4911) to amend the Federal Crop Insurance Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 1 of the House bill authorized all-risk crop insurance with respect to wheat, cotton and flax commencing with the crops planted for harvest in 1945. Such insurance coverage was to be fixed by the Board at not in excess of 75 per centum of the recorded or appraised average yield for the farm except that such coverage was not to exceed the investment in the crop. The Senate struck out the provision in the House bill limiting the insurance coverage to the investment in the crop. The House agrees to this Senate change.

Section 1 of the House bill also authorized experimental insurance with respect to many specifically named agricultural commodities, and in general with respect to all agricultural commodities, if actuarial data are available. Experimental insurance with respect to any commodity was to be limited to the producers in not to exceed 20 representative counties and could be insured on the basis of cost of investment as well as yield. The Senate added sugarcane, timber and forests to the list of named crops. The Senate also provided that beginning with the crop year 1945 experimental insurance should be limited to corn and tobacco and to not more than three additional crops for each year thereafter. The Senate also made some additional technical and clarifying changes in section 1 of the House bill. The House agrees to these Senate changes.

Section 2 of the House bill authorized the Corporation to fix adequate premiums to cover crop losses and to establish within a period of three years a reasonable reserve against unforeseen losses. This section of the House bill also provided that after the crop year 1945 not more than 25 per centum of the premiums collected in the preceding year shall be used for administrative expenses in any current operating year. The Senate changed the bill to provide that the reserve against unforeseen losses should be established as expeditiously as possible in lieu of the three-year period provided in the House bill and the House agrees to this change. However, the conference agreement provides, by amendment to section 3, that after the crop year 1948 the reserves against unforeseen losses to be established by the Corporation shall not be less than 10 per centum of the premiums collected with respect to any agricultural commodity. The Senate struck out the limitation on administrative expenses. The conference agreement retains the House limitation on administrative expenses except that the limitation is not applicable until after the crop year 1949.

Section 3 of the House bill authorized the Corporation to adjust and pay claims for losses provided that if the amount of approved claims exceeded the premiums collected plus accumulated reserves, such claims were to be paid on a pro rata reduced basis except that for the first three crop years the claims were not to be reduced by more than 15 per centum of the approved amount. The conference agreement retains the principle of the House provision. Under the conference agreement, after the crop year 1949, if the approved claims for losses on any commodity exceed the premiums collected less the accumulated premium reserves, such claims shall be paid on a pro rata reduced basis, and the Corporation would be required, after the crop year 1948, to set up as a reserve not less than 10 per centum of the premiums collected on any commodity.

Section 4 of the House bill which repealed subsection (c) of section 508 of the Federal Crop Insurance Act was stricken out by the Senate. Since under the terms of the House bill insurance with respect to cotton was limited to the investment in the crop subsection (c) of section 508 of the Federal Crop Insurance Act, which provided for recognizing the value of cottonseed in determining insurance coverage, was not necessary. Inasmuch as the conference agreement now provides for yield insurance with respect to cotton, this provision of the existing law should not be repealed. Accordingly, the House agrees to the Senate amendment.

Section 5 of the House bill, now section 4, amended section 518 of the Federal Crop Insurance Act to broaden the definition of the term "agricultural commodity". The Senate amended this definition by adding sugarcane, timber, and forests. The House agrees to this change.

The Senate amended the House bill by adding a new section 5 authorizing an appropriation of $30,000,000 for making payments to producers to encourage an increased production of flax for the crop year 1945. It provided that this money shall be expended subject to such provisions of sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, as are applicable to carrying out a program of this kind. The War Food Administrator is authorized to make commitments to the producers of flax in advance of the appropriation of the funds authorized. The House agrees to the Senate amendment.

The Senate also added a new section 6 to the bill. This section makes immediately available for the administration of the Federal Crop Insurance Act for the remainder of the fiscal year ending June 30, 1945, as an additional amount, not in excess of $3,000,000 of certain unobligated balances of funds heretofore appropriated to carry out the Federal Crop Insurance Act. In addition to reappropriating the $3,000,000 above referred to, this section repeals the provisos in existing appropriation acts requiring the liquidation of the Federal Crop Insurance Corporation. The House agrees to the Senate amendment.

J. W. FLANNAGAN, Jr.,
HAROLD D. COOLEY,
ORVILLE ZIMMERMAN,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the part of the House.

Mr. FLANNAGAN. Mr. Speaker, this is a unanimous report, signed by all of the Senate and House conferees. I believe it sets up a fair and just program of crop insurance for at least the trial period of 5 years.

Mr. Speaker, I believe that the great majority of the membership of the House are deeply interested in working out a sound crop-insurance program. We all realize the need for such insurance. We are all cognizant of the fact that no private insurance company, so far, has been able to work out a plan whereby general insurance coverage is given the farmers on the crops they produce. If such a plan is developed, it will have to be developed by the Government, and the realization of this fact is the reason we have before us for consideration the crop-insurance legislation.

Let me be perfectly frank about the matter. This legislation is an experiment. We are pioneering in a new field. No one can speak with certainty on the matter. While we all hope that the plan we have worked out will succeed, only time alone can tell the tale. I will say, however, speaking personally, that in my opinion the general welfare of the farmers demands that crop insurance be continued, even if during the 5-year trial period provided for we are unable to place the program upon a sound actuarial basis; provided, however, the cost of continuing the program is not unreasonable and altogether out of keeping with the benefits derived by the farmers. In other words, sound public policy demands that the farmers be furnished with a

crop-insurance program, provided the burden of carrying on such a program is not too heavy. If we will only stop and figure up the cost to the Government occasioned by crop losses due to droughts, floods, disease and insect infestations, and other causes beyond the control of the farmers, I believe that we will find it would be cheaper in the long run for the Government to stand a reasonable loss in carrying on a crop insurance.

The Senate and House conferees have attempted to adjust their difference in such a way as to work out a fair and honest 5-year trial period for crop insurance. During this period we provide for a straight 75-percent coverage of the average yield. This makes certain to the farmers that during the first 5 years they—provided, of course, they take out insurance—are going to be paid 75 percent of their crop loss. Broadly speaking, under the terms of the legislation, after the 5-year period the insurance goes upon a mutual basis, and if the losses amount to more than the intake, the intake will have to be pro rated. To my mind this provision, unless we can put crop insurance on an actuarially sound basis within 5 years, is nothing short of a death sentence, and if at the end of the 5-year period the program is not actuarially sound it will have to be abandoned. We will, however, have 5 years to think this over. During these years we will, no doubt, learn many things from experience, and this experience will probably cause us to make many changes in the law.

In order for the program to have a reasonable chance to succeed, I believe there are certain things that are imperative from an administrative standpoint.

First. Insurance depends upon salesmanship, and we have got to put on a real sales campaign in order to bring a sufficient number of participants under the program. The greater the participation in the program the greater the chances for success will be. In this connection, I believe a commission, rather than a salary, should be paid to those selling insurance.

Second. I believe that only a policy covering a period of at least 3 years should be sold. If this is not done the farmer will only take out a policy in the years when the prospects for a good crop are poor. Only term insurance—the longer the term the better—should be sold, so the losses will thereby be spread over a term of years.

Third. Someone familiar with insurance—especially in the selling end of insurance—should be placed in charge of the program. After all is said and done, insurance is a question primarily of salesmanship.

I know of no objection to the compromise bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield me a little time that I may make a short explanation concerning the report?

Mr. FLANNAGAN. Yes.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I feel that an explanation is due the membership of the House covering the essential points of the agreement reached by the conferees on the crop-insurance bill. Several material changes were made in the House bill. The conference, however, was unanimous in reaching an agreement.

In order that there may be no misunderstanding as to my position on this type of legislation, I desire to point out the following: I would not support legislation to put the Government into the business of crop insurance or any other kind of business if such business could be done through private endeavor. It has been clearly demonstrated to the committee that no private insurance company in this country has ever succeeded in providing farmers with full-coverage crop insurance. Every private company which has sold such insurance to farmers has failed. It cannot therefore be said that should the Congress approve an experiment to provide American farmers with over-all insurance on crops, under sound actuarial and administrative policies, that it will encroach upon the business of any private insurance company.

There is a need for the establishment of a sound over-all crop-insurance program in this country. Billions of dollars have been paid out of the Treasury during the last 12 years to farmers to supplement their income and to provide them with money to purchase seed for the planting of crops on account of failures and for feed for livestock. With a national debt approaching $300,000,000,000, it must be apparent to every thinking person that the time will soon be here when such appropriations can no longer be made. It is therefore my hope that out of this legislation will come a sound and permanent program which will give American farmers the opportunity to insure all of their crops upon the payment of premiums sufficient to take care of the losses. Such a program under this bill, if it works, will assure farmers of a 75-percent return of income of the recorded or appraised average yield of the crop covered by the insurance when losses occur. This is and should be a business proposition. The farmer pays his premium and, if he sustains a loss, he is protected up to 75 percent of the damage.

To make any crop-insurance program worth while I insist that it must be administered by the highest quality of men experienced in the insurance business. Secondly, the premiums collected for insurance coverage on any crop must be based upon sound actuarial experience. In the third place, the insurance organization created by this legislation should be run on a business basis and not as a charitable or political proposition. If those in charge of the administration of crop insurance do not follow these fundamental policies, the entire program is doomed for early failure.

I recognize that any organization of this character must necessarily go through an experimental stage, and that during such a period the Government may be called upon for financial assistance to make up losses not adequately covered from premium collections. The bill provides for such an experimental period of 5 years, after which all losses will be paid out of premiums. If the premiums, less a 10-percent reserve which is required to be set aside after the fourth year, are not sufficient to take care of all losses, then those who have suffered a loss will be paid on a pro rata basis, and the Government will not be called upon to make up the difference. In other words, we are endeavoring by this legislation to insist on putting into practice certain basic business policies to assure success in the establishment of a sound and permanent, as well as self-sustaining, over-all crop-insurance program.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. May I state to the gentleman that Mr. Marvin Jones, of the War Food Administration will be happy to meet with the Committee on Agriculture of both the House and Senate in order to go over the administrative end of the program. He assured me he would cooperate to the fullest extent in carrying out the views of the House and the Senate on the administration of the program. As the gentleman knows, we had a discussion of that during our conference and it was the opinion of all the conferees that we should have such a conference and that we should have some say-so in the way the program will be administered.

Mr. AUGUST H. ANDRESEN. The gentleman recognizes the fact that one of the reasons for failure in the present program was due to the lack of experience on the part of the administrators.

Mr. FLANNAGAN. I think that is largely true.

Mr. AUGUST H. ANDRESEN. May I say that this is no reflection on those in the Department who have been handling this program. What I have said here today about getting well-trained, experienced men to handle this crop-insurance program is something that is necessary if the program is to succeed.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Missouri.

Mr. SHORT. The distinguished chairman of the committee has partially answered the question I had in mind, which was to ask what assurance, if any, we had that we will have increased efficiency in the administration of this law if the conference report is adopted?

Mr. FLANNAGAN. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. May I say to the gentleman from Missouri that I think Judge Jones will cooperate to the fullest in setting up the right kind of personnel to administer this program. We will be largely governed by the thought of the Senate, and the House, as to the most effective and efficient way whereby the program can be administered.

Mr. SHORT. Heretofore the War Food Administrator has not had the authority or control over the administration of the act.

Mr. FLANNAGAN. That is right.

Mr. SHORT. I feel satisfied that if he is given that control we will have a better administration.

Mr. AUGUST H. ANDRESEN. Let me say to the gentleman from Missouri that the additional check we have on the administration of this program is the fact that they must come to the Committee on Appropriations every year for administrative expenses. The bill also provides that a report must be made to the Congress each year. We, in the Committee on Agriculture, are urging you to give this program a trial. We give you our assurance that as long as we remain here we will see to it that this program is carried out on a businesslike basis; otherwise I will be the first man to come before this House and urge my colleagues to vote down any appropriation to administer the program.

Mr. SHORT. It is hoped that the administrative costs in the future will be considerably less than they have been in the past, because they have been excessively high.

Mr. AUGUST H. ANDRESEN. In that connection, after the 5-year experimental program, the conferees agreed to the amendment which I offered to the bill which limits the administrative expenditures to 25 percent of the premium collected in the preceding year.

Mr. SHORT. I think the chief criticism of the Congress about this whole proposition has been the excessive costs of administration; the money not going to the farmers for whom it was really intended.

Mr. AUGUST H. ANDRESEN. We recognize that when you are building up a big business like crop insurance the expenditures are going to be more than the income, but we are laying the foundation here for what I believe will eventually be a sound crop-insurance program, if properly administered.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I notice the legislation only deals with cotton, wheat, and flax. Did the Senate or the House give any consideration to the inclusion of soybeans and rye, which will become increasingly important?

Mr. AUGUST H. ANDRESEN. May I answer the gentleman this way: To begin with, the program will go into operation on cotton, wheat, and flax. Then for an experimental period for the first year of 1945 it will cover corn and tobacco in 20 counties. In addition, they may select three other crops for experimental purposes. The reason for the experimentation and the restricted area in which that insurance will be placed is due to the fact that they do not have actuarial figures upon which to determine premiums and other necessary information.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. FLANNAGAN. Mr. Speaker, I yield 10 additional minutes to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The bill provides that the premiums must be based upon actuarial facts, because no program can succeed unless it is sound, and the premiums must be large enough to cover what the indemnities might be over the entire country.

Let me answer the gentleman's question as to the other crops. The gentleman knows that we put an amendment into the House bill which provided for a study and eventually the coverage of oats, barley, and rye. I offered that amendment. Those crops will become a part of the experimental program.

Mr. KNUTSON. I notice that you place a limitation on using more than 25 percent of the premiums for administrative purposes. Is not that rather high?

Mr. AUGUST H. ANDRESEN. No. The figures we had from private insurance companies showed that the administrative or overhead expense went as high as 48 percent. We felt that that limitation placed on it after the experimental period would at least restrain them from spending too much money.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Was the 25-percent limitation taken off for the first 2 years because the committee thought it was too high or too low?

Mr. AUGUST H. ANDRESEN. It was felt that there should first be a 5-year experimental period.

Mr. MILLER of Connecticut. The 25 percent in any type of insurance I know of is exceedingly high. I cannot imagine any figures that would show an administrative overhead of anything like that mentioned by the committee of 48 percent. It goes down to 8 or 9 percent in both casualty and fire insurance.

Mr. AUGUST H. ANDRESEN. Of course, life insurance is not comparable with this. The figures show that during the years the program was in operation the overhead expense, the administrative expense, was 38 percent.

Mr. MILLER of Connecticut. The Government insurance?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. MILLER of Connecticut. When you figure the overhead for this program, is any allowance made for rent, light, heat, and things like that that have to be taken into consideration?

Mr. AUGUST H. ANDRESEN. They have been operating through the triple-A office. That has run into a lot of money. In a good many counties in which the committees have operated they have probably been paid and have not produced any business.

Mr. MILLER of Connecticut. I notice reference to operating according to sound actuarial facts. I am wondering where the Government is going to get any sound actuarial facts on crop insurance.

Mr. AUGUST H. ANDRESEN. The experience of some of the old-line companies that undertook this type of insurance years ago, plus the general experience that insurance men would have, should be helpful in setting up this program so it would be actuarially sound.

Mr. MILLER of Connecticut. They could not make it work for themselves, and I wonder how they could make it work for the Government.

Mr. AUGUST H. ANDRESEN. These premiums are to be set up on an actuarially sound basis. The experimental program covers a period of 5 years. An amendment which I offered was placed in the bill requiring that a reserve of 10 percent of the premiums be set up, and at the end of the fifth year there would be a limitation on administrative expenditures of 25 percent of the premiums collected in the preceding year.

Some criticism will be raised, particularly by the gentleman from Illinois [Mr. DIRKSEN], to the effect that the conferees abandoned the House provision which limited the indemnities to the cost of putting the crop in. In part we did abandon it, but as a general principle, after the experimental period of 5 years is over, the conference report provides that the indemnity shall be paid on a pro rata basis if the premiums are not large enough to cover the losses. We retained that in the bill so that after the experimental period, whatever the premiums are and whatever the losses are, they will have to balance. If the losses exceed the premiums, those who have suffered loss will receive their payments on a pro rata basis.

As to the coverage, the bill provides for 75 percent of the recorded or appraised average yield of the crop, which is what we had in a part of the House bill with the limitation that it could not exceed the cost of putting the crop in. That is what was abandoned. In addition, the Senate wrote in a provision for a $30,000,000 appropriation to secure additional flax production in the United States.

Mr. SHORT. Mr. Speaker, will the gentleman yield at that point?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SHORT. Can the gentleman give the Members of the House at least a rought estimate as to what the total cost of this will be to the taxpayers?

Mr. AUGUST H. ANDRESEN. The total cost of the insurance program is difficult to estimate but I am satisfied that the Committee on Appropriations, which has to pass on all appropriations for administrative expenses, which committee has as one of its members, the distinguished gentleman from Illinois [Mr. DIRKSEN], will see that the appropriations are held within the bounds of decency and according to the needs.

Mr. SHORT. Well, does the gentleman mean to say we are voting on something here today the amount of which is so uncertain?

Mr. AUGUST H. ANDRESEN. No. The sum of $3,000,000 has been allocated,

I might say, which will cover administrative expenses up to June 30, 1945.

Mr. SHORT. Mr. Speaker, as long as the money goes to the farmers, to whom we intend it to go when we vote for this, instead of to some political agency, I do not think there would be serious objection.

Mr. AUGUST H. ANDRESEN. They have some expenses which would be necessary to set the program up. I am willing to concede that, and I agree with the gentleman from Missouri.

FLAX PRODUCTION

Mr. Speaker, I also desire to call your attention to a section of the conference report which provides for an appropriation of $30,000,000, which will be used as incentive payments to farmers to bring about an increase in the acreage of the 1945 flax crop. This appropriation was inserted by the Senate. The conferees of the House approved it, and I strongly urge the House to accept the amendment in the interest of the war effort and for the benefit of our civilian economy.

In 1943 the farmers of this country raised about 52,000,000 bushels of flax. Flax is a very essential crop in the war effort and also most essential in the civilian economy because of the fact that the linseed oil which comes from the flax goes into paints, varnishes, and oils and into many other products. There was no particular effort made to secure the same production of flax in the United States for 1944 and as a result the flax production went from 52,000,000 bushels down to about 26,000,000 bushels.

The farmers did not have the price incentive to produce flax, due to the low price established by the O. P. A. on flaxseed. It was more profitable to produce corn, soybeans, and other crops. In fact the farmers could make twice as much money or three times as much money producing corn, wheat, soybeans, and other crops than they could by producing flax. Furthermore flax is a hazardous crop. Now it was thought we could get flax in from the Argentine. Well, due to the restrictions placed on the importation of flax from the Argentine by the State Department no flax came in from that country. Now we find ourselves without sufficient flax to take care of the war effort and also to provide care of the civilian needs. The O. P. A. refuses to raise the price on flax and so it was decided by the flax producers and those of us who are interested in having enough flax and linseed oil for our domestic economy and for the war effort, to try and urge the farmers to raise more flax. It was believed that, if the farmers would receive $5 or $6 an acre as incentive payment for planting and producing flax, then we could probably get the five or six million acres needed to produce around 50,000,000 bushels of flax in 1945.

I definitely prefer that farmers should receive compensatory and fair prices in the market place for flax or any other commodity in the place of subsidies from the United States Treasury. But, with flaxseed, we are up against a reality. The O. P. A. refuses to increase the price of flax to a point that will induce farmers to plant this crop in preference to other products which are more profitable under existing price ceilings. We need the flax for the war and for our civilian economy. To get results in production of flax, farmers in flax-producing areas must be assured of a return for flax which will be on a par with other crops, and I am, therefore, urging you to vote for this appropriation as a matter of necessity to secure the production of this most vital crop.

Mr. Speaker, I want to urge my colleagues on both sides of the aisle to vote for this conference report in an effort to bring about the inauguration of a sound crop-insurance program, which I believe this bill will do if it is administered properly.

Mr. FLANNAGAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I say with some reluctance that I cannot agree to the conference report. It is rather regrettable that it comes in the shank of the session when the Christmas season is already moving and inspiring Members to go home. I feel that I am in a rather squeamish position in objecting at this late date. Yet it occurs to me that two of the very vital things we agreed to when this legislation passed the House some weeks ago, by a very substantial vote, have been deleted by the Senate, and those deletions have been agreed to by the House conferees.

The first one you will find on page 2 of the bill, which relates to the payment, which shall not be in excess of the investment the farmer has in the crop, and by investment there is included the labor, the fertilizer, the seed, the preparation of the soil, and all other applicable costs. It occurs to me that one of the fundamental rules of insurance is that no man can get more than what has been destroyed. No fire-insurance company will pay $10,000 on an actual loss of $4,000.

Mr. FLANNAGAN. The conferees of the House agree to the Senate amendment for several reasons. In the first place, we wanted to put the matter on a fair, just, and equitable basis. It should not be put upon an investment basis. If placed upon an out-of-pocket investment basis, you would have to find out how much each farmer spent for fertilizer, how much he spent for seed, and so forth, in order to determine what his out-of-pocket loss amounted to, and it would mean in my opinion the policing of every farm in America in a way that the American farmers would never stand for.

Mr. DIRKSEN. I would say to the gentleman that it is far more fundamental than that. It is the question whether Congress will subscribe to a principle which is not sound insurance, so that when you insure up to 75 percent of your investment, which might exceed $2,000, when the loss will be only $1,000, that will be making it speculative. That is so fundamentally wrong in my opinion that that is one reason I cannot go along with the conference report.

Mr. FLANNAGAN. When you put this upon a yield basis, you are protecting that farm income, and that is what we should do. The farmer is entitled to some protection of his income, and if he pays for that protection he certainly should receive what he pays for.

Mr. DIRKSEN. Where the gentleman from Virigina is in error is that this plan is designed to insure against loss. It is not designed to insure a profit, and yet the way this bill is written in the form of a conference report, it does insure a profit.

Mr. FLANNAGAN. Where we insure a crop, we are trying to protect that farmer's income and to insure against loss of that income up to 75 percent. I think that any crop-insurance plan should have for its aim the protection of the farmer's income. Income other than out-of-pocket loss should be the principle upon which crop insurance is based.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. FLANNAGAN. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. If the gentleman from Virginia will yield me more time, I have one more point I wish to make.

Mr. COOLEY. I may say to the gentleman in that connection if he will yield that the farmer cannot be guilty of malfeasance and still collect indemnities. The law requires him to reseed wherever reseeding is customary under the circumstances; and then there is the further fact that he is insured for only 75 percent of the normal yield. Certainly he could not enrich himself or make a profit if he collects on only 75 percent of the normal yield.

Mr. DIRKSEN. I would say to my good friend from North Carolina that in many cases 75 percent might aggregate more than the total investment in the crop considering every factor of cost; so we are insuring profit. And so I simply say this is a proposal to insure farm income. If it is, the whole plan ought to be redesignated and its purposes should be restated.

Now let me refer to one other thing. The conferees agreed to strike out that provision where, if the indemnities were in excess of the reserves and premiums the House further provided that the indemnity should be scaled down on a pro rata basis so as to make it self-sustaining. This has been stricken out and the House conferees have agreed; so it is no longer self-sustaining, there is no assurance that it will be self-sustaining and we find ourselves in exactly the same condition we were when I took some part in having the appropriation canceled to do away with the crop-insurance program.

Those two things I regard as vital to this undertaking and that is one reason I sent word to the gentleman from Kansas [Mr. HOPE] early in the month stating that I would be for the bill as first presented. I talked to my good and gracious friend, the gentleman from Georgia [Mr. PACE] and told him I was for it as he presented the bill a few weeks ago. But now all of this has been reversed in conference. It would be infinitely better to let the whole thing go

over until next year, to reject the conference report and take a more objective look at it, then bring in something sound, because if we do this now we will be a long time undoing the mistake that we will make in adopting this conference report.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. AUGUST H. ANDRESEN. With reference to the point that the gentleman has made, let me call attention to the fact that at the end of the experimental period of 5 years the losses accrued on a pro rata basis depended upon the premiums less the 10-percent reserve that was collected.

Mr. DIRKSEN. Then it seems to me with 5 years' experimental insurance on wheat and cotton we should have amassed sufficient actuarial dat. to enable us to set up a self-sustaining program. Instead of that, we are embarking on another 5 years of losses to the Federal Treasury.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman from Illinois that the bill provided for the setting of premium rates that were actuarially sound on wheat and cotton. If we have the proper administration we hope to get, by experienced insurance men, it ought to be handled on a sound basis and accomplish the very thing the gentleman desires.

Mr. DIRKSEN. I simply say that I am distressed about the whole thing. I am against the conference report. I hope the thing can go over until the next session.

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. FLANNAGAN. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, I opposed this legislation when it was called up in the House. I voted for it in the hope that when the bill reached the other body some of these defects would be remedied. I had hoped the other body would include the war crops. The bill in its present form means, in order to keep the record straight, that we have lost $60,000,000 insuring wheat and cotton and now we are going to open up the doors again and lose another $60,000,000 insuring cotton and wheat. We are starting out on an insurance program of two commodities in the case of each of which we have a surplus. We are getting ready to pay an export bounty to get rid of these crops even after we have raised them.

As far as my good friend Marvin Jones is concerned, I do not think he is on trial here today. I believe that we always have to depend upon Marvin Jones. He may operate it on the basis of political expediency or on the basis of sectional favoritism. I hope the conference report will be voted down. I hope that if we are going to have a crop-insurance program we will have one that includes all crops. We should all be getting tired of year after year hearing largely about crops that represent such a small part of agriculture.

Mr. DWORSHAK. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. DWORSHAK. Does not the gentleman believe that these provisions foredoom this entire program to failure?

Mr. MURRAY of Wisconsin. What provisions?

Mr. DWORSHAK. These provisions in the conference report that change the legislation as it was originally adopted in this body.

Mr. MURRAY of Wisconsin. Yes; the bill as presented today gives 5 years to carry on much the same as in the past. We have a shortage of butter; we have a shortage of pork and other livestock products; we have a shortage of sugar. The approach of the present administration appears to be to promote, subsidize, and insure our surplus crops, and not provide legislation or administration for the food products that are not reaching our people in acceptable or desirable amounts, and the ones that are really most needed as war foods.

Sectional favoritism and political expediency must give way to an agricultural program that is based on economic and war needs. The longer this is delayed, the more food problems will confront the people and the war effort.

Mr. FLANNAGAN. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I do not understand what the gentleman from Wisconsin means when he refers to political expediency. Certainly politics has not actuated the committees of the Congress in bringing this legislation before the House.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. In reference to the charge of political expediency, may I say that Senator WHITE, the minority leader in the Senate, made a statement over there that he polled the Republican members of the Committee on Agriculture in reference to this matter and they were unanimously in favor of the bill. It passed the Senate without a dissenting vote.

Mr. COOLEY. That might be good news to the gentleman from Wisconsin. Frankly, I do not think any thought of political expediency entered any one's mind. The Republicans on our committee have made a very great contribution and have worked hard and diligently in an effort to bring a workable program before the Congress.

I do not believe that this program will enable any farmer to unduly enrich himself or that it insures any great amount of profit. The bill provides that in the event the farmer is guilty of malfeasance in the cultivation of his crop that fact shall be taken into consideration; likewise if it is customary in the community or locality to reseed or replant it becomes incumbent upon the farmer to carry out that sort of practice and to engage in good farming practices generally. I do not see how you can improve it.

What we are trying to do here is to carry on this experiment. It is an experiment. I predict it will succeed, although it might fail. I hope it will succeed and that the farmers will sooner or later have a sound insurance program. It is difficult to imagine a task more difficult than that of arranging an actuarially sound premium basis for this type of insurance because it covers all risks, every pest and every other crop disease or disaster that might befall a farmer.

Mr. MICHENER. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. MICHENER. When we get right down to the bottom of this thing, does not the gentleman think it is experimental and that we would have done better had we continued as we started and used one crop, wheat, as the guinea pig? Before we started on this one crop, wheat, the actuarial experts came before the Congress, both those in and out of the department. No one objected to insurance and wheat was selected because it was easier to work on.

The SPEAKER. The time of the gentleman has expired.

Mr. FLANNAGAN. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. MICHENER. Wheat was easier to work on, although we all had flax, some of us had corn, some of us had barley, and some of us had something else and we tried to experiment on the whole field at once.

Mr. COOLEY. The gentleman is in error. We have not undertaken to experiment with more than two crops—cotton and wheat. The only reason flax was put into this bill was because flax is a very vital crop and is necessary in the war effort.

Mr. MICHENER. Yes; but we are confusing it. We are getting the vital crops and insurance mixed. This is an insurance bill if it is anything.

Mr. COOLEY. I know, but flax is grown in only a very small area.

Mr. MICHENER. They now include cotton. If we continued it on wheat we would know whether crop insurance would work on a crop to which it could be most advantageously applied. But instead of that, because the cotton farmer was in bad shape, why we included cotton. Now we are including flax. The insurance companies take one crop. They do not take a whole field. They go out and insure against hail storms and they prove that they can do the business on hail storms before they attempt insect pests.

Mr. COOLEY. The gentleman will realize that during the past 2 years the Department has collected data on cotton, and it is just as reasonable to hope for a successful program on cotton as on wheat. Certainly this insurance should encourage the planting of flax.

Mr. FLANNAGAN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Speaker, as a member of the Committee on Agriculture it is a great satisfaction to me to see this conference report

brought out today. I desire to express my appreciation to the committee particularly for including all other kinds of fruits, such as apples and grapes, in the experimental stage of this program. When one examines the situation in upstate New York, he will observe one of the greatest sections of the country for the production of apples, and fruits of all kinds of a perishable nature. The original bill did not include anything but citrus fruits, but I think it is logical, since these fruits are included, that apples and grapes and pears and peaches of all kinds certainly should be included. May I say to the House that this may only be a start in this program, but it is certainly necessary to include those fruits in the whole experimental program which must and will be carried out. It is a great satisfaction to see the Hall amendment included, and I know upstate fruit growers appreciate it a great deal.

Mr. FLANNAGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, I think we all recognize it has been most unfortunate that during the past year circumstances have required the crop-insurance program to be suspended. That is not due to the fact that there is no existing law for crop insurance, because there is. If we do not pass this conference report today, we will have on the statute books the outline of a form of crop insurance that most of us agree has many defects that needs improvement, and that this conference report will improve very materially, that this report will give us a very much better form of crop insurance than that which is on the statute books today.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman has correctly stated that the committee has prescribed actuarial, sound Government, and business practices into existing law by this conference report.

Mr. POAGE. That is right. We tried to make the existing law better. It is not a question of whether you will vote for or against crop insurance. You either vote for this form of crop insurance, which is vastly improved, or you vote for the existing crop insurance which is still on the statute books and which you will leave on the statute books if you vote against this report. You take your choice of voting for one of the two, because after all you are not repealing the existing crop-insurance law. I think the House already recognizes that we have an improvement here; that we ought to adopt it; that we ought to go on with a sound program. The old program had defects but the idea of insurance for farmers is just as sound as insurance for industry. Let us all try to get the best possible form of crop insurance and then give it a chance. Those of you who kept us from having an active program this year must know that you have made it just that much harder to make the program work in the future. Let us give this crop insurance a fair chance to work.

Mr. FLANNAGAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Speaker, in my humble opinion, the crop-insurance bill as approved by the House a few weeks ago provides for an unsound crop-insurance program. The amendments adopted in the other body, and now accepted by the conferees, will cost the taxpayers of the United States millions of dollars while, at the same time, the farmers will have poor protection. As approved by the House, the bill provides that not more than 25 percent of the premiums collected in the preceding year could be used for administrative expenses in any current operating year. That limitation has been taken off for a period of 3 years. In other words, the sky is the limit. The present program of crop insurance, now in process of liquidation, has cost the taxpayer $69,000,000. If we can ever liquidate the program set up under this legislation with losses under $100,000,000, I will be very pleasantly surprised. Proponents of this legislation claim that this does not put the Government in competition with private business for the reason that insurance companies do not write all risk coverage on growing crops. The only reason this kind of insurance is not written by American insurance companies is that they know that an insurance on growing crops cannot be written profitably at anything like a reasonable premium. It will be interesting to watch the losses accumulate in the next few years.

Mr. FLANNAGAN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, it is my hope that this crop-insurance conference report will be adopted. This is only a beginning in the attempt to secure a strong workable program which will be able to stand upon its own feet, from a financial viewpoint.

I do not think that we need to be exercised or disturbed over the 75 percent provision. You will note that this applies to 75 percent of the average crop. Certainly 75 percent of an average crop of flax will not show a profit to the producer.

Some time ago I called to the attention of the Department of Agriculture the necessity of providing a program to enlarge the production of flax, a vital war necessity. It is a pleasure to see the recognition of this need as expressed by the $30,000,000 authorization included in this conference report.

May I again express the hope, Mr. Speaker, that today will mark the beginning of a sound and constructive crop-insurance program.

Mr. FLANNAGAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 72, noes 19.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, on behalf of our colleague, the chairman of our committee, the gentleman from California [Mr. LEA], I ask unanimous consent that notwithstanding any possible adjournment of the Congress the petroleum subcommittee of the Committee on Interstate and Foreign Commerce may have until midnight January 2, 1945, to file a report with the Clerk of the House.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

ELIMINATING AS UNCOLLECTIBLE CERTAIN CREDITS OF THE UNITED STATES

Mr. MANASCO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2071) to eliminate as uncollectible certain credits of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I am not going to object, I understand this Senate bill is identical with a bill that has previously been passed by the House.

Mr. MANASCO. We passed a similar bill on December 4.

Mr. MARTIN of Massachusetts. This relates simply to a matter of bookkeeping within certain departments, anyway?

Mr. MANASCO. That is right.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill (S. 2071), as follows:

Be it enacted, etc., That, at the close of the fiscal year 1945, there are hereby authorized and directed to be eliminated, as uncollectible, from the accounts of the Treasury Department, the Post Office Department, and the General Accounting Office, the following items which have been carried as "Unavailable cash" since the year 1931: Assistant Treasurer of the United States, New Orleans, La., 1861, $31,164.44; Depositaries at Savannah, Ga., 1861, $205.76; Galveston, Tex., 1861, $83.36; Little Rock, Ark., 1861, $5,823.50.

The necessary bookkeeping entries are hereby authorized and directed to be made on the books of the Government to accomplish the purposes of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MULTIPLE TAXATION OF AIR COMMERCE

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 324) to extend for 90 days the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the act entitled "An act to provide for a study of multiple taxation of air commerce, and for other purposes," approved July 3, 1944 (Public Law 416, 78th Cong.), is hereby amended by striking out the words "within 180 days" and inserting in lieu thereof the words "within 9 months."

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a letter from Edward Warner, of the Civil Aeronautics Board, to Hon. SAM RAYBURN, Speaker of the House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The letter referred to is as follows:

CIVIL AERONAUTICS BOARD,
Washington, December 12, 1944.

Hon. SAM RAYBURN,
Speaker of the House,
House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: The Congress by Public Law 416 directed the Civil Aeronautics Board to study the problems of the multiple taxation of persons engaged in air commerce and their employees. The Board was directed to submit its report and recommendations within 180 days, or by December 30, 1944.

Although the tax study has proceeded expeditiously, it now appears that circumstances beyond our control compel us to seek an extension of the time within which the report may be filed. An initial delay was encountered in securing the services of the tax experts to assist the Board in the study. The air lines have been unable to conform to the time schedules set for the submission of factual information. The act directs the Board to consult with the appropriate authorities of the several States, Territories, and possessions, and consultations have already been held with the officials of a majority of the States. However, it now appears desirable to extend the consultations by circulating our tentative recommendations to the tax authorities of all of the States, Territories, and possessions. Finally, the absence of two Board members at the International Civil Aviation Conference in Chicago has made it impossible for the Board to give these tax problems the consideration required to enable it to make a final report by December 30.

For all of these reasons, we respectfully request that the appropriate committees of Congress consider action by joint resolution or by amendment to Public Law 416, extending for 90 days the period within which the Board may submit its report to the Congress.

Sincerely yours,

EDWARD WARNER,
Acting Chairman.

The joint resolution was ordered to be engrossed and read a third time and was read the third time and passed.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to amend the title by striking out the words "for ninety days" in order to have it conform with the body of the act.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MANSFIELD of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a few extracts from laws and public documents.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include certain extracts and statements.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

REPORTS FROM COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

Mr. BLAND. Mr. Speaker, I ask unanimous consent that notwithstanding the sine die adjournment of the Seventy-eighth Congress, the Committee on the Merchant Marine and Fisheries may have until midnight of January 2 to file reports with the Clerk of the House. I might say there is a report from the Subcommittee on Investigation of the Red Sea Charter Rate which has just come to hand this morning. I am trying to get a quorum of the committee during the recess to act on it.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. TOLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a brief letter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PETER A. CONDELARIO

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1746) authorizing and directing the Secretary of the Interior to issue to Peter A. Condelario a patent in fee to certain land.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is one of four similar bills, all having to do with individual Indians. Will the gentleman explain the legislation?

Mr. O'CONNOR. That is correct. This land originally was allotted to individual Indians to be held in trust for a period of 25 years. The time of the trust has expired. In other words, the 25 years has expired and they are now entitled to the deed to the property. That is all this bill does. It grants him the title in fee simple to the land which was originally allotted to him under the trust.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CASE. The bill calls for no appropriation or the imposition of any obligation on the Government in any particular?

Mr. O'CONNOR. That is correct.

Mr. MARTIN of Massachusetts. It simply gives to the Indian title to the property that he has had for 25 years, land which he has actually had?

Mr. O'CONNOR. The gentleman is correct.

Mr. JOHNSON of Oklahoma. Mr. Speaker, reserving the right to object, I am not sure about this particular situation, but I hope we are not passing legislation here that will give deeds to Indians who may not be capable of taking care of their affairs and who might dissipate their land. This happened in Oklahoma several years ago, where we had what was called "forced patents" on some Indians down there. We did them a great injustice. I hope we are not repeating that.

Mr. O'CONNOR. I say that this is a private bill and it does not affect anybody else.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Peter A. Condelario, a Sioux Indian of the Pine Ridge Indian Reservation, S. Dak., a patent in fee to the northeast quarter of section 31, in township 40 north, range 35 west, of the sixth principal meridian, South Dakota.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES F. WHITE

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1925) to authorize and direct the Secretary of the Interior to issue to Charles F. White a patent in fee to certain land, which I send to the desk.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Charles F. White, Crow allottee No. 1444, a patent in fee to lots 5, 6, 7, 8, south half of section 9; lots 5, 6, north half of the north half of the southwest quarter of section 10, township 1 south, range 38 east, Montana principal meridian, Big Horn County, Mont., containing 412.37 acres.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. COCHRAN. Mr. Speaker, I reserve the right to object. Does the same situation apply here as to the other bill?

Mr. O'CONNOR. Yes.

Mr. COCHRAN. There is absolutely no appropriation involved?

Mr. O'CONNOR. No.

Mr. COCHRAN. No obligation on the part of the Government?

Mr. O'CONNOR. It does not cost the Government one cent.

Mr. COCHRAN. Very well.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOCIAL SECURITY

The SPEAKER. The Chair desires to make a statement. The Chair has just received information from the White House that the President has signed the bill, H. R. 5564, the so-called Social Security Freeze Act.

Further, we are looking for the conference report upon the Deficiency Appropriation bill to arrive about 3 o'clock.

RICHARD PICKETT

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (S. 2026) authorizing the issuance of a patent in fee to Richard Pickett, which I send to the desk.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to issue to Richard Pickett, a patent in fee to the following-described lands allotted to him on the Crow Indian Reservation, Mont.: The east half of section 11, the east half of the northwest quarter and the west half of the northeast quarter of section 14, township 2 south, range 30 east, and the west half of the northeast quarter and the north half of the southeast quarter of section 28, township 2 south, range 32 east, Montana principal meridian.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINNIE LEFT HER BEHIND

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (S. 1602) authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind, a patent in fee to certain land, and consider the same at this time.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Winnie Left Her Behind, a Sioux Indian of the Rosebud Indian Reservation, S. Dak., a patent in fee to the northeast quarter of section 25, township 42, range 31 east, of the Black Hills meridian.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPRESENTATIVE ALBERT E. CARTER

Mr. BENDER. Mr. Speaker, may I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, we are about to lose one of the most valuable Members of the House of Representatives. I am referring to the Hon. ALBERT E. CARTER, who has served in this body for 20 years. Yesterday I received a letter from a prominent California Democrat containing the following sentence:

AL CARTER'S defeat was depressing because of the effect it will have upon the district. He knew the ropes, and surely this State should have men of Al's type during the post-war period. The district will regret his defeat later on.

I am sure this outstanding California Democrat spoke the truth, and this view is shared not only by Republicans and Democrats in California, but throughout the Nation as well. The district will regret the mistake that was made in November in defeating this useful, effective, and capable legislator. California loses a strategic committee place. Congressman CARTER was ranking Minority Member on the Rivers and Harbors Committee and was fourth ranking member of the powerful Appropriations Committee. It will take many years for any Californian to attain such outstanding place on these important committees. No man in either body is more highly esteemed by his colleagues on both sides of the aisle, than is Congressman CARTER. I can say without hesitancy that no man in or out of Congress has more friends in the Congress.

EXTENSION OF REMARKS

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the anniversary of Dr. Frederico Henriquez y Carbajal, and include a statement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. CALVIN D. JOHNSON asked and was given permission to extend his own remarks in the RECORD and include a letter.)

Mr. SOMERS of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two speeches recently made at Carnegie Hall on the problem of the Palestinian Jews.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. VOORHIS] may extend his remarks; and I also ask unanimous consent to extend my own remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE LATE PRESTON L. GEORGE

Mr. SHORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, I do not want to detain the House but I do want to say that on my return to the Capital after our recent recess following the general election in November I was very sorry to learn of the death of Preston L. George, who for 30 long years was a faithful employee of the United States Government. He entered the Government service in 1914. After 10 years of loyal and efficient service in the Government Printing Office he was transferred to the office of the Official Reporters of Debates of the House and for 20 years he had been most accommodating to all the Members. He performed his tasks cheerfully and well. He worked with a smile.

He was a faithful member of the Masonic Lodge and took an active part in that fraternity. He saw good in others. He was kind and helpful.

I am sure I express the sentiments of every Member of the House when I say we regret his passing. We shall miss him greatly but will always cherish his memory. He was a true friend.

RECESS

The SPEAKER. The House will stand in recess, subject to the call of the Chair. Fifteen minutes' notice of the expiration of the recess will be given by the ringing of the bell.

Thereupon (at 1 o'clock and 13 minutes p. m.) the House stood in recess, subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock and 56 minutes p. m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 324. Joint resolution to extend the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2208. An act providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national-park purposes; and

S. Con. Res. 57. Concurrent resolution requesting the President to return to the Senate S. 1979, the Uniform Stock Transfer Act, and providing for its reenrollment.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4911) entitled "An act to amend the Federal Crop Insurance Act."

The message also announced that the Vice President has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of the Navy.
2. Department of War.
3. National Housing Agency.
4. United States Maritime Commission and War Shipping Administration.

FILING OF INVESTIGATING COMMITTEE REPORTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the sine die adjournment of the House, special and standing committees of the House authorized to make investigations may file their reports with the Speaker not later than midnight, January 2, 1945, for printing as public documents.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, this morning I was granted permission to insert in the RECORD two speeches by the Honorable Winston Churchill. I find that one of them will cover two and one-third pages of the RECORD and the cost is estimated to be $121.40. The other one will cover two and two-thirds pages of the RECORD and the cost is estimated to be $138.80. However, owing to the importance of these addresses I think they should appear in the RECORD, and I ask unanimous consent that they be inserted in the RECORD regardless of that cost.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FIRST SUPPLEMENTAL APPROPRIATIONS BILL, 1945

Mr. CANNON of Missouri submitted the following conference report on the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5587) "making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21, 31, 32, 33, 34, 35, 45, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 25, 26, 38, 44, 46, 47, 123, and 124, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7 and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"The Alien Property Custodian is hereby authorized to pay out of any funds or other property or interest vested in him or transferred to him all necessary expenses incurred by the Office of Alien Property Custodian in carrying out the powers and duties conferred on the Alien Property Custodian pursuant to the Trading with the Enemy Act of October 6, 1917, as amended (50 U. S. C. App.): *Provided*, That not to exceed $4,000,000 shall be available for the entire fiscal year 1945 for the general administrative expenses of the Office of Alien Property Custodian, including the objects as specified in section 201 of the National War Agency Appropriation Act, 1945, printing and binding, rent in the District of Columbia, and all other necessary general administrative expenses: *Provided further*, That after June 30, 1945, the Office of Alien Property Custodian shall not incur any obligations for the expenses of said Office except pursuant to a further annual authorization by the Congress specifically therefor: *Provided further*, That on or before April 1, 1945, the Alien Property Custodian shall make a report to the Appropriations Committees of the Senate and the House of Representatives giving detailed information on all administrative and nonadministrative expenses incurred in connection with the activities of the Office of Alien Property Custodian."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,650"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,000,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "teletype service presently being furnished and"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "teletype (presently being furnished) or"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,002"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,938"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$37,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed in line 4 of said amendment insert "$25,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In line 6 of the matter inserted by said amendment, strike out the figure "$22,000,000", and insert in lieu thereof "$20,000,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$37,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$75,500"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In line 4 of the matter inserted by said amendment, strike out the figure "$100,000,000", and insert in lieu thereof "$50,000,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$278"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,875"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$281,200"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,480"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$167"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$77,700"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,163"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,250"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,125"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,550,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,750"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,804"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$694"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,625"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$194,250"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,388"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$47,453"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$44,400"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,250"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$85,655"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$571,650"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,788"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$324,301"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$36,075"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$244,200"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,025"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,193"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,533"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$462,500"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,747"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,525"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$41,625"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,125"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,649"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,775"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,775"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$299,450"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,938"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$150,247"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$37,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$105,265"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,373"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert "$717"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,750"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,875"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,220,000"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,662"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,291"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$532"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$49,950"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$485,625"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$83,250"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$925"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$209"; and the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$435"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$486"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$116"; and the Senate agree to the same.

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,161,650"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$26,085"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$286,750"; and the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,423"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,513"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$259,000"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$323,750"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$107,763"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$46,250"; and the Senate agree to the same.

Amendment numbered 121: That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,890,400"; and the Senate agree to the same.

Amendment numbered 122: That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,308"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9, 10, 11, 13, 14, 15, 17, 22, 30, 39, 40, 41, 42, 43, 125, and 126.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
JED JOHNSON,
EMMET O'NEAL,
LOUIS C. RABAUT,
EVERETT M. DIRKSEN,
ALBERT J. ENGEL,
FRANCIS CASE,
FRANK B. KEEFE,
Managers on the part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
RUFUS C. HOLMAN,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill H. R. 5587.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the conference report be read.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the conference report.

Mr. CANNON of Missouri. Mr. Speaker, this conference report composes all differences between the two Houses with the exception of 16 separate Senate amendments, which will be later submitted to the House seriatim. I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 9, line 3, strike out "Appropriation Act, 1945," and insert "and the pay, allowance, commutation of quarters, and uniform allowance of regular and reserve commissioned nurses, the number of regular commissioned nurses appointed to be in addition to the number of regular active commissioned officers otherwise authorized, and not to exceed 50 regular commissioned nurses may be appointed in grades above that of senior assistant and for purposes of pay and pay period shall be considered as having had on the date of appointment service equal to that of the junior officer of the grade to which appointed.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that amendments Nos. 9 and 10 be considered jointly.

The SPEAKER. Is there objection to the request of the gentleman from Missouri.

There was no objection.

The SPEAKER. The Clerk will report the other amendment.

The Clerk read as follows:

Senate amendment No. 10: Page 9, line 13, strike out "$963,400" and insert "$1,225,823."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendments.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 10, line 13, insert:

"Tuberculosis: For expenses necessary, fiscal year 1945, to carry out the purposes of section 314 (b) of the Public Health Service Act of July 1, 1944, including personal services in the District of Columbia; purchase of reports, documents, and other material for publication and of reprints from State, city, and private publications; the purchase (not exceeding 6), and maintenance, repair, and operation of passenger-carrying automobiles; and items otherwise chargeable to the appropriation 'Miscellaneous and contingent expenses, Public Health Service'; $668,000, of which amount not to exceed $129,032 may be transferred to the appropriation 'Pay, and so forth, commissioned officers, Public Health Service', for the employment of 50 additional regular commissioned officers, of which number 24 are authorized to be commissioned in grades above that of senior assistant."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 11 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 13: Page 12, line 3, insert "Office of the Administrator."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 13 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 14: Page 12, line 4, insert:

"Traveling expenses: For an additional amount for traveling expenses, Federal Security Agency, fiscal year 1945, including the objects specified under this head in the Federal Security Agency Appropriation Act, 1945, $99,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 14 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 15: Page 12, line 8, insert the following:

"Printing and binding: For an additional amount for printing and binding, Federal Security Agency, fiscal year 1945, including the objects specified under this head in the Federal Security Agency Appropriation Act, 1945, $6,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 15 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 17: Page 13, line 7, insert the following: "*Provided further*, That in making allocations out of the funds appropriated in this paragraph for construction projects priority shall be given to emergency projects involving an estimated cost to the Federal Government of less than $250,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 17 and concur therein.

Mr. CASE. Mr. Speaker, I ask for a division of the question.

The SPEAKER. The question is: Will the House recede from its disagreement to the amendment of the Senate No. 17.

The motion was agreed to.

Mr. CASE. Mr. Speaker, I offer a preferential motion to concur with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE: On page 13, amendment No. 17, lines 7 to 11, Mr. CASE moves to concur in the Senate amendment [No. 17] with an amendment striking out the period, inserting a semicolon and the following language: "*Provided further*, That the funds appropriated in this paragraph shall be available for restoration of community facilities destroyed by hurricane or other public disaster where the ability of the local community to restore or repair the facilities has been impaired by meeting demands created by the war."

Mr. CANNON of Missouri. Mr. Speaker, I make a point of order that the motion is not in order. It is not germane in that it introduces material which does not appear in either the House or Senate bills.

Mr. CASE. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will hear the gentleman.

Mr. CASE. Mr. Speaker, I do not believe the point of order made by the gentleman from Missouri will lie in view of the fact that the amendment I propose relates to community facilities. We are not now dealing with the powers of the conferees; we are dealing with the power of the House. The amendment which is proposed to be added by the Senate refers to the funds appropriated in this bill; and the entire paragraph refers to community facilites. My amendment merely proposes that the funds appropriated by this paragraph, referring directly to them, shall be available for restoration of community facilities under certain conditions relating to demands created by the war. Titles II and III of the act of October 14, 1940, generally known as the Lanham Act, relate to the supplying of community facilities needed in the defense effort or to meet demands or situations created by the war; consequently, I believe the amendment is directly related and a proper condition to attach to the language proposed by the Senate.

Mr. CANNON of Missouri. Mr. Speaker, this is entirely new matter. The proposition before us is restricted specifically to situations growing out of the war. Here is a proposition which has no relation to the war; it is extraneous matter and is not in order.

The SPEAKER. The Chair is not exactly clear on the language that it is destruction or injury growing entirely out of the war. Is it the opinion of the gentleman from Missouri that is what the paragraph in the bill is limited to?

Mr. CANNON of Missouri. The pending proposition is tied up with and incident to titles II and III of the act of October 14, 1940, which is an act providing solely for activities in connection with the prosecution of the war. The proposition the gentleman suggests has no relation to the war; it deals solely with an act of God and is entirely new matter not contemplated by the act of October 14, 1940, and appears in neither the House nor Senate bills.

Mr. DIRKSEN. Mr. Speaker, it occurs to me that the definition placed on the act by the gentleman from Missouri is entirely too restrictive. The purpose of the act, of course, was to further improve conditions in the defense area by making houses available, even in areas other than defense areas. There has been great storm damage up in New England and in some of the other areas so that men who have been employed in war industries are presently without adequate housing to pursue their occupations in a defense area. That would be one of the incidents, and it occurs to me the amendment is entirely germane to the purposes set out in the amendment inserted in the bill by the Senate.

Mr. CASE. Mr. Speaker, I would like to observe that the last part of the language which I have offered conditions the action proposed upon the repairing of community facilities where the ability of the community has been impaired by meeting demands created by the war. Moreover, the Lanham Act is not limited to the war. It is somewhat broader than that. In fact, we were not in the war at the time the Lanham Act was passed and I call the Speaker's attention to the fact the act was the act of October 14, 1940.

The SPEAKER. The Chair under the statement of the gentleman from Missouri and in a way supported by the gentleman from Illinois cannot see anything in the amendment or the proposal of the gentleman from South Dakota [Mr. CASE] except an act of God; therefore the Chair thinks that the amendment is not germane and sustains the point of order.

Mr. CASE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE. Mr. Speaker, is it not true that in ruling upon questions of this sort where they involve securing an agreement between the two bodies of the Congress considerable latitude is allowed for the purpose of reaching an agreement in the interest of comity and that the ordinary rules of germaneness do not apply strictly?

The SPEAKER. The Chair would differ with the gentleman on that. The

Chair does not think that conferees on the part of the House and the Senate could set aside the rule of germaneness.

Mr. CASE. Mr. Speaker, I assume that the Speaker took into consideration the fact this whole thing is conditioned upon the proposition that this extension should apply only where the ability of the local community has been impaired by meeting demands created by the war?

The SPEAKER. The Chair has read that part of the gentleman's amendment very thoroughly.

Mr. CASE. I respect the Speaker's ruling.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 22: Strike out lines 24 and 25, on page 21, and lines 1 to 5, and page 22, and insert in lieu thereof the following:

"For an additional amount, notwithstanding the limitations contained in the item 'Conservation and use of agricultural land resources' contained in the Department of Agriculture Appropriation Act, 1944, including the objects specified under the same item in the Department of Agriculture Appropriation Act, 1945, $13,000,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede and concur in the Senate amendment with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"The limitation on expenditures under the 1944 program of soil-building practices and soil- and water-conservation practices established in the fourth proviso clause of the appropriation 'Conservation and Use of Agricultural Land Resources,' in the Department of Agriculture Appropriation Act, 1944, is hereby increased from $300,000,000 to $313,000,000 (exclusive of the $12,500,000 provided in the Department of Agriculture Appropriation Act, 1945, for additional seed payment)."

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 30: Page 26, line 5, insert:

"BUREAU OF THE CENSUS

"Census of agriculture: For an additional amount for census of agriculture, including the objects specified under this head in the Department of Commerce Appropriation Act, 1945, $5,000,000, to remain available until December 31, 1946."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, this is our old familiar friend, the census of agriculture. We could not agree in conference, and hence the matter comes back for a separate vote. The Senate insists upon this 5-year census of agriculture. There are some on this side of the Capitol who do not agree particularly that it will be a very fruitful effort or that it should be carried out at the present time. Altogether, as I recall the figures, about $12,750,000 would be available if this were approved. About $600,000 has already been expended, and some of the field offices have been established and supervisors have been designated. They discovered, of course, that they could not get enough enumerators under the funds that were originally made available, so it became necessary to ask for additional funds.

In the first place there is a manpower shortage in the country. Notwithstanding the fact that they agree on using women enumerators, they are still going to have difficulty, and I doubt whether it would be enough money to do the job. Secondly, I wonder about the value of an agricultural census at the present time. In one year, for instance, we had 126,000,000 hogs in the country. In the next year it dropped down to something like 80,000,000. So the figures on hogs and cattle and geese and pigs and sheep and chickens and all other farm livestock and fowls of the country shift so radically under these very flexible action programs that have been instituted by the War Food Administrator and the Department of Agriculture that I doubt very much the wisdom of taking a census at this time, because within 365 days the figures will have little or no value and the job will have to be done over again if the money is available. Why can we not let this matter ride until at least that portion of hostilities that relates to the European theater comes to an end, and then probably we can deduce some figures that will be a little more stable and will be of more value to the economy of the country?

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. REED of New York. Those figures would be so far out of date by the time they were compiled they would be absolutely useless.

Mr. DIRKSEN. I think the gentleman is absolutely right. It takes a little while to assemble these things and compare them. It will require extra clerks in the Census Office in Washington. When it has been all put together and printed and distributed to the Members of the House and the Senate and to the interested people in the country, it will be of very dubious value. The question is this. We have about 5 cents out of every dollar that would be available expended now. Shall we waste a nickel, or shall we go ahead and throw the other 95 cents into it for a proposition that is wholly speculative and of questionable value?

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. DONDERO. If it was found necessary to take the census, why could not the agricultural agent of the county do it?

Mr. DIRKSEN. I think the rural mail carriers could make a pretty fair spot census that would serve as good a purpose as would be served by the expenditure of the money that is asked for here.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. O'HARA. Will this require the use of cars and gasoline by these census-takers?

Mr. DIRKSEN. I presume it will, because there are large areas to be traversed, and manifestly an automobile will be necessary; and of course gasoline is a very tight item and very necessary in the war effort.

I trust, therefore, that the earlier position of the House will be sustained and that it will resist the motion to recede and concur.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Missouri.

Mr. SHORT. We have been told by both the Army and the Navy that we have a great shortage of manpower in all branches of our armed services at this critical stage of the war. We have also been told that we have a shortage of manpower in our leading war industries all over the country. We all know from personal contact and experience that we have a shortage of manpower back on the farm. If these census enumerators and takers would spend less time counting our chickens and hogs and cattle, we perhaps would have a little more manpower available to produce a larger crop of them all.

Mr. DIRKSEN. The gentleman makes a very forceful observation.

Mr. GILLESPIE. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Colorado.

Mr. GILLESPIE. I wonder if the gentleman knows whether or not Germany and Japan are taking farm censuses.

Mr. DIRKSEN. I have grave doubts on the subject.

Mr. Speaker, I hope that the motion to recede and concur will be rejected.

Mr. CANNON of Missouri. Mr. Speaker, one of the urgent problems which now confront the American people—a problem to which both business and agriculture are giving earnest consideration—is the problem of post-war reconversion, and especially the maintenance of post-war agriculture.

Remembering the collapse of agriculture and the ensuing bankruptcy of the farmer in the post-war period following World War No. 1, there is an effort on the part of both industry and government to prevent a recurrence of that situation after World War No. 2. The situation is even more menacing this time than it was in 1918. More money has been spent, more men have been involved, there has been greater dislocation of business and a greater surplus of farm products has been accumulated. I think everybody agrees that it is imperative that we must make provision for the inevitable post-war period now rapidly approaching. Unless Congress makes

legislative provision for it and does it intelligently, we will have the same situation on the American farm after this war we had in the memorable depression which followed the last war.

In order to plan intelligently to meet this situation, we must have data on which to plan. This Congress, in the act of December 23, 1943, provided for this agricultural census with that in view. Conditions are abnormal on the American farm today. No one knows just what the situation is. This census was authorized to determine a basis upon which we can meet the emergency.

In the regular annual Agricultural Appropriation Act, 1945, we appropriated $7,250 to start it. At that time we did not appropriate the full amount because it was felt it would be necessary to secure a little more information before the final estimate was submitted, and no provision was made for the field work. Here we have the set-up, ready and waiting, but no money for field work. This appropriation is to provide money for that purpose. My good friend and beloved colleague, the gentleman from Missouri, presents the suggestion that it will interfere with manpower needs of the war program. As a matter of fact, this work will be done very largely by women. A large proportion of the enumerators who will take this census are women. With that point particularly in view we took this matter up with the departmental heads in the hearings and we received every assurance that it would not in any way interfere with the war program. On the contrary, it would provide a very essential factor upon which to predicate a workable program to forestall our coming potential depression. At the time this matter was last under consideration, the House divided along purely partisan lines. Mr. Speaker, this is not a time for partisanship. This is a proposition on which we cannot afford to play politics. We have before us the salutary lesson learned in the last war. World War No. 1 ended unexpectedly and there was no time for planning in anticipation of the close of the war; no preparation had been made and we suddenly found ourselves precipitated into the bitter problems of peace without a program. The result was disastrous. We must not make that mistake this time. We must be equipped with a definite, progressive, and constructive plan in order to meet the situation which we know is certain to come.

This is a proposition to maintain the national farm income after the war, to take care of the enormous surpluses of every agricultural product now hanging like the sword of Damocles over the market and to prevent another terrific depression such as we had in 1920.

Mr. KERR. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from North Carolina.

Mr. KERR. This should be continued, due to the fact that a large part of the $7,000,000 which has already been appropriated, has been allotted or spent in the beginning on this organization.

Mr. CANNON of Missouri. Certainly. All the money that has been spent in building up the organization to take the census will be wasted. We cannot take the census without this money, and the $7,250,000 or at least $600,000 of this which has already been expended will be lost.

Mr. KEEFE. Mr. Speaker, will my distinguished chairman yield me some time?

Mr. CANNON of Missouri. I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. SHORT. Mr. Speaker, will the gentleman from Wisconsin yield briefly?

Mr. KEEFE. Yes.

Mr. SHORT. Mr. Speaker, I think that all Members of the House will agree with the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], that the Congress should do everything in its power to prevent the dilemma, indeed, the catastrophe, that faced agriculture following the last war, but he is crossing the bridge before we get to it. He is talking about post-war agriculture before we have won this war. It is inconceivable to me in this critical period of our history, when faced with manpower shortages, not only in our armed forces but in the war industries and on the farm, that we should propose to hire a lot of American citizens to go out and gather data and statistics which we already have in our possession to a great extent. The argument that women are to do much or most of the work in the taking of this census does not have much cogency or force, because women already are employed on farms, in our war industries, and in the armed forces. We are depending on women as well as men, and even with women we should not start on some grandiose schemes to produce something which we already have.

Win the war first. Take the census later. Political parasites do not aid in winning the war.

Mr. KEEFE. Mr. Speaker, I am in complete accord with what my distinguished friend has said. I rise to answer one or two statements made by my distinguished chairman. He defends this item on the ground that it is needed in order to alleviate the condition of agriculture. He has painted a dire picture as to what the condition of agriculture would be at the conclusion of this war without this agricultural census. He says that we must not repeat the performance of the last war, and, therefore, we must get ready by sending a lot of people, 30,000 of them, out to harass and annoy the farmers of this country with a great long series of questionnaires, asking them how many pigs there are on the farm, and how many chickens they have on the farm, and how many cows there are on the farm, and all that sort of thing. The chairman of this committee knows as well as anyone that under existing procedure and facilities today, anyone can call the Department of Agriculture and, through the Bureau of Agricultural Economics and their reporting services, get any and all information or statistics relating to all phases of agriculture. This information is kept up to date from month to month under existing facilities. It is perfect nonsense to talk about carrying out an agricultural census pursuant to an old law merely because it contained a provision authorizing the taking of an agricultural census every 5 years. It is proposed to employ about 30,000 people to do this job. If you say that they are people that are not going to interfere with the war effort in the factories or on the farm, then you are going to get a lot of people who are not capable of doing the job. You are going to get a census that will not be worth the expenditure. It seems to me that the people of this country will applaud the action of the Congress in saying that we do not intend to throw away another $5,000,000 on a perfectly useless project in the face of the demands of General Somervell and General Marshall, and all of the rest of the people in charge of our war effort. What a tragedy it would be, even in the face of the statements that appear in the hearings, if the word should go out that the Congress had decided to put 30,000 people on the pay roll, to use tires and gas to run around this country in an effort to get information that we already have. How absurd that we should take those people away from their jobs on the farm and put them to work in an activity, that so far as the farmers and the business people in the district that I represent are concerned, is utterly useless and worthless.

I ask the gentleman to show the proof any place where any great farm organization or any great national organization of any kind or character—unless it be the Democratic Party—has pressed for this particular piece of legislation at this time. As far as I am concerned I want to go back to tell the people I represent that we have made an honest effort the first time it came up to save at least $5,000,000.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. JENKINS. Is there any significance in this date, December 31, 1946?

Mr. KEEFE. I do not know whether there is any significance in that date or not, unless it indicates that the funds will be available until after the congressional elections in 1946.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. DIRKSEN. Mr. Speaker, will the gentleman from Missouri yield 1 additional minute to the gentleman from Wisconsin that I may ask him a question?

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Illinois.

Mr. DIRKSEN. I was going to say to my friend from Wisconsin that normally I would be for this survey but in the very bill that is before us we are taking care of a deficiency of $13,000,000 for the Agricultural Adjustment Administration where they over-committed themselves notwithstanding the limitations we wrote into the regular supply bill. The reason was that there were more participants in the farm program. In view of that rather flexible condition

in the farm economy what value will there be in these figures a year from now?

Mr. KEEFE. There will be none.

Mr. DIRKSEN. I think that is the patent reason why it ought to be denied at this time.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, I do not believe I shall need 3 minutes. The other day I received a letter commenting on the action of the House when this deficiency bill was before us, complimenting the House on the action it had taken in eliminating the consumer studies and eliminating this proposed fund for the census of agriculture. The man writing me said this:

> You have got to kill the bear before you can skin it. There is altogether too much talk about getting ready for what we are going to do after the war at a time when we have not got the war won.

That is what he wrote. Those of you who read the Prime Minister's speech in the Parliament yesterday must have noted that he said the hardest battles are still ahead of us. With the changes that have come in the prolongation of the war this House will find it hard to explain that it now proposes to set up an additional $5,000,000 to employ 30,000 more people for the census of agriculture.

It is not merely the employment of 30,000 interviewers; those 30,000 interviewers have got to have someone to interview, at least one other person. That means that 60,000 people at the very least are going to be devoting their time throughout the period these people are employed to counting chickens, pigs, horses, and what have you at the very hour the responsible heads of the war agencies, the head of the War Production Board, Mr. Krug; the head of production for the Navy, Admiral King; the head of production for the War Department, Under Secretary Patterson; and the head of the Army Service Forces, General Somervell, have been before us with statements that they need 300,000 additional workers to produce ammunition, tires, and other things critically needed now. Yesterday Wes Gallagher in a column from the war front spoke of the shortage of ammunition.

Are we in the face of a situation like that going to set up $5,000,000 to take the time of 60,000 people for the next year and a half or 2 years.

As a matter of fact, when this proposition came up in the Senate we were told that the Director of the Census said he needed $10,000,000. They have had $600,000, and $7,200,000 is to be available after the 1st of January. Why do they need another $5,000,000, for a total of nearly $13,000,000?

If it be true that the $7,200,000 cannot be spent unless they have this $5,000,000 to spend with it, then we had better stop now and save not merely the $5,000,000, but the $7,200,000. Whatever we spend can be better spent a few months later when the war is won.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I am utterly surprised at the arguments that have been advanced against the taking of this census at the present time. You might as well make that argument against taking a census of the population of the United States as provided by the Constitution.

I am probably the only man in the House who was a member of the Census Committee 20 years ago when you Republicans were in charge of the House and when congressionally speaking there were giants upon the earth. You had in this House at that time Nicholas Longworth, James R. Mann, John Q. Tilson, and a large number of other great leaders of your party.

This question was brought up then, and they convinced the country, and they convinced the House, that this census of agriculture should be taken in 1925 and every 10 years thereafter. It has been done ever since.

This is not a political question. As far as I am individually concerned, I do not care whether I get any patronage out of it or not. I have long since learned that patronage, as a rule, does a Congressman as much harm as it does him good. Are you going to abandon this policy altogether? Are you going to say by your vote that we will not take a census provided by law? Why did you not say that last year when we were passing the law pursuant to the custom set by your party in 1924?

There is a greater disruption in agricultural life today than we have ever had. In my opinion, if this census was at all necessary in 1925, it is doubly necessary in 1945. You say, "Oh, we can get this information from the chambers of commerce." If it were a business census, I wonder what your attitude would be? I have never seen anybody oppose one of them. Besides, you do not get such information as this from a chamber of commerce. Someone said a moment ago that they never even call for the information. That may be true. There is a great deal of information that some men in this House never do ask for and never get.

Mr. CASE. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from South Dakota.

Mr. CASE. We threw out some of the censuses proposed for business the other day on a point of order so we did oppose it and got rid of it.

Mr. RANKIN. That went out on a point of order. The gentleman voted for this census last year. All you gentlemen voted for this law last year.

Mr. CASE. We expected the war to be over.

Mr. RANKIN. No; you did not. You knew the election would be over, and thought you would carry the House. If you put this issue on the low level of politics, you put yourselves in a mighty poor position.

Mr. CASE. The gentleman is putting this on the plane of politics.

Mr. RANKIN. Oh, no. I am supporting it now, just as I did when your party was in power.

Mr. CASE. The way in which certain gentlemen defend this from the standpoint of politics is what brings politics into it.

Mr. RANKIN. No. It was before election that we provided for this census. I heard it on every hand that you thought you were going to carry the House. Of course, I was not excited about that. I have served under Republican administrations, and I think I am one of the last men in the House to get up and jump on a man about his politics. But you voted for this census last year when we were at war and we are still at war.

Mr. CASE. We thought the war would be over before this.

Mr. RANKIN. You are getting ready to disrupt your own policy which your own party started when they were in power. I heard the argument then. I was in the minority and I went along with them because they convinced me that this agricultural census should be taken every 10 years. Where was the gentleman from South Dakota last year when we passed the law providing for this census?

> Where, where was Roderick then!
> One blast upon his bugle horn
> Was worth a thousand men!

You can kick this item out if you want to. We are going to call the roll on it, but we will pass it in January.

The Director of the Census came before the committee and stated:

> We are particularly determined that it be not permitted to interfere insofar as we are able. We have issued instructions to our field force, which is in a formative state at the moment, that we must look to people who would normally not be available for regular jobs and not take people from the normal labor force under any circumstances, giving first preference to honorably discharged veterans who are able to do our work, to members of their families, and the families of men still in the services.

There are enough honorably discharged veterans in your district and mine to do this work.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 4 additional minutes.

Mr. RANKIN. If this was not worth anything to the Nation in 1925, why did you start it? I asked the question then. What will it be worth? Your leaders at that time took the floor and convinced us, and, if I remember correctly, the bill passed practically unanimously; it has passed unanimously ever since, as it did last year. Now you come along after the department has set up the machinery to do this work and attempt to stop it and bring up the war as an excuse for stopping a practice that you convinced us 20 years ago was in the interest of the farmers of this Nation. If it was to their interest then, it is doubly to their interest now.

I hope the Members will not vote this appropriation down after we have started on the work, and kill a program that you started when you were in power, and which has been of great benefit to the farmers of this Nation.

I think it would be a sad mistake to disrupt this program now, because if you kill it now it may be the end of it. I

hope that you will vote to sustain this item and that this program will be carried on indefinitely.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Iowa.

Mr. JENSEN. I think it should be made plain, however, that this would not kill the legislation now.

Mr. RANKIN. What good is the legislation if you kill the appropriation to carry it out?

Mr. JENSEN. You have $7,000,000.

Mr. RANKIN. If we are not going to take the census properly, we should not take it at all.

Mr. JENSEN. If the gentleman will remember, when the Republicans were in power I think we took this census for about $2,000,000 and did a wonderful job. Now we are giving you $7,000,000 to do it.

Mr. RANKIN. The argument has been made here that this is no time to take this census. I do not know whether the money is sufficient or not. I am not arguing that point, but I am alarmed that you men want to set aside a program that I think has proved very beneficial for the last 20 years and line up politically on the issue. I hope the motion of the chairman will prevail and that this program will be continued.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri, to recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 67, noes 107.

Mr. CANNON of Missouri. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 97, nays 127, not voting 203, as follows:

[Roll No. 126]

YEAS—97

Anderson, N. Mex.	Granger	Murray, Tenn.
Andrews, Ala.	Grant, Ala.	Norrell
Baldwin, Md.	Hare	Norton
Beckworth	Harless, Ariz.	O'Brien, Mich.
Bell	Harris	O'Connor
Bland	Hart	Outland
Bloom	Hays	Pace
Bonner	Hobbs	Patton
Brown, Ga.	Hoch	Peterson, Fla.
Bryson	Holifield	Peterson, Ga.
Burch, Va.	Jackson	Poage
Camp	Jarman	Priest
Cannon, Mo.	Johnson, Luther A.	Rabaut
Chapman	Johnson, Lyndon B.	Ramspeck
Coffee	Johnson, Okla.	Rankin
Cooley	Kee	Richards
Cooper	Kefauver	Robertson
Cox	Kerr	Rowe
Cravens	King	Sadowski
D'Alesandro	Lanham	Somers, N. Y.
Daughton, Va.	Larcade	Spence
Dingell	Lea	Starnes, Ala.
Domengeaux	Ludlow	Stigler
Doughton, N. C.	McCormack	Sullivan
Elliott	McMillan, S. C.	Sumners, Tex.
Fernandez	Mahon	Thomas, Tex.
Fisher	Manasco	Thomason
Folger	Mansfield, Tex.	Tolan
Forand	May	White
Fulbright	Mills	Whittington
Gathings	Monroney	Wickersham
Gordon	Murdock	Wright
Gossett		

NAYS—127

Allen, Ill.	Gillespie	Mason
Andersen, H. Carl.	Gillie	Merrow
Anderson, Calif.	Goodwin	Michener
Andresen, August H.	Graham	Miller, Conn.
Auchincloss	Griffiths	Miller, Mo.
Barrett	Gross	Monkiewicz
Bates, Mass.	Gwynne	Mundt
Beall	Hagen	Murray, Wis.
Bennett, Mo.	Hale	Norman
Bishop	Hall, Edwin Arthur	O'Brien, N. Y.
Bolton	Hall, Leonard W.	O'Hara
Bradley, Mich.	Hancock	O'Konski
Brehm	Heidinger	O'Neal
Brown, Ohio	Herter	Phillips
Buck	Hoffman	Pittenger
Buffett	Holmes, Mass.	Plumley
Butler	Holmes, Wash.	Ramey
Canfield	Horan	Reed, Ill.
Carlson, Kans.	Jenkins	Reed, N. Y.
Case	Jensen	Robsion, Ky.
Chenoweth	Johnson, Anton J.	Rockwell
Chiperfield	Johnson, Calvin D.	Rogers, Mass.
Church	Johnson, Ind.	Rohrbough
Clason	Johnson, J. Leroy	Schwabe
Clevenger	Jones	Scrivner
Cochran	Judd	Short
Cole, Mo.	Kean	Simpson, Ill.
Crawford	Kearney	Smith, Wis.
Crosser	Keefe	Springer
Cunningham	Kleberg	Stearns, N. H.
Curtis	Knutson	Stockman
Day	LaFollette	Sundstrom
Dirksen	LeCompte	Talbot
Disney	LeFevre	Talle
Dondero	Lemke	Taylor
Dworshak	McConnell	Vorys, Ohio
Ellis	McCowen	Weichel, Ohio
Ellsworth	Maas	Welch
Engel, Mich.	Martin, Iowa	Wigglesworth
Fellows	Martin, Mass.	Willey
Fuller	Merritt	Wilson
Gavin	Miller, Nebr.	Wolcott
Gilchrist	Mott	Wolverton, N. J.
	Rees, Kans.	Woodruff, Mich.

NOT VOTING—203

Abernethy	Fay	McCord
Allen, La.	Feighan	McGehee
Andrews, N. Y.	Fenton	McGregor
Angell	Fish	McKenzie
Arends	Fitzpatrick	McLean
Arnold	Flannagan	McMillen, Ill.
Baldwin, N. Y.	Ford	McMurray
Barden	Fulmer	McWilliams
Barry	Furlong	Madden
Bates, Ky.	Gale	Maloney
Bender	Gallagher	Mansfield, Mont.
Bennett, Mich.	Gamble	Marcantonio
Blackney	Gearhart	Merritt
Boren	Gerlach	Miller, Nebr.
Boykin	Gibson	Miller, Pa.
Bradley, Pa.	Gifford	Morrison, La.
Brooks	Gillette	Morrison, N. C.
Brumbaugh	Gorski	Mott
Buckley	Grant, Ind.	Mruk
Bulwinkle	Gregory	Murphy
Burchill, N. Y.	Halleck	Myers
Burdick	Harness, Ind.	Newsome
Burgin	Hartley	O'Brien, Ill.
Busbey	Hébert	O'Toole
Byrne	Heffernan	Patman
Cannon, Fla.	Hendricks	Pfeifer
Capozzoli	Hess	Philbin
Carrier	Hill	Ploeser
Carson, Ohio	Hinshaw	Poulson
Carter	Hoeven	Powers
Celler	Hope	Pracht, C. Frederick
Clark	Howell	Pratt, Joseph M.
Cole, N. Y.	Hull	Price
Colmer	Izac	Randolph
Compton	Jeffrey	Reece, Tenn.
Costello	Jennings	Rivers
Courtney	Johnson, Ward	Rizley
Curley	Jonkman	Robinson, Utah
Davis	Kelley	Rodgers, Pa.
Dawson	Kennedy	Rolph
Delaney	Keogh	Rooney
Dewey	Kilburn	Rowan
Dickstein	Kilday	Russell
Dies	Kinzer	Sabath
Dilweg	Kirwan	Sasscer
Douglas	Klein	Satterfield
Drewry	Kunkel	Sauthoff
Durham	Lambertson	Scanlon
Eaton	Landis	Schiffler
Eberharter	Lane	Scott
Ellison, Md.	Lesinski	Shafer
Elmer	Lewis	Sheppard
Elston, Ohio	Luce	Sheridan
Engle, Calif.	Lynch	Simpson, Pa.
		Slaughter
		Smith, Maine
		Smith, Ohio
		Smith, Va.
		Smith, W. Va.
		Snyder
		Sparkman
		Stanley
		Stefan
		Stevenson
		Stewart
		Sumner, Ill.
		Taber
		Tarver
		Thomas, N. J.
		Tibbott
		Torrens
		Towe
		Treadway
		Troutman
		Vincent, Ky.
		Vinson, Ga.
		Voorhis, Calif.
		Vursell
		Wadsworth
		Walter
		Ward
		Wasielewski
		Weaver
		Weiss
		Wene
		West
		Whelchel, Ga.
		Whitten
		Winstead
		Winter
		Wolfenden, Pa.
		Woodrum, Va.
		Worley
		Zimmerman

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson of Georgia for, with Mr. Ward Johnson against.

Mr. Brooks for, with Mr. Hill against.

Mr. Hébert for, with Mr. Blackney against.

Mr. Curley for, with Mr. Taber against.

Mr. Stewart for, with Mr. Angell against.

Mr. Drewry for, with Mr. Vursell against.

Mr. Barry for, with Mr. McGregor against.

Mr. Gorski for, with Mr. Arnold against.

Mr. Sheppard for, with Mr. Tibbott against.

Mr. Gregory for, with Mr. Cole of New York against.

Mr. Buckley for, with Miss Sumner of Illinois against.

Mr. McGehee for, with Mr. Lewis against.

Mr. Heffernan for, with Mr. Stefan against.

Mr. Madden for, with Mr. Rizley against.

Mr. Byrne for, with Mr. Wolfenden of Pennsylvania against.

Mr. Hendricks for, with Mr. Rees of Kansas against.

Mr. Keogh for, with Mrs. Smith of Maine against.

Mr. Maloney for, with Mr. Ploeser against.

Mr. Delaney for, with Mr. Reece of Tennessee against.

Mr. Lesinski for, with Mr. Shafer against.

Mr. O'Brien of Illinois for, with Mr. Powers against.

Mr. Fay for, with Mr. Rodgers of Pennsylvania against.

Mr. Winstead for, with Mr. Eaton against.

Mr. Sparkman for, with Mr. Gamble against.

Mr. Sabath for, with Mr. Halleck against.

Mr. Pfeifer for, with Mr. Jonkman against.

Mr. Philbin for, with Mr. Kinzer against.

Mr. Bulwinkle for, with Mr. Howell against.

Mr. Cannon of Florida for, with Mr. Grant of Indiana against.

Mr. Zimmerman for, with Mr. Kilburn against.

Mr. Dilweg for, with Mr. Hoeven against.

Mr. Lane for, with Mr. Elston of Ohio against.

Mr. Whitten for, with Mr. Kunkel against.

Mr. Kelley for, with Mr. Hartley against.

Mr. McCord for, with Mr. Winter against.

Mr. Lynch for, with Mr. Elmer against.

Mr. Wasielewski for, with Mr. Towe against.

Mr. Allen of Louisiana for, with Mr. Stevenson against.

Mr. Kilday for, with Mr. Miller of Nebraska against.

Mr. Smith of West Virginia for, with Mr. Smith of Ohio against.

Mr. Kirwan for, with Mr. Harness of Indiana against.

Mr. Courtney for, with Mr. Jennings against.

Mr. Merritt for, with Mr. Hess against.

Mr. O'Toole for, with Mr. Thomas of New Jersey against.

The result of the vote was announced as above recorded.

Mr. CANNON of Missouri. Mr. Speaker, I move that the House insist upon the disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39: Page 31, line 15, insert:

"Colorado-Big Thompson project, Colorado, $2,000,000."

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 39, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,045,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I offer the substitute amendment just sent to the desk. It is a compromise amendment. I offer this amendment after conferring with the chairman and other members of the House conference committee, whom I have been able to contact. As those of you who are familiar with this item will recall there was a Budget estimate for $2,000,000 for continuation of construction of the Colorado-Big Thompson project. Because of the fact that Congress had appropriated more than $21,000,000 heretofore and that only $18,608,000 had actually been expended on our last report, it was my thought when the conferees met that this would be sufficient to continue the project until funds could be provided in the regular bill. But this, I am told, is not the case—that there is urgent need for funds to complete and line the Alva B. Adams tunnel. I am sure it is not the disposition of any Member of this House to stop work on this important project on which there has already been spent over $18,000,000. It would, therefore, not be in the interest of economy to refuse to make sufficient funds to continue construction work until the tunnel is completed.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 31, line 16, insert "Colorado River project, Texas, $126,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 31, line 17, strike out "$1,900,000" and insert "$2,000,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 31, line 20, insert:

"FORT PECK PROJECT, MONT.

"For an additional amount, fiscal year 1945, for construction of the Fort Peck project, Mont., $400,000, to remain available until expended, and to be expendable as specified under this head in the Interior Department Appropriation Act, 1945."

Mr. CANNON of Missouri. Mr. Speaker, I move the House insist upon its disagreement to the Senate amendment.

Mr. O'CONNOR. Mr. Speaker, I offer a preferential motion which I send to the desk.

The Clerk read as follows:

Mr. O'CONNOR of Montana moves to recede and concur in Senate amendments Nos. 42 and 43.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I wish to address my remarks to Fort Peck, which is amendment 42, and also to Hungry Horse, which is amendment 43.

Mr. Speaker, the Hungry Horse Dam is located over in the western congressional district which is represented by my colleague, the gentleman from Montana [Mr. MANSFIELD] who is in China upon a mission for the President of the United States; so he is unable to be here to defend this item. This item, Mr. Speaker, grows out of an act of Congress which was passed in May 1944, authorizing the construction of the Hungry Horse Dam. The Bureau of the Budget has approved the item of $50,000 to make the necessary provision to bring about the construction of the dam. The Bureau of Reclamation has asked the committee for this amount in order to make the survey. This would be a post-war program and the survey must be made before anything else can be done toward the building of the dam. I ask therefore, Mr. Speaker, that the preferential motion be adopted for the reason that it has the support of the Bureau of the Budget and likewise the Bureau of Reclamation. As I understand, there is no disposition among the members of the committee not to allow it but they did not think the emergency existed at this time.

As to the Fort Peck item, it is an item of $400,000 for the purpose of constructing two power lines from the Fort Peck power system. One of these lines would go to Glendive, Mont., and furnish power for the lifting of water to irrigate small irrigation projects. The other line would go to Williston, N. Dak., for the same purpose. The Glendive power line is under construction at the present time to serve irrigation and pumping for these projects. They have been constructed during the emergency as war food projects. The material for the construction of these lines has already been provided for by priorities upon the theory that they are war food projects. The total estimated cost of the Glendive line is $1,542,000, of which $717,800 have already been expended. This is an irrigation item and it is very important in the production of war foods and will be important after the war for general farm production. I therefore ask, Mr. Speaker, that the preferential motion be adopted.

Mr. CANNON of Missouri. Mr. Speaker, the committee denied this item for the reason that there did not seem to be sufficient emergency to warrant provision for it at this time. It was referred to the regular committee which will take up the next Interior Department appropriation bill early in the next session.

Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. There is a motion before the House which is preferential in character that the House recede and concur in the Senate amendment. That is the motion before the House?

The SPEAKER. The Chair was intending to put that motion.

The question is on the motion offered by the gentleman from Montana [Mr. O'CONNOR], that the House recede and concur.

The motion was rejected.

The SPEAKER. The question is now on the motion offered by the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 43: Page 32, line 11, insert the following:

"HUNGRY HORSE PROJECT, MONTANA

"For work preliminary to construction of Hungry Horse project, Montana, as authorized by section 1 of the act of June 5, 1944 (Public Law 329), fiscal year 1945, to remain available until expended, $50,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

I yield 5 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I have already discussed in connection with my preferential motion the Hungry Horse project. I hope the House will not vote for the motion made by the distinguished chairman of the Appropriations Committee for the reason that we need this money to make the survey so that we can make plans for the construction of this dam which was authorized by the Congress in May 1944.

Mr. CANNON of Missouri. Mr. Speaker, the situation here is a little more urgent than on the last item because this is an entirely new project. Nothing

has been done on it. This is a proposal to initiate an extensive dam and irrigation proposition. In view of the fact it is a new plan, it seemed to us imperative that the matter be referred to the regular committee which will have time to investigate it more thoroughly than was possible in the limited time available for the hurried formulation of this bill.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 125: On page 86, line 13, insert the following:

"SEC. 404. That during the fiscal year 1945 there shall be available for expenditure or obligation for long-distance telephone tolls and for telegrams and cablegrams by the Department of Agriculture, the Department of Commerce, the Department of the Interior, the Department of Justice, the Department of Labor, the Treasury Department, and the Post Office Department not to exceed 90 percent in the case of each of said departments of the amounts included for such purpose in the Budget estimates for the fiscal year 1945 under the schedules in the Budget under the heading "Communication services": *Provided further,* That the savings hereby effected in the items for long-distance telephone tolls and for telegrams and cablegrams for each of the said departments shall not be diverted to other use but shall be covered into the Treasury as miscellaneous receipts: *Provided further,* That section 8 of the Interior Department Appropriation Act, 1945, is hereby repealed."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment and concur with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves the House recede from its disagreement to the Senate amendment and concur with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"SEC. 404. That during the fiscal year 1945 there shall be available for expenditure or obligation for long-distance telephone tolls and for telegrams and cablegrams by the Department of Agriculture, the Department of Commerce, the Department of Justice, the Department of Labor, the Treasury Department, and the Post Office Department not to exceed 90 per cent in the case of each of said departments of the amounts included for such purposes in the Budget estimates for the fiscal year 1945 under the schedules in the Budget under the heading "Communication services": *Provided,* That the savings hereby effected in the items for long-distance telephone tolls and for telegrams and cablegrams for each of the said Departments shall not be diverted to other use but shall be covered into the Treasury as miscellaneous receipts: *Provided further,* That the amounts named in section 8 of the Interior Department Appropriation Act, 1945, are hereby increased by $17,345 and $19,242, respectively, such additional amounts to be available exclusively for the objects for which provided for the Solid Fuels Administration for War and the Fish and Wildlife Service."

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 126: Page 86, line 5, strike out the figure "404" and insert "405."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. Speaker, this bill concludes the appropriation program for the Seventy-eighth Congress. Preparation has already begun on the supply bills for 1944–45 and we expect to report the first early in January. The program of the committee calls for final disposition of all departmental supply bills in time for an early adjournment next year. The departments are now formulating, and the Bureau of the Budget is now processing the Budget estimates for the coming session of Congress. May I call the attention of the Members of the House to the fact that in the drafting of the supply bills for the coming year we are faced with the greatest necessity for retrenchment which has ever confronted the committee in the history of the American Congress. In order to meet unemployment conditions, during the period immediately preceding the war, and in order to finance national defense, during the war, we have spent unprecedented sums, and as a result there has developed in the country and in the Congress, and especially in the departments, a spending psychology dangerous to national fiscal stability.

The public debt today is in excess of $210,000,000,000. The predicted total at the end of the fiscal year is in excess of $251,000,000,000. The interest on the public debt alone will at the close of the war exceed the entire annual Budget of a few years ago. With the coming of peace, we will be confronted with the necessity of annual outlays for:

Public debt retirement.

Interest on the public debt.

Defense establishments of largely enhanced proportions.

Unprecedented veterans' benefits.

Greatly expanded merchant marine.

Other governmental expenses out of all proportion to the former peacetime status.

In the aggregate, they will impose a staggering annual draft on the Federal Treasury. These irreducible expenditures will coincide with rapidly falling national revenues and a mounting demand for reduction in taxes. Mr. Speaker, the United States Government pays its debts. There can be no repudiation. The alternative is a drastic reduction of expenditures. The criterion by which we have too often judged proposed expenditures—that the money will be well invested and well administered—must be discarded for the one standard of stark necessity. May I invite the attention and cooperation of all Members of the Seventy-ninth Congress to the urgent necessity of a program of Spartan economy. I trust there will develop during the holidays a unanimity of concern for the financial integrity of the Government that will bear abundant fruit in the approaching session of the new Congress.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. REED of New York. I just want to call the attention of the gentleman from Missouri, the chairman of the Committee on Appropriations, to the fact that according to the estimate of the Budget made August 1, 1944, the national debt on July 30, 1945, will be $251,334,000,000 as shown by these tables:

Effect of fiscal operations on the public debt, actual for fiscal years 1940–44, and estimated for fiscal year 1945

[In millions of dollars]

	Fiscal years ending June 30—					
	1940	1941	1942	1943	1944	1945 based on Budget estimates of Aug. 1, 1944
Direct public debt at beginning of year	40,440	42,968	48,961	72,422	136,696	201,003
Net increase in direct public debt during year:						
General and special accounts, excess of expenditures over receipts, including public debt retirements	3,740	5,168	19,692	55,901	49,595	52,741
Government corporations and agencies, net expenditures	−34	217	3,625	2,194	4,403	2,075
Trust accounts, excess of receipts over expenditures	−102	−68	−119	−333	−352	−33
Statutory public debt retirements	−129	−64	−95	−3		
Change in Treasury balance	−947	+742	+358	+6,515	+10,662	−4,500
Net increase in direct public debt	2,528	5,994	23,461	64,274	64,307	50,283
Public debt at end of year	42,968	48,961	72,422	136,696	201,003	251,286
Guaranteed obligations not owned by the Treasury outstanding at end of year	5,529	6,370	4,568	4,100	1,623	48
Total public debt and guaranteed obligations outstanding at end of year	48,496	55,332	76,991	140,796	202,626	251,334

NOTE.—Figures are rounded and will not necessarily add to totals.

U. S. Government debt outstanding actual on June 30, 1940–44, and estimated June 30, 1945

[In millions of dollars]

	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944	June 30, 1945 [1] (estimated)
Direct debt:						
Interest-bearing debt:						
Marketable public issues	34,436	37,713	50,573	95,310	140,401	----------
Nonmarketable public issues	3,166	4,555	13,510	29,200	44,855	----------
Total public issues	37,602	42,267	64,083	124,509	185,256	----------
Special issues	4,775	6,120	7,885	10,871	14,287	----------
Total interest-bearing debt	42,376	48,387	71,968	135,380	199,543	----------
Matured debt and debt bearing no interest	591	574	454	1,316	1,460	----------
Total direct debt	42,968	48,961	72,422	136,696	201,003	251,286
Securities fully guaranteed by the United States:						
Interest-bearing:						
Marketable public issues	5,498	6,360	4,549	3,908	1,190	----------
Nonmarketable public issues	----------	----------	----------	183	326	----------
Total public issues	5,498	6,360	4,549	4,092	1,516	----------
Matured	31	11	20	8	107	----------
Total fully guaranteed securities	5,529	6,370	4,568	4,100	1,623	48
Total direct debt and guaranteed securities	48,496	55,332	76,991	140,796	202,626	251,334

[1] Based upon revised Budget estimates of Aug. 1, 1944.

NOTE.—Figures are rounded and will not necessarily add to totals.

Mr. CANNON of Missouri. Mr. Speaker, in closing our program for the year, I regret to report that the Committee on Appropriations will lose 5 members. That is a comparatively small loss out of a committee of 43 members, but unfortunately every one of the 5 are key men and men who cannot easily be dispensed with. Three are on the majority and one on the minority side; the gentleman from New York [Mr. FITZPATRICK], the gentleman from Alabama [Mr. STARNES], and the gentleman from New Jersey [Mr. WENE], from the majority; and the gentleman from Kansas [Mr. LAMBERTSON], and the gentleman from California [Mr. CARTER], from the minority.

The gentleman from New York [Mr. FITZPATRICK] leaves us of his own free will and accord. It is his choice but that does not mitigate our regret at his loss. I think there has been no Member of the House who in recent years has so endeared himself to the membership in general, and whose departure from the House is so regretted as that of the genial gentleman from New York [Mr. FITZPATRICK].

The gentleman from Alabama [Mr. STARNES] has had probably as important a part in the formulation of the War Department appropriation bills as any Member of the House in this Congress or any preceding Congress. The Nation is deeply indebted to him. It will be hard to fill his place. His loss is a misfortune to the committee and the country—and I want to express the regret of the committee and of the subcommittee that he is not to be with us in the next session.

The gentleman from New Jersey [Mr. WENE] was especially valuable as a member of the subcommittee on the Department of Agriculture appropriation bill.

He was closely identified with both industry and agriculture and had occupied positions as an official or as a member of the board of directors of practically every agricultural association in the United States especially interested in the production of poultry. On that account he was in a position to render exceptional service in our consideration of the Agricultural appropriation bill and kindred farm legislation. He left the House voluntarily to enter the lists for the Senate, and was honored with the notable distinction of being nominated by his party as its candidate for United States Senator.

The gentleman from Kansas [Mr. LAMBERTSON] was also a member of the Subcommittee on Agricultural Appropriations and rendered invaluable service. I do not believe I have ever seen a man leave the House with more personal regret than Mr. LAMBERTSON. He is the only Member with whom it was my privilege to serve on two subcommittees and I invariably found him an alert and able champion of all farm interests. He will be greatly missed on the committee, and, especially in the consideration of all agricultural measures.

The gentleman from California [Mr. CARTER] leaves the House at the summit of his usefulness. He served on the Department of the Interior Subcommittee and on the Subcommittee on the Departments of State, Commerce, and Justice Appropriations and exercised a commanding influence in the formulation of the wartime measures for the support and maintenance of these important departments of the Government. His loss will be greatly felt on both subcommittees.

Mr. Speaker, we regret to see these Members leave us. They take with them our warmest friendship and our deepest appreciation of a long and happy association. We wish them God's blessing and Godspeed.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, in the hurly-burly of a sine die adjournment we are apt to forget those associations that have been made over a long period of time. I think they are rich and they are deep and they are abiding. So we ought to take time out from this rather hasty business in the closing hours of the session and pay our testimony to those who will not be with us in the next Congress.

I used to fuss a good deal with my old friend, JIM FITZPATRICK, and I think it was a measure of my affection for him because we disagreed so freely, but he is really a great fellow. He fought with such vigor and enthusiasm for that which he esteemed to be right. We shall miss his zeal, his devotion to duty, his charm, his warm personality.

I served with ELMER WENE when he was a member of the Agricultural Appropriations Subcommittee. There was a graciousness and charm about him which made him a great member. It was a pleasure to work with him. He is one of the largest poultry producers in the Nation and brought to his task a wealth of expert authority and data. His departure from Congress is a distinct loss to this body and to the Nation.

Then there was JOE STARNES. I have a deep affection for JOE STARNES, as for my old colleague, BILL LAMBERTSON, of Kansas. Say what you like, in the 16 years that BILL LAMBERTSON was here he made a great contribution to this country. I doubt whether moral courage ever rose to higher levels than it did in BILL LAMBERTSON, who stood religiously for the things that were principle to him and which he would not sacrifice under any circumstances. He uttered freely the things that were in his heart and mind, and we shall treasure a recollection of him as a truly great American, unafraid and undaunted.

Finally, there is our old friend AL CARTER sitting over here. Al, this is pretty personal, as we say good-bye to you as you go out to California. I will miss, of course, that rich fellowship of yours.

When I noted how long you had been here, I became rather intrigued with those who must have been your associates in those early days and who are no longer here. I notice that you came here in 1925. That was the Sixty-ninth Congress. That means you have served here for 20 years. So I went back and looked in the Congressional Directory and saw who was here in that period.

When AL CARTER came to Congress in 1925 there were only 13 in the California delegation. There are 23 today. Only 40 Members will be left who came with AL CARTER in the Sixty-ninth Congress. There are 43 at the moment, but Representatives FISH, TREADWAY, and FULMER will not be here. So he is 1 of 40 out of 425 who came in 1925, who has been with us and with whom we have enjoyed a stimulating friendship and gracious fellowship.

It is interesting to see who was in the Senate when AL CARTER came here. Oscar Underwood, of Alabama; Tom Walsh, of Montana; Senator La Follette, the senior La Follette, from Wisconsin; Senator Glass, of Virginia; Senator Borah; Senator Deneen, of my home State of Illinois; Senator Jim Watson, who still enjoys rugged health and whom

we see around the Nation's Capital now and then; Senator Cummins, who was a great war horse from the State of Iowa; Senator Curtis, from Kansas; Senator Reed, of Missouri; Senator Harrison, of Mississippi; Senator Moses, of New Hampshire; Senator Wadsworth, who is a Member of this body today; Senator Cole Blease, of South Carolina; and Senator Smoot, of Utah. Those men were shining in the Senate when AL CARTER came here as a Member of the House, and each of them left an enduring impress upon the affairs of the Nation.

In the House in the Sixty-ninth Congress—and I hope you will correct me, AL, if I am in error—were TOM CONNALLY, present chairman of the Foreign Relations Committee of the Senate, who was a Member of the House at that time; R. Walton Moore, who later became Solicitor of the State Department, came here with you. Victor Berger, the eminent Socialist, of Milwaukee, came to that same Congress with you. There was Charles A. Christopherson, of South Dakota, with whom I enjoyed a visit while I was campaigning out in Sioux Falls sometime early last winter. There was JOHN HOLLIS BANKHEAD, now in the Senate.

There was CARL HAYDEN, also in the Senate, with whom we were in conference on the Senate side on this bill. He was a Member of the House when AL CARTER came here. There was Charles B. Timberlake, of Colorado and our esteemed friend Ed Taylor, of Colorado, the late and lamented chairman of the Committee on Appropriations; Charles R. Crisp, the eminent Parliamentarian, of Georgia; Fred Britten, of Illinois; Will Wood, of Indiana; Gilbert H. Haugen, of Iowa. There was William C. Ramseyer, of Iowa, to whom we pay testimony every time we invoke the Ramseyer rule. There was Senator BARKLEY, as I remember, who was a Member of the House when you came here in 1925. There was also WALLACE WHITE, who serves as acting minority leader of the Senate, and Representative Snell, of New York. There was Longworth, of Ohio, and Vare, of Pennsylvania. Cordell Hull was here, as I remember, when AL CARTER came to the House of Representatives.

Twenty years is a long and fruitful service with men who have made such a great contribution, not only to the legislative history of this country but to its progress and to its contentment and to its capacity for getting things done, which makes this the greatest country on the face of the earth. Al, you have had a great and rich experience. Pardon the familiarity, I do not know how to address you in any other way because we have been so long associated on the Committee on Appropriations. God speed wherever you may go. I hope you will enjoy full vigor for many years and that you can come back again and that we might again enjoy that fellowship which has meant so much to us. Goodbye, old chap.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Speaker, I remember upon an occasion at which I was solicited to speak as a guest telling the people of New Hampshire, then assembled in some number, when they had lately defeated their distinguished Senator, George H. Moses, for reelection, that if Vermont had had a man eligible to serve as President pro tempore of the Senate and as one of the three to control all Senate committee appointments, we in Vermont would have been smart enough, irrespective of partisanship, to have kept Vermont at the helm. They agreed, but did not like it.

Something of the same sentiment influences me today with respect to the fact that "AL" CARTER and "BILL" LAMBERTSON will not be here sitting on the Appropriations Committee next session, much as we need them.

Both of these men were and are recognized as authorities generally, country-wide, and especially with respect to particular matters coming before the Appropriations Committee with regard to which they had made special studies and relative to which they had qualified as experts.

We shall sorely miss their advice and counsel at a time when need therefor never was nor will be more pressing. It will be very difficult to find men to fill their places. The country and the Congress and their constituents are losers by reason of their departure.

It takes a long time for a man to acquire such genuine leadership as both of these gentlemen have attained in this House—leadership based and built on character, knowledge, and experience, plus the confidence of the membership justified thereby over the years. Too many people do not realize what they personally sacrifice when they deliberately, pugnaciously defeat such men, outstanding representatives of the people as these men are.

They are both men who by reason of service rendered have won and will retain the admiration, affection, respect, and regard of all of us who know and are indebted to them for advice—so well and generously given over the years of our association together—as we regretfully say, "Until we meet again," wish them well, and look for their early return to these legislative halls for new and continued endeavor by them in the interest of all the people they have served so well. Aloha.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, I do not intend to use the 5 minutes at this time, but I do wish to place my own testimony in the RECORD as to the service of these men. The gentleman from Alabama [Mr. STARNES] and I have served on the same subcommittees, those for the War Department, and the Independent Offices during practically the entire period of my service on the Committee on Appropriations. It has been unsual that we had the same subcommittee assignments, but it has given me an opportunity to know and appreciate the qualities of JOE STARNES. I have found him earnest, intelligent, and intensely patriotic. The gentleman from California [Mr. CARTER], and the gentleman from Kansas [Mr. LAMBERTSON] have been members of the full committee during the entire period of my membership on the Committee on Appropriations. They have been my seniors and my superiors and I have been glad to look up to them. My acquaintance with them has been not merely one of association and of working together, but one of personal friendship. I have appreciated their counsel and their help in many ways. These men, Mr. Speaker, have given the House of Representatives and the country true service. We shall miss them in the Seventy-ninth Congress and hope they return to join us—but whether they do or not, we shall treasure the memories of our association here and wish them well wherever they may be.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to our beloved colleague the distinguished gentleman from California [Mr. CARTER].

Mr. CARTER. Mr. Speaker, and my colleagues of the House of Representatives, I thank you for your cordial greeting. I thank my colleagues for the kindly and generous remarks they have made in regard to me this afternoon. To the gentleman from Missouri [Mr. CANNON], chairman of the powerful Appropriations Committee, I say, I thank you most sincerely. I have served nearly 20 years in this House. As was pointed out by the distinguished and able gentleman from Illinois [Mr. DIRKSEN], many men who were in this House at the time I came here have played prominent parts and are playing very prominent parts in the history of this country. He enumerated a number of them. I remember sitting over here on the Republican side soon after I arrived here, and one of the first speeches that I listened to was delivered by Mr. Ogden Mills, on a tax bill. Mr. Ogden Mills afterward was Secretary of the Treasury. So, I am saying that right here in this body now are many of those who will occupy other important positions than the one they are occupying now, in the days to come, and this country will be better served by reason of their experience here.

Mr. Speaker, for your uniform courtesy and fairness you have my everlasting gratitude and friendship. For all of the Members of this House I have the most profound respect and admiration. I have worked on committees with many of you. The average person has an idea of the many duties, the long hours of work, and the devotion to duty of the membership of this House.

Within a few days I will no longer be a Member of this body. One of the first things that I propose to do as a private citizen and a taxpayer is to advocate an increase in salary of Members of Congress from $10,000 to $12,500 per annum. The last congressional salary increase was made in 1924. It is time for another one and I propose to do everything I can to see that the Members of this House get this well-deserved increase in salary. I have enjoyed my work here in this House and will go forth carrying

many fond and pleasant recollections of the associations here.

Mr. Speaker, during my membership in this House I have noticed certain tendencies, one in particular I desire to refer here this afternoon. This Government is founded upon the principle that there be three independent branches, the legislative, the judicial, and the executive. I am one who believes that the future safety of this Government depends upon these three branches functioning absolutely free and independent of each other. I believe, though, during my time here I have detected a growing tendency on the part of the executive—not only the President and perhaps not to the greatest degree the President, but the executive departments, cabinet officers and others—endeavoring to exert more and more influence here on Capitol Hill; endeavoring to change a bill; endeavoring to kill a bill. There have been bills pending here the past few days with regard to which certain executive officers have been phoning attempting to influence the legislation this way or that according to their own ideas, instead of letting the legislative body do its job and attending to their own business. There are certain criminal statutes in regard to actions of this kind. I do not know that what has been done actually amounts to violations or not, but they are certainly violations of the spirit of the law. So I say to you here this afternoon, that while I am severing my association with this body—to be sure I wanted to come back, I wanted to continue my service here, but I am going out—I admonish this great legislative body to resent and repel intermeddling by the executive branch or other outside influences. With as much to do as there is in this country now, I hope to find some place where I can make some substantial contribution to the war effort. Whether I return to this Chamber again, as was so graciously suggested this afternoon, let me say that I wish for each and every one of you the very best of everything.

Wherever you go, wherever you be,
May the peace of Allah abide with thee.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that members of the Committee on Appropriations may be allowed to extend their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, to me it is always with deep regret that any faithful and experienced public servant should retire from Congress, either voluntarily or otherwise.

As we approach the end of the Seventy-eighth Congress, after having been in session practically the entire year, and one of the most active and hard-working Congresses of which I have been a Member, it is with a feeling of deep regret that many Members with whom we have labored during this Congress and some of them during many other Congresses, will not return to us in the new Congress that convenes on January 3. Among the several able and distinguished Members whose presence will be sorely missed are the five members of the Committee on Appropriations mentioned by the distinguished chairman a few moments ago. Of those five members it has been my privilege to be especially closely associated with two of them for the reason that they served on one of the subcommittees with me. I refer to the gentleman from New York [Mr. FITZPATRICK] and the gentleman from California [Mr. CARTER], neither of whom will be a Member of the next Congress.

It is a pleasure and a privilege to have this opportunity to say a few words in appreciation of the valuable services rendered his State and country by the gentleman from New York [Mr. FITZPATRICK]. He has been a Member of the House for 9 consecutive terms, beginning his service on March 4, 1927, which, incidentally, is the date I began my service in the House. As a member of the Appropriations Committee and chairman of the Subcommittee on Interior Department Appropriations, it has been my good fortune to have served with the gentleman from New York during consideration of the last eight Interior Department appropriation bills. During the long and arduous hearings on those bills I learned to admire and respect him, not only for his ability, but because of his fairness and the friendly manner which he displayed in his dealings with other members of the committee and the witnesses who appeared before our committee.

His retirement from the House is entirely voluntary. I understand that many influential friends in his district wanted him to remain in the House. Only recently he celebrated his seventy-fifth birthday. Despite his advanced years, he attended our meetings regularly and is a tireless worker. Personally, I believe that our good friend from New York has earned and deserves a real rest and vacation from all the arduous duties, which have been increased tremendously due to the war, and I know I am expressing the sentiments of all his colleagues on the Appropriations Committee when I say that he leaves assured of the deep respect and affection of every one of us.

I also mentioned the gentleman from California [Mr. CARTER], whose service in this body began on March 4, 1925, and who is completing his tenth consecutive term. He and I have served together on the Interior Department Subcommittee during consideration of the last seven appropriation bills. Due to his long residence in the western part of the United States he has been particularly well qualified to take an active and influential part in the proceedings of our subcommittee, which considers appropriations for many activities of vital importance to the people of the Far West. Before coming to the Appropriations Committee, Mr. CARTER had served on other important committees of the House, including the Rivers and Harbors Committee, and he has been responsible for the enactment of important legislation of great benefit to the people of his State. During the past 2 years he has occupied the position of ranking Republican member on the Interior Department Subcommittee. I am glad to say that we have worked together in harmony and, regardless of party affiliation, have been able to report measures in which we were in complete accord. His steadying influence and the vast store of information which he had on matters relating to the West will be sorely missed. We all wish him every success in any activity he may undertake in the future.

Mr. DWORSHAK. Mr. Speaker, I also desire to add a brief tribute to my colleagues who will sever their connections with the Committee on Appropriations at the end of this session. During the past two years I have enjoyed my associations with them, and have observed how conscientiously and efficiently they have discharged their duties. The gentleman from California [Mr. CARTER] has served for many years on the subcommittee which has handled appropriations for the Interior Department, and in this capacity has shown an understanding of western problems which has earned him the gratitude of those who reside in the public lands States. It is my sincere wish that these colleagues will retain happy recollections of their service in this body, and that they will derive much satisfaction from the work they have accomplished in these years.

Mr. WIGGLESWORTH. Mr. Speaker, may I add a brief word in respect to members of the Appropriations Committee who will no longer be with us in the next session of Congress.

The loss of Congressman CARTER is a great loss to the Congress and to the country. He has demonstrated not only great ability but has a continuous service in the Congress of 20 years, which is a tremendous asset from the standpoint of those he represents directly as well as the country as a whole. I am confident that his many friends on the Democratic side of the aisle were as amazed by his defeat as were those on the Republican side. If the thousands of new voters in his congressional district had appreciated his position and influence in the Congress, it is difficult to believe that he would not have been chosen once again to continue his fine service in the House.

I have served for many years with Congressman LAMBERTSON on two of the subcommittees of the Committee on Appropriations. No Member of the House has voted more consistently for economy and retrenchment in Government expenditure than he. If others had had his point of view and his determination in this connection, the country would not now be faced by the frightful consequences of reckless extravagance and waste under the present administration in recent years.

I have served for several years with Congressman FITZPATRICK on the subcommittee on Appropriations for the independent offices. I am sorry that he is leaving us voluntarily. Though differing often with him on political questions, I have for him a genuine affection.

I have also served with Congressman STARNES for several years on the same subcommittee. He has shown great ability and real independence of thought and action. He has placed the interests of his country above partisan considerations as his friends on both sides of the aisle will testify.

All these colleagues, Mr. Speaker, will be greatly missed as a personal matter by their coworkers, both Republican and Democratic, who have served with them in connection with the great problems confronting the Appropriations Committee in these terrible years.

GENERAL LEAVE TO EXTEND

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill today may have 5 legislative days within which to extend their remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Mr. REED of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. REED of New York. Mr. Speaker, do I understand that the request submitted by the gentleman from Missouri to extend remarks is broad enough that under it I may extend the remarks I made with reference to the national debt?

The SPEAKER. Was the gentleman speaking on the bill?

Mr. REED of New York. I was questioning the chairman or made some suggestion to the chairman on the bill.

The SPEAKER. The Chair would think that the gentleman would have to make specific request for that purpose.

EXTENSION OF REMARKS

Mr. REED of New York. Then, Mr. Speaker, I ask unanimous consent that in connection with the remarks I made today I may insert a table with reference to the national debt.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KNUTSON. Was the request of the gentleman from Missouri limited to members of the Committee on Appropriations?

Mr. CANNON of Missouri. In the matter of enconiums to our friend, the gentleman from California [Mr. CARTER].

Mr. KNUTSON. Other Members of the House are friends of his also. The gentleman should throw it open to all.

Mr. CANNON of Missouri. Then, Mr. Speaker, I amend my request and ask unanimous consent that all Members of the House may extend their remarks at that point in the RECORD in the matter of tributes to retiring members of the Committee on Appropriations.

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. Would the general request submitted by the gentleman from Missouri permit me to include a letter from the Veterans Administration dealing with their program for the rehabilitation of wounded veterans?

The SPEAKER. It would not. General requests of that nature are limited to the bill under consideration; we cannot broaden these things. The Chair will recognize the gentlewoman from Massachusetts later.

FIRST SUPPLEMENTAL DEFICIENCY APPROPRIATION BILL

The SPEAKER. Without objection, a motion to reconsider the various votes by which the motions were agreed to will be laid upon the table.

There was no objection.

RETURN OF ENROLLED BILL 1979, TO REGULATE IN THE DISTRICT OF COLUMBIA THE TRANSFER OF STOCK IN CORPORATIONS

The SPEAKER laid before the House the following Senate concurrent resolution (S. Con. Res. 57), which was read:

Resolved by the Senate (The House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 1979) to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto; that if and when the said bill is returned by the President, the action of the presiding officers of the two Houses in signing the said bill be deemed to be rescinded; and that the Secretary of the Senate be and he is hereby, authorized and directed, in the reenrollment of the said bill, to make the following correction, namely, on page 12 of the Senate engrossed bill, in lieu of the matter contained in lines 23 and 24, insert the following:

"SEC. 25. This Act shall take effect on the 1st day of January, 1945."

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Massachusetts. Mr. Speaker, on January 3, unless the House takes some other action, the so-called Dies committee will expire. There is a growing concern all over the country that the papers and information that that committee has gathered during its years of investigation shall be adequately protected and that they shall be available for public use. My inquiry is, What is the procedure by which these papers will be disposed of if the life of this committee is not renewed?

The SPEAKER. The Chair will read rule XXXVII:

Clerks of the several committees of the House shall, within 3 days after the final adjournment of a Congress, deliver to the Clerk of the House all bills, joint resolutions, petitions, and other papers referred to the committee, together with all evidence taken by such committee under the order of the House; and in the event of the failure or neglect of any clerk of a committee to comply with this rule the Clerk of the House shall, within 3 days thereafter, take into his keeping all such papers and testimony.

The Chair would hold that under the rule just read the documents of the so-called Dies committee are in the control of that committee and the House until 3 days after the 3d day of January next.

Mr. MARTIN of Massachusetts. That would permit the House, if it so desired, to make any arrangement that it might make when we return here on January 3?

The SPEAKER. The gentleman is correct, and the Chair will assure the gentleman and the House that nothing but that will happen between now and the 3d of January.

Mr. MARTIN of Massachusetts. I thank the Speaker.

TRANSFER OF CERTAIN PROPERTY FROM THE HOME OWNERS' LOAN CORPORATION

Mr. HOLMES of Massachusetts. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2208) providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national-park purposes, and its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, and I shall not because I am aware of the situation, will the gentleman for the RECORD state what the bill is for the benefit of the Members who may not be acquainted with it?

Mr. HOLMES of Massachusetts. Mr. Speaker, I will be glad to. This Senate bill that was passed by the Senate this afternoon transfers a piece of property owned at the present time by the Home Owners' Loan Corporation. Way back in 1933 the Home Owners' Loan Corporation placed a mortgage on this property. Since then they have had to foreclose. The property is adjacent to the Arcadia Park in Maine. This bill transfers it from the Home Owners' Loan Corporation to the Department of the Interior and makes it a part of the Arcadia Park in Maine.

Mr. McCORMACK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Home Owners' Loan Corporation (herein called the "Corporation") is authorized and directed to convey and transfer to the United States of America, upon the terms and conditions provided in section 4 hereof, all right, title, and interest vested in the Corporation, at the date of such conveyance and transfer, in and to real property and interests therein in the county of Hancock, State of Maine, acquired

by the Corporation through the foreclosure of that certain mortgage deed, dated October 20, 1933, executed to the Corporation by Percy B. Russell and Florence L. Russell, and appearing in book 642, page 389, of the Registry of Deeds of Hancock County, State of Maine.

SEC. 2. The Secretary of the Interior, for and on behalf of the United States of America, is authorized and directed to accept the conveyance and transfer of such property without regard to the provisions of section 355, as amended, section 1136, as amended, and section 3709 of the Revised Statutes (except the last paragraph of said section 355, as amended, which shall be applicable hereto), or any other provision of law. The Secretary of the Interior is further authorized and directed to pay all necessary fees, charges, and expenses in connection with such conveyance and transfer.

SEC. 3. Upon the conveyance and transfer of such property as herein provided, it shall be used and administered by the Secretary of the Interior solely for national-park purposes, and it shall be deemed to constitute a part of the Acadia National Park.

SEC. 4. Any other provision of law to the contrary notwithstanding, the Secretary of the Treasury shall, upon such conveyance and transfer and in lieu of any other payment by the United States to the Corporation as consideration for the conveyance and transfer of such property, cancel bonds of the Corporation, in the principal sum of $18,000, purchased by the Secretary of the Treasury under or by reason of the provisions set forth in section 4 of the Home Owners' Loan Act of 1933, approved June 13, 1933 (48 Stat. 128), as amended (which bonds are hereby made available to the Secretary of the Treasury for the purposes of this section), and all sums due and unpaid upon or in connection with such bonds at the time of such cancelation and discharge, together with any accrued interest: *Provided*, That the Secretary of the Treasury and the Corporation are authorized and directed to make adjustments on their books and records as may be necessary to carry out the purposes of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF RAILROAD RETIREMENT LAW AND UNEMPLOYMENT INSURANCE LAW

Mr. CROSSER. Mr. Speaker, this afternoon I introduced the bill (H. R. 5625) to amend the railroad retirement law and the unemployment insurance law.

I introduced the bill just mentioned for the purpose of making certain of noting any mistakes of a clerical nature or errors in diction which may have been made by those drafting the measure.

EXTENSION OF REMARKS

Mr. COLE of Missouri. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Missouri [Mr. SCHWABE] be permitted to extend his remarks in the RECORD in two instances.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

JOINT COMMITTEE ON THE REORGANIZATION OF THE CONGRESS

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution 23, Seventy-eighth Congress, the Chair appoints as members of the Joint Committee on the Organization of the Congress the following Members of the House: Messrs. MONRONEY, COX, LANE, MICHENER, DIRKSEN, and PLUMLEY.

DEPARTMENT OF THE INTERIOR

Mr. WHITE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3429) simplifying the administration of the act authorizing the employment as consultants of retired employees of the Department of the Interior, with a Senate amendment thereto, and disagree to the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. WHITE. I want to make an apology to the House for my failure to make clear the disputed portion of this issue. May I clear up the issue that has been raised here by reading from the report?

That notwithstanding the provisions of any other act, retired personnel of the Department of the Interior employed by the Secretary of the Interior as consultants in accordance with the provisions of this act, may be so employed without deductions from compensation for retirement, without loss of or redetermination of retirement status, and without loss or reduction of retirement annuity or other benefits by reason of such employment, except that there shall be deducted from the compensation otherwise payable to any such retired employee sums equal to the retirement annuity or benefit allocable to the days of actual employment hereunder.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is this the propositiontion that the House voted down yesterday?

Mr. WHITE. This is the conference report that was voted down because we had accepted the Senate amendment. Now we are insisting on the House position. We are supporting the position of the House passing the bill and insisting that we disagree with the Senate amendment. We have good reason to believe that the Senate will recede and concur and accept the House version. If that is done there will be no question of double pay.

Mr. KNUTSON. Is there any limit on the amount that may be expended under the general provision?

Mr. WHITE. There is a limitation.

Mr. KNUTSON. How much is it in the aggregate? I am not interested in the individual allowance. How much will it cost the Treasury?

Mr. WHITE. There is this limitation in the existing law, which the bill under discussion will not change:

That the Secretary of the Interior is authorized, in his judgment and discretion, to employ for consultation purposes on important reclamation work 10 consulting engineers, geologists, appraisers, and economists, at rates of compensation to be fixed by him, but not to exceed $50 per day for any engineer, geologist, appraiser, or economist so employed: *Provided*, That the total compensation paid to any engineer, geologist, appraiser, or economist during any fiscal year shall not exceed $5,000: *Provided further*, That notwithstanding the provisions of any other act, retired officers of the Army or Navy may be employed by the Secretary of the Interior as consulting engineers in accordance with the provisions of this act.

Mr. CASE. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from South Dakota.

Mr. CASE. As I understand the situation, and I should like to have the gentleman correct me if I am not correct, all this does is to say that the Department of the Interior can employ some people who are on the retired list and that what is paid to them will come out of funds which have been previously appropriated—it does not change that—and that whatever they may be paid will be deducted from the amount they would get from the retirement fund so that they will not be paid twice.

Mr. WHITE. That is exactly right.

Mr. CASE. I see no objection to the gentleman's bill. It would put to work some people who are on the retired list and are prohibited from working under the double-employment statutes.

Mr. KNUTSON. It is my information that the bill does not say so, and it is my further information that the $5,000 the gentleman mentions is the limit that any one individual may receive.

Mr. WHITE. That is correct.

Mr. KNUTSON. I asked the gentleman how much it will cost the United States Treasury in toto.

Mr. WHITE. As the gentleman from South Dakota said, it will be paid out of appropriations. This is simply to employ a few experts who have been trained in the Department. The gentleman can take any position he wants. This is a unanimous-consent request. It is supporting the position of the House of Representatives in passing the bill. We insist on our disagreement with the Senate.

Mr. CASE. As a matter of fact, will not this actually save the Government money in this way, that the people who are on the retired list are going to get the retirement pay anyway, that the money that has been appropriated to the Department of the Interior is going to be spent some way, anyway, and that if you spend it on the people on the retired list you save the retirement money which is paid to them?

Mr. JENSEN and Mr. PHILLIPS rose.

Mr. WHITE. I yield to the gentleman from Iowa, because he objected to the bill in the first place. He understands the bill now. I should like to yield to him for an explanation.

Mr. PHILLIPS. Will the gentleman yield to me briefly before he yields to the gentleman from Iowa?

Mr. WHITE. I yield.

Mr. PHILLIPS. I think it should be made clear that this went through the committee, and that it refers only to how many people?

Mr. WHITE. There is a limit of 10 people.

Mr. PHILLIPS. It refers to a very limited number of people whom we are trying to get back into service.

Mr. KNUTSON. Cannot President Roosevelt restore them to active service by Presidential order?

Mr. WHITE. No.

Mr. KNUTSON. They are doing everything else by Presidential order. I do not know why that could not be done.

Mr. WHITE. If he does that, you will have to recompute the retirement pay. In many cases the retirement pay has been advanced by legislation. It might result in somebody now on retirement pay at $100 stepping up to $200 a month. This is an economy measure all the way through. It brings back into service men that are sorely needed, that are trained and understand the business, that are familiar with the departmental usages and practices, and it gives us the benefit of qualified men that understand the work and know how to proceed.

Mr. KNUTSON. The gentleman is so plausible that he has me confused.

Mr. WHITE. Now I yield to the gentleman from Iowa.

Mr. JENSEN. I objected to this bill on the Consent Calendar about a month ago because it had not been explained to any Member of the House. Then Mr. Bashore, Chief of the Bureau of Reclamation, came to my office and explained this bill to me and explained it to my satisfaction.

I think my colleagues here know that I am not one who would put on a bunch of bureaucrats. I want you to know that these men who are coming back, these men who have been retired, are men that know their business. They are a fine bunch of patriotic Americans who would like to do something for their country in wartime in this manpower shortage. I feel very strongly that this is a good bill and that those men should have an opportunity to come back and help in this emergency. We need them. I certainly hope there is nobody that thinks I would be for something that would cost a lot of money and do no good.

Mr. KNUTSON. Is it clearly understood that the amount of annuity they are now receiving, their retired pay, will be deducted from the amount they would otherwise receive?

Mr. JENSEN. That is clearly provided.

Mr. WHITE. That is clearly provided.

Mr. CASE. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MURDOCK, for 10 days, on account of committee business.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, our colleagues the gentlemen from Minnesota [Mr. MAAS and Mr. GALE] will not be Members of the Seventy-ninth Congress. I ask unanimous consent to extend my remarks in the RECORD with reference to them.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to our colleagues the gentleman from Minnesota [Mr. MAAS] and the gentleman from Minnesota [Mr. GALE].

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 195. An act for the relief of Gladys A. Ennis as executrix of the estate of George Pearse Ennis, deceased, and Oscar H. Julius; and the Excelsior Automotive Service, Inc.;

H. R. 449. An act for the relief of the Puget Sound Bridge and Dredging Co.;

H. R. 545. An act for the relief of G. F. Odom;

H. R. 763. An act for the relief of Lindsey Harcrow;

H. R. 976. An act for the relief of Mr. and Mrs. Sebastian Eger;

H. R. 1023. An act to establish a Chief of Chaplains of the United States Navy;

H. R. 1218. An act for the relief of F. L. Riddle;

H. R. 1284. An act relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war;

H. R. 1556. An act for the relief of Archie Barwick;

H. R. 1643. An act for the relief of Mary Lovis Elliott;

H. R. 1772. An act for the relief of Henry Stovall;

H. R. 1963. An act for the relief of G. H. Garner;

H. R. 2005. An act for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum;

H. R. 2016. An act for the relief of William H. Linhart;

H. R. 2066. An act for the relief of A. L. Rinkenberger and John Floering;

H. R. 2150. An act for the relief of Diemer Adison Coulter and Frances Andrews Coulter;

H. R. 2213. An act for the relief of Mrs. Agnes Wolters;

H. R. 2300. An act for the relief of Rose B. Luzar;

H. R. 2354. An act for the relief of the estate of Mrs. Phoebe Sherman, and for Harriett W. Vanderhoef and Allan Vanderhoef;

H. R. 2373. An act for the relief of Pearl Salevitz and Ruth Levin;

H. R. 2543. An act for the relief of Mrs. Nelle Jones;

H. R. 2688. An act for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor;

H. R. 2825. An act for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.;

H. R. 2827. An act for the relief of the estate of Ida M. Rutherford;

H. R. 2903. An act for the relief of the Washington Asphalt Co.;

H. R. 2969. An act to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals;

H. R. 2994. An act to extend Reissued Letters Patent No. 19,023;

H. R. 3017. An act for the relief of Hubert McMahon and the legal guardian of Barbara McMahon;

H. R. 3138. An act for the relief of Mrs. Bertha Macklin;

H. R. 3191. An act for the relief of Lillian Hill;

H. R. 3192. An act for the relief of Mrs. Bertha Grantham;

H. R. 3218. An act for the relief of Enid M. Albertson;

H. R. 3250. An act to confer jurisdiction upon the United States District Court of Maine;

H. R. 3279. An act for the relief of Clarence G. Doelling and Doris J. (McNeil) Doelling;

H. R. 3285. An act for the relief of Mrs. Rose Poisson;

H. R. 3302. An act for the relief of Eleanor Parkinson;

H. R. 3323. An act for the relief of Mrs. William M. Watson and R. H. Price;

H. R 3369. An act for the relief of Harry V. Hearn;

H. R. 3400. An act for the relief of La Verne Whipple;

H. R. 3414. An act for the relief of Edward C. Robbins;

H. R. 3465. An act for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osgetel Berberian;

H. R. 3467. An act for the relief of Miss Anne Watt;

H. R. 3484. An act for the relief of Mrs. Pearl W. Peterson;

H. R. 3584. An act for the relief of Elsie Hawke;

H. R. 3590. An act for the relief of the city and county of San Francisco;

H. R. 3614. An act for the relief of the Queen City Brewing Co.;

H. R. 3639. An act for the relief of Herman Weinert, Jr., doctor of medicine;

H. R. 3645. An act for the relief of Mary Agnes Lichtefeld Droppelman and Fred J. Lichtefeld and Josephine Lichtefeld;

H. R. 3678. An act for the relief of Floyd E. and Lena Mae Drummond;

H. R. 3709. An act for the relief of Harley E. Carter;

H. R. 3727. An act for the relief of the legal guardian of Violet DeGroot;

H. R. 3732. An act to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey;

H. R. 3781. An act for the relief of Hall Farris;

H. R. 3814. An act for the relief of M. Senders & Co.;

H. R. 3852. An act for the relief of the O. S. Stapley Co.;

H. R. 3880. An act for the relief of Mrs. Anna Zukas;

H. R. 3881. An act for the relief of Mrs. Anna Chandler;

H. R. 3928. An act for the relief of James LeRoy Eden;

H. R. 3931. An act for the relief of the estate of Dr. A. D. Gibson;

H. R. 3995. An act for the relief of Walter Lundmark;

H. R. 4014. An act for the relief of Mrs. Ruby Winsch;

H. R. 4016. An act for the relief of John Casey and Marie Casey;

H. R. 4038. An act for the relief of Joseph W. Steel;

H. R. 4049. An act for the relief of Alfred F. Ross;

H. R. 4080. An act for the relief of certain former employees of the United States Court for China;

H. R. 4101. An act for the relief of P. E. Brannen;

H. R. 4105. An act for the relief of Ira Cannon;

H. R. 4111. An act for the relief of Louis Beckham;

H. R. 4125. An act for the relief of Kelly Hobbs;

H. R. 4144. An act for the relief of Brig. Gen. Louis J. Fortier;

H. R. 4159. An act to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742);

H. R. 4200. An act for the relief of William Weber;

H. R. 4212. An act for the relief of Robert and Mary Rowe;

H. R. 4213. An act for the relief of Karl Lungstras;

H. R. 4305. An act for the relief of Henry Clay Walker;

H. R. 4309. An act for the relief of Rosa Lee Foreman;

H. R. 4322. An act for the relief of the estate of Floyd M. Adair, deceased;

H. R. 4331. An act for the relief of Mrs. Florence Armstrong;

H. R. 4333. An act for the relief of Bertha LeFrancq;

H. R. 4345. An act for the relief of the legal guardian of Luther Marcus Smith, a minor;

H. R. 4363. An act for the relief of Ollie Brashear Hearldson;

H. R. 4367. An act for the relief of Mrs. Julia Toler;

H. R. 4380. An act for the relief of Mabelle E. Olive;

H. R. 4442. An act for the relief of Albert B. Weaver;

H. R. 4451. An act for the relief of John McLaughlin, Sr., and John McLaughlin, Jr.;

H. R. 4481. An act for the relief of William H. Crompton;

H. R. 4502. An act to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended;

H. R. 4525. An act for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy;

H. R. 4542. An act for the relief of Harold Miller;

H. R. 4547. An act to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business;

H. R. 4549. An act for the relief of Sandy C. Brown;

H. R. 4588. An act for the relief of Robert L. Whiddon;

H. R. 4593. An act for the relief of Thomas R. Clark;

H. R. 4629. An act for the relief of Ludwig Wolf;

H. R. 4631. An act for the relief of John L. MacNeil;

H. R. 4674. An act for the relief of the estate of Everette Maxwell; the estate of Redman P. Maddux; and the legal guardian of Elmer Massa, a minor;

H. R. 4703. An act for the relief of the estate of Annie Brown;

H. R. 4736. An act for the relief of Dr. H. L. Klotz;

H. R. 4786. An act for the relief of the estate of Kimball Lee Beckner;

H. R. 4815. An act for the relief of the Board of County Commissioners of Volusia County, Fla.;

H. R. 4817. An act for the relief of Wilfred T. Plant, Sr.;

H. R. 4878. An act for the relief of the estate of Emma B. Fleet, deceased;

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.;

H. R. 4918. An act to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service;

H. R. 4921. An act for the relief of Dr. J. Sims Norman;

H. R. 4927. An act for the relief of Francis D. Stovall, Jr.;

H. R. 4962. An act for the relief of Jessie Springsteen and John Springsteen;

H. R. 4968. An act to amend section 511 (c) of the Merchant Marine Act, 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes;

H. R. 5034. An act for the relief of the estate of Francis A. Collins;

H. R. 5048. An act for the relief of the estate of Cecile H. Burgett, deceased;

H. R. 5060. An act for the relief of Clyde H. Palmer; estate of Lola J. Palmer; legal guardian of Margie Joan Palmer, a minor;

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes;

H. R. 5154. An act relating to dual employment in the Postal Service, and for other purposes;

H. R. 5167. An act to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital;

H. R. 5206. An act to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.;

H. R. 5219. An act to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.;

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts cove ing expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard;

H. R 5331. An act to authorize the transfer of certain lands within the Colonial National Historical Park, Yorktown, Va., to the Secretary of the Navy;

H. R. 5453. An act authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway, a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park;

H. R. 5518. An act to amend section 119 of the Judicial Code;

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service;

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.;

H. R. 5565. An act to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps;

H. R. 5566. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944;

H. R. 5590. An act to increase clerk hire, and for other purposes; and

H. J. Res. 317. Joint resolution recognizing the outstanding service rendered to the United Nations by Field Marshal Sir John Dill.

The SPEAKER announced his signature to bills and a joint resolution of the Senate of the following titles:

S. 1819. An act to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry in Charlotte County, Va.;

S. 1827. An act for the relief of Oliver N. Knight;

S. 1971. An act to provide for the disposal of certain mail matter condemned by the Director of Censorship; and

S. J. Res. 148. Joint resolution authorizing the disposal of certain blood plasma reserves.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p. m.) the House adjourned until Monday, December 18, 1944, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RAMSPECK: Committee on the Civil Service. House Resolution 16. Resolution on report pursuant to investigation of civilian employment (Rept. No. 2084). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. S. 1481. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; with amendment (Rept. No. 2085). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H. R. 4699. A bill to amend section 2 (b) of the act entitled "An act extending the classified executive civil service of the United States," approved November 26, 1940, so as to provide for counting military service of certain employees of the legislative branch in determining the eligibility of such employees for civil-service status under such act; without amendment (Rept. No. 2086). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROSSER:

H. R. 5625 (by request). A bill to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLIFIELD:

H. R. 5626. A bill to raise the minimum wage rate; to the Committee on Banking and Currency.

By Mr. COFFEE:

H. R. 5627. A bill relating to the acquisition of certain property within Mount Rainier National Park; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WENE introduced a bill (H. R. 5628) for the relief of Nelson Bell which was referred to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6252. By Mr. ELLSWORTH: Petition of Orren Brownson, of Eugene, Oreg., and 1,538 other citizens protesting against prohibition legislation; to the Committee on the Judiciary.

6253. By Mr. WILLEY: Petition of 167 citizens of the State of Delaware favoring passage of House bill 2082 (Bryson bill); to the Committee on the Judiciary.

SENATE

MONDAY, DECEMBER 18, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

Rev. Hunter M. Lewis, B. D., associate minister, Church of the Epiphany, Washington, D. C., offered the following prayer:

O Eternal God, Lord of the far-flung battle line, in whose almighty Hand are the destinies of mankind: We yield Thee hearty thanks for each forward step vouchsafed to our armed forces, beseeching Thee so to dispose the issues in this conflict that our country and her allies may press on tirelessly toward the final goal of Thine own victory.

Grant Thy Holy Spirit to our leaders, that they may lead us where Thou wouldst have us to go. Be with all who have gone forth into the service of our country, an ever-present help in time of danger, and a strong bulwark against all temptation. Heal the sick, restore the wounded, sustain the prisoners, receive the dying, and comfort all who mourn the loss of dear ones.

And may the benison of Thy dear Son, the Prince of Peace, soon lead both friend and foe to kneel brokenheartedly before the manger of the Babe of Bethlehem as brothers once lost and found anew in the love of our Lord and Saviour, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, December 16, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS AND A JOINT RESOLUTION

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and a joint resolution:

On December 15, 1944:

S. 1002. An act to compensate Roy W. Olsen for the loss of an eye on account of negligence of Work Projects Administration employees September 25, 1938, at Cranston, R. I.;

S. 1997. An act for the relief of Jack Stowers, B & O Store, and Cotton County Poultry & Egg Co.; and

S. J. Res. 156. Joint resolution to extend the statute of limitations in certain cases.

On December 16, 1944:

S. 1580. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the nonreservation Indian boarding school known as Sherman Institute, California;

S. 1597. An act to amend section 1, act of June 29, 1940 (54 Stat. 703), for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes;

S. 1801. An act to authorize the Secretary of the Navy to convey to the Virginian Railway Co., a corporation, for railroad-yard-enlargement purposes, a parcel of land of the Camp Allen Reservation at Norfolk, Va.;

S. 1898. An act to amend section 99 of the Judicial Code, as amended, so as to change the term of the District Court for the District of North Dakota at Minot, N. Dak.; and

S. 2205. An act to authorize the dissolution of the Women's Christian Association of the District of Columbia and the transfer of its assets.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed without amendment the bill (S. 2208) providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national-park purposes.

The message also announced that the House had disagreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3429) to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148), and that the House insisted upon its disagreement to the amendment of the Senate to the bill.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 9, 10, 11, 13, 14, 15, 17, and 26 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 22, 39, and 125 to the bill and concurred therein severally with an amendment in which it requested the concurrence of the Senate; and that the House insisted upon its disagreement to the amendments of the Senate numbered 30, 40, 41, 42, and 43 to the bill.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 57) requesting the President to return to the Senate the enrolled bill (S. 1979) to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto, and providing for its reenrollment.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 195. An act for the relief of Gladys A. Ennis as executrix of the estate of George Pearse Ennis, deceased, and Oscar H. Julius; and the Excelsior Automotive Service, Inc.;

H. R. 449. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 545. An act for the relief of G. F. Odom;

H. R. 763. An act for the relief of Lindsey Harcrow;

H. R. 976. An act for the relief of Mr. and Mrs. Sebastian Eger;

H. R. 1023. An act to establish a Chief of Chaplains of the United States Navy;

H. R. 1218. An act for the relief of F. L. Riddle;

H. R. 1284. An act relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war;

H. R. 1556. An act for the relief of Archie Barwick;

H. R. 1643. An act for the relief of Mary Lovis Elliott;

H. R. 1772. An act for the relief of Henry Stovall;

H. R. 1963. An act for the relief of G. H. Garner;

H. R. 2005. An act for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum;

H. R. 2016. An act for the relief of William H. Linhart;

H. R. 2066. An act for the relief of A. L. Rinkenberger and John Floering;

H. R. 2150. An act for the relief of Diemer Adison Coulter and Frances Andrews Coulter;

H. R. 2213. An act for the relief of Mrs. Agnes Wolters;

H. R. 2300. An act for the relief of Rose B. Luzar;

H. R. 2354. An act for the relief of the estate of Mrs. Phoebe Sherman, and for Harriett W. Vanderhoef and Allan Vanderhoef;

H. R. 2373. An act for the relief of Pearl Saievitz and Ruth Levin;

H. R. 2543. An act for the relief of Mrs. Nelle Jones;

H. R. 2688. An act for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor;

H. R. 2825. An act for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.;

H. R. 2827. An act for the relief of the estate of Ida M. Rutherford;

H. R. 2903. An act for the relief of the Washington Asphalt Co.;

H. R. 2969. An act to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals;

H. R. 2994. An act to extend Reissued Letters Patent No. 19023;

H. R. 3017. An act for the relief of Hubert McMahon and the legal guardian of Barbara McMahon;

H. R. 3138. An act for the relief of Mrs. Bertha Macklin;

H. R. 3191. An act for the relief of Lillian Hill;

H. R. 3192. An act for the relief of Mrs. Bertha Grantham;

H. R. 3218. An act for the relief of Enid M. Albertson;

H. R. 3250. An act to confer jurisdiction upon the United States District Court of Maine;

H. R. 3279. An act for the relief of Clarence G. Doelling and Doris J. (McNeil) Doelling;

H. R. 3285. An act for the relief of Mrs. Rose Poisson;

H. R. 3302. An act for the relief of Eleanor Parkinson;

H. R. 3323. An act for the relief of Mrs. William M. Watson and R. H. Price;

H. R. 3369. An act for the relief of Harry V. Hearn;

H. R. 3400. An act for the relief of La Verne Whipple;

H. R. 3414. An act for the relief of Edward C. Robbins;

H. R. 3465. An act for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osgetel Berberian;

H. R. 3467. An act for the relief of Miss Anne Watt;

H. R. 3484. An act for the relief of Mrs. Pearl W. Peterson;

H. R. 3584. An act for the relief of Elsie Hawke;

H. R. 3590. An act for the relief of the city and county of San Francisco;

H. R. 3614. An act for the relief of the Queen City Brewing Co.;

H. R. 3639. An act for the relief of Herman Weinert, Jr., doctor of medicine;

H. R. 3615. An act for the relief of Mary Agnes Lichtefeld Droppelman and Fred J. Lichtefeld and Josephine Lichtefeld;

H. R. 3678. An act for the relief of Floyd E. and Lena Mae Drummond;

H. R. 3709. An act for the relief of Harley E. Carter;

H. R. 3727. An act for the relief of the legal guardian of Violet DeGroot;

H. R. 3732. An act to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey;

H. R. 3781. An act for the relief of Hall Farris;

H. R. 3814. An act for the relief of M. Senders & Co.;

H. R. 3852. An act for the relief of the O. S. Stapley Co.;

H. R. 3860. An act for the relief of Mrs. Anna Zukas;

H. R. 3881. An act for the relief of Mrs. Anna Chandler;

H. R. 3928. An act for the relief of James LeRoy Eden;

H. R. 3931. An act for the relief of the estate of Dr. A. D. Gibson;

H. R. 3995 An act for the relief of Walter Lundmark;

H. R. 4014. An act for the relief of Mrs. Ruby Winsch;

H. R. 4016. An act for the relief of John Casey and Marie Casey;

H. R. 4038. An act for the relief of Joseph W. Steel;

H. R. 4049. An act for the relief of Alfred F. Ross;

H. R. 4080. An act for the relief of certain former employees of the United States Court for China;

H. R. 4101. An act for the relief of P. E. Brannen;

H. R. 4105. An act for the relief of Ira Cannon;

H. R. 4111. An act for the relief of Louis Beckham;

H. R. 4125. An act for the relief of Kelly Hobbs;

H. R. 4144. An act for the relief of Brig. Gen. Louis J. Fortier;

H. R. 4159. An act to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742);

H. R. 4200. An act for the relief of William Weber;

H. R. 4212. An act for the relief of Robert and Mary Rowe;

H. R. 4213. An act for the relief of Karl Lungstras;

H. R. 4305. An act for the relief of Henry Clay Walker;

H. R. 4309. An act for the relief of Rosa Lee Foreman;

H. R. 4322. An act for the relief of the estate of Floyd M. Adair, deceased;

H. R. 4331. An act for the relief of Mrs. Florence Armstrong;

H. R. 4333. An act for the relief of Bertha LeFrancq;

H. R. 4345. An act for the relief of the legal guardian of Luther Marcus Smith, a minor;

H. R. 4363. An act for the relief of Ollie Brashear Hearldson;

H. R. 4367. An act for the relief of Mrs. Julia Toler;

H. R. 4380. An act for the relief of Mabelle E. Olive;

H. R. 4442. An act for the relief of Albert B. Weaver;

H. R. 4451. An act for the relief of John McLaughlin, Sr., and John McLaughlin, Jr.;

H. R. 4481. An act for the relief of William H. Crompton;

H. R. 4485. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes;

H. R. 4502. An act to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended;

H. R. 4525. An act for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy;

H. R. 4542. An act for the relief of Harold Miller;

H. R. 4547. An act to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business;

H. R. 4549. An act for the relief of Sandy C. Brown;

H. R. 4588. An act for the relief of Robert L. Whiddon;

H. R. 4593. An act for the relief of Thomas R. Clark;

H. R. 4629. An act for the relief of Ludwig Wolf;

H. R. 4631. An act for the relief of John L. MacNeil;

H. R. 4674. An act for the relief of the estate of Everette Maxwell; the estate of Redman P. Maddux; and the legal guardian of Elmer Massa, a minor;

H. R. 4703. An act for the relief of the estate of Annie Brown;

H. R. 4736. An act for the relief of Dr. H. L. Klotz;

H. R. 4786. An act for the relief of the estate of Kimball Lee Beckner;

H. R. 4815. An act for the relief of the Board of County Commissioners of Volusia County, Fla.;

H. R. 4817. An act for the relief of Wilfred T. Plant, Sr.;

H. R. 4878. An act for the relief of the estate of Emma B. Fleet, deceased;

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.;

H. R. 4911. An act to amend the Federal Crop Insurance Act;

H. R. 4918. An act to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service;

H. R. 4921. An act for the relief of Dr. J. Sims Norman;

H. R. 4927. An act for the relief of Francis D. Stovall, Jr.;

H. R. 4962. An act for the relief of Jessie Springsteen and John Springsteen;

H. R. 4968. An act to amend section 511 (c) of the Merchant Marine Act, 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes;

H. R. 5034. An act for the relief of the estate of Francis A. Collins;

H. R. 5048. An act for the relief of the estate of Cecile H. Burgett, deceased;

H. R. 5060. An act for the relief of Clyde H. Palmer; estate of Lola J. Palmer; legal guardian of Margie Joan Palmer, a minor;

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes;

H. R. 5154. An act relating to dual employment in the Postal Service, and for other purposes;

H. R. 5167. An act to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital;

H. R. 5206. An act to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.;

H. R. 5219. An act to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.;

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 23, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard;

H. R. 5331. An act to authorize the transfer of certain lands within the Colonial National Historical Park, Yorktown, Va., to the Secretary of the Navy;

H. R. 5453. An act authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway, a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park;

H. R. 5518. An act to amend section 119 of the Judicial Code;

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service;

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.;

H. R. 5565. An act to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps;

H. R. 5566. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944;

H. R. 5590. An act to increase clerk hire, and for other purposes;

H. J. Res. 317. Joint resolution recognizing the outstanding service rendered to the United Nations by Field Marshal Sir John Dill; and

H. J. Res. 324. Joint resolution to extend the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce.

SENATOR FROM OREGON

Mr. HOLMAN. Mr. President, will the Senator yield to me to present the credentials of my colleague?

Mr. CONNALLY. I yield for a privileged matter.

Mr. HOLMAN. Mr. President, as possibly my last official act as a Member of this body, I have the pleasure of sending to the desk the certificate of election of my good, personal friend the choice of the people of Oregon to be a United States Senator from that State, Hon. GUY CORDON.

The VICE PRESIDENT. The clerk will read the credentials.

The credentials of GUY CORDON, duly chosen a Senator from the State of Oregon for the remainder of the term ending on January 3, 1949, were read and ordered to be filed, as follows:

STATE OF OREGON,
EXECUTIVE DEPARTMENT.

CERTIFICATE OF ELECTION

To All to Whom These Presents Shall Come, Greeting:

Know ye, that it appearing from the official canvass of the votes cast at the regular general election held within and for the State of Oregon, on Tuesday, the 7th day of November A. D. 1944, that GUY CORDON, of Douglas County, State of Oregon, received the highest number of votes cast for the office of United States Senator in Congress (for the unexpired term ending January 3, 1949) at said election: Now therefore

I, Earl Snell, Governor of the State of Oregon, by virtue and in pursuance of the authority vested in me under the laws of the State of Oregon, do hereby grant this certificate of election and declare said GUY CORDON, of Douglas County, State of Oregon, to be duly elected to the office of United States Senator in Congress for the State of Oregon for the term ending January 3, 1949.

In testimony whereof, I have hereunto set my hand and caused the seal of the State of Oregon to be hereto affixed. Done at the capitol at Salem, Oreg., this 7th day of December A. D. 1944.

EARL SNELL,
Governor.

By the Governor:
[SEAL] ROBT. S. FARRELL, Jr.,
Secretary of State.

Mr. HOLMAN. My colleague is present and ready to take the oath.

The VICE PRESIDENT. If the Senator-elect will present himself at the desk, the oath will be administered to him.

Mr. CORDON, escorted by Mr. HOLMAN, advanced to the Vice President's desk, and the oath prescribed by law was administered to him by the Vice President.

CREDENTIALS

The VICE PRESIDENT laid before the Senate the credentials of PATRICK A. MCCARRAN, duly chosen a Senator from the State of Nevada for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that at a general election held in the State of Nevada on Tuesday, the 7th day of November 1944, PATRICK A. MCCARRAN was duly elected by the qualified electors of the State of Nevada a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945, having received the highest number of votes cast for said office at said election, as appears by the certificate of the duly constituted and qualified board of canvassers now on file in the office of the secretary of state, at Carson City, Nev.

Witness: His Excellency our Governor, E. P. Carville, and the great seal of the State of Nevada hereto affixed at Carson City this 15th day of December, in the year of our Lord 1944.

E. P. CARVILLE,
Governor.

By the Governor:
[SEAL] MALCOLM MCEACHIN,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the credentials of SHERIDAN DOWNEY, duly chosen a Senator from the State of California for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF CALIFORNIA,
DEPARTMENT OF STATE.

CERTIFICATE OF ELECTION

OFFICE OF SECRETARY OF STATE,
Sacramento, Calif.:

I, Frank M. Jordan, secretary of state of the State of California, do hereby certify that SHERIDAN DOWNEY was elected to the office of United States Senator at the general election held on the 7th day of November 1944, as appears by the official returns of said election and statement thereof on file in my office.

Witness my hand and official seal this 9th day of December A. D. 1944.

[SEAL] FRANK M. JORDAN,
Secretary of State.

Mr. MCFARLAND presented the credentials of CARL HAYDEN, duly chosen a Senator from the State of Arizona for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF ARIZONA,
OFFICE OF THE SECRETARY.

UNITED STATES OF AMERICA,
State of Arizona, ss:

I, Dan E. Garvey, secretary of state, do hereby certify that the result of an official canvass of the returns of the votes cast at the general election held on Tuesday, November 7, 1944, as certified to by the boards of supervisors of the several counties of the State of Arizona, shows CARL HAYDEN, who was a candidate on the Democratic ticket for United States Senator, received the highest number of votes cast for any candidate for this office and having complied with all provisions required by law for candidates in general elections, is therefore a duly elected United States Senator; all of which is shown by the original records on file in this department.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the capital, this 1st day of December A. D. 1944.

[SEAL] DAN E. GARVEY,
Secretary of State.

Mr. CORDON presented the credentials of WAYNE MORSE, duly chosen a Senator from the State of Oregon for the term commencing January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF OREGON,
EXECUTIVE DEPARTMENT.

CERTIFICATE OF ELECTION

To All to Whom These Presents Shall Come, Greeting:

Know ye, that it appearing from the official canvass of the votes cast at the regular general election held within and for the State of Oregon, on Tuesday, the 7th day of November A. D. 1944, that WAYNE MORSE, of Lane County, State of Oregon, received the highest number of votes cast for the office of United States Senator in Congress at said election: Now therefore

I, Earl Snell, Governor of the State of Oregon, by virtue and in pursuance of the authority vested in me under the laws of the State of Oregon, do hereby grant this certificate of election and declare said WAYNE MORSE, of Lane County, State of Oregon, to be duly elected to the office of United States Senator in Congress for the State of Oregon for the term ending January 3, 1951.

In testimony whereof, I have hereunto set my hand and caused the seal of the State of Oregon to be hereto affixed. Done at the capitol at Salem, Oreg., this 7th day of December A. D. 1944.

EARL SNELL, *Governor.*

By the Governor:
[SEAL] ROBERT S. FARRELL, Jr.,
Secretary of State.

TRANSACTION OF LEGISLATIVE BUSINESS

As in legislative session, and by unanimous consent, the following business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

DANE D. MORGAN *v.* THE UNITED STATES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of Dane D. Morgan against the United States (with an accompanying report); to the Committee on Claims.

PERSONNEL REQUIREMENTS, OFFICE OF CENSORSHIP

A letter from the Director of the Office of Censorship, transmitting, pursuant to law, an estimate of personnel requirements for that Office for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

INTERFERENCE IN GREECE: MEMORIAL

The VICE PRESIDENT laid before the Senate a resolution adopted by Casper (Wyo.) Chapter, No. 159, Order of Ahepa, condemning the current and any further armed interference by Great Britain, or other major power, in the internal affairs of Greece; which was referred to the Committee on Foreign Relations.

PRESERVATION OF POLAND—PETITIONS

Mr. WALSH. Mr. President, I ask unanimous consent to present and to have inserted in the RECORD telegrams received from the Polish Women's Club of Massachusetts, the Polish Culture Society of Massachusetts, and also the Polish-American Club of South Boston, Mass. I request that these telegrams be treated as petitions and referred to the Committee on Foreign Relations.

There being no objection, the telegrams were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

SOMERVILLE, MASS., *December 16, 1944.*

Senator DAVID I. WALSH,
Washington, D. C.:

In behalf of the Massachusetts Federation of Polish Women's Club, the following telegram has been sent to the President and I submit it to you: "We regard Mr. Churchill's recent statement in respect to Poland as dangerous to future peace and protest against arrangements proposed by him. The United

States cannot without loss of honor and integrity subscribe to a fifth partition of Poland and thus help to perpetuate an outstanding historical crime. We are certain that you, Mr. President, are aware of the atrocities being committed against the Poles by Germany's former partner and our present ally. Poland, as a peace-loving nation, does not deserve to be maimed and degraded. American boys of Polish descent and others believe they are fighting for the four freedoms; for this they are not affraid to die. America has never been afraid to champion the cause of righteousness under your leadership, Mr. President; we trust she will not diverge from this course."

LILLIAN KAZANOWSKI, *President.*

DORCHESTER, MASS., *December 16, 1944.*
Senator DAVID I. WALSH,
Washington, D. C.:

In behalf of the friends of Polish Culture Society, which consists of several hundred Americans of Polish descent, I submit the following: We regard Mr. Churchill's recent statement in respect to Poland as dangerous to future peace and protest against arrangements proposed by him. The United States cannot without loss of honor and integrity subscribe to a fifth partition of Poland and thus help to perpetuate an outstanding historical crime. We are certain that you, Mr. President, are aware of the atrocities being committed against the Poles by Germany's former partner and our present ally. Poland, as a peace-loving nation whose contribution to the Allied cause has been surpassed by no other nation, does not deserve to be maimed and degraded. American boys of Polish descent and others believe they are fighting for the four freedoms. For this they are not afraid to die. America has never been afraid to champion the cause of righteousness under your leadership, Mr. President; we trust she will not diverge from this course.

Dr. JOHN J. FEDERKIEWICZ, *President.*

DORCHESTER, MASS., *December 17, 1944.*
Senator DAVID I. WALSH,
Senate Office Building,
Washington, D. C.:

Fate of Poland in balance. Americans of Polish descent appeal to and petition you to act preventing injustices. Make definite stand and safeguard Poland's land and sovereignty.

POLISH-AMERICAN CITIZENS' CLUB
OF SOUTH BOSTON,
P. J. POWILATIS and FRANK TROCKI.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. DANAHER, from the Committee on the Judiciary:

H. R. 2973. A bill to provide that no person shall publish or distribute any political statement relating to a candidate for election to any Federal office which does not contain the name of the person responsible for its publication or distribution; without amendment (Rept. No. 1390).

By Mr. CHANDLER, from the Committee on the Judiciary:

H. R. 3609. A bill to permit the United States to be made a party defendant in certain cases, and for other purposes; with amendments (Rept. No. 1391).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on December 16, 1944, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 1819. An act to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry, in Charlotte County, Va.;

S. 1827. An act for the relief of Oliver N. Knight;

S. 1971. An act to provide for the disposal of certain mail matter condemned by the Director of Censorship; and

S. J. Res. 148. Joint resolution authorizing the disposal of certain blood-plasma reserves.

THE INSURANCE BUSINESS—AMENDMENTS

Mr. McCARRAN (for himself and Mr. FERGUSON) submitted an amendment in the nature of a substitute intended to be proposed by them jointly to the bill (H. R. 3270) to affirm the intent of the Congress that the regulation of the business of insurance remain within the control of the several States and that the acts of July 2, 1890, and October 15, 1914, as amended, be not applicable to that business, which was ordered to lie on the table and to be printed.

Mr. O'MAHONEY (for himself and Mr. HATCH) submitted an amendment intended to be proposed by them jointly to House bill 3270, supra, which was ordered to lie on the table and to be printed.

APPEAL TO THE PEOPLE OF GREAT BRITAIN BY WALTER WINCHELL

Mr. LANGER. Mr. President, a week ago Sunday evening Walter Winchell urged his listeners to read his column on the following Monday. He said it was addressed to the people of Great Britain and pertained to the very important crisis between the peoples of Great Britain and the peoples of Europe. For some reason as yet unexplained, that column did not appear. It cannot be found anywhere.

Mr. President, I believe in free speech. I feel that when the newspapers refuse to print something important, or what I believe to be important, whether it is offered by the most important man in the country or the humblest citizen, the people have a right to read it.

It seems to me appropriate, therefore, that the country know what was in Walter Winchell's column which was suppressed, and I shall now read it to the Senate. It is addressed to the people of Great Britain, and is as follows:

To the People of Great Britain:

There can never be honest friendship without understanding—and there can never be honest understanding without an honest statement of differences. The people of the United States are aware of the deepest differences between our governments in a hundred and fifty years. The people of the United States overwhelmingly back the position of President Roosevelt—indeed by a much greater majority than was shown in the election. That is because, and only because, they think him right. If the British Government is effecting your will, it may mean the end of our friendship.

A decent respect for the opinions of mankind requires a statement of the American position—both of its Government and of its people. It differs from that of the British Government. If the British Government's policy speaks for you—then we must part, because we are not fighting for the same thing. We doubt very much that the British Government speaks for the British people when it sacrifices our friendship.

Your Prime Minister and your radio daily told the peoples of Europe that your only wish was that they should be free. We, both of us, accepted the aid that these people gave us—underwritten with their blood. Why, then, did you send in your British tanks to surround the House of Deputies in Brussels? How would you like it if Belgian tanks were to surround the House of Parliament? Why did you offer British troops to disarm Belgian patriots—people whom you called noble allies only a month before? We in America do not believe they are guilty of disorder and lawlessness. We in America would be disorderly also if any foreign power surrounded our Halls of Congress with troops. Frankly, we feel your Government must answer before history for breaking its word to the Belgians.

In France General de Gaulle has raised the hopes and respect of his great people. But let us face it. To do that he had to defeat the reactionary diplomats of both Washington and London. America made a great mistake about the French people. It will never make that mistake about another. But your Government continues to favor the collaborationists. Is it "law and order" to sustain men who are traitors in the eyes of their countrymen?

In Spain your Government's representative, Samuel Hoare, the same man who tried to give Ethiopia to Mussolini, and who was a Munichman, gave outright support to Franco. Don't you know that not only Spanish but British and American blood is on his hands? Why, then, did your Prime Minister publicly endorse him a few months ago? Do you blame the American President for repudiating that position within 24 hours? When he spoke for the liberty of the Spanish, F. D. R. never spoke more completely for the American people. We hope and believe that that view is taken by most of the British people.

The Italians say, and our Government and people believe, that your policy is intended to weaken and impoverish the Italian people, contrary to your promises and ours. Your Prime Minister is reported as insisting on the degenerate House of Savoy—anathema to the decent Italian people who saw it allied with Mussolini. Has Mr. Churchill returned to his early sympathetic writings about the Fascist movement in Italy?

All of these policies are of the same ignominious pattern—but in Greece, to be frank, we believe your Government has stained it with blood. The very people you are shooting down you hailed as patriots, great fighters, and particular friends. Do you suppose that we will believe that the handful of noble people who successively fought Mussolini and Hitler are now unworthy to elect their own government? Or need British tanks to patrol them?

Your Government has reminded Athens of what she owes us—but poor, indeed, is any man or any government which feels that it owes Athens nothing. You, as a people, were ready to fight on the beaches, in the towns, and from the hills for your country. What is wrong about a Greek loving Greece as much as an Englishman loves England?

From Palestine, Syria, Lebanon, Egypt, Iraq, and Ethiopia—the list is large—Americans bring back the same story. No Atlantic Charter, no self-determination, pro-English, Quisling-like governments—effected at the point of British arms. Rightly or wrongly, the American people believe this is the policy of your Government—and they are against it. They are determined to fight Hitler to the finish, but they will not see an English reactionary program substituted for a German one.

More important, they believe that the British people will not permit it, either. They do not believe your sons and daughters are fighting and dying for Pierlot, Franco, or Victor Emmanuel. Principle brought us together, and principle must keep us together. Your freedom, like ours, is only safe in a world of free men. We must guarantee that freedom by liberating other nations; we only

imperil it by trying to make them slaves. And in breaking its word to all of these peoples, the American people believe your Government broke its sacred pledge to them.

This is a fateful hour—and the decision is with you, the British people. We state without reservation that every resource at our command is with you to continue the battle of liberation. But if your policy is the reactionary one of your Government, you must go your way alone.

We believe the path of reaction to be the way of the transgressor—and we are unwilling that our sons and daughters stand before the peoples of the earth as their oppressors. Our decision is made, finally and irrevocably. To do otherwise, we feel, would fix upon us the possible blame for losing this war and the certain guilt of starting the next one. As in 1940, the world hung upon the courage of Great Britain's common people; in 1944 it awaits—and believes—in the verdict of their conscience.

Mr. President, I do not see anything in that statement of Walter Winchell to the people of Great Britain that should have been hidden by the newspapers of this country from the common people of America.

THE HUMAN HEART IS EVER THE SAME—ARTICLE BY CAPT. PAUL R. HORTIN, CHAPLAIN

[Mr. HALL asked and obtained leave to have printed in the RECORD a brief article entitled "The Human Heart Is Ever the Same," written by Capt. Paul R. Hortin, chaplain, and published in Communiqué, Colorado Springs, Colo., which appears in the Appendix.]

HOW THE DICTATORS GET THEIR START—SERMON BY REV. JAMES APPLEBY

[Mr. HALL asked and obtained leave to have printed in the RECORD a sermon entitled "How the Dictators Get Their Start," preached by the Rev. James Appleby in the First Presbyterian Church of Anderson, S. C., on November 26, 1944, which appears in the Appendix.]

RESOLUTION BY VARIETY CLUBS OF AMERICA IN RELATION TO HUMANITARIAN AWARD CITATION PRESENTED TO HON. CORDELL HULL

[Mr. HATCH asked and obtained leave to have printed in the RECORD a resolution adopted by the Variety Clubs of America at a dinner honoring former Secretary of State Cordell Hull, on November 24, 1944, which appears in the Appendix.]

THE PART TAKEN BY INTERNATIONAL PRINTING PRESSMEN AND ASSISTANTS' UNION IN THE WAR EFFORT

[Mr. McKELLAR asked and obtained leave to have printed in the RECORD a letter from George L. Berry, president of the International Printing Pressmen and Assistants' Union of North America, setting forth what the union is doing to aid the war effort, which appears in the Appendix.]

SOAK THE SUCCESSFUL—ARTICLE BY FRANK C. WALDROP

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Frank C. Waldrop entitled "Soak the Successful," published in the Washington (D. C.) Times-Herald, which appears in the Appendix.]

UKRAINE, BATTLE GROUND FOR FREEDOM—STATEMENT BY A. A. GRANOVSKY

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD a statement entitled "Ukraine, Battle Ground for Freedom," prepared by Dr. Alexander A. Granovsky, professor of entomology and economic zoology, University of Minnesota, which appears in the Appendix.]

CALL OF THE ROLL

Mr. HILL. Mr. President, I suggest the absence of a quorum.

Mr. CONNALLY. Mr. President, will the Senator withhold his suggestion?

Mr. HILL. I withhold it.

Mr. CONNALLY. I desire recognition.

The VICE PRESIDENT. The Senator from Texas is recognized.

Mr. CONNALLY. Now I yield for a quorum call.

Mr. HILL. Mr. President, the Senator from Texas yields, and I suggest the absence of a quorum

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Overton
Austin	Gurney	Pepper
Bailey	Hall	Radcliffe
Bilbo	Hatch	Reed
Brewster	Hawkes	Revercomb
Brooks	Hayden	Reynolds
Buck	Hill	Robertson
Burton	Holman	Russell
Bushfield	Jenner	Shipstead
Butler	Johnson, Calif.	Smith
Capper	Johnson, Colo.	Taft
Caraway	La Follette	Thomas, Idaho
Chandler	Langer	Thomas, Okla.
Chavez	Lucas	Thomas, Utah
Clark, Idaho	McCarran	Truman
Clark, Mo.	McClellan	Tunnell
Connally	McFarland	Tydings
Cordon	McKellar	Vandenberg
Danaher	Maloney	Walsh
Davis	Maybank	Weeks
Downey	Mead	Wheeler
Ferguson	Millikin	Wherry
George	Murdock	White
Gerry	Murray	Wiley
Gillette	Nye	Willis
Green	O'Mahoney	Wilson

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from Tennessee [Mr. STEWART] is absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from New York [Mr. WAGNER], and the Senators from Washington [Mr. MAGNUSON and Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Minnesota [Mr. BALL], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

NOMINATIONS IN THE DEPARTMENT OF STATE

The VICE PRESIDENT. The pending question is on the nomination of Joseph C. Grew, of New Hampshire, to be Under Secretary of State. The question is, Will the Senate advise and consent to the nomination?

The Senator from Texas [Mr. CONNALLY] has the floor.

Mr. McKELLAR. Will the Senator yield to me to present a conference report?

Mr. CONNALLY. Would the Senator mind withholding his request for the present? If the Senate agrees to all these reports, Senators may leave town, and we wish to obtain action on the nominations which are before the Senate.

Mr. McKELLAR. Of course, if the Senator objects——

Mr. CONNALLY. I am not objecting; I merely asked the Senator to withhold his motion while I make a few remarks.

Mr. McKELLAR. Certainly.

Mr. LUCAS. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield only for a unanimous-consent request.

Mr. LUCAS. Mr. President, as in legislative session, I ask unanimous consent that the pending business be temporarily laid aside and that out of order the Senate consider the resolution which I send to the desk and ask to have stated.

Mr. CONNALLY. I shall have to object to that, Mr. President. If it is done by unanimous consent, I can have no objection.

Mr. LUCAS. That is what I am asking.

Mr. CONNALLY. But the Senator is asking for consideration of the resolution, and if we proceed to consider the resolution, it will be before the Senate.

Mr. LUCAS. If there is any objection, I shall withdraw the request.

Mr. HILL. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HILL. When consent is given to lay aside the pending business temporarily and to take up another matter, am I correct in assuming that at any time during the consideration of the matter taken up by unanimous consent any Senator may call for the regular order, which would result in the matter called up temporarily being laid aside, bringing the pending business back before the Senate?

The VICE PRESIDENT. Demand by any Senator for the regular order would bring the pending business back before the Senate.

Mr. CONNALLY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. The Senator from Illinois propounded a unanimous-consent request, that the Senate proceed to the consideration of a legislative matter. The legislative measure would be before the Senate if we agreed to consider it. Would that not be tantamount to considering the proposed legislation?

The VICE PRESIDENT. It would be tantamount to considering it, without question, but it would not interfere with the Senate going back to the pending question, which is the consideration of the first nomination on the Executive Calendar.

Mr. CONNALLY. Would it in anywise affect the status of the executive session

and the matter before the Senate in executive session?

The VICE PRESIDENT. In no way.

Mr. PEPPER. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield?

Mr. CONNALLY. For what purpose?

Mr. PEPPER. Merely to make a comment on the discussion now proceeding.

Mr. CONNALLY. Very well.

Mr. PEPPER. I think I am authorized to speak at least for the authors of the resolution which is on the table, and if unanimous consent is requested for the disposition of any legislative matters Senators wish to dispose of, we are not disposed to make any effort to take advantage of the situation. There will be discussion of the nominations, and we shall expect the discussion to be thorough and appropriate, but we shall not attempt to take any advantage of unanimous-consent requests respecting the disposition of other matters Senators may wish to have disposed of.

CONTINUATION OF COMMITTEES TO JANUARY 31, 1945

Mr. LUCAS. Let me say to the able Senator from Texas that the resolution I am sending forward is merely an original resolution I am reporting today to continue all the present standing committees and special committees until January 31, 1945. I do not think there will be any objection on the part of any Senator.

Mr. CONNALLY. If there is to be no debate, I shall yield; otherwise, I shall not.

Mr. LUCAS. As in legislative session, I report favorably from the Committee to Audit and Control the Contingent Expenses of the Senate, Senate Resolution 356, and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

There being no objection, as in legislative session, the resolution was considered and agreed to, as follows:

Resolved, That all resolutions heretofore agreed to, authorizing standing or select committees to employ clerical assistants, hold hearings, and conduct investigations during the Seventy-eighth Congress, hereby are continued in full force and effect until January 31, 1945.

FIRST SUPPLEMENTAL APPROPRIATIONS, 1945—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield to the Senator for a unanimous-consent request only.

Mr. McKELLAR. As in legislative session, I ask unanimous consent to submit the conference report on House bill 5587, the first supplemental appropriation bill, 1945, and ask for its immediate consideration.

The VICE PRESIDENT. Without objection, and as in legislative session, the report will be received.

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21, 31, 32, 33, 34, 35, 45, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 8, 25, 26, 38, 44, 46, 47, 123, and 124, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following:

"The Alien Property Custodian is hereby authorized to pay out of any funds or other property or interest vested in him or transferred to him all necessary expenses incurred by the Office of Alien Property Custodian in carrying out the powers and duties conferred on the Alien Property Custodian pursuant to the Trading with the Enemy Act of October 6, 1917, as amended (50 U. S. C. App.): *Provided*, That not to exceed $4,000,000 shall be available for the entire fiscal year 1945 for the general administrative expenses of the Office of Alien Property Custodian, including the objects as specified in section 201 of the National War Agency Appropriation Act, 1945, printing and binding, rent in the District of Columbia, and all other necessary general administrative expenses: *Provided further*, That after June 30, 1945, the Office of Alien Property Custodian shall not incur any obligations for the expenses of said Office except pursuant to a further annual authorization by the Congress specifically therefor: *Provided further*, That on or before April 1, 1945, the Alien Property Custodian shall make a report to the Appropriations Committees of the Senate and the House of Representatives giving detailed information on all administrative and nonadministrative expenses incurred in connection with the activities of the Office of Alien Property Custodian."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$16,650"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$12,000,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "teletype service presently being furnished and"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "teletype (presently being furnished) or"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,002"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,938"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$37,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed in line 4 of said amendment insert "$25,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In line 6 of the matter inserted by said amendment strike out the figure "$22,000,000" and insert in lieu thereof "$20,000,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$37,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$75,500"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the figure "$100,000,000" and insert in lieu thereof "$50,000,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$278"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$13,875"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$281,200"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,480"; and the Senate agree to the same.

Amendment numberd 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$167"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$77,700"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,163"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,250"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$23,125"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$5,550,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$27,750"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,804"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$694"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,625"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$194,250"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from it disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,388"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$47,453"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$44,400"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,250"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$85,655"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$571,650"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,788"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$324,301"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$36,075"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$244,200"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$12,025"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$11,193"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,533"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$462,500"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,747"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$30,525"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$41,625"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$23,125"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,649"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,775"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,775"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$299,450"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,938"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$150,247"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$37,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$105,265"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$16,373"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$717"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$27,750"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$13,875"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,220,000"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,662"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,291"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$532"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$49,950"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$485,625"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$83,250"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$925"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$209"; and the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$435"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$486"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$116"; and the Senate agree to the same.

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$463"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,161,650"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$26,085"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$286,750"; and the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,423"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$24,513"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$259,000"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$323,750"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$107,763"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$46,250"; and the Senate agree to the same.

Amendment numbered 121: That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$5,890,400"; and the Senate agree to the same.

Amendment numbered 122: That the House recede from its disagreement to the amendment of the Senate numbered 122 and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$7,308"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9, 10, 11, 13, 14, 15, 17, 22, 30, 39, 40, 41, 42, 43, 125, and 126.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
RUFUS C. HOLMAN,
C. WAYLAND BROOKS,
Managers on the part of the Senate.

CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
JED JOHNSON,
EMMET O'NEAL,
LOUIS C. RABAUT,
EVERETT M. DIRKSEN,
ALBERT J. ENGEL,
FRANCIS CASE,
FRANK B. KEEFE,
Managers on the part of the House.

The VICE PRESIDENT. Is there objection to immediate consideration of the report? The Chair hears none, and the report is before the Senate.

Mr. McKELLAR. I move that the conference report be agreed to.

The motion was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5587, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
December 16, 1944.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 9, 10, 11, 13, 14, 15, 17, and 126 to the bill (H. R. 5587) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 22 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"The limitation on expenditures under the 1944 program of soil-building practices and soil- and water-conservation practices established in the fourth proviso clause of the appropriation 'Conservation and use of agri-

cultural land resources,' in the Department of Agriculture Appropriation Act, 1944, is hereby increased from $300,000,000 to $313,000,000 (exclusive of the $12,500,000 provided in the Department of Agriculture Appropriation Act, 1945, for additional seed payments)."

That the House recede from its disagreement to the amendment of the Senate numbered 39 to said bill and concur therein with an amendment as follows: In lieu of the sum named in said amendment insert "$1,045,000."

That the House recede from its disagreement to the amendment of the Senate numbered 125 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"SEC. 404. That during the fiscal year 1945 there shall be available for expenditure or obligation for long-distance telephone tolls and for telegrams and cablegrams by the Department of Agriculture, the Department of Commerce, the Department of Justice, the Department of Labor, the Treasury Department, and the Post Office Department not to exceed 90 percent in the case of each of said departments of the amounts included for such purposes in the Budget estimates for the fiscal year 1945 under the schedules in the Budget under the heading 'Communication services': *Provided*, That the savings hereby effected in the items for long-distance telephone tolls and for telegrams and cablegrams for each of the said Departments shall not be diverted to other use but shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That the amounts named in section 8 of the Interior Department Appropriation Act, 1945, are hereby increased by $17,345 and $19,242, respectively, such additional amounts to be available exclusively for the objects for which provided for the Solid Fuels Administration for War and the Fish and Wildlife Service."

That the House insist upon its disagreement to the amendments of the Senate numbered 30, 40, 41, 42, and 43 to said bill.

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 22, 39, and 125.

The motion was agreed to.

Mr. McKELLAR. I now move that the Senate recede from its amendments numbered 30, 40, 41, 42, and 43.

The motion was agreed to.

Mr. McKELLAR. I thank the Senator from Texas.

EARNINGS OF THE MOTION PICTURE "THIS IS THE ARMY" FOR ARMY EMERGENCY RELIEF

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield for a unanimous-consent request only.

Mr. CHANDLER. As in legislative session I ask unanimous consent to make a short statement and to place a letter in the RECORD. It will take a very short time.

Mr. CONNALLY. Very well.

Mr. CHANDLER. Mr. President, we all know what a fine patriotic job our American motion-picture industry has been doing in this war. Purely as a patriotic service the motion-picture companies regularly send every one of their latest pictures to our armed forces overseas where they are shown months before they are released to the theaters here at home. Many of us have had letters from boys at the front telling how much these motion pictures mean to them.

We know too of the unselfish efforts of many movie stars and lesser known entertainers in traveling by ship and by bomber to the front lines to put on shows for the men. We know of the great work done by the motion-picture companies in making training films and educational films that have helped to build our magnificent Army and Navy.

Now there is one more event which must be added to this splendid war record of the motion-picture industry. The other day Mr. Harry M. Warner, president of Warner Bros. Pictures, Inc., delivered to General Marshall, Chief of Staff of the Army, a report that the motion picture This Is the Army, produced by Warner Bros. for the benefit of Army Emergency Relief, had brought into the treasury of Army Emergency Relief the amazing sum of $7,000,000. This is an event almost without precedent. It reflects credit not only on the motion-picture industry but on the whole of American industry as well that one of our great companies should give up a large portion of its profits to Army Emergency Relief. It is a distinguished service on the part of the Warner company, which is already well known for its series of patriotic short subjects and for such truly American pictures as Sergeant York, Yankee Doodle Dandy, and Destination Tokyo.

I would like permission to have inserted in the RECORD the text of Mr. Harry Warner's letter to General Marshall on This Is the Army.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Gen. GEORGE C. MARSHALL,
Chief of Staff, United States Army,
War Department, Washington D. C.

DEAR GENERAL MARSHALL: As you know, the motion picture, This Is the Army, produced for the benefit of Army Emergency Relief, has been playing in the theaters of this country for nearly a year and a half. The funds which Army Emergency Relief has received from the earnings of the picture have now reached the $7,000,000 mark and I think that it is appropriate for me to give you a report on this enterprise.

Ordinarily, I would be reluctant to make a report of this character. In time of war, when so many are called upon to give so much, anything that we at home may do is negligible compared to the sacrifices of the men and women on the battle fronts. I feel, however, that we owe an accounting to the officers and men who carry on the great work of Army Emergency Relief, to the thousands of theater owners who gave a part of their receipts to the Army Emergency Relief fund, and to the millions of theatergoers who paid admission to see the picture.

On October 14, 1942, Warner Bros. Pictures, Inc., agreed to produce and distribute a motion picture of Irving Berlin's Army musical show, This Is the Army. Our original understanding with the Army had been that we would turn over 50 percent of our profits on the picture to Army Emergency Relief. After reaching this agreement, however, we felt that Army Emergency Relief should receive the full benefit of whatever profit we might make on the picture. Accordingly, we submitted to our board of directors a proposal that 100 percent of the profits on the picture be turned over to Army Emergency Relief. This proposal was given enthusiastic approval and the War Department was so notified.

The picture went into production on February 24, 1943, with the arrival of the This Is the Army company at the Warner Bros. studios in Burbank, Calif. Production required 16 weeks and the picture was completed on June 14, 1943.

The world premiere of the picture was held at the Hollywood Theatre in New York on July 28, 1943. Since that time it has played in over 12,000 theaters and in this country alone more than 50,000,000 people have paid nearly 65,000,000 admissions to see it.

On November 1, 1944, the picture had brought into the treasury of Army Emergency Relief a total of $7,000,000 and I am happy to hand you at this time the seven-millionth dollar to be turned over to the relief fund. We estimate that by the time the picture has completed its run, Army Emergency Relief will have received from it more than $7,500,000.

This sum could not have been raised without the magnificent and wholehearted cooperation of the motion-picture-theater owners of the country who are responsible for a substantial portion of the total. Thousands of theaters held special premieres the total proceeds from which were paid into the fund. The exhibitors of the country not only showed the picture at terms highly favorable to Army Emergency Relief, but also gave the picture extended playing time and generally handled the picture in such a manner as to bring the greatest possible return to Army Emergency Relief.

As for the part the Warner Co. played, we produced the picture at cost, without any charge for overhead; we are distributing it at cost; and the Warner theaters turned over their full profits on exhibition to Army Emergency Relief. In producing the picture, Jack L. Warner, in charge of production, spared no effort to make the picture worthy of the great job the Army had done with the show on the stage. In distributing it, we carried on a full-scale sales, advertising, and promotion campaign designed to provide the widest possible showing of the picture and the maximum possible revenue for the relief fund.

In a report of this kind I would not presume to attempt to do justice to the incomparable contribution of Mr. Irving Berlin whose genius gave This Is the Army to America. Nor can I hope to give adequate recognition to Director Michael Curtiz or to the other artists who helped make the picture. I want to pay particular tribute, however, to the many Army officers and enlisted men whose splendid cooperation and wholehearted efforts were so important to the success of the production.

On the screen, as on the stage, This Is the Army was a tremendous success and brought great credit to the Army. Those of us at Warner Bros. who had any part in the enterprise regard it as a privilege which will bring us deep gratification for many years to come.

Faithfully yours,

HARRY M. WARNER.

NOMINATION OF JOSEPH C. GREW TO BE UNDER SECRETARY OF STATE

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. CONNALLY. Mr. President, I hope the Senate will indulge me for a brief period. I desire to discuss the pending matter in general. At the present moment the Senate is presented with the question of voting for confirmation or rejection of Mr. Joseph C. Grew to be Under Secretary of State.

Mr. President, there has been so much comment in some of the newspapers and by some of the columnists and over the radio respecting what they contend has been the undue speed and rush in the Committee on Foreign Relations, that I should like to detail just what occurred with regard to the State Department nominations from the time they were first considered until the present moment. The chairman of the committee has been the object of some unfavorable comment to the effect that he was undertaking to railroad these nominations through the committee. I would remind the Senate that the Committee on Foreign Relations is composed of 23 Senators of the United States. I should like to have inserted at this point in the RECORD the names of the members of the committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The members of the committee are as follows:

FOREIGN RELATIONS

TOM CONNALLY, of Texas; WALTER F. GEORGE, of Georgia; ROBERT F. WAGNER, of New York; ELBERT D. THOMAS, of Utah; JAMES E. MURRAY, of Montana; CLAUDE PEPPER, of Florida; THEODORE FRANCIS GREEN, of Rhode Island; ALBEN W. BARKLEY, of Kentucky; ROBERT R. REYNOLDS, of North Carolina; JOSEPH F. GUFFEY, of Pennsylvania; GUY M. GILLETTE, of Iowa; BENNETT CHAMP CLARK, of Missouri; CARTER GLASS, of Virginia; JAMES M. TUNNELL, of Delaware.

HIRAM W. JOHNSON of California; ARTHUR CAPPER, of Kansas; ROBERT M. LA FOLLETTE, Jr., of Wisconsin; ARTHUR H. VANDENBERG, of Michigan; WALLACE H. WHITE, Jr., of Maine; HENRIK SHIPSTEAD, of Minnesota; GERALD P. NYE, of North Dakota; JAMES J. DAVIS, of Pennsylvania; WARREN R. AUSTIN, of Vermont.

Mr. CONNALLY. Mr. President, among that number are many eminent Senators and many who have had long years of service in this body.

The nominations were referred to the Committee on Foreign Relations on Tuesday, December 5. They were submitted by the chairman to the committee, and after discussion in which no Senator demanded a public hearing or a hearing of any character, the nominees were voted upon. The result of that vote was that the Senator from Missouri [Mr. CLARK] voted against Mr. MacLeish, and the Senator from Montana [Mr. MURRAY] voted against William L. Clayton. Those were the only negative votes, and I say upon my responsibility as a member of the Committee on Foreign Relations that no Senator requested a public hearing or any other kind of a hearing. The chairman of the committee, as the servant of the committee, put the matter to a vote, the committee voted, and the chairman reported the nominations to the Senate. What sort of railroading was that? Let the facts speak for themselves.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. GUFFEY. I understood the Senator from Texas to say that there was only one vote, that of the Senator from Missouri [Mr. CLARK] against Mr. MacLeish, and one vote, that of the Senator from Montana [Mr. MURRAY], against Mr. Clayton. I voted against all of them.

Mr. CONNALLY. All of them?

Mr. GUFFEY. I voted against every one, and afterward tried to go back and change my vote of "nay" to "yea" on Mr. MacLeish.

Mr. CONNALLY. Mr. President, has the Senator not in mind the second meeting of the committee? I am speaking of the first meeting of the committee.

Mr. GUFFEY. Very well. Proceed.

Mr. CONNALLY. I think the Senator refers to the second meeting, after the hearing.

Mr. GUFFEY. I am glad to be corrected.

Mr. CONNALLY. I thank the Senator for welcoming the facts.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. VANDENBERG. I know the Senator wants to be accurate.

Mr. CONNALLY. I am trying to be.

Mr. VANDENBERG. It is my impression that on the first roll call there were four votes against Mr. MacLeish.

Mr. CONNALLY. I think the Senator is correct. The clerk of the committee must have made an error. I recall now that Senators voting against Mr. MacLeish were the Senator from Michigan [Mr. VANDENBERG], the Senator from Maine [Mr. WHITE], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Montana [Mr. MURRAY]. I do not know why that should have been overlooked. I had a stenographer present at the meetings and tried to have the proceedings taken down and preserved for the record.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MURRAY. Did the Senator include me as one of the Senators who voted against Mr. MacLeish at the first meeting?

Mr. CONNALLY. I did.

Mr. MURRAY. That is a mistake, I will say.

Mr. CONNALLY. No, no; against Mr. Clayton. The Senator from Montana [Mr. MURRAY] was only recorded as voting against Mr. Clayton. The Senator from Minnesota [Mr. SHIPSTEAD] probably was the other Senator who voted against Mr. MacLeish.

Mr. VANDENBERG. Mr. President, if the Senator will permit, I think the four Senators who voted against Mr. MacLeish were the Senator from Missouri [Mr. CLARK], the Senator from Maine [Mr. WHITE], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Michigan.

Mr. CONNALLY. The Senator is correct. There were four votes against Mr. MacLeish and one vote against Mr. Clayton.

Mr. VANDENBERG. Yes.

Mr. CONNALLY. The votes against the two nominees were the only negative votes on any of the nominations.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SHIPSTEAD. Will the Senator from Texas please repeat his last statement concerning the four votes?

Mr. CONNALLY. I said in the first meeting there were four votes against Mr. MacLeish.

Mr. SHIPSTEAD. And the Senator named the four Senators?

Mr. CONNALLY. I suggested that the Senator from Minnesota was possibly among that number. I do not recall. The Senator from Michigan reminds me that the Senator from Minnesota was not one of the four.

Mr. SHIPSTEAD. I do not think I was present at the first meeting.

Mr. CONNALLY. I am speaking only of the first meeting. The Senator from Minnesota points out that he was not present, and, of course, not being present, he could not vote.

Mr. President, upon that action of the committee the chairman did what he thought was his duty as the servant of the committee—and that is what I am. I do not try to dictate to the Foreign Relations Committee. I do not try to railroad matters through that committee; and I invite Senators who are not members of the committee to consult Senators who are members of it as to whether the chairman of the committee is fair, and whether he shows consideration for the wishes of the committee. But after the committee had voted the confirmation of these nominations, the chairman, in pursuance of what he thought was his duty to the committee and to the Senate, reported the nominations to the Senate, with the result that is known to all Senators. Objection was made on the floor of the Senate, and public hearings were demanded. The demand was participated in by several Senators who were present at the first meeting and made no demand for hearings. The Senate voted to return the nominations to the committee, with the expression of a desire that public hearings be held.

The committee proceeded as speedily as possible to hold hearings on all these nominations. On the first day of public hearings there were present several Senators who were not members of the committee, and who later expressed disappointment that they had not been invited to ask questions. It has always been the custom in the Committee on Foreign Relations that any Senator who requests permission to be heard is granted that courtesy. On the second day some of the same Senators were present, and we invited them to ask questions. We did not wait for them to make the request, but invited them to ask questions with regard to the nominations. There were present six or eight Senators who were not members of the committee, and I consulted every one of them.

Mr. President, those hearings are before Senators in printed form. I procured them and had them placed on the desks of all Senators on last Saturday, so that there could be no charge that the committee was in anywise withholding or denying information with respect to what had happened.

Most of these names have been passed upon heretofore by the Senate. The nomination of Mr. Grew is now before the Senate. He was Ambassador to Japan for 8 or 10 years, and I do not suppose his nomination was passed upon by the Senate within recent times, so we shall omit him.

General Holmes is a brigadier general of the Army. His nomination had to be confirmed, in the matter of his commission. It was passed upon by the Military Affairs Committee of the Senate and by the Senate itself.

Mr. Clayton served as Assistant Secretary of Commerce. His nomination had to be acted upon by the Senate and confirmed. I have never heard of any charges against him or objections to him being urged when he was appointed Assistant Secretary of Commerce.

As I recall, when Mr. MacLeish was appointed Librarian of Congress, his nomination had to be confirmed by the Senate. Personally, I do not recall much about the matter, but I will ask the Senator from Vermont [Mr. AUSTIN] whether his nomination was confirmed by the Senate.

Mr. AUSTIN. Mr. President, I quite vigorously opposed confirmation of the nomination of Archibald MacLeish to be Librarian of Congress. Afterward, as a result of experience, I regretted that I had done so.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. VANDENBERG. I supported the nomination of Mr. MacLeish to be Librarian of Congress, in the face of a rather bitter fight against him. I am still so convinced that he is an able librarian that I believe he ought to stay there.

Mr. CONNALLY. Mr. President, the changes of attitude of these two eminent statesmen as to these nominations are not surprising, in view of certain other changes which have taken place in the past few days. The point I am making is whether Senators are for him or against him, that heretofore the Senate has considered and confirmed his nomination.

I say these things about these nominees because the statement has been made in certain quarters that the Senate was ignorant about these men, that it knew nothing about their records, and that it was necessary for us to take more time and have public hearings to find out who these men were and what their qualifications were.

In any office which Mr. Rockefeller occupied, he does not seem to have required confirmation of his nomination, but he has been in the public service for 4 or 5 years. He has appeared before the Appropriations Committee on a number of occasions. Senators know his background, his public duties, and his activities; and I am sure that the majority of Senators have had a personal acquaintance with Mr. Rockefeller.

Mr. Dunn has been in the foreign service in the State Department for many years. Each time that he was promoted from one classification to another, his nomination had to be confirmed by the Senate. He has been investigated and has been confirmed four or five times; and yet some say that we know nothing about these men, nothing about their experience, and nothing about their background.

I believe that covers the entire list of nominations. No Senator should be ignorant or uninformed about the general character of the services of the men named.

Mr. President, with regard to the nomination now pending before the Senate, I do not care to take up much of the time of the Senate. I had printed in the RECORD Saturday a biographical sketch of Mr. Grew. Mr. Grew has been in the foreign service for a great many years. He is what is called a career diplomat. His record, so far as I have been able to ascertain, is unblemished and without any serious challenge. He served as Under Secretary of State for a period of approximately 3 years. He was Ambassador to Japan for a period of approximately 10 years, and prior to that time he served in a number of different diplomatic posts, having been promoted through the years from one grade to another, until he became ambassador. Now he has been nominated Under Secretary of State.

There was no objection to Mr. Grew in the committee by anyone, in the original hearing before the committee. I have available, and will have on my desk in a moment, the record of the votes in the committee on all the nominees, so I shall be able to advise Senators of the results of the vote in each particular case. I wish to be accurate, and if I am in error at any time, I hope Senators will correct me.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. PEPPER. The Senator is discussing the proposed Under Secretary. Will the Senator, from his knowledge as chairman of the Committee on Foreign Relations, inform the Senate what are the duties of the Under Secretary of State?

Mr. CONNALLY. I assume that most Senators know that, and I am sure the Senator from Florida does. But I think everyone knows what the Under Secretary's duties are. The Under Secretary has general supervision of the State Department, under the Secretary of State. He acts as Secretary of State when the Secretary of State is absent. He performs a multitude of supervisory duties over all the Assistant Secretaries of State. That is about my conception of what the duties of the Under Secretary are.

Mr. PEPPER. What I wished to bring out was whether the duties of the Under Secretary require a great deal of administrative functioning, and whether the post is primarily what we might call that of executive manager of the State Department.

Mr. CONNALLY. I will say to the Senator that if he refers to the employment of personnel and the administration of the mechanics of the State Department, I would say no, because one of the Assistant Secretaries will be designated, if he is confirmed, to be in charge of the administrative operations of the Department—the details and the various operations within the Department itself. Of course, the Under Secretary has general supervision of that, but the Under Secretary does not give his time and effort to passing on whether Mary Smith will be appointed a clerk or whether some subordinate shall have charge of a division or a section.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. PEPPER. The Senator is not confusing, is he, the position suggested for General Holmes, that of having charge of the personnel of the Department, with the question I asked, namely, who, under the Secretary, is to be in charge of the general administrative work of the Department?

Mr. CONNALLY. I have undertaken to inform the Senator of my conception of the matter. I am sorry if I have confused anyone. General Holmes will be an Assistant Secretary directly in charge of the administrative affairs within the Department itself.

Mr. President, the Senator from Michigan [Mr. VANDENBERG] has been kind enough to hand me a copy of the Congressional Directory. I invite the attention of the Senator from Florida to the set-up of the State Department, appearing on page 567 in which the duties and functions of the Under Secretary are pointed out.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. PEPPER. It is my understanding that now the Senate is being offered a complete reorganization of the State Department, so that whatever may appear in the Congressional Directory would probably be out of date, as respects the assignments and duties of these gentlemen.

Mr. CONNALLY. Oh, no. I do not think the Senator is properly advised in that regard. We still will have a Secretary of State and an Under Secretary of State, and I assume they will administer the functions as has been done heretofore, except in the case of the appointment of a new Assistant Secretary whose duties remain to be defined.

The Senator has recognized, as other Senators must recognize, that the Secretary of State, as the head of the State Department, has supervisory authority over all the Assistant Secretaries of State, has the authority to delegate the function of taking charge of this bureau or that little bureau to some assistant. We cannot fix all that by statute. We cannot enact some hard-boiled set of statutes telling each Assistant Secretary what he can and cannot do, because each is subject at all times to the direction of the Secretary of State.

Mr. President, I make no apologies for the committee. It is a great committee, and it consists of eminent Senators, Senators of ability, many of whom have served in the Senate for many years. If the chairman of the committee or if the committee itself has seemed to the Senate to have been derelict, I wish to say in justification that we did act promptly, for this was a matter which we thought required promptness of action. We met; and at the time of the initial session not a word, either within the committee or without the committee, was ever expressed to the committee in the way of a request for open hearings or any other kind of hearings.

When the Senate sent back the names to the committee, the committee obeyed the command of the Senate, held open hearings, and welcomed facts from everyone. One or two persons living in distant States telegraphed that they wished to appear. We did not have time for them to get here. We telegraphed them in return that if they would make a statement we would call it to the attention of the committee and would file it in the records of the committee.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. PEPPER. Respecting the opportunity which was given the members of the public to be heard, the Senator has just stated there were a number of requests to be heard. I understand among them was a request on the part of the Commissioner of Agriculture of the State of Georgia, and I believe there were two or three others, if not more, who requested an opportunity to appear as witnesses.

Mr. CONNALLY. Yes.

Mr. PEPPER. The committee advised those persons that the hearings were closed, I understand.

Mr. CONNALLY. That is correct.

Mr. PEPPER. And I understand they were not given an opportunity to appear personally.

Mr. CONNALLY. That is true.

Mr. PEPPER. I will also ask the Senator if it is not a fact that a representative of the Farmers' Union was present in the room in which the public hearing was held, and asked to be heard; and I ask whether he was not denied an opportunity to be heard on that occasion.

Mr. CONNALLY. He was not. I will explain the matter. The statement which was submitted to us was from Mr. James Patton, of the Farmers' Union. He did not appear in person. He sent up a young man—a clerk, or someone else—with the document he had prepared. The committee printed it in the hearings; we voted to include it in the hearings, and it is now contained in the printed hearings word for word. We did not see any occasion to take up the time of the committee in order to have the young man read the statement, because it was not his. He was simply acting as a transmitter of the information, and it is now in the printed hearings.

Mr. PEPPER. Mr. President, will the Senator yield for a further question?

Mr. CONNALLY. I will yield, but I wish to conclude as soon as possible.

Mr. PEPPER. Very well; this is the only other question I wish to ask. In all candor and fairness, does the able Senator feel that the public, the people of the United States who are interested in the kind of a peace we are to have following the war, had justification for believing that they had been given a full and fair opportunity at the public hearing which was held on these nominations to be present, and submit their views with respect to the qualifications and points of view of the nominees?

Mr. CONNALLY. The Senator is asking me to form a conclusion as to what the public thinks. I do not know what all members of the public think, but I do know that everyone who is at all familiar with the matters involved, and who appeared at the hearing, knows that the public had an opportunity to be heard.

Let me propound a question to the Senator from Florida. The Senator was present at the hearings. Was any denial made of his right to interrogate any of the nominees?

Mr. PEPPER. I will answer the question "No." But in the process of asking questions two of the other members of the committee were advised by the chairman, in the perfect exercise of his prerogative and, of course, with the utmost good faith, that in the opinion of the Chair, which he said he was willing to submit to the committee, the subjects about which interrogation was sought were not properly within the scope of such a public hearing. In other words, there was a distinct feeling in the committee——

Mr. CONNALLY. Did the Senator protest against the action of the chairman?

Mr. PEPPER. No; I did not. I was merely answering the question of the Senator by saying that it was the impression of the Senator from Florida that there was a distinct feeling among not only members of the public, but even among members of the committee, that we were not supposed to go into the whole subject of the United States foreign policy, or really delve down at that public hearing into the background of the nominees.

Mr. CONNALLY. Mr. President, the members of the committee who were present know what occurred. As I now recall, once or twice during the hearings someone asked a ticklish question about the present attitude of the administration on foreign relations. I merely suggested that I thought that to be a matter about which we would have to be very careful, and I suggested to the Senator that he not press the question, but that if he desired me to do so I would submit the matter to the committee. When I made that statement the Senator withdrew his question. Those are the facts in the case. I invite other members of the committee to challenge my statement if they desire to do so. I believe the committee as a whole will vouch for the fact that I have stated accurately what took place.

Mr. President, if we acted in the way in which some Senators and others, notably some of the eminent paragraphers, columnists, and one or two journals in New York with a wide circulation, have stated, namely, that we acted hastily, I assert that at this posture of international affairs, when the State Department is being reorganized, so it is said, when the Secretary of State is pressing us to secure the confirmation of these nominations, when the President of the United States is facing probably the most difficult days of his whole career by reason of the disturbed conditions in the foreign field, and with the threat of chaos and anarchy breaking out in certain parts of Europe, we felt that the President of the United States and the Secretary of State of the United States were entitled to be considered by the Senate in connection with the confirmations.

Mr. President, if we are to support the foreign policy of the President of the United States, we must give the President the instrumentalities by which he shall be enabled to carry on the operations of the Department of State.

Last fall we had an election. Regardless of all the political considerations involved, I take it that that election was evidence of the fact that the people of the United States are backing the foreign policy of President Franklin D. Roosevelt. I believe the election was further evidence of the fact that the prosecution of the war to a triumphant conclusion over all our enemies, the formulation of a peace treaty, and the establishment of an international organization to preserve the peace and to prevent aggression, are issues which are today, and were on the day of the election, nearest to the hearts of the American people.

So, Mr. President, if the President of the United States is to be given strength in his dealings with foreign nations—and he will have to deal with them, and will have to have strength in his arms—the people of the United States must stand behind him. If he makes certain pronouncements which I apprehend he will be compelled to make in the dark and terrible days ahead in the international field, I feel that those who want to strengthen him should vote to give him the assistants whom he has requested. They should indicate that we are standing back of him and that we will not deny him Assistant Secretaries of State. We should not deny him the servants or subordinates who are needed by him in order to carry out his policies and administer the affairs of the Department of State.

Mr. Stettinius was appointed Secretary of State. He was an associate of former Secretary of State Hull. He was in sympathy with Mr. Hull's policies. He is trying to carry on in the same spirit and with the same general objectives in mind which Mr. Hull had entertained. But Mr. Stettinius himself has not been a member of the State Department for more than 2 or 3 years. He needs these assistants. He needs them in organizing and carrying forward the work of the State Department. If Senators do not wish to interfere with our foreign relations, if they want to furnish America with the necessary strength and instrumentalities to maintain its foreign policies, I ask them to vote for the confirmation of these nominations.

Mr. President, what would a vote of rejection mean? A vote to reject these nominations would be heralded around the world. The shot which would be fired against these nominees by refusing to confirm them would be echoed in every great newspaper of the world. It would be construed as a division here at home with regard to our foreign policy. It would be construed as a loss by the President of his influence in foreign relations. What would be the message that would be carried to our enemies? We read in this morning's newspaper that by a bold attack the enemy on the west-

ern front has driven back our lines for short distances. Mr. President, would not a vote against these nominees encourage the enemy to a more determined effort and a stiffer resistance? What would be the effect which the news would have on our allies? And what would be placarded in all the press? It would be that President Roosevelt had lost his leadership of the Nation, had lost his leadership in foreign affairs, and had lost his leadership of Congress on the subject of foreign relations.

Let me ask Senators what would be the reaction of the boys yonder in the trenches? We have all seen photographs and have read the stories of the gallant American boys, standing up almost to their knees in mud, with battle helmets upon their heads and rifles in their hands, yonder where death stalks its way, over there where danger is ever present, fighting for the United States of America and for the people of the United States of America. They want the foreign relations of the United States maintained and furthered. They want this war to be brought to the quickest possible conclusion. Confusion here at home, dislocation here at home will not strengthen the fiber of their fighting qualities; it will not tighten the morale of the brave men who are pouring out their blood to make red the fields of other lands.

Mr. President, I ask the Senate to confirm these nominations and give to the Secretary of State and to the President the instrumentalities for administering the Department of State and its activities.

EXTENSION OF TIME FOR FILING REPORT BY SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. GREEN. Mr. President, a short time ago, on behalf of the Special Committee to Investigate Presidential, Vice Presidential, and Senatorial Campaign Expenditures in 1944, I submitted a resolution extending the time for filing the report of the committee to March 1, 1945. The resolution was referred to the Committee on Privileges and Elections. It seemed hardly worth while to have a meeting of the committee to act on the resolution and that the purpose could be subserved better if I polled the committee. I have done so, and, with the exception of two Senators who are out of town and inaccessible, they have unanimously directed me to make a favorable report from the Committee on Privileges and Elections. The resolution is short; it simply extends the time for filing the report to March 1, 1945, and the second part of the resolution provides that the extension of time for making its report shall not extend the authority of the committee except to employ and pay the necessary staff in connection with the preparation of the report. There is an enormous amount of material which has to be gotten together for the benefit of the Senate. No further investigations will be held under the original resolution.

As in legislative session, I ask unanimous consent that the resolution be considered and agreed to.

Mr. LUCAS. Mr. President, before the resolution is acted upon, as Chairman of the Committee to Audit and Control the Contingent Expenses of the Senate I wish to say to the Senator from Rhode Island that only a few moments ago the Senate adopted a resolution which continues all special committees until January 31, 1945. This will be a specific exception to the resolution the Senate has adopted. I realize that in this case the situation is a little different from that affecting ordinary special committee in view of the fact that there is a definite time for the termination of the committee. It does violate the rule, and may, I will say to the Senator from Rhode Island, open the opportunity for other Senators to come in with similar resolutions to do the same thing. I shall not object to the consideration of the resolution, but I want to serve notice now that, in view of the resolution which was adopted a few moments ago, I shall be constrained to oppose any other resolutions of this kind.

Mr. GREEN. Mr. President, in that connection I can assure the Senator from Illinois that no additional appropriation is asked for or will be necessary under this resolution, and it would be a pity to bring it up again and go through another proceeding in a few weeks when it can be adopted now by unanimous consent.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution (S. Res. 355), submitted by Mr. GREEN on December 15, 1944, as follows:

Resolved, That the time for making a report by the Special Committee to Investigate Presidential, Vice Presidential, and Senatorial Campaign Expenditures in 1944, authorized by Senate Resolution 263, agreed to March 30, 1944, is hereby extended to March 1, 1945; and be it further

Resolved, That this extension of time for making its report shall not extend the authority of the committee except to employ and pay the necessary staff in connection with the preparation of its report.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution as in legislative session?

Mr. WHITE. Mr. President, I shall not object to the consideration and adoption of the resolution. I am influenced to that decision somewhat, perhaps I should say very substantially, by the fact that the Senator from Illinois, I assume, will maintain the integrity of his own resolution which has been adopted when the matter of funds comes before the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LUCAS. The Senator from Maine is correct. The only reason, as I have said, that I agree to the adoption of the resolution is that this is a special committee that definitely has a termination. As I understand, about March 30 of next year, and in view of the fact that the resolution has been submitted, I shall not make any objection.

The VICE PRESIDENT. If there be no objection the question is on agreeing to the resolution.

The resolution was agreed to.

NOMINATION OF NELSON A. ROCKEFELLER

Mr. McKELLAR. Mr. President, I wish to take about 3 or 4 minutes to say a few words in reference to the nomination of Mr. Nelson Rockefeller to be Assistant Secretary of State.

I have known Mr. Rockefeller only since he has been Coordinator of Inter-American Affairs. In that activity I have been brought in touch with him many times. As a matter of fact, he has very frequently appeared before the Appropriation Committee, as members of that committee know.

Mr. Rockefeller is splendidly educated, a graduate of Dartmouth College of 1930. He has a fine mind; he is comparatively young; he is ambitious to do a good job; and he is in every way worthy and qualified. His nomination meets my entire approval.

The only objection I have ever raised to him is his wealth and that wealth being connected with the Standard Oil Co. From my knowledge of the man, this is not a fair objection, because I know as Coordinator of Inter-American Affairs neither fact has ever influenced him in the slightest way in the performance of his duties. In that position he has been tremendously ambitious to do a good job for our Government. He has been faithful; he has been energetic, and he has been successful. I do not believe that anyone who knows Mr. Rockefeller would even remotely contend that his wealth has spoiled him. He has one of the kindliest of dispositions. He is ambitious to a degree to do a good job for his country. He is the kind of rich young man who ought to be engaged in public affairs, and I do not have a doubt that he will make a most excellent Assistant Secretary of State. His work in the future in this position will be very much like what he is doing now. I doubt if there is a man in the United States who has a better knowledge of South and Central American affairs. He is a grand young gentleman.

Mr. Rockefeller is diplomatic to a degree. He is not overbearing; he is not conceited; and he is not a man to refuse to work because the work is not being conducted exactly as he would like.

I suppose Mr. Rockefeller is a Republican, although I do not know, but I want to say of him that as democratic a man as he is should be a Democrat in name as well as in fact.

Mr. President, I have not heard of a single objection in the Senate to Mr. Rockefeller. I think I have heard criticisms of all the other nominees, but, so far as I recall, no one in the Senate has objected to Mr. Rockefeller, and if it is not out of order, and if the chairman and members of the Committee on Foreign Relations do not object, I should like to ask unanimous consent that the nomination of Mr. Rockefeller be confirmed by unanimous consent.

Mr. LANGER. I object.

The VICE PRESIDENT. Objection is heard.

Mr. McKELLAR. I should like to make a motion, out of order, that the Senate vote on the nomination of Mr.

Rockefeller, but I shall not do so unless the chairman of the committee consents.

Mr. CONNALLY. That cannot be done except by unanimous consent, and there has been objection.

Mr. McKELLAR. I realize that.

Mr. CONNALLY. The Senator said he had not heard of anyone being opposed to Mr. Rockefeller. If he has read the newspapers he must know that certain Senators are going to vote against all the nominations, which would include Mr. Rockefeller, of course.

Mr. McKELLAR. I have not seen such a statement in the newspapers.

Mr. CONNALLY. Certain Senators have announced that they will vote against all the nominees.

Mr. McKELLAR. Of course, that would include Mr. Rockefeller, but I have heard no criticism of him. He is a fine young man, and I do not see how anyone could be opposed to his appointment to a position like that for which he has been selected. I am not criticizing the Senator from North Dakota; any Member of the Senate has a right to object to the immediate consideration of anyone's nomination out of order, but I thought it would help matters along if we could get even one of the nominations out of the way. I agree with the chairman of the committee that we should act, and should act at once, and any Senator who does not like any nominee should vote against him, if he thinks he has just grounds for his position, but I do not think we should be kept here all week on these nominations. No Senator can state a real objection to the fine young man about whom I have just spoken.

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Overton
Austin	Gurney	Pepper
Bailey	Hall	Radcliffe
Bilbo	Hatch	Reed
Brewster	Hawkes	Revercomb
Brooks	Hayden	Reynolds
Buck	Hill	Robertson
Burton	Holman	Russell
Bushfield	Jenner	Shipstead
Butler	Johnson, Calif.	Smith
Capper	Johnson, Colo.	Taft
Caraway	La Follette	Thomas, Idaho
Chandler	Langer	Thomas, Okla.
Chavez	Lucas	Thomas, Utah
Clark, Idaho	McCarran	Truman
Clark, Mo.	McClellan	Tunnell
Connally	McFarland	Tydings
Cordon	McKellar	Vandenberg
Danaher	Maloney	Walsh
Davis	Maybank	Weeks
Downey	Mead	Wheeler
Ferguson	Millikin	Wherry
George	Murdock	White
Gerry	Murray	Wiley
Gillette	Nye	Willis
Green	O'Mahoney	Wilson

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

The Chair recognizes the Senator from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. President, lying on the table is a resolution which was submitted on Saturday last. That resolution reads as follows:

Whereas the Under Secretary of State and the five Assistant Secretaries of State, whose names have been submitted to the Senate, constitute a complete reorganization of the Department of State, which will necessarily have great influence in determining the attitude and the policy of the Department of State and the foreign policy of the United States, in the conclusion of the war and the making of the peace; and

Whereas these policies will have a profound effect upon the future welfare and the peace of the people of the United States and the world; and

Whereas there is not time remaining in the present session of the Congress for due and adequate consideration to be given all these names in view of their great importance in these critical times: Now, therefore, be it

Resolved by the Senate, That further consideration of the nominations of the Under Secretary of State and the five Assistant Secretaries of State on the Senate Calendar be postponed to January 3, 1945.

Mr. President, preliminary to a motion on my part to call up for consideration that resolution, I should like to make a few observations as to why the resoluion has been offered and as to the parliamentary procedure which would govern its consideration by the Senate.

It has been disclosed to the Senate and to the country, Mr. President, that there is now in progress a complete reorganization of the Department of State. This is no vacancy that is attempted to be filled by a nomination which is submitted by the President. In fact and in form there is proposed a complete reorientation of the personnel of the Department. The Secretary of State himself came before the Senate Foreign Relations Committee in public session and declared that this was his team, and he stated the reasons for the selection of the members of the team. They were presented to the committee not as individuals but as a group, I assume in the opinion of the able Secretary of State all together constituting personnel which would present a balanced Department of State to the people and the Government of the United States.

So, Mr. President, they are being considered by the Senate, not individually, but as a group of nominations. We might say, therefore, that there has been submitted to the Senate for advice and consent, not the name of an individual, not even the names of a group of individuals, but the Department of State of the Government of the United States of America.

When the Executive submits to the Senate by nomination a team or a group, when he suggests that there should be a new Department of State, and presents to us the whole personnel of that Department at one and the same time and asks our approval of that group at once, then I believe it is not only proper, but highly fitting and desirable, that that group should be considered by the United States Senate as a group, and as the Department of State.

One might say that the prerogative of the Senate is merely to pass upon the names of the individual nominees. The prerogative of the Senate goes a great deal further than that. We have a coequal part with the President in responsibility in the selection of the personnel of the Department of State. Of course, all Senators are familiar with the language of the Constitution. I happen to be reading from one of the Federalist papers, one by Hamilton. The President, he says, is to—

Nominate, and by and with the advice and consent of the Senate, to appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not otherwise provided for in the Constitution. But the Congress may by law vest the appointment of such inferior officers as they think proper, in the President alone, or in the courts of law, or in the heads of departments. The President shall have the power to fill up all vacancies—

And so forth. Mr. President, I realize that there are no authorities which clearly define and demark the functions of the Senate and the President in the making of such appointments as are before the Senate; but I conceive that the Senate not only has the right, but the duty, to lend its concurrence to such appointments presented to it by the President as are in its opinion proper. If there ever was an occasion when nominations submitted to the Senate assumed immeasurable importance, that time is now, when we are presented, as I say, not with the name of an individual or the names of a group of individuals but the State Department of the United States of America. I deem, therefore, that the United States Senate has the prerogative and the duty to determine whether or not these nominees have the qualifications and the point of view which the Senate considers proper in the State Department of our Government.

Furthermore, Mr. President, I deem it to be the duty of the Senate to determine whether this group, taken together as a team, as the Secretary of State said they were when he presented the names, is the kind of a team, in qualification, in sentiment, and in point of view, which the Senate approves as the Department of State of the United States.

So there is presented in the nominations now before the Senate the question of the discharge by the Senate of its duty to determine whether we do advise and consent to these gentlemen constituting the Department of State of the United States. Not only is it the duty and function of the Senate to have a coequal responsibility with the Executive in the selection of the Department of State, but by the provisions of the Constitution, which requires the Senate to lend its consent to the ratification of a treaty, we have also a coequal responsibility with the President to determine what is the foreign policy of the Government and of the people of the United States of America.

Probably as well as anyone could—no doubt better—one of these nominees quoted to the Senate Foreign Relations Committee a declaration by Secretary Hull as to the function of our Department

of State. This witness stated, on page 30 of our hearings:

Mr. Hull, in his great speech of April 9, defined the foreign policy of the United States as "the task of focusing and giving effect in the world outside our borders to the will of 135,000,000 people."

It is the function of our Department of State to interpret to the world the sentiment, the views, the attitudes, and the convictions of 135,000,000 people about the foreign policy of the United States. The names of these gentlemen which are before us were submitted to us by the Department of State and by the President as being qualified to present to the world sentiments, views, and attitudes which truly reflect the sentiments, views, and attitudes of the people of the United States of America. Of course, we know that any human agent lends his color and his own point of view, and reflects his own sentiment in what he does. These nominations, therefore, are the instrumentalities through which alone, almost, as a practical matter, the people of the United States are to have an opportunity to express the foreign policy which is in their hearts and minds.

Someone may ask, "After all, why is the Senate concerned about the personnel of the State Department? In the first place, does not the Secretary have a right to have whomever he wishes?" Not unless we agree with his choice. We cannot shirk our responsibility, Mr. President, behind the garment of the Secretary of State or behind the cloak of the President of the United States.

The Constitution of the United States provides that the President may nominate; and Hamilton makes a very eloquent argument in the dissertation to which I have adverted as to why it was preferable that the President should nominate all the public officers mentioned in the constitutional provision. He was presumed to be best qualified to present those who would best serve the public interest. But, Mr. President, the Constitution framers did not give the President of the United States the right to name public officers. It gave him only the right to nominate public officers of the class in which these nominations fall. So in this critical time, not only in the Nation's history, but in the history of the world, the eyes of this country—indeed, the eyes of the world, as the able chairman of the Foreign Relations Committee has said—are focused upon the United States Senate. Not only our people, but people everywhere who are concerned about the future of the world, want to know what part the Senate of the United States is going to play in the declaration and enforcement of the foreign policy of the United States. If we adopt a forthright policy in this matter, we give notice not only to our people, but to good men and women all over the earth who still have a revived hope in the integrity and courage of the Government and the people of the United States, of our purpose to lead this world to a peace which will prevent the recurrence of the curse of war. Those people want to know whether the Senate of the United States is to be supine. They want to know whether United States Senators would rather go home for Christmas than to see to it that we have a State Department which will reflect the point of view of the boys who are dying, and have died, and are yet to die all over the world in the uniform of our country, and the point of view of the parents of those boys, who are praying daily that they may be spared, or if not spared, that at least their lives may not be spent in vain.

I received this morning a telegram from Daytona Beach, Fla. It is signed by Mrs. Blaine Barber. She says:

Your constituents are looking to you to scrutinize the records of the new appointees to the State Department, and to reject with every power at your command anybody whose record is not worthy of the record of our men on the field of battle. We speak for a family that is scattered all over the globe tonight—

The telegram was sent to me last night, and reached me this morning—

a first lieutenant in General Patton's Third Army who wears the Silver Star and the Purple Heart; a first lieutenant with the Marines on Leyte; a first lieutenant in a German prison camp for over a year; a lieutenant in the Navy; two sergeants in the Army, one in South Africa and one in the States; and for a lieutenant colonel who gave his life in the cause of peace in France August 9.

So, Mr. President, those are not people who sit in swivel chairs behind mahogany desks. That telegram comes from a mother, from a member of a family who already is beginning to be concerned about whether the peace is slipping through the fingers of the Government of the United States and all those who have fought for some glorious end in this war.

Mr. President, I hold in my hand telegrams relatively similar in character from people not only from my State but from all over the Nation.

I also have received a telegram from Mr. Nelson Poynter, editor of the St. Petersburg Times and Floridian, in my State of Florida. After speaking about the issue which has been raised here, Mr. Poynter says:

Our foreign policy never will make sense until we understand that our State Department is merely a vehicle to convey the ideas and aspirations of the American peoples to the peoples of other lands. We need to actually get back to some of the early, almost corny values of the American people. We have simple, logical, uncomplicated goals. The St. Petersburg Times praised the appointment of Stettinius as Under Secretary and Secretary of State, but the unbalanced staff proposed for our State Department has no conception of how to interpret the American people to the rest of the world. More power to you and to those with you.

So, Mr. President, those who have advocated this resolution, those who wish to have the Senate pause in the consideration of these nominations, are not presenting this matter in any facetious or querulous way. God forbid that it should be the purpose of any Senator to trifle not only with the dignity of the United States Senate but with the progress of the great resolves which were formed when we in the Senate gave our consent to a declaration of war. If the opposition we have expressed, Mr. President, which we hope other Senators will share, to the naming at the present time, at this late day in this session, of the State Department of the United States with no more consideration of the subject than the Senate has given it, is considered by anyone as an attempt on our part to belittle or to thwart the carrying forward of our great fight for peace, then, Mr. President, we have been unable in our poor words to make understandable to our colleagues and to the public the purposes which prompts us to resist the consummation of these nominations at the present time.

Mr. VANDENBERG. Mr. President, will the Senator yield in order to permit me to ask a question?

Mr. PEPPER. I yield.

Mr. VANDENBERG. I have great respect for the spirit in which the Senator presents his challenge to the existing situation, because I think the existing situation requires challenge in respect to what our foreign policy is and what it contemplates and whether or not it has surrendered the original basis to which we thought we were dedicated.

But I wish to ask the Senator—and this is the point at which I find myself perplexed by his viewpoint—whether the existing situation can be satisfied by a mere discussion of the credentials of Assistant Secretaries of State. Does not the Senator agree that the time has come when the chief policy maker of the United States, the President himself, at long last should tell us what our foreign policy now is, in terms of immediate application?

Mr. PEPPER. Mr. President, I appreciate the candor and the fine spirit in which that inquiry is made, and I shall try to answer it in the same way. I will say that the time has come when the foreign policy of the United States should be articulated, clarified, and declared. Whatever may have been my record and policy in the past, and I have had no occasion except my own sentiments to alter it, it is high time not only for the President of the United States, Mr. President, but for the Senate of the United States also, to declare what is the foreign policy of the United States.

For, Mr. President, while under the Constitution the President is the negotiator of our foreign policy, or, rather, of those agreements which we may enter into declaring and determining our foreign policy, nowhere in the Federal Constitution is the President of the United States given the power to determine the foreign policy of the United States of America. I know that there was never a better time when the Senate could pause and should pause and search its heart to come to some sort of definition upon our foreign policy, than when the State Department of the United States is presented to us for confirmation.

Mr. President, I mean to say that there are a great many persons who are troubled in their hearts as to whether we have abandoned the high objectives upon which we went into this war. There are a great many persons who are asking themselves the question whether another generation of gallant and innocent boys is to be sacrificed in vain upon the altar of the god of war. These are a great many people who wish to know whether the Congress and the President are willing to say to the world that we are not just fighting a war, Mr. President, we are fighting a war for a righteous peace. We are fighting a war for something which means the betterment of mankind. We are fighting a war to prevent the repetition of the curse of war upon succeeding generations. In other words, we are fighting a war for something even more than the crushing of Germany or of hideous Japan. The subject has become so confused, the international situation has become so paradoxical and so complicated, and the confusion has become so pronounced, that today Senators are asking openly, as the people are asking openly, "What is the foreign policy of the United States of America?"

Mr. President, the whole world had its heart and its idealism touched by the declarations of the Atlantic Charter. I have that document before me. I doubt if we can ever hear it too often—the declarations of those two great men. The world has seldom seen a greater document. I can say that while the Fourteen Points spoke of self-determination for nations, they never reached down to the promotion of the welfare of individual men, women, and children the way the Atlantic Charter did.

Mr. President, it looked as if Great Britain had regained its glory not only of courage but of spirit, and that it was committed to a crusade not only to hurl back the Hun, but to make the institutions of democracy really vibrate with reality, not only to the nations, big and little, but to the individual men, women, and children of the world. I confess that my heart throbbed with pride and exaltation when our President, even in times of peace, had the courage to declare the great purposes of America in his partnership in the Atlantic Charter.

Senators will recall the words, of course:

> Joint declaration of the President of the United States of America and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together—

I am proud to interpolate, Mr. President, that they were met together in the waters of the Western Hemisphere. I am proud of the things which have come out of the Western Hemisphere to make secure the foundations of democracy in the earth, and this is one of the greatest of all contributions of the Western Hemisphere to the preservation not only of the so-called Old World, but of the entire world.

They say—

> deem it right to make known certain common principles in the national policies of their respective countries on which they base their hopes—

They might have added, "and the hopes of mankind"—

> for a better future for the world.
>
> First, their countries seek no aggrandizement, territorial or other;
>
> Second, the desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned;

Mr. VANDENBERG. Mr. President, will the Senator yield to me at this point?

Mr. PEPPER. Yes.

Mr. VANDENBERG. I totally agree with the Senator as to the desperate necessity of a rededication of America to these democratic objectives for which we are presumed to be fighting on a score of battle fronts. The objective which he has just read in respect to the right of small countries to be restored in their pre-war status pursuant to their own democratic judgment is obviously being crucified today without even so much as an official protest from us.

Mr. President, I submit to the Senator that this situation becomes so serious in respect to the morale, not only of the home front but of the fighting front, that to straighten it out requires infinitely more than the indirect voice of the Senate in acting upon a few nominations for Assistant Secretaries of State. In my humble opinion it is not even enough that the State Department itself should be issuing statements as it has done today in respect to Poland. The State Department cannot speak with the authority of the Chief of State. It is the Chief of State who speaks with respect to these matters in other countries. They speak bluntly and with great candor; yes, and ruthlessly. I respectfully submit to the Senator that only the President of the United States himself, the Commander in Chief, can give us in America the reassurance, give the world the reassurance, and give sacrificial Poland, as well as other small countries, the reassurance which these tragically prophetic pronouncements of Mr. Stalin and Mr. Churchill set forth. Does not the Senator agree with me?

Mr. PEPPER. There is no doubt whatever that, in order that it may be done in the proper and constitutional way, the sentiment of the country will have to be declared abroad by the President. But, Mr. President, let us advise the President of the United States as to what his declaration of policy for the country and for Congress should be. Under the Constitution we have a right to advise the President in respect to our foreign policy. In the past, has not the Senate of the United States initiated advice to the Chief Executive as to what our foreign policy should be, although not invited to give such advice? We can speak only for ourselves, not for the Executive. But if we feel in our hearts as the able Senator from Michigan has just indicated—and undoubtedly he has expressed the sentiment of the people of this country who have wondered why we have been so tardy in making such a declaration—it is our duty, at a time when the State Department of the United States is presenting to us a subject of such importance, at least to take advantage of the occasion by making our sentiments known.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MILLIKIN. I should like to ask the able Senator from Florida if the Senate did not announce its policy in the Connally resolution?

Mr. PEPPER. I may say to the Senator from Colorado that in the Connally resolution, and also in the Fulbright resolution, the Congress did make a recommendation of general policy. Was the Atlantic Charter specifically mentioned in the Connally resolution?

Mr. VANDENBERG. It was recommended.

Mr. PEPPER. I believe that Senators will confirm my recollection that in the Connally resolution we confined ourselves principally to the statement that in the future organization which we envisaged we would consummate in a permanent peace the victory which we had won on the battlefield.

Mr. VANDENBERG. I believe we identified the Moscow declaration.

Mr. PEPPER. We did, but in my opinion, and according to my recollection, we did not, Mr. President, incorporate the Atlantic Charter and the "four freedoms."

Mr. MILLIKIN. Mr. President, will the Senator further yield to me?

Mr. PEPPER. I yield.

Mr. MILLIKIN. The Connally resolution in its second paragraph states:

> That the United States cooperate with its comrades in arms—

Which, I assume, means with all Allied Nations—

> in securing a just and honorable peace.

Will the Senator say that that language is not a very clear direction to those who are in charge of the management of our foreign affairs to do the very thing which it states?

Mr. PEPPER. Mr. President, we have not yet come to the making of the peace, and while what the Senator has read might be called the background of the Senate's attitude, the subject is not very much clarified in the very brief statement which the Senator has read. Of course, the Senate gave its commitment to the sentiment of a just peace. At the same time, it did not go into the subject as fully as did the Atlantic Charter.

Mr. MILLIKIN. I agree entirely with the Senator's statement that the subject has not been clarified. There are those who are our comrades in arms in Poland, and in Greece. If there has been any cooperation with them to secure a just and honorable peace, I shall appreciate it very much if the Senator will specify it.

Mr. PEPPER. In the first place, we have not yet technically come to the making of the peace. What has been done so far has been a sort of day-to-day arrangement on various affairs. I will say to the able Senator that I expect to make some comment concerning that matter.

Mr. MILLIKIN. Then I shall defer the further observation which I had intended to make.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. VANDENBERG. I have made it plain to the Senator that in my own view the situation upon which he and I partially agree is plain, namely, that the time has come when we should not be the only silent partners in the grand alliance, but that we should cease acquiescence in unilateral decisions abroad which run squarely counter to and collide with every dedication we have made in connection with this war. The time has come when the American position should be clarified. I have said to the Senator that I believe that the only person who can clarify it with any degree of authority or conclusiveness whatever is the President of the United States, who stands, at least by indirection, charged by Mr. Churchill in his recent speech with having full knowledge regarding the proposed partition of Poland, for example, which is now being contemplated by Russia with Britain's approval.

The Senator asks me to pass upon this matter and register my protest by a vote on certain nominations for Assistant Secretaries of State. That is the point which I find it difficult to follow. For example, one of the proposed Assistant Secretaries of State, Mr. Dunn, went with former Secretary of State Hull to Moscow and was at his right hand when he wrote the great declaration in which the Senator and I have such great faith. I confess I fail to understand how I can protest against what seems to have been the disappearance of some of those great Moscow dedications by voting against the right-hand man of the man who wrote them.

Mr. PEPPER. Mr. President, I shall endeavor to answer the statement which has been made by the Senator from Michigan.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHANDLER. Does the Senator from Florida believe that the Senator from Michigan could make the declaration more effective by voting for the confirmation of the nominations of men about whom he knows practically nothing? According to information which I have obtained, the President of the United States intends to be dominant in foreign affairs. When the term of Hon. Cordell Hull was brought to an end by his illness the President sent to the Senate for confirmation the nomination of Mr. Stettinius to be Secretary of State of the United States. I think the President was entitled to have confirmed the nomination of the man whom he wanted to be Secretary of State of the United States, and the Senate very promptly confirmed the nomination of Mr. Stettinius without any objection whatever. If it is agreed by Senators that the State Department should be reorganized—and I do not know of any Senator who would object to it—and that some definition of foreign policy should be made by someone who can make it, I do not know why it should not be done now; and the only way it can be done now is to have the President and Secretary of State take enough time to do it.

I want to warn you, Mr. President, that if these nominations go before the country confirmed hurriedly, as they will have been if they are acted on now—they will give their views of course, as they said, after they are confirmed—then the Senate will have been responsible to the extent that it voted to approve them, even though it knew very little about what they stood for; and they will be put in the position of bringing back a treaty of peace that we will be called upon to vote for or against—that is the only choice we will have—and we will have invited what we get without knowing in advance for what they stand. I submit the thing to do is to have an open hearing—I mean a real open hearing—where everybody can testify and time is given for everybody. I know people who have written and telegraphed here and asked to be allowed to state their views—American ministers and American consuls in other countries—but we did not give them an opportunity. I regret that this matter has been handled in that way.

I want to repeat something I said the other day to the Senate because I think it is important. More than 4,000,000 soldiers came back home after the last war, remembering that the people said they were fighting for democracy and to end war and for the right of men to be free everywhere; and yet somebody sitting in these seats here, a group of men in these seats, lost that peace which they had won. This time 12,000,000 men or more are going to come back, and they will want to know whether the men who occupy these seats are going to be careful. We have got the time to be careful now; there is no hurry about it. The war is not over; it may not be over for 6 months; it may not be over for a year; it may not be over for 2 or 3 or 10 years; and yet we must hurry in the closing days of this Congress to confirm the nominations of these men whom we know very little about.

I think Mr. Grew was probably a great Ambassador, but he was not so much of a success as Under Secretary of State when he occupied that position under Mr. Kellogg, of Minnesota.

It is not that I want to vote against a single man. I want to be associated with my brothers here in being as certain as we can that we shall lay a solid foundation for a peace which will endure; and I object to the policy of giving lend-lease goods to our allies and our friends to help them fight our enemies, and then have them use them against our own friends.

I do not know whether there was any Atlantic Charter. I have never seen anybody who has seen anybody who has seen anybody else who ever saw any Atlantic Charter. There might have been such a document; it was a noble idea expressed by the President and the Prime Minister, but whether it was ever put in writing and signed, I do not know. I have diligently inquired for the original document, but so far I cannot find it, and I do not know anybody else who has found it. If anybody does find it, I want to see it. The people all over the world are relying upon things that were said by the President and the Prime Minister in that document, and they say we are bound to see that they are freemen.

The next time I have a political campaign, if someone will come to my State and put into prison or kill my political enemies, I will win; there is not any doubt about that at all; but when Greeks, opposed by a British division using American tanks and American guns with American insignia are killed, that does not stem from the Atlantic Charter, and it causes us to lose face all over the world; yet that is being done without protest, or, at least, without a strong protest.

I want the Senate to remember what happened in the last war. Mr. Wilson had a grand idea of world peace, and he took American prestige with him and went overseas, but the cunning politicians of other countries tied him up, so that the last thing he had left was money, and I understand that is all we are going to have this time, maybe, if we are not careful. He tried to stop Mr. GLASS, who was Secretary of the Treasury, from honoring certificates for money loaned to those countries, and which they needed very badly, and the Secretary of the Treasury had to tell him that he had already honored the loans. He lost power when he came home, broken in health and spirit, and lost the peace. That is where the ground work was laid for this war. Are we going to do the same thing again just because we are in a hurry merely to please some people or group of people?

I am not referring to any one man. I want to say to the Senator from Florida that I have no objection to any one man; it is the group of men or the combination of men who are going to get together and present something in which I hope we can have confidence; but suppose they do not; then we have given them these opportunities and given them the right to make the arrangements for the President of the United States.

Mr. VANDENBERG. Mr. President, the only difference, if there is any, between the Senator and myself, if he will permit me, is not in respect to objectives at all. The difference is that the Senator is putting his emphasis upon the authority of a group of Assistant Secretaries of State and I am saying that we can only hold the President of the United States responsible for what is going on, and it is only the President who can make these fateful decisions.

Mr. CHANDLER. Of course I do not disagree with the Senator about where the responsibility is, and if anybody will take the responsibility of telling me that it does not make any difference whom we confirm to be associated with the President and that he is going to run it and is going to be responsible for it, and the assistants are not going to make policies, then I am prepared not to say any more. I understand the position they are going to be in; but if the President is going to have complete responsibility, and if anybody will assure me of that, then I will not delay another moment; but, in my opinion, that is not the case. I do not want these men to go

before the country, and they ought not to want to go before it with the slightest bit of suspicion against their operations in the past, and their complete record of performance of affairs ought to come before the Senate and the people of the country, and until it does I do not propose to vote for their confirmation.

Mr. BREWSTER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Maine?

Mr. PEPPER. I yield.

Mr. BREWSTER. I should like to ask the Senator from Kentucky if he has any doubt that the President will determine our foreign policy, although it may vary from time to time?

Mr. CHANDLER. The President is bound to take advice from somebody. The President cannot know all the things that are involved in all these matters. No single citizen of the country can know. I assume that these men are going to be his closest advisers. It is barely possible that what he does in the future may be on the basis of what these men tell him.

Mr. BREWSTER. Has the Senator not made public statements recently that the President's closest adviser was one who does not hold such a position?

Mr. CHANDLER. I did not say he was his closest adviser. I said I thought he was one of them.

Mr. BREWSTER. Did not the Senator name the man who he said was responsible for these appointments?

Mr. CHANDLER. The man who I thought had as much to do about it as anybody else.

Mr. BREWSTER. How close is his closest adviser?

Mr. CHANDLER. I think as close as a dead heat, and that is the closest thing on record.

Mr. BREWSTER. What I should like the Senator to enunciate is this: What would the Senator have the President or whoever is responsible for the policy, let us say in the Greek situation—and I share the Senator's concern about it—what would the Senator have the President do in that situation?

Mr. CHANDLER. It would take me a long time to tell the Senator all I think about that; but I asked Mr. Stettinius if there was any agreement that he as Lend-Lease Administrator knew of with the British that guns and tanks and planes furnished by us to the United Kingdom were to be used to kill our enemies or were they to be used to kill our friends. I wanted to know if there was any such arrangement. I voted for the lend-lease bill. I have a responsibility that I am not trying to shirk, and I do not intend to shirk it. I voted for the war and I voted taxes on the people to support the war. I shall have to vote for peace when the war is over. I have seen freshly wounded men in military areas, as has the Senator from Maine. I have seen a soldier's 1,000-foot stare in a 10-foot room. He had been there too long, and we wanted to get some relief. I have seen men bear things ordinary human beings should not be called upon to bear, and I think a man who votes for these things should walk as closely with those who are endeavoring to reestablish the peace of the world as circumstances will allow.

Senators have their responsibility, and if they are satisfied, I have no quarrel with them, but I have to be satisfied that I have met my responsibility.

Mr. BREWSTER. I hope the Senator from Kentucky did not misunderstand. I share his concern, and I think we all have to realize that the situation is very difficult and very delicate. The Senator from Kentucky is one who knows how realistic certain gentlemen overseas are, Mr. Stalin and Mr. Churchill. They have great responsibilities which they are carrying out to the best of their ability. What should the President do to call a halt in this matter? How would he do it?

Mr. CHANDLER. The Senator and I have been associated in viewing some of these things. I have been one of the Senators who have been pleading for a long time for the adoption of a more realistic attitude, even in dealing with our friends.

Mr. BREWSTER. Yes.

Mr. CHANDLER. I do not want to oppose my friends, when we are in a fight together against a common foe. As I recall, the Senator from Georgia [Mr. RUSSELL] said that we are not enjoying very good relations if we cannot tell each other the truth. I will fight if my partner will fight with me, but if, as soon as I tell him the truth, he is going to join the other side, we are not very good friends, and the sooner I find that out the better off I will be.

Never in my life have I blamed Mr. Churchill for being two-fisted and realistic and strong in his statements. The Senator from Maine may recall that he said in his presence—I remember it—"I will deal with anybody who will deliver me what I want." Did any Senator ever hear that statement? I know how to deal with one who has that attitude about things. I will deal with you if you deliver me what I want at any time, or with anybody else.

I knew a year and a half ago or 2 years that there would be an attempt to establish spheres of influence, and that one strong enough would dominate a sphere, and I knew some of those places were outside our sphere. It used to be said we were furnishing the tools and materials and our allies were furnishing the lives. Who is furnishing the lives now? We are furnishing materials to the amount of billions of dollars, and the casualties in the months ahead are going to be American casualties, on both sides of the world, in both active war theaters. The Senator from Georgia knows that to be true.

The Senator has seen the attitude of people in distress and trouble; they will do anything for you; but when they are free, when the menace is no longer present, we have reason to believe sometimes that they think they may have done it without us, and that we were a nuisance, although we helped a little, that they were going to get through anyway. They think they are safe, and that changes their idea about things.

If I were in the position of authority here I would say that the American Congress did not vote for guns and tanks to be sent to England to be redelivered to some place where they could be used to kill Greek patriots, merely because someone did not want them to occupy the offices in Greece; or to kill Italians because someone did not want Italians to occupy the offices. Our thought was rather that they would be used to keep the peace, so that democratic governments could be established in those countries, so that they could conduct their own affairs with the governments they wanted. So long as the will of any imperialist is inflicted upon the will of a democratic country, or on democracy, that is not accomplishing what we set out to accomplish, and it is a mockery when we say it is. It is not true.

Mr. President, I voted for all these things. I voted for them because, first I did not want Germany to win the war, and I did not want Japan to win the war. I do not think England could have stood without the help she got from us, and I am not embarrassed to say so. I do not think Russia could have stood without the help she got from us, and it does not embarrass me to say so. When they go around distributing credit about who saved England, I state that Almighty God alone saved England. They could not have saved themselves, we could not have saved them. But England is safe.

Mr. President, this is not a war between Fascist and imperialist powers, at least that was not the way I wanted it. I did not want to see a Fascist killed, and an imperialist put in his place. I did not vote for these things in order to continue to make slaves out of people all over the world.

Mr. President, we disillusion millions of people if we say to them now, "All you have to look forward to is a return to slavery and your old masters." No wonder no optimism could be aroused in India over the war. It was because they had no hope, and when one's hope is taken away, everything is taken from him.

The Senator from Georgia [Mr. RUSSELL] and the Senator from Maine [Mr. BREWSTER] visited Egypt with me, in Iraq, and India, and China, and Arabia, and the people said, "We have a right to be free. Unless you are going to give us a right to be free, let us die." They did not even want hospitals; they wanted to die unless they could be free and be educated. That was the highest expression of their hopes.

Mr. President, I appreciate the indulgence of the Senator from Florida for yielding to me. I fear that all over the world now, in these pitiful countries which are living in slavery, the people are not only going to be continued in slavery, but American arms are going to be used to kill them, to kill thousands who would rise up to be leaders of their people. They are going to be killed so they will not have a chance.

If I am told the men whose nominations we are considering are going to have nothing to do with that, I am prepared to vote to confirm them in their offices, and let the President have any-

one he desires. It is said the State Department needs reorganization. I submit to every fair-minded man that there would have been satisfaction if Mr. Stettinius had taken 2 or 3 months and come back to Congress and said, "We have carefully studied this matter. The State Department should be reorganized, and we have carefully considered that, and here are the men. These are the ones I want. If you let me have them, we will take the responsibility."

I do not want my country and its diplomats to follow the British, and I shall not vote for any fellow who dresses up in striped breeches and spats and does everything the British want in order to be agreeable. In some countries, as my colleagues who were on the trip with me will agree, the highest compliment one could pay an American diplomat was to say that he looked like a Britisher. If one mistook him for a Britisher, he was tickled to death. I do not want that, Mr. President. I have no objection to the British. They are just as smart and courageous as any, but I want an American diplomat to have the courage that will cause him to look the other fellow in the eye and say that a thing is either right or it is not right, and that if it is right we will go along, but if it is not right we will not be a party to it. They are in control in Greece, and our prestige will suffer. I do not approve that; the American people do not approve it. Every Senator has to vote his own convictions.

If I had opportunity, I would vote to send the whole list of the State Department nominees back to the President of the United States. It would not hurt now to send them back and give us more time. Confirmation now might hurt later.

I have trespassed on the time of the Senator from Florida, and I apologize.

Mr. CONNALLY. Mr. President, will the Senator from Florida yield to me a moment?

Mr. PEPPER. I yield.

Mr. CONNALLY. Remarks have been made about Senators not being advised as to the Atlantic Charter. I have a public document in my hand. The Atlantic Charter was made a public document on August 21, 1941, and I ask unanimous consent to have it reprinted in the RECORD.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Is there objection?

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BROOKS. I may say for the benefit of the able and distinguished chairman of the Foreign Relations Committee that the Atlantic Charter was printed in the RECORD of December 13, that is last week, and it has been printed in the RECORD, I take it, previously.

Mr. CONNALLY. Mr. President, I withdraw the request if it has been printed in the RECORD so recently. It has been on file as a public document of the Congress since 1941.

Mr. BROOKS. If the Senator from Florida will indulge me a moment further, I should like to say to the able Senator from Kentucky [Mr. CHANDLER] that I think he today spoke the voice of 90 percent of the people of America. And I want to commend him for taking the position that there will be thousands of boys who will lose their lives this very day in Europe, dying for something that they were told they were going to fight for, but their parents, and the Members of the Senate do not know what the foreign policy of our Government is today. When we are asked to uphold the foreign policy of our Government—and we are asked today by the distinguished chairman of the Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY] to uphold the policy of the President—then I think we ought to know what that policy is. At this time, when we are asked to confirm this nominee or that nominee on the basis of whether he will uphold the Government's foreign policy, how can we vote intelligently unless we know what that policy is? We do not know what it is. The country does not know what it is, and the soldiers who are going to lay down their lives do not know what it is, and I do not know whether Stalin or Churchill know what it is. We have the Army, we have the airplanes, we have the ships, and America is making a great sacrifice. Therefore let us tell the whole world what our foreign policy is, and then select the men who will back it up.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHANDLER. I want to inquire of the clerks whether the document just sent to the desk by the distinguished Senator from Texas is the original Atlantic Charter, whether it has been signed by the British Prime Minister and the President, or whether it is one of numerous copies. I have a copy.

Mr. LUCAS. It is just a copy.

Mr. PEPPER. Mr. President, I am very much indebted to the able Senator from Kentucky [Mr. CHANDLER] for the moving eloquence of his words.

Senators say, "Well, what has all that got to do with these nominations?" The Senators who are members of our committee, I dare say, have not all had an opportunity to read the record of the hearings. Let me tell Senators what the Secretary of State himself declared to be the cardinal principles of the foreign policy of the United States, and then I want to point out what the omission was.

Our major objectives may be stated very briefly as follows—

I am reading from the statement of Secretary of State Stettinius which appears on page 2 of the hearings—

1. The fullest possible support in the conduct of our foreign relations for our armed forces, so that the war may be won at the earliest possible moment.

2. Effective steps to prevent Germany and Japan, after victory by the United Nations, from again acquiring the power to wage aggressive war.

3. Establishment at the earliest possible moment of a United Nations organization capable of building and maintaining the peace—by force if necessary—for generations to come.

4. Agreement on measures to promote a great expansion of our foreign trade and of productiveness and trade throughout the world, so that we can maintain full employment in our own country and, together with the other United Nations, enter an era of constantly expanding production and consumption and of raising standards of living.

5. Encouragement of all those conditions of international life favorable to the development by men and women everywhere of the institutions of a free and democratic way of life, in accordance with their own customs and desires.

Mr. President, the singular omission in that statement by Secretary of State Stettinius of the objectives of our foreign policy was the fact that the Atlantic Charter was not referred to or mentioned or intimated in that statement. That is the reason I am concerned about the sentiment in behalf of the militant defenese of the principles of the Atlantic Charter and the "four freedoms" by the Department of State. Senators will recall that in the Foreign Relations Committee the Senator from Iowa [Mr. GILLETTE] read these five declarations of our foreign policy by the Secretary of State and called attention to the omission of any reference to the Atlantic Charter, and then the Secretary of State agreed that at some future time when it was appropriate he would take action to reiterate the principles of the Atlantic Charter so that everybody would know that we still stood for it.

Mr. President, if it is only an afterthought, if it is only upon second thought that the Secretary of State mentioned as one of our objectives in our foreign policy the Atlantic Charter, I think that we need to pause and give consideration to whether these gentlemen chosen by the Secretary of State reflect his views and whether their own record reflects sentiments that indicate that they will be militant warriors for such principles as those set forth in the Atlantic Charter and the "four freedoms."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CONNALLY. I do not want to take up the time of the Senator from Florida, but the Senator says that these men were selected by the Secretary of State.

Mr. PEPPER. No; I did not say that, sir. I did not intend to, and I do not think I did.

Mr. CONNALLY. I thought the Senator did.

Mr. PEPPER. I shall say at a future time, and I may as well say it now, that in my opinion the President of the United States personally did not initiate these nominations, and in my opinion, further, they did originate with the Secretary of State, and, in my opinion, further, the President of the United States acquiesced in these nominations, but I repeat—and I have no information pro or con from the White House—I repeat, I do not believe that the President initiated these nominations. They are not consistent with his whole political record.

Mr. CONNALLY. Will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Texas?

Mr. PEPPER. Yes.

Mr. CONNALLY. The Constitution does not say anything about initiating. The Constitution says that the President shall nominate.

Mr. PEPPER. That is correct.

Mr. CONNALLY. The nominations come here under the President's signature, and I assume that he knew what he was doing when he sent them to the Senate.

Mr. PEPPER. Mr. President, I should like at this point to make my position on this subject very clear.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SHIPSTEAD. I will say that I am surprised that anyone should believe that the Atlantic Charter was issued in good faith. I conceive it merely as an anesthetic to prepare the patient for the operation.

Mr. PEPPER. Mr. President, what I started to say was that in no sense, directly or indirectly, does the belief on my part that these nominations should be sent back to the President represent a repudiation of my esteem and affection for the President, my confidence in his integrity and his intelligence and in the spirituality of his views, but, Mr. President, sometimes it is the part of a friend to protect a friend when the friend thinks that perhaps the other has been, not imposed on, but induced to follow a policy which is not in the long run in furtherance of his own views or those of his constituents. I think the President of the United States would be very much heartened and very much encouraged to have the Senate come out with a declaration of policy that would reaffirm the sentiments of the Atlantic Charter and the "four freedoms." I think if the President knew that in the conduct of our foreign relations—not in the making of our foreign policy; that is not his exclusive prerogative—but in the conduct of our foreign relations he could depend upon it that he had behind him a majority or two-thirds of the Senate of the United States that would back him up in fighting for the principles of the Atlantic Charter and the "four freedoms," it would mean more to him than any other single thing, save victory upon the battlefields, which could occur in the world today.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. How do we declare that or accomplish that by repudiating the President's nominees?

Mr. PEPPER. I will tell the Senator how we declare that. In the United States, thank God, there is freedom of the press and freedom of the radio, and not only the American people but the members of our Government are informed about the deliberations and the discussions in the Senate; and if we let the American people, and let the President, and let the Secretary of State, let our friends and our enemies, know that the significance of this action in carrying these nominations over to January is that we want to impress upon our President, we want to impress upon our people and the world that we do redeclare the principles of the Atlantic Charter and the "four freedoms," that we do advocate and determine to follow and enforce a foreign policy which is characteristically American in this war—I say the significance of our action in rejecting these nominations would not be lost sight of either by the President or by the country, by our friends or our enemies in the world today. The American people would know and the President would know that the Senate was aroused about this subject and that we are not going to lend our advice and consent to the selection of a State Department which is not known to have a record of militant advocacy of the principles which we want to be the sentiments of our foreign policy.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. Has not the most conspicuous advocate of recognizing the peril in the Pacific been none other than Mr. Grew, whose nomination we are now considering? For the past 10 years, in his messages to the State Department and the American people, he has pointed out the very peril which we have faced and warned us of the dangers to Pearl Harbor. He is the man whom the Senator proposes to crucify.

Mr. PEPPER. The Senator from Florida, and I believe other Senators who share his views that this matter should go over until January 3, have no purpose to crucify anyone. I have not said anything of a disparaging nature about any of the gentlemen involved in these nominations. However, I do say that I am not satisfied in the discharge of my responsibility as a Senator, that at the present time this team, which was presented to the United States Senate, reflects the views of 135,000,000 people, or the sentiments which ought to be the sentiments of the United States Senate.

Mr. BREWSTER. The man who received the mandate of the American people in the last election is the one who has made the selections; and it seems to me that he ought to know, even better than does the Senator from Florida, how to interpret the significance of that result.

Mr. PEPPER. This is the first time I have heard the able Senator from Maine accede to the proposition that the President of the United States is the only spokesman of the American Government and the only one in public office who has public responsibility.

Mr. BREWSTER. The Senator from Florida knows very well that throughout almost all the period of my service in Washington I have supported the policies of the President of the United States in foreign affairs, as far as I was able to follow the sometimes tortuous course; and I still recognize that the President is primarily responsible for the conduct of our foreign policy. I accept the results of the election; and if we can find out how he stands and where he stands, I shall be happy to continue to contribute my support. But I cannot see how we can get anywhere by kicking around the men whom he has selected to assist him. That does not seem to me to be supporting the President.

Mr. PEPPER. Mr. President, the important thing which is facing the Senate today is not how the President stands, but how the Senate stands.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHANDLER. There is no proposal here to send Ambassador Grew back to the place where he performed his greatest service for the American people, is there?

Mr. PEPPER. No. The able Senator is correct.

Mr. BREWSTER. I had supposed that the way to recognize meritorious public service was by promotion. I do not believe that even the Senator from Kentucky would suggest sending Mr. Grew back to Japan as Ambassador now; but I should not say that for that reason we should not use him in any other position, particularly in the place for which he would seem to have been rather happily selected. The Senator from Kentucky has been the chief advocate of our looking toward the Pacific. No one knows more about the Pacific and the Far East than does Joseph Grew, who would be responsible for the conduct of the office of Under Secretary.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHANDLER. The proposal is to put Mr. Grew in the place which he formally held. I am frank to say that I believe an examination of his record would convince anyone that he did not distinguish himself in that position.

Mr. BREWSTER. Would not the Senator from Kentucky recognize that in the past 20 years even he has improved somewhat in his knowledge of public service?

Mr. CHANDLER. I am willing to admit it; but I cannot quite understand the position of my friend from Maine.

Mr. BREWSTER. Was it not 20 years ago that Mr. Grew served in that position?

Mr. CHANDLER. The Senator says that he has supported the President's foreign policy. I admit that he did, in many things. Yet he is not sure now as to the direction in which he is going. The Senator has said that the American people gave the President a mandate to continue to handle our foreign affairs. That certainly was over the protest of the Senator from Maine, because I appeared at a public meeting with him when he did anything but advocate approval of the President to do anything except to return home. [Laughter.]

Mr. BREWSTER. I pointed out the perils which we now confront, and the chaos in our foreign policy; but the eloquence of the Senator from Kentucky was such that the American people voted the other way. So I believe the Senator from Kentucky is hoist by his own petard in advocating a man whose views he now says he is utterly able to discover.

Mr. CHANDLER. The Senator from Kentucky has said no such thing. I discovered his views about the time the Senator from Maine did; and on foreign policy, more than any other thing, the Senator from Maine and I joined in advocating the principal measures advocated by the President. I went before the people and explained to them that I thought the measures which the President had advocated were very good. Then the Senator from Maine told them that notwithstanding the fact that he had voted for some of the measures, he thought it would be a good thing to let the President go home, and let Mr. Dewey conduct our affairs from then on. At least, that is the way I understood him.

Mr. BREWSTER. The Senator from Kentucky will agree that in our discussions in the Middle West I made it rather clear that in my judgment, if we had Mr. Dewey, we would have a consecutive and consistent foreign policy, and that his conspicuous characteristic was capacity to administer. I had hoped that the significance of this change in the State Department was an indication that men of the character and standing of these men would give stability to our foreign policy. I have been a cordial supporter of Secretary Hull, but I believe that in the administration of the department below his position the situation has been far less happy. I had hoped that this might indicate that now we really were going to have a team which would carry forward a consistent policy in our foreign affairs, and one which would command the respect of all the nations of the world.

Mr. CHANDLER. The Senator and I are together on that point, and if he thinks this team is the kind of team which Mr. Dewey would have had if he had won, I have no objection, if the Senator himself is satisfied. In foreign affairs I have been a devoted and constant supporter of the President of the United States. I have been a supporter of Cordell Hull ever since I was a barefoot boy in western Kentucky. I have a resolution in the committee of the Senator from Texas [Mr. CONNALLY] which seems to be sleeping rather peacefully, to give Cordell Hull a medal. I submitted it on the day when the announcement was made that his services had been terminated. I do not see how the Senator from Maine can hope for continuity in 4 years when we are going on to 16 years without the continuity which he so devoutly wishes.

Assuming that the President is to be the boss, and now that Mr. Hull has gone, he wants Mr. Stettinius to be his right-hand man; the Senate has not blocked that desire; but now the proposal is to organize a new team. I wish that every member of the team were as skillful as Sammy Baugh at passing, and as capable as Bronko Nagurski at bucking the line. I wish that every time a play is called the team could make a touchdown for the American people. But the team has been recruited very quickly, and there has been a quick huddle. They have come out of the huddle too quickly, and have announced to the people that after their nominations are confirmed they will tell the people what their views are.

The people do not permit us to do that. When we run for office we must tell the people what we are for before they will agree to put us in office. Unless we satisfactorily answer their questions, if we are already in office the people put us out; and if we are not in office they will not put us in. Of course, if my friend is satisfied, that is quite all right. If I were satisfied, I would not hesitate to vote.

Mr. BREWSTER. How does the Senator expect a subordinate four or five steps down in the Department to tell what the policy is going to be when it is to be determined by the President and the Secretary of State? What would the Senator think of a secretary in his office who went on the stand and told what the Senator was going to do? How long would he last? Not very long. How can the Senator expect these men to outline for us fully the policies of the President and the Secretary of State, into whose service they are entering?

Mr. CHANDLER. The President must get his advice through his associates, through these appointees. I recall that not very long ago Mr. Phillips, the special envoy to India, wrote a letter to the President of the United States describing conditions in India. Something happened, and that letter leaked out. Mr. Phillips had nothing to do with the leak, but it leaked out, and the contents of it became generally known. When a special envoy of the United States cannot advise the President with respect to conditions in another country without offending one of our allies or friends, things have come to a pretty pass. The contents of that letter became generally known. Mr. Phillips stated in his letter that Mr. Churchill said, "Conditions in India are none of your business, and they are none of the business of the people of the United States."

Mr. President, I disavow that. I reject it. We have thousands of boys who are going to die in India. We have thousands of boys who are flying the hump of the Himalayas three times a day, the most hazardous flight known to man, risking their lives over there, carrying supplies to China. The Senator on my right knows that. He flew that. He knows about it.

We are irrevocably committed to whatever happens in India, for better or for worse. If conditions grow worse, our boys will be killed. The conditions surrounding those boys are of vital concern to every father and mother in the United States. Yet we are told that is none of our business.

Mr. President, we are asked to approve the nominations of these men whom, I say, the President will, at least in a measure, have to listen to, and get advice from. The President will not be able to go to all the other countries and to find out the conditions there. I do not know enough about the advice they will give him. I know something about what some of them have done in the past, and I do not want it to be continued. I am disturbed. The American people are disturbed. If we build this peace, we must build it on truth. We must build on the honest exchange of ideas between the Allies. It must be just; it must be realistic; it must be true.

If we persist in fooling ourselves, ultimately we will fool the American people and will lose the peace for the second time in this generation, and we will invite the third and final war which will destroy civilization as we know it. I am not going to contribute to that willfully, deliberately, without taking time and pains to be as careful as I can be in the discharge of my own responsibilities, small as they may be. I do not feel that I am carrying the whole burden of the thing, but the Senate must know how tremendously I feel my own responsibilities. I would not exchange them if I could. I cannot exchange them. I owe those obligations to my peoeple, the people to whom I write every day. When they get a message from the War Department, saying "The War Department regrets to announce that your son gave his life to his country," their hearts are broken. Hundreds of thousands of them are going to have their hearts broken and their hopes for all time destroyed. And then I am told that I should hurry to approve the nominations because some one wishes to have a job. It is not of importance that he have the job. It is more important that we answer the supreme question which confronts all mankind, namely, how to make arrangements for the nations of the world to live together in peace. That is the supreme question. If we do not answer it correctly, we will contribute to the destruction of civilization, and we know it. We must be careful. We must take time. I fear we are not doing it. I fear we are in too big a hurry.

(At this point Mr. PEPPER yielded to Mr. MALONEY, who discussed the present gasoline and oil situation. At Mr. MALONEY's request, and by unanimous consent, his remarks were ordered to appear in the RECORD at the conclusion of Mr. PEPPER's address.)

Mr. LUCAS. Mr. President.

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Illinois?

Mr. PEPPER. I yield.

Mr. LUCAS. Mr. President, I have listened to the different colloquies between various Senators this afternoon, and especially was I interested in some of the questions which were discussed with respect to our foreign policy. It was reiterated over and over again that this administration under the leadership of our Commander in Chief, the President of the United States, has no foreign policy.

Mr. President, I heard that in the campaign last fall in Illinois. One of the charges which was continuously made in the general election against the President of the United States throughout the country was that he had no foreign policy; and a number of Senators now rise on the floor and want the President of the United States to speak up as to what the foreign policy of the United

States is. In due course, Mr. President, I undertake to say—and I am not attempting to speak for him either—the President of the United States will speak up, and when he speaks some Senators who do not understand him now will understand him then, the same as they did when he spoke last fall in the campaign of 1944.

No foreign policy! Everyone, of course, is concerned with the Polish and the Greek problems; but what Senators on the floor of the United States Senate have more information than the State Department and the President of the United States with respect to what is going on in Greece and in Poland at the present time? Mistakes have been made, and there will be more; but some who now criticize the foreign policy and are now demanding action of some kind are the very ones who in the future will, I unhesitatingly say, attempt to sabotage practically any foreign policy the President of the United States may undertake to submit to the United States Senate, and I know whereof I speak, Mr. President.

Mr. CHAVEZ. Mr. President——

Mr. LUCAS. I have not the floor.

Mr. CHAVEZ. If the foreign policy should be in keeping with everything that is done by Russia and by England, the Senator can be sure of one Senator who is going to take that stand.

Mr. LUCAS. I had no reference to the views of the Senator from New Mexico; I do not know where he stands upon foreign policy, and it is none of my business with respect to where he stands. That is the individual responsibility of each Senator, but I know what the situation is with respect to a number of people in this country and as to how they feel about the Commander in Chief and the President of the United States. I know that nothing he may do in respect to the war or otherwise will be correct in their minds; and the first opportunity they have to condemn and criticize and raise an issue here in this great crisis they will not hesitate to do so. I do not know what the future holds in store. I repeat, I do not know what the views of the Senator from New Mexico are. I am not asking him to follow me in this argument.

Mr. CHAVEZ. I am for the Atlantic Charter.

Mr. LUCAS. Very well; the Senator is for the Atlantic Charter. There are many for the Atlantic Charter now who condemned it to the high heavens when the Atlantic Charter was agreed to by the Prime Minister of Great Britain, Mr. Churchill, and President Roosevelt, and the Senator knows that. It was condemned on the floor of the United States Senate, Senators stating that the President had no right, no power, and no authority to sign the Atlantic Charter, and that he was doing something which was contrary to the Constitution of the United States. Yet today in the Senate the Atlantic Charter is held as the one thing which everyone wants to hang on to this very moment. At the time it was signed, however, it was the subject of ridicule. Harsh words were spoken on the floor of the Senate and in the press hostile to the administration, because the President dared do what he did in the signing of that charter. Yet today in another crisis I have not heard one Senator say that the Atlantic Charter is not the one thing the American people should adhere to. It would seem to be the cornerstone for a future peaceful world. I certainly respect the great ideals which were laid down in that noble document. I have endorsed it time and time again. If the peace of the world can be fashioned upon the Atlantic Charter, we will have the kind of peace for which the Senate and the citizens of America hope and pray.

Mr. President, what I am talking about at the moment is the constant criticism which comes at every turn of the road. Just let one reverse occur in the diplomatic efforts of the State Department, or let one reverse come along with respect to the military or the Navy, and gentlemen do not hesitate to rise and talk about the conduct of the war, or the conduct of diplomatic affairs on the foreign front, at a time when, if ever, there should be unity.

Obviously I am concerned about Greece and Poland. Everyone who loves liberty is alert to their current troubles. But before I get out in front upon such a delicate proposition, before I would undertake to discuss the Polish or the Greek situation, I certainly should want to know all the facts. I would want to know all the facts before I gave to the people of the United States an opinion as to what I thought should be done with respect to the controversial questions that are raised in the present diplomatic dispute.

After all, under the Constitution the Senate has something to say about these questions. I ask the Senator from Michigan and other Senators who are so much concerned about this matter, What is their view? They will tell me that is a matter for the President to tell the country, then they will agree or disagree with him as they see fit, but under the Constitution we can give him advice, whether he chooses to follow it or not.

Mr. President, I say to Senators, before they condemn and criticize they had better lay before the country their own views, based upon their own knowledge of the facts about these serious matters which affect the life of the Nation, and affect the lives of our boys who are fighting abroad. It is our duty as Senators under the Constitution to do so. No one can complain about the other fellow if he has a plan, but when men speculate and tear down without offering anything as a substitute, I submit they promote the cause of disunity when unity should be the watchword of the hour.

I do not defend anything I do not think is right. I never have done so upon the floor of the Senate, and I never will, so long as I am a Member of the Senate, but I believe that, outside the members of the Committee on Foreign Relations, I know perhaps as much about what is going on in Greece and Poland as any other Senator. Until I know more, until the State Department or the President believes that the time is right to give us more facts, I shall refrain from giving advice.

Mr. WHEELER. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. WHEELER. I am rather surprised at the statement made by my distinguished friend, the senior Senator from Illinois, when he says that those who are criticizing the administration now are the very ones who desire to sabotage anything the administration does. Many times I have not agreed with the distinguished Senator from Florida [Mr. PEPPER], but I have said on this floor before, and I wish to say again, that if there is one man in the Senate who has predicted in advance what the administration was going to do, and whom apparently the administration has followed more than any other Member of the Senate, it has been the distinguished junior Senator from Florida. He has predicted time and time again what the course of this country was to be. Certainly no one can say that he at any time has tried to sabotage the war effort. I cannot believe that the distinguished Senator from Illinois had that in mind when he was talking about the distinguished Senator from Florida, the distinguished Senator from Pennsylvania, and my colleague, the junior Senator from Montana, because if there are three men in the Senate who have voted 100 percent with the President, it has been those three Senators.

Those who are leading the fight against the pending nominations—and, frankly, I have not made up my mind how I shall vote, because I wish to hear the arguments—are not those who were opposed to our country getting into the war. Those who are leading the fight against the nominees are those who were the loudest in their insistence on getting the country into war.

I call attention to the editorials in the magazine PM. I call attention to the fact that it is those who are connected with the so-called P. A. C. who rendered such distinguished service in the last campaign, it is those who represented the National Farmers Union—who are at the present time leading the fight against the pending nominations. Whether they are right or whether they are wrong is a serious question in my mind, but they have been the ones leading the fight.

When it comes to Poland and to Greece, I do not believe there is a man on the floor of the Senate who does not deprecate what has been done. The Senator says that we should announce what we know about the conditions. We know that England had an agreement with Poland to the effect that she would come to the rescue of Poland. We know also that before that Russia had an agreement with Poland that they would protect Poland. We know they had an agreement with Finland that they would protect Finland, that they had nonaggression pacts with Poland and with Finland. They violated those agreements. Whether we can do anything about it I doubt very much, because Mr. Churchill has said that he has given up

Poland and is turning it over to Russia. He proceeds further to say that everything he has done has been with the tacit knowledge of our administration.

Perhaps the administration cannot do anything about it. I do not think any Member of the Senate knows what our foreign policy will be in the future. I do not think the President himself at the present time can say what our foreign policy will be, because it all depends in my judgment, on what Russia is going to do and what Britain is going to do. How can anyone stand on the floor of the Senate and say what we are going to do with respect to our foreign policy until we first know what Russia is going to do, because Russia today holds the trump card, and there is not very much we can do about it? She has the trump card, and there is not much we can do if she says, "We are going to take all of Poland, we are going to take all the Baltic republics, we are going to take all of the Balkans, we are going to take the Dardanelles, we are going to take all of Finland and have a sphere of influence in Norway." If she wants to say anything like that, what are we going to do about it? If Russia says, "We are going to take over Manchuria, we are going to take over a large part of China," what are we going to do about it? If England says, "We are going to take over Greece, we are going to take over France, we are going to take over Holland, and this and that country," what are we going to do about it?

Mr. President, I should like to know what our foreign policy is going to be, but in fairness and justice to the President I do not believe that he can possibly say what the foreign policy of this country is going to be under the circumstances. There is no living man in this country who can say what the foreign policy is going to be.

A little more than a year ago a man from New York came to my office and told me he came to pay his respects. I said, "Sit down." He said, "Senator, I do not agree with you." I said, "I do not want to get into an argument with you, but about what do you not agree with me?" He said, "I do not agree with you." I said, "Do you not agree with what I think about the post-war situation"? He said, "That is right." I said, "You tell me what I think about it, because I do not know what to think about it. But if you tell me what part Russia is going to play in the post-war situation and what part England is going to play, then I can tell you what I think about it. But until that time there is no living man in this country who can tell what position he himself is going to take if he is honest with himself. He may tell you what he would like to say or do, but what he is going to do under a given set of circumstances he cannot now himself say."

Mr. President, it certainly is not the so-called isolationists — whatever is meant by that term—who are opposed to the nominees. They are not the ones who are leading the fight against them. Those who are leading the fight against the nominees are those who were the leading interventionists, the leading internationalists in this country. It is they who are leading the fight against the President's nominees.

Mr. President, in my judgment Churchill is taking the position he now takes because of the fact that he is worried about what Russia is going to do. He has said he wants to maintain control over the Mediterranean, the British lifeline to the East. So what is Mr. Churchill's position now? He is looking after England and the British Empire. And what is Russia doing? Russia's Mr. Stalin is looking after Russia first. But if a Senator rises on the floor of the Senate and says, "I want to look after the interests of America first," he is branded as an isolationist.

Mr. President, after a visit to Europe in 1923 I said that the only permanent solution for Europe was the establishment of a united states of Europe, and I have not changed my mind in that respect. If today Russia, England, and the United States of America could get together and work out a united states of Europe, a federation of states, perhaps two or three federations of states, it would result in the greatest blessing that could come to Europe and the European people. Unless something of that kind is worked out I do not see much hope for the small nations of Europe at the present time. They are going to be taken in one by one by larger nations, and be absolutely under their domination.

Mr. President, we hear much about power politics. The game of power politics is being played today with perhaps greater intensity in Europe than ever before in the history of the world. How is it going to be stopped? We possibly could have stopped it at one time by saying, "We are not going to give you any more lend-lease." But how is it to be stopped today? I am not criticizing Russia, but I say that Russia today stands in the position where she has the whip hand. In my humble opinion, Russia will not only dominate eastern Europe but if she dominates the so-called middle Europe, including the Baltic and the Balkan states, she will dominate all of Europe. That is not only my opinion, but that is an opinion which has been expressed over and over again by some of the leading British magazines in recent months.

Mr. President, I am not criticizing the President's foreign policy. I am not criticizing him because of the fact that he does not make any statement of policy, because I can appreciate the serious situation which faces him at the present time. No man living, not even the President of the United States, is in a position to say what our foreign policy is going to be until he knows what other nations are going to do.

Frankly, Mr. President, I do not like MacLeish. I think he is incompetent as a poet. I think he is incompetent as an executive. I do not think he has made a good Librarian of Congress. I think he made a failure of it when he was in charge of a bureau from which he was later removed—the Office of Facts and Figures or of Figures and Facts. I do not think he knows much about figures or facts, either one. I think he will make a failure in the State Department or anywhere else he may be placed. But if the President wants advisers of that kind in this crisis I am inclined to think he probably should be entitled to them. I do not like some of the other appointments, and if I were making the appointments I would not choose some of those who were appointed. But much as I dislike some of them I am inclined to vote for them, because if I vote against them I know that some of my distinguished colleagues will say that I probably voted against them because I did not like the President. Of course that is foolish. Some persons have said they were 100 percent for the President when I was not. I have not been 100 percent for the President, but under the circumstances, in the crisis we are facing at the present time, I am inclined to think that the President should have the kind of advisers he wants in the State Department, even though I do not agree with the kind he is getting.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUCAS. I do not altogether disagree with some of the things that my friend the Senator from Montana has said. But he has attempted to state the position of the Senator from Florida and others who are carrying on this debate in a way that is not quite according to the facts, as I see them. I raised the question of foreign policy in the brief statement I made. I never raised any question with respect to what the Senator from Florida and other Senators are doing here. I am a good deal like the Senator from Montana in respect to some of these appointments. I am not so sure that I would have done the same thing that the President has done. I may not even vote for all of them. That was not the point I raised. I was talking about the question of foreign policy which was raised, and the question of the President stating his foreign policy. The Senate from Montana more or less agrees with what I said with respect to that phase of the question. I know that the moment the President undertakes to state his foreign policy, he will be in plenty of trouble with the Senate as the result of what is going on throughout the world. I make the prophecy that some of those who are condemning and criticizing the President for not stating a foreign policy will be among the first to find fault with the foreign policy when he states it.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHEELER. If I correctly understood the Senator, the statement to which I referred was that those who are criticizing at the present time are those who would try to sabotage the foreign policy. Certainly the magazine PM, and the group of internationalists in New York who follow it blindly, wanted to get into the war. As I have previously stated, the Senator from Florida, with whom I have repeatedly disagreed, has time and again forecast every step that was taken by the Administration with reference to its foreign policy. No other Member of the Senate, and, so far as I know, no

other man in the country, has so accurately predicted the steps which were to be taken as has the Senator from Florida.

Mr. PEPPER. Mr. President——

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from California.

Mr. JOHNSON of California. I wanted, if it be possible, to impress the views which I sought to impress without success upon the Foreign Relations Committee when it recently met in executive session. I endeavored to paint the picture as I saw it then in the newspapers, of the predicament of little Greece, and I endeavored to show that little Greece was treated abominably, and that her people are being shot down by the weapons which we ourselves sent to our allies for their protection.

I shall speak for only 3 or 4 minutes. I sought to show that Greece was a peaceful little nation of peace-loving people, and while we were talking about the peace which we were to write hereafter, or the peace which we proposed to inflict upon the various combatants, I was endeavoring to show the injustice which we did to that small country. There is no one to speak for them. I tried to recall to our committee at that time the fact that there was once an occasion when our Congress presented a resolution in behalf of Greece. It was at a time when Greece was fighting for her life.

I had nothing to say against the various candidates whose names are before us. I have nothing to say against them now. I simply sought to have the Foreign Relations Committee give voice to the expression that we deprecated the treatment accorded Greece and regretted to see our weapons used in shooting down her peaceful people.

I met with no success. I find no fault with anyone on that account. I do not find fault with any man who disagrees with me on any subject whatever which comes regularly before this body. When no one would respond to the endeavor which I made, to have at least a brief resolution drawn saying that we sent our sympathy to those people who were making the fight for liberty, I had to give up. When no member of that committee would join with me, I had to let go, of course.

Mr. President, we can solve the whole problem with which we are dealing in this case by simply writing a two-line resolution expressing the sympathy of this body for Greece. and saying that we believe in liberty for her. We are the precursors of liberty in this war. We are the ones who hold out the opportunity to all small nations to live their lives as they please and to choose the form of government they wish; and yet we sit here and debate the question of whether small nations shall have a right to select their own form of government, or whether they must, under pain of being shot down like dogs, surrender to a superior power.

I do not speak in any hostility to any power or any nation, or to anyone who has felt the bitterness which has come from this war by reason of the fact that those on the other side have known no rules, and have inflicted the worst things that could be visited upon a nation. I speak not concerning the nominees whose names are presented to us. They may be all that we would seek. I speak not in criticism of them, but I do speak for this little nation, which has tried to do its duty. When it tried to do its duty in its youth, it had the sympathy of the American people, expressed in the form of a resolution by the Congress of the United States.

When I was a boy, I used to recite the poem relating to the particular matter in which Marco Bozzaris was then acting. He acted for the Greeks. Senators will recall the incident. As the hours went on, and as the Turk was slumbering in fancied security, suddenly there came the alarm.

The men who made the fight then were brave men—

They fought like brave men, long and well;
They piled that ground with Moslem slain,
They conquered—but Bozzaris fell,
Bleeding at ever vein.

But his battlecry, as he rushed forward in behalf of his people, was the famous cry we all learned in our youth. Of course, I speak as the oldest Member of this body. When I say we all learned it in our youth, perhaps I should say I learned it in my youth. When it came to finding the poem Marco Bozzaris, on which all our people had rung the changes during that period, I had great difficulty in locating it in our Library:

Strike—till the last armed foe expires;
Strike—for your altars and your fires;
Strike—for the green graves of your sires;
God—and your native land!

They struck. They fought. They died. Bozzaris died. They formed the little Republic of Greece, with its ultimate government of one sort or another.

It is now that I would preserve them, when we have the right of preservation, by virtue of the fact that we furnished the arms that enabled others to assault and attack them.

Mr. President, I see the Senator from Florida on his feet. Does he wish to say a word at this time? Perhaps he has the poem in full before him.

Mr. PEPPER. I am sorry, Mr. President. I hope the Senator will quote all the poem.

Mr. JOHNSON of California. I have quoted only a few lines; that is all.

I wish I could discuss at greater length what is happening in Greece and in Poland. I wish I could tell the Senate what is occurring there, of men and women shot down, shot down like dogs, and that, too, with weapons we furnished. Good God, do we not have time to pause for just an instant, in passing, consider the fate of these people, and say "We sympathize with you. Perhaps we will be unable to aid you as we should aid you. Perhaps we will be unable to see that you are protected in the fashion that we would wish. But we will say at least that our sympathy is with you, and we would like to see you successful."

Merely by saying that, it seems to me, we would solve all the problems of today—merely by saying, "We are here, not to see that Britain's will is done, not to see that some other country's will is done, with poor people and with little people, but we are here to see, as well as we can, that you have at least our sympathy, and we will not write another bloody story of Greece and of Poland. We will not partition Poland again and we will not permit the partitioning of Poland again."

That is all we would say. We would not act in any warlike spirit, or endeavor in any way to insult or to attack our allies or our neighbors. We are glad of their success, and are glad to see them succeed in any way that they may. But for this great country of ours, this greatest country of all, this country which leads the world in its desire for peace and its desire to see justice done, let us say, "There will be no more bloodshed there. There will be no more bloodshed and no more people killed in those countries." Let us say that, and let that little bit be our contribution to this singular, awful situation that we now observe.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McFARLAND. Mr. President, the Senator from Montana [Mr. WHEELER] just said that at one time we might have controlled the actions of Britain and Russia by withholding lease-lend goods. I desire to call the attention of the Senate to the fact that I submitted a resolution, directly after we passed the lend-lease bill, asking that Congress lay down conditions under which we would give lease-lend goods to the Allies. I thought at that time, when we were not in the war, the United States could by such action dictate a just peace for the world.

I believe now that if the Senate had seen fit to act favorably upon my resolution it would have gone a long way toward securing for the world a just and equitable peace.

But that was not done, and today we are confronted with the question whether Europe is being divided up. We do not wish to see that done. Every Member of the United States Senate wishes to see a just and equitable peace established, because if we are to have a lasting peace it must be just and equitable. I care not what machinery we may adopt to try to keep that peace; if it is not just, it will not be a lasting one.

If I thought for one moment that voting to delay action upon these five nominations would give us a more just peace, I would vote for delay; but here are the conditions, as I see them: The Secretary of State needs the advice of able men. He is in the most critical period of the war. He has to face difficult problems and he needs advice and counsel. I do not believe we should delay action upon these nominations. I believe every Senator on this floor, by the time this debate is completed—and I hope it will not take too long—will have made up his mind how he wants to vote on the nominations. I, personally, feel that we should try to support the President in such matters, for he has a great responsibility. Even though we might not have appointed these men, we should

confirm their appointments unless we find they are not qualified.

Mr. President, I hope the Senate will not unduly delay action on these nominations, at a time when so many important questions are confronting this Nation and the world.

Mr. PEPPER. Mr. President, I think all of us will agree that the views which have been expressed by Senators have contributed to a better understanding of this whole question.

In view of the reference which was made by the able Senator from Montana [Mr. WHEELER] which I am sure came only from his magnanimous spirit, despite the reluctance we have to discuss matters which are personal to us, I will say that I feel a particularly keen responsibility about the kind of peace we will have after this war. I was one of the earliest to advocate an affirmative policy on the part of the United States Government against the dictators. I did not advocate such a policy because I was a warmonger, as some who misunderstood said.

Senators will recall that I have said that I was in Germany and other countries of Europe in 1938. I had talked to our Ambassadors, Ministers, and consuls there. I had seen Hitler three times, and I had heard him speak. I heard Mussolini speak. I became convinced that the dictators were dangerous bullies who could be stopped only by use of force. The question was whether we should stop them over there with the aid of those who were their first victims, or allow the front-line defense to collapse, and later combat them alone, with all the bloodshed and treasure we would have to expend in order to resist them.

I feel, Mr. President, that we have a unique responsibility confronting us, and that we want to win not only a victory but win the peace. It is my deep-rooted conviction that the gentlemen who have been nominated by the President are not the kind of warriors whom I should want to put on the battle front for the kind of peace I want to see. Very little, if anything, in the record of most of these men is identified with or related to the kind of militant democracy which I believe we purpose to preserve through the victory we expect to win in this war.

It is said that this is the President's responsibility. There is not a Senator in this Chamber, and but few people in the country who are informed about public matters, who do not know of the loyalty and fidelity which I have tried to extend to the President of the United States. I have agreed with him, and I have followed him because I have agreed with him. He has never sent me word as to how he wanted me to vote on any question. I have agreed with what he has stood for, and in my own heart I believed that it was the correct policy to follow. If, while I am a Member of the Senate, there ever comes a change of administration and some other President advocates the same policies as those which have been advocated by President Roosevelt, to the best of my ability I shall try to subscribe to those policies. But I shall be frank with my colleagues and state that this slate of nominations for the State Department is out of character with the President of the United States. I do not know whether he initiated the list. I have a personal feeling that Mr. Stettinius handed to the President this list of nominations. Perhaps the President said, "Very well." At any rate, I am not responsible for any vote except my own. I have always tried to treat with great respect and deference any Senator with whom I disagreed, and I only ask them to extend the same respect to me.

But I have to answer my own constituents in accordance with my conscience, and I would not care if the President should come down and tell me that he liked these nominees. I do not and I have a right to say so. I believe that the President will make the greatest mistake he ever made if he has these gentlemen as his advisers during the dangerous days of the peace. I can prove that he has already had similar experience since he first came to the White House.

I have before me the book by Mr. Sumner Welles entitled "The Time for Decision." Mr. Welles makes a point in a paragraph on page 6 of the book, which I read:

During the time that the legislation—

Mr. Welles is talking about the legislation which we enacted under the name of the Neutrality Act, the effect of which was to deny to the Republic of Spain the right to buy arms with which it might defend itself against the Fascists who were beginning the world war in Spain with supplies, munitions, and equipment furnished by Italy and Germany. What I am about to read is what Mr. Welles states in his book, and I do not believe that, with the exception of the President of the United States and Mr. Hull, there is a man in America who is better informed concerning what has taken place during the last decade of American foreign policy than Mr. Welles.

Mr. Welles states:

During the time that the legislation was receiving final consideration in Congress, and at the moment when the official spokesman for the Department of State was making the statement above quoted, the President and the Secretary of State were absent from the country attending the opening session of the Inter-American Conference for the Maintenance of Peace at Buenos Aires.

Mr. Welles says further:

I have always believed that if the President had been in Washington during those weeks he would at least have explained to the American people why the measure was unwise and why it was so extremely prejudicial to the national interests of this country. In the long history of the foreign policy of the Roosevelt administration there has been, I think, no more cardinal error than the policy adopted during the civil war in Spain.

Mr. Welles was then, I believe, Under Secretary of State. He tells in a considered work, his book, that it was not the President of the United States, that it was not the Secretary of State, but that it was some spokesman for the Department of State who advised the Congress of the United States to enact that neutrality law.

The effect of that law was to assure the downfall of the Republic of Spain, and, in my opinion, to cause us to lose the first battle of the war. I should not say the first battle; I should call it the third battle of this war. The first was in Manchuria, the second was in Ethiopia, and the third was in Spain. Spain was the third front which was opened by the Axis against the democracies of the world. The recommendation to which I have referred did not originate with the President, if Mr. Welles may be believed, and not with the Secretary of State. It originated with someone in the Department of State who was here in the absence of the President, and his recommendation became the foreign policy of the United States of America with respect to Spain.

Mr. President, that is one case. I wish now to refer to another.

Mr. HILL. Mr. President, before the able Senator continues, will he yield to me in order that I may suggest the absence of a quorum?

Mr. PEPPER. I shall be very glad to yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Overton
Austin	Gurney	Pepper
Bailey	Hall	Radcliffe
Bilbo	Hatch	Reed
Brewster	Hawkes	Revercomb
Brooks	Hayden	Reynolds
Buck	Hill	Robertson
Burton	Holman	Russell
Bushfield	Jenner	Shipstead
Butler	Johnson, Calif.	Smith
Capper	Johnson, Colo.	Taft
Caraway	La Follette	Thomas, Idaho
Chandler	Langer	Thomas, Okla.
Chavez	Lucas	Thomas, Utah
Clark, Idaho	McCarran	Truman
Clark, Mo.	McClellan	Tunnell
Connally	McFarland	Tydings
Cordon	McKellar	Vandenberg
Danaher	Maloney	Walsh
Davis	Maybank	Weeks
Downey	Mead	Wheeler
Ferguson	Millikin	Wherry
George	Murdock	White
Gerry	Murray	Wiley
Gillette	Nye	Willis
Green	O'Mahoney	Wilson

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, informed the Senate that Hon. E. E. Cox, a Representative from the State of Georgia, had been elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed the bill (S. 1481) to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1602. An act authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind a patent in fee to certain land;

S. 1746. An act authorizing and directing the Secretary of the Interior to issue to Peter A. Condelario a patent in fee to certain land;

S. 1925. An act to authorize and direct the Secretary of the Interior to issue to Charles F. White a patent in fee to certain land;

S. 2026. An act authorizing the issuance of a patent in fee to Richard Pickett;

S. 2071. An act to eliminate as uncollectible certain credits of the United States; and

S. 2208. An act providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national-park purposes.

NOMINATION OF JOSEPH C. GREW

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. PEPPER. Mr. President, my attention has been called to the fact, and I gladly mention it, that Mr. Dunn in an executive session of the Foreign Relations Committee took exception to the statement of Mr. Welles in his book, which I just quoted, so there is involved, I suppose, a question of veracity and ability to know the facts as between Mr. Dunn and Mr. Sumner Welles. I will say, that Mr. Welles in my opinion is a careful historian, and it is unlikely in my opinion that Mr. Welles would have written a book and put down a fact so important as that I have just read without being sure of it.

That is one instance to which I have referred of the spokesmen of the State Department determining the foreign policy of the United States. Now there is another case to which I should like to advert, also mentioned in Mr. Welles' book, and I shall read certain excerpts beginning on page 61:

Partly because of the issues involved in the Spanish civil war, and partly because the real nature of Hitlerism was becoming increasingly apparent, the President determined to make a vigorous effort to persuade public opinion that in its own interest the United States should propose some constructive plan for international action to check the forces of aggression before they succeeded in engulfing the world. For this effort he selected the very heart of isolationism, the city of Chicago. In an address delivered there in October of 1937, which aroused great opposition, he said:

Then the next page and one-half contain quotations from the President's quarantine speech in Chicago in 1937. Mr. Welles continues on page 63:

The statements were made solely upon the President's own initiative. Among certain members of his own administration—those who should have been most ready to support his position—they were met not only with deep-rooted antagonism, but with a deprecation that was by no means hidden.

Then I omit a part and read this statement:

The President was only too fully aware that the peace was daily being more gravely imperiled by the German and Italian Governments. Their course had its Japanese parallel in the Far East, and as the bandit nations drew together, their respective policies became more and more clearly synchronized. Even though public opinion here was not yet alive to the danger, and even though the American people were not yet willing to support any forthright and preventive policy on the part of their Government, the President was convinced that, because of his responsibility to defend the national interests, he should nevertheless try by every possible constitutional method to check the progress of the totalitarian powers in their aim of world domination.

In October 1937 he considered one step of this kind which he could take at once. On the coming Armistice Day at a White House meeting of all the diplomatic corps, he would deliver a message to the other governments of the world. He would state that he had reached the final conclusion that, unless the nations of the earth speedily resumed their observance of those fundamental rules of conduct which the judgment of 19 centuries and the experience of recent years has demonstrated as being necessary in relations between states, world peace could not much longer be maintained. He would continue by saying that doubtless some would predict that, because many efforts to better the chances of preserving the world peace had failed, this new effort would also fail. He was unwilling to accept any such prediction as an excuse for a failure on his part to make one more fervent appeal. He would state that he was making this appeal in the knowledge held by every man and woman in every nation that if new wars broke out, and no binding accord existed covering rules and measures to mitigate their horrors, especially the horrors involving civilian populations, no man could say that such a war would not destroy all that which was salvaged from the First World War.

He says further:

At the time that the President was considering this plan—

That is, the plan to make that statement—

At the time that the President was considering this plan, the Nine-Power Conference was about to inaugurate its sessions in Brussels in order to make a final attempt to prevent Japan from continuing her policy of armed expansion in eastern Asia. If the President's world-wide appeal had been made, its impact upon Japan would have strengthened the hands of the powers at Brussels.

Were his proposals to be accepted, the President was considering the creation of a working committee of 10 nations, representative of all regions of the world, to elaborate a clear-cut agenda on the basis of which a world agreement might later be obtained. To this executive committee the President would have invited representatives of the European powers not already directly involved in acute major controversies, together with representatives of the American republics and of nations of the Near East. Simultaneously he would have advised the governments of the other powers that they would be kept completely informed of all developments taking place in the executive committee in order that their suggestions and views might be given full consideration. It was hoped that the proposal in itself would lend impetus to the efforts of Great Britain and France to prevent any further deterioration in European affairs.

I now come to the middle of page 66, and I call the attention of my colleagues to the following passage:

The project which the President had under consideration was almost hysterically opposed by certain of his closest advisers. They insisted that it involved great dangers to the prestige of the United States. They argued that any such dramatic appeal to the nations of the world on Armistice Day would be highly unwise unless the President had earlier received, at least confidentially, the assurance that the British or the French Government would not regard it as running counter to negotiations which they already had in hand or to policies upon which they had previously determined.

Consequently, the President for a short while reluctantly postponed action.

Why, Mr. President? Upon the advice of his closest advisers, obviously in the State Department, who argued against the policy he wanted to carry out in the hope that it might stop the coming of the war.

Mr. Welles then proceeds to tell how the President, upon the advice of his closest advisers in the State Department, eventually decided to issue an appeal to Britain. Then he tells how the Chamberlain government so responded that the President had to abandon his proposal entirely.

This is Mr. Welles' conclusion on page 69:

This chapter in the President's efforts to avert the impending world crisis must always remain a subject for speculation. In November 1937, the European situation was still fluid. While Hitler had undoubtedly already fully formulated his plans in cooperation with the German General Staff, the policies of Italy were far from crystallized. The full participation by the United States in such a world-wide effort to keep the peace as that envisaged by the President might have given Italy pause. It might have resulted in a radical modification of Japanese policy. Under those conditions Hitler would have been forced to think far more carefully before embarking on his last moves toward world war. In November 1937, an appeal by the President, and the constructive program he had in mind, might well have rallied a still vocal public opinion in Europe sufficiently to have changed the course of the events of the next 2 years.

In other words, Mr. President, we are solemnly told by the Under Secretary of State that it was the advice of the President's advisers in the State Department which deterred the President from taking the course which in his opinion was best calculated to stop the coming of this war. Mr. Welles speculates as to whether or not this war might have been stopped had the President continued in the policy which he wished to pursue, and had he not been dissuaded from that policy by his closest advisers on the subject of foreign policy.

Those are two instances, Mr. President, coming not from a newspaper columnist, not from an editorial in the press, not from some Member of Congress who might rest his opinion on hearsay, but from the former Under Secretary of State of the United States, who I believe is one of the best informed men in the Nation about the country's foreign policy in past years.

What is proposed in these nominations, Mr. President?

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MILLIKIN. Bringing what the Senator has read into focus with these nominations, it seems to me, from my viewpoint, that the heart and soul of a durable peace, and the heart and soul of any successful organization to achieve durable peace, is the right of self-determination by peoples capable of self-government. Does not the Senator agree with that sentiment?

Mr. PEPPER. Undoubtedly. That is one of the essentials which we envisage after the war.

Mr. MILLIKIN. I think so. Therefore it would be interesting to know whether these gentlemen had been questioned as to their views on that subject.

Mr. PEPPER. I was coming to that. I thank the Senator for hastening my progress a little.

Mr. President, what is proposed here? As Secretary Stettinius told us, a complete reorganization of the Department of State. There is authority to add two new Assistant Secretaries, for which authorization did not previously exist. What is meant by that?

Mr. Stettinius told us that he meant to set up the Under Secretary of State and the five Assistant Secretaries of State, each one to be the head of a division. We all know that those men were chosen to head particular divisions in the Department of State, and that in the reorganization of the Department the Secretary contemplates establishing clear vertical lines of authority in his own organization.

What is it that he proposes? He has selected Mr. Joseph Grew to be Under Secretary. Mr. Grew was a distinguished ambassador. He is an honorable and very able gentleman. So far as I am personally concerned, I believe that Mr. Hull pursued the right course in the selection of an Under Secretary by selecting a man younger and more vigorous than he was to carry out the administrative functions of the Department. That is the category in which Mr. Stettinius came to the Department, and I think it was a wise choice. I would today readily vote to confirm the nomination of Mr. Stettinius as Under Secretary of State. Frankly, I believe that he would be a better Under Secretary than Secretary.

I should prefer to have an older man, with more experience, more nearly like Cordell Hull, at the helm of the Department of State, rather than a younger man, with less experience, whatever his personal virtues and excellencies may be. The principle is, Old men for counsel and young men for war—Cordell Hull the Secretary and Mr. Stettinius the Under Secretary. Now Mr. Stettinius is reversing the order. He is a young, vigorous, able man, at the head of the Department of State, and he has selected as Under Secretary a man who is 62 years of age, I believe, a man with a great past, but obviously not a man of great physical vigor and vitality.

It is my understanding that it is the duty and function of the Under Secretary to be in charge of the administrative functions of the Department. We know of the necessity of a demarcation between the administrative function and the general policy function of the Department.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHEELER. Does not the Senator suppose that the reason he selected Mr. Grew was his own inexperience?

Mr. PEPPER. That may be true.

Mr. WHEELER. In my judgment Mr. Stettinius does not know very much about foreign affairs.

Mr. PEPPER. He has not yet had long experience.

Mr. WHEELER. The only experience he has had has been as the head of a great steel company, and his connections with large corporations in this country. His experience in and knowledge of world affairs certainly are extremely limited. I assume that he selected Mr. Grew because of the fact that Mr. Grew had had so much experience. I have not the slightest doubt that the Senator is correct in thinking that Mr. Stettinius will rely upon the judgment of Mr. Grew in many international affairs.

Mr. PEPPER. I believe that if that were the purpose of the Secretary, if I may express my own opinion, it would have been far better to have made Mr. Grew the counselor of the Department of State, the position once held by Mr. Moore, and to have a younger man to handle the routine administrative affairs, which so tax the strength of anyone holding that position.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CLARK of Missouri. Does the Senator believe that Ambassador Grew has ever shown any lack of ability in his long experience of 40 years in the Diplomatic Service of the United States, which would justify the Senator making such a remark as that, to the effect that he is disqualified from being Under Secretary of State? It seems to me that that remark is entirely unjustified from any possible standpoint. During the 12 years that I have been a Member of the Senate, I have never heard anyone who made a finer impression on every member of the committee than did Mr. Grew the other day when he appeared before the committee to testify in his own behalf. If the Senator has anything to say against Ambassador Grew, I think he ought to bring it up, instead of discussing the question of his age.

Mr. PEPPER. I certainly did not say anything to indicate his disqualification, or to disparage the character or ability of Mr. Grew. I think he is one of the finest gentlemen I have ever known. He has had one of the most distinguished careers that any of our diplomats ever had. I merely was speaking about the organization which was envisaged by the number of nominations which were sent here.

Mr. CLARK of Missouri. Mr. President, if the Senator will permit me to interrupt, let me say the Senator certainly knows that Ambassador Grew was Under Secretary of State 20 years ago, for 3 years, and he made a very excellent record which has never been atacked in any manner, shape, or form.

The Senator from Pennsylvania is mumbling something, I notice.

Mr. GUFFEY. Mr. President, I said I should like to know who sent the marines to Nicaragua. Who was Under Secretary of State then?

Mr. HATCH. Well, Mr. President——

Mr. CLARK of Missouri. Mr. President, Senators have been making points of order. I will make the point of order that the Senator from Florida has spoken three times today. I do not wish to make a point of order; but if the Senator from New Mexico wishes to begin to make points of order, I will make the point of order that the Senator from Florida has spoken three times today on the pending subject.

Mr. HATCH. Mr. President, I am not making any point of order.

Mr. CLARK of Missouri. Very well.

Mr. President, the Senator certainly is familiar with the fact that Ambassador Grew was a distinguished Under Secretary of State 20 years ago. As he explained before the committee the other day, toward the end of his term as Under Secretary of State, not on his orders, but on the orders of someone else, the marines were sent to Nicaragua. If the Senator from Pennsylvania wishes to bring up that matter at this time, I think it might very well be gone into. But that matter was brought up in the Committee on Foreign Relations, and was explained by Mr. Grew.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. I had no intention of making any point of order against the able Senator from Missouri. As a matter of fact, there were three able Senators sitting by my side, and all three were speaking at the same time. I rose to ask that they speak at different times.

Mr. CLARK of Missouri. At least two of the Senators were speaking sotto voce. They had not risen from their seats. They had not claimed the floor. It so happened that I could hear what the distinguished Senator from Pennsylvania and the distinguished Senator from Montana were saying, but they had not chosen to engage in the debate.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MURRAY. I do not believe the Senator heard anything I said, because I did not say anything.

Mr. CLARK of Missouri. I do not have the floor. If I had the floor, I should be glad to yield, and to debate with the Senator.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. GUFFEY. I will explain that the Senator from Pennsylvania was trying to enlighten the Senator about some of the weaknesses of Mr. Grew. That is why I used the tone of voice I did use. I spoke in a low tone of voice. One of the most disgraceful episodes in our history was when we sent over 2,600 marines and 115 officers to Nicaragua in 1927. Two of the officers and 10 privates were killed, and 35 others died. They were not sent there to kill bandits. They were sent there to keep down a labor strike. The laborers wanted a living wage. I know about that, because I was in Mexico at the time.

I was simply trying to tell the Senator that. I did not wish to bring it up today. But the Senator has necessitated my mentioning it, by pointing out that I spoke sotto voce.

Mr. CLARK of Missouri. Mr. President, I do not wish to interrupt the Senator from Florida, who has the floor, but if that matter is discussed, I shall be glad to discuss it either in the time of the Senator from Pennsylvania or the time of the Senator from Montana.

Mr. WHITE. Mr. President, I desire to suggest that while all these intimate explanations and discussions are occurring on the other side of the aisle, we on this side of the aisle wish to be permitted to hear.

Mr. CONNALLY. Mr. President, a parliamentary question.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. I wish to say I have not undertaken to be technical or to invoke against the Senator from Florida the rule with reference to the number of times a Senator may speak on a subject during one day, or anything of the sort. I think the Senator from Florida has been a little too generous in yielding to Senators to make speeches in the midst of his own speech.

As I understand the rule, if a Senator yields for any purpose except a question, he yields the floor, to the extent of having made one speech. The rule is that no Senator shall speak more than twice during the same legislative day on the same subject. In all fairness, I wish to caution about that matter.

Mr. President, I do not make any charges that what is occurring here is in the nature of a filibuster. But a very prominent columnist said last night over the radio that a patriotic filibuster would probably start today. So I feel that I must insist on pushing along and considering these matters as rapidly as possible.

Mr. CLARK of Missouri. Mr. President, will the Senator yield in order that I may ask a question?

Mr. PEPPER. I yield.

Mr. CLARK of Missouri. By any chance did the very prominent columnist happen to be a blackmailer and a kidnaper?

Mr. CONNALLY. I would not discuss that. But the matter before us is the confirmation or non-confirmation of Mr. Grew. During the debate today almost everything except Mr. Grew has been discussed.

Mr. PEPPER. Mr. President, I think it is the consensus of those who have heard the debate today that, except for two or three interruptions, the debate has been germane to the subject. Senators on both sides of the aisle have participated in it. I think it has been conducted in fairness and in good faith. I am sure we shall try to continue to conduct it in that spirit.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHEELER. I am sure the Senator is not opposed to the confirmation of the nomination of Mr. Grew because he believes Mr. Grew is dishonest or corrupt, but largely because he feels Mr. Grew belongs to a different school, and that he served as Under Secretary of State under Mr. Hoover, and belonged to that school, whereas in the recent election one of the principal criticisms of the Republican candidate was that he was Mr. Hoover's candidate, and now we find that Mr. Grew, who was Under Secretary of State and one of the dominating forces in Mr. Hoover's foreign policy, is now to be one of the dominating forces, if not the dominating force, in the present administration. Is that correct?

Mr. PEPPER. I was going to make a generalization when I referred to all the nominations, Mr. President. If the Senator will permit me to defer consideration of the personalities of these gentlemen for a moment, I should like to say that I was endeavoring to point out that the nominees represent a reorganization of the State Department and that they are all to be heads of divisions. Each is to be the head of a division in the Department. Mr. Grew is to be the Under Secretary of State. Mr. Rockefeller is to be head of the Division on Latin-American Affairs. Mr. Clayton is to be head of the Economics Section. I assume that all matters of an economic significance will be handled by the division which Mr. Clayton will head.

Mr. James C. Dunn is to continue in the position he has as political adviser, which means that it will be his duty and his function to advise the Secretary of State upon the politics of all these movements, upon the characteristics of these movements, to advise him whether a given group of men coming down from the mountains is a group of bandits, as Mr. Churchill says the ELAS are, or whether they represent a group of insurgents in the country who are trying to take the government out of the hands of the Quislings and put it into the hands of the patriots. He will be the man who will give his opinion on those matters to the Secretary of State.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. LUCAS. Who is now in that position?

Mr. PEPPER. I think Mr. Dunn is now in that position. Mr. President, I am not sure that is altogether to his credit, because somewhere along the line, I cannot help but feel, there has not been the expression and declaration of policy on the part of the United States Government, in many decisions which have been taken, which are altogether as the American people feel they should have been, and I am willing to assume that the President of the United States, in respect to many of these matters, has been advised by those under him, whose duty it was to advise him.

Mr. CHAVEZ and Mr. SHIPSTEAD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield, and, if so, to whom?

Mr. PEPPER. The able Senator from New Mexico first asked that I yield to him. If the Senator from Minnesota will defer for a moment, then I will yield to him.

Mr. CHAVEZ. Mr. President, with reference to career men whose appointment the Senator has been discussing this afternoon, the objections I have heard to men of that type are along the same line of those the Senator from Florida has outlined. The objection of the people of the United States is that these career men do not know the people of the United States. They want to be mistaken for young Churchills or something of the sort.

That is one of the reasons why I thought that possibly if the President nominated someone from the ranks—someone who absolutely knew Podunk, not just the country club, or something of that sort—such a person might get along well not only in South America but in Europe. I should like to see the President nominate people who really understand and practice the views of the people of the United States.

Mr. PEPPER. Mr. President, I think that is a proper stand. At the hearings I asked what were the views of General Holmes about the character of the personnel who should be in our Foreign Service. He said he had not formulated any program or policy, but he had some ideas on the subject. However, he did not volunteer any of them to the committee, so none of us has the slightest idea what are to be the criteria of the character of the personnel of our Foreign Service.

Having in mind what the Senator from New Mexico has intimated and what the editor of a St. Petersburg, Fla., newspaper had in mind when he said, in speaking about what we should do, "We need to actually go back to some of the early, almost 'corny,' values of the American people," I asked General Holmes if he expected to have a democracy of opportunity in our Foreign Service. I meant by that whether poor boys would have a chance to enter our Foreign Service and become consuls, ministers, and ambassadors all over the world. I said to General Holmes at that time that although eating with a knife might not be the criterion of a diplomat, I wondered whether he was going to disregard altogether the more rugged virtues. I would much prefer to have in the State Department and in the Foreign Service some persons who do eat with their knives, than to have everyone connected with our Foreign Service stripped of the rugged virtues which are characteristically American. Those in our State Department and our Foreign Service are not faithful representatives of America when they cease to be dominated by the democratic sentiments for which American men and women are dying over the world in these sad days.

Mr. SHIPSTEAD. Mr. President, will the Senator now yield to me?

Mr. PEPPER. I yield.

Mr. SHIPSTEAD. Possibly we have been misinformed, but the general talk has been that the President has been his own Secretary of State. I do not know whether that is true. If it is true, I think it is safe to assume that he will continue to be his own Secretary of State.

Mr. PEPPER. What I was attempting to establish was that in the very nature of things even President Roosevelt, with all his colossal ability and universality, cannot handle all the detailed policies, and of necessity he will have to rely, in their fields, upon the advice these gentlemen will give him.

Mr. SHIPSTEAD. Will the Senator permit another question, Mr. President?

Mr. PEPPER. I yield.

Mr. SHIPSTEAD. If all these nominations are confirmed, does the Senator think our foreign relations in the future can be in any worse shape than they have been in the last few years?

Mr. PEPPER. Mr. President, I will say that there could have been Departments of State vastly worse than the one we have had in the years past. I ask Senators to note the change in the character of the State Department which will occur if the Senate advises and consents to these nominations. I see in the Chamber the able senior Senator from Tennessee [Mr. McKELLAR]. There never was a greater or a better man who ever sat in the chair of the Secretary of State than Cordell Hull, of Tennessee. How does former Secretary Hull compare to our present Secretary of State, with all his excellence? To my knowledge, Mr. President, Cordell Hull never in his life made more than $15,000 a year, which was his salary as Secretary of State. He was born in a log cabin. He came up from the mountains of Tennessee and from the pure stock of that area. He was of the people, and he spoke the people's sentiments. When Cordell Hull declared a policy of the Department of State it came as near being the voice of the people as any voice which could be found in America.

Mr. Stettinius has had no such background as had Mr. Hull. He has had no such environment. He has had no such associations. He had not been bred in the rugged school of Cordell Hull. I should be willing to agree with Secretary of State Stettinius' choices without remonstrance provided he had handed us a list of colleagues who had a little more Hull in them than those whose nominations have been sent to the Senate.

Mr. SHIPSTEAD and Mr. CLARK of Missouri addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield, and if so, to whom?

Mr. PEPPER. I first yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. Hull and the President together have handled foreign affairs. In the Senator's opinion, they are both high-minded men. Who is to blame for the position which we are now in?

Mr. PEPPER. It is due to a combination of circumstances, and I think we cannot disclaim responsibility altogether, because, while we have been in session for a long time, the Senate has expressed no opinion, and we have given no advice to the President as to what we think he should do. For that reason I was hopeful that we would reject the nominations and say to our distinguished President, "Mr. President, we merely want you to know that we are not satisfied. We merely want you to place a firm hand on the helm of the Ship of State. We want you to begin speaking the sentiments of the Atlantic Charter, and, God helping us, we will back you up just as loyally as the men on the fighting fronts who are backing you up with their lives."

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. Mr. President, I have just one further question.

Mr. PEPPER. I yield.

Mr. SHIPSTEAD. Judging from the Senator's record, and his strong personality, I assume that he will not object to the Senate having a voice and a mind of its own from time to time.

Mr. PEPPER. I certainly shall not object, and I hope the Senate will take advantage of this occasion at least to indicate a general point of view. I do not want it to indicate a point of view against the President. If I have said a word that has been construed as being against the President of the United States, I have said it unintentionally, and I have had no purpose to say it. But today I believe that in the chancelleries of the United Nations there are those who are watching with eagerness to see what the United States Senate will do. They know we in America are not satisfied with what has been taking place. We have seen the regional doctrine put into effect which will lead to nothing but the old balance of power, which has led to wars ever since the beginning of Europe. While we were talking about the Dumbarton Oaks conference, and while Mr. Stettinius was very ably leading in the formation of that conference, we saw alliance after alliance formed between the belligerent powers. We saw nations parceling out possessions and spheres of influences. By the time the objectives of Dumbarton Oaks shall have become a reality, there will be nothing left. Already the foreign policies of those nations will have become determined, and we will all be back again to where we started, with conditions which cost millions of lives in the First World War and more millions in this present war. There will remain only a question of the date for the beginning of the next war.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CLARK of Missouri. The Senator has been attacking the Secretary of State, Mr. Stettinius, as I understand, on the ground that he has as much as $2. The Senator is a member of the Committee on Foreign Relations and also is a very distinguished Member of the Senate. Did he vote against the confirmation of Mr. Stettinius either in the committee or in the Senate?

Mr. PEPPER. Mr. President, I say to the Senator that I was not present at the time of the confirmation, but if I had been here, I should gladly have voted for confirmation. I stated that awhile ago. But I did not expect every man in the Department to be a Stettinius. [Laughter.]

Mr. CLARK of Missouri. I have forgotten whether the Senator was present at the committee meeting, though I recall that the only vote cast against Mr. Stettinius' confirmation in the Senate was that of the Senator from North Dakota [Mr. LANGER]. If the Senator voted in committee for confirmation, it seems to me that it comes with very poor grace for one who voted for confirmation to turn up now and abuse him because he happens to have as much as $2.

Mr. PEPPER. I am not objecting to anyone who has the good fortune to have as much as $2, as the Senator from Missouri puts it. There are a great many men who have lots of money who have great liberality in their hearts. I heard reference made to Colonel Heller by the Senator from California, a man of genuine democratic sentiment, and I had in mind at the time that Colonel Heller is worth many millions of dollars. There are many men worth many millions of dollars who are great liberals. I have been told that President Roosevelt is a millionaire, yet the American people and the world know what he stands for. He is a liberal in spite of his money. He stands for those democratic principles which are characteristic of the people of America, and there is a fellowship between him and the lowliest workman and the humblest farmer in all America.

Mr. CLARK of Missouri. I am in entire agreement with everything the Senator has said about President Roosevelt. Who nominated these nominees the Senator is opposing?

Mr. PEPPER. Mr. President, they were nominated by the President. I stated today that it was my private opinion, and it is only an impression because, as I said, I do not think the President would have chosen, if he had initiated these selections, the gentlemen who have been nominated here, at least not all of them—it is my private opinion, which is based purely upon an impression and not information, that the Secretary of State selected these names, carried them to the President, and he acquiesced in them, saying, "All right; send them along."

I am not saying that the President has any less responsibility. It does not make any difference, so far as I am concerned. What I am saying is that, according to Secretary Hull's definition of what our foreign policy is, these gentlemen do not reflect the sentiments of 135,000,000 American people, taken altogether.

Mr. CLARK of Missouri. Will the Senator yield further?

Mr. PEPPER. I yield.

Mr. CLARK of Missouri. I voted for the President of the United States on four separate occasions on the theory that he was entirely capable of making up his own mind. If the Senator from Florida means to suggest that the President of the United States has been hoodwinked by someone else, I think he should come right out and say so in so many words. I think the President of the United States has made his own appointments during the long period during which he has been President. I do not think there is anything about Ed Stettinius—while I have great respect and great personal affection for him—which would suddenly enable him to come in and hoodwink the President of the United States. If the Senator from Florida means to make any such suggestion as that I think he should come out and say so.

Mr. PEPPER. No, Mr. President; I said it was my impression that these appointments did not originate with the President, and I based that upon the impression I have that these gentlemen, taken as a team, are out of character with President Franklin D. Roosevelt.

Mr. CHAVEZ and Mr. CONNALLY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield, and if so, to whom?

Mr. PEPPER. I yield first to the Senator from New Mexico.

Mr. CHAVEZ. Even if the Senator from Missouri were correct, no one is denying the right of the President to appoint whomever he pleases, including the six nominees whose names have been submitted. But after all, the Senate does have certain responsibilities under the Constitution. The nominations must be confirmed with the advice and consent of the Senate. According to the procedure now, all it has to do is to ratify, to consent, but was the advice of the Senate sought in all the progressive steps?

Mr. PEPPER. I have heard of no consultation with the Senate.

Mr. CONNALLY. Will the Senator yield now?

Mr. PEPPER. I yield.

Mr. CONNALLY. This morning the newspapers quoted the Senator from Florida as making the following statement—I do not know whether it is correct or not, but it is in quotation marks:

> We do not feel that these nominations originated with the President, or represent his personal wishes. They were submitted to him, and he acquiesced. If we postpone action the President will have an opportunity to send a new list of names in January.

Is that correct?

Mr. PEPPER. I do not recall stating about them conforming to his wishes. Leaving that out, the rest of the statement conforms pretty generally to my sentiments.

Mr. CONNALLY. The press had this in quotations. It is an article by Mr. Albright, the correspondent.

Mr. PEPPER. That is substantially correct, and I have told the Senate the sense in which I meant it.

Mr. CONNALLY. Yes; but the Senator now eliminates "or represent his personal wishes."

Mr. PEPPER. Mr. President, I do not recall using the words "personal wishes." The sense of what is in that quotation is what I stated and what I think now. It is substantially correct.

Mr. CONNALLY. The implication is, on reading the whole article, that the President did not know what he was doing.

Mr. PEPPER. No, Mr. President. This would not be the first time the President had ever been imposed on.

Mr. CONNALLY. The Senator said a while ago that his reason for opposing all these nominations was that they were not of the pattern, or something of the sort, the President had followed heretofore. Is that correct?

Mr. PEPPER. I said there was a great change in the character of the team from that of the team there was in the State Department before the reorganization. That is what I meant to say.

Mr. CONNALLY. In all candor, I submit to the Senator from Florida, who is better qualified and knows his mind better as to whether the team suits him, the President of the United States, or one of the Senators here?

Mr. PEPPER. Insofar as that particular question is concerned, obviously the President, and I was not denying him that right in any sense. I merely expressed the opinion that the character of this team in the State Department just proposed was not, as I have understood the philosophy and attitude and point of view of the President, consistent with the President's sentiments. Of course, the President acquiesced in the appointment of these gentlemen. He may have chosen them, for all I know. I merely expressed the personal opinion that he did not originate the nominations. But whether he did or not, the issue which is presented to the Senate is whether to advise and consent to them, and I do not believe that team will literally and with enthusiasm carry out the foreign policies and sentiments of the President as I understand them. At least, I do not think they will carry out my views of what should be done so far as the foreign policy of this country is concerned, and I have a right to withhold my agreement to their confirmation.

Mr. CONNALLY. Of course, no one questions the right of the Senator to vote against every one of the nominations. He has the power to do as he pleases, and to vote for them or against them. The Senator has indicated that these men are not satisfactory. Has the Senator a list of people who would be satisfactory which he would like to submit to the Senate so that we could send it over and advise the President?

Mr. PEPPER. I am not sure that it would be outside the constitutional scope of authority of a Senator if he did so.

Mr. CONNALLY. That is why I am suggesting it.

Mr. PEPPER. No, I have not any list; but I wanted the President to have an opportunity to reconsider the list he sent to the Senate.

Mr. CONNALLY. Ever since the President sent in the list he has had an opportunity to ask the Senate to return these nominations.

Let me ask this question: If the Senator from Florida knew that the President earnestly and sincerely desired the nominations to be confirmed, would it have any effect upon his attitude?

Mr. PEPPER. That is a matter about which I would have to reflect.

Mr. CONNALLY. I should like to see the Senator reflect.

Mr. PEPPER. The Senator, of course, knows the embarrassment that all of us have in taking a position which is contrary to that of the President. I recall that many times when the able Senator from Texas has not been in accord with the President, I have been. The Senator well knows the diffidence with which one always disagrees with the President. I am merely now availing myself of the privilege which the Senator from Texas has availed himself of many times, of my constitutional prerogative to disagree with the President.

Mr. CONNALLY. When I have been opposed to the President I have said so openly and aboveboard, and I did not have to reflect very long to know where I stood.

Mr. PEPPER. Mr. President, I think perhaps this afternoon I may have indicated about how I feel concerning this subject also. I think one would not have to be any too shrewd to infer that I am not altogether in accord with these nominations myself without reflection.

Mr. CONNALLY. Mr. President, will the Senator yield once more?

Mr. PEPPER. Yes; I am glad to yield.

Mr. CONNALLY. The Senator has indicated that if he knew that the President wanted these appointments confirmed, he would reflect on his own attitude. I want to say that I happen to know that the President does want these nominations confirmed, because I talked to him for about 2 or 3 hours before they were sent to the Senate.

Mr. PEPPER. Mr. President, let us clear that matter up. Did the President mention the names of these gentlemen in that conversation with the Senator from Texas?

Mr. CONNALLY. I do not recall that he named all the names, but he said this——

Mr. PEPPER. Well——

Mr. CONNALLY. If the Senator wants the conversation—it is a little off the record to be quoting the President of the United States.

Mr. PEPPER. The Senator brought it up.

Mr. CONNALLY. Yes; I brought it up because the Senator said he wanted light so he could reflect.

Mr. PEPPER. Very well; the more light the better.

Mr. CONNALLY. Very well. I have made my statement. I now state that the President said he was very anxious to have all these nominations acted upon because he wanted Ed—he called him Ed—to go ahead with this reorganization of the State Department. Now, if that answers the Senator——

Mr. PEPPER. I want to have it made clear as to how many of those who have been nominated were mentioned at that time by the President.

Mr. CONNALLY. At that time there were only four. The other two had not been nominated.

Mr. PEPPER. There were four names mentioned?

Mr. CONNALLY. I did not say they were mentioned by name; no.

Mr. PEPPER. Oh, well.

Mr. CONNALLY. There were four sent up within 2 hours after that conversation. The other two were not.

Mr. PEPPER. I know; but the Senator from Texas has not to my knowledge stated until this minute, if he has stated it now, that the names of these nominees were mentioned in that conversation.

Mr. CONNALLY. No; I cannot say that.

Mr. PEPPER. That is what I wanted.

Mr. CONNALLY. But I will be prepared to say later on in the debate.

Mr. PEPPER. If it is a fact, the Senator might just as well say it now. Is it or is it not a fact that the names were mentioned?

Mr. CONNALLY. I wanted the Senator to have an opportunity to reflect overnight.

Mr. PEPPER. I can give the Senator ample time to reflect.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MILLIKIN. A while back the Senator said he thought it might be a good thing if the Senate gave some expression of its views on foreign policy. Merely for the sake of completeness of the RECORD at this point I should like to ask the Senator's consent that I may ask unanimous consent to place in the RECORD as a part of my remarks the Connally resolution and then I should like to ask the Senator a question.

Mr. PEPPER. Yes.

Mr. MILLIKIN. Mr. President, I ask unanimous consent to include as a part of my remarks at this point in the RECORD the so-called Connally resolution.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolved, That the war against all our enemies be waged until complete victory is achieved.

That the United States cooperate with its comrades-in-arms in securing a just and honorable peace.

That the United States, acting through its constitutional processes join with free and sovereign nations in the establishment and maintenance of international authority with power to prevent aggression and to preserve the peace of the world.

That the Senate recognizes the necessity of there being established at the earliest practicable date a general international organization, based on the principle of the sovereign equality of all peace-loving states, and open to membership by all such states, large and small, for the maintenance of international peace and security.

That, pursuant to the Constitution of the United States, any treaty made to effect the purposes of this resolution, on behalf of the Government of the United States with any other nation or any association of nations, shall be made only by and with the advice and consent of the Senate of the United States, provided two-thirds of the Senators present concur.

Mr. MILLIKIN. Mr. President, is there anything in the RECORD as to any of these nominees that indicates whether or not any of them would counsel or advise the President to present to the Senate a peace treaty or an organization for future peace of the world that would ratify the territorial or power grabs of any of our allies?

Mr. PEPPER. I cannot say that there is, Mr. President, as the able Senator knows, but I am willing to put the matter in the other way. I am willing to say that I know of little if anything in the records of most of these nominees which indicates that they would vigorously fight for the principles of the Atlantic Charter in international affairs.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHANDLER. The Senator from Florida has been accused today of being a prophet, and I have no objection if he wants to assume the role of a prophet, but in my 6 years in the Senate I have observed that sometimes the Senator has been something more than a prophet concerning the wishes of the President of the United States. I agree with the Senator from Montana when he said that frequently the Senator from Florida knew more than some of the rest of us concerning what was going on, and that the things the Senator from Florida had predicted later came to pass. I want to caution the Senator from Florida, however, to reflect on what the Senator from Texas says to him, because the Senator from Florida may find that the Senator from Texas knows more than he does about this particular matter. I thought the Senator from Texas was going to pull a letter out of his pocket.

Mr. CONNALLY. Mr. President, I did not hear the remarks of the Senator from Kentucky. I was diverted.

Mr. CHANDLER. I was addressing my remarks to the Senator from Florida.

Mr. CONNALLY. The Senator referred to me, as I understand.

Mr. CHANDLER. No. I simply cautioned the Senator from Florida to reflect on what the Senator from Texas says because it may be that the Senator from Texas knows something about the matter that the Senator from Florida does not.

Mr. President, I do not think the fact that a man is rich disqualifies him from performing public service. I do not think the fact that a man is a Democrat disqualifies him from performing public service. Sometimes that is helpful or a qualification rather than a disqualification.

I wish the Senator would give further consideration to his statement that the present proposal for organization of the Department is a radical departure from the way the State Department was constituted under Cordell Hull. I concede that the rich people are entitled to have one of the richest men in the world to represent their views. But they are not entitled to have six or seven of the same type, because there are other sections and segments of the population of this country that are entitled to representation. There are other people in this country than those who live east of the Allegheny Mountains. I should like to find out the geography of the thing. I expect it would be found that the people of the great western open spaces are wholly neglected, with no one to represent them at all. They are the forgotten men.

Mr. WHEELER. We are always forgotten except on election day.

Mr. CHANDLER. What we are trying to do here, so far as we can, is to get men who represent all segments of American public opinion, who can in the final determination make a contribution to the thought of America, and not simply one group. That is a thing with which I am very much concerned. I share the Senator's fear that some of the people are very adequately represented and others are almost wholly without representation. It might be that if we send back the nominations, and point that fact out by way of advice to the President it may be helpful. The Senator from Texas was advised respecting the nominations. I was not advised. Maybe my advice was not needed. The Senator from Texas did not seek my advice, and I did not volunteer advice, but sometimes I would not object to having it myself. Not having had it before, I intend to have it before this debate shall have ended. I wonder if the Senator from Florida would like to comment on the questions I have raised.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CLARK of Missouri. If the Senator from Florida will permit me to inject one observation, let me say that I am not familiar with the places where most of these nominees were born, but I do happen to have read the autobiography prepared by Mr. Archibald MacLeish in his own behalf, in which he stated that he was born in a wooden chateau on the shores of Lake Michigan, which is somewhat westward from where the Senator from Kentucky lives.

Mr. CHANDLER. I believe it will be found that he forsook his birthplace long ago. However, I am not talking about where these men were born.

Mr. CLARK of Missouri. Mr. MacLeish's proud boast is that he was born in a wooden chateau on the shores of Lake Michigan.

Mr. CHAVEZ. That is north of Vandalia, Ill.

Mr. WHITE. Mr. President, may I ask the distinguished acting majority leader whether or not he has reflected at all upon the question of when the Senate should take a recess for the day?

Mr. PEPPER. Mr. President, I should like to have a few minutes in which to conclude my remarks.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HILL. I suggest that the Senator proceed, and as soon as he has concluded, if he will yield to me I will appreciate it.

Mr. PEPPER. Mr. President, in conclusion, I am trying to say what I think was said better than I could say it in a statement by the Farmers' Educational and Cooperative Union, submitted by Mr. James G. Patton, president of that organization. The statement appears in the record of the hearings. It reads in part, as follows:

The lives of our finest men and women are being spent on the world's battle fronts to give us, and all peoples, another chance to organize a people's peace. If we fail, they are betrayed.

Their hopes and the hopes of millions in every land add up to nothing less than a new world, a world that will make sense to returning veterans and to all productive workers, a world in which they can buy back with their incomes and wages the products of their hands and brains and their eternal courage, a world in which abundance for the first time spells health, security, and happiness, not bread lines, foreclosure sales, bonus marches, and "made work" at pauper's wages. The world they want will deny the rule that because we can always produce too much we shall never have enough except in war. The

world they seek will accept abundance and know how to use it for people.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHEELER. I entirely subscribe to the views just expressed by the Senator from Florida. The question which has always been in my mind, and is now in my mind, is this: When we see both England and Russia grabbing territory and spheres of influence, as the Senator has said, from a practical standpoint, regardless of who is in the State Department, just how are we going to prevent it?

Mr. PEPPER. Mr. President, some time would be required to answer that question. Tomorrow I shall be very glad to address myself to it.

I should like to conclude by reading a poem. I am not ashamed of it. It is a poem by Archibald MacLeish. The poem is entitled "The Young Dead Soldiers." It appeared in the Free World for January 1944. I should like to conclude for the time being by quoting these words, with the understanding that I may address the Senate tomorrow.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CLARK of Missouri. I certainly do not wish to have any understanding about that matter, because as I understand, the Senator has already occupied his two times in one legislative day today. So I do not wish to have any understanding to that effect.

Mr. PEPPER. Mr. President, relative to the parliamentary situation, as the RECORD will disclose, when I began to speak today I said that I wished to make a statement preliminary to making a motion to take from the table the resolution submitted by the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Montana [Mr. MURRAY], the Senator from Wisconsin [Mr. LA FOLLETTE], and myself, which is lying on the table. I proceeded to address myself to the Senate with that preliminary statement, as I think the RECORD will confirm. I wish to make a motion at the beginning of the session tomorrow, rather than keep the Senate here tonight to do it now. I shall make a motion to take from the table the resolution which we submitted on Saturday afternoon, which contemplates the consideration of all these nominations at one time and the postponement of consideration of the nominations until January 3.

Mr. CLARK of Missouri. Of course, the record will speak for itself. I simply did not wish to have any understanding, which would amount to a unanimous-consent agreement, because it is my intention to make any point of order which may be available tomorrow.

Mr. PEPPER. I simply announce that it is my intention to address the Chair when the Senate convenes tomorrow, and to seek recognition for the purpose of bringing up the resolution to which I advert, which is lying on the table.

I now read the poem entitled "The Young Dead Soldiers," by Archibald MacLeish:

The young dead soldiers do not speak.
Nevertheless they are heard in the still houses.
(Who has not heard them?)

They have a silence that speaks for them at night
And when the clock counts.

They say,
We were young. We have died. Remember us.

They say,
We have done what we could
But until it is finished it is not done.

They say,
We have given our lives
But until it is finished no one can know what our lives gave.

They say,
Our deaths are not ours,
They are yours,
They will mean what you make them.

They say,
Whether our lives and our deaths were for peace and a new hope
Or for nothing
We cannot say.
It is you who must say this.

They say,
We leave you our deaths,
Give them their meaning,
Give them an end to the war and a true peace,
Give them a victory that ends the war and a peace afterwards,
Give them their meaning.

We were young, they say.
We have died.
Remember us.

—*Archibald MacLeish.*

What all of us are striving to do is to be worthy of such men.

THE PRESENT GASOLINE SITUATION

During the delivery of Mr. PEPPER'S speech,

Mr. MALONEY. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. MALONEY. I should like to take just a few minutes of the time of the Senate to discuss another matter of great importance. The special committee to investigate shortages of gasoline, fuel oil, and other petroleum and hard-fuel products has, as the Senate knows, been engaged in a constant study of that matter for a long time. Some weeks ago, I, as chairman of the committee, anticipating possible dangers ahead, communicated with the Secretary of the Interior, Mr. Ickes, who is Petroleum Administrator for War; with Secretary of War Stimson; with Secretary of the Navy Forrestal; with Colonel Johnson, Director of the Office of Defense Transportation; and with the Maritime Commission, through Admiral Land.

Since that time there has been a gasoline scare in this neighborhood. I am fearful that that scare and the discomforts, inconveniences, and possible dangers which go with it may be extended unless the people are fully informed. So I take the time of the Senate to read a letter which I have received from the Petroleum Administrator for War, and to add to it a few words concerning the acute situation in Washington.

I am advised, and, I think, correctly so, that the present shortage of gasoline in Washington is almost entirely due to the fact that someone spoke out of turn, that someone gave public utterance to the fear that an acute gasoline and petroleum shortage was pending. As a result of that announcement, people in Washington holding gasoline coupons rushed to the gasoline stations and depleted the supply in the tanks.

I am told, and I believe it, that under similar circumstances a like shortage of gasoline could be created overnight in any city or town along the Atlantic seaboard. In my judgment, if the people will act cautiously and carefully, and will go on now as they have for many months past, sufficient gasoline will be available to meet all the coupons which have been issued by the Office of Price Administration.

The whole oil problem, as Senators know, arises as a result of the war. Earlier reports on oil have been extremely optimistic because the war hopes of the American people and the military authorities to a greater extent, led them to the conclusion that the war in Europe would be over by the end of the present holiday season. I think there has been a revision of the estimates regarding the possibilities of a very early end to the war. As long as the war in Europe lasts we shall have a tight oil and gasoline situation. It is unavoidable. The American people accept it.

I thought that by making this brief statement on behalf of the so-called Oil-Shortage Committee of the Senate, composed of the distinguished junior Senator from Ohio [Mr. BURTON], the able junior Senator from Maryland [Mr. RADCLIFFE], the junior Senator from Texas [Mr. O'DANIEL], and myself, we might, by enlightening the Senate and the country, help to avoid trouble.

I dislike to trespass upon the time of the Senate during this exciting and interesting debate, but I think it is important that this letter be read into the RECORD. Mr. President, I now read a letter which I received on December 15 from Mr. Ralph K. Davies, Deputy Petroleum Administrator for War, in answer to a letter which I wrote to the Petroleum Administrator for War, Mr. Ickes, some weeks before:

PETROLEUM ADMINISTRATION FOR WAR,
Washington, D. C., December 15, 1944.

Hon. FRANCIS MALONEY,
Chairman, Special Committee to Investigate Shortages of Gasoline, Fuel Oil, and Petroleum Products, United States Senate.

MY DEAR SENATOR MALONEY: I write in response to your letter of December 4 inquiring as to the petroleum products supply and transportation outlook over the winter months.

There has recently been a substantial increase in the military requirement, not only for products—principally gasoline—but also for transportation facilities that have heretofore been employed in the domestic service. War developments have necessitated the transfer to military use of some of the few remaining tankers that have been moving oil from the Gulf to the east coast.

At the same time, the military have asked us to arrange for an increase in the overland shipment of military products to the east coast for transshipment to the European theater of action, thus shortening the tanker haul that would otherwise be required. Our problem thus results from the fact that the military have taken not only most of the tankers but also almost half of the overland transportation capacity that P. A. W. has developed to substitute for the normal water-borne movement.

Fortunately district 1 stocks of distillate and residual fuel oils are substantially higher than they were a year ago, and we also have higher inventories of these products in the Midwest and Southwest (P. A. W. districts 2 and 3). It now appears that heavy drafts on storage in district 1 will be necessary in order to offset the loss of transportation facilities that have been made available to the military, and it seems quite likely that at the end of the 1944–45 heating season our inventory position will be as low as it was in the spring of this past year.

It is clear that we will have to operate on an exceedingly close margin, but it is our best estimate that we will, nevertheless, be able to maintain the present rationed demand for both gasoline and heating oil over the coming months, barring always unforeseen accidents or further changes in the military demand. In this connection you will be interested to know that we have just made allocation of automotive gasoline for United States civilian vehicles for the first quarter of 1945 in an amount calculated to permit the continuance of the present consumer ration. But I would emphasize that to meet these minimum essential requirements is going to be difficult, calling for skillful handling and the fullest cooperation on the part of all concerned.

In our efforts to assure a sufficient supply of petroleum products to meet the rationed civilian demand, particularly in district 1, which must be supplied largely by overland means, we have recently taken the following steps:

1. We are increasing tank-car shipments into the district by securing more cars through transfer from other parts of the country and by shortening the length of the tank-car hauls wherever feasible. These measures must, of course, be accompanied by numerous adjustments in oil-industry operations throughout the country and by effecting numerous shifts in supply sources.

You will recall that at one time there were over 70,000 tank cars assigned to the district 1 service; today there are only about 48,000 tank cars moving to the East, although it is our anticipation that this number will gradually be increased as we are able to make the necessary adjustments. The reduction in tank cars available for the east coast run is accounted for by a number of factors, such as the expansion to 130,000 barrels daily of product movement to the west coast to supply additional military requirements in the Pacific theater; the shuttling of thousands of barrels per week of 100-octane aviation gasoline components by refiners to destinations where they can be blended; the conversion of many cars to other essential services, such as the transportation of sulfuric acid, explosives, and vegetable oils; the conversion of cars to the pressure type for the handling of liquefied petroleum gases and other special products; and the use of tank cars to substitute for tank trucks, many of which have been laid up either because of general wear and tear or because of lack of tires.

2. Every effort is being exerted to assure that all of the tank cars in petroleum service are utilized with the maximum efficiency. In collaboration with the Office of Defense Transportation, special attention is being given to accomplishing a reduction in switching time and turn-around time, as well as to the speedy handling of both loaded and empty cars. At our request the O. D. T. has recently replaced in effect a regulation restricting the hauling of petroleum by tank car for distances less than 200 miles, the regulation formerly in effect having been removed in the interest of conserving trucks and truck tires. In view of the special need that we face today for additional tank cars, we are forcing trucks into greater use for the shorter hauls. In order that we may be able to take advantage of every opportunity for increasing the number of tank cars available for east coast service, as well as efficiency of tank car use, the O. D. T. has sent representatives out into the field to consult with the shippers and to review the actual operations in the field.

3. We have reinstituted the drum shipment of kerosene in box cars in order to provide additional volumes of this essential fuel for New England during the winter months. The resumption of these shipments necessitated, of course, the development of arrangements whereby the Defense Supplies Corporation would compensate the excess transportation costs involved.

4. On December 9 we recommended to the O. P. A. that restrictions on the use of residual fuel oils in district 1, which had been eased when supplies were more plentiful, be placed in effect again, and that only in cases of actual and extreme hardship should extra rations be granted. In addition, applications for reconversion from coal to oil, some of which were granted up until the time it became apparent that our supply and transportation facilities would be diverted in greater measure to the military, have within the past 2 weeks been placed on an extreme hardship basis. A survey is also being made of stand-by users in district 1, so that we may inform ourselves of emergency demands which conceivably would be made upon us.

All our pipe lines are being operated as close to maximum capacity as possible, with military and essential civilian requirements determining the products moved. For the week ending December 1, deliveries into the New York area from the 20-inch petroleum-products line averaged 223,741 barrels per day, of which on the average 85–90 percent represent military deliveries; for the 24-inch crude-oil line for the same period, deliveries to the east coast were 321,422 barrels per day.

My comments thus far have been largely devoted to the supply and transportation situation in relation to the east coast. The Pacific coast is the other area of the country where special problems of petroleum supply and transportation are being encountered; again because of the enormous increase in the military requirement.

Crude production in California during the current quarter is at a rate of about 885,000 barrels daily. While this is an all-time high, it is still not sufficient to enable us to meet the full Pacific demand, making it necessary to supplement deliveries from California by tanker movements from the Caribbean. In order to take full advantage of available refining capacity in California we are also commencing the tank-car shipment of west Texas crude oil to California. By the first part of January this overland crude movement is expected to reach 9,000 barrels daily. Mention has already been made of the substantial volumes of military products that are currently being transported by tank car to California.

It should be emphasized that the petroleum supply and transportation position within the United States cannot be considered by itself, since it is an integral part of the world supply program which has been developed by our Program Division in collaboration with the military authorities and the other agencies of Government concerned, as well as with the British. The objective, of course, is to make the most effective use of the available crude production and refinery and transportation facilities on a world-wide basis. Thus, the movement of foreign crude oil and refined products is programmed in such a way as to make possible the most economical use of domestic supplies and transportation facilities.

It is apparent that the problem today is basically a transportation problem. We have the oil but not the transportation capacity that we need to move it to the points where it is required. What is lacking essentially is adequate tanker transportation. With the available petroleum and manufacturing facilities, if we had unlimited tanker transportation, we would today have a reasonably comfortable supply position. But the military requirement, whether of tankers or of oil, comes first, and we must adjust operations as best we can. While the adjustment over the coming winter is going to be difficult, I am confident that by careful planning and the ready cooperation of all concerned we will be able to continue to supply in full the military demand and all of the essential civilian requirements.

I think that the foregoing covers in a general way the existing position, but, of course, we shall be more than pleased to provide any detail you may desire or otherwise to develop any particular point of interest.

Sincerely yours,

RALPH K. DAVIES,
Deputy Petroleum Administrator.

Mr. LA FOLLETTE. Mr. President——

Mr. MALONEY. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. The Senator in some remarks he made prior to the reading of the letter stated that he thought the acute situation created at the present time in the District of Columbia, and perhaps elsewhere—but so far as I know the District of Columbia—was due to the fact that someone talked out of turn. May I ask the Senator whether that was a public official or someone in the business?

Mr. MALONEY. I am informed it was a private oil dealer who supplied many other dealers.

Mr. LA FOLLETTE. The reason I ask the question is that it seems to me—and I am not wishing to be at all critical—that in the past in connection with critical materials and commodities which have to be rationed, there has too often been a suggestion made in advance that there was going to be a shortage and it has been published in the newspapers and thus helped to make the problem more acute than was necessary under the circumstances. It seems very unfortunate if the people of District No. 1 have been confronted with a shortage, which was not necessary if someone had had a little more discretion and had not spoken out of turn, as the Senator put it.

Mr. MALONEY. Mr. President, I am very glad the able Senator from Wisconsin asked me the question, because I would not want to have it believed that a governmental official was guilty of this mistake. I should like to say at this time that all the officials and departments of the Government dealing with domestic oil and with the oil shortage, so to speak, have done a splendid job. They have cooperated with one another

and the Congress and with our committee. I think that the members of the committee of which I am chairman have likewise done a worthwhile job. Its members have been very attentive; we have followed the problem closely and constantly, and we think we are well informed. We have some information concerning military and naval operations which we cannot in public give to the Senate. We face a situation that is somewhat disappointing because of the guesses which were made as to the end of the war and which, unfortunately, were not fulfilled. But I do want to impress upon Senators, and I hope it will reach the country, that there is danger in forecasting an oil shortage or a gasoline shortage, because if it is forecast publicly there is bound to be a shortage overnight; the tanks will be empty overnight in all the cities and towns in this area if the people get the notion that there is a shortage. We have the gasoline and the oil on hand; we are as well, if not better, off than we were a year ago. The tanks are pretty well filled everywhere now, and that situation can only be disturbed by the war or by carelessness of language or carelessness of action and unnecessary action on the part of the American people. The situation in Washington can be cleared up if the people themselves will return to normal practices insofar as gasoline and oil are concerned.

I think this matter is most important because it can interrupt our war program; it can have a great bearing upon the travel of men and women in the war plants, and I suppose it might extend to an unfortunate situation insofar as the heating of the homes of the workers is concerned, and the heating of the plants where munitions and the materials of war are being made.

I thought the Senate would be pleased to have that statement. I shall not now read the other letters which I have received, but I want the Senate to know that the committee is hopeful that it will not be necessary to hold hearings. Unnecessary hearings should be avoided. We are getting a little off balance. This is a time when we must keep our heads. We are aggravated on all sides sometimes by our allies. Often we are bewildered by statements from abroad—and especially when we expect answers here and no response is made. I know for myself that I have not only been aggravated but have on occasions been inflamed by the attitudes and some of the statements made, and positions taken, by one or more of our allies in this war. But there is a need to be calm. We are at war, and there must be no division of our forces at home or elsewhere if it is humanly possible to avoid it.

This, Mr. President, is an important subject and I thought the statement I have made might be helpful in this phase of our economy.

I thank the Senator from Florida very much for yielding to me, and I ask that my statement may appear before or after the remarks of the Senator from Florida.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF JOSEPH C. GREW

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. JOHNSON of Colorado. Mr. President, it is perfectly natural for every poet in the land to come to the defense of Mr. Archibald MacLeish as he undergoes searching scrutiny at the hands of the United States Senate. Especially are poets aghast at the thought that mere Senators would contemplate the hidden and camouflaged meanings of poetry. Colorado has a gifted and talented poet and author whose wife publishes the oldest weekly paper in Denver, the Rocky Mountain Herald. Thomas Hornsby Ferril contends that "when Senators start gunning for the poets it's sour grapes." Anyway he has written a most interesting editorial on the controversy over the appointment of Mr. Archibald MacLeish to be Assistant Secretary of State. For the benefit of those who are following this debate I ask permission to place the Ferril editorial in the RECORD at this point in the debate.

We have given Secretary of State Mr. Stettinius a most difficult task. He has asked for certain assistant secretaries. I for one believe in giving him the men he requests, and then holding him responsible for the kind of job he does.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IDEAS AND COMMENT

(By Childe Herald)

Four Senators were gunning for Archibald MacLeish in Tuesday's paper—CLARK of Missouri; WHITE, of Maine; VANDENBERG, of Michigan; and LA FOLLETTE, of Wisconsin. They didn't want him to be Assistant Secretary of State. They've probably seen the light by now. They're jealous because he's a poet. Everybody in Washington is jealous of poets, because poets are more articulate in imaginative discourse than Senators. All the top ghost writers are now poets. The White House is as dependent on them as the Department of Animal Husbandry.

I went down to see Jim Rogers one day when he was Assistant Secretary of State under Hoover. Out in the anteroom, when they found I had an appointment with the Honorable James Grafton Rogers, a stenographer gave me the high sign and asked if I'd heard Dr. Rogers' Santa Fe Trail, sung out of Radio City last Sunday. The janitor had learned Jim's Dolores. They were proud of his poems. Jim set a high standard for Latin American song in the State Department and I hope MacLeish will keep it up, although I think Dolores is easier to whistle than MacLeish's Conquistador.

Conquistador follows the high tradition of Cortez the Conqueror, by the distinguished Washington lawyer-lobbyist and ghost writer, Louis Foulk Thomas, who in 1842 got out the first book of poetry published west of the Mississippi. The good-neighbor policy was already going strong and poets were getting political jobs because of it. Nobody disputes that Andrew Jackson made Bill Lytle surveyor general for writing Popocatapetl, which is surpassed in midwestern literature only by the Shadow of the Old Elm Tree, by Lizzie G. Beebe, of Trumbull County, Ohio. The Middle Way was working too. It was in 1844, just a century ago, that Henry W. Ellsworth was named minister to Sweden and Norway after electrifying intellectual Washington with his poem Cholera King, which equals in many of its passages the Magnetic Telegraph, which got Edmund Flagg a job in the Berlin Embassy.

It ill becomes these surly midwestern Senators to go gunning for MacLeish. Don't they remember what poetry did for their forebears? Not invariably, of course. The Buckeye bluestocking, Horace P. Biddle, did not quite make the Ohio Legislature, although his poems, the Birth of Cupid and the Angel and the Flower are now held superior to those of his opponent. But look at the more successful poets. Love's Constancy put Charles Drake into the Missouri Legislature, and let Senator CLARK remember it. On a Fountain in the Forest put over John H. Bryant in Illinois. The Birth of Beauty elected Harvey Rice in Ohio. Jonathan Gordon's To Viola in Heaven won him a close contest in Pennsylvania, and the Blossoms of Life elected Otway Curry in Ohio.

One difficulty in MacLeish's case is that they are putting him into the State Department instead of the Treasury. Poets, because of their universally recognized competence in finance, have always enjoyed solid prestige in the Treasury. The tradition dates from 1825 when the economist, Fortunatus Cosby, of Herrods Creek, Ky., was so widely acclaimed for his prophetic doctrines in a poem called Fireside Fancies that he was immediately given a very hush-hush job in the Treasury. The Treasury tried to get Jim Hall, who wrote 12 excellent volumes of western poetry, but Jim preferred the banking business in Cincinnati. They also angled for the epic poet, Thomas H. Shreve, but he went into the dry-goods business. The Treasury did, however, persuade Frederick William Thomas to accept a high position after he wrote 'Tis Said That Absence Conquers Love, and gave William D. Gallagher extraordinary responsibility following his publication of Noctes Divinorum, inspired by sin and suffering on Pennsylvania Avenue. It was, of course, his genius in poetry that made Salmon P. Chase one of our greatest Secretaries of the Treasury.

To Senators CLARK, WHITE, VANDENBERG, and LA FOLLETTE I commend Ben T. Cushing's poem, Complaint of the Deaf and Dumb. Ben was working in the office of Salmon P. Chase and Salmon put him up to it. Or they might read Chase's poetry. Long before he even dreamed of being Chief Justice, way back when he was just an ordinary garden-variety Senator like themselves, Salmon Chase was writing reams of poetry. Three lines from his pen might well be memorized by the MacLeish hecklers:

How shifts the varying scene! The great today
Are by the turn of fickle fortune's wheel
Tomorrow mingled with the general mass.

I could go on, edging perhaps into the military field—quoting the lyrics of Gen. "Blood-and-Guts" Patton, but perhaps I prefer the winged utterances of William Orlando Butler of the lower house—old Bill Butler who led the charge of Monterey, succeeded General Scott in command, ran for the Vice Presidency, and still could cut loose with:

O boatman, wind that horn again—

Yes; you can mark it down. When the Senators start gunning for the poets, it's sour grapes.

Mr. JOHNSON of Colorado. In order that we may have the other side, I ask unanimous consent to place in the RECORD a letter written by Hugh Russell Fraser to the Washington News and published today, December 18. Mr. Fraser is a well-known authority on current history and his views are therefore important.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

A LOUD NO FOR M'LEISH

As a Jacksonian Democrat and a consistent supporter of President Roosevelt, I want to protest the nomination of Archibald MacLeish for Assistant Secretary of State.

If he is confirmed, his now most vehement supporters will live to regret it. They have already, it appears, forgotten the dismal and incredible record of the United States Office of Facts and Figures which MacLeish headed. Why? Wasn't that story on the books? Was any newspaperman in Washington, or anybody who was trying to understand current policies, not aware of the astounding confusion, contradictions, and chaos that emanated from the Office?

Did not the situation get so bad that finally President Roosevelt had to almost literally draft a competent newspaperman, Elmer Davis, and direct him to take over the job?

The truth is that the situation became so impossible that when the President finally pushed it all off on Elmer Davis he had to specifically state at a White House press conference that MacLeish would take orders from Davis.

The question of whether MacLeish is or is not a poet is wholly irrelevant. Let us assume, for the sake of the discussion, that a poet is not supposed to write intelligible verse and that his answer to BENNETT CLARK that he (MacLeish) doesn't know what it means himself is all very funny, yet the fact remains that we have no right to add confusion to an already too confused foreign policy. If ever we needed clear, intelligible, sane proceeding in our foreign affairs, it is now. The O. F. F. was bad enough. Do we want a world duplicate of this maelstrom of confusion? The New Deal does not and never has meant irresponsibility, confusion, and chaos. On the contrary, with the exception of a few aberrations, like the waste in the first phase of the Farm Settlement Administration and the United States Office of Education's neglect of its basic charter—not to mention the late and unlamented Office of Facts and Figures—the story has generally been one of gradual development of the rights of the common man.

But it is precisely one of these aberrations—the Office of Facts and Figures—we are concerned with here. We are told the gentleman will have charge of cultural and press relations. What a fertile field for the author of Streets in the Moon! In his new post he can broadcast a mixture of platitudes and obscurities that will thoroughly astonish and confuse the people of foreign countries.

Here in the United States we are used to his ecstasies. They are all very delightful and refreshing, even when he admits he does not understand them himself. But have we a right to inflict them on other countries? I submit we do not.

The nomination of MacLeish should be fought to the last ditch, and that irrespective of party.

HUGH RUSSELL FRASER.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HILL. I hope we may take a recess at this time, with the understanding that the recess shall be until 11 o'clock tomorrow morning, and that if it should be necessary, we will continue with a night session tomorrow.

The PRESIDING OFFICER. Before the motion to take a recess is made, the Senator from New Mexico [Mr. CHAVEZ] has a matter which he wishes to bring up.

EMPLOYMENT OF ENGINEERS AND ECONOMISTS ON RECLAMATION WORK

As in legislative session,

The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate a message from the House of Representatives announcing its action on a certain amendment of the Senate to House bill 3429, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,

December 16, 1944.

Resolved, That the House insist upon its disagreement to the amendment of the Senate to the bill (H. R. 3429) to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148).

Mr. CHAVEZ. Mr. President, I move that the Senate recede from its amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

Mr. LANGER. Mr. President, will the Senator explain to what this bill relates?

Mr. CHAVEZ. Mr. President, in answer to the Senator from North Dakota, let me say that this is a departmental reclamation bill. The Department sought permission to employ engineers, consultants, and other professional men. The Senate inserted in the bill, which was a House bill, authority also to employ attorneys who had formerly worked for the Reclamation Bureau, but who are not now in the Department, but whose ability could be used by the Department in a consulting capacity. The House would not agree to the amendment, and my motion is that the Senate recede from its amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

NOMINATION OF JOSEPH C. GREW TO BE UNDER SECRETARY OF STATE

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from this morning's Washington Post entitled "Disguised Filibuster."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DISGUISED FILIBUSTER

Senator PEPPER and his colleagues who are holding up confirmation of six top State Department nominees shy away from the word "filibuster." They don't like the sound of that ugly word. Probably they can remember occasions when they have bitterly assailed obstructionists of a different stripe who have undertaken to say that the Senate should not express its will either one way or the other on public issues before it. The character of the tactics that Messrs. PEPPER, GUFFEY, and others are employing is nonetheless plain. They seek to thwart the majority will in the Senate by forcing a delay in the vote to confirm Secretary Stettinius' "teammates" until the new Congress meets next month.

"If we postpone action," say Senator PEPPER, "the President will have an opportunity to send a new list of names in January." Of course, the names will have to be resubmitted if the present nominees are not confirmed before Congress adjourns. But the chance that the President might throw overboard his first nominees for these posts is negligible, for indications are that they will be confirmed by either the old or the new Senate as soon as a vote can be taken. In the circumstances the obstructionists are taking a gambler's chance that something might turn up to change the outlook in the next 3 weeks.

Meanwhile events in other world capitals are giving sharp emphasis to the negative character of our foreign policy. Decisions of world-wide significance are being made by our allies with precious little consideration for what the views of the United States may be. That sorry state of affairs has a direct bearing on the new peace system and on our own relations to the world community. We can think of no more unpropitious time, therefore, to hamstring the Department of State than the present moment.

We too have misgivings about some of the men chosen to direct our foreign policy in the critical years ahead. But the responsibility for these selections falls upon the President and Secretary Stettinius. It is they to whom the Under Secretary and Assistant Secretaries of State will be answerable. Consequently they are entitled to have in those posts men in whom they have confidence, unless the Senate sees good reason for rejecting their nominees. Should the Senate vote a lack of confidence in any of the six, it would be wholly within its rights. For a minority to step in and block all action, however, is not only irresponsible but also inexcusable.

The filibuster threat brings to a climax the mishandling of these nominations from the beginning. It puts the Senate in the position of trifling with our foreign policy at a critical moment when this Government ought to be exerting a united influence on the shape of the post-war world. And that obstructionism is the more blameworthy because it is directed by the President's own followers.

Mr. CONNALLY. I will say to the Senator from Alabama that however distasteful it is to me, unless we can obtain a prompt vote on these nominations tomorrow, I shall ask the Senate to hold a night session.

Mr. HILL. As I stated earlier, Mr. President, I shall be delighted to cooperate with the Senator to that end. If it is necessary, we shall have a night session tomorrow.

COMPENSATION OF EMPLOYEES IN THE POSTAL SERVICE

Mr. MEAD. Mr. President——

Mr. HILL. I yield.

Mr. MEAD. As in legislative session, Mr. President, I renew my motion to take from the desk House bill 4715, an act to increase the compensation of employees in the Postal Service, and to have it considered immediately.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. OVERTON. Mr. President, if the Senator will yield, reserving the right to object, let me point out that there is pending before the Senate a motion by the Senator from North Carolina [Mr. BAILEY] that the Senate reconsider the vote by which the conference report on House bill 3961 was rejected. House bill 3961 is the rivers and harbors bill. It is a very important bill. I feel, as does the

Senator from North Carolina, that we should not transact any business, especially business of the character suggested by the Senator from New York, until we have disposed of the conference report.

Therefore, much as I dislike to do so, I shall be forced to object to any unanimous-consent request to take up bills of the character of the bill referred to by the Senator from New York.

Mr. MEAD. Mr. President, will the Senator yield again?

Mr. HILL. I yield.

Mr. MEAD. During the day we have considered and agreed to the conference report on the deficiency bill. No objection was made on the basis just stated by the Senator from Louisiana. I do not see why we have to tie in the postal-pay bill, which has been reported from the Committee on Post Offices and Post Roads without objection, and which was passed by the House by unanimous vote, with the rivers and harbors bill, and thus deny these patriotic postal workers the Christmas present which is provided for them in the bill. It will take only a moment to pass it. It has no relation to the rivers and harbors bill.

I am in favor of the immediate consideration of the conference report on the river and harbor bill. I was on the Senator's committee, as he will recall. However, I cannot understand how there is any connection between the conference report and the bill I am now endeavoring to bring up in behalf of the postal workers. Everyone seems to be very much interested in this bill. A dozen Senators have come to me today and have asked when the bill will be taken up. The session will last only a day or two longer. We may not have a quorum a part of the time. I do not understand why the postal workers should be denied an opportunity to receive something they desire—something to which they are entitled.

The PRESIDING OFFICER. The clerk will state the bill by title——

Mr. OVERTON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate a message from the President of the United States submitting a nomination, which was referred to the appropriate committee.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the routine nominations on the calendar will be considered.

FOREIGN SERVICE

Mr. HILL. I ask unanimous consent that the routine nominations in the Foreign Service, which are on the calendar—not the nominations of Under Secretary of State or of Assistant Secretaries of State—be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

Mr. HILL. I ask unanimous consent that the routine nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE NAVY

Mr. HILL. I ask unanimous consent that the routine nominations in the Navy, which are on the calendar, be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. HILL. I ask unanimous consent that the President be notified forthwith of all confirmations of today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

PURCHASE OF LOGS, LUMBER, AND OTHER FOREST PRODUCTS—CONFERENCE REPORT

As in legislative session,

Mr. O'MAHONEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2185) to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendments of the Senate numbered 1, and to the amendment to the title, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: On page 2, line 15 of the engrossed amendment, after the word "interest", insert the following words: "contains express restrictions against alienation or"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In the last line of the engrossed amendment, strike out the words "United States" and in lieu thereof insert the following: "Cheyenne and Arapaho Tribes of Indians"; and the Senate agree to the same.

JOSEPH C. O'MAHONEY,
ELMER THOMAS,
HENRIK SHIPSTEAD,
B. K. WHEELER,
Managers on the part of the Senate.

JAMES F. O'CONNOR,
JOHN R. MURDOCK,
FRED C. GILCHRIST,
KARL E. MUNDT,
A. M. FERNANDEZ,
Managers on the part of the House.

The report was agreed to.

RECESS

Mr. HILL. As in executive session, I move that the Senate take a recess until tomorrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 24 minutes p. m.) the Senate in executive session took a recess until tomorrow, Tuesday, December 19, 1944, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate December 18 (legislative day of November 21), 1944:

IN THE NAVY

Capt. Allan R. McCann, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 25th day of March 1943.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 18 (legislative day of November 21), 1944:

FOREIGN SERVICE

TO BE CONSUL GENERAL OF THE UNITED STATES OF AMERICA

Hervé J. L'Heureux

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Andrew E. Donovan 2d
U. Alexis Johnson

James C. Sappington 3d to be a Foreign Service officer of class 5, a secretary in the Diplomatic Service, and a consul of the United States of America.

IN THE NAVY

TO BE COMMODORE, FOR TEMPORARY SERVICE

Lester T. Hundt to be a commodore in the Navy, to continue while serving as commander, naval air training bases, Pensacola, Fla., and until reporting for other permanent duty.

Charles J. Parrish to be a commodore in the Navy, to continue while serving as chief of staff and aide to commander, Hawaiian Sea Frontier.

Fred D. Kirtland, to be a commodore in the Navy, to continue while serving in the Pacific Ocean areas and until reporting for other permanent duty.

Marion C. Robertson, to be a commodore in the Navy, to continue while serving under commander, United States naval forces in Europe, and until reporting for other permanent duty.

POSTMASTERS

NEW YORK

Leon W. Wood, Freehold.
Edgar K. Warner, Purling.
Cyril O. Alberga, Round Top.
Jeneva H. Ashley, Sidney Center.

OKLAHOMA

John B. Taber, Osage.

TENNESSEE

Jacob M. Jennings, Brush Creek.
Horace M. Coffey, Thorn Hill.
Essie M. Britt, Wildersville.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 18, 1944

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyte-

rian Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, we invoke Thy blessing, praying in all simplicity and sincerity that our minds and hearts may be lifted to a clearer vision of Thy will and inspired with a more resolute determination to make its fulfillment the goal of our aspirations and endeavors.

We pray that we may prize more highly those blessings for which so many are now giving themselves unto the uttermost. When we think of their sufferings and sacrifices in order that freedom may be triumphant and we may continue to dwell in safety and security, we are compelled to exclaim, "Alas, alas, next to defeat, the saddest thing is victory at such a cost!"

Humbly and penitently we pray that we may be their worthy comrades, carrying on with an unfaltering faith and an unconquerable hope until the kingdom of peace shall be established. May we yield ourselves gladly and unreservedly to the leadership of the Christ, the great Captain of our salvation, who lived in obedience to the divine will and in love to all mankind.

In His name we pray. Amen.

The Journal of the proceedings of Saturday, December 16, 1944, was read and approved.

EXTENSION OF REMARKS

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therewith an article appearing in the Pacific Rural Farmers magazine, with a circulation of 83,900, regarding the Central Valley issue.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. ROWE addressed the House. His remarks appear in the Appendix.]

Mr. GORDON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an appeal by the Polish-American Congress, sent to the Honorable Robert Anthony Eden, Secretary of State for Foreign Affairs and leader in the House of Commons, London, that appeared in the Chicago Polish Daily News on December 15, 1944, on the Polish-Russian situation.

Copies of this appeal and declaration were also sent to Quintin Hogg, H. Cox, Edward Griegg, Sir P. Harris, A. Bevan, Sir Cuthbert Headlam, and A. Price, members of the British Parliament.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE TO RECESS THE HOUSE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that it may be in order today for the Speaker to declare a recess at anytime.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, may I inquire how long we will be in session today?

Mr. RAMSPECK. As long as there is anything to do.

Mr. HOFFMAN. I do not know what there is to do, but I sure have some things on my chest that I want to say today.

Mr. RAMSPECK. I am sure the gentleman will have plenty of time.

The SPEAKER. The Chair certainly will not declare a recess when there is any business before the House or if any Member should desire to speak.

EXTENSION OF REMARKS

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a poem from the National Rural Letter Carrier.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that I may address the House for 10 minutes, after the disposition of other business and any other special orders today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therewith an article on peace prospects by the editor of the Indianapolis Times.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and include therein a statement by a distinguished American soldier, Col. John S. Roosma, of Passaic, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PLUMLEY. I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include certain statements appearing in the Burlington Free Press, Burlington, Vt., with respect to rural electrification in Vermont, and to include one table.

The SPEAKER. Without objection it is so ordered.

There was no objection.

AVAILABILITY FOR WAR WORK OF CERTAIN PEOPLE IN RETIREMENT

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, due to the lateness of the hour on Saturday when our distinguished colleague the gentleman from Idaho [Mr. WHITE] brought in the legislation which provided Mr. Ickes with the opportunity of hiring people on retirement up to a maximum pay of $50 a day I did not bring an important point. I wanted to present something that was very comparable. Thousands and thousands of people in this country are receiving old-age assistance checks. Great loss of manpower has resulted from the fact that these people have not dared to take jobs many times because they did not know exactly how strong they were physically or how much work they could do and their dislike to get off the rolls because they experienced much difficulty in getting on in the first place. They do not know but what it will be a long time before they could get back on again. Some provision should be promptly made so that people receiving old-age assistance checks could take a job without jeopardizing their standing in regard to their old-age assistance checks. This could be done just as quickly by legislative action as the maximum of $50 per day was provided for Mr. Ickes to employ needed assistance.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. I wish to ask the gentleman from Wisconsin a question: The Railroad Retirement Act and regulations provide that where a railroad man has retired he cannot receive retirement pay if he engages in any other gainful occupation. In my district we have an acute labor shortage in an area that has been proclaimed a national-defense area. I have in mind one man in particular who has retired but whose physical condition is such that he could be of assistance doing other work. Due to the law, the regulations, or whatever it is, however, he cannot receive his railroad retirement pay and be employed as a county truant officer, if he receives any pay for it. His retirement pay is small and the compensation he would receive as truant officer is small. The law should be changed so that this man can do this work during this period. This is the principle about which the gentleman is talking?

Mr. MURRAY of Wisconsin. It is; and I thank the gentleman for his contribution. I believe it is something on which we can all afford to spend some time because there is an opportunity there to pick up a good many man-hours if we put that into operation.

The SPEAKER. The time of the gentleman from Michigan has expired.

CONGRESSIONAL WAR PARENTS ASSOCIATION

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, in these last days of the Seventy-eighth Congress we are deeply aware of the underlying currents of fellowship which bind us each to the other quite regardless of sectional interest or party affiliation. Membership in this great system of representative government has a poignancy and a quality of permanency that the ebb and flow of political tides affects not at all, that even death seems but to strengthen.

This is proving itself to be especially true among those of us whose sons and daughters, grandsons, and granddaughters are in the fighting forces all over the world. Our need of closer association has expressed itself in a very informal organization we have called the Congressional War Parents Association. There are about 190 of us in the Senate and the House. So loose is our organization that at no time has the full membership actually been together, though a small number of the elected board has carried out the expressed wishes of the group in various ways. Chief among these is that of giving visible assurance of our understanding sympathy to those among us whose children have made the supreme sacrifice. To this end we have designed and had made a simple but we think very beautiful medal which we have given and will continue to give to those of our number whose feet must carry them through this valley of desolation.

The medal is of silver. Upon its face is the eagle of the United States seal, underneath the name of our organization, and above the eagle the gold star. On the reverse side is engraved this simple inscription:

Presented to _____ by his colleagues in the Congress as an expression of their sympathy and as a tribute to his son _____ who died in the service of our country.

Eleven such medals will have been given before the new Congress convenes.

Certain that the Congress as a whole wants to share in the deep experiences of each and all of its Members, it seemed right that this simple statement be given you for permanent record.

EXTENSION OF REMARKS

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a little article by a young high-school girl in my district on the subject Unity for World Peace.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[Mr. GILCHRIST addressed the House. His remarks appear in the Appendix.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, to revise and extend my remarks and include certain information regarding the First Combat Infantry Band.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain statements as to the need for flax production during the year 1945.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

EXTENSION OF REMARKS

Mr. BENNETT of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include a brief letter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include portions of a recent address on the Dumbarton Oaks proposition by Mr. Dulles.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that today at the conclusion of the legislative business and any other special orders heretofore entered I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. MCCOWEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a quotation and an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARLESS of Arizona. Mr. Speaker, last Friday I asked and received permission to extend my own remarks in the RECORD, but I find this extension one-third of a page in excess of the limit, for which the estimated cost as given by the Public Printer is $141.40. I ask unanimous consent that this matter be inserted in the RECORD notwithstanding the estimate, because of the fact it is of unusual interest in that it deals with post-war problems.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the national commander of the American Legion on the widows and orphans bill recently passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SPECIAL ORDERS

The SPEAKER. Under previous special order of the House, the gentleman from New York [Mr. DICKSTEIN] is recognized for 10 minutes.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include certain telegrams and resolutions received from my constituents as well as from certain Greek-Americans and Polish-Americans.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GREEK- AND POLISH-AMERICANS

Mr. DICKSTEIN. Mr. Speaker, I have received a number of wires, not only from my own constituents but from other Polish-Americans and Greek-Americans, which deal with the foreign situations in Poland and Greece. I do not intend to take the floor to discuss this matter because I know very little about the facts, nor do I intend to criticize any of our Allied Nations for their actions, as this matter has to be considered in relation to the present state of events.

However, in making my appearance on the floor, I would suggest that the Greek-Americans and the Polish-Americans be a little more patient with this whole question. Let us first win the war. When the war is won I am sure that the American people will be in great sympathy with any problems that are presented at the peace table at the proper time.

Mr. Speaker, unity at this time is very essential. Criticism of any of our allies is dangerous. Although my constituents have wired me requesting that I make a loud protest in denunciation of what is going on in Greece and of what Churchill is doing in Poland, it is my considered opinion that it is not a wise move on their part to protest to the American people during the crisis of winning the

war. My sympathy naturally goes to the Greek people, as well as the Polish people, whose country is about to be sliced up by reason of an alleged deal, as stated in the press, between Churchill and Stalin. I am sure if everyone will unite in an effort to win this war first and bring about a permanent peace that the people entitled to recognition and the people entitled to their homelands will receive a fair and square deal, not only from the American people but from all the people of the world.

Mr. Speaker, I am inserting the following messages I received relating to these situations:

NEW YORK, N. Y., *December 16, 1944.*
Hon. SAMUEL DICKSTEIN,
House of Representatives,
Washington, D. C.:

We Americans, ever loyal to the historic tradition of honor and justice, ask you to protest in Congress at the latest pronouncement of Winston Churchill threatening the fourth partition of Poland. Such treachery toward a loyal ally of the United Nations and disregard of the supreme sacrifice which has helped civilization in its hour of need cannot and must not go unchallenged for the sake of the future peace of the world and democracy. Our answer must be unequivocal.

CENTRAL OF POLISH SOCIETIES OF NEW YORK.

NEW YORK, N. Y., *December 17, 1944.*
Hon. SAMUEL DICKSTEIN,
House of Representatives,
Washington, D. C.:

Americans of Polish origin, joined by millions of their fellow citizens, strongly condemn the criminal position taken in the latest utterance of Winston Churchill favoring Russia's seizure of half of Poland's territory. We protest this attempted fourth partition of Poland, which can have no other object than selfish interests and a continuance of the appeasement policy long since abandoned by the British people and the civilized world. Poland's armed forces have not fought to acquire new territory. Poland has earned the right by her sacrifices, as an ally of the United States, Great Britain, and France, to self determination of her peoples as proclaimed by the Atlantic Charter and the "four freedoms."

Great Britain declared war against Germany to preserve the territorial integrity of Poland. The British principle announced by Churchill assures that all territorial changes must await the conference at the peace table. Why should Poland be an exception? Churchill has abrogated the solemn assurances and guaranties to Poland. The undersigned, speaking for millions of Americans grouped in organizations located in the Eastern States, urge you to defend the integrity of Poland and other small countries when their future and existence is threatened. They also raise a voice of protest against the merciless pressure exercised upon the only legally constituted Polish Government in London for its courageous stand in defending principles shared by the Polish people.

Polish Falcons of America, District No. 1, Marjan Kilarski; Polish Legion of American veterans, Bronislaw Maruszewski; Federated Merchants Association of America, Ignatius Nurkiewicz; Associated Polish American Organizations of the State of New Jersey, Joseph Onka; General Pulaski Memorial Committee, Inc., John A. Pateracki; Association of Sons of Poland, Joseph Pawlowski; Amalgamated Clubs and Organizations of New Jersey, John F. Saturniewicz; Polish National Alliance of Brooklyn, John Smolenski; Polish Veterans of First World War, Post No. 5, Casimir Tokarski; United Polish Organizations, of Bayonne, N. J., Joseph J. Topolewski; Central of Polish American Societies of New York, Francis X. Wazeter.

GREEK AMERICAN COMMITTEE
FOR NATIONAL UNITY,
New York, N. Y., December 15, 1944.
Hon. S. DICKSTEIN,
House Office Building,
Washington, D. C.

DEAR REPRESENTATIVE DICKSTEIN: Enclosed you will find a public statement on the Greek crisis by Mr. JOHN M. COFFEE, Member of Congress. Would you join with him in signing this statement to register, together with other outstanding Americans, the feeling in this country about the present catastrophe in Greece?

We would appreciate an early response in order to publish the statement as quickly as possible, for every expression of America's active interest in Greek freedom may well hasten the day of the solution of the crisis and thus be instrumental in saving the lives of our allies.

Sincerely,
M. MANDELENAKIS, *Secretary.*

PUBLIC STATEMENT ON THE GREEK CRISIS

Every free and democratic impulse of the American people is outraged by the present attempt of the British Government to fasten once more upon the Greek people by force of arms a regime to which they are opposed.

It is a bitter pill, impossible to swallow, to have one member of the United Nations battle the sick and starving heroes of another ally with bombs, machine guns, and artillery far better expended upon the common enemy of all the allies. Every bullet fired by the armed forces of Great Britain against the people of Athens does double duty for the Axis.

Who are the people the British armed forces are fighting? The men and women who liberated Greece, the men and women of the National Liberation Front who with only small arms, often without food, without clothes, without shoes, cleared Greece of the National Liberation Front who, with landed they met with almost no resistance and suffered only insignificant casualties.

The National Liberation Front of Greece did everything within its power to prevent the present bloodshed. It established a unity so strong that no minority of native Fascists, quisling collaborators, and reactionaries could break it from within. Only foreign arms could precipitate the current catastrophe.

The British Government has raised the question of Communist dictatorship. There is no such question. The only threat of dictatorship in Greece is a dictatorship imposed from without against the expressed will of the Greek people who want only democracy and independence. The Greek people know what dictatorship is. They had it under Metaxas. They had it under the Germans. They have had enough of it. They will take dictatorship from no one, neither their enemies nor those who should be their friends.

Every agreement of the Allied Nations is broken by the British Government's attack upon the Greek people. The Atlantic Charter, the Moscow agreement, the Teheran accord, are each specifically violated by the British authorities in their bald attempt to force their chosen regime upon the Greek people.

The British Government cannot win a victory with guns in Greece. The bloodshed there prolongs the bloodshed everywhere and warps the framework of the United Nations.

The Greek people look to the United States. They feel Americans will understand their deep allegiance to the independence and freedom of their land and will come to their aid.

We warmly support the policy enunciated by our State Department in backing the liberated peoples of Europe in their insistence on democratic self-government. We ask our Government to implement America's active interest in Greek independence until the tragic crisis which is fraught with danger for the common cause of the United Nations is resolved in the interests of Greek democracy and Allied unity.

JOHN M. COFFEE, *Member of Congress.*

EXTENSION OF REMARKS

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a telegram I received this morning from several Polish organizations protesting the position taken by Winston Churchill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut [Mr. MILLER] is recognized for 5 minutes.

VETERANS' LEGISLATION

Mr. MILLER of Connecticut. Mr. Speaker, before my term comes to a close, I have one or two thoughts that I would like to express for the RECORD. I am very happy to see the distinguished chairman of the Committee on World War Veterans' Legislation here, because the subject I wish to discuss will be of interest to him.

Last Friday the President signed the so-called widows and orphans bill providing pensions for the widows of all war veterans whose incomes are less than $1,000, if they have no children, and $2,500 with children.

I opposed that proposal when it was first introduced at an American Legion national convention 12 or 14 years ago, and I opposed the passage of that legislation here in the House in 1939 and again in 1944. I did that for the one reason more than any other, that I could not bring myself to vote for a pension for the widow of a man who was killed last week, or who may be killed next week in an automobile accident, and paying to that widow practically the same pension that we are paying to widows of men who were actually killed in battle or died as the result of battle-incurred wounds.

Under existing laws, the widow of a World War veteran who died last week may draw twice as much from the Federal Treasury as can the widow of the man who was killed in battle 25 years ago, part, of course, from pension and part from social security.

I believe the passage of the Social Security Act should be taken into consideration as we deal with pensions for widows of veterans of World War No. 1, and certainly before we deal with the question of pensions for widows of World War No. 2 veterans. A veteran who died during the

last World War, of course, had no entitlement to social-security benefits for his widow, but many of the World War veterans who have died since then are leaving probably not a large amount, $30, $40, $45 a month, but the result is that the widow of a World War veteran may receive $45 a month from social security and $35 a month from her veteran's widow's pension, while her next door neighbor, who may have married a young man who was only 16 at the time war was declared in 1917, may be receiving a decidedly smaller amount from Uncle Sam.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from Mississippi.

Mr. RANKIN. Of course, the gentleman's first statement is in error. We do not pay these widows and orphans of non-service-connected veterans as much as we do the widows and orphans of the men who were killed in action or who died from service-connected disabilities.

Mr. MILLER of Connecticut. I said practically as much.

Mr. RANKIN. It is not practically as much.

Mr. MILLER of Connecticut. How much is it? Five dollars per month, is it not?

Mr. RANKIN. The widow of a veteran who died of a service-connected disability gets $50 a month. If she has one child she gets $65 a month, and $13 a month for each additional child.

The widow of a non-service connected veteran gets $35 a month. If she has one child she gets $45 a month and $5 a month for each additional child.

For the gentleman's information, I am inserting both schedules complete at this point:

Service-connected death rates under Public, 144, 78th Cong.:	
Widow, but no child	$50
Widow, with 1 child (with $13 for each additional child)	65
No widow, but 1 child	25
No widow, but 2 children (equally divided)	38
With $10 for each additional child.	
The total compensation payable under this section shall not exceed $100.	
Non-service-connected death rates under Public, 483, 78th Cong.:	
Widow, but no child	$35
Widow, with 1 child (with $5 for each additional child)	45
No widow, but 1 child	18
No widow, but 2 children (equally divided)	27
No widow, but 3 children (equally divided)	36
With $4 for each additional child (the total amount to be equally divided).	
The total compensation payable under this section shall not exceed $74.	

The gentleman talks about these widows and orphans drawing social-security benefits. In the first place, social security is a kind of insurance that they are supposed to pay for themselves. The farmers of the Nation, who contribute a larger proportion of their sons to the service in times of war than any other class of people in America, get no social-security benefits at all.

Mr. MILLER of Connecticut. That is true but we can correct that situation very quickly.

Mr. RANKIN. But they do help pay for it in the advanced prices of the goods that are manufactured by the people who are drawing social-security payments. It would certainly require some radical changes to correct those injustices.

The gentleman from Connecticut ought not to get social security, which applies to a small group, mixed up with veterans' benefits, which apply to the veterans throughout the whole Nation.

Mr. MILLER of Connecticut. There are more people on the social-security rolls throughout the United States than there are veterans. I certainly think the income received by a widow of a World War veteran from social security should be taken into consideration if you are going to pay a pension for death that had no possible connection with service. If I may be so bold as to say it, I think we made our mistake as a government when we accepted the so-called disability allowance. I felt then and I feel now that we should have in some way liberalized the regulation so that thousands of men—and I am well aware that there were thousands of men—who were left under that Disability Allowance Act with disabilities rated as not due to service whose disabilities actually were due to service—I want to be as liberal as any man can be to carry out what the law has declared many times, that the serviceman should have the benefit of the doubt, but I think if we give servicemen the benefit of every possible doubt when it comes to establishing service-connected disabilities, we go as far as we should go when we provide, as the law provided prior to this past week, that a veteran who dies with but 1 percent of service disability has established entitlement for his widow's pension. I think that was fair and reasonable.

The SPEAKER. The time of the gentleman from Connecticut has expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. May I say to the gentleman from Connecticut that we are paying the widows of Spanish-American War veterans whose husbands were not suffering from service-connected disabilities and we are paying such widows of Civil War veterans—not only veterans who had no service-connected disabilities, but last week they amended the bill on the floor—and the gentleman did not object to it—to pension the widows of Civil War veterans who married the veterans 40 years after the war closed. So I submit that the small amount we are providing for these widows of World War veterans, many of whom have been dragging their children through the panics of the last 20 years, many of whom have small children now, and many of whom nursed their husbands when they were dying of tuberculosis, cancer, or other diseases that were probably contracted in the service—we are doing nothing but justice when we provide this small compensation to the widows and orphans of those men who fought our battles 25 years ago.

Mr. BENNETT of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. BENNETT of Missouri. It is my impression there is a provision in this law to the effect if a widow has an income of over $1,000, I believe it is, from some other source, she is not eligible.

Mr. MILLER of Connecticut. I mentioned that.

Mr. BENNETT of Missouri. Then to a certain extent social-security benefits are taken into consideration in this legislation. If they get benefits over that amount, they would not be entitled to that compensation. I should also like to point out to the gentleman if he is going to reduce that minimum amount so that it will include more people, he might as well say that the widow who is receiving insurance from funds paid in by her husband to buy an annuity or something like that should also be taken into consideration.

Mr. MILLER of Connecticut. It is. It is taken into consideration. Here is my point: A man comes home disabled from World War No. 1. He is totally disabled. He is bedridden and he draws $100 a month for his total disability, plus $50 for attendant hire, if he is actually bedridden, and in some cases they have insurance, but I do not count insurance for the reason the gentleman stated. He bought and paid for that. When that veteran dies immediately his widow has to adjust her living from a standard of an income of $150 a month down to the existing pension payable to the widow of a man who dies as a direct result of his service, which is $45 a month. The thing I wanted to see was the compensation to a widow of a man killed in battle or who dies as a direct result of battle increased to $75 or $80 a month. Now, if we cannot do that for any reason whatever, or say that we cannot afford it, then certainly I do not see why we should take on this other large group, many of whom have no claim whatsoever against the Government.

According to General Hines, the bill we passed the other day will cost a comparatively small sum the first year but it will go up to about $300,000,000 a year when it is at its peak. On the same basis with 12,000,000 or 15,000,000 men in the service, I think we ought to draw the line somewhere. I hope the line can be drawn so that we do not put on the pension rolls, regardless of what we might have done in the past, widows of men who have suffered no disability or hardship.

Mr. RANKIN. Mr. Speaker, I disagree with the gentleman, of course.

Mr. MILLER of Connecticut. I know that the gentleman disagrees with me.

Mr. RANKIN. With reference to the $300,000,000, General Hines said that the cost would be about $37,000,000 a year.

Mr. MILLER of Connecticut. That is for the first year.

Mr. RANKIN. That is what it would cost the first year. As far as the widows and orphans of World War No. 1 veterans are concerned I do not know when the cost will reach its peak, but I am sure it

will never go up to $300,000,000 a year. The gentleman speaks of women marrying veterans. He must remember they also married a few who were killed and who had service-connected disabilities. The same arguments he makes would apply to them.

Mr. MILLER of Connecticut. They have no claim on the Federal Government.

Mr. RANKIN. I do not know as to that. We are just following a policy that has been pursued ever since the Revolutionary War.

Mr. MILLER of Connecticut. It is a bad policy, if I may say so.

Mr. RANKIN. It may be, but I do not think so. It seems to me to be a humane policy in which national gratitude plays a part, and mercy seasons justice.

EXTENSION OF REMARKS

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my remarks and include a resolution passed by the National Reclamation Association at its annual convention in Colorado, November 16, and 17, 1944.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. Under previous order, the gentleman from Michigan is recognized for 20 minutes.

MONTGOMERY WARD STRIKE

Mr. HOFFMAN. I ask unanimous consent to extend my remarks in the RECORD and include a certain newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FIGHTING MEN WILL HAVE GUNS, AMMUNITION, TANKS, TRUCKS, AND PLANES, IF—

Mr. HOFFMAN. Mr. Speaker, to my desk yesterday there came a most startling yellow sheet, dated December 15, 1944, entitled "Spotlight," published by the United Mail Order, Warehouse and Retail Employees Union, Local 20, U. R. W. & D. S. E. A., C. I. O., 518 West Chicago Avenue, Chicago, Ill.

It is a direct challenge to the American people, to the administration, and to the American Federation of Labor. Boiled down and in substance, it tells us that, unless certain employees of Montgomery Ward & Co. at Detroit are granted wage increases, union contracts containing a security-of-membership clause and certain other demands, the men on the fighting front will not get the tools they need to carry on this war.

If that statement seems farfetched, listen to the following statements which I read from this pamphlet:

> The Detroit strike has forced a show-down. As we go to press, the entire Montgomery Ward case has exploded into the first-class industrial crisis.
>
> * * * * * * *
>
> The W. L. B. has hoped to confine this crisis to the city of Detroit. We will not permit that to happen.
>
> * * * * * * *
>
> With the entire C. I. O. in the State of Michigan mobilized for action, the city of Detroit has become a tinder box. This week, 240 unions gathered in emergency session to let the Nation know that they will give every financial, moral, and physical support to all Montgomery Ward workers. Top leaders of the C. I. O. and the powerful, war-essential Auto Workers Union have publicly pledged their full assistance.
>
> We will see to it that the W. L. B. does not try to treat the Detroit strike as a local problem. We will see to it that the W. L. B. does not try to wriggle out from under by handling the Detroit strike as a separate issue.
>
> The War Labor Board will either crack down on Montgomery Ward wherever it has been guilty of defiance or take the responsibility for helping Sewell Avery to provoke a national industrial crisis.
>
> Whereas we feel that the time has come for the War Labor Board to either force compliance of its directives by management or to admit that it is a failure and let labor secure its own demands by the use of economic force.

The Ward C. I. O. local in Chicago says that the country is faced with a crisis. That the "Ward case has exploded into the first-class industrial crisis. That is, it is intimated that in Detroit, where much of the material which goes to the fighting front is manufactured or assembled, there will be a strike in war industries unless the union gains its objectives. The War Labor Board wants to confine that situation or trouble—the strikes—to the city of Detroit, but this union and the other unions say that they will not permit that to happen. In other words, they will not permit the trouble to be confined to Detroit. Let me reread a paragraph:

> With the entire C. I. O. in the State of Michigan mobilized for action, the city of Detroit has become a tinder box. This week 240 unions gathered in emergency session to let the Nation know that they will give every financial, moral, and physical support to all Montgomery Ward workers.

Get that—240 unions have gathered together—and they are going to give the Montgomery Ward workers their support. Do not forget that the Montgomery Ward employees to whom reference is made are employees in a retail store. They have no more to do with the war than do the employees in a corner grocery or a meat market or a hardware store. Yet these 245 unions have gathered together and have pledged all of their financial, their moral—and what do they mean by this?—"their physical support" to all Montgomery Ward workers.

Do they mean that by pledging their physical support to the employees in this retail store the industrial unions intend to, by force of numbers on the picket line, to keep would-be employees from working at the retail stores—that they intend by the use of clubs, iron bars, and rocks—that the members of Briggs Local 212 will again, as they did in the strike at the Ford plant at Dearborn on April 1 and 2, 1941, beat and maim employees and prospective customers?

Saturday papers indicate that such might be their intention. It is reported that four persons were injured at the Royal Oak store. The paper states that J. J. Patrick, assistant manager, was cut over the eye. L. A. Montgomery, another official, had a punctured ear drum. Henry Toselpor and Henry Paulsgrove sustained broken jaws. Then Governor Kelly called out the State police, and apparently put an end to the violence.

He did no more than his duty, yet a union official charged him with acting as a stooge for Avery.

Under his oath of office, when local authorities failed to maintain peace, protect innocent bystanders, whose rights were being denied by massed picket lines which obstructed the entrance to the stores, the Governor could do no less, if he performed his duty, than call upon the State police to quell and prevent violence. In so doing, he proved himself to be a friend of labor, for violence begets violence and pickets using violence may today find themselves in trouble with returning veterans who have little patience with either strikes or strikers.

Here a few years ago a group of people were indicted for, it was charged, conspiring to lower the morale of the men in the fighting forces. If there is anything that will discourage the men in our fighting forces more than the knowledge that the leader of 240 great unions have gathered together, and agreed that they are going to cause this so-called industrial crisis in Royal Oak to spread throughout the Nation, at least throughout Detroit and Wayne County, then I do not know what it is. If there is any action that could be taken by any group or by groups associating together that will do more to discourage the buying of bonds by the average citizen, the collection of scrap by school children and others to aid the Government in the war effort, than a widespread strike in industry, then I do not know what that action could be. Yet here, openly, the union itself announces its plan. I assume because they mention my name on the back page of this handbill that I will be charged, because I call this to the attention of the House, with being a labor baiter. Let me read again:

> We will tell the Board—
>
> That is the W. L. B.—
>
> that they can no longer dodge the issue, that it has to face once and for all the fact of Montgomery Ward's strike-provoking policy in all cities. We will see to it that the W. L. B. does not try to treat the Detroit strike as a local problem. We will see to it that the W. L. B. does not try to wriggle out from under by handling the Detroit strike as a separate issue.

That is to say they repeat what they said above, they are going to carry the trouble, going to spread the crisis, as they call it, in reality the strike, throughout the Nation. I read again:

> The War Labor Board will either crack down on Montgomery Ward wherever it has been guilty of defiance or take the responsibility for helping Sewell Avery to provoke a national industrial crisis.

In other words, because a strike has been called in the city of Detroit, if Avery does not comply with the union's demands, or comply with the orders of the Board, he will be guilty of provoking a national industrial crisis, because the unions are going to call strikes other places to force him to comply. If you can figure out the logic of that argument you will be doing something.

Once more I read:

> Whereas we feel that the time has come for the War Labor Board to either force compliance with its directives by management or

to admit that it is a failure and let labor secure its own demands by the use of economic force—

What do they mean by "economic force"? It is quite evident what they mean. I have read the whereas clause; I now read the resolving clause:

Therefore be it resolved, That we, the members of Local 20, C. I. O., extend to our brothers and sisters in their fight against Ward's at Detroit all the financial and moral and physical help in our power to give.

One construction which can be legitimately placed upon that handbill, which is a threat, and on the action of C. I. O. union leaders in Detroit is that the C. I. O. union leaders in Detroit and Chicago, notwithstanding their no-strike pledge, intend to produce arms and munitions, trucks and planes, tractors and tanks for the men on the fighting front if and when—if and when—Montgomery Ward, a retail store, complies with the W. L. B. order to adopt a certain wage scale that includes in it a contract which will contain a security-of-membership clause.

It means, too, that they intend to enforce their strike demands by force, that is, by massed picket lines which obstruct the entrances to places of business and employment; picket lines such as that shown by picture and described in the Detroit News of Saturday.

Why do I make that statement? I make it because of the incidents of violence which have already occurred, and to which reference has already been made.

The picket lines are made up of not only Ward employees but of members of other unions. Local 212 has a record of violence on the picket lines.

The statement that production of munitions of war will be held up is further justified by the fact that 1,500 employees of Aeronautical Products Co., Inc., which manufactures aircraft, and of Bundy Tubing Co., which aids in the construction of tanks, jeeps, trucks, shells, and aircraft, last week closed those 2 plants—one because there was a dispute as to the seniority rights of 4 women who were transferred and in the other because a man was laid off for a day because he insisted upon quitting work too soon.

Another illustration is that at the Cadillac division of the General Motors plant, where 116 men quit because the company insisted upon enforcing the "no smoking during working hours" rule, and to which the employees had previously agreed.

In another instance 144 workers of Briggs Local, No. 212, employed at the Outer Drive plant of Briggs, went on strike.

Local 212 is the one which furnished some of the pickets for the April 1941 strike at Ford's. They were not employees, but two of them, at least, who wielded clubs or iron bars, were members of the Communist Party, and in my files are photostats of their membership cards in the Communist Party.

So it is easy to see what may happen unless the State authorities enforce the provisions of Act No. 176 of the Public Acts of the State of Michigan for the year 1939, which makes it a criminal offense for anyone, by force or threat of force, by coercion or intimidation, to interfere with anyone desiring to go to his usual place of employment.

Enough has been said to make clear the position of the Chicago union, which put out this leaflet; of other unions, if they call a general sympathetic strike in war industries to aid in winning the Ward strike.

Do not the leaders in this strike say to the American people, to those who have their sons in the war—and I talked to a Member of the House a few moments ago who recently lost a boy 23 years of age in the South Pacific—are not those leaders saying to the Members of this House and to the public, "Yes; we will send war materials down there, we will send the things which they are going to be short of soon, if we believe the statements of the commanding officers, if and when Ward pays the wage scale demanded by the union, ordered by the Board, and enforces an order that only members of that union can work there"?

The Governor of Michigan has called out the State troops. It remains to be seen whether Harry Kelly, the Republican Governor, will adopt the obvious American course—and let me say right here that Kelly is a veteran of the First World War. He lost a leg in that war. I repeat, it remains to be seen whether or not he will carry out the provisions of that law and give protection to those who want to go to work, or will follow the course Frank Murphy followed when the sit-down strike came to Michigan back in 1937.

In my judgment, Kelly is a patriotic citizen; he believes in law-enforcement and, while seeing that every opportunity is given to employees, he will not hesitate to insist that the law of the State be obeyed. He is known to be pro-labor, yet the people of the State have confidence in him and are certain that the State will not experience in wartime a long period of lawlessness interfering with war production.

Lest someone think that the slowing down or the stopping of production is caused solely by disputes between employer and employee, let me here insert a newspaper story from the Friday issue of a Detroit paper which demonstrates the contrary:

A. F. L. OUTLAWS C. I. O. BUILDERS—ISSUE CAUSES TWO WORK STOPPAGES

(By ARTHUR O'SHEA)

The Detroit Building Trades Council (A. F. L.) issued an ultimatum Thursday affecting all future construction work—both war and civilian—in this area.

It embodied formal notification that hereafter A. F. L. building trades mechanics will work on no building jobs jointly with members of the C. I. O.

Ed Thal, secretary of the council, said the new policy was backed by 25,000 members of the 19 international craft unions affiliated with the council. Forty locals, he said, had passed resolutions supporting the stand.

The policy, Thal said, has actually been in effect a week, but public declaration has been withheld pending 100 percent ratification.

It already has accounted for two industrial stoppages, he said.

Walk-outs by A. F. L. men, he said, occurred last week on a hangar job at Willow Run and a remodeling job for Packard Motor Car Co. on Hern Avenue.

The policy will be enforced rigidly, Thal said, by refusing to send skilled A. F. L. men to any job unless there are ironclad assurances" the A. F. L. men will be allowed to work it through to completion without C. I. O. interference.

"We have no quarrel with maintenance workers employed inside industry or on public pay rolls," he said. "Our one concern is construction of new buildings and rehabilitation of old ones. And that includes all construction work being done inside industrial establishments as well as on civilian jobs."

The council's membership includes mechanics in all skilled building trades categories.

The ultimatum, Thal said, was precipitated by recent announcement of objectives by C. I. O.'s new Maintenance and Powerhouse Workers Council. One of these was:

"To prevent the employment of contractors in plants, thereby taking away work from our men and creating lay-off periods and short time."

To understand the present threat to war production and what is back of it, let me recite a few facts.

Congress realized that, if we were to have an all-out production here at home in support of the war effort, it was necessary to prevent strikes, lock-outs, stoppages of production, and to obtain the full use of all facilities being used in the prosecution of the war.

To accomplish that objective, Congress passed an act which, among other things, authorized the President to take possession of any "plant, mine, or facility equipped for the manufacture, production, or mining of any articles or materials which may be required for the war effort or which may be useful in connection therewith."

The President was given authority to establish a National War Labor Board, which was granted authority to decide labor disputes "and provide by order the wages and hours and all other terms and conditions—customarily included in collective-bargaining agreements—governing the relations between the parties, which shall be in effect until further order of the Board. In making any such decision the Board shall conform to the provisions of the Fair Labor Standards Act of 1938, as amended; the National Labor Relations Act; the Emergency Price Control Act of 1942, as amended; and the act of October 2, 1942, as amended, and all other applicable provisions of law; and where no other law is applicable the order of the Board shall provide for terms and conditions to govern relations between the parties which shall be fair and equitable to employer and employee under all the circumstances of the case."

No attempt was made by the Congress to suspend or circumvent any constitutional guarantee of due process of law or security of property or person. It was never the intention of Congress to give—and it did not by law give—to the President or any agency of the Government any authority to take possession of or to operate civilian industrial plants or businesses.

The Montgomery Ward & Co. retail stores in Royal Oak and Detroit, Mich.,

are not engaged in the manufacture, production, mining, or transportation of articles or materials which are required for the war effort or which may be useful in connection therewith, any more than, except in degree, any and every retail store is so engaged.

If the Detroit retail stores of Montgomery Ward & Co. are subject to seizure and operation on the order of the President, then the plant, the place of business, of every individual, however small, of every copartnership, corporation, or association engaged in retail trade is subject to a like seizure.

Nevertheless, the War Labor Board assumed authority to issue orders or directives to Montgomery Ward & Co. which, among other things, fixed the wages of certain employees and ordered the company to enter into a contract with a C. I. O. union, which contained a security-of-membership clause.

In the long run and practically, a security-of-membership contract means the closed shop and the check-off. That again means that no man or woman can work for Montgomery Ward & Co. unless he or she belongs to the union and the company in turn deducts from his or her pay check initiation fees, union dues and assessments, regular and special. The union employee has little, if any, voice in the decision as to when, how often, or for how much special assessments shall be levied.

The W. L. B. also ordered Ward's to pay its employees a wage fixed by the Board.

If the position of the Board is correct, then no one except those who join the union designated by the Board can work for Montgomery Ward & Co.

If the position of the Board is correct, it can raise the wages of Ward's employees to such an extent that the company cannot successfu'ly carry on its business and pay that wage.

If the position of the Board is correct, it can also lower the wage of the employee to such an extent that he cannot exist on the amount fixed by the Board.

Ward's challenged the authority of the Board to make such an order and, since August 20, 1943, when the W. P. B. order was made, has been carrying on a fight in the courts to obtain a review of the Board's order. The Federal courts have repeatedly decided they had no jurisdiction over the action of the Board.

One of the later decisions is that handed down by the United States Court of Appeals for the District of Columbia in the case of National War Labor Board et aliae against Montgomery Ward & Co., Inc. It will be found in One Hundred and Forty-fourth Federal Reporter, second series, beginning at page 528. In the course of that decision, the court quoted from an affidavit filed by Lloyd K. Garrison, which in part reads as follows:

> I was formerly general counsel and executive director and I am now alternate public member of the National War Labor Board. In my official capacity I am familiar with all of the facts concerning and preceding the above-captioned suit. The National War Labor Board has neither threatened to take action nor taken action to enforce its directive order challenged in this suit. It has no power to enforce such directive order.

The court, in disposing of the case, among other things said, and I quote:

> In our opinion, the court should have dismissed the complaint upon the defendants' motion. As we found in the Employers Group case, no statute makes orders of the National War Labor Board enforceable or reviewable. It is true that the Board order there involved was issued before and the one here involved after the War Labor Disputes Act and Executive Order 9370. But as we pointed out in that case, the War Labor Disputes Act does not make the Board's orders enforceable or reviewable.

A rehearing of this case was later had and the position of the court reiterated.

The United States Supreme Court refused to review the decision.

So today, under the decision of the United States Court of Appeals for the District of Columbia and of the United States Supreme Court, it is the law that this order of the War Labor Board, which the C. I. O. in Detroit now demands be enforced against Ward's, is not reviewable, is not enforceable by any judicial process.

Nevertheless the C. I. O. is demanding that the President seize and operate all of the Montgomery Ward & Co. retail stores throughout the country.

The morning press tells us that the President will seize and operate these stores. If he does, then the P. A. C. and the C. I. O. have accomplished their purpose of, by use of executive power directed by the President, obtaining control of retail business.

The yellow sheet from Chicago which states that the Montgomery Ward case "has exploded into the first-class industrial crisis" is correct. We are told by that C. I. O. local that, unless the President does follow its demands, the C. I. O. unions throughout the country will use, in aid of the Detroit C. I. O., "all the financial, moral, and physical help" in their power to force him to do so.

The statements of the C. I. O. are a plain, blunt warning that, unless Ward's employees are granted the increase in wages demanded by the C. I. O.; unless they are granted a collective-bargaining contract containing a security-of-membership clause, the men across the seas, those who are now facing the vicious, murderous counterattacks of the Germans, will not be given the support which is their due.

It is futile for anyone adopting such a position to insist that he is supporting the war effort, that he is back of the fighting men.

Let me repeat, in effect, this C. I. O. leaflet tells us that the C. I. O. unions of Detroit and Chicago will back the war effort, will support the fighting men, if and when—and only if and when—their demands are granted.

They tell us, in unmistakable language, some of which I have quoted above, that they will call strikes to enforce their demand unless the employee first pays money into their treasury; unless he receives the compensation they demanded or, more accurately, the amount fixed by the War Labor Board.

In yesterday's paper, I noticed this statement on the first page of the Washington Star:

> War Labor Board Chairman William H. Davis last night accused Montgomery Ward Chairman Sewell Avery of deliberately misstating issues involved in the strike against the company's Detroit stores and asserted that "Mr. Avery's underpaid workers are still waiting for justice to be done them."

The Times-Herald of yesterday also carried a news story in which Jack Talbot, business agent of Local 1514 of the A. F. L. union, was quoted as estimating "that 90 percent of the 200 Royal Oak store employees are A. F. L. members."

The news story continued:

> Saying his union had petitioned for an election 6 weeks ago, he (Talbot) charged that the C. I. O. received two continuances from the National War Labor Board and called the strike because most of the workers favored the A. F. L. union.
>
> Talbot confirmed a statement by R. W. Rosevear, Detroit area manager of the company, that 97 percent of the employees continued to work until yesterday's disturbance, despite the C. I. O.-sponsored strike last Saturday.
>
> Because of the disorder, Talbot said, "We felt it our duty and justice to members in the Royal Oak store to advise them to withdraw from the scene until responsible authorities showed their willingness and ability to maintain order."
>
> Rosevear said the Detroit area stores were closed "to avoid further harm to our people. We will reopen Monday and will remain open as long as we have clerks to man the stores. A great many of our regular workers would be at work today if they had not been threatened by phone and in person. Only about 25 percent of our Royal Oak employees were at work today."

Yesterday's Star also carried the statement that Frank X. Martel, Wayne County A. F. L. leader, claimed the A. F. L. had 95 percent of the employees of the Royal Oak store as members and that employees of one of the Wayne County stores had requested A. F. L. membership.

The statement of W. L. B. chairman Davis that "Mr. Avery's underpaid workers are still waiting for justice to be done them," is little more than demagoguery.

The papers for the last week or two have been filled with statements inspired by the administration to the effect that there is a manpower shortage. If Ward's workers are underpaid—and I know nothing of the merits of that proposition—there is every reason to believe that they can find well-paid jobs in Detroit's industrial war plants.

The attitude of the administration toward private business is shown by the fact that one of the regional board members at Detroit was on the picket line, a picket line which injured at least two of Ward's employees who wanted to work; a picket line which acted in defiance of a statute of the State of Michigan which makes it a criminal offense to interfere with any employee on his way to work.

To the layman who is not a politician, it is somewhat difficult to reconcile our war for the "four freedoms," our war for freedom from oppression, for the right to carry on one's legitimate business in one's own way, with the Government's seizure of a private nonwar business here at home in order to force the employer to adopt a certain wage scale and

to discriminate against nonunion men and women.

This administration has been stressing its F. E. P. C.; has insisted that no one should be discriminated against because of race, creed, color, ancestry, land of origin; to that statement no one dissents. Yet here in America, where all are guaranteed by the Constitution equality of opportunity, the War Labor Board issues an order, which the courts have declared to be not reviewable, is unenforceable, which in the end if obeyed prevents a nonunion man from continuing at his job; which compels an employer to deduct, at the command of a union, a stated amount from the employee's pay check, forces an employer to violate the N. L. R. A.

Let me summarize the situation: Yes, the show-down is here. Within the next week, the country will learn whether Sidney Hillman, the P. A. C. and the C. I. O. can force their will upon the people of America.

Approximately 10,000,000 young men have been conscripted to fight in this war. Several million of them have been sent across the seas. Almost 100,000 have sacrificed their lives in support of the principle that all men should have equal opportunity. Our fighting men will shortly, we have been told by the commanding officers, be in need of additional supplies, of guns, ammunition, shells, trucks, and tanks, planes, and transports—of all those things which the fighting men need; for the lack of which fighting men die.

The President will decide within the coming week whether they are to have all-out, wholehearted support from the people here at home. He will decide whether Sidney Hillman, the P. A. C., and the C. I. O. are to be permitted to curtail production unless their demands for more money, either by an increase in wages or through the payment of dues and assessments into the treasury of the C. I. O.—and incidentally into the war chest of the P. A. C.—are granted. He will decide whether men and women, fathers and mothers of men at the front are free to work unrestricted, or whether they must first submit to the demands of his political allies.

The people of America face a show-down, a crisis. The President of the United States faces a show-down. He, as Commander in Chief, can take his position squarely behind his subordinates in the service, insist that there be unhampered, all-out production, or he can attempt to enforce the orders of the C. I. O., the demands of Sidney Hillman, by a seizure and operation of private civilian business, over which he has never been granted authority.

Because I insist upon equality of opportunity; upon defying the C. I. O. racketeers and labor politicians; upon turning the light of publicity upon these acts, upon refusing to go along with Sidney Hillman and his foreign ideologies, I am charged with being un-American. The truth is that those false charges are made because I insist upon first serving my country, rather than remaining silent when this pressure group exerts its force to deprive citizens of their rights.

EXTENSION OF REMARKS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Greenville Reflector, published in Greenville, N. C., that portrays the real work of American womanhood in their participation in the war effort.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a certain publication and also include some excerpts from correspondence that I have had with constituents.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to address the House tomorrow for 10 minutes after the legislative business of the day and any other special orders have been disposed of.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CIVIL SERVICE RETIREMENT ACT

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1481) to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MICHENER. Mr. Speaker, I reserve the right to object. Is this an emergency matter?

Mr. RAMSPECK. Yes; it is in a sense. It deals with a situation which the committee felt is unfair to the employees of the Government who have been injured while in the performance of their duties and have received compensation in a lump sum. The committee felt that if the retirement is not for the disability for which they collected compensation, there is no reason why they should not be given the same right as any other employee. It has the approval of the Civil Service Commission, and also the Employees' Compensation Commission. It corrects what apparently is due to an unintentional conflict in the law between the two acts, the Compensation Commission Act and the Retirement Act.

Mr. MICHENER. As I understand the situation, a bill was reported by the Civil Service Commission to the House. How long ago was that?

Mr. RAMSPECK. The gentleman from Alabama [Mr. HOBBS] introduced a bill in the House. The original Senate bill came over before the committee took up the House bill. The committee, thinking the Senate bill was identical with the Hobbs bill, reported the Senate bill. We later found it had an amendment in it that vitiated the purpose of the bill. Therefore, we had the bill recommitted and reported the language of the HOBBS' bill as an amendment to the Senate bill, and that is the bill I am asking now to have considered.

Mr. MICHENER. How long ago was it that the Senate bill came over?

Mr. RAMSPECK. It came over early this month, as I recollect; anyway, we reported it on December 6.

Mr. MICHENER. I do not know anything about it, of course. It was our understanding that nothing would be taken up during the balance of the session except emergency matters.

Mr. RAMSPECK. I may say to the gentleman from Michigan that this has been acted on unanimously twice by the Committee on the Civil Service. The reason for the delay is that we did not catch this error in the Senate bill until it was too late to act on it at the last call of the Consent Calendar.

Mr. MICHENER. I see one member of the Committee on the Civil Service present on this side. I refer to the gentleman from Massachusetts [Mr. HERTER]. May I ask the gentleman from Massachusetts if he has any observation to make on the bill?

Mr. HERTER. Mr. Speaker, I think the statement made by the Chairman of the Committee on the Civil Service is substantially correct. This matter has twice been before the committee, it has twice been unanimously reported by the committee. The first time it was reported in error because of failure to catch an error in the wording of the Senate bill. It has since been corrected. The time element has been such that the matter could not be brought before the House on the Consent Calendar. Anyway, I know it has been before the committee and they were unanimous in agreeing that it should be reported.

This bill corrects an injustice in those cases where injuries sustained a long time ago and paid for were prejudicing the right of a person to his retirement after a long period of subsequent service.

Mr. RAMSPECK. That is a correct statement.

Mr. MICHENER. The gentleman from Massachusetts is always a very careful, and experienced legislator. He is a member of this committee. I hesitate to object to something about which I do not know. My objection runs simply to bringing the bill up at this hour.

Mr. RAMSPECK. I can assure the gentleman from Michigan that the entire membership of the committee, both Democrats and Republicans, favor this bill. The only reason it was not brought up sooner was due to the mechanics of getting the corrected report printed.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, reserving the right to object, and I surely do not want to be disagreeable, but I wish to take this opportunity

to protest against this procedure. Similar things happen almost every year we adjourn. I feel that agreements covering the business at the end of the session should not be broken except to take care of situations of real emergency.

I am willing to take the statement of the gentleman from Georgia and the gentleman from Massachusetts as to the merits of this particular bill, but I think it is poor policy to bring it in under unanimous consent on the last day when we have had so many other days in which it could have been brought in. The reasons so far stated do not seem to present a very urgent case for bringing it up, in my opinion, because we had plenty of time last week in which such things could have been considered and it would not have taken any longer then to consider it than it does at the last minute.

Mr. RAMSPECK. I may say to the gentleman from Wisconsin that, speaking generally, I agree with what he says. In this case, however, the bill was not ready for consideration before today; we did not have the amended bill printed or the report printed. Had they been available on Saturday we would have asked for the consideration of the bill on Saturday.

Mr. MURRAY of Wisconsin. I thank the gentleman for his statement, and withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the Civil Service Retirement Act, approved May 29, 1930, as amended, is hereby amended by adding at the end thereof the following paragraph:

"Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended, except that so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the United States Employees' Compensation Commission, shall be refunded to the United States Employees' Compensation Commission, to be covered into the Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to such Commission the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this act, which amount shall be transmitted to such Commission for reimbursement to such fund. Deduction from such annuity may be made from accrued and accruing annuity payments, or may be prorated against and paid from accruing payments in such manner as the Employees' Compensation Commission shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That section 6 of the Civil Service Retirement Act of May 29, 1930, as amended, is hereby amended by adding at the end thereof the following paragraph:

" 'Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section of such act of September 7, 1916, has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the United States Employees' Compensation Commission, shall be refunded to the United States Employees' Compensation Commission, to be covered into the employees' compensation fund. Before such person shall receive such annuity, he shall (1) refund to such Commission the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this act, which amount shall be transmitted to such Commission for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the United States Employees' Compensation Commission shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.' "

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECESS

The SPEAKER. The House will stand in recess until 3 o'clock p. m., the bells to be rung at 2:45 p. m.

Thereupon (at 1 o'clock and 9 minutes p. m.) the House stood in recess until 3 o'clock.

AFTER THE RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock p. m.

EXTENSION OF REMARKS

Mr. TALLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a resolution adopted by the R. E. A. Managers of Iowa and Des Moines on the 9th of the month.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD?

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

APPOINTMENT OF SPEAKER PRO TEMPORE

Mr. RAMSPECK. Mr. Speaker, I offer the following resolution, which I send to the desk and ask for its immediate consideration.

The SPEAKER. Before this resolution is read the Chair desires to make a brief statement. I am leaving today, and I take this opportunity to say to the Members before I go, what a great privilege and pleasure it has been to work with them in the last 2 years. You have been universally kind and fine to me, each and every Member of the House on both sides of the aisle, and to my last day I shall cherish your manifold kindnesses and your great consideration for me, because you have helped to make pleasant a position that at best is both arduous and onerous, and many times almost heartbreaking. If it had not been for the fine group of men and women I have had to work with, it would have been an almost impossible task, much less a pleasant one.

I thank each and every one from the bottom of a grateful heart, and wish each of you as happy a Christmas as you can possibly have in days like this, breathing the hope and the prayer that when the last of December comes next year this troubled world may be in a more peaceful condition than it is today.

The Clerk will report the resolution.

The Clerk read (H. Res. 681) as follows:

Resolved, That Hon. E. E. Cox, a Representative from the State of Georgia, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker; and be it further

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. E. E. Cox as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

Mr. COX presented himself at the bar of the House and took the oath of office.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4485. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes;

H. R. 4911. An act to amend the Federal Crop Insurance Act; and

H. J. Res. 324. Joint resolution to extend the time for filing a report by the Civil Aeronautics Board on multiple taxation of air commerce.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1602. An act authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind a patent in fee to certain land;

S. 1746. An act authorizing and directing the Secretary of the Interior to issue to Peter A. Condelario a patent in fee to certain land;

S. 1925. An act to authorize and direct the Secretary of the Interior to issue to Charles F. White a patent in fee to certain land;

S. 2026. An act authorizing the issuance of a patent in fee to Richard Pickett;

S. 2071. An act to eliminate as uncollectible certain credits of the United States; and

S. 2208. An act providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national park purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 195. An act for the relief of Gladys A. Ennis as executrix of the estate of George Pearse Ennis, deceased, and Oscar H. Julius; and the Excelsior Automotive Service, Inc.;

H. R. 449. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 545. An act for the relief of G. F. Odom;

H. R. 763. An act for the relief of Lindsey Harcrow;

H. R. 976. An act for the relief of Mr. and Mrs. Sebastian Eger;

H. R. 1023. An act to establish a Chief of Chaplains of the United States Navy;

H. R. 1218. An act for the relief of F. L. Riddle;

H. R. 1284. An act relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war;

H. R. 1556. An act for the relief of Archie Barwick;

H. R. 1643. An act for the relief of Mary Lovis Elliott;

H. R. 1772. An act for the relief of Henry Stovall;

H. R. 1963. An act for the relief of G. H. Garner;

H. R. 2005. An act for the relief of Christine Mangrum, Lester Mangrum, and Nathan Mangrum;

H. R. 2016. An act for the relief of William H. Linhart;

H. R. 2066. An act for the relief of A. L. Rinkenberger and John Floering;

H. R. 2150. An act for the relief of Diemer Adison Coulter and Frances Andrews Coulter;

H. R. 2213. An act for the relief of Mrs. Agnes Wolters;

H. R. 2300. An act for the relief of Rose B. Luzar;

H. R. 2354. An act for the relief of the estate of Mrs. Phoebe Sherman, and for Harriet W. Vanderhoef and Allan Vanderhoef;

H. R. 2373. An act for the relief of Pearl Salevitz and Ruth Levin;

H. R. 2543. An act for the relief of Mrs. Nelle Jones;

H. R. 2688. An act for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor;

H. R. 2825. An act for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.;

H. R. 2827. An act for the relief of the estate of Ida W. Rutherford;

H. R. 2903. An act for the relief of the Washington Asphalt Co.;

H. R. 2969. An act to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals;

H. R. 2994. An act to extend Reissued Letters Patent No. 19,023;

H. R. 3017. An act for the relief of Hubert McMahon and the legal guardian of Barbara McMahon;

H. R. 3138. An act for the relief of Mrs. Bertha Macklin;

H. R. 3191. An act for the relief of Lillian Hill;

H. R. 3192. An act for the relief of Mrs. Bertha Grantham;

H. R. 3218. An act for the relief of Enid M. Albertson;

H. R. 3250. An act to confer jurisdiction upon the United States District Court of Maine;

H. R. 3279. An act for the relief of Clarence G. Doelling and Doris J. (McNeil) Doelling;

H. R. 3285. An act for the relief of Mrs. Rose Poisson;

H. R. 3302. An act for the relief of Eleanor Parkinson;

H. R. 3323. An act for the relief of Mrs. William M. Watson and R. H. Price;

H. R. 3369. An act for the relief of Harry V. Hearn;

H. R. 3400. An act for the relief of La Verne Whipple;

H. R. 3414. An act for the relief of Edward C. Robbins;

H. R. 3465. An act for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osgetel Berberian;

H. R. 3467. An act for the relief of Miss Anne Watt;

H. R. 3484. An act for the relief of Mrs. Pearl W. Peterson;

H. R. 3584. An act for the relief of Elsie Hawke;

H. R. 3590. An act for the relief of the city and county of San Francisco;

H. R. 3614. An act for the relief of the Queen City Brewing Co.;

H. R. 3639. An act for the relief of Herman Weinert, Jr., doctor of medicine;

H. R. 3645. An act for the relief of Mary Agnes Lichtefeld Droppelman and Fred J. Lichtefeld and Josephine Lichtefeld;

H. R. 3678. An act for the relief of Floyd E. and Lena Mae Drummond;

H. R. 3709. An act for the relief of Harley E. Carter;

H. R. 3727. An act for the relief of the legal guardian of Violet DeGroot;

H. R. 3732. An act to repeal the prohibition against the filling of a vacany in the office of district judge in the district of New Jersey;

H. R. 3781. An act for the relief of Hall Farris;

H. R. 3814. An act for the relief of M. Senders & Co.;

H. R. 3852. An act for the relief of the O. S. Stapley Co.;

H. R. 3880. An act for the relief of Mrs. Anna Zukas;

H. R. 3881. An act for the relief of Mrs. Anna Chandler;

H. R. 3928. An act for the relief of James LeRoy Eden;

H. R. 3931. An act for the relief of the estate of Dr. A. D. Gibson;

H. R. 3995. An act for the relief of Walter Lundmark;

H. R. 4014. An act for the relief of Mrs. Ruby Winsch;

H. R. 4016. An act for the relief of John Casey and Marie Casey;

H. R. 4038. An act for the relief of Joseph W. Steel;

H. R. 4049. An act for the relief of Alfred F. Ross;

H. R. 4080. An act for the relief of certain former employees of the United States Court for China;

H. R. 4101. An act for the relief of P. E. Brannen;

H. R. 4105. An act for the relief of Ira Cannon;

H. R. 4111. An act for the relief of Louis Beckham;

H. R. 4125. An act for the relief of Kelly Hobbs;

H. R. 4144. An act for the relief of Brig. Gen. Louis J. Fortier;

H. R. 4159. An act to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742);

H. R. 4200. An act for the relief of William Weber;

H. R. 4212. An act for the relief of Robert and Mary Rowe;

H. R. 4213. An act for the relief of Karl Lungstras;

H. R. 4305. An act for the relief of Henry Clay Walker;

H. R. 4309. An act for the relief of Rosa Lee Foreman;

H. R. 4322. An act for the relief of the estate of Floyd M. Adair, deceased;

H. R. 4331. An act for the relief of Mrs. Florence Armstrong;

H. R. 4333. An act for the relief of Bertha LeFrancq;

H. R. 4345. An act for the relief of the legal guardian of Luther Marcus Smith, a minor;

H. R. 4363. An act for the relief of Ollie Brashear Hearldson;

H. R. 4367. An act for the relief of Mrs. Julia Toler;

H. R. 4380. An act for the relief of Mabelle E. Olive;

H. R. 4442. An act for the relief of Albert B. Weaver;

H. R. 4451. An act for the relief of John McLaughlin, Sr., and John McLaughlin, Jr.;

H. R. 4481. An act for the relief of William H. Crompton;

H. R. 4485. An act authorizing the construction of certain public works on rivers and harbors for flood control; and for other purposes;

H. R. 4911. An act to amend the Federal Crop Insurance Act;

H. R. 4502. An act to amend the act of Congress, approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended.

H. R. 4525. An act for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy;

H. R. 4542. An act for the relief of Harold Miller;

H. R. 4547. An act to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business;

H. R. 4549. An act for the relief of Sandy C. Brown;

H. R. 4593. An act for the relief of Thomas R. Clark;

H. R. 4588. An act for the relief of Robert L. Whidden;

H. R. 4629. An act for the relief of Ludwig Wolf;

H. R. 4631. An act for the relief of John L. MacNeil;

H. R. 4674. An act for the relief of the estate of Everette Maxwell; the estate of Redman P. Maddux; and the legal guardian of Elmer Massa, a minor;

H. R. 4703. An act for the relief of the estate of Annie Brown;

H. R. 4736. An act for the relief of Dr. H. L. Klotz;

H. R. 4786. An act for the relief of the estate of Kimball Lee Beckner;

H. R. 4815. An act for the relief of the Board of County Commissioners of Volusia County, Fla.;

H. R. 4817. An act for the relief of Wilfred T. Plant, Sr.;

H. R. 4878. An act for the relief of the estate of Emma B. Fleet, deceased;

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co., or its successors, to convey to the States of Arizona and California, jointly or separately, for public-highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.;

H. R. 4918. An act to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service;

H. R. 4921. An act for the relief of Dr. J. Sims Norman;

H. R. 4927. An act for the relief of Francis D. Stovall, Jr.;

H. R. 4962. An act for the relief of Jessie Springsteen and John Springsteen;

H. R. 4968. An act to amend section 511 (c) of the Merchant Marine Act, 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes;

H. R. 5034. An act for the relief of the estate of Francis A. Collins;

H. R. 5048. An act for the relief of the estate of Cecile H. Burgett, deceased;

H. R. 5060. An act for the relief of Clyde H. Palmer; estate of Lola J. Palmer; legal guardian of Margie Joan Palmer, a minor;

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes;

H. R. 5154. An act relating to dual employment in the Postal Service, and for other purposes;

H. R. 5167. An act to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital;

H. R. 5206. An act to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.;

H. R. 5219. An act to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.;

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard;

H. R. 5331. An act to authorize the transfer of certain lands within the Colonial National Historical Park, Yorktown, Va., to the Secretary of the Navy;

H. R. 5453. An act authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway, a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park;

H. R. 5518. An act to amend section 119 of the Judicial Code;

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service;

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.;

H. R. 5565. An act to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps;

H. R. 5566. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944;

H. R. 5590. An act to increase clerk hire, and for other purposes;

H. J. Res. 317. Joint resolution recognizing the outstanding service rendered to the United States by Field Marshal Sir John Dill; and

H. J. Res. 324. Joint resolution to extend the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 6 minutes p. m.) the House adjourned until tomorrow, Tuesday, December 19, 1944, at 12 o'clock noon.

SENATE

TUESDAY, DECEMBER 19, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met in executive session at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God our Father, the waning year, the change and decay of which gaunt, stricken trees and the withered leaves are wailing in the winter wind, reminds us who are dwelling in these failing, mortal bodies that all things wax old as doth a garment; but Thou art the same, and Thy years shall not fail. Our life is but a moment in the vastness of eternity, yet it is long enough for us to grow old and careworn and gray with cynicism. We inherit wisdom from all ages, yet we miss the way. We are worldly wise but very weary, rich in goods yet poor in soul.

As again, in spite of the base contempts which separate Thy children, mystic cords of good will draw all men to the Cradle of the Child, yielding ourselves to the gentle contagion of Thy love, lead us back to the lowliness of the manger, to Thy Holy Child Jesus who kept His heart unaged and unembittered. So bending low through the gate of the child heart, may we find the simplicity, the freedom, and the truth that sword and tongue and pen can never give. We ask it in the name above every name. Amen.

THE JOURNAL

Mr. HILL. I ask unanimous consent that the Journal of the proceedings of calendar day Monday, December 18, 1944, be dispensed with and that the Journal stand approved.

Mr. LA FOLLETTE. Mr. President, I object to that request. I would not object to unanimous consent that the Senate proceed, without the reading of the Journal, to the disposition of the nominations on the Executive Calendar, but I wish to reserve the approval of the Journal for other purposes.

Mr. HILL. Of course, the Senator is within his rights.

The VICE PRESIDENT. Under the rules, the Legislative Journal does not have to be read in executive session.

Mr. HILL. Then the reading of the Journal does not have to be dispensed with.

The VICE PRESIDENT. In an executive session it is not necessary to deal with the Legislative Journal.

CALL OF THE ROLL

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	O'Mahoney
Austin	Gurney	Overton
Bailey	Hall	Pepper
Barkley	Hatch	Radcliffe
Bilbo	Hawkes	Reed
Brewster	Hayden	Revercomb
Brooks	Hill	Reynolds
Buck	Holman	Robertson
Burton	Jenner	Russell
Bushfield	Johnson, Calif.	Shipstead
Butler	Johnson, Colo.	Smith
Byrd	La Follette	Taft
Capper	Langer	Thomas, Idaho
Caraway	Lucas	Thomas, Okla.
Chandler	McCarran	Truman
Chavez	McClellan	Tunnell
Clark, Mo.	McFarland	Tydings
Connally	McKellar	Vandenberg
Cordon	Magnuson	Walsh
Danaher	Maloney	Weeks
Davis	Maybank	Wheeler
Downey	Mead	Wherry
Ferguson	Millikin	White
George	Murdock	Wiley
Gillette	Murray	Willis
Green	Nye	Wilson

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Utah [Mr. THOMAS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Tennessee [Mr. STEWART], the Senator from New York [Mr. WAGNER], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Oklahoma [Mr. MOORE], and the Senator from New Hampshire [Mr. TOBEY].

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

CREDENTIALS

The VICE PRESIDENT laid before the Senate the credentials of JOHN MOSES, duly chosen a Senator from the State of North Dakota for the term commencing on January 3, 1945, which were read and ordered to be filed, as follows:

STATE OF NORTH DAKOTA,
DEPARTMENT OF STATE, BISMARCK.

CERTIFICATE OF ELECTION

At an election held on the 7th day of November 1944, JOHN MOSES was duly elected to the office of United States Senator of the State of North Dakota for a term of 6 years commencing on the first Wednesday of January 1945.

JOHN MOSES,
Governor.

[SEAL]

THOMAS HALL,
Secretary of State.
AL C. STRUTZ,
Member State Board of Canvassers.

Mr. BURTON presented the credentials of ROBERT A. TAFT, duly chosen a Senator from the State of Ohio for the term commencing on January 3, 1945, which were read and ordered to be filed, as follows:

THE STATE OF OHIO—CERTIFICATE OF ELECTION—UNITED STATES SENATOR

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, ROBERT A. TAFT was duly chosen by the qualified electors of the State of Ohio, a Senator from said State to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency, our Governor John W. Bricker, and our seal hereto affixed at Columbus, Ohio, this 19th day of December, in the year of our Lord 1944.

JOHN W. BRICKER,
Governor.

By the Governor:
[SEAL] EDWARD J. HUMMEL,
Secretary of State.

TRANSACTION OF LEGISLATIVE BUSINESS

As in legislative session, and by unanimous consent, the following business was transacted:

JOINT COMMITTEE ON THE ORGANIZATION OF THE CONGRESS

The VICE PRESIDENT. The Chair appoints the Senator from Connecticut [Mr. MALONEY], the Senator from Utah [Mr. THOMAS], the Senator from Florida [Mr. PEPPER], the Senator from Maine [Mr. WHITE], the Senator from Illinois [Mr. BROOKS], and the Senator from Wisconsin [Mr. LA FOLLETTE] members on the part of Senate of the Joint Committee on the Organization of the Congress established by Senate Concurrent Resolution 23, agreed to December 15, 1944.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

EIGHTH REPORT OF THE ATTORNEY GENERAL PURSUANT TO SECTION 12 OF PUBLIC 603, SEVENTY-SEVENTH CONGRESS

A letter from the Attorney General, submitted, pursuant to section 12 of Public Law 603, Seventy-seventh Congress, approved June 11, 1942, submitting the eighth report of the Attorney General covering the period from August 26, 1944, through December 15, 1944 (with an accompanying report); to the Committee on Banking and Currency.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 245 individuals whose deportation has been suspended for more than 6 months under authority of law, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

PERSONNEL REQUIREMENTS

Letters from the Director of the Office of War Mobilization and Reconversion, and the Director of the Selective Service system, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending March 31, 1945 (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Vice President and referred as indicated:

A letter in the nature of a petition from Mrs. Ann McCarthy, of Los Angeles, Calif., praying for the enactment of pending legislation to increase the pay of employees in the Postal Service; ordered to lie on the table.

A telegram in the nature of a petition from W. E. Hendrickson, commander of the American Legion, Department of Alaska, Juneau, Alaska, praying for the restoration of a $773,000 item for tuberculosis control in an appropriation bill; ordered to lie on the table.

PRESERVATION AND INTEGRITY OF POLAND

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD copy of a communication from the Coordinating Committee of American-Polish Associations in the East sent to President Roosevelt, and also a telegram received from the Association of Mothers of Webster and Dudley, Mass. I request these communications be treated as petitions and referred to the Committee on Foreign Relations.

There being no objection, the communications were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

COORDINATING COMMITTEE
OF AMERICAN-POLISH
ASSOCIATIONS IN THE EAST,
New York, N. Y.

DEAR MR. PRESIDENT: Prime Minister Churchill's speech in the House of Commons means that under pressure from Russia, Poland is to be partitioned again. It means that our peace aims are to be abandoned and all the promises with which the United Nations began this war repudiated. These revelations have shocked the American people, bitterly disillusioned the people of Europe, and encouraged the Germans to more desperate resistance.

Mr. Churchill not only endorsed the annexation of 47 percent of Poland, charter member of the United Nations, but has openly brought pressure to interfere with the legitimate Polish Government in order to force Poland to sign away its rights without consultation with the Polish people.

The Stalin-Churchill program means that we will have fought only to substitute one form of totalitarianism and one kind of martyrdom for small nations for another. Even the Nazi technique of mass deportations by tearing millions of helpless people from their homes, allied peoples as well as enemy, is being copied. If these plans go through we will have lost the peace, even before we have won the war.

Only the power and influence of America, Mr. President, can prevent this disaster.

There is one ray of hope in Mr. Churchill's speech. He revealed that although our Government has not actively opposed this partition of Poland, at least you have not endorsed it. The honor of America, the peace of the world, the cause for which our men are fighting may still be saved if you, as the chosen leader of the American people, speak out now.

We have the power to stop the disaster, for as you said, Mr. President:

"The power which this Nation has attained—the moral, the political, the economic, and the military power—has brought to us the responsibility, and with it the opportunity, for leadership in the community of nations. In our best interest, and in the name of peace and humanity, this Nation cannot, must not, and will not, shirk that responsibility."

Our program must be back to the Atlantic Charter. It was in Poland that the Charter was first abandoned. It is in Poland that it must first be restored.

We implore you now to use your great influence to see that justice is done, not for the sake of Poland, but for the sake of all small nations of which Poland is a symbol. Poland is the test, the test of our honor, the test of whether this war has been fought in vain.

JOSEPH H. KASZUBOWSKI,
President, Buffalo, N. Y.
REV. A. A. SKONIECKI,
Executive Secretary, Turners Falls, Mass.

WEBSTER, MASS., *December 18, 1944.*
Hon. DAVID I. WALSH,
United States Senate,
Washington, D. C.:

On this 17th day of December 1944, 1,100 broken-hearted mothers of Polish descent in the towns of Webster and Dudley, Mass., have gathered together, shocked, as all other sincere and honest people of the world are, by the most recent declarations of one of our allies, namely, England, the Russo-Polish dispute. This severe set-back to Gold Star mothers and widows of men who have given their lives thinking and believing that they died in the defense of the "four freedoms" and the principles embodied in the Atlantic Charter. Now we hear that the "English gentleman" Churchill, whom we so trusted with our beloved President "in a lapse of memory," scrapped the principles of this Charter and sold Poland, our first ally, to the Communists, the arch enemies of democracy. This Poland whose soldier is the exemplar of bravery and devotion to the cause of freedom; whose women and children are dying by the millions sacrificing everything for the sake of humanity, we see today to be the victim of subversive scheming and conniving international politics. Honorable sir, with tearful eyes we ask you, are we sacrificing our life's blood on the battlefields of the world so that Mr. Churchill and Stalin may divide Europe for their own aggrandizement, and thus plunge the entire world into bondage and servitude? Or are we making sacrifices to free the world from unscrupulous tyrants and selfish international politicians? We mothers make this appeal to you, honorable sir, because we have faith and confidence in your integrity and American sense of justice. We feel that your support of the integrity and freedom of Poland, against the unscrupulous conniving England and Russia, will place our America before suffering humanity as the savior and champion of our civilization. Again, we beg of you, honorable sir, in the name of justice please do not subscribe to this modern murder of an innocent nation like Poland.

Association of Mothers of Webster and Dudley, Mass.:

MARY KULLAS,
President, Webster, Mass.
JESSIE RYZEWSKI,
Secretary, Webster, Mass.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BILBO, from the Committee on the District of Columbia:

H. R. 5448. A bill to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia; without amendment.

By Mr. DOWNEY, from the Committee on Civil Service:

H. R. 4709. A bill to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1,

1943, to September 30, 1943, inclusive; without amendment (Rept. No. 1392); and

H. R. 5571. A bill to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for one year thereafter; without amendment (Rept. No. 1393).

ADDITIONAL REPORT OF SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM—ACCUMULATION OF SURPLUSES (PT. 20 OF REPORT NO. 10)

Mr. MEAD. Mr. President, from the Special Committee to Investigate the National Defense Program, I submit an additional report for printing, relating to the accumulation of surpluses. I shall discuss it a little later in the debate.

The VICE PRESIDENT. Without objection, the report will be received at this time and printed.

Mr. MEAD subsequently said: Mr. President, during the course of the afternoon I filed a report on surplus property from the Special Committee to Investigate the National Defense Program. I was going to add to it by reading a speech into the RECORD during the course of the afternoon. I feel that the time is quite late now, and I shall not read my speech in its entirety, but I wish to bring to the attention of Senators the report on surplus property, which is on their desks, coming from the committee, and to say to them that we are preparing a number of reports. The first is being filed today. It deals with the accumulation of surpluses. The second will cover the disposal of surplus property, rather than industrial plants. The third will be devoted to the disposal of surplus plants.

I am sure these reports will be found to be very interesting. They will include not only the committee's findings but also its recommendations. I shall ask that they be read carefully.

Mr. President, I now ask unanimous consent to have my statement printed at this point in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I desire to submit the report of the Special Committee Investigating the National Defense Program on the Accumulation of Surpluses.

As I have previously advised the Senate, informally, the committee has been considering the problems of surplus property for many months. The subject is a large one. For convenience in presentation, the committee proposes to file three successive reports. The first, which is being filed today, deals with the accumulation of surpluses. The second will cover disposal of surplus property other than industrial plants. The third will be devoted to the disposal of industrial plants.

For about 4 years we have been producing at top speed to arm ourselves and our allies. Huge quantities of weapons, supplies, and facilities have been created. Upon the cessation of hostilities, a large part of these will become surplus. Some have already been declared surplus. Others are presently in excess of the immediate needs of our armed forces.

These surpluses will constitute one of our major post-war economic problems. It is estimated that from 60 to 65 percent of our surpluses will be so purely military in character as to be unsalable for civilian use. Civilian-type articles, for the most part, will be sold for much less than the Government paid for them. Storing and preservation will be costly—in many instances costing more than the value of the articles to be stored. Oversupply will tend to depress prices, stifle new production, and obstruct the development of new and superior products.

These serious consequences of surpluses dictate the importance of doing all in our power now to prevent these surpluses from becoming larger than they need to be. It is for the purpose of aiding in accomplishing this objective that this report is issued at this time.

It has been suggested to the committee that in order to appraise the quantity of surpluses which have been accumulated, they should be compared with overstocks of large mail-order and retail-selling establishments. It is pointed out that surpluses which have actually been declared are a much smaller percentage of present military inventories than the percentage of inactive merchandising stocks of such establishments.

This comparison does not impress the committee. The committee has found the military very loathe to declare surpluses. It believes that considerably more material should have been declared surplus than has so been declared to date.

Moreover, military surpluses are stocks over and above what the military refers to as "excess." Excesses which are contrasted to surpluses are more properly comparable to retail merchants' overstocks, inasmuch as excesses are overstocks deliberately and, to the extent they are reasonable in amount, properly held as insurance against contingencies.

Two words of caution should be emphasized: First, calling attention to surpluses should not divert our attention from the fact that, at the same time, we have shortages in a few programs which are extremely critical now in terms of supporting military campaigns. In fact, the report points to one of the means of overcoming these shortages. It suggests that, by better planning, the facilities and manpower now devoted to the production of articles in which we have adequate stocks be curtailed, thus releasing productive capacity which can, at least in part, be transferred to the production programs in which we now have shortages.

Second, the committee full recognizes that the supply task is a difficult one. It recognizes the impossibility of forecasting with certainty the course of military developments and the difficulty of estimating exactly what will be needed, where it will be needed and when it will be needed. The committee does not condemn having too much of supplies, but has seen many examples where provision has been made for too much too much.

Some surpluses will be unavoidable. Others, however, could have been prevented or minimized. The committee in s study of the manner in which surpluses have been accumulated has sought to discover how such avoidable surpluses can be prevented in the future. It is not possible to state its findings and its recommendations in a sentence, other than to say that the objective will be accomplished only through substantial improvement in the performance of the various supply functions, such as buying, warehousing, and inventory control, so that an equally good, or possibly even a better, job of military supply can be done with smaller inventories.

I also wish to point out to the Senate that the report does not purport to be a complete survey of accumulated surpluses or of the supply system. It is rather an outline of what the committee conceives to be sound and fundamental principles of procurement, production and control of military supply, as indicated by the investigation it has conducted. The committee's work in this field is not completed. In fact, the work done will be of value only to the extent that it is followed up and results in improved military supply and in the avoidance of the creation of unnecessary surpluses are achieved. The committee will report further to the Senate on this subject from time to time.

The committee's findings and recommendations summarized are:

FINDINGS

Causes which have contributed to the accumulation of surpluses include:

1. Failure in many cases both avoidable and unavoidable, to forecast requirements correctly.
2. Changes in design.
3. Failure to standardize specifications.
4. Duplication of procurement programs.
5. Procurement which has been poorly timed, indirect, and poorly controlled. While there has been a constant improvement by procurement officers in making good bargains for the Government in contracting, and a constant decrease in most prices, they should not yield to a somewhat prevalent tendency to rely upon taxes and renegotiation rather than original proper pricing.
6. Keeping production lines going where adequate stocks are on hand so that the productive capacity will be available at a future time when a greater demand is anticipated.
7. Failure to develop and utilize more fully interchangeability information.
8. Establishment of too high levels of stock.
9. Inadequate inventory control.
10. Failure to recognize and declare as surplus useless accumulations of obsolete material.
11. Other failures and inefficiencies in the various successive functions comprising the supply pipe line.

The committee is not making a blanket condemnation of the agencies in these respects but has listed some of the areas in which deficiencies have contributed to the accumulation of surpluses.

RECOMMENDATIONS

The committee recommends, both for the purpose of improving supply and for the purpose of reducing to the minimum the economic problems involved in the disposal of surpluses, that the services devote intensive attention to improving the efficiency of the several supply functions, as follows:

1. That like articles used by the various branches of the armed services, and the subdivisions within each, be further standardized as to specifications.

2. That procurement of such like items be further centralized in one procurement agency.

3. That interchangeability information be further developed and utilized. For example, the Ordnance Department of the Army from its interchangeability study has reduced a total of 17,000 different identification number for motor-vehicle bearings to 1,500 numbers, thereby minimizing procurement, paper work, and physical handling and increasing usefulness.

4. That procurement officers should not rely upon taxes and renegotiation to cover up failure to make a good bargain for the Government in the first place; buying of spare parts should be more direct, eliminating middlemen's profits and unnecessary transportation and handling. In automotive parts, the additional cost of such indirect buying is almost 50 percent of the price which the end item manufacturer pays the parts manufacturer.

5. That the handling of transportation and warehousing be improved.

6. That inventory and stock control—the regulating valve of the supply system—and the liaison between offices stating military requirements, offices in charge of inventories,

and procurement offices must be improved, to the end that modification of procurement and declaration of surpluses can be speeded up.

Mr. BREWSTER subsequently said: Mr. President, I had intended to refer to the $200,000,000,000 which we have spent for war materials for ourselves and our allies, covering more than 3,000,000 different items. However, in view of the lateness of the hour, I shall simply ask unanimous consent that my statement be printed in the RECORD following the remarks of the Senator from New York.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I desire to make a few observations on the report on accumulation of surpluses which has just been filed by the junior Senator from New York, as the chairman of the National Defense Committee, of which I am a member.

I think the junior Senator from New York is to be congratulated on bringing out this report at this time.

The report is timely. It is critical of the supply system, but is moderate in its criticism. It is also constructive, and not just fault-finding. It is typical of the work of this committee from its very inception in that it deals with a subject concerning which action can yet be taken which will improve the effectiveness of our war effort and at the same time minimize the difficulty of a serious post-war economic problem.

In World War No. 2 the United States has furnished about $200,000,000,000 worth of supplies to its own fighting forces and those of our allies. This has included over 3,000,000 different items, ranging from zippers to battleships. It has involved processing from the stage of determination of needs on a basis of military strategy to the design of weapons and supplies, the construction of facilities, procurement, the mining of minerals and production of raw materials, the scheduling of production, a complicated, intricate maze of fabrication and assembly processes, transportation, storage, and warehousing, the control of flow of finished materials and the timing of deliveries to the using combat forces.

From almost any viewpoint this has been the most colossal undertaking of mankind. That this task has been accomplished as well as it has been, as soon as it has been, is a miracle of economic organization.

To state that the accomplishment of this tremendous job was a miracle, however, does not mean that it was done perfectly or that all parts of it have been done well. Many imperfections have been brought to light. Nor should it be implied that the supply task is an accomplished fact and that therefore any exposure of errors and mistakes is purely historical in nature.

The contents of the production-supply pipe line, which can be fairly accurately measured—the matériel in overseas depots and bases and in the hands of combat forces, on which we have much less accurate and complete statistics; plus the indeterminate amount that may eventually be returned under the Lend-Lease Act—constitute an economic force, the impact of which upon post-war society will be tremendous but difficult to calculate.

The best job that can be conceived of in meeting the economic problems of disposal of surpluses cannot begin to compare with the benefit to society of avoiding or minimizing the creation of unnecessary surpluses in the first place.

The creation of unneeded surpluses in wartime results in the unproductive use of materials, labor, and facilities. This is objectionable not only because of the undesirability of waste as such but also because any labor, material, or facility devoted to the production of unneeded items has thereby been diverted from the production of the many articles which are sorely needed both for actual combat use and in our civilian economy.

On June 13, 1944, the President of the United States stated, in a report to the President of the Senate, that in the War Department "existing records do not provide accurate or complete information of surpluses * * *. The difference in nomenclature in use by divisions of the Department prevents uniformity of reports."

Early this year, the Navy Department, which historically has sought to maintain supplies on hand and on order equal to a year's usage caused its stock control and inventory system to be examined by a committee of businessmen. On May 10, 1944, and again on August 9, 1944, this committee issued reports.

This committee severely criticized the Navy's policy of attempting to have on hand and on order inventories of standard stocks equal to a 12 months' supply, saying:

"As manufacturers begin to accelerate their deliveries and catch up with unfilled orders the Navy may find itself suddenly with a 12 months' supply, coinciding exactly with the time at which it is not required."

It is abundantly apparent to the committee that great room for improvement remains in the military supply system. The committee does not advocate improved efficiency at the expense of effectively delivering supplies to our boys at the fronts. Better handling of procurement and inventory-control will permit improved military supply with smaller inventories.

Although the benefits in better support to military campaigns and in minimizing surpluses defy calculation in dollars and cents, it is easy to see that they will be tremendous. The committee does not intend to imply that the services have not devoted any attention whatever to this field, but it is convinced that they could have done much more than they have. Following the progress that is made from now on will be one of the most valuable services the committee can render to the war effort.

ADMINISTRATION AND USE OF PUBLIC LANDS—SECOND PARTIAL REPORT: THE GRAZING SERVICE, INTERIOR DEPARTMENT (PT. 2 OF REPORT NO. 404)

Mr. McCARRAN. Mr. President, I submit to the Senate a report of the subcommittee of the Committee on Public Lands and Surveys.

This is the second partial report of the subcommittee appointed pursuant to Senate Resolution 241 of the Seventy-sixth Congress and continued by Senate Resolution 147 of the Seventy-seventh Congress and Senate Resolution 38 of the Seventy-eighth Congress.

This is the subcommittee which has been for some years past engaged in a full and complete investigation with respect to the administration and the use of public lands.

The report which I have just submitted to the Senate is concerned with the Grazing Service of the Department of the Interior.

This report tells a story which would be amazing if it were not so typical. It is a story of the mushroom growth of a Government agency.

This report shows the steady increase in the cost of administering the Taylor Grazing Act, which has quadrupled in 10 fiscal years.

When the Taylor Grazing Act was under consideration, Secretary Ickes and his spokesmen repeatedly told the committees of Congress that the cost of administering the act would not exceed $150,000 per year. But in 1935, when the first regular appropriation for administration of the Taylor Grazing Act was presented to Congress, the estimate was for $250,000 instead of $150,000. Spokesmen for the Department defended the estimate with the statement that the process of organization was expensive, and that the cost would decrease in subsequent years. The report I have submitted shows that this was not the case. The regular appropriation by the Congress for administration by the Grazing Service is designated as the salaries and expenses appropriation. This appropriation has grown steadily, year by year, from a quarter of a million dollars for the fiscal year 1936 to well over a million for the current fiscal year of 1945. This current appropriation is six and three-quarters times as large as the sum which Congress was repeatedly assured would suffice for the administration of the Taylor Grazing Act. Over the 10 fiscal years, 1936 to 1945, this appropriation has averaged nearly $700,000 per year, which is four and two-thirds times as large as the originally estimated needs. In addition, the public grazing lands not in grazing districts, the so-called isolated tracts, have been administered by the General Land Office, with its own appropriations under the provisions of section 15 of the Taylor Grazing Act.

Mr. President, when the Taylor Grazing Act was before the Public Lands Committees of the Congress, in 1933 and 1934, and again when proposed amendments to the act were under consideration, in 1935 and 1936, the spokesmen for the Department of the Interior repeatedly stated that it was the intention, and would be the policy, to administer the Taylor Grazing Act essentially with the personnel and facilities of the existing agencies in the Department. Secretary Ickes testified that "it would not be a separate set-up or a new bureau." He was then asked: "You think it could be administered by the same organization?" To this, Secretary Ickes replied: "Yes, without additional expenditure." The Congress was assured that the General Land Office, with some assistance from the Geological Survey, the Division of Investigations, and a limited additional specialized personnel, would be ample to administer the provisions of the act. The Department spokesman declared, "the administrative work will be confined to a personnel of 22 administrative officers."

The administering agency was established within the office of the Secretary, known as the Division of Grazing Control, in January 1934. The name was later shortened to the Division of Grazing. This designation was changed to

the Grazing Service in August 1939. The agency was transferred out from the Secretary's office and raised to the rank of an operating bureau on July 11, 1944, by secretarial order.

In 1936, the first year in which the Taylor Grazing Act was in operation, the numbers of the personnel employed under the salaries and expenses appropriation, expressed in terms of man-years, was not 22, but 45, more than 100 percent above the Secretary's estimate. The growth of the personnel employed by the Grazing Service has continued year by year, and the figure has risen from 45 in 1936 to 250 in 1944.

Mr. President, I pointed out a moment ago that the regular appropriation by the Congress for the administration by the Grazing Service is designated as the salaries and expenses appropriation and that this appropriation is, for the current fiscal year, more than six times as large as the sum which Congress was repeatedly assured would be enough to finance the administration of the Taylor Grazing Act.

I think it is important in this connection to call the attention of the Senate to the fact that the Grazing Service has had the expenditure of large sums in addition to the salaries and expenses appropriation. One of these was the range improvement appropriation, known as the 25-percent fund, which amounted to nearly one and three-quarter million dollars, for the fiscal years 1937 to 1945. Another source of funds for the Grazing Service was soil and moisture projects, under which heading more than $3,000,000 was made available for the years 1941 to 1945. Similarly, emergency fire protection and suppression gave the Grazing Service administration over more than half a million dollars for the years 1943 to 1945. The leasing of lands under the Pierce Act made available over $150,000 for the years 1941 to 1945; and about 17 percent of the payments to States, known as the 50-percent fund, was turned back to the Grazing Service for administration, amounting to more than half a million dollars for the years 1936 to 1945.

Mr. President, all these funds have been available to the Grazing Service for the administration of the public ranges and for the construction, purchase, and maintenance of improvements thereon. The sum of these funds, plus the salaries and expenses appropriations, have grown from a quarter of a million dollars for 1936 to a maximum of nearly $2,000,000 for 1942. For the fiscal year 1945 they totaled $1,825,000, or 12 times the originally estimated cost of administration. Over the 10 fiscal years the total of these several sources of funds has averaged nearly one and one-third million dollars per year, which is 8¾ times the original estimate.

In addition to the various funds I have just enumerated, the Grazing Service had for expenditure large sums allocated to it from the Civilian Conservation Corps for the operation of C. C. C. camps. For the 8 fiscal years from 1936 to 1943 these allocations totaled nearly $18,000,000, and were available for the making of improvements on the public ranges within grazing districts. When the Civilian Conservation Corps allotments are included in the funds available to the Grazing Service for administration and range improvements, the total for 1936 becomes approximately $2,700,000. This total reached a maximum of $4,800,000 for 1941, and thereafter decreased as the C. C. C. decreased, ceasing altogether after the fiscal year 1943.

In addition to the funds I have enumerated, the Grazing Service has had for its expenditure certain other funds which do not contribute directly to range improvements or management. These include more than $3,000,000 allocated in 1943 and since, by the Public Roads Administration, for the construction and maintenance of access roads to sources of strategical materials, and about forty-five hundred dollars for selective-service camps. The statement of appropriations, furnished by the Grazing Service, also includes the 50-percent funds paid to the States as their portion of the grazing fees collected. For the 10 years these funds amounted to more than three and one-half million dollars. However, less than $600,000 of this total have been allocated by the States for range-improvement projects within grazing districts, to be expended by or under the supervision of the Grazing Service.

The total of all these various funds listed as Grazing Service appropriations, for the 10 years, is approximately $37,000,000. The maximum for a single year, reached in 1941, was over $5,000,000. For the current fiscal year, the total is more than $3,000,000, and more than 20 times the originally estimated cost of administration.

Now, let us go back to the question of personnel. The Senate will recall that whereas the Secretary of the Interior had advised the Congress in 1935 that the administrative work under the Taylor Grazing Act would be confined to a personnel of 22 administrative officers, actually the staff started off with 45, and had increased to 250 in the last fiscal year. Bear in mind that those figures are expressed in terms of man-years, and therefore are most conservative.

How about the personnel employed under other appropriations than the one for salaries and expenses?

In terms of man-years the numbers of the personnel employed under all funds available to the Grazing Service was slightly over one thousand in 1936, increased to a maximum of over two thousand in 1941, and was just under fifteen hundred in 1944. But if the members of the advisory boards of local stockmen, who are actively employed for short periods only, be deducted, the number of employees engaged under all funds becomes 545 for 1936, 1,461 for 1941, and 865 for 1944. The larger number for 1941 is accounted for by the fact that in the year more than 850 persons were engaged under C. C. C. funds, which were eliminated after 1943. If both the advisory board members and the C. C. C. workers be omitted from the total numbers of employees, the remaining personnel, representing those employed under all funds available for administration and improvements, exclusive of C. C. C. moneys, shows a consistent growth each year; a growth from 45 in 1936 to 865 in 1944, with no single year of the 10 having a smaller total than the preceding year. All this is shown graphically by charts in the report which I have presented.

Mr. President, the Taylor Grazing Act set a definite limit of 80,000,000 acres on the area of "vacant, unappropriated, and unreserved" public lands permissible to be placed in grazing districts. The Senate Committee on Public Lands and Surveys, in its report on the bill, stated categorically that:

> The total area of such grazing districts shall not exceed an aggregate of 80,000,000 acres.

Yet the bill had no sooner become law, than the Interior Department began to hold a series of meetings of livestock men throughout the public-land States, and then took steps to establish 50 grazing districts, with tentative boundaries, involving approximately 140,000,000 acres of the public domain, more than 60,000,000 acres above the limitation.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. HATCH. I realize the importance of the report the Senator from Nevada is now making. I wish to say that he furnished me with a copy of it, but on account of other matters I simply have not had a chance to read it. But in connection with what the Senator has to say, I wonder whether he will discuss, or whether he investigated, the seventh district in New Mexico. I think the subcommittee did investigate it.

Mr. McCARRAN. The committee did investigate the seventh district in New Mexico, and the reports on the seventh district are printed. But I am not touching upon that matter at this time.

Mr. HATCH. I regret it, because it is something to touch upon.

Mr. McCARRAN. That is correct, and it is something I hope to go into in the not far distant future.

Mr. President, then the Department asked the Congress to increase the acreage limitation to cover the areas already tentatively set up as grazing districts. After extended hearings, the Congress, in 1936, raised the limitation to 142,000,000 acres. Since that date the record of the Department with respect to this acreage limitation has been one of unending and determined effort, first, to nullify, and then to circumvent the clear intent of the Congress.

Five months after the original Taylor Grazing Act was approved, an Executive order was made the instrumentality through which virtually all of the public lands suitable for grazing, involving an estimated total of approximately 173,000,000 acres, were "temporarily withdrawn from settlement, location, sale, or entry, and reserved for classification." That withdrawal is still in effect in the 12 Western range States to which it applies, except in the areas where it has been

lifted for the establishment of grazing districts and for similar purposes.

Early in 1935, opinions were obtained from the Socilitor of the Interior Department to the effect that the acreage limitation was not applicable to the areas withdrawn by the Executive order: that these lands were no longer unreserved, within the meaning of the act. Such an interpretation, if sustained, would have made a virtual nullity of the acreage limitation. However, the Attorney General, in October of 1935, ruled that such an interpretation would lead to an unreasonable result. The Attorney General pointed out that the Congress clearly intended the acreage limitation to apply to the public lands which were "vacant, unappropriated, and unreserved" at the time the Taylor Grazing Act was passed and did not exempt the lands withdrawn or reserved subsequent to that date.

At about that same time the Grazing Service attempted to obtain approval of the Department of a proposed "public grazing withdrawal" of some 15,000,000 acres, which would have extended the acreage in grazing districts to about 10,000,000 acres in excess of the 80,000,000 acre limitation which was then still in effect. The proposed withdrawal did not rely upon the terms of the Taylor Grazing Act, but instead was premised upon what the Department called the "broad powers of the President to make withdrawals." However, the commissioner of the General Land Office declared himself opposed to "any action such as is here contemplated that will directly or indirectly bring under Federal grazing control more than 80,000,000 acres of public land," and the proposed withdrawal was not promulgated.

When amendments to the Taylor Grazing Act were before it, the spokesman for the Department informed a committee of the Congress that, apart from that act, the President had the authority "to control grazing on the public domain as a conservation objective, and that he could withdraw the public domain for that purpose and impose rules and regulations." It does not appear that the Department has yet had recourse to such authority, if it does in fact exist, which to my mind is highly questionable.

During the succeeding years the Grazing Service and the Department have devised other interpretations of the act and of the alleged intent of the Congress, which interpretations have been intended to exempt from the acreage limitation many millions of acres of public lands located within the grazing districts and administered by the Grazing Service. Apparently, the full range of the classes of such lands, which the Department considers to be not chargeable against the acreage limitation, has not yet been fully defined. The list, however, does include lands withdrawn or reserved under the following designations: Powersite reserves, public-water reserves, proposed monuments and parks, reclamation, rights-of-way, stock driveways, and withdrawals "for classification and in aid of legislation." Also, "thousands of unpatented mining claims" are included in the exemptions. The category, "for classification and in aid of legislation" is particularly significant, and would open up almost limitless possibilities, if the Interior Department should prevail in its interpretations.

Evidently the Department now claims exemption from the acreage limitation for all these classes of lands, whether withdrawn or reserved prior, or subsequent, to the passage of the Taylor Grazing Act. Such interpretations, if sustained, would remove any effect or meaning from the acreage limitation placed on grazing districts by the Congress. It is difficult to reconcile these Department rulings with the decision of the Attorney General, or with a sound common-sense interpretation of the intent of Congress, especially in the light of the report on the Taylor grazing bill by the Senate Committee on Public Lands and Surveys.

During the course of the hearings on the amendments to the Taylor Grazing Act, the spokesman for the Department of the Interior assured the committees of the Congress that it was, and in the future would be, the policy of the Department to "place only such public lands in districts as the stockmen in the communities desire." This policy was repeatedly and consistently affirmed throughout the series of meetings of livestock men in the Western States when the bulk of the grazing districts were in the process of being established, and for several years thereafter. The policy was well understood in the public land States. As late as March 19, 1942, the Director of Grazing, in a letter replying to a petition of livestock men protesting the proposed extension of a grazing district, confirmed the policy in these words: "It has always been the policy of the Department not to create grazing districts or to make additions to grazing districts from areas where the majority of the people are opposed to such action. There has been no change in this policy."

But more recently, a change in the policy has appeared, and the Department now asserts that it has what it calls a "mandate from Congress," under the terms of the Taylor Grazing Act, to place the public domain under grazing administration, regardless of the wishes of the livestock users of the land. This change of policy, at least on the part of a number of officials, is well exemplified in the records of the attempts of the Grazing Service to extend the grazing districts in Nevada. These attempts have extended over several years, and have been resisted by the livestock users of the areas affected, in the central and southern parts of the State. The efforts have recently been redoubled, and have culminated, to date, in a hearing conducted by the Grazing Service at Alamo, Nev., on June 30, 1944. At this hearing 42 livestock men voted in opposition to the proposed extension of the grazing district area, and only 9 voted for it. But the records of the Grazing Service disclose a predetermined intention to proceed with the extension, regardless of the expressions evoked at the hearing. This whole matter is to be the subject of a hearing at an early date before the subcommittee of which the senior Senator from Nevada has the honor to be chairman.

I call these matters to the attention of the Senate because I know many Members of this body are interested in the subject. I hope that Senators will read and study the report which I have just submitted so that they may be fully informed. We have not heard the last of this matter by any means.

Mr. President, I have sent forward to the desk the partial report of the subcommittee of the Committee on Public Lands and Surveys, and by reason of the widespread interest in the report, and the subject matter contained in it, I ask unanimous consent that it be printed, with illustrations.

The VICE PRESIDENT. Without objection, it is so ordered.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on December 18, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 1602. An act authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind a patent in fee to certain land;

S. 1746. An act authorizing and directing the Secretary of the Interior to issue to Peter A. Condelario a patent in fee to certain land;

S. 1925. An act to authorize and direct the Secretary of the Interior to issue to Charles F. White a patent in fee to certain land;

S. 2026. An act authorizing the issuance of a patent in fee to Richard Pickett;

S. 2071. An act to eliminate as uncollectible certain credits of the United States; and

S. 2208. An act providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national-park purposes.

FIRST REPORT BY TENNESSEE VALLEY AUTHORITY FOR PERIOD ENDED OCTOBER 31, 1944

Mr. McKELLAR. Mr. President, under Public, No. 358, of the Seventy-eighth Congress, the Tennessee Valley Authority is required to make a report every 3 months to the two Appropriations Committees of the Congress. I ask unanimous consent to have the first report printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., November 25, 1944.

The Honorable CARTER GLASS,
Chairman, Appropriations Committee,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR GLASS: Enclosed is a report of receipts and expenditures of the Tennessee Valley Authority for the 4 months ended October 31, 1944. This statement is required to be filed with the two Appropriations Committees of the Congress by the Independent Offices Appropriation Act for the fiscal year 1945 (Public Law 358, 78th Cong.).

Very truly yours,

TENNESSEE VALLEY AUTHORITY,
GORDON R. CLAPP,
General Manager.

Statement of cash receipts and expenditures of the Tennessee Valley Authority for the 4 months ended Oct. 31, 1944

	Balance, July 1, 1944	Cash receipts	Cash expenditures	Net transfers	Balance, Oct. 31, 1944
Appropriation funds:					
Checking accounts:					
General purposes	$3,146,460.05	$113,642.74	$30,746,334.59	$36,744,445.23	$9,258,213.43
Federal tax deposit			1,211,697.50	1,560,756.29	349,058.79
Funds in U. S. Treasury	45,822,382.37	20,711,582.81	118,809.02	[1]38,305,201.52	28,109,954.64
Continuing fund	1,000,000.00				1,000,000.00
Proceeds from sale of bonds	330,229.98		140,344.97		189,885.01
Working funds advanced by other Federal agencies:					
War Department	19,991.52	557,000.00	551,246.90		25,744.62
Navy Department		45,000.00	36,818.48		8,181.52
Total	50,319,063.92	21,427,225.55	32,805,251.46		38,941,038.01

[1] Deduct.

Tennessee Valley Authority funds statement for the 4 months ended Oct. 31, 1944

SOURCE OF FUNDS RECEIVED

Unexpended balance of funds—July 1, 1944:		
Cash and cash funds	$50,319,063.92	
Accounts receivable	6,923,857.44	
Total	57,242,921.36	
Less accounts payable	15,596,493.91	
Available for expenditure beginning of period		41,646,427.45
Accrued receipts:		
Power system operations:		
Sales of electric energy	11,500,964.27	
Rents and other electric revenue	79,210.78	
Interchange power delivered	1,067,481.56	
Interest on long-term receivables	35,581.25	
Receipts from operation of power system land, operators' houses, and miscellaneous recoveries of expenditures	11,465.75	
	12,694,703.61	
Fertilizer operations:		
Sales of fertilizer and other chemical products	3,642,249.97	
Sales of byproducts and other miscellaneous recoveries of expenditures	59,254.54	
	3,701,504.51	
Resource development:		
Operation of recreational facilities, navigation terminals, receipts from licenses of developed processes, and miscellaneous recoveries of expenditures	51,421.61	
Multipurpose reservoir operations:		
Operation of reservoir lands, operators' villages, and recoveries of expense	72,095.12	
Capital improvements and other assets:		
Operation of construction camp facilities	695,928.87	
Accrued receipts—Continued.		
Capital improvements and other assets—Con.		
Sales of timber and improvements on land cleared for construction, sale of construction equipment, salvage from plant retired, sales of excess materials, and other recoveries of expense	$1,223,342.28	
Collection of long-term receivables	76,074.74	
	1,995,345.89	
Administrative and general expense recovered:		
Operation of Norris and Wilson villages	140,381.86	
Operation of restaurants and commissaries	80,140.94	
Operation of buildings, garages, and shops	14,020.47	
Miscellaneous	22,476.62	
	257,019.89	
Reimbursements for services rendered to others:		
Operation of calcium carbide plant for Defense Supplies Corporation	937,138.39	
Mapping for War Department	552,861.05	
Engineering-design services	9,072.62	
Calcium carbide plant construction for Defense Supplies Corporation	79,420.74	
Power plant construction	74,883.68	
Housing management for Federal Public Housing Authority	14,264.97	
Loans of personnel to Federal agencies and other services reimbursed	112,415.44	
	1,780,056.89	
Total accrued receipts	20,552,147.52	
Total funds available		62,198,574.97
EXPENDITURES (ON ACCRUAL BASIS)		
Power system operations: Operation, maintenance, and other expenses of power system operations	4,312,615.86	
Fertilizer operations: Manufacturing, shipping, and other expense	2,429,702.93	
Resource development: Navigation, flood control, chemical research, agricultural resource development, forest resource development, mineral resource development, and other resource development activities	1,615,366.47	
Multipurpose reservoir operations: Operation and maintenance of multipurpose structures and reservoirs	650,977.50	
Capital improvements and acquisition of other assets:		
Kentucky Dam and Reservoir	5,729,390.34	
Fontana Dam and Reservoir	6,296,387.85	
Watts Bar steam plant	454,831.45	
South Holston Dam and Reservoir	21,282.84	
Watauga Dam and Reservoir	71,717.56	
Upper French Broad flood-control projects	34,976.55	
Additions to completed projects	711,788.72	
Navigation terminals	13,049.88	
Transmission and other electric plant	1,844,440.34	
Chemical plant	809,325.29	
General plant	23,630.27	
Decrease in operating inventories	[1]498,938.51	
Depreciation included above	[1]434,027.13	
Equipment, material, and supplies transferred from the War Department	[1]2,595.35	
	15,075,260.10	
Administrative and general expenses	3,214,197.05	
Services rendered to others	1,780,056.89	
Undistributed	144,506.50	
Total expenditures		29,222,683.30
Unexpended funds—Oct. 31, 1944:		
Cash and cash funds	38,941,038.01	
Accounts receivable	5,983,948.08	
Total	44,924,986.09	
Less—Accounts payable	11,949,094.42	
	32,975,891.67	
Total		62,198,574.97

[1] Deduct.

FARMERS' FUTURE, AMERICA'S FUTURE—ADDRESS BY SENATOR GILLETTE

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD an address entitled "Farmers' Future, America's Future," delivered by Senator GILLETTE, which appears in the Appendix.]

THE POSTAL SERVICE—ADDRESSES BY SENATOR MEAD AND WILLIAM C. DOHERTY

[Mr. MEAD asked and obtained leave to have printed in the RECORD radio addresses delivered by himself and by Mr. William C. Doherty, president of the National Association of Letter Carriers, on December 17, 1944, which appear in the Appendix.]

ADDRESS BY HON. CORNELIUS J. DANAHER

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an address of introduction and tribute to him by his father, Hon. Cornelius J. Danaher, of Meriden, Conn., delivered over the radio on November 6, 1944, which appears in the Appendix.]

ADDRESS BY REAR ADMIRAL JOSEPH R. REDMAN ON THE TWENTY-FIFTH ANNIVERSARY OF FOUNDING OF RADIO CORPORATION OF AMERICA

[Mr. McFARLAND asked and obtained leave to have printed in the RECORD an address by Rear Admiral Joseph R. Redman, Director of Naval Communications, delivered at New York N. Y., on December 1, 1944, on the occasion of the twenty-fifth anniversary of the founding of the Radio Corporation of America, which appears in the Appendix.]

FINAL DECLARATION OF THIRTY-FIRST NATIONAL FOREIGN TRADE CONVENTION

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a pamphlet entitled "Final Declaration of the Thirty-first National Foreign Trade Convention," which appears in the Appendix.]

PRESIDENTIAL VOTE BY STATES

[Mr. BILBO asked and obtained leave to have printed in the RECORD a tabulation entitled "Presidential Vote by States," published in the New York Herald Tribune of December 18, 1944, which appears in the Appendix.]

THE ATLANTIC CHARTER

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by John O'Donnell, dealing with the Atlantic Charter and references thereto by Senator CHANDLER, published in a recent issue of the Washington Times-Herald, which appears in the Appendix.]

THE DIES COMMITTEE—ARTICLE FROM WASHINGTON TIMES-HERALD

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Westbrook Pegler on the subject of the Dies committee, published in the Washington Times-Herald of December 18, 1944, which appears in the Appendix.]

THE U. S. S. R. AND THE PACIFIC WAR—ARTICLE BY HARRIET L. MOORE

[Mr. DOWNEY asked and obtained leave to have printed in the RECORD an article entitled "The U. S. S. R. and the Pacific War," by Harriet L. Moore, published in the November 1944 issue of The American Review on the Soviet Union, which appears in the Appendix.]

TRIBUTE TO THE LATE ALFRED E. SMITH BY FREDERICK M. DAVENPORT

[Mr. MEAD asked and obtained leave to have printed in the RECORD a tribute by Frederick M. Davenport to the late Alfred E. Smith, of New York, which appears in the Appendix.]

INTERNATIONAL CIVIL AVIATION CONFERENCE

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD the report of the proceedings of the International Aviation Congress at Chicago, which appears in the Appendix.]

ROBERT MORRIS PIERCE—A CIVILIAN RADIO ENGINEER AT THE FRONT

[Mr. BURTON asked and obtained leave to have printed in the RECORD a statement relating to Robert Morris Pierce, a civilian radio engineer at the front, which appears in the Appendix.]

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

NOMINATION OF JOSEPH C. GREW

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. PEPPER. Mr. President——

The VICE PRESIDENT. The Senator from Florida.

Mr. PEPPER. Mr. President, if there are Senators who have routine matters to present, I shall be glad to yield until such matters are disposed of.

TRANSACTION OF LEGISLATIVE BUSINESS

As in legislative session, and by unanimous consent, the following business was transacted:

THE ST. LAWRENCE SEAWAY AND POWER PROJECT

Mr. AIKEN. Mr. President, as I indicated during the recent debate on the rivers and harbors bill, the effort to secure similar legislation to authorize postwar construction of the St. Lawrence seaway and power project will be resumed in the first session of the Seventy-ninth Congress.

Hearings on the merits of the St. Lawrence project and the bill, S. 1385, were not held by any committee of the Senate during the Seventy-eighth Congress. As a consequence, many Senators favorable to the project but unable to give adequate study to previous hearings, in the closing days of the session, felt obliged to vote against the amendment to include the St. Lawrence authorization in the rivers and harbors bill. In only a few cases was a vote against the amendment indicated as a vote against the project and the bill.

From all parts of the country have come assurances of the determination of farm, labor, and business leaders to obtain the post-war development of our greatest natural resource, the nearly completed seaway from the head of the Great Lakes to the Atlantic and the now wasted, latent power of the St. Lawrence River.

The people living in the Great Lakes-St. Lawrence Basin have every right to ask that the resources of this great region be developed on a parity with the resources which are to be utilized under the $950,000,000 authorization of the flood control bill and the $500,000,000 authorization of the rivers and harbors bill.

At Watertown, N. Y., one of the leading communities in the St. Lawrence River Valley, the Building and Construction Trades Council, American Federation of Labor, has taken an active part in presenting the need and the benefit of the St. Lawrence development, in connection with post-war employment. I ask to have inserted in the body of the RECORD a recent news item concerning the statement of the council and its president, Mr. William L. Lawyer.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONTINUE FIGHT FOR SEAWAY

WATERTOWN, December 12, 1944.—The Watertown Building and Construction Trades Council is continuing its campaign among labor unions and trade councils through the Great Lakes area and the New England States in favor of the passage of the St. Lawrence seaway and power development bill.

In his communication to the heads of the various labor organizations, Mr. Lawyer again points out the number of men that will be employed on the St. Lawrence seaway project as well as the St. Lawrence power development if the measure is passed.

The local labor leader stresses the fact that if the projects are carried through, it will mean work for many men returning from the armed forces. Mr. Lawyer emphasized the fact that the development of the seaway and the hydroelectric power will mean much besides employment for thousands and thousands of families. He stressed the fact in his communication that it will bring about better and more economical living conditions throughout the entire Great Lakes and St. Lawrence River area.

A communication from John J. Kapp, recording secretary of Local No. 3, International Brotherhood of Electrical Workers of Greater New York and vicinity, said that the organization was for the project.

The New York brotherhood is one of the strongest and most influential organizations of electrical workers in the country, it is said.

The Schenectady Federation of Labor, also an influential organization, which represents 22 locals, has advised Senators WAGNER and MEAD that they are favorable to the development of the St. Lawrence River.

Mr. AIKEN. Mr. President, I wish to take up another matter briefly. On December 12 I inserted in the RECORD 25 telegrams from chambers of commerce throughout the country denying that they had membership in the National St. Lawrence Project Conference. Since inserting these telegrams in the RECORD I have received a letter from the executive director of the National St. Lawrence Project Conference, Mr. T. J. McGrath, enclosing photostatic copies of papers which indicate that in 1941 someone connected with most of those chambers of commerce had given permission to have their names used. That fact apparently is unknown or was unknown to the present officers of these chambers of commerce, and, according to the telegram I received, they are not now members of the National St. Lawrence Project Conference although their names appear on its stationery. But, in fairness to Mr. McGrath, I am glad to make this statement.

I also have a letter from Mr. Parker Hill, vice president of the Cleveland Chamber of Commerce, in which he states that, when they denied having membership in the National St. Lawrence Project Conference, they were confused and thought they were denying membership in the National St. Lawrence Association, which is in favor of the development. I am glad to make this statement to clear up that matter also.

Mr. LANGER. Mr. President, I ask unanimous consent to insert in the RECORD an editorial entitled "'Seaway as Important as Panama Canal,' Says AIKEN," published in the Journal of Milwaukee, Wis., of January 11, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MILWAUKEE—"SEAWAY AS IMPORTANT AS PANAMA CANAL," SAYS AIKEN

Senator AIKEN, of Vermont, does the Nation a service, especially the Middle West, when he points out that the St. Lawrence waterway is as important to this country, economically, as the Panama Canal.

Maybe that will give America a new view. Maybe it will move Congress to stop playing tag with all those forces that, for selfish reasons, fight the seaway.

Selfish interests fought the Panama Canal for a long time. Finally it was built. Today, as we look back, we wonder what we would have done without it.

Certainly we could not have conducted a war in the Atlantic and a war in the Pacific at the same time if we had been compelled to send everything around Cape Horn. The Panama Canal is vital to America.

Build the St. Lawrence, and 10 years later America would be wondering how it ever got along without this development. Right in this war the seaway would have been of immeasurable benefit in supplying our campaign in Europe. We need the St. Lawrence for defense, even if there were no other reason. And there are other reasons.

Add to the importance of the seaway the fact that its construction would be one of the best job producers in the post-war period, and you have a compelling reason for its authorization.

So let's sweep away the obstructions and the little selfish arguments and get ready for this business of major national importance.

The construction of the St. Lawrence is a quarter of a century overdue now. Milwaukee and Wisconsin, among other cities and States, have been the losers by this procrastination.

Mr. LANGER. I also ask unanimous consent to have printed in the RECORD an editorial entitled "Seaway's Effect," published in the Journal of Lincoln, Nebr., of December 11, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SEAWAY'S EFFECT

Senator AIKEN, of Vermont, arguing for the St. Lawrence seaway project, says that it will be as beneficial upon the national economy as was the construction of the Panama Canal. The hope of the Midwest is that it will be of greater importance. So far as its economy is concerned, the Panama Canal proved to be more of a detriment than a benefit to this section. The reason lies in the fact, attested by railway commission rate experts, that in order to meet water competition the railroads put in a schedule of low rates on shipments between the Atlantic and Pacific coasts that are lower than those for commodities originating in the Midwest and destined for either coast.

Construction of the seaway should tend to correct this situation to a certain extent. In operation it would bring the Atlantic coast much nearer the Midwest since more ocean-going vessels would load at interior ports instead of along the eastern seaboard. Midwest sentiment is not that the construction of the Panama Canal was a mistake, but that its benefits have not been equally shared.

Mr. LANGER. I also ask to have printed in the RECORD an editorial entitled "Some Day It Will Come," published in the Sheboygan Press, of Sheboygan, Wis., under date of December 14, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SOME DAY IT WILL COME

Tuesday we carried an editorial on the St. Lawrence waterway at the same time that a United States Senate controlled by special interestss voted down the project which had been made a part of the rivers and harbors measure.

It was voted down by a bloc of Senators many of whom had originally declared for the waterway and were swayed from their duty by pressure groups. We are glad that we had that editorial Tuesday exposing the methods that were being used and the special utility interests that had been working for a long time. We got into this fight back in 1925 when we attended one of the early meetings and we have sensed the deliberate attempts to kill the measure. In the early days it was Chicago attempting a water steal, all a part of the contemptible lobby that has spent millions of dollars. Then came the pitting of one section of the United States against the other, and the vote is a culmination of an effort to stave off the building of the St. Lawrence seaway.

We want to commend those Senators who stood by their guns, including the two from Wisconsin, when the final vote was taken. While this means a temporary delay, the time is coming when the treaty between Canada and the United States will be ratified by the United States Senate. Perhaps some of us won't be alive when that occurs, but we make this prediction—that no lobby and no combination of interests can defeat a project that is so worth while and means so much for the future of the people of the United States. After the war we will be dealing with many nations, we will be shipping our products to the ports of the world, and we ought to have a lake-to-ocean highway upon which we can do business with the world.

RECAPITULATION OF APPROPRIATIONS, SECOND SESSION, SEVENTY-EIGHTH CONGRESS

Mr. McKELLAR. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, as most of the Senators are going home, and I know they will be asked about appropriations, I desire to put into the RECORD a statement of itemized estimates and regular appropriations made by the second session of the Seventy-eighth Congress to November 14, 1944, and another tabulation completing the figures. I ask unanimous consent that the tabulations be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The tables are as follows:

VIIIa.—*Recapitulation of itemized estimates and appropriations, 2d sess., 78th Cong. (to Nov. 14, 1944), arranged by appropriation acts*

Title	Regular budget estimates, fiscal year 1945	Supplemental estimates, fiscal years 1945 and 1944 and prior years	Total budget estimates	Total appropriations, 78th Cong., 2d sess.	Increase (+) or decrease (−) appropriations compared with estimates
REGULAR ANNUAL ACTS, 1945					
Agriculture	$537,701,473.00	$40,000.00	$537,741,473.00	$562,145,918.00	+$24,404,445.00
District of Columbia	66,731,055.00	1,118,904.00	67,849,959.00	69,111,569.00	+1,261,610.00
Independent Offices	8,524,122,309.00		8,524,122,309.00	8,485,099,785.00	−39,022,524.00
Interior Department	[1] 87,920,207.00	27,400,188.36	115,320,395.36	103,239,796.36	−12,080,599.00
Labor-Federal Security	1,042,397,930.00	132,534,270.00	1,174,932,200.00	1,112,644,464.00	−62,287,736.00
Labor	47,056,500.00	23,058,700.00	70,115,200.00	68,119,050.00	−1,996,150.00
Federal Security	667,162,930.00	21,177,370.00	688,340,300.00	633,843,885.00	−54,496,415.00
Other related agencies	328,178,500.00	88,298,200.00	416,476,700.00	410,681,529.00	−5,795,171.00
Legislative and Judiciary	61,599,627.00	34,460.00	61,634,087.00	59,701,018.66	−1,933,068.34
Legislative	47,147,708.00	34,460.00	47,182,168.00	46,245,994.66	−936,173.34
Judiciary	14,451,919.00		14,451,919.00	13,455,024.00	−996,895.00
Navy Department		29,150,819,500.00	29,150,819,500.00	27,569,798,301.00	[2] −1,581,021,199.00
State, Justice, and Commerce	235,673,700.00	12,116,000.00	247,789,700.00	241,937,700.00	−5,852,000.00
State	45,834,500.00	4,537,000.00	50,371,500.00	47,138,500.00	−3,233,000.00
Justice	117,906,200.00		117,906,200.00	116,477,200.00	−1,429,000.00
Commerce	71,933,000.00	7,579,000.00	79,512,000.00	78,322,000.00	−1,190,000.00
Treasury and Post Office	[3] 1,341,378,390.00	4,375,000.00	1,345,753,390.00	1,330,846,169.00	−14,907,221.00
Treasury	[3] 227,454,400.00		227,454,400.00	220,636,897.00	−6,817,503.00
Post Office	1,113,923,990.00	4,375,000.00	1,118,298,990.00	1,110,209,272.00	−8,089,718.00

[1] Exclusive of $1,000,000 for migratory bird conservation fund carried under permanent appropriations.
[2] Sum of $800,000,000 of this decrease results from substitution of a contract authorization of that amount for direct appropriations of that sum under the Navy Department.
[3] Includes $100,000 for refund of moneys erroneously collected and excludes $14,000,000 for customs refunds which latter amount is carried under permanent appropriations.

VIIIa.—*Recapitulation of itemized estimates and appropriations, 2d sess., 78th Cong. (to Nov. 14, 1944), arranged by appropriation acts—* Continued

Title	Regular budget estimates, fiscal year 1945	Supplemental estimates, fiscal years 1945 and 1944 and prior years	Total budget estimates	Total appropriations, 78th Cong., 2d sess.	Increase (+) or decrease (−) appropriations compared with estimates
REGULAR ANNUAL ACTS, 1945—continued					
War Department	$86,911,440.00	$15,677,869,700.00	$15,764,781,140.00	$15,527,270,235.00	−$237,510,905.00
Military		15,677,869,700.00	15,677,869,700.00	15,434,814,795.00	−243,054,905.00
Civil Functions	86,911,440.00		86,911,440.00	92,455,440.00	+5,544,000.00
Total regular annual acts	11,984,436,131.00	45,006,308,022.36	56,990,744,153.36	55,062,794,956.02	[2] −1,928,949,197.34
DEFICIENCY AND SUPPLEMENTAL ACTS					
Farm Labor Supply, 1944		[4]	[4]	31,359,200.00	+31,359,200.00
First Deficiency, 1944		593,477,353.47	593,477,353.47	489,762,870.04	−103,714,483.43
National War Agencies, 1945		1,069,911,425.00	1,069,911,425.00	1,030,937,242.00	−38,974,188.00
Defense Aid (Lend Lease) and United Nations Relief and Rehabilitation Administration, 1945		2,921,451,000.00	3,921,451,000.00	3,920,320,000.00	−1,131,000.00
Second Deficiency, 1944		261,337,648.61	261,337,648.61	241,270,992.58	−20,066,656.03
Total deficiency and supplemental acts		5,846,177,427.08	5,846,177,427.08	5,713,650,304.62	−132,527,122.46
MISCELLANEOUS ACTS					
Sundry public acts		$6,700,000.00	$6,700,000.00	$6,990,000.00	+$290,000.00
Sundry private acts				653,882.20	+653,882.20
Total miscellaneous acts		6,700,000.00	6,700,000.00	7,643,882.20	+943,882.20
Total regular annual, supplemental deficiency, and miscellaneous appropriation acts	11,984,436,131.00	50,859,785,449.44	62,843,621,580.44	60,783,089,142.84	[2] −2,060,532,437.60
PERMANENT APPROPRIATIONS (GENERAL AND SPECIAL ACCOUNTS)					
Interest on the public debt	3,750,000,000.00		3,750,000,000.00	3,750,000,000.00	
Sinking funds and other debt retirement funds	589,739,480.00		589,739,480.00	589,739,480.00	
Excess profits tax refund bonds	1,000,000,000.00		1,000,000,000.00	1,000,000,000.00	
Internal revenue and customs refunds	795,620,000.00		795,620,000.00	795,620,000.00	
All other permanent and indefinite general and special accounts	276,641,494.95	7,072,000.00	283,713,494.95	280,713,494.95	−3,000,000.00
Total permanent, general, and special accounts	6,412,000,974.95	7,072,000.00	6,419,072,974.95	6,416,072,974.95	−3,000,000.00
Grand total, regular annual supplemental deficiency and miscellaneous acts and permanent appropriations	18,396,437,105.95	50,866,257,449.44	69,262,694,555.39	67,199,162,117.79	[2] −2,063,532,437.60
Deduct trust funds appropriations carried in regular annual deficiency and miscellaneous appropriation acts	61,923,555.00	3,982,712.04	65,906,267.04	67,166,877.04	+1,260,610.00
Grand total, including permanent appropriations under general and special accounts, but exclusive of trust funds carried under regular annual appropriations	18,334,513,550.95	50,862,274,737.40	69,196,788,288.35	67,131,995,240.75	[2] −2,064,793,047.60

[2] Sum of $800,000,000 of this decrease results from substitution of a contract authorization of that amount for direct appropriations of that sum under the Navy Department.
[4] Estimates for Farm Labor Supply submitted to the 1st sess. of the 78th Cong. and included in the total estimates for that session.

The following appropriation bill was considered and passed after the completion of the above table:

	Estimates considered	Amount of appropriation
First supplemental appropriation bill, 1945 (total as finally agreed to by House, Dec. 16, 1944, and by Senate, Dec. 18, 1944)	$676,549,440.03	$482,460,891.03

Estimates and appropriations, 78th Cong., 2d sess.; regular annual, supplemental, deficiency, and miscellaneous appropriation acts

	Estimates	Appropriations
Total regular annual, supplemental, deficiency, and miscellaneous appropriation acts (as shown on foregoing table)	$62,843,621,580.44	$60,783,089,142.84
First supplemental appropriation bill, 1945 (as finally approved by Senate and House)	676,549,440.03	482,460,891.03
Grand total, regular annual, supplemental, deficiency, and miscellaneous appropriation acts, 78th Cong., 2d sess	63,520,171,020.47	61,265,550,033.87
Total estimates	63,520,171,020.47	
Total direct appropriations as shown above	61,265,550,033.87	
Total direct appropriations under the estimates by	2,254,620,986.60	

Mr. McKELLAR. Mr. President, I desire to call attention to the appropriations made at the present session of Congress. First, I desire to refer to the Budget estimates. The Budget Bureau, as we all know, makes the estimates for appropriations. The estimates for direct appropriations the entire fiscal year 1945 were $63,520,171,020.47. The actual direct appropriations were $61,265,550,033.87. By a simple subtraction it will be seen that the Congress has appropriated in direct appropriations $2,254,620,986.60 less than the Bureau of the Budget estimated should be appropriated and spent. In other words, we have saved to the American people by reducing direct appropriations the enormous sum of $2,254,620,986.60 under the Budget estimates.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. Certainly.

Mr. TAFT. What is the explanation of the difference between the $63,000,000,000 the Senator's statement shows we have appropriated and the $100,000,000,000 which have really been appropriated?

Mr. McKELLAR. We have not really appropriated $100,000,000,000.

Mr. TAFT. Has not the Senator excluded something from his calculation?

Mr. McKELLAR. No; the only thing that is excluded from these figures are the regular charges for interest, fixed charges against the Government; that is all.

Mr. TAFT. My understanding is that we will spend during this fiscal year about $96,000,000,000.

Mr. McKELLAR. Yes.

Mr. TAFT. Is the difference made up of balances of appropriations coming over from past years?

Mr. McKELLAR. It is made up of balances remaining from appropriations for past years. I thank the Senator for interrupting because it brings up exactly what I wish to explain.

Mr. CONNALLY. Mr. President, does the Senator intend to bring on a general debate on this matter?

Mr. McKELLAR. That question will answer itself in a few moments if the Senator will permit me to proceed with this statement. I shall bring on no general debate, and will not interfere with the Senator's nominations.

Mr. TAFT. I do not propose to ask any further questions.

Mr. McKELLAR. What I am putting in the RECORD will take me but a very

brief time, and I have occupied very little time in this debate, as the Senator knows.

In other words, in explanation of the question asked by the Senator from Ohio, we have appropriated for all purposes of every kind, nature, and description for this year including fixed charges, $67,614,456,131.78. That includes everything—all fixed charges.

Last year, we appropriated $114,564,008,594.62. I need not give the other figures. All of that was not expended; there were some unexpended balances which could be used this year. That no doubt is an answer to the question asked by the Senator from Ohio.

In the preceding year, 1942, we appropriated $147,071,208,961.89; and in the first year of the war, 1941, we appropriated $57,702,715,367.26.

So that it is easily seen that for the current fiscal year the figures are not extravagant as compared with appropriations for preceding years.

I wish to say for the Committees on Appropriations of the two Houses of Congress that they have reduced the Budget estimates for direct appropriations by the enormous sum of $2,254,620,986.60. I should think that all Senators would like to have that information, especially those who are going home.

Mr. President, the $67,000,000,000 appropriated this year compares with our cash income of about $45,000,000,000 during the fiscal year 1944. I do not know exactly what our income will be this fiscal year, but it will be about that sum—probably about $50,000,000,000—which will make the figures as to appropriations and income very interesting. They are certainly interesting to me. In other words, for the current fiscal year, we appropriated $67,614,456,131.78 new money all told, and we may receive an income of nearly $50,000,000,000.

I thank the Senator from Florida for yielding to me.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from California.

Mr. DOWNEY. Mr. President, several months ago the Senate passed S. 1481 dealing with the right of a person to a civil-service annuity who has received an award of compensation in a lump sum.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1481) to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended, which was, to strike out all after the enacting clause and insert the following:

That section 6 of the Civil Service Retirement Act, of May 29, 1930, as amended, is hereby amended by adding at the end thereof the following paragraph:

"Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section of such act of September 7, 1916, has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the United States Employees' Compensation Commission, shall be refunded to the United States Employees' Compensation Commission, to be covered into the Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to such Commission the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this act, which amount shall be transmitted to such Commission for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the United States Employees' Compensation Commission shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding."

Mr. DOWNEY. Mr. President, the amendment made by the House is of a perfecting and noncontroversial character. I have discussed the matter with the members of the Civil Service Committee on both sides. The amendment is entirely satisfactory, and is desired by the Civil Service Commission and the other governmental agencies.

I therefore move that the Senate concur in the House amendment.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT—RETURN OF SENATE ENROLLED BILL 1979

The Presiding Officer (Mr. MURDOCK in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, ordered to lie on the table:

To the Senate:

In compliance with Senate Concurrent Resolution No. 57, I return herewith S. 1979, an act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 19, 1944.*

NOMINATION OF JOSEPH C. GREW

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

The VICE PRESIDENT. The Senator from Florida has the floor.

Mr. CORDON. Mr. President, will the Senator from Florida yield to me for a moment?

Mr. PEPPER. I yield.

Mr. CORDON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram from Ammon Grice, president of the State Farmers' Union of Oregon, in support of the Pepper resolution to postpone action of the Senate on the pending State Department nominations until the convening of the succeeding Congress.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SALEM, OREG., *December 19, 1944.*

Senator GUY CORDON,
Senate Office Building,
Washington, D. C.:

Urge you to support Pepper resolution postponing action on all State Department nominees until next Congress. Please have this wire inserted in CONGRESSIONAL RECORD.

AMMON GRICE,
President, State Farmers' Union.

Mr. PEPPER. Mr. President, I have a brief statement to read, but before reading the statement I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	O'Mahoney
Austin	Gurney	Overton
Bailey	Hall	Pepper
Barkley	Hatch	Radcliffe
Bilbo	Hawkes	Reed
Brewster	Hayden	Revercomb
Brooks	Hill	Reynolds
Buck	Holman	Robertson
Burton	Jenner	Russell
Bushfield	Johnson, Calif.	Shipstead
Butler	Johnson, Colo.	Smith
Byrd	La Follette	Taft
Capper	Langer	Thomas, Idaho
Caraway	Lucas	Thomas, Okla.
Chandler	McCarran	Truman
Chavez	McClellan	Tunnell
Clark, Mo.	McFarland	Tydings
Connally	McKellar	Vandenberg
Cordon	Magnuson	Walsh
Danaher	Maloney	Weeks
Davis	Maybank	Wheeler
Downey	Mead	Wherry
Ferguson	Millikin	White
George	Murdock	Wiley
Gillette	Murray	Willis
Green	Nye	Wilson

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

Mr. PEPPER. Mr. President, this morning the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Kentucky [Mr. CHANDLER], and I talked with the President after his arrival in Washington respecting the pending nominations in the State Department. We told the President frankly our views about these nominations. The President, in turn, told us that he needed men of experience in the Department of State, and felt that these men would conscientiously carry out his views in the discharge of their duties. The President authorized us to say, however, that if any one of these gentlemen in the discharge of his duties did not properly carry out and express his policies, he would be promptly removed.

The President said that he would feel compelled to send the same nominations back to the Senate at the first day of the next session if the Senate did not advise and consent to the nominations in this session. We individually regret to say we cannot change our convictions respecting some of the nominations, and shall have to vote upon the several nominations according to our best judgment and our own consciences. However, in view of the President's advice that he would, if these names were not confirmed by the Senate, feel compelled to send them back at the beginning of the new session, and in view of the President's assurance to us that he would promptly remove any of these nominees

who did not discharge his duties with faithful regard to the President's policies, we feel that nothing is to be gained by our prolonging the discussion of the nominations further.

I am, therefore, authorized to say that, having made our views about the nominations clear in our statements, and with the intention to vote upon the several nominations according to our own convictions, we are ready for a roll call upon the nominations.

Mr. LA FOLLETTE. Mr. President, as I view the matter, the Senate has a joint responsibility with the Executive in the conduct and the ultimate determination of the foreign policy of the United States. I concede that under the division of powers and responsibilities the Senate too often must take action after the Executive has determined the foreign policy. Nevertheless, I believe that the Senate cannot, under the Constitution, escape or avoid the full share of responsibility which the Constitution places upon it in the determination of the foreign policy of the United States.

We pass upon treaties after they have been negotiated. We also must discharge the responsibility which is given us under the Constitution to advise and consent to nominations which affect foreign policy.

In what I have to say—and I shall be brief—I do not want any word I may utter to be construed in any manner to reflect upon the character or the personal life of any of the nominees now under consideration.

I am just as much opposed to these nominations following the statement made by the able Senator from Florida, and those who are associated with him in the statement, as I was before it was made. I am opposed to these nominees, Mr. President, because I believe they represent, as they themselves have said, a team, a team which is to operate the State Department of the United States after a thoroughgoing reorganization, vertical in character, which inevitably will strengthen and increase the power of the men whose nominations are here under consideration in formulating and carrying out United States foreign policy. I believe we are in the most critical period in the history of this great democracy and of the world. I for one, Mr. President, cannot consider this proposed reorganization of the State Department and the six men who are to administer it without mentioning briefly the background of the situation and the critical decisions which may have been made in the months that are past and which are bound to be made in the months we face.

Mr. President, every man and woman in this country who has been following the developments in Greece, Poland, and elsewhere in recent months knows that there are ominous manifestations and that actions have been taken by two of our most powerful allies in this war—Russia and Great Britain—which are in direct violation of the high pronouncements of moral purpose and of ethical objectives for which the people of this country have been told that they are fighting. The people are sacrificing their sons, and in some cases their daughters. They are pouring out the accumulated savings of the entire nation. We are building up a load of debt which will be passed on to unborn generations and with it a load of taxation which will seriously impair the standard of living in this country for generations to come.

Furthermore, we are sacrificing critical natural resources, irreplaceable in character, to an extent which ultimately will affect the entire standard of living of unborn generations in this Nation, because, after all, Mr. President, the standard of living of a people rests upon the natural resource base.

These sacrifices the people had been led to believe were to bring about a better world. They had believed that the United States was fighting to put an end to power politics, balances of power, and the exploitation of peoples which have been the causes of war in the past.

Mr. President, there has been discussion in this debate of the Atlantic Charter. Imperfect as that document may be, nevertheless it was the pronouncement to which the American people have clung as their assurance that we were not again to repeat the tragic experience which this country went through during and after its sacrifices in World War No. 1. Appearing before the Foreign Relations Committee, in a preliminary statement prior to the appearance of the nominees under consideration, the new Secretary of State, Mr. Edward Stettinius, Jr., outlined the policy and the objectives of this Department under his new administration and under the administration of the men who are to take over these important posts when their nominations are confirmed. I read a brief portion of that statement:

> In the months and years ahead, the United States will have far greater responsibilities in world affairs than ever before in our history. We have great moral and material power, which we must exercise in the long-range mutual interests of our own people and of the peoples of other nations.
>
> Our major objectives may be stated very briefly as follows:
>
> 1. The fullest possible support in the conduct of our foreign relations for our armed forces, so that the war may be won at the earliest possible moment.
>
> 2. Effective steps to prevent Germany and Japan, after victory by the United Nations, from again acquiring the power to wage aggressive war.
>
> 3. Establishment at the earliest possible moment of a United Nations organization capable of building and maintaining the peace—by force if necessary—for generations to come.
>
> 4. Agreement on measures to promote a great expansion of our foreign trade and of productiveness and trade throughout the world, so that we can maintain full employment in our own country and, together with the other United Nations, enter an era of constantly expanding production and consumption and of raising standards of living.
>
> 5. Encouragement of all those conditions of international life favorable to the development by men and women everywhere of the institutions of a free and democratic way of life, in accordance with their own customs and desires.
>
> These are the major objectives toward which the Department of State is working, under the President's direction and in close cooperation with the Congress. We shall not achieve them overnight. Their achievement will require months and years of constant and effective work by all of us.

I submit, Mr. President, that the only shred which is left of the Atlantic Charter's principle in this list of the major objectives of the State Department is to be found in point 5, which reads, and I repeat it—

> Encouragement of all those conditions of international life—

Whatever that may mean—

> favorable to the development by men and women everywhere of the institutions of a free and democratic way of life, in accordance with their own customs and desires.

Mr. President, the events which are occurring in Europe, in conjunction with this statement, make it clear to me at least that the Atlantic Charter has become a mere scrap of paper, and that so far as these developments are concerned, the Government of the United States is satisfied to make pious declarations such as that which appeared in a press statement given a few days ago by the present Secretary of State concerning Greece and as contained in his statement of yesterday concerning the Polish situation.

There has been no answer to the statement, as carried in the press of this country, made by Mr. Bevin, a member of the present coalition cabinet in Great Britain, that at the last meeting of the President of the United States and the Prime Minister in Canada, the President of the United States initialed an agreement which had been entered into between Great Britain and Russia so far as that portion of the world is concerned which is involved in the operations in Greece.

Mr. President, I recognize that by voting against a set of nominees we are taking a negative position, but, so far as I am concerned, I am opposed to this team because I am convinced that the confirmation of this group of men will further destroy the hopes of the people of this country for a just and a democratic peace.

I regret that I cannot vote against them en bloc, but because of the parliamentary situation I realize that I shall have to cast my vote on each one of them separately. But I do that, Mr. President, because I can in no other way voice the protest which comes from my mind and heart against the shocking political developments which have taken place in Europe and which I think will continue to take place if the Senate of the United States, without protest, accepts this team which is now before the Senate for confirmation.

Mr. President, the one hope of survival of democracy in America is that we should have a just and lasting peace as the result of the unprecedented sacrifices which the people of this Nation are making and will have to continue to make before this war is over.

In my view the men who make up this team will weaken if not impair the efforts of the people of this Nation to achieve those objectives; and so when the roll is called I shall vote against each and every one of them.

UP THE HILL; DOWN THE HILL

Mr. NYE. Mr. President, the controversy concerning the pending nominations to posts in the State Department is portrayal in a degree of the large uncertainty of what lies ahead. What can and what will be our lot in shaping the world that comes out of this war? What course of events might we already be committed to? That uncertain field before us, I fear, is quite likely to be found patterned much along the same lines as the pattern which followed military victory in the last war, in which we were in alliance with Europe.

I hope that what we are seeing now does not mean that we have lost the peace even before winning the war which we now fight; yet it does seem that our allies are giving pretty certain evidence of a determination to follow directions quite contrary to those previously proclaimed as being the directions which our victorious allies would pursue in attaining a better and a healthier world.

You of the Senate who must deal with this uncertain future, this pattern, whatever it may be in the future, have, to say the least, my sympathy—yes; and my confidence that its uncertainty will be met courageously in the cause of salvaging the most that can be salvaged for America and the future peace of America and of the world.

Mr. President, leaving my post here in the Senate of the United States is approached without thought of resort to recriminations, and without retractions for those things I have said and done during these 20 years I have served. Regrets? Well, not more than any man is bound to feel who has been defeated in a political campaign in which the vital and true issues were not permitted entertainment, a campaign in which the people were not permitted a freedom of unprejudiced choice, a campaign in which the cards had been so stacked that I was without chance to win. After all, we come to the Senate not alone because we want to come. Those who send us here have an equal right to take us away from here. I hope that right may continue through all time, for that is one of the rights which, practiced by Americans, has carried us forward and kept us free from those things and practices which have given other peoples endless conflict and war.

I would be lacking completely in frankness were I to say that leaving the Senate is painless. One does not enjoy association with the sort of men who come to this body, work with them day after day, without sensing a tremendous loss when he contemplates a breaking from those associations. So few people can be privileged to know what those associations mean that what I have said will sound empty to all but those who have come to know what this service with men in the Senate can and does mean. Then, one should be appreciative of having had just a taste of this work with Americans in this great body, so why should I be other than happy in having had these 20 years in the Senate, close and friendly relations with men whose names will be honored down through the ages. Since I came to the Senate in 1925, hundreds more have come, and, with many of those who were then here, gone. I am quite sure I have had more than my just share of privilege of service here, for there are but eight of you still here who were in the Senate when I came. I shall forever prize the memory of our work together.

THE NEW PRESSURE POLITICS

We have worked hard, we have differed violently respecting many issues which were presented, but never have I seen evidences that would warrant a charge reflecting upon our American purpose against any of us. Even in these years when there has been such will outside of Congress to attack and destroy the influence of representative government, I never have witnessed a serious reflection by one Member of Congress upon another that would question his Americanism, his purpose to do that which he thought best for his country. This brings me to a point permitting me to warn those of my colleagues who are not fully aware of it that we have moved into an era of power and pressure politics in America that should give us concern, grave concern. It is a brand of politics which will wholly ignore truth, deal in half-truths, and further selfish purpose with such thorough and clever propaganda as can cause intelligent men and women to be made blind to truth and reason. It is pressure politics highly financed, but as yet not required to make any accounting of its spending. In my own campaign this fall I became the target of that sort of politics to a degree that found daily direct-mail attacks upon me in every city and rural mail box in the State. White was made to seem black, prejudices were fanned to hates so deep that many fine people would not even afford me chance to be heard in defense of self and truth. Propaganda sponsored by irresponsible forces outside the State, plus propaganda the source and responsibility for which could not be traced to anyone, had many honest North Dakotans convinced that if I was not actually on Hitler's pay roll, I should have been. This was the sort of poison which has been directed at some of us for several years. Its ingredients were smear books without direct charges but with insinuations so cleverly done as to avoid chance of libel actions—this and constant repetition with variations of the published and unpublished propaganda of those with un-American axes to grind. Congress will do well, if it would serve the cause of representative government and make it endure, to find the legislative means of coping with this uncontrolled pressure politics. Representative government cannot long endure if these games go on beyond the reach of law simply because a Department of Justice holds that the activity is of an educational rather than a political order.

TRAGEDY THROUGH 20 YEARS

I did not mean to be sentimental, I did not mean to seem to give advice in these remarks of mine which I planned only to be the recording and expression of thoughts that have been forced by reason of these few weeks devoted to running through and cleaning up and out 20 years' accumulation of files and work papers in my office. That experience has served to remind me of the tragedy in which we have lived and played. The mighty events of these 20 years have so often been tragic that it is not unfair to call them years of blighted hopes.

Not only have I watched these mighty events unfold, but I have so often been, like other Members of the Senate, in the center of the whirlwinds which formed to change and create trends in American thinking and doing. It leaves one wondering, as to these trends, why do we go here, why do we move in this, that, or another direction?

THE PREJUDICES I BROUGHT WITH ME

Mr. President, I brought with me to the Senate a prejudice against involvement in another foreign war, against the terrible economic condition which the last war had brought to our country, particularly the agricultural sections of our country, the people of which felt the penalty so much sooner than did other classes of Americans. I was prejudiced against the propaganda which had been fed to us during that war, because it had caused me and so many others to do great injustice to some men who sat in these Chambers during that war and sought to keep public thinking straight, in spite of the Government propaganda, to the end that there could be less disillusionment to suffer after the war was won and the truth came to be known. I was prejudiced against the slightest likelihood of our ever letting our country become the pawn of foreign powers in more war to save empires by throwing more sons into more wars. I was prejudiced against the countries which had found us so easy in and after the last war. My prejudice gave life to the hope that America could be on guard another time, smart, not reachable with the names and causes which would be portrayed to cover up the true and selfish causes.

I came to the Senate bearing this prejudice at a time when, led largely by the men who had fought in the last war, there was developing throughout America an overwhelming determination to be done with Europe's politics, prejudices, hates, and wars. I personally felt that determination that we must find the way to avoid repetition of that experience of 25 years ago and what followed.

CREATING THE NEUTRALITY LAWS

I sponsored the resolution, consolidated finally with another on a related subject by the senior Senator from Michigan [Mr. VANDENBERG], the approval of which authorized the conduct of what came to be known as the munitions investigation. I was honored with the chairmanship of the committee making that investigation. With the assistance of six other Senators, more unitedly cooperative than the members of any other committee with which I have had association through all these years, we plowed through nearly 4 years of intensive study, affording disclosures which could only add to American resolve to find the ways of avoiding repetition of the costly experience of World War No. 1. Our study of the causes of our involvement in that war led to legislative recommendations by our committee. I

joined in introducing what came to be known as the neutrality laws. I witnessed a popular reaction to the proposals, so great that the Roosevelt administration consolidated our several proposals into one bill and introduced it as the Pittman bill. And then I saw the neutrality law adopted by overwhelming vote in both Houses of Congress, acting in the determination that America should not again become involved in Europe's wars.

Those laws of neutrality, growing out of experience leading to our involvement in the last war, came into being just at the time when it grew increasingly clear that Europe was working herself into another terrible war, were warmly received by the American people. President Roosevelt approved the law, and he took unto himself much credit for its existence. I thought much had been accomplished.

CREATE AND THEN DESTROY SAFEGUARDS

Then I saw born the concerted effort to destroy those safeguards against our involvement in war. I heard the terms "isolationism" and "isolationist" given added and new meanings. I heard the President proclaim that he was proud to be called an isolationist if that meant a person who was trying to keep our country out of other peoples' war. Then I witnessed what for long were unbelievable things. I saw a noisy drift away from the neutrality laws, those safeguards against our involvement in another foreign war. I heard the laws assailed as laws that were getting us into war. I even came to hear the administration and its leaders plead for repeal, first of this phase, then of that phase of the law, on the ground, mind you, Mr. President, that such repeal would help us keep out of the war that then was rolling onto the stage in Europe. I witnessed the President turn his back upon the law he was sworn to administer and enforce; I saw his administration decline to invoke the law against Japan. Had the law been invoked, Japan could never have so long carried on her war against China with our oil and scrap iron. Had the law been invoked against Japan, Japan could not have been the power she became; she could never have made so many thousands of American boys the targets for our own American scrap iron at Pearl Harbor and since. I shall forever wish that I might have been able to drive home the conviction which was mine when, in the Senate on August 10, 1937, I said of the scrap iron export business with Japan just this:

> It seems to me that the only return we may expect from a continuation of this exportation, aside from the munificent return in dollars to the several exporting companies, is the probability that one day we may receive this scrap back home here in the form of shrapnel in the flesh and in the bodies of our sons.

UN-AMERICAN TO BE FOR AMERICA

Piece by piece I saw the laws of neutrality whittled away, until there was no neutrality law left. Day by day I witnessed a drift or a trend to war taking the place of that long-standing and determined resolve to avoid war.

And then I witnessed our going to war and the bitter undertaking to discredit one and all of us who had labored so earnestly to avoid it. I saw and heard a word, "isolationist," pumped and stretched, repeated and paraded, until to some minds it would be made to mean everything that was bad, terrible, un-American, and indecent. The attempt to keep our country out of war had become an unforgivable sin. The position of being extremely solicitous about the fortunes of our own country suddenly became the cause for charges of un-Americanism. Because the British interest or the Russian interest in the complexities of the world were made secondary to American interest, by some of us, we were held up to scorn, and were even charged with pro-Hitler sympathies. To have been for America first came to be looked upon as treason by those who had foreign interests first at heart. All this occurred in just a few years, our own years.

To war we went, first without having to fight, but just by helping certain countries who did want to fight, and then to war to defend our country and honor when we were attacked.

When I think of those things I am living in the past, some of my colleagues will say. Very well; let us then bury it, and come right down to date. To war we went.

WE FIGHT A MILITARY WAR, OUR ALLIES A POLITICAL WAR

Then came more repetition of what we had listened to 25 years earlier—the eloquent portrayal of what a grand and beautiful job of world rebuilding and reforming would be our good fortune, once we and our allies had won this war. Democracy would be safe again, but this time for keeps. The "four freedoms," the Atlantic Charter, plenty of milk for everyone—these and more were the causes which would have us dig in and do the real job of winning the war. Our participation in the war was going to let America dictate a peace that would let Americans forevermore be joyous and proud in what their country had done for the world.

All this, Mr. President, took place during 20 years in which I have occupied a place in this great body. And now, today, just as I am about to surrender my place to a most honorable successor, I find pretty ready acknowledgment on every side line that these things we have believed to be the things we were fighting for, these things which our sons presumably were dying for, were not really what we were fighting for at all. Indeed, there is wide acknowledgment privately that we cannot hope to attain so complete a winning of the peace after we shall have won the war. We find instead, mind you, that while our country fights a bloody, heartbreaking military war some of our allies are fighting a political war, and our allies with such will to acknowledge that as true as to cause us to stand aghast for ever having thought that something lastingly good could be won as a result of this war. Clearly, while Russia fights courageously and with greater cost in lives than we know, and while Britain stubbornly resists the enemy and fights back with courage and great credit to herself, they fight for something obviously quite different from that for which we presumed we were all fighting. They have brutally kicked such causes as the "four freedoms" and the Atlantic Charter into oblivion, and are impatient at the mere thought of ever having it before them again. They give pretty emphatic notice—sometimes it seems like arrogant notice—that they are done with this tomfoolery and seem to want to know what we are going to do about it. They know, of course, that we, as an ally, will go along and finish this military job, and win the war with them and for them. They know what they want when the war is won, and who are we to say that they shall not have their way in their own realm.

TRAGEDY STALKS US

Tragedy! Tragedy no end! Today we are left by our allies and their actions with nothing but the hope that what we see with relation to Finland, Poland, Italy, Greece, India, and all the other places where human beings suffer—today we are left with nothing but the hope that what we see is only a dream, a bad dream, and that when we awaken we shall find that the chance is still here to let this war end all wars for all time. That is the tragedy of it all. We hope, but privately we dare not believe.

WIN THIS WAR, THEN PRAISE WASHINGTON

We are right, of course, in permitting no compromise of our determination to whip soundly Hitlerism and crush the arrogance of the people who call themselves the Jap civilization. We must prosecute the war to a victorious end, and we must have these allies with us if we are to do it. No other way is open to us. Our allies know it as well as we, or better. They know it so well that they have no hesitance in affording these Greek and Polish previews of what is yet to come after victory has been attained.

If there comes out of this war what seems to be in such large prospect, then perhaps once again we shall sing the praises of George Washington, and not only read his Farewell Message on each succeeding anniversary of his birth, but really pay him tribute again for that marvelous insight and foresight that caused him to plead with Americans that they and their country shun the pitfalls of foreign alliances and entanglements.

There is another approach to afford the demonstration I want so much to leave in this RECORD; namely, the demonstration of how tragic are these years of our serious striving for peace only to be moved by trends away from our high purpose, and our sincere beliefs.

IT MUST NOT HAPPEN AGAIN

My coming to the Senate was but a few years following the victorious war to end war and make the world safe for democracy. During my first years in the Senate new international agreements and arrangements followed one another

in rapid succession, and all were believed to be of help in organizing the world for security and for lasting peace. Now, as I leave, all these bright hopes have turned to dust and ashes. The whole world is again plunged into war, and American boys are again being marched away as conscripts from all our American towns and homes to die on far distant battlefields for a cause that is so obscure that even the pundits and the professors cannot agree as to what it is. Nor is that the worst of it. For even as America pours out her finest blood and her treasure, the worst of it is that there is not one of us who really has full confidence that this Second World War will not be followed by a third, and that by a fourth, and that by a fifth, until our whole civilization—all that we have and hold dear—has been ground into bloody rubble.

Oh, yes, I know that we say that this must not happen. We say that this must be the last war. But we said that the last time. And we believed it the last time. The horrible thing about the situation in which we now find ourselves is that this time we do not believe it. We say it for the RECORD and for the newspapers, because we feel that we have got to say something of the sort to keep the fathers and mothers of America content to send their boys into this present conflict. But we do not believe it! When we are alone, or when we talk to one another in privacy, we know that we do not believe it. Down deep in our hearts we have no confidence whatever that this is to be the last world war, or that after another 20 years has passed—or perhaps only another 10—the nations will not be at each others' throats again and the whole world once more saturated with blood. That is the awful prospect that makes my heart heavy within me at this hour.

A NEW WORLD IN THE MAKING, ON PAPER

As I have said, the 20 years during which I have served in this body has been, both for the United States and for the whole world, a time of blighted hopes. It is painful now to recall how different the prospect was at the time I took my seat in the Senate in 1925. But then Germany had been overwhelmingly defeated, her army reduced to a smaller size than that of Czechoslovakia, her navy scuttled, her air force wiped out, her colonies and much of her richest coal and iron deposits taken from her. On the other hand, Britain had such a gigantic fleet and France such a tremendous army that between them they could do what they wished to do in order to make Europe keep the peace. In the year I became a Senator the two 9-power treaties of the Washington Conference were ratified by all the principal nations, supposedly bringing an end to all naval rivalry and threats of aggression in the Far East. The Locarno treaties were ratified in Europe, supposedly ending forever the likelihood of future trouble between Germany and any of her neighbors. In the very next year Germany was welcomed into the League of Nations and given a permanent seat on the Council. In the year after that the United States and France started the negotiations which were finally to culminate in the ratification by 62 nations of the Kellogg-Briand Pact under which they bound themselves that "the settlement or solution of all disputes or conflicts, of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

SIGN WITH FINGERS CROSSED

That looked like lasting peace, did it not? Unfortunately, however, we soon found out that all the nations who signed those agreements, particularly the Kellogg-Briand Pact, had their fingers crossed when they signed. Great Britain slipped into her signature to that pact the reservation that it was not to apply to any defense of strategic places vital to the safety of the British Empire—a vitiating reservation much like the one which her representative slipped in concerning Newfoundland at the moment of signing the World Civil Aviation Pact in Chicago 3 weeks ago. And after Great Britain had done that, all the other nations, ourselves included, were under the necessity of protecting their interests and accordingly announced that "of course, they reserved the right of self-defense." They would not go to war, as they had promised in the Kellogg-Briand Pact, except in self-defense. Well, we all know what a nation intent on committing highway robbery can do with that joker about self-defense. It was not long before Mussolini was invading Ethiopia in what he claimed was self-defense. Japan had to defend herself against China. Self-defense!

BEAUTIFUL PROSPECTS AGAIN

But there was almost as much blighting of our hopes domestically as in international affairs back in those days. We had been led to believe that after the war this Nation would enter upon a new and more glorious destiny. Men and governments who are whooping it up for war always talk that way, just as they are doing today, when we are told, on the highest authority, that this war is to be followed by the golden age for America, when there will be 60,000,000 jobs paying the same kind of wages that the war has brought; when everyone will be protected against all the perils of sickness, old age, unemployment, and death; when we will fill the seven seas with our American ships crammed with American goods to flood every export market; and when our own markets and wage levels will be completely protected against being undermined by the goods produced where standards of wages and living are far below those in the United States. One would think that by this time there had been enough history to teach us that wars are not followed by great advances. Wars are followed by let-downs, and the moral let-downs that follow wars are the most tragic of all.

THE LET-DOWN WHEN WAR ENDS

As I entered the Senate, that terrible let-down which follows all wars was just beginning to register following the First World War. And thus it happened that my first important assignment as a Member of this body was to act as chairman of the committee which was investigating the Teapot Dome Continental Trading Co. and Elk Hills scandals.

There is nothing to be gained by dragging out again all the malodorous facts which were brought into the light in that investigation or the millions of dollars which were recovered for the United States; but I am bound to say that, truly as it served the cause of honest government by showing up the shameful conditions which had grown up following the other war, it has by no means ended the possibility of official corruption or of playing fast and loose with the Nation's resources. It is only 2 weeks since one of the assistant attorneys general of the United States was summarily dismissed from office, and I notice a surprising lack of interest in this body in investigating the many specific charges which he has made of the use of improper influence, in the Attorney General's office and elsewhere in connection with huge Government contracts. Incidentally, Mr. President, it is worth noticing that the most important piece of public service rendered by Mr. Littell before his dismissal in disgrace by the President was his blocking of the Elk Hills oil reserve deal which might easily have developed into another Teapot Dome, or worse.

SCANDALS IN THE MAKING

However, the threat of vast corruption growing out of this war does not arise so much in connection with what has already happened. Some firms and some men are making a lot of money—too much money—out of this war, just as happened last time, and just as we were promised should not happen this time. But the time to be on guard against corruption on a grand scale, I would remind and warn the Senate, is after the war is over. Then is when the boys who know the right people plan to "go to town." And what a chance they will have. Just think of it—more than $15,000,000,000 worth of the best designed and equipped factories in the country to be disposed of. Almost as much real estate as there is in the entire New England States. Tractors, automobiles, railway equipment, ships, food, textiles, and everything conceivable right down to safety pins, and, one suspects, perhaps, a good many million cartons of cigarettes. No one will hazard an official estimate as to the value of all this material and real estate, but the general understanding among Government officials is, as we all know, that it will represent a cost value of not a penny less than $100,000,000,000. Just think of that—$100,000,000,000 worth of Government goods to be disposed of, and in such a way as not to wreck our national economy. Talk about possible financial killings. There's the biggest melon-cutting ever to take place at any time in history anywhere on God's green earth. And there is not a slicker, a something-for-nothing artist, a rascal, a corruptionist, a member of the plunderbund in this country who has not got his eye on what is coming up of this nature, and who is not getting ready right now to reap an illegitimate harvest out of this coming aftermath of the war. Teapot Dome will be kindergarten stuff alongside what the big plunderers are

likely to do to that hundred billion dollar's worth of easy pickings.

THE MUNITIONS INVESTIGATION

So much for Teapot Dome. Then came the munitions investigation. With me on that committee were Senators Vandenberg, Barbour, George, Clark, Bone, and Pope, Senators whose courageous work in that investigation I shall never cease to admire. It was hard, tedious, and wearing work, carried on for nearly 4 years.

I know that it is the fashion today to minimize and deride the work done by the munitions inquiry. I know that the work of the investigation was never completed, that it always found its efforts to get at the truth hampered, sometimes by lack of funds, and that in the record of any investigation stretching over so much time and filling so many volumes of congressional reports there is bound to be a good deal of unimportant and some unproved or unprovable material. But I want to assert now, and without any hesitation or equivocation, that I am more proud of having been connected with the work of the Munitions Investigating Committee than of any other service in my 20-year career as a United States Senator. I do not account 1 day spent in the work of that committee, or 1 cent spent in its behalf, as wasted. I believe that it served a patriotic and much-needed purpose, and I confidently expect after this war is over, and men have a chance to look at the actuality of war again with some measure of objectivity and freedom of thought, that the ground work done by that committee, in spading up a field into which few had ever ventured before, will be again recognized for the important thing that it was.

DISCREDIT FACTS WHEN THEY EMBARRASS

When those who were so anxious to see this Nation enter this Second World War began to heap derision on the work of the munitions inquiry, they naturally started by trying to deceive the public as to what the inquiry had shown. They said that the inquiry had come to the conclusion that all wars are caused by merchants of death—that is to say, manufacturers of munitions and the financial interests behind them—and that if these merchants of death could be shackled there would be no more wars. They pretended that the munitions inquiry had held that if the United States would keep the Morgans and the du Ponts and Bethlehem Steel and Remington Arms and a few others from shipping munitions to other countries or financing other countries in the purchase of munitions, then there would never be any danger of the United States becoming involved in another war. President Roosevelt in one of his messages to Congress came nearer to saying that than anyone else.

Of course, the munitions investigation never said any such thing. This charge has been made only by those who maliciously wanted to falsify the record of that investigation, most of them because they did not want the United States to stay out of this war. But I find many newspapers and a good many American citizens echoing that false account of what the munitions investigation showed, and I think that something ought to be said to make clear the truth. What did the munitions inquiry actually show? Go to the 48 volumes of its hearings or to its several reports and you will get the full answer, but here are four summarized facts which I think that the inquiry established beyond any denial.

PROVED UNDERLYING CAUSES FOR WAR

First, it showed that economic interests do lie at the bottom of modern war. Mussolini may talk about have and have-not nations. Hitler may rant about Germany's need for lebensraum—living space. Churchill may declare that what Britain has she will hold. What it all comes down to is the clash of conflicting economic interests. President Wilson, in the speech he made at St. Louis during that last tour of his, said that anyone could already see—and remember, that was as far back as 1919—that the First World War had been caused by economic rivalries. The first thing the munitions investigation established was this: At the root of all war lies economic interest.

Second, our inquiry also discovered that economic interests which stand to make money out of war cannot be trusted not to work for war. I do not say, mark you, that they always do, but I do say that they cannot be trusted not to. That was what that long procession of armament salesmen who appeared before our committee proved up to the hilt. When any great company or any great bank stands to make money out of war they simply cannot be trusted not to take advantage of that opportunity. They frequently cannot be said to want war. They will be perfectly satisfied, and much happier perhaps, if the countries which buy their death-dealing manufactures only prepare for war and do not actually go to war. What they want, in other words, is not war but profits. But wars always come after there has been a long period of arming, so that what the munitions companies want has little to do with the matter. It is what they do, not what they want, that counts. What they do is to go after the profits that are to be found in arms races. Therefore, I repeat, it is a fact that economic interests which stand to make money out of war cannot be trusted not to work for war.

The third fact follows, namely, that the private armament industry stands at the top of the list of those which, because they stand to make money out of the arming of nations for war, cannot be trusted to work against the coming of war. This is too clear to need any arguing.

The fourth fact brought out by our inquiry is that any portion of the banking industry which is engaged in financing the armament industry is just about as dangerous to peace as the armament industry itself. If the arms investigation begun in England had been carried through, or if the part which was carried out had not been so hedged about with restrictions from getting at the basic facts. I am sure that this would have been brought out even more clearly over there than it was here. But it is true everywhere. You cannot trust a banking industry that is making money out of financing an armament company or out of financing the purchase of armaments to work against war any more than you can trust the armament industry itself.

Still another fact developed by the munitions investigation, and of special interest now, was the extent of will in Britain, in France, and here in the United States to shut eyes to the requirements of the Versailles Treaty and help Hitler rearm Germany in violation of that treaty. There was profit for someone available through such a practice, just as there was tremendous profit in the business of selling scrap iron and oil to Japan almost up to the very hour of Japan's sneak attack at Pearl Harbor. One of my bewilderments will always be that Britain and France could have watched Germany arm, helped Germany arm, and then pretend surprise when they found how largely prepared for war Germany really was when she moved out with her heartless attack 5 years ago.

Now I say that these four facts were plainly established by the munitions investigation—the fact that economic interests underlie modern wars; the fact that economic interests that will make money out of war cannot be trusted not to work for war; the fact that the armament industry stands at the top of the list of those economic interests that cannot be trusted; and the fact that when banking is working hand in glove with armaments, banking cannot be trusted either. Those facts simply cannot be disproved. They are established beyond all doubt in the record of our inquiry. And I believe it is a good thing, a healthy thing, for the people of the United States to have them established. For that reason, I am perfectly willing to have the results and worth of the munitions investigation compared with those of any other investigation conducted by any other committee of either House of Congress during the past 20 years.

LEARNED OUR LESSON; ADOPTED NEUTRALITY LAWS

And while I am on this subject, Mr. President, there are some other things I should like to say about that munitions investigation. As we all know, one immediate result of that investigation was the enactment of the neutrality law. Here, again, we have something that is derided today. What a farce that neutrality law was, I hear people say; there was a law that was going to keep the United States out of war, and look where we are now! And that also is largely a result of the spreading of confusion and falsehoods by people who did not want the United States to keep out of the present war in the first place.

What about the neutrality law, Mr. President? Well, it was meant to keep the United States out of war—and it did that very thing! It kept us out of this present horrible war for more than 2 years and it had to be repealed before those who were trying all the time, with all the hidden power, with all the strength of the greatest propaganda campaign in press, radio, and on the screen that this country ever saw, to carry us into the war, could do so. It was not the neutrality law that failed

to do what it was enacted to do; it was the failure to stick by the determination to stay out of war. Let us not call the neutrality law a failure. The actual reason some people hated it so much, and finally induced Congress to repeal it, was because it was not a failure.

PRESIDENT ROOSEVELT PRAISED NEUTRALITY LAW

To be sure, the neutrality law was never honestly administered. Back in the summer of 1936, when the President was making the first of his campaigns for reelection, and before the American people had learned of his campaign tactics of saying one thing in seeking their votes and then turning right around and doing the opposite after he got them, he made a speech at Chautauqua, N. Y. At that time, there was no question about the support of the American people for the neutrality law. So that Chautauqua speech, as you will remember, was largely made up of an attempt by the President to take credit for the passage of that law, pointing to it as one of the great achievements of his administration and in every possible way trying to make the people believe that he was responsible for its enactment. But in that speech the President also did say that keeping the Nation at peace is, in the final analysis, a responsibility that rests on the President and his Secretary of State, and that no law could accomplish that unless it was backed up by the day to day decisions of policy and action made by the White House. When the President said that, how right he was. And how well we have been shown, by the tragic events that followed that Chautauqua speech, that when the President made up his mind to take this Nation into war, nothing that Congress or the overwhelming wishes of the people could do could stop him.

LAW SABOTAGED AND IGNORED

The neutrality law was sabotaged almost from the beginning in what was supposed to be the house of its friend—and by that I mean the White House. It was sabotaged first in the Spanish crisis where, when it was found to work in such a way as to favor the legitimate, Republican Government of Spain, on recommendation of the President it was amended in such a way as to play into the hands of Franco and his Fascist backers. I know something about that particular act of perverting the intention of the original makers of that law, for when I introduced the resolution which would have restored its original intention and made arms available to the Republic of Spain, that was made the principal charge against me in my last successful campaign for reelection in North Dakota. And we all know how the law was administered in such a way in the crisis between China and Japan as to supply Japan with the very oil and scrap iron and other muntions of war which not only devastated our friends in China but after that cost the lives of thousands of American boys and sent the pride of the American Fleet to the bottom of Pearl Harbor.

GO BACK TO NEUTRALITY LAW?

Sometimes I am asked whether I would go back to the neutrality law as it stood before the executive branch sabotaged it and before Congress repealed it. I regard that as an academic question, for we never can go back. History moves on; what has been done cannot be undone. But this much I will say: if we get the kind of peace out of this war that I fear we are going to get, or if the kind of Europe and Asia comes out of this war that I fear is going to come, then before many years have passed, as the people of the United States see how little they have to show for the sacrifice of their sons and for the staggering burdens of taxation they have imposed upon themselves, there will arise a new demand from the people for the United States to get out of these endless wars of the Old World and to stay out. If we get the kind of peace we can see coming in Greece and Poland today, that demand to get out and stay out will come as surely as tomorrow's sunrise, and no President, no Congress, no Europe-dazzled press or seaboard moneyed class will be able to deny it.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. NYE. I yield.

Mr. BAILEY. The Senator appears to me to be discussing whether or not the administration was supporting the arms embargo to which he refers, or the first Neutrality Act.

Mr. NYE. The arms embargo was part of the Neutrality Act.

Mr. BAILEY. Yes. My distinct recollection is that that measure was presented in the Senate and the Senators on this side of the aisle were urged to vote for it by our leader, the late Senator Robinson, on the ground that it was an administration and a White House measure. Is that in accord with the Senator's recollection?

Mr. NYE. I certainly would not be inclined to differ with that statement, for I remember very distinctly what the representation made at that time was. It was as the Senator from North Carolina has stated.

Mr. BAILEY. Then the act, after it was passed and signed by the President, was referred to by the President in rather complimentary terms.

Mr. NYE. Yes; indeed it was; it was praised by him.

Mr. BAILEY. Then, it was not enforced as between China and Japan on the ground that there was no declaration of war between those two countries. They were fighting, but there had been no formal declaration. They are the facts of history, are they not?

Mr. NYE. They are. I thank the Senator for making the observation as pointed as he has.

GO ISOLATIONIST AGAIN AFTER THIS WAR?

Does what I have had to say mean that we are going to go isolationist after this war? I do not know. But I do know that all the elements for an isolationist policy are either here already or rapidly accumulating. You can see that, Mr. President, from the way in which the people who are so anxious that we shall engage in every European war are already trying to convince us that, when Europe or Asia go to war again, we must go along. Only last Sunday, for example, Walter Lippmann contributed a seven-column article which was carried by the press all across the country which had that purpose. In that article Mr. Lippmann argued that because the United States had been able to transport and land an army on the shores of Europe to fight in this war, we could never be safe in another war from a similar landing on our own shores. But what Mr. Lippmann did not say is that there is not another country in the world—not even Russia with her enormous potential power—that has anywhere near the wealth to make possible what the United States did in that landing in France. No, not one! It has already cost us $200,000,000,000 to do what we have done in this greatest military and naval feat in history, and it is likely to cost us at least another $100,000,000,000 before we get through. Can any other nation touch that? Not within $150,000,000,000! And if they could command the money, which they cannot, they could not begin to turn out the materials, as has been shown by the way in which even the strongest of these other nations have had to turn to us for the stuff with which to go on fighting.

MAKING SURE OUR FUTURE GROUND

But that is not all. We used to be told that isolation was impossible because we were dependent on the rest of the world for raw materials. We must fight in Europe's and Asia's wars because we simply had to have the rubber and the quinine and the tin and the oil and those other things that were always listed. Well, how many of them are we going to have to have from Europe or Asia after this war is over? How many such materials are there now that we cannot either get in this hemisphere or manufacture synthetically? That argument, which used to impress many people, has been knocked into a cocked hat by the amazing achievements of American scientists and manufacturers in this war. And America will never gamble again on complete dependence for these commodities upon Europe and Asia.

A DOZEN DISILLUSIONING EXPERIENCES

And then there is something else that is laying the ground for a future isolation policy. That is the nature of the political messes into which we see that war leads us. We are given high-sounding reasons for going to war in Europe and Asia to establish an Atlantic Charter or the "four freedoms" everywhere in the world. And when we find out that what we actually get mixed up in is the sort of high-handed thing that is going on in Poland or in Greece; the brutal business of telling the Chinese to shut up about their demands on England for a return of Hong Kong, or of telling the people of Indochina that they will have to take back the old, discredited, graft-encrusted French rule of their country and like it, or of telling the people of Java and Burma and even India to pipe down and be good little colonies again. I can see at least a dozen such disillusioning experiences coming to the people of the United States at the close of this war. I can see at least a dozen spots on the earth

where our lend-lease supplies or our outright military and naval intervention has been used to produce a post-war situation that our American people will despise, a situation they will hate, a situation in which they will feel ashamed to find themselves involved. And I can see there the material in the making for an American isolation policy that will be as complete as George Washington recommended in his Farewell Address.

WHAT IS ISOLATIONISM?

Would I go back to the neutrality laws as a safeguard to future American peace? Will we go isolationist? The answer would have to rest upon the kind of peace which victory in this war will bring. A most thoughtful article on the subject is one done in the current issue of the Progressive magazine by Fred Rodell, an article I would recommend to the thoughtful reading of every colleague. In concluding the article Mr. Rodell wonders if the blank-check internationalists might not be riding to a fall. He suggests that they would be wise to concentrate less on the formal structure of their new league of nations and concentrate more on the kind of world it is built to run, that they would be wise to look to their ideals more and their blueprints less. "Or else," says this writer, "to put it bluntly and boldly, they will find the United States instinctively reverting to a policy undeniably native to this country in the past and recently misnamed, by those who oppose it, 'isolationism'!" The entire article deserves the request I now make for unanimous consent to have the Rodell article entitled "In the Sweet Name of Peace" printed following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

NO WILL TO SAY "I TOLD YOU SO"

Mr. NYE. There has been a constant temptation before me as I have been making this speech, Mr. President. Knowing that this might be the last time I will speak on this floor, there has been some temptation to make this in large measure an "I told you so" speech. But I have not done that because, great as the temptation has been, I have had no personal inclination to do so. My feeling is not at all "I told you so" as I take leave of my fellow Senators. On the contrary, I find myself deeply moved with feelings of sympathy for those of you who will remain here to wrestle with the prodigious and baffling problems of national policy which the years immediately ahead are bound to bring. This is a time, I feel, of grave peril for our country. We all feel that. Men who bear the responsibilities of United States Senators require for such an hour as this a wisdom and a purity of patriotism that all of us must despair of attaining. Therefore I have no inclination but to tell you of my earnest friendliness and good wishes for you all as you prepare to grapple with these problems.

GRAND MILITARY ALLIANCE TO RULE THE WORLD

You see the gravity of the peril in which the country stands because of the divisions within our American life produced by the growth of groups whose thinking is formed in alien molds, whose interests are primarily alien interests. And you see the gravity of the peril in which our foreign entanglements have involved us. Senators, let me ask a few candid questions about some of these things. Where do you think the end of the war is going to leave this Nation? Stripped of all partisan bravado, and of all highfalutin oratory and of all empty talk of every kind, what do you honestly think that at the close of the war we will find ourselves in, or in for? Are we in a three-power grand military alliance to rule the world? Is that what all the talk about the Four Freedoms and the Atlantic Charter and Dumbarton Oaks actually comes down to? If it is—and I fear it is—then what do we do when our other two partners in this Three-Power Military Alliance fall out, as we can already see them beginning to do? What do we do then?

THE SCENERY OF DUMBARTON OAKS

Is Dumbarton Oaks going to protect us against getting caught in a jam like that? I wish I could believe it. But we know perfectly well that Dumbarton Oaks is. Dumbarton Oaks is a military alliance between the great powers to rule the world by means of regional understandings. The provisions of Dumbarton Oaks which pretend to provide means by which nations may be kept from acts of aggression are only supposed to work against the little fellows—against states like Paraguay, Rumania, and Iran. That is to say, they are not expected to work against any state that might be a real threat to world peace. John Foster Dulles is one of the men who has worked most closely with the negotiation of the Dumbarton Oaks charter, and is trying hardest to get the United States to join the new Dumbarton Oaks league; but even John Foster Dulles was forced by his honesty to say in a speech in Pittsburgh the other day that all these provisions of the Dumbarton Oaks scheme which pretend to keep the peace in the future are just so much scenery. That is all; just scenery. No; the actual truth about Dumbarton Oaks is that it is a three-power military alliance, and the actual power in the Dumbarton Oaks scheme is not even in the so-called security council, although that is where it is generally assumed to be, but in the military staff committee which is to be made up of the chiefs of staff of the permanent members of the council—the military staff committee which is to stand behind the council and tell the members of the council what they can and cannot do. That, with all the window dressing thrown out, is the actual truth about Dumbarton Oaks.

TWO EUROPEAN BLOCS

Where is this war going to leave us and the rest of the world? What is Europe going to be like? Every sign now visible indicates that it is going to be a continent divided into two great blocs, a Russian bloc and a British bloc. That means that there is going to be another attempt to rule Europe by the old balance-of-power system—a system that has never worked in the past, but has always led at last to war. Russia is going to build up her bloc and run her bloc with complete ruthlessness in the gaining of her ends. We can see that in what is happening today in Poland and Finland and the Baltic States. And Britain is going to build up her bloc and run her bloc with equally complete ruthlessness in the gaining of her ends. We can see that in what is happening now in Greece and Italy. Then where does the United States come in? We were told that we had to enter this war in order to keep Hitler from seizing control of the world. Well, I am content to leave it to the historians a generation hence to say how much actual danger there ever was that Hitler would seize control of the world. But I am sure, knowing the power of British propaganda, that within 20 years from now—perhaps within 10 years—we shall be told that we must go into another European war to keep Russia from seizing control of the world.

NO MORE IMPERIALISM IN ASIA?

What is Asia going to be like after this war? Is there really going to be an end of imperialism over there? President Roosevelt has now twice declared that the Atlantic Charter must be applied to all the world at the end of this war. When Sumner Welles was Acting Secretary of State he told us, and told Asia, that the age of imperialism is ended. Do you believe that? Do you believe that the promises of self-determination for all peoples in the Atlantic Charter will actually be applied in Asia at the end of this war? It is to laugh. And Winston Churchill is laughing loudest of all. What we are actually going to get in Asia after this war is a revived imperialism, a restoration of all the European colonial empires that crumbled at the first touch, with the United States held responsible by all Asiatics for having wiped out the one nonwhite empire and having restored all the white, European empires. That is what we are going to get in Asia.

And where will the United States be when this comes to pass? Holding the bag, as usual. Our people will be staggering under a debt that may even go beyond the $300,000,000,000 mark. We shall have a standing army that will fill this capital with an officer caste with insatiable appetites for power and that will militarize the whole educational system of our Nation. We shall have the most enormous Navy that ever covered the seas, with all the enormous costs that such a Navy entails. We shall be involved in every quarrel between our partners in this new world order, for they will know how necessary it is for them to be able to count on using our power to win their quarrels, and there will be other quarrels directly between them and us. And when World War No. 3 comes along, as it certainly will as a result of this attempt to divide up Europe and the Near and Middle East between Russia and England, we will be in it from the first day. As a matter of fact, that is the real purpose of the commitments we are asked to make under the Dumbarton Oaks scheme. That is really a plan to see to it that the next time there is no such lag of 2 years and 3 months as occurred this

time between the start of the Second World War and our entrance into it.

LEARNING TO MIND OUR OWN BUSINESS

How can we keep out of World War No. 3? To me, there still seems only one answer. By minding our own business. By keeping out of these entangling alliances. By developing our own markets here in this hemisphere and devoting our strength honestly and solely to the defense of our own territory. It is said that, to maintain our living standards and to keep our people employed, we must seek world markets and must protect our commercial interests all over the globe. I do not believe it. Several years ago the greatest living American historian, Charles A. Beard, wrote a book entitled "The Open Door at Home." In that book Dr. Beard argues that it is quite possible for us to find, in our own domestic market and in the trade which we can easily develop on friendly terms with our neighbors in this hemisphere, all the prosperity we need for our American people. I have never seen that thesis of Dr. Beard's refuted, and I do not believe that it can be refuted. To me, the policy that Dr. Beard championed was wisdom then and it is wisdom now. It does not make good sense that we should count ourselves dependent on foreign trade when in the top years foreign trade constitutes from 5 to 7 percent of our total economy.

TWO DANGEROUS AMERICAN GROUPS

As I see it, there are two great groups in this country which imperil the future peace of the United States. One of these is made up of the people whose real interest, if you strip their wordy camouflage away, is to head off the collapse of the British Empire. They are the people who would rather see American boys die on a hundred far-off battlefields, American homes filled with mourning, American taxpayers shouldered with more back-breaking taxes, than to see the British Empire lose a foot of its territory. The other group is made up of the people whose real interest, if you get down to the real facts, is to speed up the triumph and spread of the U. S. S. R. They believe that the policy of the American Government should be ordered to just one end—to see to it that whatever ends Moscow seeks shall be gained, that whatever Moscow wants shall be granted. If the United States lets either of these groups have a dominant voice in making American policy, then this Nation is doomed to endless involvement in all the endless wars of the Old World.

THE PEOPLE TRUST PEACE JOB WITH THE SENATE

For 20 years, Mr. President, I have had the honor of representing in this body one of the States in what has been well called our valley of democracy. It is a State which lies at the very headwaters of that valley. I think I know the people of my State. They, like all of us, are susceptible to misleading for a time, but I know what is in their hearts about this war and what is to follow it. I know what they expect and what they want from the war. Very definitely they do not seek a chance for the United States to become involved in the endless intrigue about who shall control the oil fields of Persia, or about whether the British flag shall continue to wave over Hong Kong. They think the Persians and the Chinese should have the right to determine those questions. Above all else, these people want victory in this war, and then peace, peace for all the world, if we can help the world to it without surrendering our own, but surely peace for our own of America. What they seek is just a chance to mind their own business, to see their families born, reared, educated, and settled in a secure livelihood, without the prospect of being ordered off to die in some remote province over an even more remote quarrel. The responsibility is going to rest on you Senators to see that they gain, after this war, this that they seek. They cannot trust this job to those whose minds are filled with grandiose schemes for participating in a vast Great Power alliance for world rule.

I am more than ever convinced that it is the Congress of the United States, and particularly the Senate of the United States, which stands between these plain people and a future of misery and ruin, through being dragged into one world war after another.

THE HATE AND SMEAR BRIGADES

I have had my chance to serve in this body which can so largely shape the welfare of our people and contribute to the greatness, the glory, and the future of our country. I hope that in no detail have I failed my country and its people. There have been faults and frailties, to be sure. But I have made what I thought were the best possible uses of my opportunities to serve others and to serve my country. I do not think one can be rightfully expected to do more. If I had it all to do over, I do not know wherein I would want to alter the course I have pursued, even though I know what miserable attacks the course would invite from those who have been so quick to smear and to deny patriotic purpose to prompt the course. It is refreshing to contemplate having in private life a freedom from the smears which have been so plentiful in these late years of public life. I contemplate that, even though so high an authority as Walter Winchell has predicted that with my retirement from the Senate will come Government prosecution that will reveal my probable connections with the Nazis, perhaps with Hitler personally. The smear and hate brigades will find other targets, no doubt; their programs can bring profit only as they are able to find or create targets. Their targets as a rule are those who dare to think and work for the interests of their own country first. You cannot escape their wrath by being against foreign "isms" as a whole. If you would win the plaudits of the hate and smear brigades, you must be against fascism and nazi-ism. But do not go further; do not dare to speak a word that seems to condemn communism.

This will to smear, so prevalent in this hour, brings America another tragedy. Dr. John Haynes Holmes indicates it so well in several brief paragraphs he has written under the title "An American Tragedy," which I ask unanimous consent to have printed at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN AMERICAN TRAGEDY

(By John Haynes Holmes)

The growing bitterness in this country weighs upon my soul. It bodes no good for the Nation, or anybody in the Nation. On the contrary, it bodes such ill as this country has not seen since the days of the Civil War. "Smearing" has become the great sport of the hour. If there is a man with whom you disagree, do not argue with him or talk things over, but "smear" him, call him a Communist or a pro-Nazi, take away his reputation, rob him of his good name—that is the way to do it.

There are newspapers and radio commentators who do little else but stir up misunderstanding and hatred against persons who will not agree to follow the exact dictation of their will. These purely private individuals presume to set up a standard of what is and is not patriotic devotion to the Nation's cause; and anybody who does not scrupulously conform is straightway brought under the charge of sedition and treason.

We have heard much of the so-called party line in communism. Toe that line, shift instantly when its direction is changed, or else be exiled, tortured, or shot. Well, that party line in a political organization has now become a patriotic or loyalist line in the country at large, and if we fail to toe it, we are ruined. Of course this is the direct transference to our own land of the Nazi method and technique.

While our soldiers win the war abroad, we are losing it here at home. The result is that the whole Nation is being sown with bitterness, the atmosphere poisoned with hate, and our citizenry divided in mutual suspicion and intolerance. The temper in America today is more like the temper I saw in Germany in 1931 than I dare now to think about.

And all the while the prejudice against Jews, Negroes, and Roman Catholics mounts like a raging fever. What are we going to do to restore our sanity and preserve our liberty? What can save us from the loss of everything that is really precious to our American democracy?

America is not a territory, or a government. It is not cities, or plains, or manufactures, or wealth. It is not armies, or navies—or victories, however heroic, on the field of battle.

America is a spirit—a spirit of good will, and cooperation, and brotherhood. It is the spirit of freedom and fellowship as Whitman sang it and Lincoln practiced it. And here is this spirit being spoiled before our face and eyes. This is an American tragedy to match the European tragedy.

FAITH IN SENATE AND THE FUTURE

Mr. NYE. Mr. President and Senators, those of you who must remain to deal with these gigantic problems, problems which so gravely and vitally concern the future peace of our Nation and its people, deserve of all the people of America the confidence and respect which I shall always place in and with you. My faith in the good purpose and patriotic spirit of the plain people of America and in what I have come to know, during 20 years, to be the purpose and spirit of the Senate leads me to believe that somewhere you will find the answer to this terrible problem, which may be a painful and burdensome one for a long while. May our Maker bless you and our Nation always.

EXHIBIT A

[From the Progressive, Madison, Wis., December 18, 1944]

IN THE SWEET NAME OF PEACE

(By Fred Pedelford)

Maybe we've been wrong all the way. Maybe those of us who have declined to toss our hats in the air and hail every time we read or hear of internationalism or Dumbarton Oaks or Council of the United Nations have been just as blind and just as benighted and just as surely boils on the ascent of civilization as those who scoff at our skepticism insist. Maybe we who have made bold to wonder whether the United States is being sucked in, like a yokel at a casino, to a rigged post-war poker game, where the Nation is due to lose not only its virtue but its shirt, are just mean old obstructionists and isolationists after all. Maybe.

Certainly the winds of public opinion seem to be blowing against us. The label "isolationist" was usually the kiss of death in the November elections. That the label was applied every bit as indiscriminately, inaccurately, and unfairly as the label "Red" was once applied to all who favored progress made no difference. There was no arguing with the mightiest smear machine the Nation has ever known—a machine made up of such strange bedfellows as New Dealers and Wall Streeters, PM and the Herald Tribune, the Communists and the League of Women Voters. With a single voice, they blasted all those who had dared question the sanity or the sanctity of the administration's foreign policy—past, present, or future.

So maybe we've been wrong—we querulous cranks, we anchor draggers. But before forking into a personal portion of crow, there are one or two points I'd still like to raise, one or two matters I'd still like to see cleared up. For I somehow cannot get out of my head the fact that the same citizens who ran so many isolationists out of office on a rail are quite resigned to the belief that the United States, after winning the war, is going to lose the peace. Somewhere, something doesn't quite fit.

BRUSHING IDEALISM ASIDE

Suppose we begin at the beginning. As is too often forgotten today, the United States did not go to war to save Europe or Asia from fascism or even to save Britain from the Nazis. A substantial majority of American citizens consistently and strongly opposed going to war for either of these purposes; and both Presidential candidates in the 1940 campaign were forced to pay lip service to the ideal of keeping out of war, although it was clear to most voters that both F. D. R. and Willkie thought we ought then to be fighting at Britain's side. But the bulk of American citizens, as poll after poll proved, remained isolationists right up to Pearl Harbor. The United States went to war with Japan only because the United States was attacked by Japan; Germany declared war on us.

Having got into the war purely for purposes of self-protection, the United States was soon and easily persuaded by the administration that it was also fighting an idealistic war, for the principles of the Atlantic Charter and for the "four freedoms." The United States is a generous people, and while the notion of again making the world safe for democracy had a slightly corny ring, it was something very close to that idea which inspirited the Nation and the men in the services during the first many months of the war. It also and incidentally gave a somewhat more satisfactory point than did mere self-protection to the shipping of millions of men thousands of miles overseas. Once in the mess, the Nation was willing and glad to go all out for a better world.

Then, like an avalanche starting slowly, came disillusionment from every quarter. Churchill announced—with an air of "Don't be silly"—that the Atlantic Charter was not to apply to India. British treatment of subject peoples in Asia and Africa, along with the statements of official spokesmen like General Smuts, made clear that Britain was fighting only to save and keep its Empire, and that talk of freedom for men with brown skins or black skins was so much rot.

But it was not only Britain that brushed idealism aside. The United States landed in north Africa, spurned the Free French, and made a deal with collaborationist Darlan. Moving into Italy, the United States, again on orders from Washington, turned its back on Democrats and did business with Fascists. Meanwhile Russia made plain that the Atlantic Charter was not to apply to the Baltic states or Poland. And even those British and American Russophobes who frantically and futilely objected had nothing much better to offer Poland than a return to its pre-war anti-Semitic dictatorship.

Then Churchill, last summer, pressed about his support of a forthright Fascist regime in Spain, made explicit the complete disinterest of the British Government in "ideologies," anywhere in the world. The United States Government, by deed if not by word, chimed in "Me too"; witness Spain and more recently Belgium. Even the good-neighbor policy began to fall apart as United States indignation at Argentina was made absurd by appeasement of Spain and by open-arms friendship for every Latin-American dictatorship willing to play economic ball with the United States.

Only out in the Philippines, when General MacArthur brought President Osmeña back with him, was United States foreign policy so much as tinged with a feeling for true democracy. The war had become a war for raw victory, with no more moral meaning than was incidentally involved in the licking of Germany and Japan. Every G. I. knew it in his bones. Every informed citizen sensed it. Some hated it and squawked in private; some hated it and shrugged; some just shrugged.

It is against this background of idealism turned sour that Dumbarton Oaks and all the pretentious plans for a post-war United Nations set-up must be considered. The United States did not go to war to save the world. The United States, at war, was willing to help try to save the world. The United States soon learned that this is no world-saving war.

SHODDY SUBSTITUTE FOR PEACE

And now the United States is presented, take-it-or-leave-it (but if you leave it, you're an isolationist), with a half-built, jerry-built house in which the nations of the world are supposed to live happily ever after. It does not much matter that the structure is quite a lot like the late League of Nations. It does not much matter that Russia on one side and the United States and Britain on the other are already at bitter odds over a voting technicality. (For it is perfectly apparent that—no matter which way the technicality is settled—when the next international blow-up comes, no written rule is going to stop any powerful nation from doing exactly as it pleases in its own national interest. Just as it is perfectly apparent that no so-called world government which depends for its entire strength on the pooled strength of separate and sovereign nations is going to stand for 2 seconds once any strong nations start quarreling with each other.)

What matters—and matters tremendously—is that the people of the United States, utterly disillusioned about a decent and democratic set of post-war aims, are suddenly being high-pressured into accepting a shoddy substitute, in the sweet name of permanent peace. What matters is that we are being bulled and bullied into lending our national strength, by way of a blank check, to a streamlined twentieth century version of the old unholy Holy Alliance. Our men and our money are to be on call to help maintain the status quo of the world as partitioned and governed after the war—no matter how imperialistic, how undemocratic, how expressly at odds with every American instinct for fairness that status quo may happen to be.

The United Nations would never be able to stop a war between Britain and Russia if any such war should ever be in the making. But the United Nations would be able to slap down India if it should try single-handed to win its independence—or to squelch attempted revolutions in the Dutch East Indies or French North Africa or anywhere else where backward people might like for a chance to try to govern themselves.

The United Nations set-up for peace would last precisely as long as peace between the Big Three or the Big Four or the Big Five would last without any United Nations set-up. And while it lasted it would simply mean that the world would be run by the mighty, and peace, sweet peace, would be a one-sided peace imposed by the powerful in their own selfish and still national interests. Unless—

Unless the foreign policies and the international plans of Britain, Russia, and our own Government should suddenly switch from the undemocracy of their present false realism back to the Atlantic Charter and the "four freedoms." Unless the meat of a world order worth fighting for and working for should be publicly put into the otherwise empty shell of the Dumbarton Oaks scheme.

TIME IS RUNNING OUT

Only the people can do it—or force it to be done. And in Britain the people have been far more vocal, though as yet ineffective, in opposition to their Government's semi-Fascist foreign policy than United States citizens have yet become. For American citizens are somewhat stunned by the administration's light-hearted abandonment of every decent war aim save only victory—an abandonment all the more stupid and shocking in that the United States has no empire to cling to and no territorial ambitions anywhere in the world. Stunned, the people vote vilified isolationists out of office, vaguely favor Dumbarton Oaks, and resign themselves to losing the peace.

Yet the American people rarely stay stunned—or fooled—for long. And the slick salesmen of a world set-up to perpetuate any-old-peace-at-all betray their fear that the United States people may soon come to their senses, in their frantic rush to change or bypass the old constitutional requirement of a two-thirds vote in the Senate for foreign treaties. They know these salesmen, that time is running out on them.

For if and when the people awaken, they will rise up, sure as shootin', and demand that their Government do one of two things. They will demand that the United States officially insist on a democratic, anti-Fascist, anti-imperialist, deeply and truly democratic peace for the whole world before this Nation joins any sort of world order to enforce that peace. Or failing this, the American people will wash their hands of any world order at all. They will not let the Nation be party to any new-fangled holy alliance, dedicated to the defense of the British Empire, the Dutch Empire, the French Empire, the borders of Russia, the borders of China, fascism in Spain, monarchy in Greece, dictatorship in Poland, and an effort to freeze forever the global status quo.

And so I wonder whether the blank-check internationalists who have been riding so high so recently may not be riding for a fall. They would be wise, I believe, to concentrate less on the formal structure of their new league of nations and more on the kind of world it is built to run. They would be wise to leave plenty of room in that world

for the "four freedoms." They would be wise to forget their blueprints for a while and look to their ideals.

Or else—to put it bluntly and baldly—they will find the United States instinctively reverting to a policy undeniably native to this country in the past and recently misnamed by those who oppose it, "isolationism."

NOMINATION OF JOSEPH C. GREW

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. LANGER. Mr. President, I rise to speak against the four nominees. I wish to say, first of all, that I am not surprised that their names were sent to us. I think I made myself quite clear, when I spoke against the confirmation of the nomination of Mr. Stettinius, that after that time I expected the State Department to be run by Wall Street and the House of Rockefeller and the House of Morgan. I am not disappointed.

I am sure the Senate will be interested to know how the reactionary newspapers construed my vote against the confirmation of the nomination of Mr. Stettinius. When I came to the Senate, I believed a Senator was expected to vote according to his conscience. Of course, I expected to be criticized, if I did so, by some of the reactionary newspapers; but I did not expect that the people who sent me here, namely, the farmers of my State, and the other farmers of the Northwest whom I have tried to represent would be pilloried by the newspapers owned and controlled by J. P. Morgan and other Wall Street interests.

From all the editorials on the subject, I have chosen one printed in the New York Sun of December 2. I shall read a portion of it to the Senate:

STETTINIUS CONFIRMED

Secretary Stettinius is doubly to be congratulated. He is to be congratulated, in the first place, because 67 Senators voted to confirm his nomination. He is to be congratulated, in the second place, because Senator WILLIAM LANGER, of North Dakota, voted against his confirmation. Of the two, it is our sincere opinion that the second is by long odds the one which should cause him the greater satisfaction. Wild WILLIAM of the prairies is the northern counterpart (though perhaps much smarter) of those windbags and exhibitionists who in times past have done so much to lower the prestige of the South in the United States Senate. He is a professional friend of the farmer. He knows better than almost anybody else how to set the boys at the forks of the creeks to yowling. His opposition to Mr. Stettinius is not based upon any personal qualification the young man is supposed to lack but solely upon the fact that Mr. Stettinius has had a bowing acquaintance with the world of economics, business, and finance.

Mr. President, I wish to call the attention of the Senate particularly to the next paragraph, because it shows the utter contempt in which Wall Street holds the farmers, among others, of the Northwest. That newspaper, the New York Sun, is a Wall Street newspaper. It is the mouthpiece of J. P. Morgan and the Rockefellers and their ilk. The editorial further says:

It may be that the new Secretary of State could have prevented such opposition if only he had made a habit of going about in overalls, smoking a corncob pipe, splitting his infinitives, sprinkling his speech with double negatives and "aint's," damning up the street and down the alley all bankers as moneygrubbers and monopolists. But Mr. Stettinius doubtless would have considered that the office was not worth having at such a price.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Sun of December 2, 1944]

STETTINIUS CONFIRMED

Secretary Stettinius is doubly to be congratulated. He is to be congratulated, in the first place, because 67 Senators voted to confirm his nomination. He is to be congratulated, in the second place, because Senator WILLIAM LANGER, of North Dakota, voted against his confirmation. Of the two, it is our sincere opinion that the second is by long odds the one which should cause him the greater satisfaction. Wild WILLIAM of the prairies is the northern counterpart (though perhaps much smarter) of those windbags and exhibitionists who in times past have done so much to lower the prestige of the South in the United States Senate. He is a professional friend of the farmer. He is a professional baiter of Wall Street. He knows better than almost anybody else how to set the boys at the forks of the creeks to yowling. His opposition to Mr. Stettinius is not based upon any personal qualification the young man is supposed to lack but solely upon the fact that Mr. Stettinius has had a bowing acquaintance with the world of economics, business, and finance.

It may be that the new Secretary of State could have prevented such opposition if only he had made a habit of going about in overalls, smoking a corncob pipe, splitting his infinitives, sprinkling his speech with double negatives and "ain'ts," damning up the street and down the alley all bankers as money-grubbers and monopolists. But Mr. Stettinius doubtless would have considered that the office was not worth having at such a price. If so, that is a point on which most decent Americans will agree with him.

At the time Mr. Stettinius was made Under Secretary The Sun said of his appointment that it meant that when the Foreign Economic Administration had business matters to take up with the State Department it could be sure of having at least one man in that department who could speak its own language. Events have justified our opinion. It still remains to be seen whether he is big enough for the biggest diplomatic job we have next to that of the President of the United States. It still remains to be seen whether he will be a Minister of Foreign Affairs in fact or merely a yes-man for the real Minister of Foreign Affairs, Franklin D. Roosevelt. But there is nothing in his record to warrant pessimism on that score. The good wishes of all fair-minded Americans accompany him as he undertakes the most difficult assignment that has ever come his way.

Mr. LANGER. Mr. President——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CONNALLY. May I inquire of the Senator about how long?

Mr. LANGER. How long I am going to speak?

Mr. CONNALLY. Yes.

Mr. LANGER. Between half an hour and 45 minutes, or approximately that long.

Mr. CONNALLY. I thought the Senator said privately, a while ago, that he would speak for 30 minutes.

Mr. WILEY. It has been extended.

Mr. LANGER. I said I would hope to be through in 30 minutes, or perhaps a little longer—possibly an hour.

Mr. CONNALLY. My concern is that other Senators are wondering about their own time.

Mr. LANGER. I will hurry, of course.

Mr. CONNALLY. I thank the Senator.

Mr. LANGER. Of course, this matter is very important to the farmers of the country, and I may speak a little longer.

Mr. President, in order that the Senate may have a clear conception of exactly what kind of people live in North Dakota I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a small pamphlet entitled "North Dakota at a Glance." The pamphlet was prepared by the Greater North Dakota Association of the State of North Dakota. I particularly ask every Senator to read the pamphlet in order to inform himself about one of the great cultural centers of this continent.

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

NORTH DAKOTA AT A GLANCE

To the Not-Too-Casual Visitor:

Glance at North Dakota, a young State (1889) which is going places, first places mostly. Although sixteenth in size (70,837 square miles) it holds first place in many lines of agricultural production, as in wheat, durum, flax, barley, and close to the top in other small grains. North Dakota produces prodigiously in all cereal foods and in livestock of superior quality.

Glance at North Dakota in the geographical center of the continent, just before it enters its period of greatest development; when it is just starting to exploit its store of 600,000,000,000 tons of lignite coal, with its many by-products; as irrigation comes to a million or more of its fertile, level, stone-free acres, North Dakota is tractor territory, the land of the long furrow, where modern mass production in agriculture is successfully practiced.

North Dakota is healthful. It has often had the lowest death rate, lowest infant-mortality rate. Its bronzed sons and daughters warmed by more hours of sunshine, breathing the ozone-filled air in the great level spaces, are healthy, sturdy, and hearty. They extend a welcome so warm they have helped make famous the phrase, "Western hospitality."

CULTURAL CENTERS IN THE CENTER OF CONTINENT

North Dakota built new. Taking advantage of the experience of older States, North Dakota built a State capitol styled for utility as well as beauty, with 83 percent space efficiency in the 18-story structure. Community buildings, airports, colleges, schools, and business houses display modern modes.

Culture is considered. Churches were built early and are now being replaced with larger, finer edifices. Colleges were provided in the constitution, supported by land grants and by taxpayers eager that their children should have advantages. North Dakota built schools, a greater number per capita than other American States. Her people early formed consolidated districts to improve schools. Parochial and denominational schools, colleges, and conservatories supplement the State's splendid educational

system. Added agricultural schools mark the advance of scientific farming. All these in addition to a splendid State university, an outstanding agricultural college, five State teachers colleges, school of forestry, and an industrial college. Men of science and medicine from North Dakota have won national fame. The State which founded the Little Country Theater movement, has sent forth actresses, actors, writers, to win international acclaim and to present proof that true culture and the finer arts are not neglected. The State's rapid growth, its steady expansion, its immense undeveloped opportunities, inspire its youth to earnest, creative endeavor. The wide sweeps of North Dakota's landscape, the diversity of ideas brought by its pioneers from many countries keeps the population from becoming too provincial. North Dakotans are tolerant, understanding of others. They cooperate in the building up of shrines and churches, rejoicing that each neighbor has the God-given right to worship according to the dictates of his conscience.

MASS PRODUCTION THROUGH MODERN MECHANIZED METHODS

Leading wheat State

North Dakota produces about 45 percent of the country's spring wheat and its high protein content makes it premium quality. Long termed the "Nation's breadbasket," North Dakota produces prodigiously.

First in durum

More than 90 percent of the durum grown in the United States comes from North Dakota to be made into seminola, macaroni, and to supply export needs. Durum wheat is grown efficiently in the land of the long furrow, ideally suited to modern mechanized equipment.

For linseed oil

North Dakota produces about 15,000,000 bushels of flax annually, making it one of the leading producers of flax, often judged the best in world competition at the International hay and grain show in Chicago. Flax is also coming into use as an edible food oil. Flax fiber is important commercially for making linen, paper, and insulation material.

First in barley

North Dakota produces about 20 percent of the Nation's barley, important as food for humans as well as livestock. The State is also a major source of high-quality malting barley used in the manufacture of malt beverages.

Mile-long corn rows

Development of sturdy hybrid seeds has increased production, while livestock demands have enlarged acreages as North Dakota progresses in diversification and stabilization. Northern grown seed from North Dakota is in strong demand.

A MAJORITY OWN THEIR OWN FARM HOMES

Home ownership

Many beautiful farm homes exemplify the pride of ownership, and a high percentage of North Dakotans own their own farms. Pictured is a modern farm home in the Sheyenne River Valley, where combined grain farming and balanced livestock production bring assured profits.

Profitable potatoes

North Dakota has a larger acreage of certified seed potatoes than any other State, and the production of seed for Southern States and Caribbean countries provides a $20,000,000 annual industry. Fine table stock is used in new dehydration plants supplying a wide market.

Sugar beets

Without irrigation or fertilization sugar beets with a content of 16 to 17 percent, yielding about 9 tons per acre, are produced in the Red River Valley, and 12 to 14 tons under irrigation in the Valley of the Yellowstone along the western border. Beet growing, now highly mechanized, is very profitable. It fits in rotation plans and aids in livestock feeding and fattening.

Soybeans

The magic material for plastics, high protein food products for man and beast, soy beans is a crop being rapidly expanded in North Dakota, with a soy bean processing unit installed in the State mill and elevator at Grand Forks.

Tractor territory

North Dakota's level areas, great fields, free from stone, tend toward complete mechanized methods as indicated in the threshing scene above.

LIVESTOCK MANUFACTURES FOOD FROM FEED

Herds pedigreed find rich, ample feed

Uncounted thousands of bison fattened in days of old on the prairies whose rich, nutritious grasses now support registered herds of beef and dairy cattle, followed by quality sheep and premium hogs, while turkeys, poultry, and poultry products supply processing plants for year-round operation, farmers with ready cash and a splendid balance to agriculture, once devoted largely to the growing of cereal grains. Dried grama and bunch grass furnishes feed for livestock on the range even during winter months.

MANY MARKETS FOR NORTH DAKOTA FARMERS

Competition and cooperation

Competition is the life of trade and cooperation also plays an important part in the markets of North Dakota. The State offers a State-owned mill and elevator, in competition with independent flour mills, and cooperatively owned elevators operate in competition to individually owned grain houses—all of which works to make good markets for North Dakota farmers, who can sell all their products for cash at any season.

QUALITY PRODUCTS PROVIDE PROFITABLE INDUSTRIES

North Dakota turkeys

The special quality and flavor of North Dakota turkeys, North Dakota butter, North Dakota poultry, bring premiums on eastern markets. North Dakota pottery made from some of the world's finest ceramic clays sells readily in all States. The dry, healthful climate is ideal for the production of fine furs.

North Dakota honey

Water-white honey gathered by bees from sun-flooded fields of sweet clover has a taste and flavor which wins instant favor and is declared of supreme quality by honey connoisseurs over the Nation. More hours of sunshine allow the bees to work longer hours, store more honey per hive, a fact which brings apiaries here annually from distant States.

A WARM WELCOME TO AIR-CONDITIONED COMFORT

Gradually the romantic history of North Dakota, the unique beauty of its Badlands, of its 22 State parks, the compelling interest of restored prehistoric Indian village dwellings, its skyscraper Capitol, its immense International Peace Garden, beauty spots, and other attractions—are making the State a touring objective.

For many years North Dakota's faster, shorter, better, cooler routes have been popular pathways to the Alps of America, the Nation's greatest scenic section, the Pacific Northwest. North Dakota provides the Main Street to the Yellowstone, the Broadway to Glacier, and the Appian Way to the other American and Canadian parks.

North Dakota's broad sweeps, the stillness of its Badlands, the Sunken Gardens of America, brings peace to the soul of the visitor. There is rest for the eyes in the beauty of the great green or golden seas of grain in mile-square checkerboards. Enlarged horizons, unmatched sunsets, and the great blue tent in which the stars are hung give a new sense of freedom to those escaping from congested confusion, who have broken into the open spaces to breathe ozone-filled air, to drink in the health-giving sunshine, and to be a part of nature itself.

North Dakota welcomes visitors to its healthful, zestful, restful climate. Visitourists are urged to linger in its sunshine, enjoy its hospitality, and to become relaxed and refreshed. Citizens are grateful to those hunters, fishermen, outdoor people, who acknowledge North Dakota is a touring objective.

STATE HAS GREAT WEALTH OF NATURAL RESOURCES

More than 600,000,000,000 tons of lignite coal, enough for the needs of the Nation for 400 years, underlies 28,000 square miles in western North Dakota. If sold at only $1 a ton, it would pay the national debt twice over. Gasoline, plastics, various oils, acids, dyes, paints are made from lignite economically mined.

Lignite coal is briquetted into high-class fuel at Dickinson and Minot plants. New industrial uses of lignite for motor fuel, etc., are being worked out by United States Bureau of Mines engineers in North Dakota. Natural gas furnishes another cheap and efficient fuel. Lignite lends encouragement to new industries because of its economy.

NORTH DAKOTA HIGHWAYS, SKYWAYS, AND RAILWAYS

Skyways

Northwest Airlines furnishes several transcontinental flights daily through North Dakota joining east and west coasts and connecting with Winnipeg, Canada. Other lines seek entrance to some 73 towns which have actual or planned airports. The center of the North American Continent, North Dakota looms large on the air maps of the world. Commodious airports accommodate traffic to the Orient from eastern manufacturing centers.

Railroads

Four transcontinental lines traverse North Dakota and their feeder lines form a network covering the State and transporting its vast food production. Northwest railroads offer unexcelled dining and Pullman service and passengers are treated with courtesy and consideration. Railroads built North Dakota—and found it a good investment.

Highways

A network of good highways, Federal, State, and county, make travel pleasurable and every section accessible. Two hard-surfaced United States highways traverse the State east and west, while three more stretch like black ribbons north and south. The Federal system is augmented by splendid State and county highway networks maintained for all-weather travel. Bus lines reach out with a service to outlying towns from the metropolitan centers, stations on a national system of travel.

Hands across an unfortified border

Good will between two great peoples, citizens of the United States and Canada, built the International Peace Garden across the "border without a bayonet," one-half in North Dakota, the other in the Province of Manitoba.

This State and that Province, the United States National Parks Service, peace-loving citizens of two countries, are developing the 2,200-acre area—888 acres of which are in North Dakota—with the aid of landscape architects of two nations, who are building this garden as a memorial marking more than a century of peace between people who speak the same language and enjoy similar ideals of freedom.

Two peoples, allies in war, in peace will express their warm friendship, confidence, and

understanding in a garden of beauty, where they will stroll across the border at will, and clasp hands across the cairn, pictured above, which states:

"To God in His glory we two nations dedicate this garden and pledge ourselves that as long as men live we will not take up arms against one another."

Friendship exemplified in nature

A proposed peace tower will be erected in the center of the international peace garden as a memorial to the long-standing friendship between the United States and Canada. Its purpose is "to commemorate and perpetuate this pleasant relationship, fostering the conception of perpetual harmony with the patient and tender care of a gardener."

There are splendid park and picnic facilities on each side of the border and a natural bowl provides meeting places for large community gatherings and international events.

The garden dedicated before 50,000 people July 14, 1932, has since built hostels, shelters, a community hall in rustic style, and the landscaping program goes forward yearly. It is expected that various nationality groups will have special buildings erected in the beautifully shaded grounds and that it will enjoy great development with the coming of permanent world peace.

NORTH DAKOTA OFFERS VARIETY IN HUNTING

North Dakota offers five distinct species of upland game birds—geese and ducks unlimited. Chinese pheasants, Hungarian partridges, pinnated, sharp-tailed, and ruffed grouse can be found over much of the State. Migratory waterfowl nest and propagate in the cool waters of this State, which is in line for several northern flights of ducks and geese, making North Dakota truly a hunter's paradise.

GLIMPSE OF YOUNG STATE GOING PLACES

You have just glimpsed North Dakota going by—into a brilliant future, filled with hope. Irrigation has just come to the State, with less than 40,000 acres now under water cultivation. But a million acres may be under irrigation with the development of the Missouri River Basin. Irrigation could easily double the population. Cheap water power, lignite development, natural gas, and other resources and the growth of farm chemurgy will bring new industry. The growth of dairying, the improvement of agricultural practices, of soil conservation and water conservation, the introduction of new crops, new machinery for economic operation, makes home ownership more attractive in this great agricultural State. There is room for more good people. Farm and business opportunities are open. This young state is on the verge of its greatest development.

North Dakota welcomes its returning veterans home from the wars. North Dakota welcome farmers from other States, who are anxious to improve their conditions. North Dakota welcomes the hunter, the tourist, the traveler. If you would like to know more about a great agricultural Commonwealth, write.

THE GREATER NORTH DAKOTA ASSOCIATION.

Mr. LANGER. Mr. President, I wish again to make clear one reason, in addition to the fact that he is a tool of Wall Street, why I voted against Mr. Stettinius. I recently telephoned Mr. Stettinius and asked him about the personnel of the Foreign Service according to country assignment. His response was as follows:

MY DEAR SENATOR LANGER: In response to your telephone request of this morning there is attached a statement showing the total number of personnel of the Department of State as of November 30, 1944. I understand that you are interested only in the totals and, consequently, I have made no further break-down as between Americans and aliens, officer and clerical, et cetera. If you wish further information please let me know.

Sincerely yours,

E. R. STETTINIUS.

Mr. Stettinius replied very promptly and very frankly. He attached to his letter a statement which shows that the Department of State as of November 30, 1944, had a total personnel in the departmental service of 3,142 and in the Foreign Service a total of 5,784, or a grand total of 8,926.

Mr. President, as I said the other day, North Dakota is 55 years of age. For 55 years that State has been a member of the Union. During that entire period of 55 years how many persons from North Dakota were appointed to any kind of a position in the Department of State which now, Mr. Stettinius states, has a total personnel of 8,926?

In Argentina, for example, the State Department employs 138, but not one comes from North Dakota. In Australia, it employs 68, but not one comes from North Dakota; in Belgium, 48, but not one comes from North Dakota; in Bolivia, 67, but not one comes from North Dakota. In Brazil the total of employed personnel is 358, but not one comes from North Dakota; in Bulgaria, 6, but not one comes from North Dakota; in Canada, 255, but not one comes from North Dakota; in Chile, 167, but not one comes from North Dakota; in China, 102, but not one comes from North Dakota; in Colombia, 120, but not one comes from North Dakota; in Costa Rica, 51, but not one comes from North Dakota; in Cuba, 141, but not one comes from North Dakota; in Czechoslovakia, 6, but not one comes from North Dakota; in Denmark, 3, but not one comes from North Dakota; in the Dominican Republic, 46, but not one comes from North Dakota; in Egypt, 101, but not one comes from North Dakota; in El Salvador, 30, but not one comes from North Dakota; in Ecuador, 70, but not one comes from North Dakota; in Ethiopia, 30, but not one comes from North Dakota; in Finland, 9, but not one comes from North Dakota; in France, 230, but not one comes from North Dakota; in Great Britain, 726, but not one comes from North Dakota; in Greece, 21, but not one comes from North Dakota; in Guatemala, 38, but not one comes from North Dakota; in Honduras, 38, but not one comes from North Dakota; in Haiti, 48, but not one comes from North Dakota; in Iceland, 15, but not one comes from North Dakota; in Iran, 63, but not one comes from North Dakota; in Iraq, 42, but not one comes from North Dakota; in Ireland, 50, but not one comes from North Dakota; in Italy, 68, but not one comes from North Dakota; in Lebanon, 34, but not one comes from North Dakota; in Libya, 16, but not one comes from North Dakota; in Luxemburg, 4, but not one comes from North Dakota; in Mexico, 468, but not one comes from North Dakota; in Morocco, 65, but not one comes from North Dakota; in the Netherlands, 28, but not one comes from North Dakota; in New Zealand, 33, but not one comes from North Dakota; in Nicaragua, 61, but not one comes from North Dakota. In Norway—I may add, Mr. President, that 40 percent of our population in North Dakota comes from Norway and Sweden—but in Norway, although the State Department employs 7, in their personnel, not one comes from North Dakota. I think North Dakota has, perhaps, the greatest percentage of Norwegians of any State of the Union. Palestine, 23, but not one comes from North Dakota; Panama, 74, but not one comes from North Dakota; Uruguay, 40, but not one comes from North Dakota; Peru, 96, but not one comes from North Dakota; Poland, 16, but not one comes from North Dakota; Portugal, 156, but not one coming from North Dakota; Rumania, 5, but not one comes from North Dakota; Saudi Arabia, 20, but not one comes from North Dakota; Spain, 250, but not one comes from North Dakota; Sweden, 165, but not one comes from North Dakota; Switzerland, 152, but not one comes from North Dakota; Syria, 15, but not one comes from North Dakota; Turkey, 155, but not one comes from North Dakota; the Union of South Africa, 64, but not one comes from North Dakota; Soviet Russia, 104, but not one comes from North Dakota; Uruguay, 34, but not one comes from North Dakota; Venezuela, 58, but not one comes from North Dakota; Yugoslavia, 8, but not one comes from North Dakota; Vatican City, 11, but not one comes from North Dakota. In the United States, assigned to Washington, are 395. If any of them come from North Dakota I have not been informed of that fact.

The United States dispatch agencies, 20, and not one comes from North Dakota. I assert, Mr. President, that out of a total of 5,784, not a single appointment was from the State of North Dakota. In addition, Mr. President, there are 3,141 in departmental service, and not one, so far as I know, has come from the State of North Dakota.

Yesterday I went to the executive secretary of the Senate and I asked him to make a check to ascertain whether any person had ever been appointed from the State of North Dakota in 55 years. Lo and behold I found that since I arrived here as a Member of the Senate a young man, 42 years of age, by the name of Tewell, had been appointed as a consul.

Mr. President, I wish to make it very plain that not only has North Dakota not been represented in the Department of State, but to date, according to the Congressional Directory which I hold in my hand five persons from New York have been appointed and are members of the Cabinet right now and other departments have many New Yorkers.

Not only have there been no persons from North Dakota appointed to any vacancies in the Department of State, but in all the vast agencies employing thousands upon thousands upon thousands of people, North Dakota has been deliberately, I believe, ignored. I wish to make it plain to every Senator in this Chamber, Mr. President, that so long as I am a Member of this body, I do not care whose nomination is presented for confirmation, I do not care what job it may be, except as postmasters in other States,

I shall be here protesting, protesting, and protesting, in order to insure that the State which I represent shall receive a square deal here in Washington, something which it has not had in 55 years of statehood.

Mr. President, so far as the editorial which appeared in the New York Sun is concerned, the little sheet which is owned by Wall Street and controlled by the J. P. Morgan interests, nothing which may be said in the editorial could possibly hurt me in North Dakota. They called me "Wild WILLIAM" because I dared to vote against Mr. Stettinius. I do not apologize for the vote and expect never to apologize for it. I merely wish to say that a man who has made the record in North Dakota which I have made, and which is known to the people of that State, need not fear that the people of North Dakota will pay much attention to what I have been called and the attempt made to misrepresent me to the people of this country.

For example, when I was Governor I sent 1,200 students to universities and colleges by a loan from the Bank of North Dakota through the Board of Administration. Was that the act of a wild man?

When I was Governor we lowered electric light rates for the State in the city of Bismarck from 9 cents a kilowatt-hour to 1 cent a kilowatt-hour. Was that the act of a wild man?

I helped the Service Commission lower the rate in the city of Fargo by getting a refund on electricity of nearly a million dollars in that one city. Was that the act of a wild man?

I helped Henry Owen lower the rates in the city of Grand Forks to the consumers, making a saving of $72,000 a year. Was that the act of a wild man?

As Governor I signed the bill that created the first water board, which did so much toward getting the Missouri Valley basin developed, a subject which we have been considering here for weeks. Was that the act of a wild man?

As Governor I helped inaugurate and signed the first R. E. A. bill giving the farmers light and power. In the neighboring State of Montana, 25 out of every 100 farmers already had light and power upon their farms; on the other side, in Minnesota, 40 farmers out of every 100 had light and power; and so there was passed the act which I signed saying North Dakota should have her share. Was that the act of a wild man?

Mr. President, when as Governor I ascertained that in our insane asylum there were hundreds of thousands of bedbugs and lice and I learned the plumbing was out of order, and I went there personally and ordered it cleaned up so that the poor insane people might have a decent place in which to live. I ask the New York Sun, Was that the act of a wild man?

Mr. President, certainly the present editor of the New York Sun could not have read The Commercial West, because only some 6 years ago while I was still Governor of the State they said I had the most outstanding record of any Governor in the United States in cutting down expenditures, reducing them from more than $11,000,000, as in the preceding biennium, to a trifle more than $5,000,000, or about 54 percent. I ask, Was that the act of a wild man?

Mr. President, in all the time I was Governor of that State, not one single bond was issued. I ask the New York Sun, J. P. Morgan's paper, whether that was the act of a wild man?

Was it the act of a wild man when a governor built twice as many miles of oiled highways in one term as were ever built by any governor before or since; yet during my administration 508 miles of oiled highways were built, and that during the drought. Was that the act of a wild man?

When I helped conduct the Bank of North Dakota, which is the only bank owned by any State, so that for every year while I was the Governor it made a profit of not less than a half million dollars a year net, was that the act of a wild man?

When in the conduct of the affairs of the State-owned mill and elevator we paid off debts of over a half million dollars which I inherited from my predecessor, Mr. Welford, I ask whether that was the act of a wild man?

I ask further is it an act of a wild man when a governor helps the crippled and the blind, as was done by legislation which, as governor, I signed, or when I made 444 speeches for an old-age pension act, and which resulted in giving a $40-a-month old-age pension. Was that the act of a wild man?

When the legislature passed a bill, which I signed as governor, putting the police and firemen in our large towns under civil service, was that the act of a wild man?

Mr. President, when as governor I issued a moratorium that saved over 50,000 homes from foreclosure, was that the act of a wild man?

Again, I ask, Mr. President, is it the act of a wild man when a governor steps in and saves the farmers of his State $12,000,000 when the rust comes and the wheat is shriveled and he keeps the grain gamblers from robbing the farmers of that amount?

Mr. President, it is very significant to me that one of the first things Mr. Stettinius did that was different from Mr. Hull, was this: Mr. Hull, as shown by the distinguished junior Senator from Vermont [Mr. AIKEN], fought for the St. Lawrence waterway, but Mr. Stettinius was strangely silent. I want to say to you, Mr. President, that just as Mr. Hull said, just as George Norris said in the article which I read at the time I opposed the nomination of Mr. Stettinius, if we had gotten the St. Lawrence waterway the millions of dollars the North Dakota farmers would have been saved in hauling their products to market would have been sufficient to take care of one-half the total expenditures of running our State government.

Mr. President, so far as Mr. Dunn is concerned I wish to say a few words.

One of the policies of President Roosevelt which I have admired has been his humanitarian attempt to aid the persecuted people of Europe, those who have been discriminated against because they belong to a church or a group which Hitler opposed. Some of these minority groups have been Protestants, some Catholics, but the majority have been Jews. No matter who they are, however, President Roosevelt has attempted as far as he was able to aid them. But unfortunately, he has not always had the support of his executives in the State Department.

We are now called upon to confirm a new set of State Department executives. Some of them actually are not new, but have served in the State Department for many years, and, unfortunately, they have been largely responsible for undercutting some of the President's fine humanitarian moves. If they undercut his hopes for peace in the same way they have sabotaged his attempts to aid the refugees of Europe, then I for one fear for the future. It is because no President can ever be completely his own Secretary of State that I believe we should scrutinize so carefully and ask him to reconsider the men whom he now wants appointed as Assistant Secretaries.

Four years ago shortly after the war broke out in Europe, President Roosevelt appointed a refugee committee headed by James G. McDonald. Mr. McDonald had handled the refugee problem for the League of Nations and is a very capable and efficient gentleman. On that committee President Roosevelt appointed a fine group of people, including Archbishop Joseph F. Rummel, of New Orleans; Hamilton Fish Armstrong, editor of Foreign Affairs; George Warren, the expert on international law; Basil Harris, formerly head of the U. S. Lines; Prof. Joseph P. Chamberlain, of Columbia; and the Reverend Samuel Cavert, of the World Alliance for International Friendship.

This committee immediately got busy, and after investigating a long list of refugees finally recommended that 651 professors, churchmen, and former government officials be admitted to the United States. They were French, Czech, Jewish, Catholic, and in some cases anti-Nazi Germans. Their names had been checked over by the Justice Department, and then they were sent to the State Department. But when they went to the State Department, nothing happened. Two and one-half months passed, and out of this list of 651 refugees only 15 were approved by the State Department for admission into the United States.

Finally the President's Committee on Refugees began to ask questions of the State Department, and when their questions remained unanswered, Mr. McDonald, the chairman, came to Washington and went to the White House direct. The President in turn asked Mr. Francis Biddle, now Attorney General, and Under Secretary of State Sumner Welles to investigate. They found that the whole matter had been held up by functionaries inside the State Department, including James Dunn, whom we are now asked to confirm as Assistant Secretary of State.

Simultaneously, the State Department had issued various passport visas to Nazi businessmen who wanted to enter this country, such as Dr. Gerhard Westrick, who later was discovered to be Hitler's

own economic envoy and who was forced to leave the country in a hurry.

That is just one incident which has come to my attention in which the President's policies have been flouted, ignored, and sabotaged by the men who were supposed to carry them out. But there have been other cases. One of them occurred last winter, when about 250 Polish Jews secured passports to go to Paraguay. These Polish Jews had been interned in occupied France, at Camp Vittell. Naturally, in occupied France they were under Nazi supervision. But the Paraguayan authorities had given them passports, and feeling sorry for these exiles the Paraguayan Government had adopted them as Paraguayan citizens. Naturally they were not Paraguayans, but, at any rate, the Paraguayan Government took them in and claimed them as citizens. Furthermore, the Paraguayans gave them passport visas to come to Paraguay.

However, the German Government refused to let them go. At this point American citizens in this country who were trying to help the refugees, asked the State Department to give a little diplomatic help in the situation. The Paraguayan Government could, if it had so wished, have demanded that Germany recognize its passports. It is not up to a foreign government to question the passports of another sovereign government. When Germany, for instance, issues a passport to anyone, Paraguay has no right to question it, and Paraguay could easily have retaliated against Germany and forced Germany to recognize its passports if the State Department had only given a free hand to the Paraguayan Government.

However, Mr. James Dunn, in the State Department at that time and handling these matters, refused to move. He was asked to move by members of the President's War Refugee Board. He was asked to move by other officials of the Roosevelt Administration in other departments. But he did not. He did not act for approximately 2 months. During part of this time Secretary Hull was away in Florida. When he returned, however, the matter was taken up direct with Mr. Hull, and Mr. Hull acted immediately. The cable was sent within 27 minutes after Mr. Hull gave the order. However, it was too late. By this time the Polish refugees in France had been transported out of France by Germany, and we do not know their fate.

Here again the President of the United States had outlined a clear-cut policy to aid refugees in Europe, but here again important officials of the State Department undercut his policy.

I realize that Mr. Dunn will deny these allegations. In fact, he probably has already done so. Nevertheless, my information comes from reliable officials within the State Department and in other branches of the Government who sat in on all these transactions, and they assure me that the facts are exactly as I have given them.

Then there was another incident wh'ch this body should know about before it passes upon Mr. Dunn's qualifications. Again Mr. Dunn will deny these allegations, if he has not done so already. But again, I have carefully checked the facts, and I know them to be absolutely as stated.

About 18 months ago the American Minister in Switzerland cabled the State Department reporting in detail regarding Nazi atrocities against civilians, especially Jews. The cable was numbered 485. Sumner Welles, the Under Secretary of State, immediately called in various Jewish leaders and gave them the information. He was shocked, and felt they should know the facts. Subsequently mass meetings were staged in Madison Square Garden to raise money to aid these persecuted people and to urge further steps to protect them as far as possible.

I myself was one of the speakers at one of those mass meetings, together with Leon Henderson, Orson Welles, Ben Hecht, and others. Representative EMANUEL CELLER was also one of the speakers upon that occasion. We held these mass meetings, which were staged to raise money to aid these persecuted people and to urge further steps to protect them as far as possible. Simultaneously, Mr. Welles instructed his colleagues in the State Department to intensify their rescue efforts.

But behind his back a cable was sent to the American Minister in Switzerland which told him to send no more reports regarding atrocities similar to his cable 485.

That cable was initialed by James Dunn. Mr. Welles did not see that cable. Other officials in other branches of the Government did see it and were amazed that the State Department should tell an American minister abroad to ignore these atrocities and not report on them. Subsequently Mr. Welles called in his subordinates and found that such a cable had been sent. He expressed his amazement and countermanded the instructions. The whole matter eventually got to the White House, where the President himself intervened and ended the whole question by appointing a new and reorganized War Refugee Board.

There again is the tragic case where the President of the United States may outline a fine humanitarian policy only to have it changed and nullified by the executives who are entrusted with carrying it out. And yet we are asked to confirm some of the men who already have failed to follow the President's foreign policy. We are asked to do it by the distinguished junior Senator from Florida [Mr. PEPPER] and some of his associates who say they have had a talk with the President. Let me say, Mr. President, that long, long after the damage has been done it may be that the President will find that his wishes have not been carried out by the Department of State.

My experience with this kind of an outfit is not new. I had my first experience with the Standard Oil Co., when I was only a trifle over 23 years of age. At that time I sued the Standard Oil Co. because they had been robbing the people of the State of North Dakota. I brought a lawsuit as assistant county attorney of Morton County, N. Dak. I finished it as State's attorney of that county. I made them return to the people of North Dakota $1,250,000 in cash, of which they had robbed the people of North Dakota even at that time.

To show how Wall Street operates, when I became Governor of my State, I found that bonds of the State of North Dakota, which had never repudiated a debt in all its history, a State which had always met the interest on every bond it had ever issued, bonds were considered only as B bonds, but the bonds of some other States which had repudiated them in the past, because of influence they had in Wall Street, were rated as "A." So, although North Dakota had not had a crop in some 8 or 9 years, I went to Wall Street, I went to the Chase National Bank, and they finally called a meeting. Present at that meeting were Arthur Ballentine; Arthur Vanderbilt; Louis Guenther, of the Financial Reporter; Kenneth Hogate, of the Wall Street Journal; H. Alexander Smith; Roger Straus; George Sibley; Walter Mack, who I think was a circuit judge; C. B. Hamel; Arthur Pound; H. G. VanVeen; William V. Hodges; Frederick Coudert, Jr.; Stanley Isaacs; W. A. Peake; Richard W. Lawrence; William S. Bennett; Howard Huston; Archibald Roosevelt; Norman Tabor, who was employed as fiscal agent for the State of Tennessee, and paid, as I understood it, some $200,000 for reorganizing their debt; Phillip Thurston; Harry Guggenheim; William Bradford Hubbell; Chase Mellen, who was then with Lehman Bros.; Charles Weigald, who was a partner of Archibald Roosevelt; C. W. Williams; Guy Emerson; Phil McCook; James Hagerty, Sr.; Denis Tilden Lynch; and Lowell Wadman.

There they were, Mr. President, representing the very cream of Wall Street. I spent one afternoon with these gentlemen, answering the various arguments they put up against the solvency and the credit of North Dakota, and within 3 days after I returned to the State of North Dakota I received this telegram:

WILLIAM LANGER,
Governor of North Dakota:
Revised North Dakota rating A released today.
MOODY'S INVESTORS SERVICE.

It will be seen, Mr. President, that we got the North Dakota bonds up to A, which meant that by one stroke of the pen this outfit, Moody's Investors Service, raised the value of North Dakota bonds some 10 points on the dollar. It meant an increase in the value of those bonds ostensibly of over $2,000,000 as a result of that one afternoon's work. But time passed, and although we had no crop failures for some time afterward, lo and behold, to my surprise, I found about a year and a half ago that without any notice to me, and so far as I know without any notice to anyone, North Dakota bonds were put back into class B in spite of good crops we had had.

Mr. President, I now want to say a few words, and I will be brief, about Mr. Clayton.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. LANGER. I shall be through in 2 or 3 minutes. I shall not take long.

Mr. CONNALLY. I simply wish to ask a question.

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. LANGER. I prefer not to yield until I am through. I shall be through in a few minutes.

Mr. President, I should like at this point to present for the information of the Senate and the people a comprehensive and consecutive picture of the role played by Mr. William L. Clayton in planning for the disposal of farm land that has been taken by the Government for military purposes. Such a survey is, I believe, very much in point in our consideration of the nominations to the State Department that are before us, particularly the nomination of Mr. Clayton to be our Assistant Secretary in charge of our economic relations with all the other nations of the world.

The best way to judge the probabilities of his future performance is to look at his past performance, his words and deeds as a public servant and as the operating head of the largest cotton trading firm in the world.

In looking at that part of Mr. Clayton's record which relates to surplus land disposal, I propose to refer to part of the statement filed with the Senate Foreign Relations Committee by James G. Patton, president of the National Farmers Union, which was included in the report filed by the distinguished Senator from Texas [Mr. CONNALLY], to a file of statements made by the Farmers Union on the matter of surplus land disposal policies adopted by Mr. Clayton, beginning last July 9, and, finally, to the hearings of the Senate Military Affairs Committee on the surplus property disposal bill which resulted in the drafting of a bill which abolished the job held by Mr. Clayton.

I am glad to say that throughout the period of time covered by these documents and the activities they reflect, the National Farmers Union has been prominent in defending the interests of the people in the disposition of the property they have paid for with their taxes.

In my State of North Dakota the Farmers Union is the predominant farm organization. And I want to say that it is a hard-hitting, liberal, people's organization, headed by one of our great agricultural statesmen, Mr. Glenn Talbott. In the few years of Mr. Talbott's incumbency in the State presidency, the Farmers Union membership has grown from a few thousand to nearly 30,000 farmers, about 40 percent of all the farmers of the State.

That membership is still on the rise. And it is on the rise because the Farmers Union there and nationally has represented honestly and faithfully the true wishes of the farm people it is supposed to represent. In all the great battles of the last few years in Washington and, more important, in the field of public opinion and sentiment, the Farmers Union has been on the level. Whether you agree with all of its positions or not, you cannot but admire the courage and integrity of its leaders.

That is why the rank and file members of North Dakota continue to support the Farmers Union and why the Farmers Union continues to grow. These North Dakota farmers know what the score is. They have fought drought and flood and pestilence, they have fought the grasshoppers of the plains and those more pestilential plagues of monopolists and vested interests that alike have threatened to wipe them out. They are not the kind of people the New York Sun editorial which I read said they were. They long ago found out that actions speak louder than words and that the true economic interests of farm people do not lie with those who hope to exploit farm people.

And, to get down to cases, Mr. President, that is exactly what they are doing in this present fight. Those North Dakota farm people know that the National Farmers Union spoke truly and accurately for them when its national president, Mr. James G. Patton, presented a statement to the Foreign Relations Committee earlier in the week and obtained its insertion in the record of the hearings despite attempts to exclude it.

Mr. President, I ask to have Mr. Patton's statement to the Foreign Relations Committee printed in the RECORD at this point as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Chairman CONNALLY, as president of the National Farmers Union, an organization of, by, and for working farm operators and their families, I am compelled to urge you, your committee, and the Members of the Senate to vote against the confirmation of William L. Clayton as Assistant Secretary of State and to ask that our statement be made a part of the record of your hearings. I also wish to suggest certain questions to be put to Mr. Nelson A. Rockefeller, who has been nominated to be an Assistant Secretary of State.

At our thirty-ninth annual convention in Denver, Colo., November 22, 1944, the delegates adopted a 1945 program which began with these words:

"The lives of our finest men and women are being spent on the world's battle fronts to give us, and all peoples, another chance to organize a people's peace. If we fail, they are betrayed.

"Their hopes and the hopes of millions in every land add up to nothing less than a new world, a world that will make sense to returning veterans and to all productive workers, a world in which they can buy back with their incomes and wages the products of their hands and brains and their eternal courage, a world in which abundance for the first time spells health, security, and happiness, not breadlines, foreclosure sales, bonus marches, and 'made work' at pauper's wages. The world they want will deny the rule that because we can always produce too much we shall never have enough except in war. The world they seek will accept abundance and know how to use it for people."

Examination of Mr. Clayton's record and his philosophy as disclosed by his statements before congressional committees, and elsewhere, convinces us that, as Assistant Secretary of State, assigned responsibility for economic relations with other nations, he would make a lasting peace harder to achieve.

In reaching this conclusion, we intend no reflection upon Mr. Clayton as a person, no questioning of his sincerity and conscientious devotion to public duty as he sees it. We believe him to be conscientious and patriotic according to his lights and his philosophy. But that philosophy is completely a business-is-business attitude, incapable of sympathizing with or even understanding human considerations which are the essence of democracy and the inspiration of the "four freedoms," the Atlantic Charter, and peoples' unformulated aims for which this war is being fought.

Mr. Clayton favors free trade. His views have been outlined within the last week to another committee of Congress. They were expressed by Mr. Lamar Fleming, Jr., executive head of Anderson, Clayton & Co., in which I understand Mr. Clayton retains his holdings of common stock. There is no doubt they are substantially the views of Mr. Clayton, the views that, it may be assumed, would govern American foreign economic policy were Mr. Clayton to be permitted to direct it.

In brief, Mr. Fleming proposed to a House Agricultural subcommittee that tariffs be reduced, that cotton be allowed to fall to the world price, that production be stepped up, and that whatever payments are necessary to keep up farm income be made direct from the Treasury.

This is the liberalism of 100 years ago. It is the imperialism of today. What would be the end result of Mr. Clayton's program? It would mean that within a relatively short period of time all of the large cotton operators would have driven out of the cotton business virtually every family farmer. It would mean that these big operators would continue to pay subsweatshop wages in order to keep down costs of production. It would mean, finally, that the United States would seize the control of the key points of the world cotton distribution system.

If this policy should be followed with respect to all commodities, the end result would be the same. The United States would then have adopted in full the role that Great Britain assumed two centuries ago, that of creditor to the world, of controller of world trade and exchange. To sum it up, the United States then would control the economic Gibraltars, Singapores, and Hong Kongs that would enable it to dominate world commerce.

That is not the way to build a lasting peace. We know that. The centuries of imperialism have shown us that that kind of control cannot bring about the kind of peace for which our children are laying down their lives, a peace of freedom and plenty.

Because they show what we could expect of Mr. Clayton as Assistant Secretary of State, I cite two recent instances in which Mr. Clayton and his company have opposed decent minimum production and labor standards:

1. Mr. Clayton's firm helped stimulate the pitiful pilgrimage of thousands of Oakies and Arkies to Arizona and California, drawn by handbills promising employment in the cotton fields. That migration was later chronicled in the book Grapes of Wrath.

Mr. Clayton's firm, though a subsidiary, the San Joaquin Gin Co. of Los Angeles, helped in a substantial way to finance the notorious Associated Farmers of California.

He contributed a substantial sum to the so-called Liberty League which in 1937 hired some corporation lawyers to give some corporations the very expensive advice that the Wagner National Labor Relations Act was unconstitutional and need not be obeyed.

May I call to your committee's attention the La Follette civil liberties committee's findings on the Associated Farmers of California, Inc., published as part VIII of the committee's report, and particularly to the appendix, page 1639, which shows that the San Joaquin Gin Co., Los Angeles, Calif., which ginned 257,767 bales of the 1937–38 cotton crop, is listed as having contributed 7.8 percent of the funds of the Associated Farmers of Kern

County and 4.4 percent of the funds of the Associated Farmers of California. It is further stated in an explanatory footnote that the San Joaquin Gin Co. is "controlled by the Anderson, Clayton & Co., of New York City, largest cotton brokers in the United States of America."

The committee concluded its report (at p. 1617) with this grave warning:

"Under the law today, groups similar to the Associated Farmers can proceed, and have so proceeded, with impunity, to perpetuate a system of economic tyranny which should be a cause of national shame and concern. Industrialized agriculture has been permitted to continue as an economic poorhouse for the unfortunates who have no other means of livelihood and as a political breeding ground for violence and undemocratic philosophies held by employer and employee alike. Where rights of persons do not exist, rights of property are in danger. The history of human relationships on the land in Russia, Spain, Italy, Germany, and Hungary of the first four decades of this century should awaken the United States to its own peril, so clearly apparent in the history of the Associated Farmers of California."

Mr. Clayton's firm helped finance this California rehearsal for rural fascism.

The committee's warning takes on new meaning with the proposal that Mr. Clayton be put in a position where, by his formulation and execution of economic policies, he could bring decisive influence to bear upon our international trade, the character of new governments in liberated countries and the types of agriculture to be developed for eventual fair or unfair competition with our own farm people.

2. As assistant to R. F. C. Administrator Jesse Jones, Mr. Clayton opposed Board of Economic Warfare efforts to write into contracts for Bolivian tin and other foreign strategic materials provisions that labor engaged in the production of such materials should have certain minimum protections as to wages and working conditions.

The opposition to these labor clauses invented the novel argument that insistence upon such minimum standards would amount to imperialistic interference in the internal affairs of other sovereign nations.

Mr. Clayton's philosophy has no room for little people, as people, here or abroad. They are hired hands to be beaten down on wages or consumers to be held up on prices.

Obviously, if the "four freedoms" are to be made a living fact in the post-war world, the attitude exemplified by Mr. Clayton through his company and in his own operations in government had better be excluded from governmental administrative policies. They have no place in a Department of State charged with cooperation in the construction of international economic and political justice. Instead, we need officials determined to establish, within this Nation and among nations, minimum standards of economic decency. This can be done by example and by agreement. Mr. Clayton is not the man for the job or any part of it.

In the minds of farm people, Mr. Clayton is the personification of a philosophy and of forces which, unless checked and reversed within and among nations, will destroy family-type farming as the basic pattern of agriculture.

With the destruction of this type of farming will go the destruction of rural democracy and, ultimately, of all democracy. Already, within large areas in this Nation, family-type farming is threatened by the sweatshop competition of corporation farming, factories-in-the field, and the plantation system, all interlocking with banks, big business, political machines and the apparatus of government. In these areas, political and economic democracy is a weak and hunted thing.

Mr. Clayton's business is business philosophy and the operations of his firm, Anderson, Clayton & Co., in this Nation and in the world cotton trade have contributed to the degradation of the economic and political status of millions of farm people, to reduced incomes, to dispossession from the land, to chronic malnutrition and disease, to our disgraceful Selective Service rejection rate of 41.1 percent of farm youth here in the United States of America, as compared with the national average of 25.4 percent for all youth 18–19 years old. Those who have raised the food and fiber have not been able to feed and clothe their children.

Mr. Clayton's personal attributes of sincerity, intelligence and experience, would make him, as Assistant Secretary of State, an effective wrecker of chances for the establishment of lasting peace based on the "four freedoms."

His sincerity and the scope of his understanding were demonstrated in his appearance before the Senate Military Affairs Committee during hearings on the War Surplus Property Disposal bill. In the 2 days of his testimony, the members of that committee and the audience had an opportunity to explore Mr. Clayton's mind. At the same time, Mr. Clayton explored the committee's mind. It is, I think, accurate to state that neither liked what was found out about the other. In those few days, it was made plain that there was a fundamental disagreement in principle and in approach to the problem of the disposal of surplus property, particularly of farm lands. The difference was so profound as to permit no compromise.

Mr. Clayton made it very plain that basically he believed in selling farm land and other property to the highest bidder.

He made it plain further that such lands should go to the highest bidder whether or not the buyer, as a farm operator using reasonable diligence, could make the land earn enough over a reasonable period of years to pay the bid price.

The committee, on the other hand, felt that, in the public interest, land should be disposed of in such fashion and at such prices and terms as would promote stability and advance the pattern of family-type farming written into the act as one of its basic objectives.

At one point, in genuine bewilderment and somewhat scandalized, Mr. Clayton said, in effect: "If you don't sell to the highest bidder, how are you going to select from among the other bidders?"

Any other procedure smacked to him of immorality.

He never understood or accepted the explanations given him by members of the committee. They tried to make plain the considerations that, in their view, comepelled administration of the sale of surplus farm lands by the Department of Agriculture which has experience in assisting people with farm experience or suited to successful farming operations to establish themselves with a fair chance of success.

Mr. Clayton developed without shame or apology the hard-boiled big-business attitude of caveat emptor—let the buyer beware. As Surplus War Property Administrator, his guiding principle, his north star, as it were, seemed to be: Get the highest possible price for the Government, whatever the cost to the people.

At the same time, his proposed set-up for the disposition of surplus land would have permitted private real-estate agents to sign up persons seeking farm land on an agency agreement whereby the agents would have been assured of commissions, no matter what services they performed. He opposed the protections written into the Surplus Property Act and advocated, instead, the wide-open authority given in the House bill. At one point, after Mr. Clayton had several times expressed preference for "our bill," Senator JOHNSON of Colorado asked what bill he meant, and Mr. Clayton replied the House bill which he, Mr. Clayton, had had prepared at the request of the House Post-War Planning Committee.

Mr Clayton usually prefers to write his own ticket.

In conclusion, may I ask that your committee, in considering the nomination of Nelson A. Rockefeller to be an Assistant Secretary of State, propound and explore with him the following questions:

1. Why have the working farmers of the Americas been excluded from participation in the inter-American economic development committees which have been set up under the Coordinator's direction?

2. Has Mr. Rockefeller made any efforts to provide for the representation of industrial and farm workers in Mexico and the United States in the post-war industrial planning commission which the Coordinator helped to organize?

3. Why has the Office of the Coordinator of Inter-American Affairs failed to make public any official reports on its activities in the field of commercial and economic coordination since its creation in 1941?

Respectfully,

JAMES G. PATTON,
President, National Farmers Union.

Mr. LANGER. Mr. President, back of this opposition to Mr. Clayton is the considerable history of Mr. Clayton's association with the disposal of surplus war property. Senators will recall that early last summer, following Mr. Clayton's appointment as Surplus War Property Administrator, Washington began to be filled with rumors that he had turned over to the Reconstruction Finance Corporation the disposal of war surplus farm lands. Senators also will recall that they were incredulous, that they found it difficult to believe that any man could be so obtuse as to take an action that not only was unwise in itself but that could lead to nothing but trouble for himself with no compensating gain.

But nothing was made public. The rumors persisted and gained wide currency, but still there was no word from Mr. Clayton, no public announcement as to how he proposed to administer the surplus farm land disposal program.

Then on July 9, 1944, the announcement came. But, strangely enough, it did not come from Mr. Clayton. On that date, the National Farmers Union issued a statement which I ask to have printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, July 9.—Disposal of agricultural land acquired by the Government in the war program "gives the Nation a major opportunity to make good on one of the great promises of American life, the establishment on the land of independent, prosperous farm families," James G. Patton, president of the National Farmers Union, said in a statement issued here today.

"There is every indication," Patton said, "* * * that the powerful financial interests represented in and associated with the National Association of Real Estate Boards and its affiliated organizations are dominating land-disposal programs of the Government." As far as farm land is concerned, he added, "such domination is intolerable."

Patton urged that the farm land disposal program be made the responsibility of the

Farm Security Administration of the Department of Agriculture. His statement was as follows :

"Information has come to me that the Reconstruction Finance Corporation has been assigned responsibility for the disposal of surplus agricultural land bought by the Government during the war emergency.

"Farmers who remember the record of the R. F. C. as it has touched upon agriculture, natural resources, and small business in the past, would find this assignment laughable if it were not so dangerous. The R. F. C. has no experience with the management of land in any form. The Department of Agriculture and of the Interior are the agencies of Government experienced in land policies and practices, while the Department of Justice is the agency concerned with the technical legal aspects of land acquisition or disposal.

"All of these agencies have been virtually ignored in the decision of Mr. Will Clayton, Surplus War Property Administrator, to assign this program to the R. F. C. It is extraordinary not only that Mr. Clayton has made this decision but that he made it without announcement or public discussion. Why should the R. F. C. have anything to do with farming? Why should the decision have been kept secret?

"There is every indication that the reason for the action and its attendant secrecy is that the powerful financial interests represented in and associated with the National Association of Real Estate Boards and its affiliated organizations are dominating land-disposal programs of the Government. This is bad enough, in all conscience, when it relates to urban real estate, but when it relates to farm land, which involves the permanency of a fundamental national resource, such domination is intolerable. This ascendancy of real-estate interests has been apparent ever since the hearings before the Manasco committee of the House.

"Does this assignment mean that an irreplaceable natural resource, millions of acres of farm land, is to be auctioned off to the highest bidder? Is it to be made a means of further enriching real-estate interests rather than a means of settling thousands of family farmers in permanent security?

"Reports are current in Washington that the disposal of agricultural land is to be handled through private real-estate agents, and that private appraisers are to make the appraisals. Farmers do not want this kind of dealing. They know that the Government is far more capable of appreciating farm conditions than private businessmen, and they know that the Government has plenty of qualified appraisers to do this job.

"Every farm unit carved out of presently Government-held property should be a unit that, with reasonable diligence on the part of the farmer, can yield a living. Every farm should be operated according to a farm plan, agreed upon between farmer and Government, that will yield such a living. Every farmer on such a farm should have adequate credit at sufficiently low rates of interest to enable him to make a go of it. This is particularly true in the case of veterans, few of whom will have large financial resources.

"Unless these principles are adhered to, the farms will be sold to the highest bidder, and that will be a ruinous course. Real-estate agents will reap profits, some of the farms will come back to the Government, and in the long run dominance of American agriculture by big farm and big business interests will be further entrenched.

"The way to avoid that result is to give the job to an agricultural agency.

"There is no earthly reason why the farm land disposal program should not be handled as an integral part of the tenant purchase program of the Farm Security Administration. The possession by the Government of 8,000,000 acres of disposable land, much of it excellent farm land, gives the Nation a major opportunity to make good on one of the great promises of American life, the establishment on the land of independent, prosperous farm families.

"Within the next 2 weeks the Democratic Party will be meeting in convention at Chicago. There it will face the task of writing platform to appeal to farmers as well as other citizens. As it turns to that duty, the resolutions committee will have before it the 1940 Democratic platform, in which the party pledged itself 'to safeguard the family-sized farm in all our program' and 'to extend and enlarge the tenant-purchase program until every deserving tenant farmer has a real opportunity to have a farm of his own.'

"Here at hand is a concrete, immediate opportunity for the party to make good those pledges. Let it show the voters that it means what it says. The way to do it is to vest responsibility for the land-disposal program where it belongs, in the Farm Security Administration of the Department of Agriculture."

Mr. LANGER. Mr. President, following the issuance of this statement, Mr. Clayton belatedly made the public announcement that he had turned over this farm-land-disposal program to the R. F. C., an agency that had no experience in the handling of farm land, that had no personnel acquainted with agriculture, that had dealt exclusively with business, and that even in that field had been accused of catering to big business at the expense of small business.

Moreover, Mr. Clayton, during the resultant storm, was not as frank as he might have been as to the method by which he had arrived at the decision to place the administration of the program in the R. F. C. He let it be known that an interagency advisory committee that he had set up had recommended a division of responsibility between R. F. C. and the Public Buildings Administration in the handling of the surplus-disposal program, but that since he did not wish to see responsibility divided he had decided to give R. F. C. the total responsibility.

Well, that sounded reasonable enough. Nobody could criticize Mr. Clayton for not wanting to divide responsibility, especially if he had such a recommendation from an advisory board of experts representing all of the agencies involved in the matter.

But what Mr. Clayton failed to say was that he previously had thrown overboard the real recommendation of this interagency advisory committee and that it had felt very strongly that disposal of farm land should be placed in the Department of Agriculture. Only after Mr. Clayton had refused to accept this original recommendation and demanded a new set of findings more suitable to him did the interagency committee forward to Mr. Clayton the recommendations that he used in discussing the matter publicly.

It remained for the farmers' union again to bring at least some of this story to light, which it did on July 24 in a statement from Mr. Patton, which I ask to have printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, July 24.—James G. Patton, president of the National Farmers Union, today called on Congress to shift control of the war-surplus farmland disposal program from the Reconstruction Finance Corporation to the Farm Security Administration.

Replying to statements attributed in the press to Surplus War Property Administrator Will Clayton, Patton said that it is obvious that Mr. Clayton "intends to persist in giving the R. F. C. power over American farmers, to persist in disposing of farmland through private real estate agents and at figures set by private appraisers, and to persist in policies that are detrimental to American agriculture as a whole."

Patton further said that press statements quoting Clayton as saying that he had consulted the Department of Justice before placing the program under R. F. C. were confusing, in the light of a letter written by Assistant Attorney General Norman Littell to members of the inter-agency committee which is advising R. F. C. on the program. The Littell letter showed Littell had protested assignment of this responsibility to the R. F. C.

Patton's statement follows:

"Press reports today indicate that Surplus War Property Administrator Clayton intends to persist in giving the R. F. C. power over American farmers, to persist in disposing of publicly owned farmland through private real estate agents and at figures set by private appraisers, and to persist in policies detrimental to American agriculture as a whole.

"From Mr. Clayton's statement in the press, the following points are clear:

"1. The R. F. C. will 'sell as promptly as possible at current values,' Mr. Clayton says. This means that the really good farm land included in these acreages will be sold at prices bid up to a point where it will be next to impossible for it to yield a return from farming that will enable the owner to pay out by farming alone.

"2. The land will be appraised by 'experienced and disinterested men.' This means that the wishes of the National Association of Real Estate Boards and its affiliates are to be followed, and that private realtors and appraisers will be able to make a 'killing' from the disposal program, regardless of the interests of agriculture.

"3. 'Agricultural and other rural land "may" be replotted into economic units.' (I have quoted the word 'may.') This means that there is no commitment whatever on selling this land in farm units, family type or otherwise, for if the land is not divided into economic units no sensible farmer will undertake to try to make a living from it, and the land will either be sold as part of a real-estate speculation program or else it will be dumped in uneconomic units that doom the owner to failure and foreclosure from the start.

"Mr. Clayton's intransigent attitude is further illustrated by other press quotations in which he is quoted as saying that the Department of Justice was consulted before the program was lodged in R. F. C. This is very confusing for members of the interagency committee that has been set up to advise R. F. C. on this program know very well that the Department of Justice was not consulted, and that it was not even offered a place on the committee until after it had been set up. Members of this committee know very well that the original recommendation of the committee was that administration of farm-land disposal should be vested in the Department of Agriculture, and that that of mineral and grazing land should be vested in the Department of the Interior. They know that Mr. Clayton declined to follow this recommendation and chose instead to follow his present course, one that delights the hearts of members of the National Association of Real Estate Boards.

"I happen to know that members of the interagency committee have recently re-

ceived a letter dealing with this whole matter which gives the following excerpt from a letter written to Mr. Clayton by Assistant Attorney General Norman Littell on July 9, 1944, an excerpt that substantiates the above statement:

" 'With all due respect to the able staff of R. F. C. and the new personnel which would have to be employed, it is patently impossible for them to acquire the "know how" of handling agricultural lands and grazing lands. Intimate knowledge of the land problems of the country is required. There are existing staffs of men with expert knowledge and years of experience in dealing with the multiple phases of these problems in the Department of Agriculture and Department of the Interior. While I know Colonel O'Brien's contrary views and therefore his recommendation to you, I submit that the failure to assign agricultural and forest lands to the Department of Agriculture, and grazing lands to the Department of the Interior, violates basic principles and established practices of good government and, for that matter, of good management in any business.'

"In view of Mr. Clayton's extraordinary refusal to listen to the recommendations of the interagency committee he himself had set up, his obvious willingness to follow a course calculated to enrich private real-estate interests, and the acknowledged gravity of this course to American farmers, I herewith call upon Congress to do by legislation what Mr. Clayton refuses to do by administrative means.

"Congress should include in any forthcoming reconversion laws a specific legislative mandate transferring this program from the R. F. C. to the Farm Security Administration of the Department of Agriculture, and making it a part of the present tenant-purchase program."

Mr. LANGER. Mr. President, again, on August 10, Mr. Patton called on Clayton "before it is too late, to heed the original recommendation of the committee he himself set up" that administration of the farmland disposal program be put in the Department of Agriculture. At that time Mr. Patton issued a statement which I ask to have printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON.—Asserting that "the fingerprints of the National Association of Real Estate Boards are all over this regulation," James G Patton, President of the National Farmers Union, today charged that Surplus War Property Administrator Clayton's regulation No. 2, just issued, "returns to the system of exclusive franchises" for real estate dealers once abandoned by the Army.

This system, Patton said, "was so flagrantly abused in 1939-41 as to result in a complete reorganization of Army real estate machinery and methods at the direct instance of Gen. Brehon B. Somervell, head of the Army Service Forces."

Patton called on Clayton, "before it is too late, to heed the original recommendation of the committee he himself set up," which called for handling of war-surplus farmland by the Department of Agriculture, and urged that it be made a part of the tenant-purchase program of the Farm Security Administration.

The statement was as follows:

"The regulation just issued by Mr. Will Clayton, as Administrator of the Surplus War Property Administration, for the disposal of farmland has been written in the interest of swollen profits for private real-estate dealers and against the interest of farmers.

"Mr. Clayton's regulation No. 2 returns to the system of exclusive franchises issued to real-estate dealers that was so flagrantly abused in 1939-41 as to result in a complete reorganization of Army real-estate machinery and methods at the direct instance of Gen. Brehon B. Somervell, head of the Army Service Forces.

" 'A further requirement shall be,' the regulation says, "that the buyer will execute an affidavit to the effect that the broker to whom the commission is paid is the only broker whom he recognizes or had any dealings with in connection with the sale, and that the broker did perform such services as are ordinarily performed by a broker in bringing buyer and seller together.'

"This sounds as if the public interest were being protected. But that protection is a fake. What this section of the regulation does is to give real-estate agents a free hand to scour the country getting farmers to sign such instruments. Once a farmer who wants to obtain surplus land signs such a document, the real-estate agent holding it has a vested right in the deal the farmer may make and the farmer can deal through no other agent. This system will not work. The margins made by real-estate men in the disposal program will be much greater than in the land acquisition program, and the probabilities of scandalous profits and inflationary selling are very great if this course is pursued.

"The operation of this discredited system in the acquisition program was described by Assistant Attorney General Norman Littell to the Manasco committee of the House on January 18, as follows:

" 'There can be no economy in leaving this matter to commission agents. I have only to point to the experience of the War Department in 1939, 1940, and 1941 in endeavoring to handle the land-acquisition program through private commission agents. * * * It was from the exposure, through my office, of one of those commission agents in Indiana that the policy was changed.

" 'This agent was getting a 6½ percent commission on a $3,000,000 purchase, involving about 60,000 acres * * * in southern Indiana. * * * If a farm was worth about $5,000 and the taxes were $100, the agent would say, "They might be $125 this year," and he would put down $125. The recording fee would be about $5, and he would put down a maximum of $10, and a "disturbance factor" of say $500, and a factor which, when added to all of those, would be about 6½ percent of the total. * * * This meant multiplying all the items making up the price by 6.99999. Of course no field agent could use 6.99999; so he made it 7 percent and multiplied by 7.

" 'The sum total of these was to be the option price. And, to make the tie more binding, when the time came he was not going to take 6.99 percent; he was going to take 6½ percent of the option total, which gave him 6½ of everything, including 6½ percent of the supposed commission—everything but the "kitchen stove."

" 'There were 9 of those cases. The Under Secretary of War and General Somervell asked me to look into them. General Somervell and I went into it, and, in fact, in about 24 hours we set up a new administration.

" 'The contracts were all rewritten right then and there * * * saving millions of dollars to the Government.

" 'We cannot afford to let that type of thing creep in. The real estate men are * * * good Americans, but naturally are out for business. The point is that you cannot open the door to that kind of an arrangement—there are just too many angles to supervise.'

"Such is the way this system works. Yet Mr. Clayton has deliberately chosen this system in the face of opposition from virtually nearly every other Government agency and from the farmers of this country.

"The fingerprints of the National Association of Real Estate Boards are all over this regulation. During the same hearings when Mr. Littell testified, Mr. E. L. Ostendorf, of Cleveland, chairman of the association's committee on surplus property, said: 'Legislation should provide for the employment of private agencies in the appraisal, sale, lease, or management of properties and the payment of the established rate of compensation prevailing in the community in which the property is located.'

"Not only does Mr. Clayton's regulation do precisely what the association wants, but its language simply paraphrases the association in providing that commissions not to exceed established conventional rates, ordinarily paid in a particular community may be paid to brokers.'

"The appraisal section of the regulation similarly provides for very considerable profits to be reaped by private appraisals, but it further emphasizes the 'fair market value' basis of sales that the Department of Agriculture has shown to be inflationary in tendency and, what is worse, as likely to burden farmers who buy the land with a debt load that cannot be amortized under any reasonable, long-time estimate of the income-producing worth of the land for farming purposes.

" 'The basis of appraising,' says the regulation, 'shall be the estimation of fair market value, which may be defined as the highest price in terms of money which land will bring, if exposed for sale in the open market with reasonable time to find a purchaser, buying with a full knowledge of all the uses and purposes to which it is adapted and for which it is capable of being used.' This section speaks for itself. As might have been expected from an agency know nothing whatever about farming or about the agricultural economy it is a section that ignores everything important in the disposal of farmland.

"Mr. Clayton's issuance of this regulation proves again that he should have followed the advice of his own interagency advisory committee which, on June 5, recommended that the Department of Agriculture be given administration of agricultural land disposal and the Department of the Interior that of mineral and grazing lands.

"The National Farmers Union urges Mr. Clayton, before it is too late, to heed the original recommendation of the committee he himself set up. Disposal of war surplus farmland should be handled as an integral part of the tenant purchase program of the Farm Security Administration."

Mr. LANGER. By this time, Senators will recall, Congress had proceeded pretty far on the road toward enactment of permanent legislation covering the disposal of war surplus property. A bill which Mr. Clayton referred to publicly as "our bill" was being put before the other body. In protest against the bill which Mr. Clayton indicated he had virtually drafted, the National Farmers Union on August 16 made public a letter from Mr. Patton to Representative WRIGHT PATMAN, of Texas, appealing to him to seek to strengthen the bill. I ask that the letter be printed at this point in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 15, 1944.

The Honorable WRIGHT PATMAN,
The House Office Building,
Washington, D. C.

DEAR CONGRESSMAN PATMAN: If the House passes the surplus disposal bill (H. R. 5125) in anything like the form reported from committee, we will have taken another long step toward tighter monopolies of land and industry, restriction of production, chronic

mass unemployment, wage cuts, and food surpluses all amounting to a post-war depression wider, deeper, and more dangerous to our democracy than any peacetime crisis in our history.

It is tragic that the single problem of conversion from abundant production for war to abundant production for peace has been broken into parts which are being presented piecemeal to the Congress and to the public for consideration and decision.

We have already assured business tax refunds of up to $30,000,000,000 to offset post-war losses.

We have rushed through a Contract Termination Act to give quick and generous relief to billionaire war contractors.

We have given farmers the somewhat uncertain assurance of support prices for 2 years after the war to the extent funds are available.

Last week the Senate told labor that it could expect no more security during the transition and post-war periods than is provided by 48 State unemployment compensation laws, all woefully inadequate as to coverage, duration, and amount of benefits, which average $14 a week.

By adopting the George bill instead of the Murray-Kilgore bill, we have insured a sharp decline in the market for farm products and manufactured goods, beginning a day or so after the shooting war ends in Europe or the Pacific, and cancelation of war contracts begins. The New York Times, which applauds the George bill, is shrewd and farsighted enough to warn Congress of the need for early establishment of a big Federal-State relief program to take care of those who fall straight through the George bill, or who exhaust their inadequate State benefits during the transition period, which may take from 6 months to 2 years.

Now, as the House begins consideration of this surplus property disposal bill, it is proposed to complete a demobilization and reconversion program when we need, instead, a mobilization and conversion program whereby post-war civilian production can take up all the slack left by cuts in war production and, in addition, insure production and employment for some 10,000,000 men and women returning from the armed services.

The bill H. R. 5125 puts power in one man to dispose of, or to freeze, war plants, facilities, and surplus war goods variously estimated at from sixty to one hundred billion dollars without consultation with, or participation by, democratic committees, councils, or boards, such as have been proposed in other bills, notably the Stewart-Taft-Murray bill, S. 2065, now being perfected in the Senate Military Affairs Committee.

He may delegate authority almost indefinitely, without proper safeguards of the public interest, without public records, in disposal of surplus property.

The bill is full of loopholes for speculators and war contractors seeking to make the same sort of profits going out of the war economy they made on the way in.

In the light of the present Surplus War Property Administrator's performance in writing regulations for the disposal of farm lands in such fashion as to match, point for point, the proposals of the National Association of Real Estate Boards, we urge the insertion of every possible safeguard, including a joint congressional committee to exercise current surveillance over the operation, as well as advisory committees including industry, labor, farm, and consumers representatives for each phase of the disposal program. We also urge provision of quarterly reports to the President, the Congress, and the public. Whoever does this gigantic job should operate in a fishbowl wired for sound and with a 1,000-watt light behind it.

Further, the present bill fails to provide for full production. (The Stewart-Taft-Murray bill makes purchase of Government war plants conditional or "substantial production" for 2 years.)

It permits plants, facilities, and goods to be withheld from the market indefinitely, or to be disposed of to speculators or war contractors in such manner as to contribute to monopoly, while consistently failing to give the Attorney General power to protect business, the public, labor, and farmers against monopoly, whether fostered by the withholding or the sale of plants and goods.

In its present form, this surplus-property disposal bill will, together with the George bill, in our opinion, make it certain that the farmers and wage earners of this country will be put through the economic wringer of concentrated economic power and monopoly during the transition and post-war periods.

We understand that you propose to offer certain amendments to safeguard small business, and we urge you and your progressive colleagues in both parties to fight for certain other amendments vital to farmers and to the public welfare.

Land: In the disposition of land owned by the Government, we believe that all of the land suitable to agricultural use should be made an integral part of the tenant purchase program of the Farm Security Administration, sold only in economic units of long-term credit at low rates of interest.

Possession by the Government of several million acres of good farm land affords an opportunity that may not occur again for many years, perhaps generations, to give so easily such a great impetus to the promotion of the family-type farm.

We believe that former owners and veterans should be given preference, where they will use the land for family living. We believe that this program should be wholly governmental, handled through Government agents and Government appraisers. Finally, we believe that no farmer should be settled on this land with a debt burden that is bound to become intolerable if the long-time earning power of the land is considered. In other words, farmers settling on these tracts should be required to assume only so much mortgage debt as experts find the farm can reasonably expect to pay off on a 40-year loan. Sale price thus would be determined by the capacity of the farm, the ability and experience of the farmer, the Nation's interest in maintenance both of the farmer and his family on the soil itself, both priceless national assets.

Cooperatives and small business: The National Farmers Union calls your attention to the statement by Secretary of Agriculture Wickard to the House Committee on Executive Expenditures last week regarding the desirability of giving preferential rights to cooperatives in the disposition of surplus property of whatever kind. We endorse wholly his statement. There is a long line of precedent in actions by previous Congresses to this end, regardless of what party happened to be dominant in Congress.

We feel that the provisions of the Stewart-Murray-Taft bill (S. 2065), relative to small business are wholly desirable and wish especially to endorse the provision giving the Smaller War Plants Corporation the power to purchase surplus property for resale to small businesses. These provisions appear to us simple, easily workable, just, and in the best American tradition of encouraging the small independent enterpriser whether on the farm or in business.

Plants: The National Farmers Union believes that unless particular and explicit safeguards against the furtherance of monopoly in the sale or lease of plants are set up, the magnetic attraction of great concentrations of economic power will result ultimately in the pulling of much of this great public investment toward those great economic combinations.

We therefore urge most strongly that the proposed Surplus War Property Administrator be directed not only to survey Government-owned plants by categories or product for use but that he also be directed to determine what plants (a) are suitable for private operation under lease or sale in a peace-time economy (b) what plants are essential to national defense, either in operation or if kept in stand-by condition (c) what plants are suitable for operation by the Government as yardstick plants.

The intent of this recommendation of the National Farmers Union is plain enough. It stems from the salutory lessons that the Tennessee Valley Authority has furnished us. Among the greatest of these lessons is that some areas belong to private enterprise, some to government, and that the best interest of all, including private enterprise, is served by defining those areas and working in them. The T. V. A. has shown us, too, that one of the best ways to keep tabs on those areas and to keep both government and private enterprise healthy and functioning at top speed is by yardstick operations. What is true of power and of fertilizer production is also true of other operations. It is our belief that the Nation will miss a golden opportunity unless such of the plants as are appropriate for the purpose be retained to serve as such yardsticks.

Equipment and durable goods: Here the National Farmers Union believes that the guiding principle should be one of selectivity, with discretion vested in the Administrator, as in some of the instances recited as desirable in dealing with other disposal matters, but under plain directions from Congress as to the policies to be pursued. We feel that such rules as are contained in sections 12, 13, and 14 of the Stewart-Murray-Taft bill are admirable, particularly those governing disposal of surplus school and medical materials through the Office of Education and the Public Health Service. These are examples that we believe should be followed in respect to other categories of goods and equipment.

Above all, we believe there should be no wholesale scrapping, destruction, freezing, or locking up of material.

Some of the directions that Congress should give to the Administrator are as follows:

(a) Such surplus material as tractors, road scrapers, bulldozers, or other equipment suitable for use in conservation of the soil shall be turned over to the Soil Conservation Service for use (1) directly by S. C. S. itself; (2) by Soil Conservation districts, pursuant to arrangements between S. C. S. and the districts; (3) by cooperatives, whether directly affiliated with districts or not; (4) by State agencies other than districts directly concerned with soil conservation.

(b) In the field of rural electrification, a tremendous opportunity exists for an extension of lines and service to thousands of farm families now without electricity. We suggest that all surplus military equipment of this character be turned over to the Rural Electrification Administration for disposal to the cooperatives now in existence or to assist in the formation of new ones.

(c) As to agricultural production equipment, the primary concern should be to furnish the small farmers of this country with the equipment they need. We suggest that this equipment be turned over to the Farm Security Administration for sale to small facilities cooperatives, consisting of six to a dozen farmers, of the kind with which Farm Security has had such success in the last few years.

(d) In the case of nonagricultural production equipment, including machine tools, we believe that no materials should be held off the market unless the affected industry can, in a full and fair hearing, prove publicly that both its interest and the public interest would be adversely and gravely affected. Such a hearing should be before a board,

preferably such as that proposed in the Kilgore-Murray bill, on which the public, business, labor, and agriculture are equally represented.

Stocks of food and fiber: It is our belief that any legislation providing for the freezing for any period of Government-held stocks of agricultural commodities, whether processed or raw, would be a serious mistake. Surely the precedent of the Federal Farm Board under President Hoover in attempting such freezing will keep us from repeating that mistake.

Such legislation never achieves its objective, for the stocks held by the Government continue to hang over the market and to exert a depressing influence on prices and production. The mere fact that prohibitory legislation is on the statute books is no protection, for farmers and the food trades alike continue to live in fear of new legislation and of the very deflationary trend that the freezing seeks to checkmate.

Instead, we believe that the legislation should provide for the handling of any such stocks as a part of the ever-normal granary, under the jurisdiction of the Department of Agriculture and War Food Administration, and handled as a part of an over-all agricultural program of adjustment, distribution, and conservation.

Exports: It is our conviction that the possession of the enormous surpluses of military supplies now in prospect can be a very large factor in the promotion of peaceful commerce and amity among nations at the close of the war. It is to the interest of the United States that the standard of living and economic freedom of all other countries be promoted. We believe, therefore, that a major aim in the disposal of surplus property should be the utilization of some of that property to promote the economic improvement of other countries. This should be accomplished through appropriate international machinery and in such a way as to foster, not impede, the free flow of trade between countries. By an honest joint effort with the other nations of the world, in particular our great allies, Great Britain, Russia, and China, it should be possible to put to such use much of the surplus war property that will have accumulated.

These are the provisions that we should like to see in the legislation finally enacted by Congress.

We hope you will offer such of these as you have not already proposed at the conclusion of the present debate on the Surplus Property Disposal bill, and should appreciate it very much if you could insert this letter in the CONGRESSIONAL RECORD at an appropriate point so that other members of the House may be informed of our views.

Sincerely,

JAMES G. PATTON,
President, National Farmers Union.

Mr. LANGER. Mr. President, at the same time the Senate Military Affairs Committee before which was pending the companion Senate legislation speeded up its hearings in an effort to get a bill to the floor of the Senate. In hearings during that week the committee heard a variety of witnesses, including Mr. Russell Smith, legislative secretary of the National Farmers Union, who spoke concerning the legislation.

Mr. President, I ask that the testimony of Mr. Smith before the Senate Military Affairs Committee be printed in the RECORD at this point as a part of my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF RUSSELL SMITH, LEGISLATIVE SECRETARY OF THE NATIONAL FARMERS UNION, BEFORE THE SENATE MILITARY AFFAIRS COMMITTEE, WEDNESDAY MORNING, AUGUST 16, 1944

Mr. Chairman and members of the committee, the National Farmers Union supports S. 2065, the Stewart-Murray-Taft bill, as reported Monday from the subcommittee chaired by Senator MURRAY. We are glad to be able to compliment the authors of the bill and the members of the subcommittee on the excellent work they have done in seeking to balance the conflicting claims of numerous groups in the consideration of this problem, and to produce from that consideration a measure so eminently in the public interest.

The National Farmers Union believes that this bill is greatly superior to the bill now pending in the House, and, indeed, to any other of the numerous surplus property disposal bills now pending in both Houses.

We are especially gratified that the Military Affairs Committee has followed the recommendation of President James G. Patton of the Farmers Union, in his testimony of last April 14, that any surplus disposal legislation omit the requirements for authorized destruction of Government property contained in earlier bills. Such a defeatist approach to the problem of using the Nation's tremendous productive capacity would, we feel, have contributed greatly to that psychology that is the forerunner of economic depression and disaster. We are glad this committee has dispensed with any such provisions.

In view of our emphatic support of S. 2065, therefore, the amendments that we shall propose to you today may be considered as in the nature of perfecting amendments, and the fact that we offer them should in no way be construed as criticism of the effort that has gone into the drafting of S. 2065.

The first amendment we propose for the consideration of the committee is designed to be inserted on page 2, following line 3, with appropriate changes in subsequent literation and numeration of provisions to make them conform here and in connection with our other proposals. This first amendment would read as follows:

"(4) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture."

The objective of this amendment is clear. We believe that disposal of the surplus property accumulated during this war offers the Nation a magnificent opportunity to help to reverse the trend toward corporation and poor-farm farming that has cursed American agriculture for the past 7 decades. The manner in which war-surplus farm land is sold and the policies for disposition of equipment can have a profound effect for good or for ill.

The next amendments we suggest deal with cooperatives. First, we propose that, immediately following the amendment just described, that is, on page 2, and also as a part of the statement of objectives, the following or similar language be inserted.

"(5) to strengthen and preserve the existing cooperative organizations, and to encourage the extension of the cooperative movement."

Another amendment designed to strengthen the position of cooperatives should be inserted on page 10, following line 21, where the bill can well make it clear that cooperatives are to have specific representation on the advisory committees set up under section 7. Language such as this would be appropriate:

"(c) Genuine member-controlled cooperative organizations."

But the principal amendment relating to cooperatives that we propose would appropriately be inserted on page 16, where, following line 15, we suggest the inclusion of the following new section:

"SEC. 13. It shall be the duty of the Administrator, in the carrying out of the direction contained in section 1, paragraph (a) (5) (the injunction to strengthen and promote cooperative organizations) to prescribe such regulations and to establish such administrative machinery as shall be necessary to give to genuine farmer-owned and operated cooperatives preference in the sale or disposition of such surplus materials, equipment, and goods as are suitable for agricultural use. It shall further be the duty of the Administrator to prescribe appropriate regulations to prevent any discrimination against cooperatives in the disposal and distribution and use of any Government property covered by this act."

Ample legislative precedent exists for such action. The Capper-Volstead Act itself singles out farmer cooperatives for preferential treatment, as distinguished from any other kind of businesses. That law has been on the statute books since 1922, and alone would furnish ample precedent. Congress has many times since reaffirmed its intent to promote healthful development of cooperatives, culminating in the Rural Electrification Act of 1936, when Congress decreed that, along with States and other public agencies, "cooperative, nonprofit, or limited dividend associations" should be given preference in the making of rural electrification loans.

Before proceeding to other perfecting amendments we believe the bill should carry, we should like especially at this point to commend the committee for its care in protection of the rights of small business. The National Farmers Union has noted that nearly all of the bills dealing with surplus property disposal carry provisions requiring the Attorney General to approve transfers of plants as being in conformity with the antitrust statutes. We concur in the wisdom of such provisions, but we believe they are of doubtful virtue as a protection against monopoly. The antitrust laws have been the law of the land for many years, but they have not prevented gigantic concentrations of wealth. They should be supplemented by other legislation. We believe that the committee has gone far in the right direction in its excellent provisions for the protection of small business. If the amendments we have proposed for furthering the interests of cooperatives are also adopted, still another weapon against monopoly will have been forged.

But there are still other ways in which the Nation can foster free enterprise through the restriction of monopolistic control. One of those is through the retention in Government hands and operation under Government auspices of a sufficient number of plants to serve as yardstick plants.

Here the experience of the Nation with the Tennessee Valley Authority is instructive. During the current session of Congress various changes in laws were proposed designed to weaken T. V. A. When it heard about them, the Tennessee Valley arose almost to a man. Up and down the length of the seven States of that valley, farmers, chambers of commerce, women's clubs, church groups, and civic organizations united to protest. The proposed changes were defeated. This impressive demonstration of the success of T. V. A. means that it has been a success not with any class or segment of the population but with all the people in the valley. It means that public activity, in its proper field, has stimulated private business activity and that business in the Tennessee Valley knows that fact.

One of the prime functions of T. V. A. has been to serve as a yardstick. It has shown that the yardstick principle is a sound one, properly conceived, and that, so conceived

and used, it can foster competition, minimize monopoly controls, help to broaden markets for business, and in general provide a stimulant and bulwark for free enterprise. We believe this principle can be adapted to use in the disposal of war plants, and to that end we urge the committee to include the following amendment, on page 20, following line 2:

"The Administrator shall submit to Congress within 60 days after passage of this act a list of plants proposed for continued operation as yardstick and experimental plants, whether through Government corporations set up for that purpose, through the hiring of managers by the appropriate Government agency concerned with operation of the plant, by contract with private enterprise but subject to conditions prescribed by the Administrator to insure true yardstick and experimental operation, or through arrangement with a member owned and operated cooperative; and shall describe in detail the management operation, the yardstick and experimental operations proposed, and the objectives to be achieved. Upon approval by Congress, such plants shall continue in operation under such arrangements until the operation is terminated by Congress."

We have included in this proposed amendment the word "experimental" because we have a special agricultural interest in continued operation of various types of plants which should be operated under peacetime conditions to discover their long-time usefulness as outlets for agricultural commodities and as producers of commodities needed on farms. We call the committee's attention to Secretary of Agriculture Wickard's statement last week to the House Executive Expenditures Committee on this point:

"Wartime food processing facilities owned or financed by the Government include dried milk plants, concentrated citrus juice plants, dehydrated vegetable plants, and dehydrated raisin plants. Falling in a related category are the grain alcohol facilities now operating at several locations as well as hemp processing plants in the Middle West. Government financed cold-storage facilities also have been constructed in widely dispersed sections of the country.

"Since it is upon the Department of Agriculture that responsibility falls for price support and other farm programs enacted by Congress, none of these plants which might be useful in carrying out those programs should be dismantled or used for new purposes without Agriculture's approval.

"Furthermore, there are certain industrial plants capable of conversion to agricultural uses, the disposition of which should reflect that possibility. For instance, the Department of Agriculture already has recommended that 40 percent of our wartime synthetic nitrogen plant capacity be converted to the production of nitrogen fertilizer."

This type of plants should not be closed down, dismantled, or simply turned over to private industry without safeguards of the public interest. All of them can well be operated, not to compete with private industry, but in order to do experimental jobs that private industry cannot afford to undertake, that are too risky or that do not offer any particular profit incentive but offer the prospect of results vitally important to farmers all over the country.

There is one additional matter relative to plant disposal that should be mentioned. This is the probable need for clarification of the intent of Congress as to military plants, and for that matter, goods. We do not suggest specific language at this point, but simply call to the committee's attention the related problems of the speed of disposition of plants and goods by the military and the question of keeping certain war plants "in grease"—so to speak—in anticipation of future needs.

Following the other World War, it will be recalled, some plants and much material were held by the armed services beyond any reasonable length of time. We do not believe that is good practice. On the other hand, we believe that the committee may feel it desirable to add specific instructions to the Administrator to keep certain plants in stand-by condition, regardless of the immediate need for their products, simply as a matter of national defense.

Finally, with regard to plant disposal, we should like to record our satisfaction with the provision the subcommittee has made for maintaining any plants leased in "substantial operation and production for a period of 2 years next suceeding the effective date of the contract." This kind of legislation will go far toward meeting that goal of full employment which we believe is an imperative post-war ideal.

Our next suggested amendments relate to sections 10 and 12 of the bill (S. 2065) concerned with the utilization of surplus property by Federal agencies and with dispositions made by owning agencies. Specifically, we propose the following subsections to be included in the bill beginning after line 17 on page 13:

"(c) To the fullest extent practicable, the Administrator shall transfer to the Soil Conservation Service of the Department of Agriculture such surplus equipment and materials as he, in consultation with officials of the Soil Conservation Service, shall determine are useful for purposes of soil conservation and improvement, such equipment and materials to be made available to the soil-conservation districts of the several States and to other appropriate State agencies, pursuant to the customary arrangements made between the districts and the Soil Conservation Service.

"(d) To the fullest extent practicable, the Administrator shall transfer to the Rural Electrification Administration of the Department of Agriculture such surplus electrical equipment and materials as he, in consultation with officials of the Rural Electrification Administration, shall determine to be appropriate to the extension of lines and services to rural families, such equipment and materials to be made available to existing cooperative associations formed under the Rural Electrification Act and to assist in the establishment of new cooperative associations under the provisions of the act.

"(e) To the fullest extent practicable, the Administrator shall transfer to the Farm Security Administration of the Department of Agriculture such agricultural production equipment and materials as he, in consultation with officials of the Farm Security Administration, shall determine to be appropriate for sale, at customary terms and rates of interest charged on similar Farm Security Administration loans, to small facilities cooperatives of the type promoted and established by the Farm Security Administration."

The purpose of these amendments is sufficiently clear from their texts. They follow the precedent set in section 11, where in subsections (a) and (b) provision is made for public use of school and medical equipment and material. These are far-sighted, statesmanlike provisions. We believe they should be paralleled by similar provisions that will enable the use of surplus property to promote protection of the Nation's soil resources, to extend rural electrification, and to promote the security and extension of family-type farming.

With respect to the disposal of nonagricultural equipment and material, we favor a selective policy such as is embodied in the following proposed amendment, suggested for insertion after line 15, page 16:

"The Administrator shall be charged with the responsibility for the fullest possible use, distribution, and sale of surplus property under this act and shall withhold equipment or material from use, distribution, or sale as a policy, only after full and fair public hearing shall have been held before the appropriate agency advisory committee authorized to be set up under section 7 and only after such agency advisory committee shall have recommended that such equipment or materials be withheld from use, distribution, or sale on the ground that hardship to the affected industry will outweigh the general public good to be derived from release of such equipment or material."

The final amendments that the National Farmers Union proposes to be made to the pending bill deal with section 19, the section dealing with agricultural lands. It should be said by way of preliminary, however, that the pending bill is the only surplus disposal bill that makes a genuine attempt to meet the numerous difficulties of defining the rights of former owners of agricultural land for repurchase, or that seeks to insure the handling of the agricultural land disposal program as a purely agricultural matter. The amendments we suggest are, again, by way of being perfecting amendments.

First among these is an amendment suggested to be added to the end of line 16, page 24, as follows: *"And provided,* That such former owners or their heirs shall give satisfactory assurances to the Administrator that they intend to occupy and use for agricultural purposes the agricultural land so sold, and that they do not at the time of such sale already own a farm of equal or greater value as compared with the surplus agricultural land they have made application to purchase."

The next amendment dealing with agricultural land that we suggest for the consideration of the committee is a substitute for subsection (d) of section 19, on page 26, and reads as follows:

"(d) The Administrator shall fix the price to be paid for such land in the case of any such sale pursuant to this section in accordance with the long-time income-producing power of the farm, as estimated by the Department of Agriculture over a period of not less than 10 years, if operated with reasonable diligence and efficiency, and taking into consideration the Nation's interest in the healthy maintenance both of the farm family and the soil. The determination of price by the Administrator shall be final and conclusive and he shall fix other terms and conditions as he deems to be reasonable."

Such an amendment would, in turn, call for some change in subsection (d) of section 20, page 27, which might well be consolidated with the above suggested amendment, so that at the end of that amendment the language would proceed as follows:

"In order to guard against speculation and inflated land values, the Administrator in fixing this price shall consider the appraised value of the land when it was acquired by the Government and at previous sales, the cash income and the family living potential of the farm, the future earning capacity of the farm minus the cost of necessary improvements, and shall limit the acreage to be sold in any one unit to that number of acres required to form a farm unit of economic size. No more than one such unit shall be sold to one person."

In lieu of section 21, we suggest the following:

"SEC. 21. The administration of the disposal of surplus agricultural land under the policies described in sections 19 and 20 of this act shall be conducted in accordance with the principles of the Bankhead-Jones Act, with such modifications as this act may make necessary, and the administration of this program shall be vested in the Farm Security Administration of the Department of Agriculture, subject to the general direction of the Administrator and of this act."

Finally, it is our view that an additional section dealing with land disposal is required. We believe it should follow immedi-

ately after section 21, be headed "Other lands," and read as follows:

"SEC. 22. The Administrator shall determine, on the basis of surveys by the Departments of Agriculture and the Interior, what surplus lands should be classified as submarginal. Such submarginal land shall be transferred to the appropriate agency concerned primarily with forestry, recreation, grazing, or other use for its development in the national interest. The decision of the Administrator as to the predominant suitable use for such land shall be final."

Again, these amendments largely speak for themselves. In the disposition of the land owned by the Government, we believe that all of the land suitable to agricultural use should be made an integral part of the tenant purchase program of the Farm Security Administration, sold only in economic units on long-term credit at low rates of interest. Possession by the Government of several million acres of good farm land affords an opportunity that may not occur again for many years, perhaps generations, to give so easily such a great impetus to the promotion of the family-type farm. We believe that former owners and veterans should be given preference, where they will use the land for family living. We believe that this program should be wholly governmental, handled through Government agents and Government appraisers. Finally, we believe that no farmer should be settled on this land with a debt burden that is bound to become intolerable if the long-term earning power of the land is considered. Farmers settling on these tracts should be required to assume only so much mortgage debt as experts find the farm can reasonably expect to pay off on a 40-year loan. Sale price thus would be determined by the capacity of the farm, the ability and experience of the farmer, the Nation's interest in maintenance both of the farmer and his family and of the soil itself, both priceless national assets.

Such a direction can readily be administered by sympathetic administrators.

In conclusion, we again congratulate the members of the subcommittee on the excellent job they have done. We only wish that other aspects of the conversion from war to peace had been as ably and effectively handled. As matters now stand, the only legislation actually in effect is that providing up to $30,000,000,000 in tax refunds for corporations and a contract termination act that under which 50 percent of war contracts are to be terminated as soon as the European war ends. The so-called human demobilization bill just passed by the Senate not only accepts the idea of large-scale unemployment but accepts the idea of a limited dole for the unemployed.

In other words, the only incentives that have been provided so far are incentives to unemployment; there are no incentives to full employment. Yet the country will not stand for that kind of an outlook for very long. The people know that this country's plant, agricultural and industrial, is capable of producing plenty for every man, woman, and child in the land. The miracle of war production has escaped no one.

The National Farmers Union appeals, therefore, to you members of the Military Affairs Committee to give immediate consideration to another proposal made by our president, James G. Patton, in his so-called full-employment provision. This provision is simply a guaranty to business, labor, and agriculture that the annual investment needed to maintain full employment and production will be forthcoming. In other words, Congress would agree upon the amount of such investment needed, and every year would see to it that sufficient funds were made available for expenditure, either through loans to business or through contracts or direct public investment, to maintain the total of all investment at the required figure.

This proposal goes to the heart of the problem. No legislation now before Congress actually seeks to provide jobs or to underwrite full employment. The life-giving property of such an amendment in the preservation of free enterprise should be obvious. If the "boom-and-bust" cycle can once be ended, then private business need have no fears and can plan its expenditures ahead rationally and carefully. With that as the framework, we believe the Nation could go forward into an era of unprecedented prosperity, one that would hold out hope and promise for the whole world.

President Patton's proposal has been sent to each member of the committee. We invite your close attention to it and hope that you will hold public hearings on it at an early date.

Mr. LANGER. Mr. President, the committee, incidentally, heard Mr. Clayton twice. It was during this testimony that Mr. Clayton referred repeatedly to "our" bill, until one puzzled Senator asked him to which bill he referred, and Mr. Clayton said that he meant the House bill. The committee heard Mr. Clayton, closed its hearings, and went into executive session to draft the bill. Much to its surprise, the next morning Mr. Clayton reappeared and insisted on being heard, although he was scheduled to appear at that time before Senator TRUMAN'S War Investigating Committee and did not arrive. The result of Mr. Clayton's second appearance before the Senate Military Affairs Committee was, of course, that the House proceeded to vote on its bill, adopt it, and send it over to the Senate before the Senate was able to act on its own measure.

At this point, Mr. Patton took the obvious course in relation to Mr. Clayton and called on President Roosevelt to remove him "because of Mr. Clayton's demonstrated hostility to the true interests of farmers, of small business, and of labor." On August 19 Mr. Patton issued a statement.

I ask unanimous consent to have the statement printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON.—President Roosevelt was urged to remove William L. Clayton as Surplus War Property Administrator in a statement issued here today by President James G. Patton of the National Farmers Union.

Patton said he took this course because of Mr. Clayton's demonstrated hostility to the true interests of farmers, of small business, and of labor.

Testimony of Assistant Attorney General Norman Littell Thursday, August 11, before the Senate committee investigating national defense was cited by Patton as proving his earlier assertions that the National Association of Real Estate Boards and its affiliates are dominating the surplus land disposal policies under the Clayton administration, and as showing Clayton had refused to follow recommendations by his inter-agency advisory committee that the Department of Agriculture be given responsibility for disposal of farmland.

Patton also said that Clayton, in his testimony of Wednesday, August 15, before the Senate Military Affairs Committee, opposed in detail provisions of the Stewart-Murray-Taft Surplus Property Disposal Bill (S. 2065) which members of that committee had labored over with the aim of protecting American farmers, small-business men, and working people.

"I hope the President will remove Mr. Clayton, and the sooner the better," Patton concluded. "Mr. Clayton is too expensive a luxury for the American people."

Patton's statement follows:

"The President should remove Mr. William L. Clayton from the position of Surplus War Property Administrator. He should take this action because of Mr. Clayton's demonstrated hostility to the true interests of farmers, of small business, and of labor.

"This hostility has been demonstrated quietly throughout Mr. Clayton's tenure in his present office. But positive, open evidence of his unfitness for his present position has now been given by Mr. Clayton himself and by Assistant Attorney General Norman Littell in their appearances the last 2 days before committees of the Senate.

"Mr. Clayton himself publicly attacked the views of members of the Senate Military Affairs Committee when on Wednesday, August 16, he opopsed in detail the provisions of the Stewart-Murray-Taft surplus property disposal bill (S. 2035) which members of that committee had labored over with the aim of protecting American farmers, small businessmen, and working people. He has proved conclusively by this testimony that his policy as Surplus War Property Administrator is a policy dedicated to the advancement of the interests of big business alone. The President cannot afford to tolerate any longer in this job an administrator with so narrow a conception of the public welfare.

"In his testimony, Mr. Littell proved for the benefit of any doubters the truth of my assertion that the National Association of Real Estate Boards and its affiliates are dominating land disposal policies under Mr. Clayton just as they tried, in part successfully, to dominate the military acquisition program. Mr. Littell showed that a former real-estate broker approved by the N. A. R. E. B. and a member of the association, Col. M. J. O'Byrne, heads Mr. Clayton's real-estate program, and that Colonel O'Byrne formerly was War Department real-estate officer in Columbus, Ohio.

"Columbus, Ohio, is the home of J. W. Galbraith, former head of N. A. R. E. B. Mr. Galbraith's company was cited by Mr. Littell as offering a 'harrowing example' of the policies being followed when he told how that company now asks a price of $250,000 to $450,000 for a Joliet, Ill., plant formerly owned by American Steel & Wire Co. in which the Galbraith Co. invested no more than $33,000 of its own money, and soon after mortgaged all but $10,000 or $12,000 of that.

"Mr. Littell showed that Col. J. J. O'Brien, head of Mr. Clayton's interagency advisory committee 'has the full support' of N. A. R. E. B., 'with whose plans respecting the disposal of real estate I am in strong disagreement'. He showed that N. A. R. E. B. felt it had to defend Colonel O'Brien when his Florida hotel program was criticized by the Truman Committee some months ago. He charged that O'Brien leans on the advice of E. L. Ostendorf, of Morris & Ostendorf, real estate agents of Cleveland, and chairman of N. A. R. E. B.'s committee on surplus disposal.

"Moreover, Mr. Littell's testimony substantiates what every member of the interagency committee has known, that Mr. Clayton refused to follow that committee's recommendation that administration of agricultural land be vested in the Department of Agriculture. This recommendation was made on June 5, and Mr. Clayton has ever since attempted to ignore the fact that it was made. He has pretended that the Departments of Agriculture and Justice were

sympathetic to his policies when, it is now demonstrated, they vigorously disagreed with him. Secretary of the Interior Ickes in his testimony of August 16 to the Senate Military Affairs Committee also indicated clearly he favors policies other than those of Mr. Clayton.

"It was only after the National Farmers Union had revealed that Mr. Clayton had, against the initial recommendation of his own committee, turned the agricultural land program over to R. F. C., that Mr. Clayton even let the public know what decision had been made.

"In view of this now factually demonstrated record, the President should act. It is with reluctance that I single out an individual in this fashion, but the issue is one that transcends personalities. When the welfare of scores of thousands of American citizens is involved, it is no time to stand upon ceremony.

"It is a matter of the first national importance that an administrator with a broad background of public service and a demonstrated sympathy with all parts of the economy be chosen to administer disposal of the $75,000,000,000 to $100,000,000,000 of surplus Government property at stake in this program.

"I hope the President will remove Mr. Clayton and the sooner the better, for he is now selling this property off as fast as he can without regard for the view of farmers, small business, and labor. He hopes to step up the rate of sales in the immediate future Mr. Clayton is too expensive a luxury for the American people."

Mr. LANGER. The Senate meanwhile had adopted its own surplus property bill, the two bills had gone to conference, and a reasonably good law had emerged and had been signed by the President. Immediately there began an intensive campaign of misrepresentation of the law.

In pique, Mr. Clayton resigned as Surplus Property Administrator and made public a letter of resignation in which he set the tone for the campaign to destroy the new act. With respect to this and other phases of this propaganda campaign, on October 21 Mr. Patton issued another statement.

I ask unanimous consent to have this statement printed in the RECORD at this point as a part of my remarks.

Mr. CONNALLY. Mr. President, reserving the right to object, what was the last insertion in the RECORD which the Senator asked to have made with respect to Mr. Clayton?

Mr. LANGER. I beg the Senator's pardon?

Mr. CONNALLY. What was the last insertion which the Senator asked to have made in the RECORD regarding Mr. Clayton?

Mr. LANGER. In regard to the propaganda in connection with the Surplus Property Act.

Mr. CONNALLY. Who is the author of it?

Mr. LANGER. The Senate is the author of it. I myself wrote section 17. I will tell the Senator why it is important. Today I want the distinguished senior Senator from Texas to know that if a farmer in his own State wishes to buy a jeep, a truck, an automobile, or any other farm machinery, he can go and look at it before he buys it. What would he have had to do under Mr. Clayton? He would have had to go to some large city perhaps a thousand miles away from Texas——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LANGER. I wish to answer the question. Under the plan of Mr. Clayton the farmer constituent of the Senator from Texas could not buy 1 automobile. He could not buy 10 automobiles. He would have had to travel a distance of a thousand or fifteen hundred miles from his home, and buy how many? Mr. Clayton said that he was going to sell them 10,000 at a time.

Mr. President, no rural mail carrier in Texas, and no farmer in North Dakota, needs 10,000 automobiles. So in section 17 of the bill, which was supported very strongly by the junior Senator from Kenucky [Mr. CHANDLER] and by the senior Senator from Colorado [Mr. JOHNSON], it is provided that the property must be sold in rural areas. The farm machinery must be taken to the rural areas in Texas, North Dakota, and other States. It must be taken to Fort Worth, Dallas, Austin, and other towns in Texas, where a group of 5, 10, 15, or 25 farmers want it. Those farmers do not buy a pig in a poke. They have an opportunity to see the tractor and try it out. They have an opportunity to drive the automobile which they may be considering buying. That is the difference, Mr. President, between the measure which was finally adopted by this very body in section 17, so far as farm machinery is concerned, and Mr. Clayton's plan. That is how section 17 differed from the House bill, which provided that Mr. Clayton could sell 10,000 automobiles at a time, 1,000 or 1,500 miles away from the farmers.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota to have printed in the RECORD the statement to which he refers?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON.—James G. Patton, president of the National Farmers Union, today called for a halt "to the wholly unjustified campaign of attacks on the Surplus Property Act." The occasion for Mr. Patton's statement was a speech by Mr. E. L. Olrich, Assistant to the Secretary of the Treasury, assailing provisions of the law giving preference in the acquisition of surplus property to farmers, veterans, small-business men, cooperatives, and agencies of local governments.

Mr. Patton's statement was as follows:

"It is high time a halt were called to the wholly unjustified campaign of attacks upon the Surplus Property Act adopted by Congress last month. Even before the Act was passed, Mr. William L. Clayton, then Surplus Property Administrator, carped and caviled at provisions of the law. The only apparent base for his peevish comments was the fact that Congress disagreed with his views as to what constituted the public interest in this legislation.

"His complaints have been followed up since by similar complaints by a variety of representatives of selfish groups until it appears that a concerted campaign is under way to weaken the most admirable provisions of the law.

"The latest in this series of assaults is that by a prominent underwear manufacturer now acting as assistant to the Secretary of the Treasury. At a meeting, appropriately enough, of hardware manufacturers and wholesalers, this gentleman, Mr. E. L. Olrich, said, according to the New York Times, that the law is a bad law because it 'provides special opportunities for acquiring Government property to farmers, veterans, small-business men, cooperative organizations, political subdivisions, and charitable and educational institutions.' In Mr. Olrich's view it is inconsistent with the 'welfare of the country as a whole' to give these groups special opportunities to acquire surplus property.

"Mr. Olrich's idea of what would be good for the country is, obviously, to open the surplus stores of Government material, which belong to the people of this country, to wholesale raids by those big business enterprisers who are able to buy in huge quantities at low prices and to resell at what the traffic will bear.

"I venture to say that 95 percent of the people of the United States disagree with this theory of the general welfare.

"It is to be hoped that Congress will pay no attention whatever to such complaints. It is right and proper that veterans, farmers, cooperatives, small businesses, and agencies of local government should have the first opportunity at putting to use, for the benefit of the greatest possible number of our people, the surplus war materials that have been accumulated out of the sweat and savings of the whole people.

"What minor flaws there are in the Surplus Property Act can be corrected without difficulty if a good Surplus Property Board is appointed to administer the Act. I have every confidence that the President will appoint such a board."

Mr. LANGER. Mr. President, I have almost concluded. To bring the story down to date, I wish to call the attention of Senators to an editorial which appeared in the issue of Life magazine that appeared on the newststands today. In this editorial, the Surplus Property Act is described as in the true Jeffersonian spirit, a law that really and truly tries to care for the interests of the people. I hope Senators will read this editorial, and while they read it I hope they will remember that this is the law that Mr. Clayton regarded as being so bad that he would not attempt to administer it.

I ask unanimous consent to have the editorial printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SURPLUS PROPERTY—MUST A GREAT CHANCE TO BROADEN ECONOMIC FREEDOM GO BY POLITICAL DEFAULT?

Wrote Thomas Jefferson in 1785: "I am conscious that an equal division of property is impracticable. But * * * legislators cannot invent too many devices for subdividing property. * * * The earth is given as a common stock for men to labor and live on." His ideal citizen was the self-sufficient farmer, for he believed that only men who are economically independent can long remain free.

His was quite a different theory from socialism. It is the theory that government, by subdividing property, can make its citizens more independent of government itself. The next question, of course, is how far government can go without producing less justice and freedom than ungoverned men would produce among themselves. To date,

man-made law is assumed to be somewhat superior to the jungle's; and we keep trying. The latest try in this country, a law which the President signed in October, may launch the United States Government on one of the greatest subdividing experiments of its career.

ANOTHER LOUISIANA PURCHASE?

The law is the Surplus Property Act of 1944. It governs the disposal of all the things the Government bought or built to fight the war with and doesn't want to keep. In land, acquired for camps, etc., the Government will sell something like 12,000,000 acres. In industrial-plant capacity, the Government owns around one-third as much as all American corporations. Perhaps Secretary Ickes did not exaggerate too much when he said that the consequences of how we dispose of this wealth may make the consequences of the Louisiana Purchase look insignificant. The Louisiana Purchase (530,000,000 acres) about doubled America's area in 1803.

Surplus, or waste, is in the nature of war. It is already piling up—planes and plants, mattresses and monkey wrenches, trucks and timberland, pressure cookers and police dogs. Everything you can think of, and in quantities you can't imagine. The R. F. C. is building a chain of warehouses just to display the stuff. There will be no single dam break, no one big auction day; the sales have already started and will go on for years. In October alone four Government agencies sold $26,700,000 worth, including two locomotives and 6,500,000 slide fasteners. The total amount ultimately to be sold is variously valued at from fifteen to one hundred and three billion dollars. It can't be appraised in advance even approximately, for its volume would break any market it was dumped on; in fact, it can be measured only against the post-war economy as a whole.

So what method, what objectives should we adopt for the disposal of this war-built wealth? Mr. Ickes, as usual, is preoccupied with the problem of "checkmating scoundrels"—i. e., preventing speculation and inside track meets. One very simple method would be to sell it to the highest bidders, thus realizing the greatest sum for the Government and with it reducing the national debt. Another possible method is to dispose of it with the least possible disruption of "normal trade channels" and the price level, on which it is bound to have a deflationary effect. From this standpoint the suggestion of a Navy man makes good sense: that everything be loaded on battleships and dumped in the middle of the sea.

There is another objective, however, which is not so cynical or lazy as these. It is that, since the disposal of this property is bound to have a vast effect on the character of our post-war economy, we should decide now what kind of economy we want and aim our policy at that.

This objective, starry-eyed or not, is now the law of the land. The Surplus Property Act is a poorly drawn compromise, unworkable as it stands and due for revision. It is nevertheless one of the few public acts of recent months that exhibit a profoundly idealistic purpose. Its chief aims are these—to reestablish free independent enterprise, to strengthen the competitive position of the new and small businessman and the family farmer; and to put Government property to widespread, nonmonopolistic use. It is a bill in the Jeffersonian tradition, an attempt to redistribute property in a way to make men free.

EFFICIENCY IS NOT EVERYTHING

When he saw the bill Will Clayton, who had been handling surplus property under Executive order, resigned his job in disgust. It was the disgust of a capable, efficiency-minded administrator. For example, in selling farmland the Government (according to the law) must offer it first to the former owner or heirs, then to any tenant farmers he may have had, then to any farm-minded veterans who may want it, then to other candidates for subsistence farming.

Mr. Clayton wanted to put the land on the market fast, via R. F. C. and the professional real-estate brokers. But the Senators had a different idea. They were more impressed by the testimony of Norman Littell, the recently fired Assistant Attorney General, who convinced them that under Clayton's methods the land would wind up in the hands of big corporate farmers. Said Senator CHANDLER, in the nearest imitation of Jefferson he is ever likely to achieve: "It is better security for the country to have our people on their own farms."

The law also tries to help the little-business man. Maurey Maverick's Smaller War Plants Corporation is authorized to intervene whenever it sees a chance to put industrial property into new and independent hands. This is inefficient. But efficiency is perhaps not the sole motive of all the enemies of the law. Established retailers, for example, who still shudder at the memory of the "Army and Navy Stores of post-war No. 1, are lobbying for "orderly distribution" through "normal trade channels."

The economic responsibility of our Government does not lie toward any particular "trade channel," union, or company, however many E banners it may fly. It lies toward the general level of prosperity and the freedom and openness of the economy as a whole. To foster this freedom of the market, the Government may seem to be playing favorites at times. Its favorites under the Surplus Property Act are veterans, small farmers, and small businessmen. But without favoritism these three groups would be at a positive disadvantage, not in wealth but in opportunity. For big business and corporate farming enjoy trading advantages which threaten ultimately to close the door on individuals and newcomers if competition is not ceaselessly renewed.

CHANCE FOR A JOLT

Every generation or so our Nation has been jolted into a great commercial expansion by some Government-assisted project: Northwest Territory development, railroad grants, homestead laws, road building, and the like. The disposal of our new war-built wealth could be another such jolt. Let "realists" predict that 10 years hence the beneficiaries of a new distribution, the favored veterans and tenants, will be broke and landless once more. Many of them will, no doubt. They will nevertheless have had their moment of equal opportunity, which is all democracy promises and all Americans have ever asked.

But to give them even that much, those in charge of demobilization must rise to the challenge. If the Surplus Property Act were rewritten by Jefferson himself, it would still require great courage and imagination to carry it out. Its administrators must not only be in sympathy with its aims but must be men of enough political adroitness and guts to resist enormous pressure.

Last week the President made his choice of men for the Surplus Property Board. They are Guy Gillette, of Iowa, the "lame duck" Senator; Robert Hurley, a former Governor of Connecticut; and Col. E. H. Heller, a California financier and active Democrat. Honest men, no doubt. But as the Washington Post remarked, the President seems to have confused the problem of surplus property with the problem of surplus politicians. One looks in vain for the stature which the noble aims and practical pitfalls of this job demand.

Reconversion problems are not popular when the war news is bad. That does not make them unimportant. Our surplus-property problem contains the chance of a lifetime for a rebirth of economic freedom in America. If we let it go by default the spirit of Thomas Jefferson will not forgive us.

Mr. LANGER. Mr. President, having made this statement, I shall vote against Mr. Dunn. I have stated why I intend to vote against Mr. Dunn, and why I intend to vote against Mr. Clayton. The other day I stated that I was going to vote against Mr. Stettinius, and I did so.

I shall vote against Mr. Rockefeller because of the speech made by the distinguished junior Senator from Nebraska [Mr. BUTLER]. He went to South America a year ago last summer and made a thorough, first-hand investigation. If any Senator, after reading the speech which the Senator from Nebraska made after his return from South America, wishes to vote for Mr. Rockefeller, of course he has a right to do so, and I will not quarrel with him.

I was somewhat interested in what the distinguished senior Senator from Tennessee [Mr. MCKELLAR] had to say yesterday when he talked about this very young man who was so outstanding in the United States. I need only say that I believe that when our soldier boys come back they, too, will be very much interested in the fact that Mr. Rockefeller is a very, very, very young man. I know that they will be interested in that very, very, very obvious fact.

Mr. President, I believe I have talked about all these gentlemen with the exception of Mr. MacLeish. Of course I wish to say something about that gentleman too.

In commenting on the Presidential nomination of the self-appointed poet laureate of American democracy to be the public relations man for the State Department—the Poison Ivy Lee, so to speak, of World War No. 3—a local columnist not noted for the accuracy of his reporting vouchsafed the unsupported assertion that the recent Librarian of Congress "has been a good administrator and he has at the same time injected new ideas and blood into the Library."

I have investigated the workings of the MacLeish administration of the Library of Congress; and the factual information I have gathered from unbiased and thoroughly reliable sources leads me inescapably to the unqualified conclusion that the boy poet of the Potomac has turned out to be a very poor administrator and that the new ideas and new blood which he has, indeed, injected into our National Library have been most harmful to that institution and have, in the 5 years of his regime, brought it to a sorry condition of disorganization and a low estate of culture and morale.

Before I present in some detail the specific results of my investigation, let me recall that, when the appointment of Mr. MacLeish was announced, there was a countrywide cry of protest from the library profession at the selection of a director for the most important library in the world who had had no training in the methods of operating a library. As soon, it was contended, select for superintendent of a huge hospital a man who

knew nothing about medicine except how to swallow a pill. But, on the other hand, there was such relief at the thought of a red-blooded human being replacing the mummified Boston Back Bay brahmin who had governed the Library during its "40 years in the desert" that the appointment was finally acquiesced in.

Few men ever entered upon a public office surrounded by such a general atmosphere of goodwill—and I predict that few men ever quit one leaving so little regret behind. The reason is to be found in his temperament and training—or lack of it, more properly speaking.

Headstrong and, beneath a transparent veneer of synthetic bonhomie, arrogant, and even cruel at times, his facile successes in literature and law schools have developed a naive conceit that scorns the patient study and open-minded consideration of divergent points of view are indispensable to the successful administrator. Basically intolerant of contradiction and impatient of delay, he has operated the Library of Congress after the manner of a prima donna crossed with a pseudo-high pressure business executive.

Upon taking office, he was quite naturally bewildered by the tangled set-up which he inherited from his predecessor—some forty independent divisions and projects, each heading up directly to the Little Father, who tried to watch over every detail of each of them. Also, there was the usual flood of invitations, with the usual lucrative honorariums, to deliver himself of oratorical prose or verse at public gatherings—four commencement addresses the first spring, if I am not misinformed, each of them good for a bonus of $400 to $600 plus expenses, with the further inducement of publication of the oration in some periodical and then as a booklet by Duell, Sloan & Pearce. It is not for nothing that one is born the son of a Scottish dry-goods merchant.

The pressure of these extra-curricular activities naturally operated to speed up the reorganization of the Library and the appointment of persons to man the new posts created. What more natural than to move up the stage-door Johnnies-on-the-spot and get the job over and done with? Especially when one is totally unacquainted in the library profession and has no knowledge of the experts in the various lines available throughout the country—or even with the wise and impartial persons to turn to for advice.

So, Mr. President, it is self-evident that he has made a very bad record there. Certainly I do not wish to vote for a man with a record of that kind.

In conclusion, Mr. President, let me say that as I view the entire situation, I am reminded of the fact that in 1933 President Roosevelt, in his inaugural address, said he would drive the money changers out of the temple. The result of the appointment of Stettinius, Mr. President, and the result of the appointment of the six men whose nominations have been sent to the Senate is that the common people are left in a quandary. When they go to vote at the election which will be held in a little over three years from now, when they pick up the Republican ballot—and I care not what names appear on it—it will most likely be the ballot of the J. P. Morgan Co., Rockefeller, and Wall Street. At the same time, when the common man picks up a Democratic ballot—I care not what names are on it—it will most likely be the ballot of the J. P. Morgan Co., Rockefeller, and Wall Street.

So, Mr. President, I hope that out in the great State of Wisconsin, that State which time and time and time again has led along progressive lines, the Progressive Party will realize the great responsibility it has, and will fight and organize so that the common people of America may have some place to turn to, should they be faced by the dilemma I have forecast when that day comes in a little over three or three and one-half years from now. Certainly, Mr. President, the common people who have had confidence in President Roosevelt must realize, now that he has made the appointment of Stettinius and of the other six men whose names we are now considering, that the President has turned over to Wall Street the most important department of our Government, the Department of State; and the common people must now realize that when the peace is made it will be made by the big business interests in terms that suit Wall Street.

Certainly, Mr. President, if I were an enemy of this country I would want no better propaganda, if I were talking to our soldier boys across the water, than to say "What are you fighting for? Is it not true that the United States Government has been turned over to the J. P. Morgan Co.,to the Rockefellers and to Wall Street?" Because, Mr. President, that is what has been done.

Mr. JOHNSON of Colorado. Mr. President, I desire to read into the RECORD two short telegrams pertaining to the subject matter of the debate. The first is addressed to me, and reads as follows:

DENVER, COLO., *December 18, 1944.*

Senator ED JOHNSON,

Senate Office Building:

Urge your support Pepper resolution postponing action on State Department nominees.

HARVEY R. SOLBERG,

President, Rocky Mountain Farmers Union.

The second telegram is also from Denver, Colo., and is addressed to me. It reads as follows:

DENVER, COLO., *December 18, 1944.*

The Honorable EDWIN C. JOHNSON:

Urge you to speak and vote for the Pepper motion relating to confirmation of State Department appointments. National Farmers Union is very much opposed to the confirmation of Mr. Clayton. Regards,

JAMES G. PATTON,

President, National Farmers Union.

I regret very much that I do not view the pending matter as the senders of the telegrams. I have great respect for both of them. I have worked with them and cooperated with them on many matters for a long period of time, and I realize that their viewpoint is important.

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Washington Star for Sunday, December 17, 1944. The article is entitled "Europe's Small Nations Cannot Stand Alone, Hore-Belisha Says."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EUROPE'S SMALL NATIONS CANNOT STAND ALONE, HORE-BELISHA SAYS

LONDON, December 16.—Leslie Hore-Belisha, secretary in the former Chamberlain cabinet, said today in a speech marking his twenty-first anniversary as a member of Parliament that the present conflict had proved the small European nations cannot stand alone.

He asserted that unless the great powers were prepared unitedly to guarantee Europe a new constitution based on a single federation of a number of federations they were working in an anachronistic medium in an age of airplanes, wireless, and mass production.

"The prescription of the sovereign independence of the states with which the statesmen of Versailles sought to stabilize Europe will have no more curative effect in 25 years after this war than it had in 25 years after the last," he declared.

"Nor are the peoples of emancipated countries likely to feel that in such a formula—however democratically presented—will they find security either in their individual or national lives," he continued. "The revolutionary resistance movements such as the EAM in Greece provide a focus and outlet for the unsatisfied aspirations of millions of Europeans."

Predicting general disharmony after the end of formal hostilities, Mr. Hore-Belisha asked:

"What hope is held out to humanity in any of the events unfolding in Europe that the great powers are going to act unitedly, as there is no evidence either in Italy, Belgium, Greece, or Poland that they have planned an accord?

"There can be no end to global wars unless some better constitution than the prewar system is found for Europe."

Mr. WHEELER. Mr. President, I also ask unanimous consent to have printed in the RECORD an article entitled "War by One Man's Will," by Oswald Garrison Villard, published in the Progressive Magazine for December 11, 1944.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WAR BY ONE MAN'S WILL—THE DANGERS OF DUMBARTON OAKS

(By Oswald Garrison Villard)

History is repeating itself in the most extraordinary way in this World War No. 2. One of the most striking evidences of this is that we are now developing another fight in this country over the proposed United Nations Council which bids fair to rival in intensity and bitterness the fight against the Treaty of Versailles.

The Dumbarton Oaks proposals are going to split the Nation, first, because of the doubt whether any such league dominated by three great powers can possibly bring peace to the world, and secondly, whether the United States should, and constitutionally can, delegate the war-making power to one man who will sit on the Council of the United Nations as the American representative. Shall we put into the hands of one man the power of life and death over American youth and can we do so without violating the Constitution and making it just a scrap of paper? If we are going to do this ought we not to seek an amendment to our historic, fundamental law covering this case?

CONSTITUTIONAL DOUBT

Five distinguished lawyers, headed by John W. Davis, once candidate for the Presidency and a man of high personal and legal standing, have certified that in their judgment this power can be given to a representative of the Government without doing violence to the Constitution. This is also the opinion of Senator CLAUDE PEPPER, of Florida, and Senator JOSEPH BALL, of Minnesota, who debated the subject recently at a Town Hall meeting, with Senator CHAPMAN REVERCOMB, of West Virginia, and John T. Flynn, the author.

The two first named fell back upon a clause in our Constitution which says that the Executive shall have the power to put down piracy on the high seas and to deal with violations of international law. But it is stretching things pretty far to say that the latter clause would permit the war-making power to be handed over to some Presidential appointee on the theory that some phase of international law would be violated by an aggressor nation.

This writer has long taken the position that no Executive should have the right to put this country into war, and that that power should rest only in the hands of the people. The idea that an American representative should have the power to decide in case of a conflict between Turkey and Greece, that Turkey was the aggressor and order America's share of the international armed force into war seems preposterous.

Mr. CHAVEZ. Mr. President, I also received a telegram from the Farmers' Union, dated today at Denver, Colo., asking me to support the Pepper resolution to recommit the State Department nominations to a committee. Of course, it will be impossible to comply with the request contained in the telegram, no matter how laudable or meritorious it may be, inasmuch as the Senator from Florida [Mr. PEPPER] and the other Senators who sponsored the resolution have decided not to persist in the effort to have the nominations recommitted to the committee.

Under the circumstances, it will be impossible to act in accordance with the request contained in the telegram. I would have done so if the Senators who submitted the resolution had continued their efforts in sponsorship of it. At the moment, I feel free to vote either for or against the nominations, according to my feeling at the time when the votes are taken.

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "May State Department Victory Prove Not Too Costly," published in the Philadelphia Record for December 15, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAY STATE DEPARTMENT VICTORY PROVE NOT TOO COSTLY

"The Senate can make a resolution expressing its sentiment, but when it comes time to translate this into an effective structure for (world) security we must have an aroused public opinion behind us."

So observed TOM CONNALLY, chairman of the Senate Foreign Relations Committee, just a month ago.

The statement is correct. A real and enduring world peace cannot be built without the active understanding, confidence, and cooperation of the American people.

That is why Senator CONNALLY's "victory" yesterday, which promises to foist upon the Nation a 98-percent conservative State Department, may prove costly in the future.

It has shaken the faith of millions in the agency of their Government which has the responsibility of making the peace.

Public opinion is aroused. But not as CONNALLY contemplated.

It is aroused and fearful because the common man has been barred from the peace table even before the war he is fighting has been won.

Whether the appointments of Grew, Clayton, Rockefeller, Dunn, and Holmes are approved or rejected by the entire Senate. The Record is proud of the fight it has waged against them.

That fight has had several salutary results.

First, it has dramatized what many people never quite understood: That the State Department is not just a bunch of tea-sippers and cookie-pushers, but a group of men upon whose breath of vision and grasp of human rights as related to property rights will depend whether America gets the people's peace for which her sons are fighting.

Second, this fight has turned the spotlight on our new State Department, so that henceforth the people will watch the activities of that Department as never before.

Third, it has demonstrated anew the duty of the Senate to play a key role in charting the foreign policy of this Nation. In a day of complex government, when many tasks necessarily must be delegated to supposed experts, it is more essential than ever that the representatives of the people in Congress hold to strict account those who wield power in the people's name.

Fourth, it has doubled the responsibility of the Foreign Relations Committee. It has given Stettinius, with the President's approval, a free hand in packing the State Department with his friends.

So if Mr. Clayton plays ball with the world cartels; if Mr. Dunn and General Holmes sponsor more Fascist appeasement after the war; if Mr. Grew attempts to propitiate Emperor Hirohito after our boys have crushed his armies—

CONNALLY and the committee members who voted their approval of these men yesterday will be held responsible by the people.

We pay our respects to the Senators on the Foreign Relations Committee, led by Pennsylvania's own JOSEPH F. GUFFEY, who shared our viewpoint on this issue and fought these nominations.

Of all the committee members involved, the part played by Senator CONNALLY appears shabbiest.

CONNALLY behaved throughout the hearings as if the Senate were intruding upon a gentleman's club by daring to demand, in behalf of the people, an accounting from the men given the task of drafting the peace.

Of course, CONNALLY himself is not the stripe of man from whom one can expect much enthusiasm for a people's peace.

He is the same CONNALLY who ardently defends poll taxes, who fights antilynching laws, and who recently led the fight to kill the first of our post-war international pacts, the Anglo-American oil treaty.

CONNALLY could champion the Stettinius team of ultraconservatives with enthusiam because he is one of them.

For our part, we shall hope for the best.

We trust that this fight, in itself, will serve to keep the new State Department appointees constantly aware of public opinion, and cause them to lean over backward to avoid even the appearance of letting down the common man who is fighting this war.

We sincerely hope that Mr. Stettinius and his colleagues will surprise us, prove our fears unfounded, and succeed in fitting the square pegs of their conservative background into the rounded pattern of a people's peace.

We shall be watching. Closely.

Mr. GUFFEY. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point an editorial entitled "'Snow White' Stettinius and His Six Dwarfs," published in the Philadelphia Record for December 18, 1944.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"SNOW WHITE" STETTINIUS AND HIS SIX DWARFS

If ever a filibuster were justified in the United States it is the filibuster against packing the State Department with an all-conservative team.

This filibuster will provide time for public opinion to awaken.

It has been difficult for many, as it has been for us, to realize how completely the task of drafting a people's peace has been handed over to a band of men conspicuous for their lack of interest in the liberal cause.

As this reality is driven home, we believe the Nation will back up that group of Senate liberals, loyal to their principles, who demand that this whole slate of ultra-conservative socialities be sent back to the President—

To give him an opportunity to present new appointees more representative of the Nation, and much more likely to respond to the yearnings in the hearts of the ordinary Americans who are fighting—and winning—this war.

Let everybody understand plainly what this filibuster is about.

It is a fight to make sure that this time America will have a peace of the people, by the people, and for the people.

Senate liberals are turning against Senator TOM CONNALLY, sponsor of the all-conservative State Department team, the legislative device CONNALLY himself used to defeat the anti-poll-tax bill just 2 years ago this month.

If it is O. K. to filibuster to cheat millions out of their vote, we certainly have no qualms about a filibuster to make certain that 130,000,000 are not cheated out of their peace.

This State Department team is not a people's team.

True, when Stettinius was appointed no one was under any illusions that he was a man of the people. But it was evidence of the willingness of liberals to cooperate, and recognize the right of conservatives to a place on the peace team, that Stettinius' selection for the No. 1 job of Secretary of State was virtually unopposed.

Apparently that expression of good will was misunderstood.

Down came the slate of Grew, Clayton, Rockefeller—swiftly followed up with selection of two more birds of the same feather, Dunn and Holmes.

Even if these men were unobjectionable individually, the transformation of the State Department into a merger of Broad and Wall and the Chevy Chase Club would be too much of a muchness.

But there is objection to many of these men individually.

There is objection to Grew's high tolerance for Emperor Hirohito. There is objection to Dunn and Holmes as men who have shown a remarkable inability to recognize a Fascist when they see one, especially a Fascist named Francisco Franco.

Whether Stettinius picked these men, the fact remains that if Stettinius had the sense of public obligation requisite in a Secretary of State, he would have fought the appointments, and would have vigorously opposed loading down his Department with sextuplets though they came from the very best of families.

If Stettinius is so unaware of the elementary factors of public opinion at home, how can the American people trust him to be conscious of far more complex factors of public opinion abroad?

If Stettinius would obstinately affront a large section of the population here at home, he is not the man to handle those delicate nuances which often make the difference between success and failure in foreign relations.

Had Stettinius grasped the significance of the protest that "four of a kind were three too many"; had he chosen liberals for the two remaining State Department posts instead of Dunn and Holmes—

Then he might have settled the whole controversy. Instead of a spirit of conciliation, the attitude was "to hell with public opinion."

If that's the attitude now, what will it be when the war is won—and the people want to be heard at the peace table?

It is our hope that Senate liberals will fight the good fight through, force this issue into the next Congress—unless their colleagues accept a proposal to refer the whole set of appointments back to the White House.

Already those appointments have become a butt of ridicule. Today Washington is calling Stettinius and his department:

"Snow White and His Six Dwarfs."

Who is to say the title is not richly merited?

TUNNEL FOR CARRYING LINES FOR PETROLEUM PRODUCTS IN THE DISTRICT OF COLUMBIA

Mr. BILBO. Mr. President, as in legislative session, I ask unanimous consent that the Senate proceed to the consideration of House bill 5448, to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia.

Mr. WHITE. Mr. President, will the Senator indicate the nature of the bill?

Mr. BILBO. The bill was passed by the House of Representatives. I have made the unanimous-consent request because the District Commissioners have asked me to try and have the bill considered and passed by the Senate today. The bill would authorize the Standard Oil Co. to operate under a street in order to transport oil.

Mr. WHITE. Does the bill have the support of the majority of the members of the committee?

Mr. BILBO. Yes; every Member present has O. K.'d the bill.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5448) to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

PROHIBITION OF POLITICAL STATEMENTS RELATING TO CANDIDATES FOR ELECTION TO FEDERAL OFFICE

Mr. McCARRAN. Mr. President, I ask for the attention of the leaders on each side of the Chamber. I have been directed by the Committee on the Judiciary to ask that the Senate proceed to the consideration of two very short bills which were passed by the House yesterday. One of them is of special interest to the Senator from Connecticut [Mr. DANAHER], who will not be present at the next session of Congress. I refer to Calendar No. 1411, House bill 2973, and to Calendar No. 1412, House bill 3609. Calendar No. 1411, House bill 2973, provides that no person shall publish or distribute any political statement relating to a candidate for election to any Federal office which does not contain the name of the person responsible for its publication or distribution. It is a very short bill, and to my mind, a very important one. The Committee on the Judiciary has expressed itself similarly.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 2973.

Mr. WHITE. Mr. President, am I to understand that the bill was reported by the Senator from Connecticut [Mr. DANAHER]?

Mr. McCARRAN. The bill was reported by the Committee on the Judiciary, and I have asked that the Senate proceed to its consideration because, as chairman of the Committee on the Judiciary, I thought that it was my duty to do so.

Mr. BARKLEY. Mr. President, what is the urgency of the bill which requires that it be taken up now while we are considering nominations?

Mr. McCARRAN. Mr. President, I noted that a bill having to do with the District of Columbia was brought up and considered a moment ago, and I thought that it had set a precedent for the unanimous request which I have made with regard to House bill 2973.

Mr. BARKLEY. That is the vice of allowing one bill to be taken up. I have no objection to the consideration of House bill 2973, but I hope the Senator will not insist upon it.

Mr. McCARRAN. Mr. President, I withdraw my request.

The PRESIDING OFFICER. The unanimous consent request of the Senator from Nevada has been withdrawn.

ISOLATIONISM, POWER POLITICS, AND SO FORTH

Mr. REYNOLDS. Mr. President, I recognize the fact that the Members of this body are desirous of being provided with an opportunity at the earliest moment to register their votes in regard to the nominations for the State Department which the President has sent to the Senate. Therefore I shall consume but little time in making a few observations at this hour.

At the outset I wish to say that I join all my colleagues, both Democrats, Republicans, and the Independent, in welcoming back to this body, the upper House of the Congress of the United States, our distinguished friend and beloved American citizen, the leader of the majority, the Senator from Kentucky [Mr. BARKLEY]. Unfortunately for our Nation, and unfortunately for the Members of this body so far as friendship and good fellowship is concerned, the Senator has been confined for some time to the hospital. I join my colleagues in welcoming him back and in saying that he is with us now to give us inspiration in this dark hour of trial and tribulation.

Mr. BARKLEY. Mr. President, I wish to thank my friend from North Carolina for his generous remarks. I may say that it is expressions of the kind he has just made which make me regret his imminent departure from the Senate of the United States.

Mr. REYNOLDS. I am deeply grateful for what the Senator from Kentucky has said. I had not meant to say anything about my departure because many people might not believe that I had left, and I could continue to place after my name the title of Senator rather than ex-Senator. But since the Senator from Kentucky has mentioned it, I wish to say that I shall be very sad when the hour arrives for me to dissociate myself from all the Members of this body, Democrats and Republicans, and the one Independent as well, with all of whom I have enjoyed the finest kind of friendship. There have been times when we have differed rather vigorously, but I have always recognized that the Senate is a great open forum maintained for the benefit of the American people as well as for ourselves as its Members. Differences have arisen from time to time, but they have never resulted in any unpleasantness insofar as personal relationships and friendships have been concerned. In all my life I have never associated with a finer body of men than those in the Congress. From the day I came here under Mr. Hoover, who was then President of the United States—and I served in that last lame-duck Congress—the associations I made have been very valuable to me, and I shall carry them throughout the remainder of my life as happy remembrances, and lovely portraits of friendships.

Mr. President, before lunch I listened to our distinguished colleague, the Senator from North Dakota [Mr. NYE]. In the statement which he made he took occasion to review many events which have transpired in the Congress of the United States since he came here approximately 20 years ago. At times I was tempted to interrupt the Senators in order to remind him of certain instances, but I saw that he was not desirous of being interrupted. I did not want to destroy the continuity of his speech, and as a result I did not interrupt him. I wish to say, however, that when the Senator was speaking and telling us about what had taken place, and particularly with reference to things which had taken place during the last 5 or 6 years, I was reminded of the times when the Senator from North Dakota [Mr. NYE], the Senator from California [Mr. JOHNSON], and other Senators, including myself, were debating about lend-lease and the prospect of sending Americans in uniforms to countries outside the United States. When we were fighting to keep out of the war in which we have been engaged during the last 2 or 3 years, the Senator from North Da-

kota was called a Nazi, a Copperhead, a rattlesnake, a traitor, and other names as well. I was present during those times and I was called the same names. But it looks now as though things are changing.

I have an editorial before me which begins as follows:

> We isolationists, long covered all over with shame by various persons and groups, seem entitled to lift our heads a bit now, and wipe off some of the shame.

I want to comment upon the word "isolationists." I have often referred to myself as an isolationist; I referred to myself the other day as an isolationist; but I merely employed the term because those who attempted to smear us for trying to keep this country out of war used that word. So, because it has become so well known to everybody in the United States, I referred to myself the other day as being an isolationist, when as a matter of fact I have said that I was noninterventionist.

There never has been such a thing as American isolationism. I dare say there never was but one country in the world that was purely isolationist, and that was our mortal enemy of today, Japan. When many years ago an American fleet went to that country and caused her to open her doors to trade with the world, Japan was then truly a hundred-percent isolationist country. We have never been isolationist; I have never been an isolationist; there is not such a thing as an American isolationist; there is not such a thing as the United States being an isolationist country. If we were isolationist we never would have traded with any other country in the world. If we had ever been isolationist we never would have encouraged trade with all the countries of the world, as we did year in and year out, and in a long series of years actually expended more money in endeavoring to create trade than the trade produced for the manufactures of this country. If we were isolationist we never would have sent ministers and ambassadors to all the other countries of the world. I repeat we have never been isolationist, but those who attempted to smear those of us who, prior to Pearl Harbor, took an opposite position in regard to this world war have used the word "isolationists." We were not isolationists. We believe in trade with all the world and having friendly relations with all the peoples of the earth. We were merely noninterventionists.

I have before me an editorial which I clipped from the morning Times-Herald. It makes reference to Mr. Churchill. We have heard a great deal about Mr. Churchill in the past few days. I have always said that I had a very high regard for Mr. Churchill, and, as a matter of fact, I now have, because Mr. Churchill is always looking out for the interests of Great Britain, and he cannot be blamed for that. We have criticized him here; some of the newspapers have criticized him, and we have heard much said about him because of what has happened in Greece and what he is permitting to take place in Poland.

Shortly after Pearl Harbor Mr. Churchill exulted in Commons: Prior to Pearl Harbor, after September 3, 1939, when we became engaged in the war, that is to say on that date at 11 o'clock in the morning war was declared by Great Britain and at 5 o'clock in the afternoon she was followed by France and prior to that time day after day in this room I heard innumerable Senators tell Members of this body that Great Britain was going to try to get us into this war and to propagandize us into this war, as we all know. Mr. Churchill, when it came to the proposition of lend-lease, said all he wanted was to be able to buy goods and put the money on the barrel head and pay us for them. Finally it came to lend-lease itself and then Mr. Churchill said he did not need any American soldiers or any American women; that he did not want on his hands any of the blood of American youth, but that all that he, Mr. Churchill, wanted was the tools with which to do the work. We agreed to send him the tools with the money on the barrel head, and ultimately we agreed to give him the tools. Senators know the story from there on. Anyway after Mr. Churchill's propaganda boys had been at work on us for months, Mr. Churchill in the House of Commons prior to Pearl Harbor said:

> When I survey and compute the power of the United States and its vast resources and feel that they are now in it with us, with the British commonwealth of nations all together, however, long it lasts, till death or victory, I cannot believe there is any other fact in the whole world which can compare with that. That is what I have dreamed of, aimed at, and worked for, and now it has come to pass.

The editorial further states—and I ask that it be printed entire in the RECORD at the conclusion of my remarks——

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. REYNOLDS. I will quote a little further from the editorial, as follows:

> Why should our Government be consulted about boundary changes in Europe? What skin is it off our national neck whether the Poles or the Russians get post-war possession of Lwow.

The editorial writer answers himself in these words:

> The answer to that is that if we consent to these map reshufflings we can be told later that we guaranteed them. The foundation thus will be laid for talking us into Europe's next war.

Then he goes on to say:

> To the question whether Stalin will stand for the British shooting of his Communists in Greece, we think the answer is "yes." He is cold-blooded about these things, and a few luckless Greek "reds" more or less will mean nothing to him if he can get eastern Poland, parts of Finland and Rumania, and all of whatever those three helpless little Baltic states were called.

Then the editorial closes with a statement in regard to Palestine, which brings up the subject of immigration, which I wish to touch upon at this time.

In reference to immigration, a subject in which I have always been interested in behalf of the American laboring man and members of American labor unions, I wish to read a note which was sent to me several days ago by a gentleman living in the city of New York. It reads as follows:

> The inquiring photographer of a New York newspaper asked this question of six people chosen at random: "The American Legion urges all immigration be stopped and refugees deported after the war. What do you say?" Five of the six wholeheartedly agreed with the Legion's proposal. Curiously enough, it was a foreigner who gave one of the best reasons why immigration should be stopped. Mr. Hendrick van der Woude, a ship's engineer, whose home is in Amsterdam, Holland, replied: "I am not an American citizen, but answering your question from the point of view of a Hollander, the people of Europe should stay there after the war and the refugees here should return, all to help rebuild their own countries."
>
> The "reds" and fellow travelers in America advocate the use of German slave labor to rebuild the devastated areas of Russia. They recognize the great need for labor in Old World post-war reconstruction, yet they are most vociferous in their demands for a policy of liberal immigration to this country. Why should we aid Europeans to dodge the responsibility for the rebuilding of their homelands by bringing them to America? The type of immigrant we will get after the war will not be an asset to our Nation. The worth-while Europeans will not run away. He has a job to do at home and will apply himself to the task of rehabilitation.
>
> The spotlight of publicity should be focused on our public officials who insist on bringing in aliens to compete for post-war jobs with our discharged servicemen and ex-war workers. When Abe Goldberg, Pat Kelly, Joe Doaks, or George Washington Jones dons the khaki or the blue uniform of our armed forces, we at home become the trustees and guardians of his civil welfare. It matters not whether Abe and Pat and Joe and Jones worship under the star of David, kneel before the crucifix, or bow before the old rugged cross—they are Americans, and we must spare them any needless competition in the pursuit of a livelihood when they return. American nationalists must make every effort to protect them against betrayal by their elected representatives.
>
> Now is the time to take steps to safeguard all American citizens, of every race, creed, and color, from post-war job competition with aliens. Now is the time to stop the importation of the germ carriers of the hates and prejudices of communism, nazi-ism, and fascism, so that the America of the future can be built upon the mutual tolerance of a united patriotic American citizenry.

Mr. President, I agree word for word with everything the gentleman from New York said in that notation to me.

I respectfully insist that the American people should continue to oppose wholesale immigration to this country, and I am frank in stating that I believe it is our duty to save all jobs for American soldiers, who are today bleeding and dying on foreign fields. I hope that in the next Congress measures will be introduced and passed which will bar all immigration to this country until every single American, for 10 years after the war, has been provided with a job.

One of the great problems with which we will be confronted after the war will

be that of employment. It is my humble opinion that for the next several years we will experience tremendous prosperity, attributable to war, due to the fact that many new homes are to be constructed and old ones to be repaired, fences to be built, tires to be manufactured, automobiles to be turned out, and refrigerators to be made. It will be an era of great prosperity. But immediately after that we will experience unemployment totaling millions. One labor leader predicted not so long ago that shortly after the end of the war this country would have between 18 to 20 million unemployed.

I insist upon saving American jobs for American citizens, because I want to save those jobs for the men now in uniform, both those abroad and those in this country. I want to save those jobs for the laborers, the workingmen of the country, who are now doing war work, and who will be seeking peacetime employment after the war shall have ended.

Mr. President, it is indeed unfortunate that a situation such as that we find in Europe today has arisen, unfortunate because we have as our main objective the whipping, the destruction, of our enemies in Europe, the Nazis in Germany. Just as we were about to land the knock-out punch, it appears that our allies were wanting, are lacking. It appears, at least to me, that just at the time the knock-out blow was to have been delivered to Germany, and victory would have been attained before Christmas, Russia itself engaged in consolidating her gains in the Balkans, and the British were interested and engaging themselves in fights in Greece, and in political affairs in Italy, all of which is most unfortunate, and all of which will, as David Lawrence, that great writer, stated a few days ago, result in our having from now on to do the job, because only the United States has the power and the strength and the money and the will to defeat Germany, and from now on, said he, American boys will pay two to one, compared with our allies, the British.

Mr. President, the late Dr. James H. Breasted opened his inspiring book, The Dawn of Conscience, with the following startling passage, which should be read by every American who is interested in peace and in bringing about peace eternal, instead of continuing war from year to year, century in and century out. Says he:

> There are spots in Europe today where chance has brought strangely together and left lying side by side the relics of the earliest prehistoric savages and the evidence of so-called modern civilization—the earliest and the latest points in the traceable human career. The soil of the battle-scarred hills overlooking the river Somme in northern France is in places thickly sown with fragments of steel shells which have penetrated deeply into the slopes and natural terraces made by the river ages ago. Today * * * a few minutes work with a shovel may uncover, lying together along the brow of the valley the flint fist-hatchet, one of the earliest surviving weapons of man, and the jagged fragments of the modern explosive steel shell. With one of them our earliest savage ancestors could crush in the skull of his enemy; with the other his civilized descendant is accustomed to blow his enemy into bits. There they lie, as you unearth them, side by side, the flint fist-hatchet and the steel shell fragment, and the whole sweep of man's career lies between them—a story of at least several hundred thousand, and perhaps a million, years of human endeavor leading us, age by age, from one to the other—from primitive to highly refined methods of destruction.

Mr. President, if this were the whole story of man's upward reach out of the degradation of vicious savagery there would be little hope for the human race. No one but a gibbering idiot can fail to see that this vicious circle cannot continue ad infinitum if civilzation is to survive. Is not the present chamber of horrors in which man is now torturing himself sufficient evidence that this cycle cannot be permitted to go on if the achievements of the human mind and heart and spirit are to endure? Another holocaust such as this will most certainly prove to be man's last milepost on the road to self-annihilation.

What is to save the human race from this desperate and tragic fate? I submit that the last hope we have lies in the self-disciplining strength of the human conscience, which alone can temper the bestial instincts and the savage passion now loosed upon a suffering humanity. Unless the purposes and the aims of this war are now clearly defined, and unless the principles upon which the post-war community of nations are to build their future relations and immediately and forcefully broadcast to the world, I see no hope that the present degeneration of this war into meaningless slaughter, ending in international chaos and anarchy, can be arrested.

Mr. President, if for no other reason than to stay the rising cynicism and pessimism in the hearts and minds of the American people, we must bring the tragic truths of the present state of international affairs out into the light of day.

If we are to be honest with ourselves, we would be compelled to admit that the so-called "long step forward" which Dumbarton Oaks has taken toward world collaboration, is actually a backward leap of 120 years, a leap during which the relations among the Big Three were actually rapidly disintegrating. That these proposals have set the world back 120 years is nowhere better illustrated than in Elizabeth Latimer's Russia and Turkey in the Nineteenth Century, from which I quote:

> By the Congress of Vienna in 1815 it was laid down as a law of Europe that there were five great powers, namely: England, France, Russia, Prussia, and Austria. Of these Prussia was then the most feeble. There were seven second-rate powers, namely: Spain, Portugal, Naples, Turkey, Holland, Sweden, and Denmark. Besides these there were third-rate states more or less dependent on the five great powers.
>
> It was agreed that no one of the five great powers was to aggrandize itself (except as regarded colonies) without giving the other four a right to take something to their own advantage, that would keep even the balance of power.

And from all appearances it is a question at this hour of balance of power in Europe today. Elizabeth Latimer continues:

> If any two great powers went to war the other three had liberty to negotiate, or if need were, to intervene by force of arms, provided there was a chance that the balance of power would be disturbed.
>
> Each great power had certain minor powers under its protection. England, for instance, had Portugal; Austria had the Italian princes; Prussia the northern states of Germany.

Mr. President, that President Roosevelt himself no longer has any faith that the Dumbarton Oaks proposals will or can insure a decent and enduring peace is substantiated by the position which he held on December 28, 1933. Said he at that time:

> The danger to world peace lies not in the world population but in the political leaders of that population. I believe I express the views of my countrymen when I state that the old policies, alliances, combinations, and balances of power have proved themselves inadequate for the preservation of world peace.

Mr. President, I recall likewise a message which President Roosevelt sent to Congress in January of 1941, according to my recollection, before Pearl Harbor:

> By an impressive expression of public will and without regard to partisanship, we are committed to the proposition that principles of morality and considerations for our own security will never permit us to acquiesce in a peace dictated by aggressors and sponsored by appeasers. We know that enduring peace cannot be bought at the cost of other people's freedom.

Mr. President, unfortunately we have all but lost the prestige and integrity to which the smaller nations of the earth once looked for succor and leadership. For long months now, after all the promises of support and aid that we have made, many of the smaller nations are now turning to our allies in despair for guaranties which we have in large part now repudiated by acquiescing in the enslavement of the Polish people by one of our allies, Russia.

It was President Roosevelt who announced the Atlantic Charter to the world. It was President Roosevelt who said at that time, on August 21, 1941, these words, which inspired the population of the entire world:

> The declaration of principles at this time presents a goal which is worth while for our type of civilization to seek. It is so clear cut that it is difficult to oppose in any major particular without automatically admitting a willingness to accept a compromise with the Nazis or to agree to a world peace which would give to nazi-ism domination over large numbers of conquered nations.

But now, Mr. President, for reasons beyond the comprehension of the American people, America has to all intents and purposes—according to the press reports of this morning—turned its back on the smaller nations of Europe. Whether tacitly or otherwise, for some yet unexplained cause, our two great associates in this war have long been acting within fairly clearly defined spheres of influence in Europe on the basis of principles which are in complete contradiction to the avowed aims and purposes attributed to this war by the

President. In spite of the two recent statements by Secretary of State Stettinius concerning Italy and Greece, Mr. Eden has just informed us that the British have been administering affairs in Greece according to policies which President Roosevelt himself had approved. Yet, Mr. President, we were informed during the past political campaign, or were led to infer, that no secret commitments or agreements concerning the carving up of Europe into spheres of influence had been made. What are the American people now to believe, and what is this war all about? What are we fighting for? At this very moment it appears that American boys are dying in order to give our allies time to consolidate and extend their control and domination over as much territory and as many people as the continuation of this war will permit.

Mr. President, if I may be more specific for a moment, I would like to call to the attention of my colleagues the fact that at the most crucial hour in our history, at a time when a statement of American aims and principle could hasten the successful conclusion of this war, at a time when the prestige of America could bring some semblance of sanity into the realm of our political and diplomatic endeavors, America finds that her allies in Europe are interesting themselves in consolidating gains or in power politics.

Mr. President, concerning these matters I have never been more serious in my life, and I repeat that it is indeed tremendously unfortunate that things should have come to such a pass now when we were counting on delivering the knock-out blow there, and returning soon to American shores our millions of soldiers who fight on 71 fronts all over the whole world. The American people are beginning to inquire what this is all about. Some of them were told by some individuals that we were fighting, that our boys were dying, for the express purpose of liberating those unfortunate millions who had been enslaved by the Nazi and Fascist groups. And yet at this hour we witness the enslavement, the domination of those same unfortunate millions by one of our own allies.

As serious as the situation is at this very hour, I could not help but get a laugh out of a newspaper article which I cut out of a newspaper this morning entitled—

COMMUNISTS CONDEMN BRITAIN'S GREEK POLICY

It is under a London headline, December 18, United Press, and is as follows:

An estimated 15,000 to 20,000 persons gathered in Trafalgar Square yesterday in a Communist-supported mass demonstration condemning the disastrous policy of the British Government toward Greece and demanding that "this policy be reversed." The demonstration was supported by the Communist newspaper, the Daily Worker.

That is the most ridiculous thing I ever heard of in my life—Communists protesting the action of Great Britain in Greece when the Communists themselves have enslaved the people of Latvia, Esthonia, Lithuania, Rumania, Bulgaria, Albania, Yugoslavia, Czechoslovakia, and Poland, and will have within their grasp and under their heel of power every single country of Europe and all of Asia, including China, before this matter shall have been ended.

I believe that it is time for us to give consideration to and delve deeply into what is taking place. Are our sons dying to transfer the power of one totalitarian military government to another? American mothers and fathers want to know the answer to that question, and some day we shall be called upon to give the answer.

As I remarked on the floor of the Senate not long ago, today is a sad time. Christmas is near, and the world should be at peace; and yet we find the peoples of the world engaged in mortal combat. Millions are dying. We are giving lend-lease aid to our allies. We are winning this war. We won World War No. 1. After we had won it, one of our allies said that we did not; but we all know that if we had not been drawn into this World War it could not have been won, because only we have the strength, the will, and the courage. Russia could not have won it. Great Britain could not have won it; but already some are saying that we have not done as much as we ought to do. For many months the Russians were criticizing us because we had not opened up the western front. Now for many months they have failed to drive through the most direct way to Berlin and bring about victory.

I differed with many of my colleagues with respect to lend-lease. I opposed lend-lease. I opposed the lifting of the arms embargo and selling arms to those who were battling. I recall very well that at that time I used the argument that it would take us into war, because, if we hand another man a pistol with which to kill his fellow man, we become an accessory before the fact and equally guilty. For that reason I opposed the lifting of the arms embargo.

I shall never forget that day as long as I live, because it was the first experience that I had had of pressure being brought to bear on me. I remember that North Carolinians came to my office and said, "If you do not vote to lift the arms embargo, you will be destroyed politically forever. You will be a dead duck. You vote to lift the arms embargo." I simply told them that I thought a great deal more of my country than I did of any job that anyone in North Carolina or anywhere else could give me and that I was going to vote against lifting the arms embargo, and I did so. I thought it was a step toward war.

When it came to lend-lease, which I have just mentioned, I voted against lend-lease because I thought that was another step toward war, and declared on the floor of the Senate that in my opinion it was equivalent to a declaration of war and would lead to war. I was against lend-lease.

American taxpayers have not only given their sons and daughters in death and permanent injury to help win this war, which apparently has turned into power politics, shifting power from one totalitarian leader to another; but we have given generously many billions of dollars in lend-lease aid. I dare say that a good deal of that lend-lease aid is being used in European countries to consolidate the territorial gains of our allies.

In the interest of our country, the only country in which you and I are powerfully, sincerely, and religiously interested, I think it is high time that we make inquiry about how lend-lease aid is to be applied, and tell the world what our war aims are.

I have read the writings of many columnists who say that there should be a meeting of the three big men right now, with no delay, in this serious and critical hour, and that we should go to see Mr. Stalin without delay. I do not think so. I think there should be a meeting of those gentlemen, but I think the time has come when Mr. Stalin should come to see us. If he wants to talk to our President, let him come over here. If Mr. Churchill wants to be present and talk to our President, let him come over here. We have appeased Mr. Stalin for so long, and bowed so many times in submission at his throne, that it has become nauseating. It is time for Mr. Stalin, whose hide we have saved, to make a trip over here. If there is to be a meeting, Mr. Stalin should come to America. We have given the Russians everything. If it had not been for us, I do not know where Mr. Stalin would be today.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REYNOLDS. I wish to conclude. I ask unanimous consent to have printed in the RECORD an editorial which expresses my sentiments with regard to the Churchill-Stalin deal.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CHURCHILL-STALIN DEAL

Prime Minister Churchill's announcement that he has agreed to turn over eastern Poland to Russia, despite Polish protests, is more than a betrayal of the country for which Britain went to war. It isolates Churchill policy from the United States and other United Nations pledged, as Britain is pledged, to the Atlantic Charter.

It violates not one but three of Churchill's, and Stalin's, obligations under the Atlantic Charter, which states:

"First, their countries seek no aggrandizement, territorial or other; second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned; third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

The deal also violates the British-Russian-Chinese-American pact, as reported by Secretary of State Hull to Congress: "There will no longer be need for spheres of influence, for alliances, for balance of power, or any other of the special arrangements through which, in the unhappy past, the nations strove to safeguard their security or to protect their interests."

Moreover, this deal violates the Allied agreement to postpone until after victory all boundary questions which cannot be "settled by friendly conference and agreement," to quote Secretary Hull.

Also, it violates the Allied understanding that the smaller nations would share big power decisions, as explained by Secretary

Hull last Easter: "Nor do I suggest that any conclusions of these four nations can or should be without the participation of the other United Nations."

And it invites another World War.

Churchill yesterday, in defending himself against British opposition, hinted that President Roosevelt was a secret partner to this deal: "The President is aware of everything that has passed. * * * All I say is that I have received no formal disagreement during all these long months upon the way in which the future of Poland * * * is being shaped."

The charge that the President was a secret party to the Churchill-Stalin deal has been made many times in this country, but officially denied by him and the Secretary of State.

In his foreign-policy campaign address of October 21 the President said: "After my return from Tehran, I stated officially that no secret commitments had been made. The issue then is * * * my veracity." He added that, under the Constitution, he could not commit this Nation to any secret agreement. The Secretary of State earlier declared: "As the President has said, neither he nor I have made or will make any secret agreement or commitment."

Churchill yesterday complained that the President has not defined America's Polish policy publicly. There have been many White House and State Department statements reaffirming the Atlantic Charter, and repeated Roosevelt offers of good services to Poland and Russia to settle the dispute by agreement. Secretary Stettinius has recently warned against big-power interference with the internal affairs of other nations. And Stettinius has reaffirmed traditional American policy against "guaranteeing specific frontiers in Europe," though Churchill says the Allies will guarantee his new Polish boundaries.

Speaking in behalf of the administration on Pulaski Day 2 months ago, Senator WAGNER, of New York, said: "The complete independence of Poland—the complete restoration and protection of its boundaries reflecting the history and aspirations of the Polish people—is one of the things for which we are fighting this war. * * * I know that this has always been the aim and intent of the administration of Franklin Roosevelt."

We regret that Churchill values his imperialist-Communist bargain with Stalin more than he values the Atlantic Charter, or coperation with America for a just and workable peace, or Allied unity. The American Congress and people never will support that betrayal—of that Churchill should be sure.

But neither will the American Government or people permit this grave provocation to split the military alliance for Germany's unconditional defeat. That is something the Nazis should know in the midst of their rejoicing over this Allied tragedy.

Mr. REYNOLDS. The editorial concludes with this paragraph, which expresses my sentiments 100 percent:

We regret that Churchill values his imperialist-Communist bargain with Stalin more than he values the Atlantic Charter, or cooperation with America for a just and workable peace, or Allied unity. The American Congress and people never will support that betrayal—of that Churchill should be sure.

But neither will the American Government or people permit this grave provocation to split the military alliance for Germany's unconditional defeat.

And surrender, I add.

That is something the Nazis should know in the midst of their rejoicing over this Allied tragedy.

I now yield to the Senator from Montana.

Mr. WHEELER. I was about to ask the Senator this question: Does not the Senator think the time has passed when Mr. Stalin must come to the United States? The fact of the matter is that today Mr. Stalin is holding the trump card. That is the reason why, if we want to talk to Mr. Stalin, we must go to Mr. Stalin, instead of having Mr. Stalin come to us.

Mr. REYNOLDS. Yes; Mr. Stalin holds the trump card. Mr. Stalin is not doing a great deal on the eastern front now, and in that way he is conserving much of his manpower.

What are we going to have to do about manpower? We are going to have to reexamine boys from 26 years of age up. Furthermore, unfortunately there are rumors that men have been placed in the fighting front who have not had more than 4 months' training, when we agreed to give them 8 or 12 months' training. I have a letter from a captain in the Army who is protesting against sending young boys, almost in knee pants, to death before being properly prepared. That captain says that he is protesting openly to the Congress of the United States about it, because he will not continue to be an accessory to the slaughter of American boys.

Furthermore, we already have so many fighting men overseas, and already so many of them have been wounded, that in this morning's Washington Post we find an article entitled "American Women and Our Wounded Men," by Walter Lippmann. In the article he states that we have so many wounded men on the fighting fronts that we cannot get enough nurses to take care of them. Although ordinarily there should be 1 nurse for from 5 to 8 wounded soldiers, we now cannot get 1 nurse for every 12 wounded soldiers. Besides that, we have poured billions of dollars into the war, we have poured our men into it, we have pumped dry our oil wells, we have exhausted our mines, and we have depleted our timber resources. In fact, some of our people are now going to Brazil to obtain timber with which to build houses in this country. I say it is time Stalin got off his high horse and came over here to do a little talking.

EXHIBIT A

CHURCHILL, GREECE, POLAND, PALESTINE, UNITED STATES

We isolationists, long covered all over with shame by various persons and groups, seem entitled to lift our heads a bit now, and wipe off some of the shame. Judging from recent developments regarding Greece, Poland, and Palestine, the Roosevelt administration has not been all-wise in following wherever Winston Churchill has led.

Mr. Churchill has been pretty frank about what he wants Britain to get out of this war. He remarked a couple of years ago:

"I have not become the King's First Minister in order to preside over the liquidation of the British Empire."

Shortly after Pearl Harbor, Mr. Churchill exulted in Commons:

"When I survey and compute the power of the United States and its vast resources and feel that they are now in it with us, with the British Commonwealth of Nations all together, however long it lasts, till death or victory, I cannot believe there is any other fact in the whole world which can compare with that. That is what I have dreamed of, aimed at, and worked for, and now it has come to pass."

FRANK MR. CHURCHILL

Other things have come to pass since then. For one, British soldiers, following Greece's liberation from the Germans, are now having a bloody fight in Athens against a lot of Communists. For another, Churchill reveals that he long ago O. K.'d Stalin's ambition to keep Poland west of the Curzon line after this war, and that President Roosevelt has been notified of this deal, though he hasn't replied. That implies that he has consented—an implication which a vague State Department yesterday seemed to confirm.

Why should our Government be consulted about boundary changes in Europe? What skin is it off our national neck whether the Poles or the Russians get post-war possession of Lwow (pronounced Lvoof, rhymes with woof-woof)?

The answer to that is that if we consent to these map reshufflings we can be told later that we guaranteed them. The foundation thus will be laid for talking us into Europe's next war. Stalin having promised the Poles East Prussia south and west of Koenigsberg, plus Danzig, it is not hard to guess where that next war will be hatched or when. It will be hatched in Germany when, as and if the Germans feel strong enough to fight again.

To the question whether Stalin will stand for the British shooting of his Communists in Greece, we think the answer is "Yes." He is cold-blooded about these things, and a few luckless Greek Reds more or less will mean nothing to him if he can get eastern Poland, parts of Finland and Rumania, and all of whatever those three helpless little Baltic states were called.

If we were determined to mind our own business—to confine our boundary redrawing to our own hemisphere and keep Europeans from helping us in that pursuit—we would be much better off. As it is, we are spending the greater part of 100 billions a year on a war over European boundaries, and the lesser part on a war with our natural enemy, Japan. And we are being consulted, underwritten and guaranteed into future European boundary wars.

As to Palestine, Mr. Churchill remains adamant in his refusal to let any more Jews move in there, and Mr. Roosevelt acquiesces in the Churchill policy. Why?

For centuries, the so-called Jewish question has been an excitant, an irritant, in various parts of Europe. Britain, Spain, Russia, Poland, Germany, and so forth, have had their Jewish question troubles.

PALESTINE DOOR IS STILL CLOSED

One Jewish faction, the Zionists, says the Jewish question would be alleviated if Jews were allowed to return freely to Palestine as their officially recognized homeland. That seems reasonable to us. Palestine was the Jews' original homeland. Why can't as many of them as wish to do so go back and improve the place with their well-known talents for creating wealth?

The Churchill government is against it, however, on vague pleas of fear of Arab reactions to a liberal Palestine immigration policy. Such Arab or Mohammedan reactions, it is supposed, would have a bad effect on other parts of the British Empire. Mr. Churchill fears no one else, why the Arabs? And Mr. Roosevelt goes along with Churchill in the matter up to now, instead of standing by his campaign platform plank endorsing the Palestine Jewish homeland idea.

There may be deep and weighty reasons for all this. Certain it is, though, that it would be better for the United States to have Palestine reopened to the Jews than to have millions of them coming over here after this war as unassimilated refugees.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. WHEELER. Mr. President, of course the Senator knows that Stalin will not get off his high horse and come over here to talk. But let me say that I deplore the fact that Stalin has not kept the agreement he made at Teheran, as I understood, that he would start a drive through Poland. Instead, he has simply taken over certain territories he wants, namely, the Balkans and the Baltic countries, and not only is he going to have them in his sphere of influence, but he is going to control them.

However, I believe that Stalin, after having practically taken the Baltic and the Balkan countries, now will make a drive through Poland toward Germany. If he does not do so in the very near future, I understand from my conversations with military experts that we shall have to review our whole military policy in Europe.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield the floor.

Mr. CONNALLY. Then, Mr. President, may we have a vote? I ask for the yeas and nays.

NOMINATION OF JOSEPH C. GREW

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

Mr. WHEELER. I shall not make a long speech. I wish to say that I shall vote for confirmation of the nominations. If I were in a position to send nominations to the Senate, I would not send here the nominations of these six men. With one possible exception, I do not think I would consider for a moment sending to the Senate the nomination of any one of four of them.

I wish to call attention to the fact that yesterday, in speaking to the Senate, the distinguished Senator from Florida [Mr. PEPPER] said, in referring to the President:

> I merely expressed the opinion that the character of this team in the State Department just proposed was not, as I have understood the philosophy and attitude and point of view of the President, consistent with the President's sentiments.

Of course, Mr. President, the President by his statement to those gentlemen has shown conclusively that the sentiments of these men are in accord with his sentiments.

Then the Senator from Florida said:

> Of course, the President acquiesced in the appointment of these gentlemen. He may have chosen them, for all I know. I merely expressed the personal opinion that he did not originate the nominations.

It seems to me that it is a reflection upon the President of the United States to say that he has sent to the Senate for confirmation nominations which did not originate with him.

The Senator from Florida also said:

> But whether he did or not, the issue which is presented to the Senate is whether to advise and consent to them, and I do not believe that team will literally and with enthusiasm carry out the foreign policies and sentiments of the President as I understand them.

As I said yesterday, Mr. President, no Member of the Senate has expressed the views of the administration more correctly than has the Senator from Florida from time to time. He also said in his speech:

> At least, I do not think they will carry out my views of what should be done so far as the foreign policy of this country is concerned, and I have a right to withhold my agreement to their confirmation.

I have not the slightest idea that they will carry out my views regarding what our foreign policy should be. On the other hand, I have an idea that they probably will carry out the foreign policies which the Senator from Florida wants. But, Mr. President, I wish the President of the United States to be responsible for the foreign policy. I intend to disagree with him when I think he is wrong, but I do not wish to impose someone upon him, and then have him say that I was responsible because of the fact that he could not accomplish what he wished to accomplish because the Senate of the United States prevented him from having the advisers he named.

The Senator from Florida also stated in his speech:

> But I shall be frank with my colleagues and State that this slate of nominations for the State Department is out of character with the President of the United States.

Mr. President, I do not know why or how they are out of character with the President of the United States. If we review the last 12 years of this administration—and I say this in all kindness—we must say that it was not out of character with these appointments when the President sent to the Senate the nomination of Mr. Stimson. These appointments are in line with the appointment of Mr. Stimson, who, as we all know, was a Republican and represented, when he was practicing law, big interests in the city of New York and some of the most important interests in New York. These appointments are not out of character with the appointment of Mr. Knox as Secretary of the Navy. He was one of the most reactionary Republicans in the United States.

These appointments are not out of character with the appointment of Mr. Stettinius, who was with the United States Steel Corporation. They are not out of character with the appointment of Mr. Nelson, of Sears, Roebuck. They are not out of character with the appointment of Mr. Knudsen, of General Motors. They are not out of character, let me say, with hundreds of other appointments which have been made by this administration, because—I submit it without fear of contradiction—this administration has appointed more men from the offices of big business and more men who have been the heads of big business than has any other President of the United States during the past 50 years. No Senator on this floor will challenge the accuracy of that statement.

Mr. President, I do not say that in a spirit of criticism and I am not criticising these particular men. Many of them have proved themselves worthy and competent men. Some of them have not. On the other hand, the President of the United States has appointed some of the most liberal men in this country to various offices. He has appointed men who have been charged with being Communists and others who have been charged with being Socialists. He has appointed men who have been charged with being ordinary crackpots. I simply do not know to which type the Senator from Florida referred when he said that the pending nominations for the State Department are out of character with the President of the United States. But certainly the responsibility is solely with the President, and everyone knows that to be so.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. WHEELER. I am glad to yield.

Mr. PEPPER. The words "out of character" attracted my attention. Was the Senator referring to a statement I made about these appointees?

Mr. WHEELER. I was.

Mr. PEPPER. I was referring to the majority of the State Department nominees.

Mr. WHEELER. I understand.

Mr. PEPPER. I thought, and I still think, insofar as their backgrounds and records are concerned, that they were out of character with the background and the record of President Roosevelt, as a militant believer in the kind of democracy in which I believe. That is what I meant.

Mr. WHEELER. I understand.

Mr. PEPPER. That statement does not apply to all these gentlemen, but I think it applies to most of them.

Mr. WHEELER. I understand the Senator's position exactly. But I stated that they were not out of character with Mr. Stimson's appointment, that they were not out of character with Mr. Stettinius' appointment, that they were not out of character with Mr. Knox's appointment, and that they were not out of character with the appointment of the present Secretary of the Navy, who I think is a very competent gentleman; and they are not out of character with the appointment of hundreds of other persons who came to Washington from the caves of Wall Street and took positions in various bureaus of the Government, and who will return to the caves of Wall Street just so soon as their terms of office have expired in Washington.

But, on the other hand, I say that the President has appointed some very great liberals. Not only has he done so, but he has done many liberal things to which I have subscribed. I am thinking of the work he has done in advocating the passage of the act concerning holding companies. I am also thinking of the many things he has done for labor and for the farmers. He has done some of the finest things that have ever been done by a President of the United States during my period of service as a Member of the Senate of the United States.

But when the Senator picks out a few men and says that they are out of character with the President's thinking, I

believe he is mistaken, because, as I have said, the President has appointed many men who have hitherto held high positions and has taken them from large financial institutions in New York. He took the head of the Standard Oil Co. in California and put him in charge of the conservation of oil.

Mr. PEPPER. Mr. President will the Senator yield?

Mr. WHEELER. I yield.

Mr. PEPPER. The able Senator from Montana, of course, realizes that in time of war the President has a very great responsibility, not only as President, but as Commander in Chief of the Army and Navy. It is not alone Democrats who are fighting the war, or furnishing treasure with which to carry on the war, but it is the people of the United States of America. Many of us, who naturally would like to see all the appointees who can be placed in that category reflect, at least, the sentiment of the party which happens to be in power, are naturally always reluctant to see appointments which do not fit into that pattern. Nevertheless, the selection of the former Secretary of State, Mr. Stimson, to be Secretary of War during wartime cannot be pointed to as an act on the part of the President which was not a proper one in furtherance of the war effort. The selection of a man like the late Secretary of the Navy Knox is another example. I certainly never thought that I would come to have the regard and esteem for him which I came to have for him after he came to Washington and assumed his duties as Secretary of the Navy. I think he was a very distinguished Secretary of the Navy.

But, Mr. President, I distinguish between the selection of Mr. Donald Nelson, for example, and other men in the W. P. B. Goodness knows, if a Democrat can be found in that organization we can find a needle in a haystack, because most of the W. P. B. personnel has been distinctly not of the Democratic faith. I can distinguish between putting a group of businessmen in power, and selecting an able man like Secretary of War Stimson, or the late Secretary Knox. I do not think those positions are analogous to the positions the nominations for which are now before us. It becomes extremely important to know the point of view, the attitude, and the thinking of these men. As I have already said, I do not think they meet the standards that should be met by men holding such offices. But I merely wanted to make some distinction between these men as a combination, and the ones to whom the Senator had referred.

Mr. WHEELER. I understand the Senator's position, and I agree that if I had to make the appointments, I would not have appointed these persons, and I would have preferred that they had not been appointed. But the Senator from Florida said that he did not think that these men would carry out his viewpoint with reference to the kind of peace he wanted to have. I certainly know that they will not carry out my viewpoint unless they change their minds completely, though I assume the President of the United States will determine the policy, as he always has done, as to what the State Department shall do. The President appointed Mr. Stettinius as Secretary of State. Mr. Stettinius comes from the United States Steel Corporation and the House of Morgan. In my judgment, these men will have a large say as to what kind of a peace will be written. It will be the international group in New York which will determine the kind of peace that will be written, provided the conditions are such that after the war they can write the kind of peace they want.

My own view is that the events which are now occurring in Europe will make it impossible for that group to have the say. But on the other hand, Mr. Stalin and Mr. Churchill will determine the kind of peace which they will want. They will go back to the old balance-of-power politics, just as surely as we are sitting here. Every day and in every way it can be seen exactly what is shaping up.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CONNALLY. I wish to appeal not only to the Senator from Montana, but to all Senators, to permit the Senate to vote as soon as possible. Many Senators have come to me and stated that they wish to leave for their homes tonight. I have no objection to a discussion of the peace treaty, but it really has little pertinency to what we are now considering. The Senator from Montana knows that none of the nominees on whom we are about to vote will be at the peace conference. So, with all due respect, I hope the Senator from Montana will be as lenient as possible in the consumption of time so that we may reach a vote.

Mr. WHEELER. Mr. President, I shall not take any more time than necessary, but I wanted to make my viewpoint clear.

Mr. CONNALLY. I will say to the Senator from Montana that he has made his position entirely clear to me; and if he has made it clear to me I am sure that all Senators understand his position with equal clarity and conception. I do not see how the Senator could make it any stronger by reiterating it from time to time, because I know exactly his attitude concerning the subject.

Mr. WHEELER. If I have made it clear to the Senator, I will not repeat it.

Mr. President, I do not have much more to say with reference to this subject matter. Referring to the kind of a peace we should have, as I stated yesterday, I do not see how anyone can say at this particular time what the position of this Government will be after the war is over, not until we know what the position of Russia is to be and what that of England is to be. But I do say that I think it is high time that the President of the United States told our enemies what the terms of the peace will be. I say without fear of contradiction that some of the statements which have been made, notably one which has been made by the Secretary of the Treasury, Mr. Morgenthau, have cost the lives of many American boys. The longer we continue saying to these people, "We are going to demand unconditional surrender," whatever that means, we are costing the lives of thousands upon thousands of boys every day.

Someone high in authority in this Government said to me he did not agree with me about a negotiated peace. I have never said I was for a negotiated peace. What I am for is a dictated peace, a peace dictated by the United States. I want to see this Government end the war and save the lives of American boys who are dying like flies on the battlefields of Europe today. They can be saved, in my judgment, if we have the courage to rise and say what we want, say that we want Germany to get rid of Hitler, Himmler and Goebbels, and all that gang, say to them that we want to see a democratic government set up in Germany. No dozen men in Germany are worth the lives of thousands and hundreds of thousands of American boys. In my judgment, it is the height of stupidity to say we are for unconditional surrender, without saying what kind of peace we want and what we expect. Instead of that men say, "We are going to take you and make you into a farming community, we are going to drive you out of your country, we are going to kill you." We give them no alternative except to fight on to the very end. If I say to a man, "If you let me come into that room, I am going to kill you," what is he going to do? Is he going to say, "I am going to let you come in to kill me?" Or is he going to say, "I am going to fight on and take a chance, and I may kill you before you kill me."

The way we have been talking about unconditional surrender just does not make sense. That is not only my view, it is the view of millions of people in the United States, it is the opinion of leaders all over the world.

Mr. Stalin has not mentioned unconditional surrender. On the contrary, he has been saying to the German people, "We want a strong Germany; we want to preserve Germany; but we want to get rid of Hitler and some other men." We have been saying, "We are going to kill you," or "We are going to take all your industries away from you and wreck you."

An article has appeared today written by Constantine Brown. People are saying, "Where are the Germans now getting the materials with which to fight the war?" They are getting them from factories which are east of the Oder. What has Mr. Stalin said about that? Constantine Brown tells the story, which we have all heard. Mr. Stalin has said, "No bombing of industries east of the Oder." So we are not bombing them. We bombed them at one little place, and then stopped. So the Germans, because Mr. Stalin said, "We want those factories to take them over here," are proceeding to manufacture, and they are manufacturing things which are killing American boys.

Mr. President, I do not intend to take up any more time of the Senate. I shall vote for confirmation of the nominations,

very reluctantly, in the hope that the nominees may turn out to be much better than the Senator from Florida thinks they will be, and much better than I think they will be.

A REVIEW OF HIS GOVERNMENTAL SERVICE BY SENATOR DAVIS

MR. DAVIS. Mr. President, I have been privileged to devote a rather considerable part of a very full life to serving in the various Governments of the United States of America—both national and local—in capacities both legislative and executive.

Throughout the past quarter century I have served continuously in the Government of the United States. For more than 10 consecutive years I served as Secretary of Labor in the Cabinets of three different Presidents of the United States, and for the past 14 years I have served as a Member of the Senate of the United States.

During those years I have seen the history of the world unfold, and I have had occasion to observe and to participate in many of the most significant decisions made by our Government in those momentous times.

But my experience and observation in Government service have not been confined solely to the United States. I have been privileged to study and observe the Governments of almost every Latin-American state, as well as that of the great Dominion of Canada. I might say in passing, Mr. President, that I profoundly hope for the continued development of the policy of inter-American democracy and cooperation which has developed slowly but strongly over the years.

As I have observed the numerous pan-American governments at work, so, too, have I observed at first hand the operations of that oldest of all parliamentary bodies, the British House of Commons, as well as that tempestuous and colorful assembly, the French Chamber of Deputies.

In addition, I personally visited the functioning of the Italian Chamber of Deputies and the German Reichstag, which were the first bastions of peace and goodwill to fall before the twin onslaughts of absolutism and dictatorship that were ultimately to bring modern civilization to the very precipice of death and destruction, from which we and our allies are only now beginning to fight ourselves clear.

Yes, I have observed all these systems of government, Mr. President, but I am proud to say that in all my experience I have known no governmental organization or body of men more deserving of the general respect, admfration, and support of the people who elect them than the Senate of the United States.

Every man with whom I have labored here has been motivated by a high resolve to best serve the interests of America as he saw them. This has always been a group of friendly, kindly, and sincere, men and it has been one of the most profound pleasures of my life to have known and worked with the many representatives of the American people who have come here during my time.

I have said, Mr. President, that the Senate is a group of kind and considerate men, but at the same time I know of no group of men who hold a more conscientious and unflinching attitude toward their duties and responsibilities.

There have been many bitter and controversial issues threshed out on the floor of this Chamber in my time, and I have always found the men who championed either side of such an issue to be both well-informed and unyielding in their devotion to full justice in that cause. In my years in this Chamber I have never known a single vote to have been changed by oratory, by flattery, by trading, or by any other means. I have always found my colleagues to be worthy of their trust as they knew it.

Over the years I have served on almost every committee in the Senate, until today I am a member of three of the most important Senate committees—Finance, Foreign Relations, and Naval Affairs. I have always found the committee chairmen to be competent, fair, and impartial—determined upon doing the best possible job for the people of America. I have also been honored by my party by being selected as a member of the committee on committees.

I trust I shall be pardoned, Mr. President, if I pause to pay a personal but well-deserved tribute to the chairmen of the committees which I have just mentioned. America is fortunate in having the Honorable WALTER GEORGE as chairman of the Senate Finance Committee. Throughout the detailed consideration of the many involved measures which have come before that committee the distinguished Senator from Georgia has never wavered. He has labored countless hours, and he has done a commendable job.

The problem of foreign relations is at best a difficult problem. But during the past decade it has been a particularly harrowing one. In these trying times the Honorable TOM CONNALLY has approached his tasks as chairman of the Senate Foreign Relations Committee with competence and determination. He has rendered a magnificent and unselfish service to the people.

The United States Navy is now the most powerful force of its type in the world today. The major part of the credit for this fact must, in all justice, rest upon the chairman of the Senate Naval Affairs Committee, the Honorable DAVID I. WALSH. His determination, his detailed knowledge, and his painstaking study were prime factors in the creation and maintenance of our magnificent naval forces which are now striking resounding blows for freedom on all enemy ramparts.

I do not doubt, Mr. President, that similar recognition might in full justice be extended to all our committee chairmen. But I am especially familiar with the work of these three men, and I could not let this opportunity to recognize their services go unheeded.

This much I do know, Mr. President. Every committee chairman and every individual Senator is hard-pressed fully to perform the myriad official duties required of him. He has neither the time, the staff, nor the information necessary to permit him to perform every task as ably and as fully as he and his constituents would like.

In this connection, I am pleased to note that this body has approved a measure looking toward a full study of the Senate, its problems, and its shortcomings. Upon the conclusions reached by such study, measures may be enacted to reorganize the Senate in such manner as to equip it effectively to meet the numerous and complex problems of twentieth century government.

I am hopeful that when this study is completed, the Members of the Senate will see fit to enact such reorganization measures as are consistent with sound and efficient government, and that they will not fail to provide sufficient trained assistants at adequate salaries, in order that the independence and effectiveness of the legislative branch may be assured.

I make this plea because the events of recent years have convinced me that the preservation of constitutional governments and free societies is dependent upon the continued existence of strong, independent legislative bodies. The American Congress must free itself from dependence upon the executive agencies of government if the guaranties of constitutional government and human freedom are to remain as realities with us.

In the years immediately ahead, this Nation will be faced with at least three urgent problems: the winning of the war, the creation of a just and lasting peace among all nations, and the reconversion of this Nation to a peacetime economy which will provide decent jobs and human standards of living for all our people. The scope and significance of these problems alone are such that they commend a thorough reorganization of the Senate.

It is to the problem of peace, Mr. President, that I should like to address myself briefly. During these hectic times, many unsavory terms have been developed over this issue. But I do not think the minds of men are as far apart as the descriptive terms applied to them would seem to indicate. I do not believe there is a single Member of the body who does not favor a just, honorable, and lasting peace among the nations of the world. Neither do I know of any man here who is not determined properly to safeguard the interests of America as he sees them.

I have always advocated a sincere and mutual cooperation among the nations of the world, not only as a means of preserving peace, but as a means also of improving the standards, dignity, and attainment of all men everywhere. I would achieve these ends not through paternalism but through example, encouragement, self-reliance, and education.

I believe, Mr. President, that any system or organization for peace which does not include all the nations of the world is

foredoomed to failure. I abhor power politics, alliances, and spheres of influence. They are the spawners of disorder and the breeders of war. America should steer clear of them.

It is my hope that the Senate of the United States will play a full and meaningful role in the creation and maintenance of a sound system of lasting peace among the nations of the world—a peace worthy of our gallant fighting men, a peace worthy of our avowed objectives, a peace worthy of the name and institutions of America.

And now, Mr. President, the time has come for me—as it must inevitably come for all men—to leave these halls. In parting, I should like to express my heartfelt gratitude to the people of the great State of Pennsylvania whose trust and confidence have abided with me during the years. I should like to wish for my successor the same pleasing associations, the same inspiration in trust, and the same happiness in service that I have known here.

And finally, I wish to acknowledge and express my sincere gratitude for the many heart-warming associations which I have known here and to express my humble appreciation to the Vice President of the United States and the pro tempore presiding officers who have permitted me from time to time to preside over this distinguished body of men. That is such an honor as only America could confer on the son of an immigrant who adopted this land of hope and gave it to his children to honor and to serve.

And so, Mr. President, I take with me many deep and undying memories. With gratitude toward all and rancor toward none, I say God bless America, God bless the Senate of the United States, and keep them always the most powerful and unyielding bastions of justice and human freedom the world has ever known.

NOMINATION OF JOSEPH C. GREW

The Senate resumed the consideration of the nomination of Joseph C. Grew to be Under Secretary of State.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Joseph C. Grew to be Under Secretary of State?

Mr. CONNALLY. I ask for the yeas and nays.

The yeas and nays were ordered; and the legislative clerk proceeded to call the roll.

Mr. JOHNSON of California (when his name was called). Mr. President, I ask unanimous consent to make a brief statement as to why I shall vote "nay."

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and the Senator may proceed.

Mr. JOHNSON of California. Mr. President, I respect most of the nominees whose names have been submitted to the Senate, and I feel toward them an attitude that is wholly friendly; but I cannot understand why it is necessary, in streamlining the Department of State, to go only to the house of Morgan; and I shall not vote, and I have never voted in my career in any aspect heretofore, to turn the State Department over to the house of Morgan. That is the reason, and the only reason, why I shall vote against Mr. Grew. I recognize him as a career man, and as a man who has displayed undoubted ability in following his profession. If I felt at liberty to vote for him, I should vote for him with pleasure; but I will not vote for turning the State Department over to the house of Morgan or anyone else. I vote "nay."

The legislative clerk resumed the calling of the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. If he were present, I understand that he would vote as I am about to vote. Therefore I am at liberty to vote. I vote "yea."

Mr. McKELLAR (when Mr. STEWART'S name was called). The junior Senator from Tennessee is in Indiana holding a hearing. He telephoned me this morning that if the vote should come today, he wished me to say that if he were present and voting he would vote "yea," not only on this nomination, but on all the State Department nominations. This statement will apply to each and every one of them.

Mr. MEAD (when Mr. WAGNER'S name was called). My colleague the senior Senator from New York [Mr. WAGNER] is unavoidably detained. If he were present and voting he would vote "yea."

The roll call was concluded.

Mr. HOLMAN (after having voted in the affirmative). When I voted I was not aware that the junior Senator from Tennessee [Mr. STEWART], with whom I have a general pair, was absent, but inasmuch as it has been indicated that he would vote as I have voted, I will allow my vote to stand.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Utah [Mr. THOMAS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], and the Senators from Washington [Mr. MAGNUSON and Mr. WALLGREN] are necessarily absent.

I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CLARK], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], and the Senators from Washington [Mr. MAGNUSON and Mr. WALLGREN], would vote "yea."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Louisiana [Mr. ELLENDER]. I am advised that if present and voting, the Senator from West Virginia would vote "nay," and the Senator from Louisiana would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS]. If present he would vote "yea."

The Senator from Indiana [Mr. JENNER] is necessarily absent. If present he would vote "yea."

The Senator from Minnesota [Mr. BALL] is absent on official business of the Senate.

The Senator from Oklahoma [Mr. MOORE] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is necessarily absent. If present he would vote "yea."

The result was announced—yeas 66, nays 7, as follows:

YEAS—66

Austin	Gillette	Overton
Bailey	Green	Radcliffe
Barkley	Gurney	Reed
Bilbo	Hall	Revercomb
Brewster	Hatch	Reynolds
Brooks	Hawkes	Robertson
Buck	Hayden	Russell
Burton	Hill	Shipstead
Bushfield	Holman	Smith
Butler	Johnson, Colo.	Taft
Capper	Lucas	Thomas, Okla.
Caraway	McCarran	Truman
Chandler	McClellan	Tunnell
Chavez	McFarland	Tydings
Clark, Mo.	McKellar	Vandenberg
Connally	Maloney	Walsh
Cordon	Maybank	Weeks
Danaher	Mead	Wheeler
Davis	Millikin	Wherry
Downey	Murdock	White
Ferguson	Nye	Wiley
George	O'Mahoney	Willis

NAYS—7

Aiken	La Follette	Pepper
Guffey	Langer	
Johnson, Calif.	Murray	

NOT VOTING—23

Andrews	Gerry	Stewart
Ball	Glass	Thomas, Idaho
Bankhead	Jenner	Thomas, Utah
Bridges	Kilgore	Tobey
Byrd	Magnuson	Wagner
Clark, Idaho	Moore	Wallgren
Eastland	O'Daniel	Wilson
Ellender	Scrugham	

So the nomination of Joseph C. Grew, to be Under Secretary of State, was confirmed.

NOMINATION OF NELSON A. ROCKEFELLER

The VICE PRESIDENT. The clerk will state the next nomination.

The legislative clerk read the nomination of Nelson A. Rockefeller, of New York, to be Assistant Secretary of State.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. CONNALLY. I ask for the yeas and nays.

The yeas and nays were ordered; and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I make the same announcement as on the previous vote, and vote "yea."

Mr. McKELLAR (when Mr. STEWART'S name was called). My colleague the junior Senator from Tennessee [Mr. STEWART] is conducting hearings in In-

diana. He wished me to say that if he were present and voting, he would vote "yea."

Mr. MEAD (when Mr. WAGNER's name was called). My colleague [Mr. WAGNER] is unavoidably detained. If present, he would vote "yea" on this nomination.

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Utah [Mr. THOMAS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from Colorado [Mr. JOHNSON], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], and the Senators from Washington [Mr. MAGNUSON and Mr. WALLGREN] are necessarily absent.

I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS] and the Senators from Washington [Mr. MAGNUSON and Mr. WALLGREN], would vote "yea."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Louisiana [Mr. ELLENDER]. I am advised that if present and voting, the Senator from West Virginia would vote "nay," and the Senator from Louisiana would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS]. If present, the Senator from New Hampshire would vote "yea."

The Senator from Indiana [Mr. JENNER] is necessarily absent. If present, he would vote "yea."

The Senator from Iowa [Mr. WILSON] is necessarily absent. If present, he would vote "yea."

The Senator from Minnesota [Mr. BALL] is absent on official business of the Senate.

The Senator from Oklahoma [Mr. MOORE] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Idaho [Mr. THOMAS] is necessarily absent.

The result was announced—yeas 62, nays 10, as follows:

YEAS—62

Austin	Burton	Clark, Mo.
Bailey	Bushfield	Connally
Barkley	Butler	Cordon
Bilbo	Capper	Danaher
Brewster	Caraway	Davis
Brooks	Chandler	Downey
Buck	Chavez	Ferguson
George	Maloney	Taft
Gillette	Mead	Thomas, Okla.
Green	Millikin	Truman
Gurney	Murdock	Tunnell
Hatch	Nye	Tydings
Hawkes	O'Mahoney	Vandenberg
Hayden	Overton	Walsh
Hill	Radcliffe	Weeks
Holman	Reed	Wheeler
Lucas	Revercomb	Wherry
McCarran	Reynolds	White
McClellan	Robertson	Wiley
McFarland	Russell	Willis
McKellar	Smith	

NAYS—10

Aiken	La Follette	Pepper
Guffey	Langer	Shipstead
Hall	Maybank	
Johnson, Calif.	Murray	

NOT VOTING—24

Andrews	Gerry	Scrugham
Ball	Glass	Stewart
Bankhead	Jenner	Thomas, Idaho
Bridges	Johnson, Colo.	Thomas, Utah
Byrd	Kilgore	Tobey
Clark, Idaho	Magnuson	Wagner
Eastland	Moore	Wallgren
Ellender	O'Daniel	Wilson

So the nomination of Nelson A. Rockefeller, of New York, to be Assistant Secretary of State, was confirmed.

NOMINATION OF W. L. CLAYTON

The VICE PRESIDENT. The clerk will state the next nomination in the State Department.

The legislative clerk read the nomination of W. L. Clayton, of Texas, to be Assistant Secretary of State.

Mr. RUSSELL. Mr. President, I am always loath to oppose the confirmation of any person nominated by the President of the United States to assist him in any administrative capacity. I would do so reluctantly in any instance. That is particularly true in view of the international situation which pertains in the world today.

However, Mr. President, in my opinion, the views of this gentleman who is nominated for the important position of Assistant Secretary of State in charge of foreign economic affairs are so dangerous to the farmers of this country, and more particularly to the cotton farmers of this country, that I must express my unalterable opposition to his confirmation.

This opposition is not in any wise predicated on any personal considerations. I do not know Mr. Clayton personally. I find no fault with him because of his success in accumulating a vast fortune. The story of his life is in the very finest tradition. From a Mississippi farm boy he has become the head of a great, world-wide business organization reaching into all parts of the world, and he has made a great success.

I oppose Mr. Clayton's nomination because I believe his views on American agriculture, if they should finally be adopted as a policy of the United States, would be completely disastrous to the future of the cotton producers, if not to the producers of all other agricultural commodities in this country. Mr. Clayton is one of those who believe that any effort on the part of government to assist the farmers of this country constitutes interference by the Government with the free play of trade. I am not willing to have one possessing those views, with my vote and consent, preside over the next international cotton conference, the international wheat conference, and the international tobacco conference, and leave the farmers of this Nation naked in dealing with competition with cheap agricultural labor all over this world.

Mr. President, if the nomination of one holding the view that industrial wages of this country should be forced to seek a world level were submitted to this Senate the Members representing industrial States would oppose the confirmation to the bitter end. We all know that we will not adopt a policy which will beat down the industrial wages of this country. We all know that, in our dealing in the international economic affairs, no policy will be approved which will put capital and industry of this country, domestically speaking, into competition with industry and capital at the far corners of the earth.

The cotton farmers are already the lowest income group in this country. They have occupied this unenviable position for years. If this nominee's views prevail thousands of them will be forced into abject poverty.

I am bitterly opposed to anything which would result in the farmers of this country alone, as a group, being submitted to competition of the cheapest labor that is known to exist in any line of effort anywhere on this earth. The competitive cotton producers in Mexico, Brazil, India, and elsewhere work for nearly nothing. Some of them get less than 15 cents a day.

Mr. Clayton stated his views forcefully on a number of occasions. I hold in my hand a copy of the printed hearings conducted before the Committee on Agriculture and Forestry in 1936 when Mr. Clayton appeared as a witness and testified for several days. I shall not read at length from the hearings because it will not be necessary to do so. Mr. Clayton stated his views in a very few words, and I remind Senators who represent States engaged in agricultural pursuits involving the production of commodities other than cotton that the views expressed by Mr. Clayton would apply equally to corn, tobacco, dairy products, or any other character of farm commodity.

On page 39 of the hearings Mr. Clayton made the following statement:

> We will never have a healthy cotton market again until it is left to the law of supply and demand, and to the free and open trading of people, of sellers and buyers and consumers of cotton.

On page 294 of the hearings Mr. Clayton spoke as follows:

> I have stated here under oath, * * * that from the beginning of Government impounding of cotton, of Government attempts at pegging the price of cotton, I have persistently and consistently and unalterably opposed that program, right from the beginning. * * * I am on record in too many ways, in too many speeches, too many articles, in too many magazines, for there to be any doubt about that matter. Through that whole period I have been opposed to it, and I am still opposed to it.

I invite attention to the following brief statement on page 411 of the hearings:

No one wants to trade in a commodity, the price of which is influenced by Government buying and selling, Government above-value nonrecourse "loans," Government control of production, and so forth. Every trader wants a free and open market, responding to the law of supply and demand. Sad experience has taught them that they cannot safely trade on guesses as to what the next Government move will be.

Mr. President, experience might have taught the cotton traders that they could not profit so largely by any such great sums when the Government was undertaking to bring about an increase in the return to the toilers of the soil of this country. But the answer is not to leave the American farmer in competition with slave labor all over the earth, in a so-called free and open market, for the benefit of the traders in cotton if this course is to bring poverty, impoverishment, and lower living standards to the 25 percent of the people of the United States who live on the farms and depend upon their soil for their livelihood. The 2,000,000 cotton farmers have had all too much of poverty and suffering.

The hearing to which I have referred developed that during the 6 somewhat depressed years of 1930 to 1936, when the small cotton farmers, and other farmers of this Nation, were merely hanging on by their fingertips in order to live, Mr. Clayton's firm made a clear profit of almost $14,000,000 after all deductions for expenses, including income taxes. That profit did not include any earnings derived from subsidiary or allied operations, such as warehouses, barge lines, insurance companies, and the like, nor did it include the earnings of the brokerage firm of Anderson, Clayton & Fleming.

Mr. President, even though at times the efforts of the Government did not accomplish all that we may have wished, even though at times the efforts to establish loans to farmers were not always successful in bringing a fair return, and even though the efforts to help the farmer take his proper place in American society did not accomplish all that we had wished, during those years to which I have referred the farmers would have been delighted to have shared in the prosperity of Mr. Clayton. I make that statement not to condemn Mr. Clayton, because he has been shown to be a man of great ability. But his ability to make such huge profits during a period of depression, and the views which he has so clearly expressed against the American farmer as shown by a number of his public addresses, and page after page of the Senate hearings, are all too great to entitle him to be placed in this position of power and responsibility.

What I have said applies equally to all farmers in this country. The wheat farmer has to depend on the market price of his wheat for a livelihood. The tobacco farmers have a very vital stake in this matter. If Mr. Clayton were to impose his views upon the farmers of this country and see that they were put into competition with tobacco growers in countries where 15 to 20 cents a day is a considerable sum of money for wages, what would be the result on the prosperity and happiness of families which depend on the production of tobacco for a livelihood?

Mr. President, I know what it means to have the cotton farmer of this country produce without what Mr. Clayton calls Government interference. I have traveled around my State and have seen conditions of the cotton farmer in his home when he was attempting to grow cotton and sell it without what Mr. Clayton designates as Government interference. I have seen his bare feet in the cold of winter, and I have seen the farmers' children clothed in gunnysacks which had packaged the fertilizer that had been used on his land. Some Senators know what I mean when I say I have seen one child come around the front of a house with a shirt made of a sack bearing the figures 3–9–3 on his back followed by little 4–10–4. They had labored to produce the finest fiber used by man for clothing but world prices for the products of their toil were so low they were clothed in jute.

Whatever blunders we have committed in this land in our attempts to deal with the farm problem, I am not willing to subject the farmers of my State or in any section of this country to the dangers of having one of these nominees with such views as those expressed by Mr. Clayton put into responsible positions and having the American farmer put into competition with the farmers of every other land, so far as prices are concerned without any aid or assistance from his Government.

Mr. President, I think what I have said embraces in a few words the basis of my opposition to Mr. Clayton. I would not oppose his appointment to any position in the Government requiring great ability which did not in a measure deal with the future of the farm producers of this Nation. But if his views are to prevail, we will have cotton in this country at 9 or 10 cents a pound, or perhaps less. I point out that it has been agreed by all authorities on the subject for a number of years that it takes 1 hour of labor to produce 1 pound of cotton, and how long can the cotton farmer stay in business, with the increasing wages, the rising costs, and the higher standard of living we have in this country today, if he undertakes to live with cotton at 9 or 10 cents a pound?

If Mr. Clayton were to be able, through the negotiation of international agreements, to commit this country to a program which would require us to leave the cotton farmers defenseless, on a world price basis, he would either dry up agriculture in America, or reduce the American farmer to the position of a peasant or peon.

For these reasons, Mr. President, I oppose Mr. Clayton's confirmation, and I hope the Senate will reject the nomination.

Mr. O'MAHONEY. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. Before the Senator takes his seat, I desire to call his attention to a statement which was read by Mr. Clayton when he appeared before the Committee on Foreign Relations, because it seems to me to have a very important bearing upon the type of policy that is to be followed by this Government in preparing for the post-war world.

I read from page 50 of the hearings before the Committee on Foreign Relations. While Mr. Clayton was being examined by the senior Senator from Wisconsin [Mr. LA FOLLETTE], Mr. Clayton read from a memorandum, introducing it with this statement:

May I just read from the memorandum of what my duties will be?

Senator LA FOLLETTE. Certainly.

Mr. CLAYTON (reading):

"The Assistant Secretary in charge of economic affairs would be responsible for the development of foreign economic policy. This policy has (*a*) important wartime aspects; (*b*) long-range aspects."

Then the memorandum proceeded with some other matters, which are not particularly important at this time. But before reading from this memorandum, with the source of which I am not familiar, in which it is stated that the duty of the Assistant Secretary is to develop a foreign economic policy, Mr. Clayton, in response to a question by the Senator from Wisconsin, made this statement:

Obviously, Senator LA FOLLETTE, I will not make the foreign economic policy of the United States Government; that is going to be made by the President, the Secretary of State, and the Congress.

The memorandum from which I have just made this quotation was doubtless a memorandum prepared in the Department of State, prepared in consonance with the practice which has been followed in the State Department for a long time, and in other agencies, of developing policy.

It occurs to me that those of us who are concerned about the type of policy to be followed in world affairs, who are concerned, as the Senator from Georgia is, and as many other Senators are, in raising the standard of living of the farmers of this country, should not fail, when the new Congress assembles, to exercise to the full the responsibility which is ours in various committees clearly to define, so that there may be no mistake in the mind of anyone in the State Department, that our purpose is to make certain that in the post-war world the American farmer and the American producer shall not be made to suffer, and that it is not the function of anyone in the State Department exclusively to develop a foreign economic policy.

When these nominations were before the Senate several weeks ago, I made the motion to return them to the Committee on Foreign Relations, for the purpose of having a statement made to that committee, by Mr. Clayton particularly, and by others, with respect to his views upon international cartels. I am happy to say, Mr. President, that the statement made by Mr. Clayton seems to cover that point adequately, because in his testimony he stated frankly that he was opposed to cartels.

I think we cannot place too much emphasis upon the necessity, in the postwar world, of complete abandonment of the principle of international cartels, whether they are to be conducted by private groups or conducted by the Government. Government cartels are even more evil than private cartels. They both breathe the same spirit of monopoly, and they both restrict the opportunity which has reduced the standard of living of agriculturalists and other producers all over the United States.

I undertook to interrupt the Senator from Georgia because I know that the Senator occupies a position of great importance in the Committee on Agriculture and Forestry, and in the Committee on Appropriations. He understands the problems of agriculture, and I know that he and other Senators will undertake to exercise the responsibility of defining the nature and boundaries of our foreign economic policy. The abilities of Mr. Clayton can undoubtedly be used to bolster up the policy which we in Congress shall lay down.

Mr. RUSSELL. Mr. President, I wish that I could feel as optimistic about that as the Senator from Wyoming. It has not been my opinion that Mr. Clayton has been associated with any cartels. There has been no necessity for Mr. Clayton to be connected with any cartel; he had a world-wide organization of his own. Anderson, Clayton & Company did not have to deal with any association or with any corporation in any other part of the world, because they had their own buying and selling agency, selling directly to the consumer in nearly all parts of the earth.

Mr. Clayton, however, has certainly demonstrated his opinion of the policies which have been fixed by the Congress of the United States in the past. When we undertook to set up a farm program here Mr. Clayton disagreed with it. He disagreed with it so vigorously that with respect to cotton he took millions of dollars, which he had earned in dealing with the commodity which requires the most back-breaking labor to produce, among all agricultural commodities produced in this country, and he went to Brazil, and loaned huge sums, I understand, to cotton producers in Brazil with which to produce cotton. He also purchased and sent to Brazil veritable shiploads of gins and compresses and other machinery to facilitate and improve the production in Brazil which is competitive with the production of cotton in the United States.

Mr. Clayton had a perfect legal right to go into Brazil and encourage the production of cotton, but it certainly shows, to say the least, that he had absolutely no sympathy with the cotton farmers of the United States, whose product had been the sole commodity which had enabled Mr. Clayton to accumulate this vast fortune, part of which was translated to South America to encourage competition with cotton produced within the United States.

Mr. CHANDLER. Mr. President, a Senator, when asked to give his advice and consent to a nomination by the President of the United States for membership in his official family, should not fail to give his advice and consent unless there appears to him to be some very good reason for refusing to do so.

I wish to associate myself with the views expressed by the Senator from Georgia [Mr. RUSSELL] and say that, much as I regret it, I do not feel that I am able to conclude that personally I should give my own advice or consent to the nomination of Mr. Clayton for the position to which he has been nominated. In saying that, I am not unmindful of the fact that Mr. Clayton is a brilliant man, a patriotic man, one of the outstanding businessmen of the world, and I should be glad to vote to confirm him to almost any position of trust in the Government of the United States. But I am asked to vote to approve his appointment as the economic adviser to the State Department and to the President of the United States at this critical time.

All of us know that causes of war are ofttimes economic. People do not have enough things and they look across the line and see their neighbor who has many things. People who have low standards of living, low wages, look across the line and see their neighbor who has a high standard of living and who receives high wages, and they frequently make unjust demands upon their neighbor for a part of the things he enjoys which they do not have, and then upon refusal by the neighbor to give them what they demand they first quarrel and then frequently they fight. Such conditions bring on wars.

I now wish to refresh the recollection of the Senate, if I may, for a few minutes by reading some of the testimony given by Mr. Clayton. Mr. Clayton was asked the question of his connection with Anderson, Clayton & Co. He said:

> The capital, surplus, and undivided profits of Anderson, Clayton & Co. is now a little over $50,000,000, of which members of my family and I own approximately 40 percent.

In answer to a question I asked Mr. Clayton, with the indulgence of the committee, at the hearings, he responded:

> Senator CHANDLER. Is this the principal business that you and the other members of your family engage in and rely on, Mr. Clayton, for your income?
>
> Mr. CLAYTON. It is the only business.
>
> Senator CHANDLER. It is the only business?
>
> Mr. CLAYTON. Yes, sir.

I now read from Mr. Clayton's own statement:

> Anderson, Clayton & Co. has offices throughout the Cotton Belt and cotton-consuming centers of the United States, and maintains branch offices or agencies in the principal cotton-consuming countries of the world.
>
> The company also operates, through subsidiaries, in the following foreign cotton-producing countries: Mexico, Peru, Argentina, Paraguay, Brazil, and Egypt. The present book value of the company's fixed assets in these countries is about $10,000,000.
>
> Anderson, Clayton & Co. has never owned any fixed assets or investments of any kind in Japan or Germany, although for many years prior to the war the company maintained sales agencies in both countries. The company also for many years did a very large business with Russia; was one of the first American firms to establish business relations with the Soviet Government after the revolution, long before recognition of that Government by the United States Government, and one of the few firms in the world to extend them substantial credits in those early days.

So Mr. Clayton did not follow the Government of the United States, he led the Government of the United States in the recognition of the Soviet Government. And he said in answer to questions before the committee that his company made loans to cotton farmers in South America, that they furnished machinery, cotton gins, and other equipment, that they stimulated the production of cotton there, and, if I understood him correctly, his idea was that it was a good thing for America to have an increased production of cotton in other countries by the making of loans, which he had a perfect right to make, and which I have no objection to him making in the future as a business venture; but if he did that in respect to tobacco he would quickly break my section of the country.

I do not know that he will do so, but if it is good for his business and if it is a good thing for the American people generally to embark upon such a course of business, then he may advise the President and the State Department may conclude that that ought to be the attitude of the people of the United States with respect to commodities generally.

I continue to read from Mr. Clayton's statement:

> At the outbreak of the war between Germany, France, and England, about September 3, 1939—

And I submit to the Senate that they continued up until the outbreak of the war—

> Anderson, Clayton & Co. discontinued business with Germany and so instructed all its foreign subsidiaries.
>
> The company and its subsidiaries made no sales to Japan for some time prior to Pearl Harbor.

Mr. President, I had received certain information, and I undertook to get answers with respect to it, but Mr. Clayton was a little vague about the operations of the company during the last year or so. When an individual has his entire fortune in such a business as Mr. Clayton has—I admit that he built it himself, and he is entitled to the greatest credit for that—I wish I could assume that he would be entirely disinterested as the economic adviser to the President of the United States. He has in this business all the money he has earned in a lifetime by being a prudent, careful, good businessman, I say one of the best in the world, and he relies on his present business for the income for himself and his family for the future. If I could be certain that this man would be wholly disinterested in his approach to the economic problems which may very well in the future call for peace or war in another generation, I would be willing to give him my approval and consent to his nomination.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. CLARK of Missouri. The Senator from Kentucky is not a member of the Foreign Relations Committee, but was extended the courtesy of asking questions

by the chairman of the committee. Let me ask the Senator from Kentucky a question. Did he ever see a fairer and more completely frank witness than the nominee for Assistant Secretary of State, Mr. Clayton?

Mr. CHANDLER. I will answer the Senator from Missouri.

Mr. CLARK of Missouri. I shall be very glad to have the Senator do so.

Mr. CHANDLER. I think he made a fine witness. I think if anyone made a better witness it was Mr. MacLeish, the one the Senator from Missouri questioned so closely. I thought Mr. MacLeish made the best witness.

Mr. CLARK of Missouri. That may be the Senator's opinion.

Mr. CHANDLER. That is my personal opinion.

Mr. CLARK of Missouri. I thought Mr. Clayton made the best witness.

Mr. CHANDLER. We may differ about it. I do not want to be put in the position of objecting to Mr. Clayton's business ability, his patriotism, or his ability; I do not do that at all; but I am asked to give advice, simply my own advice. I do not speak for any other Senator; I do not speak for any combination of Senators; I am asked to vote to put in charge of the economic affairs of our State Department this man who will give advice to the President of the United States on economic affairs, Mr. Will Clayton. And much as I regret it, I cannot do it.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. CHANDLER. I yield.

Mr. TUNNELL. I ask if the Senator remembers the answer made on page 38 of the RECORD with reference to the very question of whether his business interests would interfere with his governmental attitude, when this language was used:

> Some persons apparently fear that my business interests abroad may influence my opinions and actions in the economic affairs of the United States Government.
>
> The only answer I know how to make to this is to say that if any Senator believes that my own foreign interests would prevent me from taking an objective and patriotic position with reference to the interests of my country, I would expect him to vote against my confirmation.

That is the Senator's position.

Mr. CHANDLER. No, no; the Senator from Delaware does not state my position. Let me state my position.

Mr. TUNNELL. Very well. Is not that the Senator's position?

Mr. CHANDLER. If the Senator will be seated I will answer. I have yielded to him to ask a question, and I will now answer.

Mr. TUNNELL. I do not know whether the Senator from Kentucky controls whether I should stand up or sit down.

Mr. CHANDLER. I decline to yield further to the Senator from Delaware. He may do as he pleases; he may sit down or stand up; but I have the floor, and I prefer to make my own explanation. I do not wish to have the Senator make it for me. I heard the statement that Mr. Clayton made, and I read it and have reread it. I do not believe that he has been wholly disinterested in the operations of his company. I think his own testimony showed clearly enough that he had been consulted on four or five occasions. I have an idea that he was consulted on more occasions than he said. But that is neither here nor there.

Mr. President, it is not a question of what Mr. CHANDLER said relating to his foreign interests, and whether those interests would affect his advice. The question is what I believe might happen if Mr. Clayton got the job, that is, if I voted to put him in the job, and he got the job.

I do not blame him for making a self-serving declaration to the effect that his business interests would not influence him. That is what that statement is calculated to mean. He says, in effect, that "although this is the business of my family and we own 40 percent of it, and rely upon it entirely for our income, it being all the business we have, I will not be influenced by that fact. If you believe that that would influence me in my decisions, if I were in your place as a Senator and believed that, I would vote against the confirmation."

The statement has been made that he would be wholly disinterested in the affairs of Anderson, Clayton & Co. I do not believe he could possibly be. Although I would vote for him for any number of important positions, I feel that if I were to vote to place him in this position, and then he should advise the President to conduct the affairs of the State Department on economic matters as he has conducted the cotton business, and if he should advise the President to conduct economic affairs with respect to other commodities in that manner, I should feel responsible for helping to put him in that position, and in a measure I would be responsible for what might happen to the economic policies of the people of the United States. That I am not willing to do. I have no quarrel with any Senator who wishes to do it.

Mr. TUNNELL. Mr. President——

Mr. GEORGE. Mr. President, may I ask if the Senator intends to speak at some length?

Mr. TUNNELL. No. I shall speak for not to exceed 3 to 5 minutes, and possibly not that long.

Mr. GEORGE. I am making the inquiry because I am very anxious to vote on the nomination.

Mr. TUNNELL. I shall be even briefer than I had intended to be, in consideration of the Senator's position.

Mr. President, it seems to me that we must consider that Mr. Clayton is a man of intelligence or is not. I believe it is generally admitted that he is. After we have reached that point we must consider that he is either a man of integrity or he is not. The Senator from Kentucky [Mr. CHANDLER] says that he does not believe what Mr. Clayton said. He does not believe that he has been wholly disinterested in or disconnected from the management of Anderson, Clayton & Co. He believes that Mr. Clayton has been connected with it to a greater extent than he has stated.

I do not know of any reason for calling Mr. Clayton a liar. I do not know of any reason for attacking his integrity. I am standing on my feet and answering the suggestion of the Senator from Kentucky. I believe that his statement is an uncalled for insult to a successful American businessman.

Mr. CHANDLER. Mr. President, I did not insinuate that Mr. Clayton was a liar. I did not call him a liar. I do not wish to have any other Senator undertake to tell the Senate what I said. The Senate knows what I said; and that was not what I said.

Mr. CONNALLY. Mr. President, I shall not take up the time of the Senate in discussing Mr. Clayton. However, I should like to have printed in the RECORD at this point as part of my remarks a biographical sketch of Mr. Clayton.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

WILLIAM LOCKHART CLAYTON

Born on a cotton farm near Tupelo, Miss., February 7, 1880; moved to Jackson, Tenn., at the age of 6; left school at 13 to work in the office of the clerk and master of the chancery court in Jackson, deputy clerk and master at 15. Having learned shorthand at night, he became a court reporter and in connection therewith did general stenographic work. Went to St. Louis in April 1895 as secretary to one of his customers, Jerome Hill, of the Jerome Hill Cotton Co. In April 1896, accompanied Mr. Hill to New York and became an employee of the American Cotton Co.; was successively secretary to the vice president and general manager, invoice clerk, assistant treasurer, treasurer and assistant general manager. Left New York August 1, 1904, and joined his brother-in-law, Frank E. Anderson, and his brother, M. D. Anderson, to form the firm of Anderson, Clayton & Co. with offices at Oklahoma City, Okla., later moved to Houston, Tex. His brother, Benjamin Clayton, joined the firm the following year. He served as a member of the War Industries Board during the last war.

In August 1940 he resigned his position as chairman of the board of Anderson, Clayton & Co., to enter Government service, first with the Coordinator of Inter-American Affairs; then as Deputy Federal Loan Administrator; then as Assistant Secretary of Commerce in charge of foreign activities of the Reconstruction Finance Corporation; as Chairman of the Board of the Rubber Development Corporation and the United States Commercial Co.; as President of the War Damage Corporation; and as Vice President and trustee of the Export-Import Bank; and, in 1944, as Administrator of the Surplus War Property Administration. In 1943 he served as a member of the United States delegation to the Food and Agriculture Conference at Hot Springs. Married in 1902 to Susan Vaughan, of Clinton, Ky. They have four daughters, all of whom are married.

Mr. CONNALLY. Mr. President, I should also like to have printed in the RECORD at this point as a part of my remarks excerpts from hearings containing Mr. Clayton's testimony.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

STATEMENT OF WILLIAM LOCKHART CLAYTON

The CHAIRMAN. We shall now hear the statement of Mr. William L. Clayton.

Mr. Clayton, your name is William Lockhart Clayton, and you come from Houston, Tex.?

Mr. CLAYTON. That is right.

The CHAIRMAN. Mr. Clayton, the President has sent to the Senate your nomination as

Assistant Secretary of State. The committee will be glad to have any formal statement you desire to make. I might advise you, however, that the committee will have to adjourn quite shortly, because there are a number of members of the committee who will be engaged this afternoon on another committee, so we shall probably defer your cross-examination until tomorrow. However, we would like to have your formal statement at this time.

Mr. CLAYTON. Mr. Chairman, my statement will require only about 10 minutes if I am not interrupted.

The CHAIRMAN. You will probably not be interrupted, but do not be offended if you are.

Mr. CLAYTON. I will not. I have had considerable experience before Senate committees, so I will not be offended.

In appearing before the Senate Committee on Foreign Relations for examination regarding my fitness to serve as Assistant Secretary of State for economic affairs, I wish to make a brief preliminary statement which may clear up some questions at once and save the committee's time

I was one of the organizers of the cotton merchant firm of Anderson, Clayton & Co. in 1904 and, with the exception of a short period in the First World War, was continuously in that business until August 1940. At that time I resigned as chairman of the board of Anderson, Clayton & Co. to enter Government service, first with Nelson Rockefeller, Coordinator of Inter-American Affairs, then as Deputy Federal Loan Administrator, then as Assistant Secretary of Commerce, to which position I was appointed by the President and confirmed by the Senate.

I resigned as Assistant Secretary of Commerce in February 1944 to become Surplus War Property Administrator, under Executive Order 9425.

On October 3, 1944, I resigned as Surplus War Property Administrator, effective when the new Surplus Property Board takes office.

It has been suggested by some persons that I am a believer in cartels.

Nothing could be further from the truth.

My commercial experience has been confined to the cotton business. The merchandising of raw cotton is known to be one of the most highly competitive businesses in the world.

Webster defines a cartel as "a combination of separate firms to maintain prices above a competitive figure."

The nature of the cotton merchandising business excludes any such arrangements.

Numerous investigations by the Committee on Agriculture of the Senate and the Federal Trade Commission have failed to disclose collusive practices in the cotton-merchandising business.

That there are no such practices is further evidenced by the fact that net profits in the business over a long period of years have been only 1 to 1½ percent of the dollar volume.

Having been brought up in this school of hard, keen competition, and liking it, I early formed a strong antipathy, in principle, to cartels.

I quote as follows from a speech I delivered at the Harvard tercentenary celebration in 1936:

"Agreements between competitors to curtail production or fix prices, with or without Government sanction, are to be condemned on economic grounds."

There is a good deal of confusion in our thinking in this country on the subject of caretls.

We are inclined to denounce cartels on what we buy and favor them, although under a different name, on what we sell.

A cartel smells the same to me by whatever name it may be called or for whatever commercial purpose it may be organized.

If international agreements are entered into between governments in respect of some commodities in which burdensome surpluses have resulted from the war and other causes, the consuming countries should participate in the formation and administration of such agreements, the agreements should be temporary in character and should contemplate as their principal objective the shifting from inefficient to efficient production.

The committee may wish to know my views on other international economic questions.

For many years, I have been an ardent, outspoken, and consistent advocate of Cordell Hull's philosophy regarding international economic matters.

May I quote two paragraphs from a speech which Secretary Hull delivered on April 9, 1944:

"Along with arrangements by which nations may be secure and free must go arrangements by which men and women who compose those nations may live and have the opportunity through their efforts to improve their material condition. We will fail indeed if we win a victory only to let the free peoples of this world, through any absence of action on our part, sink into weakness and despair.

"The heart of the matter lies in action which will stimulate and expand production in industry and agriculture and free international commerce from excessive and unreasonable restrictions. These are the essential prerequisites to maintaining and improving the standard of living in our own and in all countries. Production cannot go forward without arrangements to provide investment capital. Trade cannot be conducted without stable currencies in which payments can be promised and made Trade cannot develop unless excessive barriers in the form of tariffs, preferences, quotas, exchange controls, monopolies, and subsidies, and others, are reduced or eliminated. It needs also agreed arrangements under which communication systems between nations and transport by air and sea can develop And much of all this will miss its mark of satisfying human needs unless we take agreed action for the improvement of labor standards and standards of health and nutrition."

I unreservedly subscribe to this thesis.

Now, may I say a word regarding the operations of Anderson, Clayton & Co. which have been mentioned in some quarters in connection with my nomination to be Assistant Secretary of State.

The capital, surplus, and undivided profits of Anderson, Clayton & Co. is now a little over $50,000,000, of which members of my family and I own approximately 40 percent.

My only connection with the company is as stockholder. I have not attended a stockholders meeting since resigning as chairman of the board in August 1940; in fact, have not been back to my home in Houston, Tex., since March 1941.

Anderson, Clayton & Co. has offices throughout the Cotton Belt and cotton-consuming centers of the United States, and maintains branch offices or agencies in the principal cotton-consuming countries of the world.

The company also operates, through subsidiaries, in the following foreign cotton-producing countries: Mexico, Peru, Argentina, Paraguay, Brazil, and Egypt. The present book value of the company's fixed assets in these countries is about $10,000,000.

Anderson, Clayton & Co., have never owned any fixed assets or investments of any kind in Japan or Germany, although for many years prior to the war the company maintained sales agencies in both countries. The company also for many years did a very large business with Russia; was one of the first American firms to establish business relations with the Soviet Government after the revolution, long before recognition of that Government by the United States Government, and one of the few firms in the world to extend them substantial credits in those early days.

At the outbreak of the war between Germany, France, and England, about September 3, 1939, Anderson, Clayton & Co. discontinued business with Germany and so instructed all its foreign subsidiaries.

The company and its subsidiaries made no sales to Japan for some time prior to Pearl Harbor.

Some persons apparently fear that my business interests abroad may influence my opinions and actions in the economic affairs of the United States Government.

The only answer I know how to make to this is to say that if any Senator believes that my own foreign interests would prevent me from taking an objective and patriotic position with reference to the interests of my country, I would expect him to vote against my confirmation.

I merely want to add that I am glad this hearing is an open one and that I freely invite any question regarding my private or public acts which may have any bearing, even though remote, on my fitness to serve in the position to which I have been nominated by the President.

The CHAIRMAN. To members of the committee I want to say that a number of members of this committee will be engaged this afternoon in a conference in the Foreign Relations Committee room in the Capitol with representatives of the Treasury Department on a joint committee on taxation. It was thought that it would be unfair to those members to continue with this hearing this afternoon. So if it is satisfactory to the committee, we will adjurn the hearing now and will meet again in this room tomorrow morning at 10 o'clock—not 10:30, but 10 o'clock—at which time Mr. Clayton will be subject to examination by the members. Unless there is some comment by some member of the committee, we will now adjourn until tomorrow morning at 10 o'clock in this room, at which time, Mr. Clayton, we invite you to return. We stand adjourned.

(At 12:45 p. m. an adjournment was taken until Wednesday, December 13, 1944, at 10 a. m.)

(Wednesday, December 13, 1944)

STATEMENT OF WILLIAM LOCKHART CLAYTON—RESUMED

The CHAIRMAN. Mr. Clayton, yesterday you made a preliminary statement. When you had concluded, the chairman indicated to you that today we would ask you to be available for such examination as the committee and possibly others might see fit to conduct.

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. Senator GEORGE, have you any questions of Mr. Clayton?

Senator GEORGE. I have no questions, Mr. Chairman, at this time.

The CHAIRMAN. Senator CAPPER, have you any questions?

Senator CAPPER. No.

The CHAIRMAN. Senator THOMAS?

Senator THOMAS of Utah. No, Mr. Chairman.

The CHAIRMAN. Senator VANDENBERG?

Senator VANDENBERG. I have none.

The CHAIRMAN. Senator GREEN?

Senator GREEN. No; thank you.

The CHAIRMAN. Senator MURRAY?

Senator MURRAY. I have none.

The CHAIRMAN. Senator TUNNELL?

Senator TUNNELL. Mr. Chairman, I should like to ask Mr. Clayton when was the last knowledge he had of the dealings or the sales of his company.

Mr. CLAYTON. Why, Senator, I receive from Anderson, Clayton & Co., in Houston, daily reports of totals of sales and transactions which are made. They are on regular forms which are made out in Houston. I take a look at them, tear them up, and throw them in the wastebasket.

Senator TUNNELL. So you do keep some contact with the business?

Mr. CLAYTON. Yes, sir.

Senator TUNNELL. That is all.

The CHAIRMAN. Senator SHIPSTEAD.

Senator SHIPSTEAD. You will be economic adviser, I understand, to the President of the United States?

Mr. CLAYTON. I understand that I am to be in charge of foreign economic affairs of the State Department; yes, sir.

Senator SHIPSTEAD. Well, what is your opinion with respect to immigration to the Western Hemisphere after the war?

Mr. CLAYTON. I have not studied that matter at all, Senator, and I would not want to express an opinion on it at this time.

Senator SHIPSTEAD. If the present immigration policy of the United States were continued, there would be a million immigrants coming into the Western Hemisphere—Europeans and Asiatics. What effect would that have upon the future of business and agriculture in the United States?

Mr. CLAYTON. Senator, I would not want to express an opinion on that. It is a subject I have not thought about at all. I would prefer to think about it and to look into it a little bit before expressing an opinion.

Senator SHIPSTEAD. Would you be in favor of exporting capital to South America and perhaps to Latin America from the United States?

Mr. CLAYTON. If you mean by capital what I would call our producers' goods—equipment, machinery, machine tools, technical knowledge, and so on—I am in favor of exporting such things to any part of the world that will purchase them.

Senator SHIPSTEAD. That is not what I had in mind. I am talking about actual capital—loans, and so forth—for agricultural expansion or industrial expansion. Do you think that would be a good thing for the United States?

Mr. CLAYTON. For whatever purpose it may be used, Senator, as long as it is a proper and lawful purpose, I would be in favor of exporting our capital—equipment, producers' goods, and so on. If we do not export it, other countries will. We have no monopoly of goods of that kind.

Senator SHIPSTEAD. Do you think that our present banking facilities here are sufficient to do that, or do you think that some public institution should be created for that purpose?

Mr. CLAYTON. Senator, that is another question—as to how the goods will be paid for. I understood your question to be, "Would I favor exporting goods of that kind to foreign countries?", and I would. Now, as to how the goods are to be paid for, many countries will be able to pay for their purchases; other countries will not. I do favor the granting of credits by the Export-Import Bank, for example, for the exportation of goods.

Senator SHIPSTEAD. Oh, yes; but for investment and increased production in South American countries.

Mr. CLAYTON. I favor some such instrumentality as the International Bank for Reconstruction and Development agreed upon at the Bretton Woods conference. I have not studied the complete memorandum on the subject, so I am not prepared to say that I favor it exactly as proposed, but I favor the idea.

Senator SHIPSTEAD. What I have in mind is that the cost of production in Latin-America is very much lower than it is in the United States. What I should like to have you tell us is, Are you in favor of or would you favor the investment or exportation to South America of United States capital to increase production in competition with production of the United States?

Mr. CLAYTON. I would favor, Senator, the exportation of capital goods to any part of the world that wishes to buy them. As I said a moment ago, we have no monopoly of the production and distribution of such goods. If we have a market for capital goods in any part of the world, it will serve to increase employment in the United States to produce those goods and export them.

Senator SHIPSTEAD. I understand that. I am not talking about capital goods; I am talking about capital—loans and investments, and exportation of capital for investment, to increase the production of goods which we ourselves produce. I have no objection to the exportation of goods—finished products. The question in my mind, which I am trying to have you answer, is, Do you favor the exportation of capital to foreign countries to be invested there in competition with production here?

Mr. CLAYTON. The only way in which I know how to export capital is to export goods that the capital would purchase. That is what would happen if we made loans to foreign countries for the purchase of industrial equipment—machinery, machine tools, and equipment of different kinds. I do favor that in principle. I do not mean to say that I would favor every loan that was proposed, obviously; but I favor it in principle.

Senator SHIPSTEAD. Are you in favor of export subsidies?

Mr. CLAYTON. No, sir.

Senator SHIPSTEAD. You are not in favor of them?

Mr. CLAYTON. No, sir.

Senator SHIPSTEAD. That is all.

The CHAIRMAN. Senator PEPPER?

Senator PEPPER. I have no questions.

The CHAIRMAN. Senator AUSTIN?

Senator AUSTIN. I have none.

The CHAIRMAN. Senator GUFFEY?

Senator GUFFEY. No, Mr. Chairman.

The CHAIRMAN. Senator GILLETTE?

Senator GILLETTE. Yes, Mr. Chairman.

Mr. Clayton, amplifying just a bit the discussion you have just had with Senator SHIPSTEAD, does subsection 4 of the statement made by Secretary Stettinius, as embodying our foreign policy, in which section he deals with the economic situation, present your philosophy and viewpoint?

Mr. CLAYTON. Senator GILLETTE, I do not recall exactly what subsection 4 is, although I went over the statement very carefully and concur in it.

Senator GILLETTE. Would you care to have me read it?

Mr. CLAYTON. I would appreciate it if you would.

Senator GILLETTE. I read:

"Agreement on measure to promote a great expansion of our foreign trade and of productiveness and trade throughout the world, so that we can maintain full employment in our own country and—together with the other United Nations—enter an era of constantly expanding production and consumption and of rising standards of living."

Mr. CLAYTON. Yes, sir. I approve of that 100 percent.

Senator GILLETTE. Even though it involves the expansion of production abroad that might be competitive with American interests?

Mr. CLAYTON. Yes, sir; I would approve of it even in that case. There might be exceptions, Senator GILLETTE, but what I am trying to say is that I would not disapprove of the principle named there just because in some cases the exportation of equipment, producers' goods, and so on would make competition with industry in the United States. Obviously, as I have said before—and I think I want to repeat it—we are not the only producers of capital equipment and producers' goods, and if we do not supply the market for it, other countries will do so. In supplying the market for it, we afford employment in our country.

Senator GILLETTE. Then, your first consideration would be the employment incident to the production of these capital goods regardless of the impact on the development of the industry and the future of certain American industries?

Mr. CLAYTON. One of the prime movers with me in favoring a policy of that kind is the great assistance that it will be in the post-war period, particularly in the first 3, 4, or 5 critical years after the war, in providing employment.

Senator GILLETTE. That, of course, answers my question: That that consideration that factor, you would consider paramount to the resultant effect or impact on American industry?

Mr. CLAYTON. Yes, sir; because the resultant effect or impact on American industry will come in any case. If we do not supply the goods, somebody else will, I assure you. The resultant impact will come regardless of any action we may take, if the situation justifies the industry.

Senator GILLETTE. That is all, Mr. Chairman.

Mr. CLAYTON. May I add just this one thing: That I would not favor providing capital for the development of industries abroad which would not be able to exist without substantial tariff protection or subsidies on the part of the government of the country in which they would be located; I would favor capital investment only in those cases where the proposed industries were naturally located and would be able with good management to make their own way.

Senator SHIPSTEAD. Would you, Mr. Clayton, be in favor of exporting capital to a country to increase production of certain products for which they would pay an export subsidy?

Mr. CLAYTON. No, sir; I would not.

The CHAIRMAN. Senator LA FOLLETTE?

Senator LA FOLLETTE. Mr. Clayton, I should like to ask you, to start with, a few questions which I have been requested to ask by Senators who are not members of the committee. As a basis, I would like to ask whether or not you are familiar with the statement of Mr. Lamar Fleming, Jr., submitted to the Subcommittee on Post-war Planning for Agriculture, of the Committee on Agriculture, of the United States House of Representatives, in December of this year.

Mr. CLAYTON. No, sir; I am not familiar with it.

Senator LA FOLLETTE. May I read certain excerpts which the Senator has marked and then ask you whether or not you subscribe to those statements?

Mr. CLAYTON. Yes, sir.

Senator LA FOLLETTE. That might save time, I think. I am sorry I do not have another copy of this to give to you. [Reading:]

"5. That, under a high-tariff regime, United States production of cotton on a scale requiring substantial exports is grievously handicapped; because (a) high tariffs make the grower's cost of living, implements, and materials higher than those of cotton growers abroad, (b) high tariffs reduce the quantity of dollar exchange available to the foreign customer, and hence the quantity of American cotton he can buy and the price he can pay for it, and (c) therefore high tariffs reduce the price of the export crop, since the surplus depends on export, by reducing the price of the export portion. Moreover, that this difficulty for consuming countries to secure dollars with which to pay for American cotton stimulates cotton production in other countries whose exchange is more easily obtainable."

Mr. CLAYTON. I think that statement is true.

Senator LA FOLLETTE (reading):

"6. That devices to protect the United States cotton grower against these harmful effects, by artificial support of prices within the United States, stimulate cotton production in other countries (unless they are coupled with an export subsidy) and stimulate production, particularly within the United States, of rayon and other competitive materials and fibers; and, if long continued and carried to the extreme, that they will cause total loss of the export market to foreign cottons and serious further loss of the domestic market to other materials and fibers."

Mr. CLAYTON. I think that statement is true. Before you leave that subject, Senator LA FOLLETTE, I would like to make clear my position on the cotton problem by saying that the position of Secretary Wickard, as outlined before the same committee before whom Mr. Fleming appeared, is now and has for a long time been the position that I have taken regarding the right way for this country to handle the cotton program. I will read just one paragraph of his statement before that committee. [Reading:]

"There is a fourth approach to the problem. I would call it a reconversion program for the cotton South. As in the third approach, the domestic and world market price of American cotton would be the same, and income payments would be made to farmers. But these income payments would not be perpetual; they would extend only over a stated period, and one of their main purposes would be to give direct aid to cotton farmers who needed to change partly or wholly to other lines."

There is a good deal more of it, but in a few words that states my position on the cotton problem.

Senator LA FOLLETTE. That is more or less in conformity, I take it, with this additional statement of Mr. Fleming. [Reading:]

"I think it is plain that the disease which undermined cotton growing and other United States agriculture is the high tariff and that the fundamental cure is to eradicate high tariff, meanwhile encouraging the patient to do his best to build up health by his own efforts; that is, by economical and efficient farming and sustaining him through his convalescence with such temporary assistance as may be warranted and practicable."

Mr. CLAYTON. That is very much the same as Secretary Wickard's statement.

Senator LA FOLLETTE. Mr. Fleming made a statement under the head of "The required legislation." But perhaps I had better read first his statement under the head, "Suggested policy will save money to American consumers and taxpayers."

"The policy chosen must pass the test of being in the interest of the taxpayers, who are most of the American people, and the consumers, who are all of the American people.

"I believe the policy here suggested will cost the taxpayers less at the start than any alternative thus far proposed; and the cost of it will scale down to nothing as the adjustment payments are scaled down. Return to world prices in the domestic cotton market and facilitation of lower production costs will reduce the American consumer's cost of cotton clothes, household cotton goods, oil shortening, soaps, and other byproducts. Availability of cotton at world prices will assure American cotton mills of equality in raw-material costs, plus some freight advantages, when competing at home and abroad with foreign mills.

"THE REQUIRED LEGISLATION

"Effectuation of this policy would require the following legislative steps: (a) An act to reduce the tariff; (b) repeal or amendment of the statutes providing for Government loans on cotton and enactment of provisions for price-adjustment payments; (c) repeal of the provisions of law restricting the growers' freedom to plant cotton, whether absolutely or as a contingent condition of enjoyment of other Government programs; (d) repeal or amendment of the statutes prohibiting sales of Government cotton below parity price or cost to the Government and enactment of legislation setting a fixed annual rate for the liquidation of all Government cotton; (e) repeal of all statutory authority for direct or indirect subsidies upon the production of oil-bearing beans, nuts, and seeds; and (f) discontinuance of all Federal discrimination against margarine and repeal of the Federal taxes on vendors of margarine and coloring of margarine.

"The loan at 92½ percent of parity price, which is mandatory through the two crops following the calendar year in which the end of the war is proclaimed, should be abolished or reduced to a rate low enough so that our cotton prices could seek their world competitive level. An adjustment price should be paid on all current production to adjust the difference between the free market price and the price which Congress would judge to be equitable, having in mind the tariff and the competition of the liquidation of the Government's stocks. This adjustment should be scaled down as the tariff is lowered and the Government stock liquidated. It should be based on a fixed theoretical crop, say 12,000,000 bales; so that, if the growers increased their production, the payment per pound would be correspondingly decreased and the aggregate cost to the Treasury would not increase."

Do you find yourself in substantial agreement with that statement?

Mr. CLAYTON. That covers too much territory, Senator LA FOLLETTE, for me to answer Yes or No. There are several things in there that I have not thought about at all, with reference to oil-bearing beans, and things of that kind.

Senator LA FOLLETTE. Well, confining it to cotton, do you feel that the present statute, which provides for Government loans at 92½ percent of parity for the 2-year period following the war, should be repealed?

Mr. CLAYTON. I would not think it should be repealed unless accompanied at the same time by a comprehensive cotton program, such as that recommended by Secretary Wickard in the statement I have just read. Just a simple repeal of the cotton-loan provision, and doing nothing else, would not cover the situation.

Senator LA FOLLETTE. I do not understand that Mr. Fleming advocated that. I understand that he also stated some program for adjustment. But do you agree with that ultimate objective?

Mr. CLAYTON. I do. I think, just as Secretary Wickard says, that we have got to get back to a situation where we have one price for cotton—one price in the United States and one price throughout the world. We cannot hold ourselves in the United States on a plane very much higher than the rest of the world, because unless we pay subsidies, we will accumulate a large surplus of cotton in the United States which we can only get rid of by paying subsidies, and I do not think subsidies are a good thing to pay. I think that they are very distasteful to other countries. We ourselves in this country, I think, have a law against dumping by other countries in our country. Naturally, other countries greatly object to our dumping things in their country, and so on. But the whole cotton situation has to be dealt with as one whole problem and not just simply as a loan problem or a purchase problem or a subsidy problem or an adjustment payment, or anything of that kind.

Senator LA FOLLETTE. Now, if I may, I should like to clear up this point: The provision with regard to the putting of a so-called floor under agricultural prices for 2 years beyond the war applies to other crops as well as to cotton. What is your feeling about the provision with regard to other crops? Do you think that that policy should be altered also, or is it your desire to see the floor removed ultimately solely with respect to cotton?

Mr. CLAYTON. Senator, I just do not know about the other crops. I do not know what the law is, I do not know what the loan is, I do not know what the supply and demand situation is. I can speak with any experience only as to cotton.

Senator LA FOLLETTE. Mr. Clayton, there have been certain statements printed in the press, with which I think you are familiar, for which I am in nowise directly or indirectly responsible. For that reason I have asked the chairman of the committee to obtain certain documents from various agencies of the Government. These documents came here under an injunction of secrecy from the various departments. However, I have discussed the matter with the full committee, and they have authorized me to make use of them in asking you certain questions. I have come here to this place at the table so that I might show them to you, because I do not wish to insert them in the record, but I felt that you should have an opportunity to look at them yourself. I wish to state that my sole desire in this matter is to clear up some of these statements or documents and to give you an opportunity fully and freely to comment upon them or to make any statement which you think is just in the premises from your own standpoint, because I think that ultimately it will be better if these matters are fully understood, without revealing any of the codes or the actions of the Government in connection with them.

Mr. CLAYTON. Thank you.

Senator LA FOLLETTE. Mr. Clayton, on yesterday you stated—and I quote from page 101 of the transcript—as follows:

"At the outbreak of the war between Germany, France, and England, about September 3, 1939, Anderson, Clayton & Co. discontinued business with Germany and so instructed all its foreign subsidiaries.

"The company and its subsidiaries made no sale to Japan for some time prior to Pearl Harbor."

Would you mind telling the committee what you mean by "for some time prior to Pearl Harbor"?

Mr. CLAYTON. Senator LA FOLLETTE, as I stated yesterday, I came to Washington in August 1940. I resigned my position as chairman of the board of Anderson, Clayton & Co. at that time, and I can only speak as to what happened subsequent to that time from information which has been furnished me at my request by the company in Houston.

I have been informed that the last sale of American cotton made to Japan was in the latter part of 1940, about 1 year before Pearl Harbor; that the last sale of any kind of cotton made by the company to Japan was in the early part of September 1941, about 3 months before Pearl Harbor, which sale was made by the Peruvian subsidiary of the company.

Senator LA FOLLETTE. In making that statement, do you know what, if any, instructions were sent to the South American subsidiaries of the company with regard to sales of cotton to Japan?

Mr. CLAYTON. No; I do not.

Senator LA FOLLETTE. Do you know whether any effort was made to check those sales?

Mr. CLAYTON. No; I do not. I only know in the case of Germany, because I was there when it was done and took part in the decision which resulted in that action.

Senator LA FOLLETTE. Well, now, these are wholly owned subsidiaries, are they not?

Mr. CLAYTON. They are; yes, sir.

Senator LA FOLLETTE. Some of those sales took place, did they not, after the moral embargo had been declared by the Secretary of State on sales to Japan?

Mr. CLAYTON. I am not aware that there was a moral embargo applying to all American exports to Japan. If there was, I just do not remember it. But even if there was, and even if the sale took place subsequent to that time, it is something that I do not think I am responsible for because, as I say, I was here; I had completely severed my connection with the management of the company. I was devoting myself exclusively and completely to Government service and was aware only in a general way of what was going on.

Senator LA FOLLETTE. Nevertheless, as I understand it, you are the principal stockholder of the company, are you not?

Mr. CLAYTON. That is correct.

Senator LA FOLLETTE. Did you not feel any responsibility for the policy of the company, in view of the fact that you were the principal stockholder?

Mr. CLAYTON. Yes, I did, and I still do; and I would have believed, and I still believe, that the men who were running the company then, and are running it now, who had the responsibility of the management of the company, would have responded in the right way to any—what you call—moral embargo that might have been put on the exports to Japan.

Senator LA FOLLETTE. Mr. Clayton, would you explain to the committee, if you know, how the transactions of the South American subsidiaries with their Italian customers or agents were carried on after the war broke out in Europe?

Mr. CLAYTON. Well, I presume they continued to cable direct to Milan, which was the general sales agency for Anderson, Clayton & Co. in Italy.

Senator LA FOLLETTE. Yes; but I mean so far as any sales of cotton or transactions that occurred were concerned, how were they supervised, if at all, by the Allies?

Mr. CLAYTON. Oh; the British had a navicert system, such as they had in the First World War. In order for a shipment of goods to Europe to pass British inspection, we had to get a navicert. I know that up to the time that I left Houston, Anderson, Clayton & Co. worked very closely with the British to make sure that any sales they were making to neighboring countries to Germany were being made to people that we believed and the British believed were buying the cotton for their own use and not for reexportation to Germany. But I would just call your attention and the attention of the committee, Senator LA FOLLETTE, to the fact that this was long before the United States was engaged in war with Germany.

Senator LA FOLLETTE. I understand that; but your statement yesterday was that the company stopped its trade with Germany after the war broke out, and you did not make any mention of trade with Italy. I wondered if that was a conscious omission or if it was an inadvertence.

Mr. CLAYTON. Italy was not at war, and we continued to sell cotton to Italy.

Senator LA FOLLETTE. Until Italy entered the war?

Mr. CLAYTON. I do not know at just what time the sales were discontinued, but I know that we continued to sell cotton to Italy after the war broke out in Europe on September 3, 1939; but we did it, as I have said, only to mills that we had known for 25 or 30 years and had done business with for that length of time, mills that we believed were buying cotton for their own consumption, and mills that the British believed were buying cotton for their own consumption, and not for reexportation.

Senator LA FOLLETTE. As I understand your statement, all those transactions took place under the blockade, and navicerts were necessary from the Allied authorities for shipment of that cotton?

Mr. CLAYTON. That is true; as soon as the British got their system set up. For a while—I do not know how long; a few weeks; maybe a few months—they did not have the system set up, and therefore we did not have to get navicerts. But we exercised a very careful control over it ourselves, and the British did also, although not by the navicert system. The steamers were stopped in some cases in the Mediterranean and the cotton was taken off. Some was put on the island of Malta, some at Oran, and some at Marseille. Later, I think, every bale of it was turned back to us, in the case of Anderson, Clayton & Co.; I do not know about other firms. But in some cases the cotton was stopped until the British could make a complete investigation. They had obviously absolute control of it as it passed Gibraltar.

Senator LA FOLLETTE. Did you ever have called to your attention a proposed arrangement for the exchange of 7,000 bales of cotton delivered to Barcelona, which was later turned into yarn and got into occupied France?

Mr. CLAYTON. No, sir; I never heard of that.

Senator LA FOLLETTE. Did you know about any arrangement, or suggested arrangement, whereby Brazilian bonds held in occupied France were to be utilized in the payment of cotton shipped from one of the Anderson, Clayton subsidiaries in South America?

Mr. CLAYTON. No, sir; I do not think I ever heard of that.

The CHAIRMAN. At what time was that?

Senator LA FOLLETTE. This was in July 1942.

Mr. CLAYTON. I am sure I can say categorically that Anderson Clayton & Co. never took any Brazilian bonds in payment for cotton.

Senator LA FOLLETTE. No. It would appear that this transaction was not permitted to take place, but it was proposed. It was never brought to your attention?

Mr. CLAYTON. No, sir. Do I understand you, Senator LA FOLLETTE, to say that the proposal was that this cotton was to be shipped into occupied France?

Senator LA FOLLETTE. Yes.

Mr. CLAYTON. You do not mean to say that Anderson, Clayton & Co. proposed any such thing?

Senator LA FOLLETTE. Will you just read that over and see [handing a paper to Mr. Clayton]?

Mr. CLAYTON. I am sure Anderson, Clayton & Co. never imported any cotton yarn into France.

Senator LA FOLLETTE. You are positive of that of your own knowledge?

Mr. CLAYTON. I could not say of my own knowledge; I say it only because I am just sure that if they had done any such thing, I would have been told about it.

Senator LA FOLLETTE. But this matter was never brought to your attention prior to this time?

Mr. CLAYTON. I do not recall that I ever heard of that before. Mention is made in that memorandum that Anderson, Clayton & Co. must have been involved, because the G. I. R. C., which are the initials of a groupment in France which imported for the Government, owed Anderson, Clayton & Co. a substantial amount of money. That is mentioned in that memorandum. They did owe Anderson, Clayton & Co. a good deal of money at the time France fell in the summer of 1940, but it was eventually all paid. It was for cotton that was sold to France when France was an ally of Great Britain.

Senator LA FOLLETTE. So these amounts were prior to the fall of France and were simply amounts owing to Anderson, Clayton & Co. as a result of transactions which had taken place prior to the fall of France?

Mr. CLAYTON. I am sure that is true. I am just saying from my own knowledge that I know they did owe a good deal of money to the company for sales made prior to the fall of France.

Senator LA FOLLETTE. Were there ever called to your attention, Mr. Clayton, any dispatches received by the State Department concerning information that shipments from Anderson, Clayton & Co.'s subsidiaries going to consignees in Shanghai were ultimately finding their way into Japanese hands?

Mr. CLAYTON. No; I do not recall any such information being given me. Of course, any such shipments would have had to be prior to Pearl Harbor.

Senator LA FOLLETTE. That is clear according to your previous testimony; that there were no shipments prior to that time.

Mr. CLAYTON. Subsequent, you mean.

Senator LA FOLLETTE. I mean subsequent to Pearl Harbor.

Mr. CLAYTON. There could not have been, obviously. I mean if we tried, there could not have been.

Senator LA FOLLETTE. But this matter was never brought to your attention, and you have no personal knowledge of it?

Mr. CLAYTON. I do not recall it; no, sir.

Senator LA FOLLETTE. Was the question of employees of subsidiaries in South America who were alleged to be of Axis origin or sympathies ever brought to your attention?

Mr. CLAYTON. I heard something about it; I just do not recall exactly what it was, Senator LA FOLLETTE. We have had that question come up, and had it come up in the other war. We have had it come up in this war. We did have some foreigners in our employ because we were doing an international business.

I remember in the other World War we had two German boys in our office in Houston. I personally took the matter up with Attorney General Gregory here in Washington. I asked him what we should do about them, and he told me, "Just leave them right where they are. They are better off there than if you put them on the street." And they went through the entire war in our employ. They had both taken out citizenship papers—their first papers—before the war started but were not able to complete them.

There have been two or three questions brought up during this war of somewhat the same nature. It is a difficult question, one on which I do not think you can lay down an absolute rule to be followed in every case. Each case has to be looked at, I think, on its own merits.

Senator LA FOLLETTE. Well, you say these matters were brought to your attention or that you knew something about the situation with regard to certain employees of the subsidiaries in some of the South American countries?

Mr. CLAYTON. I have just a faint recollection of having heard that same question arise regarding one employee of Anderson, Clayton & Co., in Argentina. Who told me about it or where I heard it, I just cannot remember, I just remember that such a question did arise. What was finally done with the man, I do not know.

Senator LA FOLLETTE. Were you ever informed of a communication to the State Department in a commercial report stating that the employment of persons of Axis sympathies by the subsidiaries in South America of Anderson, Clayton & Co. was embarrassing to the program of the Government and its policies?

Mr. CLAYTON I feel pretty sure that that was not brought to my attention, Senator La Follette.

Senator LA FOLLETTE. So you had no personal knowledge of that?

Mr. CLAYTON. No, I do not think so. I do not recall. I think if it had been brought to my attention by any Government official, I would have taken prompt action in the matter. I just do not remember that it was.

Senator LA FOLLETTE. Did you discuss the question of these employees whom we have been discussing with Mr. Root when he was here?

The CHAIRMAN. With whom?

Mr. CLAYTON. Mr. Root—Mr. Jesse Root—who is manager of Anderson, Clayton & Co.'s business in Argentina. I just do not remember; I just do not recall. I would tell you if I remembered it. I may have.

Senator LA FOLLETTE. Did you ever, after this matter was brought to your attention, take any steps to bring this to the attention of the persons responsible for the management of the subsidiaries involved?

Mr. CLAYTON. I do not know, Senator La-Follette, that the matter was brought to my attention in any such way that would have caused me to feel that I should do that. I just do not remember how it came to my attention. As I told you a moment ago, I have just a faint recollection of some question of that kind having been raised; in what circumstances, by whom, and at what time, I just do not remember.

Senator LA FOLLETTE. As I understand it, you are to be in charge of the economic section of the State Department?

Mr. CLAYTON. Obviously, Senator LA FOLLETTE, I will not make the foreign economic policy of the United States Government; that is going to be made by the President, the Secretary of State, and the Congress. But I have been nominated to be Assistant Secretary of State for foreign economic affairs.

Senator LA FOLLETTE. I understand that; but you are going to be in charge or have direct administration of whatever policy is effectuated?

Mr. CLAYTON. May I just read from the memorandum of what my duties will be?

Senator LA FOLLETTE. Certainly.

Mr. CLAYTON (reading):

"The Assistant Secretary in charge of economic affairs would be responsible for the development of foreign economic policy. This policy has (*a*) important wartime aspects; (*b*) long-range aspects. Our wartime foreign economic policy is concerned with our whole program of obtaining necessary supplies and strategic materials from other countries, of preventing enemy countries from obtaining such materials, of providing for the needs of liberated areas, of financing relief operations, participating in the determination of financial arrangements in newly occupied countries, determining foreign-policy aspects of lend-lease matters, and negotiations of lend-lease agreements, developing policy with regard to foreign-policy aspects of disposal of surplus property, and similar matters."

Senator LA FOLLETTE. May I ask you to look over this memorandum and tell me if it is an accurate, or substantially so, statement of Anderson, Clayton & Co.'s business?

Mr. CLAYTON. This purports to be a statement of the total holdings of Anderson, Clayton & Co. abroad as of 1942. I just would not be able to say whether or not it is correct.

Senator LA FOLLETTE. Could you tell me if the statement with regard to the subsidiaries as it appears there is correct?

Mr. CLAYTON. I could not say, Senator LA FOLLETTE. This statement says "holdings," and it means, of course, not only physical property investments—fixed assets, as I call them—but cotton or cash or any other property that might be held in these countries. As to whether or not this figure is correct, I would not know.

Senator LA FOLLETTE. Could you furnish the committee a memorandum showing Anderson, Clayton & Co's holdings abroad, the arrangement with its subsidiaries, and a structural picture of the operation in its entirety?

Mr. CLAYTON. I will be glad to. I just want to make sure I understand what it is you want. Do you want not only the fixed assets but the current assets as well—cotton, cash, and whatever it may be?

Senator LA FOLLETTE. Yes; I would like to have that.

Mr. CLAYTON. May I have that memorandum?

Senator LA FOLLETTE. Yes [handing paper to Mr. Clayton].

Mr. CLAYTON. Yes, sir; I will be glad to give it to you. I can give it to you from this auditor's report which I have.

Senator LA FOLLETTE. I do not think we need to take the time to go into it now. If you would furnish the statement, it could be printed in the record.

Mr. CLAYTON. I notice that this statement you have handed me purports to show the total holdings of the company abroad as of July 1942 and includes, for example, France, $66,000. Now, I do not know what that is, unless it is the depreciated value of a small office building that Anderson, Clayton & Co. had in Havre. But the next figure is Japan, $37,000. This says the total holdings of the company abroad as of July 1942. That is obviously a balance due to the company on shipments of cotton that had not been paid for.

Senator LA FOLLETTE. That is the way I understood it.

Mr. CLAYTON. Germany, $57,000; the same thing. Czechoslovakia, $80,000; it must be the same thing.

Senator LA FOLLETTE. Naturally, you had certain current transactions which were cut off at the time of the war, and those unpaid accounts are still carried on the books of the concern?

Mr. CLAYTON. Whether or not they are, I do not know.

Senator LA FOLLETTE. I assumed that that was what this referred to.

Mr. CLAYTON. That may be.

Senator LA FOLLETTE. But if you will furnish a statement, I would much prefer to have it.

Mr. CLAYTON. I am sure they are not carried any longer because, of course, in those countries they would be considered absolutely of no value. I will be glad to furnish that to you.

Senator LA FOLLETTE. Now, Mr. Clayton, you stated yesterday that you own 40 percent of the stock of Anderson, Clayton & Co. Is that the Delaware corporation?

Mr. CLAYTON. Members of my family and I do; I myself do not own any such amount.

Senator LA FOLLETTE. That is the total holdings of you and the intimate or immediate members of your family?

Mr. CLAYTON. That is correct.

Senator LA FOLLETTE. So you and your family are the principal stockholders; are you not?

Mr. CLAYTON. That is correct.

Senator LA FOLLETTE. And the largest stockholders?

Mr. CLAYTON. That is correct.

Senator LA FOLLETTE. Mr. Clayton, in connection with the duties that you are to undertake, matters which obviously have to do with your company or its subsidiaries may come before the very branch of the department of which you are the head. Will you state to the committee, if you care to, what your policy or attitude would be concerning such transactions or matters involving directly or indirectly the interests of this concern in which you own a substantial amount of stock?

Mr. CLAYTON. My policy as Assistant Secretary of State would be to have nothing to do with them.

Senator LA FOLLETTE. Would you take steps to make certain that those who were handling them were given to understand that your withdrawal from participation was complete and absolute and that their exercise of judgment would be desired on your part full, free, and untrammeled?

Mr. CLAYTON. Obviously I would, Senator LA FOLLETTE. I would ask the Secretary of State to delegate somebody to handle such matters, so that I would have nothing whatever to do with them.

Senator LA FOLLETTE. Thank you. I think that is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions?

Senator GEORGE. Mr. Chairman, I should like to ask one question, because I think it may be helpful to an understanding of Mr. Clayton's testimony.

The CHAIRMAN. Proceed, Senator GEORGE.

Senator GEORGE. How were your sales usually carried out or made, Mr. Clayton? How were your sales of cotton usually made to your customers in the various countries where you were doing business prior to the war, let us say?

Mr. CLAYTON. Anderson, Clayton & Co. had branches or sales agencies in practically all cotton-consuming countries, and they would cable from Houston or from South America, as the case might be, or wherever they were offering the cotton from, direct to those branches and give particulars of the offers—of the quality, the number of bales, the prices, and so on—and the branches or sales agencies would sell the cotton.

Senator GEORGE. On what terms usually?

Mr. CLAYTON. Almost throughout the period between the two wars the bulk of the business was done payment on arrival or payment on delivery. The countries buying or importing the cotton were not in a position generally to pay cash on shipment as was done prior to the First World War, so the cotton shipper had to finance the movement of the cotton until it was finally delivered to the mill abroad.

Senator GEORGE. Did you have active accounts with your customers?

Mr. CLAYTON. Yes, sir; in practically all cases.

Senator GEORGE. Did sales to Italy run pretty high during the period between the two wars?

Mr. CLAYTON. Yes, sir; Anderson, Clayton & Co. did a very large business in Italy.

Senator LA FOLLETTE. Mr. Chairman, may I make one further request of Mr. Clayton?

The CHAIRMAN. Yes.

Senator LA FOLLETTE. Mr. Clayton, in furnishing this statement concerning Anderson, Clayton & Co., and its subsidiaries, will you show exactly how much capital has been invested in the development of cotton growing in countries other than the continental United States?

Mr. CLAYTON. There is none, Senator LA FOLLETTE.

Senator LA FOLLETTE. The company has not invested any money in growing cotton outside the United States?

Mr. CLAYTON. No, sir.

Senator LA FOLLETTE. Thank you.

Senator PEPPER. Mr. Chairman——

The CHAIRMAN. Senator PEPPER.

Senator PEPPER. Mr. Clayton, I am not sure that I understood what your theory of our disposition of our cotton crop on the world market is, but I thought I heard one phrase in which you said that the cost of production should be decreased. Was that a part of your theory on the subject, that the cost of cotton production in this country should be decreased?

Mr. CLAYTON. Senator PEPPER, I do not think that we in the United States will be able to compete with other cotton-producing countries in the world unless we can get our costs of production down somewhat.

Senator PEPPER. Will that reduction in the cost of production decrease the compensation which the labor which produces cotton would receive?

Mr. CLAYTON. No, sir; I think it would increase it. The only way we can reduce the cost of growing cotton in the United States very materially is through mechanization. In the end we may not employ so much labor in that process, but the labor that we employ should be higher paid.

Senator PEPPER. Your theory would practically eliminate what is called the family unit in cotton production as cotton is produced at the present time?

Mr. CLAYTON. I do not think so, sir; I think that the family unit would continue to produce cotton as a cash crop and produce food and feed and other things that are necessary for living. But it would produce a certain amount of cotton as a cash crop. The production of cotton on a large scale as a commercial undertaking would take place in larger units than at present.

Senator PEPPER. Your theory about Treasury payments, as I understood it, was only to afford a period until those engaged in the production of cotton and unable to survive in the cotton-competitive system would have an opportunity to get out of that business and into some other?

Mr. CLAYTON. To enable them to have a period to shift from inefficient to efficient production from the lands which should be used for other purposes; what we call marginal lands, which should not grow cotton. They would grow other things—peanuts, perhaps; or the land would be put in pasture; so that the efficient lands would be used for producing this crop to meet world competition.

It is all a question, Senator PEPPER, of whether or not we want to stay in the business of selling cotton to the rest of the world. If we want to reduce the size of our cotton crop to purely the needs of domestic consumption, we can follow another policy. But even in that, we have to reckon upon the competition of synthetic fibers. Cotton is today fighting a battle on two fronts—the export front and the domestic front.

Senator PEPPER. Would you carry that same theory further; namely, that no American enterprise which depends upon the world market should be continued unless it can economically survive in the world competition for that market? Is that a factor that enters into that theory?

Mr. CLAYTON. I think this, Senator PEPPER: That any crop or any commodity that depends upon an export market for absorption of the surplus must be produced on an efficient basis if we are to compete with world production.

Senator PEPPER. It is obvious, of course, that if you are not able to meet world competition, you will have to have aid in the form of a subsidy or some other sort of governmental assistance. Would you carry that same theory into all other American export business?

Mr. CLAYTON. Senator PEPPER, for the moment I would just prefer to confine the discussion to cotton. That is the only thing I have specialized in, the thing I think I can speak with some authority about. The other things I would like to think about and study before expressing categorical opinions. I said a moment ago that I did not favor subsidies. If that is what the implication of your question is, I repeat that I do not favor subsidized exports.

Senator PEPPER. Would you favor Government aid to those people who might not be able to survive in the cotton-producing business, either in the form of teaching them another trade, if necessary by governmental loans or at Government schools, or, if necessary, to set them up in some other business by making loans available to them to get into a certain business? In other words, if the policy which you advocate would have the effect of driving people off the land, would you guide them into some other vocation where they would have a chance to survive?

Mr. CLAYTON. I certainly would. May I say that I do not like the expression that the policy I favor would drive people off the land. I am just presenting two alternatives. One is that you can either cut your production down to the domestic market, and even in that case have to fight a battle with rayon and other synthetic fibers and find cotton gradually losing out on that front, and in the end find that you have got to take some heroic measures in order to adjust the situation; or you can have a long-range view of the situation—say, 5 or 10 years—and recognize that a large part of the South—the southern population and southern economy—is dependent upon this great crop and that it is in the interest of the South and in the interest of the United States to try to preserve that crop and to retain the export market and have, as Secretary Wickard says, a kind of reconversion program for cotton; to go in there and by soil-conservation payments and by income payments, as Secretary Wickard says, to the inefficient assist them to get into some other crop or some other activity where they can make a more decent living than they can with something that is no longer efficient.

There has been a great change in the cotton situation in the last 20 or 25 years. There are too many foreign countries that have gone into the production of cotton on a considerable scale, and we just have to face facts as they are.

Senator PEPPER. I am not quarreling with the theory of reconversion with respect to our cotton crop, but I am interested to know whether you have devoted some concern to the reconversion of the people who would be affected by that policy, the policy itself going to your point of view as to whether you think in terms of the logic of international trade and the inevitable consequences of a policy with respect to the commodity; whether your background and your point of view cause you unwittingly to place undue emphasis upon what might be called the logical situation rather than following through to the inevitable consequence of that policy upon human beings, and whether you have given the same thought to guiding human beings back as you have to a policy with respect to a commodity.

Mr. CLAYTON. I assure you I have. I have given a great deal of thought to that subject. I have said from the beginning, going away back to 1933, that, in my opinion, the Government owes the cotton farmer something for the fact that he has to buy in a closed market and sell in a free market. I believed that some adjustment payment or income payment to the cotton producer by the United States Government was in order. What I have cautioned against and warned against repeatedly is that the program should not be such as to try to make the market make that payment to him, because in attempting to make the market pay it to him, you throw the market out of line with the world market and destroy your export trade in cotton.

Now, as I said a moment ago, we are faced with the problem that we may be destroying to a certain extent our domestic trade in cotton, due to the competition of these synthetic fibers. I think it would be socially and economically very, very wrong today to take the cotton problem and just say, "We are going right back to the old system of laissez-faire in cotton; we are going to cancel all the loans. We are going to cancel all the income payments and all the soil-conservation payments. We are going to cut out everything and let the cotton farmer shift for himself."

I would vote always against any such program as that. We have gone too far on the road that we are on now to turn the cotton farmer loose and just leave him to shift for himself. We must adopt some constructive program with a humanitarian, broad, social background which will assist in the reconversion of this great industry with the view eventually of getting it where it can take care of itself.

Senator PEPPER. Mr. Clayton, as assistant to R. F. C. Administrator Jesse Jones, did you oppose writing into the contracts for Bolivian tin the proviso that the employers from whom the tin was bought had to pay certain minimum wages to the employees producing the tin that we bought?

Mr. CLAYTON. I felt, Senator PEPPER, that it was a mistake to use our economic power to endeavor to direct the internal affairs of foreign countries with whom we were trading. I felt that it would produce irritations and cause difficulties and troubles with those people that we would always regret. I had several discussions with Mr. Milo Perkins on the subject, and when he assured me that the only intention was in the use of that clause to protect the United States against situations which might arise which would cause a falling off in production of things which we needed, we accepted the clause, and it was inserted in the contracts.

Senator PEPPER. Mr. Clayton, I recently had the opportunity to discuss with representatives of the Colombian Government the question of raising the price of coffee; the price that we in the United States should pay the Colombian people who export coffee to us. Let us suppose that that would come within your jurisdiction. Suppose the United States agreed that for certain reasons we should pay more to the Colombian exporter for coffee that we buy from him. Would you think it improper to insist upon any assurance that the increase in price that we pay for the coffee should actually go back down to the workers on the coffee farms or plantations, or whatever they call them?

Mr. CLAYTON. Senator PEPPER, my philosophy is that any attempt by our Government to direct or influence the internal affairs of foreign countries should be at a very minimum. I think that we should let them run their own affairs and keep out of any definite, specific controls that we would try to exercise over their affairs.

Senator PEPPER. Now, one other question. Did you in any way, directly or indirectly, oppose the adoption of the National Labor Relations Act?

Mr. CLAYTON. No, sir. I do not think so; no, sir.

Senator PEPPER. Did you contribute any funds to attorneys who attacked the constitutionality of that act?

Mr. CLAYTON. I certainly do not recall having done so; no, sir.

Senator PEPPER. At the time of the formation of the so-called Liberty League, I had the impression that attorneys were engaged to make an attack upon or to render an opinion upon the unconstitutionality of that act, and that fees were paid such attorneys by the Liberty League, of which I had understood you were a member. Do you know whether any funds which you contributed to any organization went into the employment of such attorneys for such purpose?

Mr. CLAYTON. No, sir; I do not. I did join the Liberty League when it was first formed, at the invitation of a very good friend of mine who was one of the organizers of it. I never attended a meeting, and I paid no attention to the proceedings or to the conduct of their affairs, up to the time, I have forgotten just when, I resigned.

Senator PEPPER. Thank you.

Senator SHIPSTEAD. Senator, I would like to ask some questions.

Senator BANKHEAD. Senator, I would like to ask——

The CHAIRMAN. Just a minute, Senator BANKHEAD; I will give you an opportunity, Senator SHIPSTEAD.

Senator SHIPSTEAD. On this conversion or reconversion of the cotton business, I understood you meant you would use two methods—to make it possible to produce cotton at less cost, or to reduce production. Did you include both of those methods for handling the cotton situation?

Mr. CLAYTON. No, sir; I did not speak in favor of reducing production.

Senator SHIPSTEAD. Would you reduce acreage, and is it necessary to reduce acreage?

Mr. CLAYTON. No, sir. The acreage is already less than half of what it normally was back in the 1925–26–27 period. I did not speak in favor of reducing acreage; no, sir.

Senator SHIPSTEAD. The thought is in the minds of some people in this country that these cotton farmers would have to go into some other form of production. Do you think that is necessary?

Mr. CLAYTON. I think it is necessary where they are farming what we call marginal lands or submarginal lands, and at the same time lands that are better adapted to cotton will be put into cotton, so that on the whole there will be an increase and not a decrease in acreage.

Senator SHIPSTEAD. What would you think that those who cultivate submarginal lands should raise?

Mr. CLAYTON. I cannot answer that, Senator SHIPSTEAD. I think this, that the Department of Agriculture should assist them, by income payments and by advice and help in every way possible, to shift to something else, because obviously they cannot go on producing cotton at the rate that it is being produced today without having an export market; and the only way you can get an export market under the present situation is to pay a subsidy.

Senator SHIPSTEAD. I think that is clear. You said you had not invested any capital in cotton production abroad?

Mr. CLAYTON. That is right.

Senator SHIPSTEAD. Did you make any loans for that purpose?

Mr. CLAYTON. Yes, sir; we made loans to farmers abroad, just as we do in this country.

Senator SHIPSTEAD. That is all.

The CHAIRMAN. The members of the committee will remember that on yesterday there were several Senators, not members of the committee, who were present at our hearing. I noticed in the press last night a statement that some of the Senators who had been present felt as though they should have been invited to ask questions. The committee is always glad to extend the courtesy to any Senator, upon request, but the chairman had no request from any of the Senators. However, I notice a number of them are here today, and the committee wants to extend to them the courtesy of permitting them to ask questions. Any Senator present, even though he is not a member of the committee, may ask questions. Senator BANKHEAD has already indicated he would like to ask some questions; So, Senator BANKHEAD, you may proceed.

Senator BANKHEAD. Mr. Clayton, in your statement on yesterday—I was not here; I have it before me—you stated that your firm or company had invested money in certain countries, and that the fixed assets of your company in Mexico, Peru, Argentina, Paraguay, Brazil, and Egypt amounted to about $10,000,000. That is correct?

Mr. CLAYTON. That is right; yes, sir.

Senator BANKHEAD. What is that invested in?

Mr. CLAYTON. It is invested in cotton gins, oil mills, warehouses, and compresses.

Senator BANKHEAD. That was intended to help increase the production in those countries, was it not?

Mr. CLAYTON. No, sir; it was not.

Senator BANKHEAD. Well, the handling of it? You could not sell it, unless you used the things that you have bought down there, or furnished the money to buy?

Mr. CLAYTON. I do not quite understand your question, Senator BANKHEAD.

Senator BANKHEAD. You cannot sell cotton until you gin it, can you?

Mr. CLAYTON. That is right.

Senator BANKHEAD. And you furnished the money to buy gins down there?

Mr. CLAYTON. Yes; but not to increase the production; but to furnish gins as the production was being increased.

Senator BANKHEAD. Yes—the facilities to handle increased production?

Mr. CLAYTON. That is right.

Senator BANKHEAD. That is right? And that is true in all these countries that you have listed here?

Mr. CLAYTON. I do not believe there has been any increase in production in Egypt.

Senator BANKHEAD. You bought those facilities for carrying on cotton production, in this country, and shipped them down there, did you not?

Mr. CLAYTON. For carrying on the cotton production?

Senator BANKHEAD For carrying on the cotton business.

Mr. CLAYTON. The cotton business?

Senator BANKHEAD. Yes.

Mr. CLAYTON. That is right; yes, sir.

Senator BANKHEAD. And how much of your $10,000,000 was invested in those facilities to aid in the carrying on of the business of cotton production?

Mr. CLAYTON Well, as I say, the whole $10,000,000 was invested in cotton gins and oil mills and compresses.

Senator BANKHEAD. Well, I understand it all; but the whole $10,000,000 was, then, to provide these facilities?

Mr. CLAYTON. Yes, sir; that is right.

Senator BANKHEAD. When did that begin, Mr. Clayton?

Mr. CLAYTON. Oh, back about 1923 or '24.

Senator BANKHEAD. In which country did it begin?

Mr. CLAYTON. Mexico.

Senator BANKHEAD. Then you moved into South America?

Mr. CLAYTON. Yes, sir.

Senator BANKHEAD. When did you go into South America?

Mr. CLAYTON. We went into Peru, I think, in 1929 or '30.

Senator BANKHEAD. What has been the increase in production in South America since you entered that field?

Mr. CLAYTON. It has increased in Brazil very largely; not so very largely in the other countries; none in Peru. It has increased considerably in Mexico, Argentina, and Brazil; none in Paraguay. Brazil is the principal country where it has increased.

Senator BANKHEAD. Taking them all together, how much increase has there been since you entered the field?

Mr. CLAYTON. How many bales?

Senator BANKHEAD. Yes. That is the only way we count increases.

Mr. CLAYTON. I suppose the increase has been 1,500,000 to 2,000,000 bales.

Senator BANKHEAD. It was rather nominal before you went there to enter the business, was it not?

Mr. CLAYTON. It depends on what you would call nominal.

Senator BANKHEAD. It was less than 500,000 bales, isn't that right?

Mr. CLAYTON. Oh, no; it was a great deal more than that, in Central America, Brazil, Mexico, and South America.

Senator BANKHEAD. How much was it?

Mr. CLAYTON. Mexico and South America at the time we went there were producing about 1,000,000 bales.

Senator BANKHEAD. And now it is 2,500,000?

Mr. CLAYTON. 2,500,000 to 3,000,000. It would be even more than that, Senator BANKHEAD, in the last 2 or 3 years. I haven't kept up with it very much for 4 years, but it is probably running now, in Mexico, Peru, Brazil, Paraguay, and Argentina—it will probably run 4,000,000 bales, now—3,500,000 to 4,000,000 bales.

Senator BANKHEAD. I had an idea the increase was considerably more.

Mr. CLAYTON. Yes.

Senator BANKHEAD. Now, Mr. Clayton, as I understand your position, both by your statement here and by observing you in action in the cotton business, it is my understanding that you believe that the cotton farmer ought to be put on the free-enterprise basis, to handle his own business as far as possible without Government interference or without Government help.

Mr. CLAYTON. I think that with Government help he ought to be put in a position where he can operate without Government help; yes, sir; that is what I believe.

Senator BANKHEAD. But you want that Government help to continue over a long period of years?

Mr. CLAYTON I think it would probably take from 5 to 10 years to reconvert the cotton industry

Senator BANKHEAD. And you believe in one world price for cotton?

Mr. CLAYTON. Yes, sir; I do.

Senator BANKHEAD. You believe the American southerner should be required to sell his cotton at the same price that the cheap Indian worker and the Egyptian workers get for their products?

Mr. CLAYTON. No, sir; I do not think he should be required to do it

Senator BANKHEAD. Well, not required; but if he did not have a market otherwise he would be required, would he not?

Mr. CLAYTON. Yes; that is right.

Senator BANKHEAD. So, in effect, that is what it means?

Mr. CLAYTON. In effect, it means this, Senator BANKHEAD—that if in time the production of cotton cannot shift to more efficient lands, more efficient means of production, so as to meet this competition, then the Government has got to help the cotton farmer get out of that business and get into something else.

Senator BANKHEAD. In other words, you believe that, if necessary to enable the cotton buyers and shippers of the cotton trade to have cotton and a market for it in the world that enough cotton production should be eliminated to justify their doing so?

Mr. CLAYTON. Enough cotton production should be eliminated?

Senator BANKHEAD. Yes, yes.

Mr. CLAYTON. No, sir.

Senator BANKHEAD. Well, you have just said it would result in the elimination of a great many farmers.

Mr. CLAYTON. No, sir; excuse me. What happens to the cotton buyers and the cotton shippers is of relatively little consequence. What happens to these 2,000,000 cotton families in the South, that are trying to grow cotton, is of enormous consequence. Now, what my program would be, Senator BANKHEAD mind you, I cannot see that this has much to do with my duties as Assistant Secretary of State for foreign economic affairs.

Senator BANKHEAD. Well, it has a good deal to do with your philosophy with reference to a great group of your fellow citizens. It has a lot to do with your filling that high place, from my standpoint.

Mr. CLAYTON. I am perfectly willing to discuss it with you, and I would like to say just exactly what my philosophy is of the best way to deal with the cotton problem.

I will go back now and say that my idea is practically the same as that stated by Secretary Wickard, the Secretary of Agriculture.

Senator BANKHEAD. Secretary Wickard had four alternatives in his statement, as I recall it.

Mr. CLAYTON. And the fourth one was the one that he preferred.

Senator BANKHEAD. Yes.

Mr. CLAYTON. He so stated; and I read that.

Senator BANKHEAD. Now, so everybody who has not read his statement will understand it, that means, as I recall it, and I only read it once, casually—that means that Secretary Wickard favors the Federal Treasury paying the difference to the farmers between the world price and some upper price, which we will suppose is parity; is that the way you understood it?

Mr. CLAYTON. That is right; and the adjustment payment; meantime, assisting the farmers who are farming submarginal lands

which should not be in cotton, to shift to something else. That is his program, and that is mine.

Senator BANKHEAD. How many do you figure that would put out of raising cotton?

Mr. CLAYTON. I do not know.

Senator BANKHEAD. A large number, would it not?

Mr. CLAYTON. I just do not know. Senator BANKHEAD, what is the alternative? What is the alternative?

Senator BANKHEAD. Well, there are a good many; but you are talking about Secretary Wickard now, and his program was for the Federal Treasury to pay the difference?

Mr. CLAYTON. That is right.

Senator BANKHEAD. Which would probably mean a half a billion dollars a year, would it not?

Mr. CLAYTON. I do not know. I just have not figured it up.

Senator BANKHEAD. Well, you know, there is a difference of about 7 or 8 cents in the world price of cotton and the American price of cotton?

Mr. CLAYTON. Yes.

Senator BANKHEAD. And, of course, if you took the loan program out—which I understand you favor, not cutting it right off, but as fast as you can—someday you will get back to the same situation without a supporting loan; but now, at present, isn't that difference about 7 or 8 cents a pound between the world price of cotton and the American price?

Mr. CLAYTON. The difference is around about 5 or 6 cents.

Senator BANKHEAD. That would be according to Secretary Wickard's plan, of which you think well—and I have no objection to it, if you will guarantee that the Congress will appropriate that tremendous sum of money for the cotton farmers—bearing in mind other obligations to other farmers; but under that plan, except in parity, which is a cotton farmer's right as to price, that must be made up between world price and the income of the farmer. That would be around $500,000,000 a year, $40 or $50 a bale, on 12,000,000 bales. That is what it would be, would it not, Mr. Clayton?

Mr. CLAYTON. It would be about 6 cents a pound, which is $30 a bale, and on 12,000,000 bales, if we went as high as that, would be $360,000,000.

Senator BANKHEAD And, of course, that would be a recurring annual charge?

Mr. CLAYTON. Until the necessary shift could be made so as to assist the farmers who cannot produce in competition with the world price to shift to some other crop.

Senator BANKHEAD. And that would result in the bulk of cotton production going either to the Delta or to the western plains, where it could be done economically by machinery?

Mr. CLAYTON. It probably would; yes, sir.

Senator BANKHEAD. With the elimination, largely, of Alabama, Tennessee, Georgia, and the Carolinas?

Mr. CLAYTON. No, sir; it would not eliminate them.

Senator BANKHEAD. Well, I said that would be the areas where they would have the losses in production?

Mr. CLAYTON. I think they would continue to grow a good deal of cotton for domestic consumption, and the other part of the country would grow the export cotton.

Senator BANKHEAD. Could they afford to produce cotton at this Indian price based on oriental's cheapest labor, of the world price?

Mr. CLAYTON. Senator BANKHEAD, the figures which have been made by cotton farmers, not by cotton shippers but by cotton farmers, show that in certain parts of the United States, by the use of mechanization, cotton can be produced at a profit, at 12 cents a pound.

Senator BANKHEAD. Well, that is in the Delta country and the plains of the West, is it not?

Mr. CLAYTON. Yes, sir; that is right.

Senator BANKHEAD. So that would result in a very great shift in the cotton production and in the real economy of the entire Cotton Belt?

Mr. CLAYTON. It might in time. Now, let us examine a moment the alternative to that. The alternative is for the continuation of a high price which will destroy entirely the export market on cotton, and in time destroy the domestic market by shifting from cotton to synthetics, rayon, and other things.

A number of cotton mills have already indicated that as soon as they can purchase synthetic yarns they are going to have synthetics instead of cotton. What will we do with our twelve or thirteen million bales of cotton production?

Senator BANKHEAD. We hope to do what you are proposing to do; I do not know whether we can or not—get the Government to make up the difference.

Mr. CLAYTON. And what would we do with the cotton?

Senator BANKHEAD. Dump it, as you want to do.

Mr. CLAYTON. Dump it, "as I want to do"?

Mr. BANKHEAD. Yes.

Mr. CLAYTON. I do not want to dump it.

Senator BANKHEAD. On foreign markets.

Mr. CLAYTON. I am opposed to dumping on foreign markets.

Senator BANKHEAD. You are opposed to subsidies?

Mr. CLAYTON. Yes, sir—that is "dumping."

Senator BANKHEAD. How then are you going to get rid of it?

Mr. CLAYTON. Well, I am asking you. That is the only alternative that I see.

Senator BANKHEAD. But that is what I cannot see under your plan.

Mr. CLAYTON. No; that is not my plan.

Senator BANKHEAD. Your plan forces an impossible alternative, as I see it.

Mr. CLAYTON. If the plan of Secretary Wickard, that I and that others advocate, is not adopted, then you are going to continue with the present plan presumably, which is to produce, twelve, thirteen, or fourteen million bales of cotton a year, which you cannot sell. Now, I do not know how long the United States Government can go along with that kind of thing.

Senator BANKHEAD. This increase in production will reduce the world price further, will it not?

Mr. CLAYTON. What increase do you speak of?

Senator BANKHEAD. Well, if you have an increase in production, here, having no limitations.

Mr. CLAYTON. I do not know. I do not know whether production will increase or not. It may not.

Senator BANKHEAD. The more cotton we produce lowers the world price if it is permitted to go abroad at the world price, isn't that true?

Mr. CLAYTON. We may not increase; I do not know. No, sir; I do not know.

Senator BANKHEAD. You have no judgment about it?

Mr. CLAYTON. It depends on the conditions from year to year; but whether we would go on, even on an absolutely free economy, raising more than twelve or thirteen million bales of cotton a year, I just do not know.

Senator BANKHEAD. Mr. Clayton, you have always opposed giving the power to the farmers, as they have now, of limiting their supply to fit the demand, have you not?

Mr. CLAYTON. Senator Bankhead, what I have always opposed is any plan which would attempt to make the market pay the cotton farmer what I think the United States Government owes him. Now, in either case, you make the American people pay. When you force the price up, they pay in the higher price of clothing. The American people and paying that now in the higher price for cotton and cotton goods.

Senator BANKHEAD. They are paying the same amount, whether for textiles or otherwise?

Mr. CLAYTON. That is right. That is right.

Senator BANKHEAD. Then, from a money standpoint, would it not be better and provide greater self-respect to the farmer to get his price for his cotton in the market place, than to have to go to the Treasury of the United States and ask for his check to make up the difference?

Mr. CLAYTON. Certainly it would, if he could sell it.

Senator BANKHEAD. Well, he could sell it at some price.

Mr. CLAYTON. Well, at some price.

Senator BANKHEAD. Yes.

Mr. CLAYTON. But not at the parity price.

Senator BANKHEAD. You did not answer my question. Have you not always opposed giving the farmers the power to adjust their supply, by a two-thirds vote of the farmers, to adjust their supply to fit the market requirements?

Mr. CLAYTON. I have opposed Senator Bankhead, the imposition of penalties on farmers who wanted to raise cotton.

Senator BANKHEAD. Well, just answer my question, then you can give any explanation that you want.

Mr. CLAYTON. Yes, sir.

Senator BANKHEAD. You have always opposed it?

Mr. CLAYTON. I have opposed that program, because it attempts to make the market pay to the cotton farmer what I think the Government owes him; and I think in attempting to make the market pay you destroy not only your export market but now you are going to destroy a certain amount of your domestic market.

Senator BANKHEAD. That principle applies to tobacco, does it not?

Mr. CLAYTON. I do not know anything about tobacco.

Senator BANKHEAD. Well, you know whether the principle applies to any agricultural commodity. You are opposed to the principle?

Mr. CLAYTON. I just do not know anything about tobacco.

Senator BANKHEAD. Well, I say, you are opposed to the principle so far as cotton is concerned?

Mr. CLAYTON. I am opposed to it as to cotton; yes.

Senator BANKHEAD. But on tobacco you do not know whether you would be or not?

Mr. CLAYTON. I do not know.

Senator BANKHEAD. You do not know whether you would allow the cotton farmers to take it away from the cotton producers and leave it with the tobacco producers and the wheat producers?

Mr. CLAYTON. I would be entirely willing to leave it with the cotton farmer, if the system would work. I would just be perfectly willing and happy to do it, if it would work, but it will not work.

Senator BANKHEAD. Why will it not work?

Mr. CLAYTON. Why, because it is breaking down already. Why did Mr. Pace hold his hearing here? Why is everybody concerned about the future of cotton in this country? We are piling up a surplus all the time that we cannot get rid of. We are having to dump it, as you say, abroad. That is something we have got laws against here if people practiced it on us.

Senator BANKHEAD. Well, your criticism is not from the farmer's standpoint. It works so far as they are concerned?

Mr. CLAYTON. It works so long as the United States Government would buy the cotton.

Senator BANKHEAD. It has worked up to date?

Mr. CLAYTON. Yes, sir; as long as the United States Government will buy the cotton and pay the price for it to the farmer, it works, from the farmer's point of view.

Senator BANKHEAD. It never bought it but 1 year, and they haven't bought it much this year.

Mr. CLAYTON. They buy it in high loans.

Senator BANKHEAD. You mean they make loans on it. That is correct.

Mr. CLAYTON. Well, they are nonrecourse loans.

Senator BANKHEAD. You know, I guess, that the Government has made money on its cotton loans?

Mr. CLAYTON. Yes; it probably has—until you start selling it.

Senator BANKHEAD. It made, according to the testimony of the Commodity Credit President, $92,000,000 on his cotton program?

Mr. CLAYTON. Senator Bankhead, you never figure up a profit and loss until you are through with an operation. You cannot figure your profits in the middle of it.

Senator BANKHEAD. It has been going on for some time?

Mr. CLAYTON. Yes, sir.

Senator BANKHEAD. And the farmers, every time they have a free vote on it, vote more than 90 percent and up to 96 percent in favor of its continuance?

Mr. CLAYTON. Yes.

Senator BANKHEAD. Now, you oppose that principle. You want to put it on a basis of free enterprise; let them produce cotton that is not needed anywhere in the world, and if it is running the price down so low that they are on a starvation basis, still you want them to maintain the old theory?

Mr. CLAYTON. No, sir.

Senator BANKHEAD. "Every man to himself"?

Mr. CLAYTON. No, sir; I certainly do not.

Senator BANKHEAD. Well, that is what I understood you to say.

Mr. CLAYTON. You misunderstood.

Senator BANKHEAD. Did you say you opposed that?

Mr. CLAYTON. I do not want to put it on a starvation basis.

Senator BANKHEAD. Well, it would have that effect, I think. You think if you moved down to the low of 5 or 6 cents for cotton, now, that would not put them on that basis?

Mr. CLAYTON. I know 5- or 6-cent cotton will.

Senator BANKHEAD. You went through your experience. You accumulated a surplus of around 13,000,000 bales of American cotton, as you well know.

Mr. CLAYTON. Yes, sir.

Senator BANKHEAD. But we never can get away from it until we get power to adjust that supply.

Let me put this in the record. The cotton-control program was adopted by Congress and approved by the farmers in 1934. They had it in effect in 1934 and 1935. Early in January, the Supreme Court of the United States declared the act was unconstitutional. They started with a 13,000,000-bale surplus and about 6 or 7, possibly 8 cents, for cotton, but paid the now 5½ cents for 1 whole year, 1931. Now, they got it down. They got the surplus down to about 7,000,000, as I recall. Immediately and automatically the price went up, and the world price, too; and our price went up nearly 13 cents a pound.

All right—in 1936 the Supreme Court declared that act unconstitutional. In 1937 the farmers, although they wanted the program, had been voting for it, the farmers produced, the first year they were turned loose, in 1937, nearly 19,000,000 bales of cotton, the biggest cotton crop ever produced in this country, and put the price down again promptly to 6 cents a pound, because they did not have the power to adjust their supply, as General Motors does with its cars.

Now, I hope you do not object to that program. I think you do. I think you have, in the past.

Mr. CLAYTON. Senator BANKHEAD, I have stated my position on the matter so many times, but I will just state it again. I think there are only two alternatives; one is to continue the program that is in effect now and the Government go on buying this cotton and the farmers increasing the production—they had a bigger crop this year than last——

Senator BANKHEAD. They had a reduced acreage, though?

Mr. CLAYTON. And in time, build up the surplus to the point where the dam just breaks, that is all. You cannot go on piling up a surplus of high-priced cotton forever.

Senator BANKHEAD. I recognize, Mr. Clayton, that we have got a most serious problem, to deal with cotton—and we have had it ever since I was a boy. Something comes along that temporarily relieves the situation, and then further troubles come. You know all about these waves in the price program, the price situation. I wish we had some way to settle it, but I cannot make up my mind to do what a lot of people advocate—to adjust the cotton program for the world at the expense of the southern farmer. As far as I am concerned, I am not going to do it.

The CHAIRMAN. Mr. Clayton, the matters that you and Senator BANKHEAD have been discussing, are they not largely legislative problems as to what the Congress will do with respect to these matters, rather than what you can do as Assistant Secretary of State?

Mr. CLAYTON. Certainly. That is a matter that I will not have anything to do with. Congress will fix the policy and pass the laws, and it is something that I would not have anything to do with.

The CHAIRMAN. Whether you were Assistant Secretary of State, or were not?

Senator BANKHEAD. Will you please ask him, if he is the Assistant Secretary of State, whether his duties would not require him to deal with the world price for cotton?

The CHAIRMAN. Is that a question, Senator? I do not know whether you intend to ask a question or not.

Mr. CLAYTON. Is that a question?

The CHAIRMAN. I understand it is a question.

Mr. CLAYTON. For me?

The CHAIRMAN. Yes.

Senator BANKHEAD. I asked you if the position to which he is to be appointed, whether he fills it or excuses himself, does not put him in position to deal with problems and policies and programs that will affect the world price of cotton; and he wants our cotton price basis to go down with the world price.

The CHAIRMAN. I assume, if he does, he will act under whatever the law is at the time.

I assume you will follow the law, will you not, as Assistant Secretary?

Mr. CLAYTON. Certainly, certainly.

The CHAIRMAN. And whether you are in office or out of it, you will still have the same views and the same opinions?

Mr. CLAYTON. That is right.

The CHAIRMAN. For submission to any committee of Congress, or to the Congress, itself; is that right?

Mr. CLAYTON. Yes, sir.

The CHAIRMAN. Now, Senator CHANDLER, of Kentucky, is present.

Senator GILLETTE. Mr. Chairman, before Senator CHANDLER is given the opportunity, may I ask one or two questions on a matter which has just been discussed?

The CHAIRMAN. Senator GILLETTE.

Senator GILLETTE. Mr. Clayton, of course the discussion, as the chairman has suggested between you and Senator BANKHEAD has been concerned in a large measure with the domestic situation, which might or might not be cured by legislative action; but there is something basic and fundamental in this thing, that does bear on your prospective position and the policies that you may possibly initiate and certainly administer.

Going back to the question that I asked you, before, of the announced policy of our promoting a great expansion of foreign trade through the development of production and trade throughout the world, that means, to me, if it means anything, that the cornerstone of this building that we are going to erect is the development of trade abroad to create purchasing power to take our surpluses; is not that true?

Mr. CLAYTON. That is part of it; yes, sir.

Senator GILLETTE. Well, that is the principal thing, is it not—creating that purchasing power, to take our surpluses that we have to put into the channels of commerce?

Mr. CLAYTON. I think, in the beginning of the post-war period, Senator GILLETTE, it is going to be necessary to assist the rest of the world—that is, those that are entitled to it—with credits, with which to purchase the American goods of which they are very much in need. In the beginning, with their productive facilities in many cases destroyed in the occupied countries, and with great scarcity of goods, they would obviously be unable to pay in goods and services, no matter whether we had a tariff or did not have it, because they would not have the goods or the services, so that I think that in the beginning, for the first 2 or 3 years, it is going to be necessary in order to get the wheels going again to extend credits.

Now, at Bretton Woods, as you know, they devised a plan for an international bank for that purpose, to extend credits for productive facilities, for investments abroad, and so on; and then we have the Export-Import Bank, which is concerned more with short-time loans for financing consumer goods and raw materials and so on. After a few years, when productive facilities abroad are restored and the economy of these foreign countries has been adjusted more or less to a peacetime and normal situation, they will be in a position to pay us at that time the interest on the money that they have borrowed and to continue to buy our goods; and at that time I think that it is highly important that the situation should be so adjusted that they can sell us goods in order to balance off payments and to continue to buy our goods.

Senator GILLETTE. I wholly agree with you, but may I add, as you have just stated, that if we are to have markets in foreign countries for our surplus goods, there must be a purchasing power, either in the form of credit that we or someone else has made available to them, or goods and services which they can exchange for our goods and services.

Mr. CLAYTON. That is correct.

Senator GILLETTE. Your suggestion is that we furnish credit as we did at the end of the last war, as a preliminary, and the secondary thing is this fundamental thing that is stated here in Mr. Stettinius' statement, that we must assist in building up production abroad that will enable them to have the purchasing power of goods to exchange for ours; that is true?

Mr. CLAYTON. That is correct; yes, sir.

Senator GILLETTE. Then, that brings me back to my original question that I asked you; and your viewpoint, your philosophy, is that we shall build that up regardless of its effect on other American products and other American industries in a competitive way; we cannot build this on a cotton economy, alone?

Mr. CLAYTON. Certainly not.

Senator GILLETTE. We have other interests, agricultural and industrial, and must we not have in mind the position that it puts these industries in competitively abroad in lending this assistance to build up that purchasing power?

Mr. CLAYTON. I think, Senator GILLETTE, that we ought to take a look at the circumstances surrounding all those things. I do not think that we ought to just adopt a policy blindly and say we are going to do this, no matter what the results may be; but I think, by and large, that we are very shortsighted if we assume for a moment that if we withhold certain productive facilities from some foreign country, if that is an industry or a proposed industry which makes sense, which is "a natural" for the country, that can be established and maintain itself, I think we are very shortsighted if we assume for a moment that some other country, Germany or England or some other country, will not furnish those facilities, and that industry will not be built. So that in the final analysis it just becomes a question of whether we will do the business or whether somebody else will do it.

Senator GILLETTE. Just one other question, Mr. Clayton, and then I turn you over. The philosophy that is enunciated here and that we have been discussing is a far cry, is it not, from the traditional philosophy that you and I, I believe, personally did not subscribe to, of a high protective tariff to protect American industry, and protection against foreign competition, but the policy that envisions building up foreign competition at our expense.

Mr. CLAYTON. I do not see it, Senator GILLETTE, as building up foreign competition at our expense. I just cannot see it in that sense. I think that the policy that is set out there by Mr. Stettinius is a philosophy, a policy of an expanded world economy which will bring prosperity not only to our country but will assist in raising the living standards and improving the conditions of other parts of the world at the same time.

The whole world is so closely knit together now economically that it is not going to be possible for any one area of the world to have prosperous conditions and a rising standard of living if the rest of the world is on the downgrade; it just cannot be done. But I do not see this in a narrow sense of building up productive facilities abroad that will compete with us and will reduce our trade and our standard of living. I think it has to be looked at in a very broad sense, and I think that the policy there enunciated will assist us in improving our economic conditions in this country and the standard of living.

Senator GILLETTE. I said I would ask you just that one question, but may I ask one more?

Mr. CLAYTON. Yes, sir.

Senator GILLETTE. You spoke in your colloquy with Senator BANKHEAD of an investment of Anderson, Clayton & Co., of $10,000,000, in establishing facilities abroad for processing cotton.

Mr. CLAYTON. Yes, sir.

Senator GILLETTE. Were those facilities established and the investment made for processing American cotton?

Mr. CLAYTON. No, sir; for the cotton grown in the country where the facilities were established.

Senator GILLETTE. That is all, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator CHANDLER.

Senator CHANDLER. Mr. Chairman and gentlemen of the committee, I very greatly appreciate the courtesy of the chairman and the members of the committee in permitting me to ask some questions of Mr. Clayton, and, before the hearing is finished, I would like to ask the distinguished Secretary of State a question or two.

Mr. Clayton, any question that I ask that will endanger the security of the people of the United States, I would be glad if you would not answer it. There have been some that have been asked that some have considered were questions that ought not to have been answered, and I do not desire questions that I ask to be answered publicly if it would cause any trouble to the people of our country. There may be some questions you do not want to answer, that I may ask in private, if I may, either to you or to the distinguished Secretary of State.

What is the business of Anderson, Clayton & Co.—the principal business?

Mr. CLAYTON. Cotton merchandising.

Senator CHANDLER. Have you any other business?

Mr. CLAYTON. They are in the cotton-ginning business, cottonseed oil-milling business, cotton compressing and warehousing business. They own a barge line that was established originally about 15 years ago to transport cotton, which now transports other things. They own an insurance company which insures their properties and their cotton that they ship. I think that is all.

Senator CHANDLER. Do you engage in the tobacco business?

Mr. CLAYTON. No, sir.

Senator CHANDLER. In any way?

Mr. CLAYTON. No, sir.

Senator CHANDLER. Where are the home offices of the company?

Mr. CLAYTON. Headquarters is at Houston, Tex.

Senator CHANDLER. I believe you stated you retired as chairman of the board in August 1940?

Mr. CLAYTON. Yes, sir.

Senator CHANDLER. Since your retirement on that date, have you been consulted with respect to important business of the company?

Mr. CLAYTON. I said to the six or seven men who were going to manage the business when I left that I did not want them to bother me about any business matter unless it was almost a life-and-death major-policy matter. I can only think of three or four matters that they have consulted me about in the last—nearly 4½ years.

Something was said the other day about a sale of 250,000 bales of cotton which the company made to the United States Government or to Lend-Lease. I did not know about it until after it was made, I did not know it was even contemplated. They have never consulted me except about three or four highly important major matters.

Senator CHANDLER. Is this the principal business that you and the other members of your family engage in and rely on, Mr. Clayton, for your income?

Mr. CLAYTON. It is the only business.

Senator CHANDLER. It is the only business?

Mr. CLAYTON. Yes, sir.

Senator CHANDLER. Do you have a subsidiary of Anderson, Clayton & Co., in Mexico?

Mr. CLAYTON. Yes, sir.

Senator CHANDLER. What is the name of the company—the Mexican name, if you please?

Mr. CLAYTON. Anderson, Clayton & Co., Society Anonyme, a limited company—Anderson, Clayton & Co., S. A., they call it. I think that is the name.

Senator CHANDLER. Do you know anything about a company—I will just spell it out, because I cannot pronounce the Mexican name—C-i-a. J-a-b-o-n-e-r-a d-e-l P-a-c-i-f-i-c-o, operating in Mexicali?

Mr. CLAYTON. Yes; Anderson, Clayton & Co., in Mexico, have several subsidiaries that are organized in Mexico. Anderson, Clayton & Co. (Mexico) is a cotton-merchandising end of the business, and where they have any investment in oil mills, gins, or compresses, they have been organized into subsidiaries; and the company that you mention, that we call Jabonera, is located in Mexicali, and Anderson, Clayton & Co. own a majority of the stock. I do not think they own it all.

Senator CHANDLER. You control the company?

Mr. CLAYTON. Anderson, Clayton & Co. do; yes, sir.

Senator CHANDLER. Do you know whether or not that company did business with the Japanese after Pearl Harbor?

Mr. CLAYTON. I would almost bet everything that I have got that they did not; but I do not know.

Senator CHANDLER. Mr. Clayton, do you know whether or not they made application for relief exemption from the Trading with the Enemy Act, to the State Department of the United States?

Mr. CLAYTON. No, sir. No, sir; I do not know.

Senator CHANDLER. Do you know Mr. John G. White?

Mr. CLAYTON. John G.?

Senator CHANDLER. John G. White.

Mr. CLAYTON. I know John C. White very well.

Senator CHANDLER. Well, maybe it is "C."—John C. White. What is his business?

Mr. CLAYTON. He is a member of a firm of Fulbright, Crooker, Freeman & White, who are attorneys for Anderson, Clayton & Co.

Senator CHANDLER. Where are his offices?

Mr. CLAYTON. They have offices in Houston and in Washington.

Senator CHANDLER. And he represents Anderson, Clayton & Co.?

Mr. CLAYTON. He is a member of a firm that are attorneys for Anderson, Clayton & Co.

Senator CHANDLER. Do you know whether or not, on the 11th day of December 1941, John C. White, as attorney for Anderson, Clayton & Co., addressed a letter to the State Department, for the Jabonera Co., as you have mentioned, a company engaged in the business of cotton production in the Mexicali Valley, asking for that company's exemption from the Trading With the Enemy Act?

Mr. CLAYTON. I do not know, but if he did, I can assure you that it would have had to do only with some Japanese farmers that were raising cotton in that vicinity. That might have been the case, because in many parts of Central and South America there are Japanese farmers and other foreigners, Chinese and others, who raise cotton. It is true in Peru, it is true in Brazil, and so far as I know the subsidiaries of Anderson, Clayton & Co. are probably still buying cotton from those farmers, as everybody else is.

I think we have a situation of that kind perhaps in the United States. I do not mean Anderson, Clayton & Co., but I mean other people. There are Japanese in this country who raise and produce things of different kinds, and I think perhaps American citizens buy from them.

Senator CHANDLER. You were not informed as to the application?

Mr. CLAYTON. No; I was not.

Senator CHANDLER. And you were not told the reasons that they gave for making an application?

Mr. CLAYTON. No; I was not.

Senator CHANDLER. In his letter to the State Department he advanced the reason that his company was not American, although Anderson, Clayton & Co. did own a majority of the stock and did control the company. He said it was a Mexican company, that they were anxious to operate as fast as possible, since the season was under way and they wanted to have the cotton picked and ginned so that they would not lose any money, and that they wanted to do business with Japanese nationals.

Mr. CLAYTON. In Mexico?

Senator CHANDLER. Well, I am not clear—if you have any information more than I have.

Mr. CLAYTON. Well, obviously it could not be anybody else, Senator CHANDLER.

Senator CHANDLER. Could the company, as a Mexican company, with exemptions under the Trading With the Enemy Act, have done business with Japan after the war began?

Mr. CLAYTON. It would have been impossible.

Senator CHANDLER. It would have been impossible?

Mr. CLAYTON. Yes; because of the blockade. I mean, even if they had tried to ship cotton to Japan, they could not have done it.

Senator CHANDLER. If he advanced a reason for making the request, that it would put them in a position where they could do business with the Japanese because they would not be violating American law and it would not be a violation of Mexican law, what would you say?

Mr. CLAYTON. I would say that it has reference to Japanese citizens, farmers, laborers, or others in the vicinity of Mexicali, Mexico, I mean I just think it is obvious. Mr. White, I think, is in this room. You can ask him, if you want to.

Senator CHANDLER. I will be glad to ask Mr. White I did not know he was here.

Mr. CLAYTON. I think he is here.

Senator CHANDLER. When your testimony is concluded.

Mr. JOHN C. WHITE. Mr. Chairman.

The CHAIRMAN. Just a moment. We will talk about Mr. White when we get through with Mr. Clayton.

Senator CHANDLER. All right. I addressed myself to the chairman and said, at the proper time, if you have no objection, I would like to ask Mr. White.

The CHAIRMAN. I was talking to Mr. White. We will consider that.

Senator CHANDLER. Do you know whether or not the request of Mr. White was granted by the State Department?

Mr. CLAYTON. Certainly not, because I did not even know it was asked.

Senator CHANDLER. Did Anderson, Clayton & Co. ship, in June and July 1941, phenomenally large cotton shipment to China and Japan, in June and July 1941, before the war?

Mr. CLAYTON. Before the war? Phenomenally large? It do not know what you mean by that.

Senator CHANDLER. Well, I do not know, either, but I got information that you did; so I am asking you if you did. I do not have any knowledge about it.

Mr. CLAYTON. I was not following the operations of the company at that time, but I think they did do a large business, particularly with China. That was before the war.

Senator CHANDLER. Before the war?

Mr. CLAYTON. Yes.

Senator CHANDLER. As late as June and July 1941?

Mr. CLAYTON. I testified here, Senator Chandler, that the last shipment or the last sale made by Anderson, Clayton & Co. of American cotton was in the latter part of 1940. The last sale made by a South American subsidiary to Japan was the early part of September 1941, 3 months before Pearl Harbor.

Senator CHANDLER. Were those large shipment to Japan, to Haiphong, and Manila, or do you know where those shipments went?

Mr. CLAYTON. Haiphong and Manila? They did not ship any cotton to Manila, so far as I know. They had a customer in French Indochina, and may have shipped some cotton in Hiaphong.

Senator CHANDLER. Do you know whether or not, after Pearl Harbor, the Mexcalli Co. did business with Italy and France?

Mr. CLAYTON. After Pearl Harbor?

Senator CHANDLER. After Pearl Harbor; yes.

Mr. CLAYTON. It could not possibly have done busienss with Italy, because Italy went into the war in the summer of 1940, and Pearl Harbor was December 7, 1941.

Senator CHANDLER. All right.

Mr. CLAYTON. They could not have done any business with Italy. It is possible that some business was done with unoccupied France, but I do not think so. My guess would be that it was not.

Senator CHANDLER. Did Anderson, Clayton & Co. make large sales of cotton to Italy from its South American subsidiaries in 1940, '41, and '42?

Mr. CLAYTON. Not after Italy went into the war.

Senator CHANDLER. If those sales were made by the subisidaries of Anderson, Clayton & Co. in South America, would you know about that?

Mr. CLAYTON. Not necessarily, I would not; but there was no way to ship the cotton, Senator CHANDLER, even if they wanted to make it.

Senator CHANDLER. I just wanted to find out.

Mr. CLAYTON. Well, I say. You know, yourself, that the seas were blockaded by the British, and there was no way of getting to Italy with cotton after the war started.

Senator CHANDLER. If the records of the State Department were to show that extensive sales were made to Italy by Anderson, Clayton & Co., at Buenos Aires, in 1940, '41, and '42, what would you say about that? I do not know how they would do it, but if they actually did it.

The CHAIRMAN. Before the war?

Senator CHANDLER. No; '42 is after. I am asking about 1942, now.

Mr. CLAYTON. Well, it just could not happen.

Senator CHANDLER. All right. I wanted to get your answer about it. I did not know.

Mr. CLAYTON. Yes, sir. I am sure it did not happen.

Senator CHANDLER. I understood you to say yesterday that you, without seeing the recommendation of Senator KILGORE's committee, definitely approve the outlawing of international cartels—or am I mistaken about that?

Mr. CLAYTON. I said I was opposed to cartels. I do not believe in them.

Senator CHANDLER. Do you know what the Kilgore committee's recommendation was, regarding large international cartels?

Mr. CLAYTON. No, sir; I do not.

Senator CHANDLER. Do you care to express an opinion about what you would think of outlawing international cartels?

Mr. CLAYTON. I would not want to express an opinion on a matter of that kind now, Senator Chandler. Let it go at this—that I do not believe in cartels.

Senator CHANDLER. What are your ideas about the elimination of German heavy industry after the war?

Mr. CLAYTON. That is something, Senator Chandler, which I also would rather not express an opinion on. It is something that, so far as the position of this Government is concerned, the President and the Secretary of State would have to fix the policy, and I just would not want to say anything now about it.

Senator CHANDLER. Are you prepared to say what you think the relationship after the war ought to be between American business and German and Japanese business and industrial interests?

Mr. CLAYTON. No, thank you; I would rather not express any opinion.

Senator CHANDLER. Do you favor the restoration after the war of the pre-war status of British rubber and the Dutch quinine monopolies?

Mr. CLAYTON. I would rather express no opinion on that. I would rather look into the situation and inform myself on it before expressing an opinion.

Senator CHANDLER. They did have monopolies before the war?

Mr. CLAYTON. They had what I would call a cartel.

Senator CHANDLER. A cartel?

Mr. CLAYTON. Yes, sir; and I do not believe in cartels.

Senator CHANDLER. Then if your view with respect to cartels obtained, they would not have it after the war?

Mr. CLAYTON. That is right.

Senator CHANDLER. What economic steps if any do you think we should take to prevent the spread of communism in Europe?

Mr. CLAYTON. That certainly is in the political field, and I just do not belong there.

Senator CHANDLER. Well, you are going to be an economic adviser?

Mr. CLAYTON. That is right.

Senator CHANDLER. We are going to take some economic steps either to permit the spread, or influence it, or aid it. Are we going to take economic steps to stop it?

Mr. CLAYTON. Well, Senator CHANDLER, I think that expresses my opinion as to what our post-war position ought to be, so far as the world economy is concerned. I think we should do everything we can to aid and assist an expansion in the world economy. I think if we do that and if there is an expansion in the world economy, that that is the best antidote to communism that we could possibly devise.

Senator CHANDLER. Mr. Clayton, I am not going to insist. I say I am going to ask the questions.

Mr. CLAYTON. Yes, sir.

Senator CHANDLER. If you still do not want to comment on them, there is nothing I can do about it. I do not want to make an issue out of it. If you do want to comment on them, of course, I would be very glad to have your opinions.

What policy do you think should be followed in the occupied countries with respect to the business and industrial leaders of those countries who dealt with Germany during the war?

Mr. CLAYTON. That is just one of these broad questions, Senator CHANDLER, that I just do not think anybody could answer. You have got to take a look at each situation on its own, and I just would not want to give an answer, a categoric answer to a question like that.

Senator CHANDLER. That is a matter that we are going to have to deal with, though. Those fellows are there.

Mr. CLAYTON. That is right.

Senator CHANDLER. And when we get into those countries, if and when we do, we are going to have to deal with them, are we not?

Mr. CLAYTON. Yes, sir.

Senator CHANDLER. And we are either going to have to say to them, "Go, and sin no more," or we are going to have to do something about what they have done?

Mr. CLAYTON. Yes, yes. That is going to be a delicate, difficult question. We are going to have to study it very carefully.

Senator CHANDLER. Should the principal business and industrial leaders of Germany be treated as war criminals?

Mr. CLAYTON. I do not know. I would not want to answer that.

Senator CHANDLER. You see, you men, if you are confirmed by the Senate, are going some day to come back here and present a peace treaty to the Senate for its approval. It is going to be the most important document that was ever presented to the American Senate, and it may carry with it the hopes of mankind; and I was earnestly anxious, not only for the members of the committee but for the people of America, to have some idea about your views and the views of your associates, so that they could have, if you justified it, the supremest sort of confidence in the sort of job that you are going to do; and I would not for anything impede or interfere with or interrupt it, and there are

millions of people who want the American Senate to approve a peace proposal that will be just and that will endure; and those of us who vote for you, if we do vote for you, feel as if we are in the boat with you, and we have expressed a confidence in you; and if we do not vote for you, it is not because you are an individual; it is because maybe we disagree with the way you are going to conduct the thing. It would not be because you are Mr. Clayton, or my friend, Mr. Stettinius, or Mr. Rockfeller. It would not be for that reason at all.

There were 4,000,000 men who came back from the last war, who thought they fought for democracy; and they lost—somebody lost that peace for them. There will be 12,000,000 men this time; and all over the world people are relying on the American leadership, whether it is executive officers, cabinet officers, or Senators, to make and try to keep the peace of the world. They say we are bound by the Atlantic Charter, and I want to ask some questions about it. I do not want to just blindly follow the leadership of the British or of any other country, and if people are not going to have a right to be free and organize for themselves a government that they want—I know who is going to make the government of Greece—the British are going to kill one side, and the side that is left will organize the government. That is simple. The American people cannot approve of that, and no citizen of this country in my opinion does approve of that. And the American lend-lease material should not be used to kill our friends. It was sent over there to kill our enemies.

What factors in China are important in determining our future economic relations with that country?

Mr. CLAYTON. I do not understand your question.

Senator CHANDLER. We are going to have to deal with China—that is, if they are still a nation—unless they are exhausted and starved and forced out of the war—if they are standing up when the war is over. We are gong to have to have economic dealings with them. Do you care to express any opinion about that, Mr. Clayton, about what we should do to help China after the war?

Mr. CLAYTON. Yes. I think as far as we consistently can we should aid China in industrializing, in building roads, and improving the conditions of the country, insofar as that aid will be of a nature that we can reasonably expect to be repaid. Now, when I say "we," I speak of the proposed International Investment Bank of the United Nations. I certainly think aid ought to be extended to China to help improve the economic conditions of the country, and I think in doing so we will improve that of our own. I think it we put China on a sounder economic footing she will be a better customer for our goods and that the trade between the two countries could increase greatly.

Senator CHANDLER. Should the primary responsibility for the foreign economic policy, in your opinion, Mr. Clayton, rest with the State Department, or in the economic branches of the Government?

Mr. CLAYTON. I do not quite get the implication.

Senator CHANDLER. It is divided power, I understood. The State Department as I understand it, if you are confirmed with this portfolio, you are going to undertake to administer the economic relations, with the people of the United States, for the President and the State Department, with other countries. Then, we have Commerce, and we have Leo Crowley's department, and we have all sorts of departments here who are going to undertake to do the same thing.

Now, I would like to have your advice, if you care to give it to us, as to whether you think those activities are properly activities that the State Department ought to take to itself, or whether it ought to be spread out as it is now?

Mr. CLAYTON. Well, Senator CHANDLER, I think that, except of course in the active military theaters abroad, at least on the policy level, in all foreign countries, all of the activities of the United States Government should be under the general direction and supervision of the State Department.

Senator CHANDLER. What do you think we ought to do with the synthetic-rubber plants after the war?

Mr. CLAYTON. A very careful study is being made of that subject now, and I think it would be very premature to express any opinion on it. It involves a great many things. For one thing, we do not know whether we will be able to get very much natural rubber out of the Far East after the war or not. Nobody knows the condition of those rubber plantations. Experts and people who have lived out there, familiar with the matter, who have lived there for years, are of the opinion that most of those plantations will have been taken by the jungle by this time, and that they will not be productive; so regardless of what we may have in mind to do with the synthetic-rubber plant as a long-term proposition, in all probability we will have to operate most of them for a number of years after the war, in any case. I think this about that, Senator CHANDLER, generally speaking, that if we get an expanded world economy following this war, such as I believe in and think we will get, with greater production, greater consumption, greater distribution of goods all over the world, that there will be a market for a great deal more rubber than the world consumed in the pre-war period, which was about 1¼ million tons a year. In the post-war period, I do not believe it will be many years until the world will be consuming 2,000,000 tons of rubber a year, so that we can probably use both the synthetic and natural rubber.

Senator CHANDLER. What was the approximate consumption before the war—the peacetime requirement?

Mr. CLAYTON. A million and a quarter tons.

Senator CHANDLER. If you recall, what percentage of that was raw rubber and what percentage of it was what they call reclaimed; do you remember that?

Mr. CLAYTON. No. I am speaking principally of primary rubber.

Senator CHANDLER. Yes; I understand.

Mr. CLAYTON. I do not know how much the reclaimed amounted to.

Senator CHANDLER. I have heard the figure, 250,000 tons. Does that seem about right?

Mr. CLAYTON. That seems probably about right.

Senator CHANDLER. Did you have anything to do with the Government's plans for rubber stock-piling before the war?

Mr. CLAYTON. Yes.

Senator CHANDLER. To what extent? What part did you play in it?

Mr. CLAYTON. I was Deputy Federal Loan Administrator, and the R. F. C. was a part of that administration, and a subsidiary of the R. F. C. was the Rubber Reserve Company, which was created by Congress, I think, in 1940, in June perhaps, for the purpose of acquiring a stock pile of rubber; and the Rubber Reserve Company bought every ton of rubber it could get its hands on. Prior to Pearl Harbor it worked very actively with the Maritime Commission. The main thing was the problem of ships to transport the rubber. We got all the ships we could. We unloaded a great deal of the rubber on the Pacific coast so as to save the time of ships, and turned them back to the Far East to get more rubber.

We worked with the Rubber Committee in London to expand the production of rubber in the Far East and did everything humanly possible to get every ton of rubber we could to this country before Pearl Harbor; and we did get a very sizable amount of it.

Senator CHANDLER. How much did you lose—how much rubber? Do you recall the approximate number of tons that you lost that was actually on the way to the country when the war broke out?

Mr. CLAYTON. It was not a great deal. I do not remember how much, but it was not a great deal.

Senator CHANDLER. One hundred thousand tons?

Mr. CLAYTON. I do not think so; no, sir; No; I do not think it was as much as that.

Senator CHANDLER. Now, do you care to express an opinion about what you would advise with respect to the aluminum plants, after the war?

Mr. CLAYTON. No, sir; I just do not know. We have got a great deal too much aluminum capacity. We used about 350,000,000 pounds, before the war. We now have a capacity of over 2,000,000,000 pounds. It has been inflated 6 times. That is more than we will be able to use in peacetime, and some of those plants are going to have to be converted to something else.

Senator CHANDLER. If you are Assistant Secretary of State, would you advocate doing for tobacco what you have done for cotton? Would you seek other places to grow tobacco?

Mr. CLAYTON. Seek other places to grow tobacco?

Senator CHANDLER. Yes.

Mr. CLAYTON. That is not—I am not——

Senator CHANDLER. Are you responsible for growing of the cotton in the South American countries and in Mexico?

Mr. CLAYTON. Certainly not. They grew cotton there long before I was born.

Senator CHANDLER. Are you responsible in any way for the increased production of cotton in those countries?

Mr. CLAYTON. No, sir; I do not think I am. Anderson, Clayton & Co. went there to participate in the merchandising of the cotton produced in those countries.

Senator CHANDLER. You furnished your materials and equipment mainly to facilitate their ability to handle cotton for you?

Mr. CLAYTON. We built processing plants, which certainly would have been built with the capital of other countries if the United States had not built them. We are not the only United States firm who did so. We used United States machinery and United States technicians and employees, and just did something that obviously would have been done by other people if we had not done it.

Senator CHANDLER. Did Anderson, Clayton & Co. make loans to the cotton farmers of other countries?

Mr. CLAYTON. Yes—just as we did in the United States.

Senator CHANDLER. The result of that was to get increased production of cotton?

Mr. CLAYTON. I do not know that it was.

Senator CHANDLER. In those countries?

Mr. CLAYTON. I do not know that it was, because I think that there were credit facilities available by other people. We just competed with other people who were doing the same thing.

Senator CHANDLER. You think, if you had not done it, somebody else would?

Mr. CLAYTON. I am sure they would.

Senator CHANDLER. Would you think that about tobacco?

Mr. CLAYTON. I am not in the tobacco business.

Senator CHANDLER. Thank you, Mr. Clayton.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator CLARK of Missouri. Mr. Chairman, can I just ask one question before you recess? I do not wish to make Mr. Clayton come back this afternoon.

Mr. Clayton, if I understand, your position is that you are engaged in business, and all

on earth that you did was to apply American capital and American business acumen to developing the natural resources of other countries, because somebody else would have done it. You were engaged in world trade?

Mr. CLAYTON. I do not believe that we developed the natural resources, because we did not actually go into the production.

Senator CLARK of Missouri. At least, you took advantage of the natural resources of other countries because you were engaged in world trade, and if you had not done it, somebody else would?

Mr. CLAYTON. They surely would.

Senator CLARK of Missouri. From some other country?

Mr. CLAYTON. That is right.

Senator CLARK of Missouri. I certainly do not think that is blameworthy, in my opinion.

The CHAIRMAN. Senator TUNNELL has a question.

Senator TUNNELL. Mr. Clayton, I thought perhaps there was an implied criticism in the thought that you had a different philosophy with reference to the production of cotton from some of the others. I understood your position to be that America could not long continue to produce cotton at a price higher than that which its prospective customers could or would pay without some calamity.

Mr. CLAYTON. That is correct, sir.

Senator TUNNELL. Well, that is not your philosophy, you are not trying to bring it about; that is what you believe to be an economic law, is it not?

Mr. CLAYTON. That is correct; yes, sir.

Senator TUNNELL. Yes. That was my understanding.

Mr. CLAYTON. That is correct.

Senator TUNNELL. Now, as to this proposition of aiding through subsidiaries in the production of cotton in other countries, what is the disadvantage to the United States or its people in your company doing it rather than for Great Britain, Germany, Holland, or some other country to produce or furnish the very things that you say would have been furnished? Is there any disadvantage to the people of the United States?

Mr. CLAYTON. On the contrary, I think there is an advantage, because we used American equipment, American machinery. Every gin that we built was manufactured in the United States. All the oil-mill machinery was manufactured in the United States. Every compress we installed abroad was manufactured in the United States. The people, the technicians, the people who had the know-how, went from the United States. It was a United States enterprise.

Senator TUNNELL. As a business company you were anxious for your share of that business?

Mr. CLAYTON. Yes, sir.

Senator TUNNELL. And you were entitled to it.

Mr. CLAYTON. Thank you, sir.

Senator TUNNELL. Thank you.

The CHAIRMAN. Are there any other questions by any member of the committee or any other Senator present? If there are not, we will excuse you, Mr. Clayton.

Mr. CLAYTON. Thank you very much, Senator.

Mr. CONNALLY. Mr. President, I should also like to have printed in the RECORD at this point as a part of my remarks a number of telegrams and a letter, from persons in Texas who know Mr. Clayton well.

There being no objection, the telegrams and letter were ordered to be printed in the RECORD, as follows:

HOUSTON, TEX., *December 13, 1944.*
Hon. TOM CONNALLY,
Senate Office Building:

I have known Mr. Clayton for more than 25 years and feel certain that I express the sentiment of all who have come into contact with him that he is a man of exceptional qualities and this Nation is very fortunate in having him offer his services at this time.

L. R. C. TOWLES.

HOUSTON, TEX., *December 13, 1944.*
Senator TOM CONNALLY,
Senate Building:

Our organization whole-heartedly indorses W. L. Clayton to serve on the staff of the Secretary of State and we are sure that you will be carrying out the wishes of the voters of this great State by using your influence to secure the Senate's approval of this nationally known character for a position which he is fully qualified to fill.

TEXAS GULF CONSTRUCTION CO., INC.,
E. S. NEWCOME,
Houston Manager.

VERNON, TEX., *December 13, 1944.*
Senator TOM CONNALLY:

Endorsing Will Clayton for appointment of Assistant Secretary of State.

FARMERS COOPERATIVE GIN,
C. ORR, *President.*

HOUSTON, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
United States Senate:

All local citizens who are familiar with the outstanding ability of Will Clayton and his remarkable success in both civic and industrial fields are hoping that the Senate will promptly approve his appointment as Assistant Secretary of State. Clayton is a man of highest principles and this, coupled with his intimate knowledge of national and international affairs, highly qualifies him for his job.

JOHN R. SUMAN.

LUBBOCK, TEX., *December 12, 1944.*
United States Senator TOM CONNALLY,
Chairman, Foreign Relations Committee,
Washington, D. C.:

Having 25 years experience in the cotton business I feel that no person can be found any better qualified than W. L. Clayton.

DON MITCHELL.

HOUSTON, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

We wholeheartedly recommend Mr. Clayton's appointment as Assistant Secretary of State. He is a gentleman of fine character and business acumen. Our President should be congratulated on making such a wise choice.

V. A. MAUDR & CO.

LUBBOCK, TEX., *December 12, 1944.*
Washington, D. C.:
Hon. Senator TOM CONNALLY:

We strongly recommend your favoring appointment of W. L. Clayton, Assistant Secretary of State, as our country needs men of this caliber.

J. B. BOOTH, Jr.

WACO, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

I regard W. L. Clayton as an outstanding authority on international economic affairs and sincerely trust you will vigorously support him for Assistant Secretary of State. I think the people of the United States and particularly of Texas are very fortunate in having a man of such splendid character and background and broad experience to assist in directing our foreign economic policies.

Kindest regards.

A. M. GOLDSTEIN.

WACO, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
The Senate, Washington, D. C.:

Profoundly believe State Department to be congratulated on opportunity to secure Will Clayton's services and sincerely hope his appointment has your unqualified endorsement.

Cordially,

DEWITT T. HICKS.

WACO, TEX., *December 12, 1944.*
Senator TOM CONNALLY,
Washington, D. C.

DEAR SENATOR CONNALLY: I think the President's appointment of W. L. Clayton is very fine and I hope you will help all you can to get him okayed.

V. M. COX.

HOUSTON, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

The President has performed a real public service in appointing Will Clayton, Assistant Secretary of State. His character and recognized ability peculiarly fit him for this post. I hope the Senate will confirm his appointment.

REX G. BAKER.

WACO, TEX., *December 12, 1944.*
Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

Strongly urge approval of Will Clayton as Assistant Secretary of State. His integrity and patriotism are beyond question. He is one of America's leading minds in world commerce and economics. His personality and experience qualify him for delicate international negotiations. I endorse him without reservation. Regards.

ROBERT J. POTTS.

WACO, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

We will appreciate you doing everything in your power to confirm the appointment of Mr. Will Clayton.

TURNER & CO. COTTON.

HOUSTON, TEX., *December 12, 1944.*
The Honorable TOM CONNALLY:

Clayton's proven ability in business and Government fields and his wide experience over a long period of international trade equip him in a singular way to perform the duties in the assignment as Assistant Secretary of State. I hope his appointment will be confirmed.

HINES H. BAKER.

GALVESTON, TEX., *December 13, 1944.*
Hon. Senator TOM CONNALLY:

We favor the nomination of Will Clayton for Assistant Secretary of State. We know him personally and feel he is the best man in the country for the job. We will appreciate it if you endorse him and what you can to put him in this position.

Drs. W. J. and J. L. JINKINS,
Owners of Jinkins Hereford Ranch.

WACO, TEX., *December 13, 1944.*
Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

Please allow me to commend you on your support of W. L. Clayton as Assistant Secretary of State. As you well know he is a man of great ability and unquestioned integrity and we are fortunate to have at the disposal

of our country a man so well qualified to assist in directing our foreign economic affairs.

Regards,

LINDSAY MURRAY.

DALLAS, TEX., *December 13, 1944.*

Senator TOM CONNALLY,
Washington, D. C.:

Earnestly believe Mr. W. L. Clayton should be confirmed for new position in State Department and hope your continued influence will be exercised in that direction. Warmest personal regards.

FRED F. FLORENCE.

BEAUMONT, TEX., *December 14, 1944.*

Senator TOM CONNALLY,
Washington, D. C.:

The Beaumont port commission a member of the body politic of the city of Beaumont respectfully urge that you support the appointment of Mr. Will Clayton as Assistant Secretary of State.

BEAUMONT POST COMMISSION,
F. H. FREDERICKS.

LITTLEFIELD, TEX., *December 14, 1944.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

We ask that you support appointment of W. L. Clayton.

G. C. PASS.
P. W. WALKER.
R. B. SMITH.
W. E. BASS.

ABILENE, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Senate Building:

The Citizens National Bank endorses Will Clayton for Assistant Secretary of State. Your influence in his behalf will be apprecited.

CITIZENS NATIONAL BANK.

ABILENE, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Senate Office Building:

Your influence in the behalf of Will Clayton as Assistant Secretary of State would be greatly appreciated.

WESTERN COMPRESS AND STORAGE CO.

DALLAS, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Senate Office Building:

Trust you will endorse Will Clayton as Under Secretary of State.

Regards.

ROGER DIXON.

VERNON, TEX., *December 12, 1944.*

Hon TOM CONNALLY:

We earnestly request Senate approval Clayton appointment Assistant Secretary State.

ROY ANTLE.
E. LLOYD SMITH.

HOUSTON, TEX., *December 12, 1944.*

Senator TOM CONNALLY,
United States Senator:

Speak advisedly in saying that Will Clayton's friends, neighbors, and citizenship of Houston 100 percent for him. Their belief is in the important assignment given him he will render an outstanding service in a critical world-wide period.

W. P. HOBBY.

HOUSTON, TEX., *December 12, 1944.*

The Honorable TOM CONNALLY,
United States Senate,
Washington, D. C.:

Will Clayton is very highly regarded by all in this community who know him. By outstanding accomplishments in both civic and industrial fields he has demonstrated that he is eminently qualified to serve as Assistant Secretary of State. I certainly hope that his appointment will be approved by the Senate.

HARRY C. WIESS.

GALVESTON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.:

Based on a personal and business experience with Hon. W. L. Clayton for the past 40 years, during which he has impressed us with his outstanding ability and integrity, thereby, in our opinion, eminently qualifying him for appointment as Assistant Secretary of State, we urge his confirmation by the Senate and ask your assistance toward this end.

THE UNITED STATES NATIONAL
BANK OF GALVESTON,
R. LEE KEMPNER, *President.*

GALVESTON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
United States Senate, Washington, D. C.:

I do not know of any one with as high qualifications for Assistant Secretary of State as Mr. Will Clayton. I will appreciate you voting for and assisting in having his appointment confirmed in every way you possibly can.

SEALY HUTCHINGS, Jr.

HOUSTON, TEX., *December 12, 1944.*

Sen. TOM C. CONNALLY,
Senator Office Building,
Washington, D. C.:

We wish to most heartily endorse President Roosevelt's appointment of Mr. Will Clayton as Assistant Secretary of State. He is qualified in every respect and has the confidence of all of us who are engaged in foreign trade.

S. B. LOCKE & CO.

GALVESTON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.:

Urge your active leadership to secure Senate confirmation of appointment W. K. Clayton Assistant Secretary State.

J. G. TOMPKINS.

HOUSTON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY:

As you well know a vast majority of the people of Texas think it would be a serious mistake not to confirm Mr. Clayton to the office of Assistant Secretray, as in my opinion he is the most capable man you could possibly find.

W. A. WILLIS.

HOUSTON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
United States Senate:

Respectfully urge confirmation of Will Clayton as Assistant Secretary of State. Believe him to be admirably fitted because of his knowledge of world business and excellent previous record.

E. F. GOSSETT.

HOUSTON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Senate Chamber, Washington, D. C.:

People of Texas regard Will Clayton as one of the ablest businessmen in the Nation and I know based on long experience that he is the soul of honor. Everybody in Texas admires and is proud of him.

F. M. LAW,
President First National Bank in Houston.

HOUSTON, TEX., *December 12, 1944.*

Senator TOM CONNALLY,
Senate Office Building:

In my opinion the confirmation of Mr. Clayton as Assistant Secretary of State is of vital importance to Texas and the entire Nation.

BEN WILLIS.

VERNON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY:

We heartily recommend approval Will Clayton appointment Assistant Secretary State.

BOB HUNTLEY.

ABILENE, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Senate Office Building, Washington, D. C.:

Your influence in the appointment of Will Clayton as Assistant Secretary of State would be appreciated.

FARMERS AND MERCHANTS NATIONAL BANK.

HOUSTON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Chairman Foreign Relations Committee, United States Senate, Washington, D. C.:

We strongly endorse and recommend the confirmation of William L. Clayton as Secretary of State whose particular assignment will have to do with our foreign trade relations. In our opinion there is no man better qualified to perform these duties in America today. As his neighbors and friends we can certify to his high character, integrity, and patriotic devotion to his country and we feel that this Nation will be very fortunate indeed in securing his services at this critical time in our national life.

L. R. BRYAN, Jr.,
President.
J. VIRGIL SCOTT,
Chairman Executive Committee the Second National Bank of Houston.

HOUSTON, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Chairman, Foreign Relations Committee, United States Senate,
Washington, D. C.:

I strongly endorse Mr. W. L. Clayton as assistant Secretary of State to handle foreign trade relations. In my opinion he is what our foreign trade needs. It would be difficult to secure a better man for the place.

W. B. BATES.

ABILENE, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

The West Texas Chamber of Commerce feel that the failure to appoint Will Clayton as Assistant Secretary of State would be a great loss to this section and the Nation as a whole. Your influence in his behalf would be appreciated.

WEST TEXAS CHAMBER OF COMMERCE.

ABILENE, TEX., *December 12, 1944.*

Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

I have known Will Clayton personally for many years and with his wide knowledge I heartily endorse him for Assistant Secretary of State. Your influence in his behalf will be appreciated.

W. O. ANSLEY, Jr.

HOUSTON, TEX., *December 12, 1944.*

The Honorable TOM CONNALLY,
United States Senate,
Washington, D. C.:

William L. Clayton is one of our most eminent citizens. His character, ability, and outstanding accomplishments in civic and industrial fields together with his long and intimate knowledge of foreign affairs qualify him for the important post of Assistant Secretary of State for which position I hope the Senate will confirm his appointment.

DAVID B. HARRIS.

HOUSTON, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
Senate Building, Washington, D. C.:
I sincerely hope that you will do all possible to have Mr. W. L. Clayton confirmed by Senate as Assistant Secretary of State. More men of Mr. Clayton's stature needed during these times.
W. J. RECKLING.

HOUSTON, TEX., *December 12, 1944.*
Senator TOM C. CONNALLY,
Senate Office Building:
I heartily endorse Mr. Clayton's appointment to the State Department.
H. F. CHASE.

GALVESTON, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
United States Senate:
I believe this county is fortunate in obtaining services of W. L. Clayton whom we know and consider of high character and great ability. Strongly urge your support his appointment.
HUTCHINGS SEALY NATIONAL BANK,
J. W. MCCULLOUGH.

HOUSTON, TEX., *December 12, 1944.*
Senator TOM C. CONNALLY,
Senate Office Building:
Mr. Clayton's appointment as Assistant Secretary of State meets with my unqualified approval.
A. C. SPONSLER.

HOUSTON, TEX., *December 12, 1944.*
Senator TOM CONNALLY:
Will Clayton is a man of the highest integrity and is as well qualified as anyone in this country for Assistant Secretary of State.
JOSEPH W. EVANS.

DALLAS, TEX., *December 11, 1944.*
Senator TOM CONNALLY,
Washington, D. C.:
Hope the appointment of Mr. Clayton as Assistant Secretary of State will be confirmed. This comes from a Buisness competitor.
HANNAY BROTHERS,
SAM HANNAY.

DALLAS, TEX., *December 11, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
Having known W. L. Clayton intimately for 25 years and served with him on numerous important assignments, it is a pleasure for me to endorse him in the highest terms possible for the important position of Assistant Secretary of State.
K. G. HUNT.

DANIELSON, CONN., *December 12, 1944.*
Hon. FRANCIS MALONEY,
United States Senate, Washington D. C.:
Believe William Clayton should be confirmed. His experience in foreign trade and as a courageous and fearless administrator eminently qualify him for the post of Assistant Secretary of the State.
POWDRELL AND ALAXANDER, INC.
HERBERT H. RAPP, *Treasurer.*

GALVESTON, TEX., *December 11, 1944.*
Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
We strongly urge the appointment of W L. Clayton as Assistant Secretary of State His outstanding business ability, knowledge of foreign affairs, and unselfish public serv ice will qualify him for this important and responsible position.
GALVESTON CHAMBER OF COMMERCE,
R. E. BOWEN, *President.*

DALLAS, TEX., *December 11, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
Understand opposition developing in Senate to appointment of W. L. Clayton as Assistant Secretary of States. Have known Mr Clayton number of years and been on opposite side in many controversies. There can be no doubt of his integrity and ability. Am certain he is ideally fitted for post of Assistant Secretary. Trust you will do all possible to bring about his confirmation.
A. J. STONE.

DALLAS, TEX., *December 11, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
The administration is to be highly complimented on the nomination of W. L. Clayton, Assistant Secretary of State. He is a gentleman of great ability, high moral standing, and integrity. He is one of the most brilliant and yet most modest men I have ever known. I sincerely hope you will give him the benefit of your influence and support. My best regards.
MARC ANTHONY.

DALLAS, TEX., *December 11, 1944.*
Senator TOM CONNALLY,
Care of United States Senate,
Washington, D. C.:
I have known Mr. W. L. Clayton for many years. I think he is suitable in very way for Assistant Secretary of State, and would appreciate very much all that you can do for him.
R. L. THORNTON.

DALLAS, TEX., *December 11, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
Please do all you can to see that W. L. Clayton is confirmed by the Senate since he is in the best position to help Texas business of any man suggested and we really need some help.
T. J. CARTWRIGHT.

DALLAS, TEX., *December 11, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
I want to endorse W. L. Clayton for Assistant Secretary of State in the very strongest terms possible since I know personally of his great capacity and sympathetic understanding of business problems please do what you can to further his confirmation.
LAWRENCE HILLHOUSE.

DALLAS, TEX., *December 11, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
I notice there is a fight being made on W. L. Clayton in his appointment as Assistant Secretary of State. I hope the appointment will be confirmed. He is an outstanding citizen of Texas and America; is a gentleman of high character and honor and he should not be sacrificed by those who may not agree with him politically.
With kind regards,
NATHAN ADAMS.

DALLAS, TEX., *December 11, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
I am in position to know that W. L. Clayton is a most astute scholar of international commerce and you are in position to do Texas a great service by helping have his appointment to the important position of Assistant Secretary of State confirmed.
Thanks,
A. CAMPDERA.

DALLAS, TEX., *December 11, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
Will you please use your every effort to the end that W. L. Clayton is confirmed to the important position of Assistant Secretary of State. Since he can and will render Texas agriculture the greatest service of any man possible being a life-long student of international commerce and a man of independent means. His greatest ambition is to serve his country and his State.
J. POLK WILLIAMS.

WACO, TEX., *December 12, 1944.*
Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
Your support in confirming the appointment of Mr. Clayton will not only be of tremendous help to the cotton South but to the whole economic system of the United States, particularly in working out possibilities toward reopening our cotton and other export markets. His qualifications and integrity is unquestioned by anyone who has the slightest acquaintance with his life record. Do what you can to bring in this support to our sore economic system. Best wishes.
G. H. PAPE.

NEW ORLEANS, LA., *December 12, 1944.*
Hon. TOM CONNALLY,
Senate Office Building,
Washington, D. C.:
I have known and actively competed with W. L. Clayton in the cotton business for some 20 years prior to the severance of his active connection with Anderson, Clayton & Co. During that time because of his efficient and economical operation his firm handled a very large volume annually. His competition was very keen and for that reason he is largely responsible for the reduced spread between the prices paid to the farmer and the prices paid by the mill. Therefore I consider his operations beneficial to the producer. Entirely apart from the cotton business I consider Mr. Clayton a man whose integrity and sincerity of purpose is second to none. His successful transaction over a period of years which all foreign countries consuming cotton has given him a background of knowledge which I feel will be of great value to our country as Assistant Secretary of State. His confirmation by the Senate will permit him to render a valuable service to his country.
E. F. CREEKMORE.

HOUSTON, TEX., *December 12, 1944.*
Senator TOM CONNALLY,
Chairman, Senate Foreign Relations Committee, United States Senate, Washington, D. C.:
We unqualifiedly endorse the appointment of Mr. W. L. Clayton as Assistant Secretary of State and hope your committee and the Senate will unanimously approve the appointment. In our opinion Mr. Clayton is one of the Nation's outstanding citizens and thoroughly informed on foreign trade and no better equipped man could be found to handle the most intricate problems with which our Government will be faced in the near future in working satisfactory agreements with other nations.
ALEXANDER SPRUNT & SON INC.

HOUSTON, TEX., *December 12, 1944.*
Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:
Have been shocked at unfair criticism of Mr. Clayton, especially on part one newspaper

in East. In Mr. Clayton's home he needs no one to defend him but it seems to me at a time like this his friends should confirm what is generally known here that he is an honest and honorable and courageous citizen and one of the clearest thinkers in this country and the majority of the people in Texas consider him a great statesman with an international mind which will be so badly needed in the next few years. I urge you to do everything possible to see that Mr. Clayton is confirmed. Kindest regards.

ROY BEACH.

HOUSTON, TEX., *December 12, 1944.*

Senator TOM CONNALLY,
Chairman, Foreign Relations Committee,
United States Senate,
Washington, D. C.:

We particulary urge the confirmed appointment of W. L. Clayton, as he is eminently qualified and can unquestionably be of greatest value to our country in his services dealing with foreign trade. The South and all agricultural America as well as the country at large need the continuing assistance and leadership of individuals who fully understand these problems and their grave effects upon the possibilities of a more peaceful world.

R. D. ERNST,
President, Manchester
Terminal Corporation.

AGRICULTURAL AND MECHANICAL
COLLEGE OF TEXAS,
College Station, Tex., December 11, 1944.

Senator TOM CONNALLY,
Washington, D. C.:

DEAR TOM: I have been reading press accounts and listening to radio announcements with amazement and deep concern, in regard to the objection that has developed against the appointment of Edwin R. Stettinius as Secretary of State and Will Clayton and Nelson Rockefeller as assistants.

I have never had the pleasure of meeting Mr. Stettinius but from all accounts of his training and his high intelligence I am confident that he will make an outstanding secretary.

I do know both Will Clayton and Nelson Rockefeller intimately. I am convinced that Will Clayton is one of the clearest and deepest thinkers we have in this country today, and one of the very best men. He is patriotic to an extreme degree. I know personally that he has supported President Roosevelt, in spite of bitter criticism of some of his closest friends and associates.

On my tour of the Latin-American countries, I found that Nelson Rockefeller was well known and very highly regarded. He has certainly done a most constructive and valuable piece of work in those countries. I am convinced that he is easily the best man for that important work.

As you know, I was, and still am, a very close friend and great admirer of Cordell Hull. I am convinced, however, that Stettinius, Clayton, and Nelson Rockefeller will give us one of the best trained and most efficient group of officials the State Department has known for many years. They are peculiarly and ideally trained for the big job that is now pressing on us.

I write this as having just become Dean Emeritus after serving as Dean of Agriculture for over 33 years in the greatest agricultural State of the Union.

You can use this letter in any way you see fit.

Sincerely yours,

E. J. KYLE,
Dean Emeritus of Agriculture.

SEVERAL SENATORS. Vote! Vote!

Mr. CONNALLY. Mr. President, I shall not consume the time of the Senate. I notice that Senators who consumed considerably more time than I have consumed are now calling for a vote.

Mr. Clayton is a successful businessman. His reputation in Texas for integrity, probity, ability, and character, and all the fine qualities that go to make a good citizen, is of the highest. He has been in the public service for 4 years. A great many Senators have seen him, and know him.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK of Missouri. I had never seen Mr. Clayton until the other day when he appeared before the Committee on Foreign Relations. I have never in my life seen a witness who made a finer impression, not only on me, but I think on the whole committee. He certainly beat to the punch those who had been talking about cartels. He made a forthright statement about the cartel situation. In my 12 years of experience in the Senate, I do not believe that I have ever seen a witness before a committee who made a finer impression than did Mr. Clayton.

Mr. CONNALLY. I thank the Senator.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of W. L. Clayton to be Assistant Secretary of State?

Mr. CONNALLY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, my natural impulse was to make a few remarks with reference to Mr. William L. Clayton. I shall forego that pleasure because of the desire of Senators to vote.

I suppose I have known Will Clayton longer than has any other Member of the Senate. I have known him practically all my life, and all of his. He married a charming Kentucky girl with whom I attended college for a number of years in a small Methodist school in western Kentucky. Naturally, I became interested in his career.

He started out in life as a clerk at $8 a week, and from that beginning he rose to financial and business eminence, not only in this country, but throughout the world. I have never heard any one question his integrity or patriotism.

Many times I have discussed economic problems with Mr. Clayton. While I have not always agreed with him, I have always recognized his ability and sincerity. I have no doubt that whatever interest he may have in the cotton business, which he has developed by his own ingenuity and vision, he would in no way be influenced in his advice to the Secretary of State or to the President on foreign economic policies by reason of his association with that business during his entire life.

Believing in his integrity, honesty, and ability, and believing that the State Department and the President will have need in the post-war period of the advice of men who have a world-wide perspective of business and who have had some world-wide experience in economic matters, I shall cast my vote for Mr. Clayton with pleasure.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of W. L. Clayton to be Assistant Secretary of State? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MURRAY (when his name was called). On this question I have a pair with the junior Senator from Mississippi [Mr. EASTLAND]. If he were present he would vote "yea." If I were at liberty to vote, I would vote "nay."

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. I transfer that pair to the junior Senator from Indiana [Mr. JENNER], who would vote as I am about to vote. I vote "yea."

Mr. MEAD (when Mr. WAGNER'S name was called). My colleague the senior Senator from New York is unavoidably absent. If he were present he would vote "nay" on this nomination.

The roll call was concluded.

Mr. HOLMAN. On this question I have a pair with the junior Senator from Tennessee [Mr. STEWART]. In consideration of his announced intentions, I withhold my vote.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Utah [Mr. THOMAS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from South Carolina [Mr. HALL], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], and the Senator from Washington [Mr. WALLGREN] would vote "yea."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Louisiana [Mr. ELLENDER]. I am advised that if present and voting, the Senator from West Virginia would vote "nay," and the Senator from Louisiana would vote "yea."

The Senator from Alabama [Mr. BANKHEAD] is paired with the Senator from Iowa [Mr. WILSON]. I am advised that if present and voting, the Senator from Alabama would vote "nay," and the Senator from Iowa would vote "yea."

Mr. MCKELLAR (when Mr. STEWART'S name was called). My colleague [Mr. STEWART] is conducting hearings in Indiana. He wishes me to say that if he were present and voting, he would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS]. If present the Senator from New Hampshire would vote "yea."

The Senator from Indiana [Mr. JENNER] is necessarily absent. If present he would vote "yea."

The Senator from Minnesota [Mr. BALL] is absent on official business of the Senate.

The Senator from Oklahoma [Mr. MOORE] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is paired on this vote with the Senator from Alabama [Mr. BANKHEAD]. If present the Senator from Iowa would vote "yea," and I am advised that the Senator from Alabama would vote "nay."

The Senator from Idaho [Mr. THOMAS] is necessarily absent.

The result was announced—yeas 52, nays 19, as follows:

YEAS—52

Austin	George	Reed
Bailey	Gillette	Revercomb
Barkley	Green	Reynolds
Brewster	Hatch	Robertson
Brooks	Hawkes	Smith
Buck	Hayden	Taft
Burton	Johnson, Colo.	Thomas, Okla.
Bushfield	Lucas	Truman
Butler	McCarran	Tunnell
Byrd	McClellan	Tydings
Caraway	McFarland	Vandenberg
Chavez	McKellar	Walsh
Clark, Mo.	Maloney	Weeks
Connally	Maybank	Wheeler
Cordon	Millikin	Wherry
Danaher	Nye	White
Davis	O'Mahoney	
Ferguson	Radcliffe	

NAYS—19

Aiken	Johnson, Calif.	Pepper
Bilbo	La Follette	Russell
Capper	Langer	Shipstead
Chandler	Magnuson	Wiley
Downey	Mead	Willis
Guffey	Murdock	
Hill	Overton	

NOT VOTING—25

Andrews	Gurney	Stewart
Ball	Hall	Thomas, Idaho
Bankhead	Holman	Thomas, Utah
Bridges	Jenner	Tobey
Clark, Idaho	Kilgore	Wagner
Eastland	Moore	Wallgren
Ellender	Murray	Wilson
Gerry	O'Daniel	
Glass	Scrugham	

So the nomination of W. L. Clayton to be Assistant Secretary of State was confirmed.

NOMINATION OF JAMES C. DUNN

The VICE PRESIDENT. The clerk will state the next State Department nomination.

The legislative clerk read the nomination of James C. Dunn, of New York, to be Assistant Secretary of State.

The VICE PRESIDENT. The question is, will the Senate advise and consent to this nomination?

Mr. GUFFEY. Mr. President, I had intended to make a lengthy speech today on these nominations; but, as you know, I am not going to do so.

I should like to have printed in the RECORD at this point a statement I have prepared concerning Mr. Dunn. I shall read several portions of it, but I shall take only a few minutes of the time of the Senate to do so:

I am familiar, of course, with the usual statement that the President is his own Secretary of State, but unfortunately this is not the case any more than it is a fact that the executive of a high corporation or any company or a newspaper can run his organization unless he has executives who agree with him and sympathize with him and whom he can completely trust.

Unfortunately also we have seen many occasions when important foreign policies have been twisted out of line by subordinates in the State Department because the President himself was not able to concentrate upon them and because the Secretary of State, Mr. Hull, was ill or out of town. There was one notable example regarding which I cross-examined Mr. James Dunn during hearings of the Senate Foreign Relations Committee. Mr. Dunn, I am afraid, did not remember all of the dates and, therefore, his answers were not entirely correct. For that reason I am going to review some of his testimony before the Senate.

I was interested in determining how the embargo against Spain during the Spanish Civil War had been put into effect. Historians seem now to agree that the Spanish Civil War was a testing ground for Hitler and Mussolini, and if we had been able to head off a dictatorship in Spain, we might have stopped the World War which was to follow. You will recall that Hitler sent German officers and German tanks to aid Franco against the Spanish Republican Government. You will recall that Mussolini sent several Italian brigades. Franco had all the supplies he wanted from his dictator friends. But the Republican Government of Spain was unable to get supplies from any country. We adopted in this country an embargo against sending supplies to Spain which, of course, meant that while Franco was supplied by the dictators, the Loyalist Republican Government received nothing.

And also I asked Mr. Dunn regarding the part which he played in putting that embargo into effect. Mr. Dunn has been charged for years in the public press as being one of the instigators and defenders of that embargo. To my knowledge he has never denied it. But when he came before our committee he was evasive. He said this policy had been put into effect by the President and the Congress, and he merely followed the policy outlined by them. Later I examined Mr. Dunn further, reminding him that the President of the United States, the Secretary of State, Mr. Hull, and the Under Secretary of State, Mr. Sumner Welles, were all out of the United States attending the Montevideo conference in South America. Mr. Dunn, however, denied this, and said that they had returned to the United States when the Spanish embargo was voted by Congress. Since that time I have looked up the dates, and I want to review the whole matter with you, because I consider it extremely important.

In the first place, when Congress debated the Neutrality Act in 1936, the State Department was vigorously opposed. It did not want an embargo which would prevent arms from being shipped to a nation engaged in war. In other words, the State Department felt that we should be able to ship arms to any nation at war. Congress, however, ruled differently.

I omit a part of the statement, and then read the following:

The President, it is true, returned from Montevideo to Washington on December 15, 1936, at 9 p. m. But after that he proceeded to Hyde Park and was not in close contact with the State Department. He was leaving these matters, as he should, to the supposedly trained executives of the State Department.

But, unfortunately, Secretary Hull and Under Secretary Welles did not return to the United States with the President. They stopped in South America and were forced to come by somewhat slower boat so that they arrived in the United States on January 14, 1937.

And by this time Mr. Dunn and the other executives of the State Department had already done the damage. They had urged Congress to pass a law barring the shipment of arms to Spain. That law was passed on January 6, 1937. Secretary of State Hull and Under Secretary of State Welles, I repeat, came back on January 14, 8 days later—too late.

The law was passed on January 6, 1937. Secretary of State Hull and Under Secretary of State Welles, I repeat, returned on January 14, 8 days later—entirely too late.

So, Mr. President, I ask unanimous consent that the entire statement be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I need not repeat that what concerns me about these appointments is that the men we are asked to confirm will hold in their hands the moulding of the peace. They will hold the most important positions in the entire Government next to the President and Secretary of State.

I am familiar, of course, with the usual statement that the President is his own Secretary of State, but unfortunately this is not the case any more than it is a fact that the executive of a big corporation or any company or a newspaper can run his organization unless he has executives who agree with him and sympathize with him and whom he can completely trust.

Unfortunately also we have seen many occasions when important foreign policies have been twisted out of line by subordinates in the State Department because the President himself was not able to concentrate upon them and because the Secretary of State, Mr. Hull, was ill or out of town. There was one notable example regarding which I cross-examined Mr. James Dunn during hearings of the Senate Foreign Relations Committee. Mr. Dunn, I am afraid, did not remember all of the dates and, therefore, his answers were not entirely correct. For that reason I am going to review some of his testimony before the Senate.

I was interested in determining how the embargo against Spain during the Spanish Civil War had been put into effect. Historians seem now to agree that the Spanish Civil War was a testing ground for Hitler and Mussolini and if we had been able to head off a dictatorship in Spain we might have stopped the world war which was to follow. You will recall that Hitler sent German officers and German tanks to aid Franco against the Spanish Republican Government. You will recall that Mussolini sent several Italian brigades. Franco had all the supplies he wanted from his dictator friends. But the Republican Government of Spain was unable to get supplies from any country. We adopted in this country an embargo against sending supplies to Spain which, of course, meant that while Franco was supplied by the dictators, the Loyalist Republican Government received nothing.

And also I asked Mr. Dunn regarding the part which he played in putting that embargo into effect. Mr. Dunn has been charged for years in the public press as being one of

the instigators and defenders of that embargo. To my knowledge he has never denied it. But when he came before our committee he was evasive. He said this policy had been put into effect by the President and the Congress and he merely followed the policy outlined by them. Later I examined Mr. Dunn further, reminding him that the President of the United States, the Secretary of State, Mr. Hull, and the Under Secretary of State, Mr. Sumner Welles, were all out of the United States attending the Montevideo conference in South America. Mr. Dunn, however, denied this, and said that they had returned to the United States when the Spanish embargo was voted by Congress. Since that time I have looked up the dates and I want to review the whole matter with you because I consider it extremely important.

In the first place, when Congress debated the Neutrality Act in 1935, the State Department was vigorously opposed. It did not want an embargo which would prevent arms from being shipped to a Nation engaged in war. In other words, the State Department felt that we should be able to ship arms to any nation at war. Congress, however, ruled differently.

But when civil war broke out in Spain, the State Department suddenly changed its mind. Prior to that it had argued that we could ship arms any place no matter what the condition of war, but suddenly it reversed its stand and sought to discriminate against Spain. Furthermore, the State Department communicated to the chairman of the Senate Foreign Relations Committee at that time urging that legislation be passed to prevent the shipment of arms to Spain. The State Department spokesman informed the chairman of the Senate Foreign Relations Committee "It is a tremendous step forward and it is a tremendous task to enact the highest legislation that you can devise." I have made inquiries from those who are familiar with what went on inside the State Department at that time and I am informed on excellent authority that Mr. Dunn was one of those who advocated this policy—though he now denies it.

And it is also a fact that both the President and the Secretary of State and the Under Secretary of State were out of the country when this policy was being formed by the State Department and communicated to Congress.

The President, it is true, returned from Montevideo to Washington on December 15, 1936, at 9 p. m. But after that he proceeded to Hyde Park and was not in close contact with the State Department. He was leaving these matters, as he should, to the supposedly trained executives of the State Department.

But unfortunately Secretary Hull and Under Secretary Welles did not return to the United States with the President. They stopped in South America and were forced to come by a somewhat slower boat so that they arrived in the United States on January 14, 1937.

And by this time Mr. Dunn and the other executives of the State Department had already done the damage. They had urged Congress to pass a law barring the shipment of arms to Spain. That law was passed on January 6, 1937. Secretary of State Hull and Under Secretary of State Welles, I repeat, came back on January 14, 8 days later—too late.

The President had been away part of the time and could not be expected to keep his fingers on every intimate detail of foreign policy.

I checked into this matter carefully. I find that Mr. Dunn and his friends in the State Department not only urged Congress to pass this law but that they even endeavored to stop the sailing of a Spanish ship, the *Mar Cantabrico*, from New York to Loyalist Spain and hold it up until the law was rushed through Congress. Congress could not have acted to have held up that ship. That fell under the executive branch of the Government and the State Department was the instigator in doing everything it possibly could to aid Franco.

That is the way Mr. Dunn and his friends in the State Department aided Dictator Franco and have been following a pro-Franco policy ever since.

To illustrate what Mr. Dunn and his friends were doing to hamper the Spanish Republican Government, Walton Moore, then Acting Secretary of State, actually called in the Chargé d'Affaires of the Spanish Embassy and lectured him because a member of the Embassy staff had addressed a meeting of American citizens which was raising money for Loyalist Spain. Furthermore, Joseph C. Grew, head of the State Department's Munitions Control Board, and working directly with him under James Dunn, urged American munitions dealers not to sell arms to the Government of Spain.

Both moves were contrary to all national and international precedent. The Spanish Government was a recognized and accredited Government friendly to us. Imagine where our Union of 48 States would be today if Europe, during the Civil War, had shut off supplies and credit from the Federal Government.

In fact, it is amazing the lengths to which the State Department went to discriminate against the Spanish Government. Just before President Roosevelt sailed for Buenos Aires and Montevideo in November 1936 the State Department had written a speech which he was to deliver there critical of the Spanish Government. And just before President Roosevelt sailed, the Spanish Ambassador tried to see him. The State Department objected. For several days he cooled his heels in the State Department and got nowhere but finally he approached Henry Wallace, now Vice President of the United States, then Secretary of Agriculture, and Mr. Wallace arranged for him to see the President of the United States. Mr. Roosevelt was more than cordial. He gave the Spanish Ambassador an interview lasting 2 hours.

The Ambassador had an opportunity to tell the President about the discrimination by American business firms against the Spanish Government and about the fact that New York bankers had even refused to handle routine exchange transactions for the Embassy. He also reminded the President how Spain, the motherland of Latin America, set the standard for democracy or dictatorship in the countries which Roosevelt was about to visit. Therefore, the Spanish Ambassador told the President that if the seeds of fascism took root in Spain they were sure to spread to South America.

After that interview the President tore up the speech which the State Department had prepared for him to deliver at Buenos Aires, and on the voyage he rewrote it himself. Following the Spanish Ambassador's suggestion, the President made the speech a ringing championship of democracy, a scathing denunciation of dictatorship. There was no doubt that President Roosevelt had been converted to the idea that the Spanish Government was fighting the fight of democracy.

But what happened to that fight while he was away? What were his State Department functionaries supposed to carry out his foreign policy doing to undermine it? While the President was steaming back from Argentina, Mr. Robert Cuse, of Jersey City, ignored Mr. James Dunn and the attempt of State Department functionaries to prevent the shipment of arms to Spain. Mr. Cuse obtained a license to ship $2,777,000 worth of second-hand airplanes to the Spanish Government. There was no law against it and the State Department, although it argued with him and tried to browbeat him, in the end could not stop the shipment. No law had then been passed by Congress. Mr. Cuse's shipment included some famous airplanes, such as Harry Richmond's Lady Peace, Powell Crosley's Northrup, Lora Engles' Lockheed Orion together with a motley assortment of cast-off Army planes of doubtful military value.

The State Department admitted officially that it could not prevent the shipment of these arms to Spain but it placed every conceivable obstacle in the path of that shipment. Mr. Green, the subordinate of Mr. James Dunn, actually called in the press and made public the engine numbers and other details of each plane in an attempt to whip up public opinion and in order that Franco's Army in Spain might know the weapons the Loyalist Government was receiving.

This was the ship, the *Mar Cantabrico*, which I referred to a minute ago. As it was preparing to sail the State Department went to Representative McReynolds of Tennessee, chairman of the Foreign Affairs Committee, and urged him to pass a new law quickly to stop the shipment of these airplanes. Then the State Department suggested to customs agents in New York that they examine a 400-pound crate of shoes on the Spanish ship on the theory that shoes could not weigh as much as 400 pounds. Then Army officers spurred on by the State Department held the Spanish ship up further until it could inspect 32 cast-off field kitchens and demand that the name "U. S. Army" stenciled on the field kitchens be painted out.

Then as the Spanish vessel sailed out of New York harbor the Coast Guard cutter *Icarus* steamed alongside at the behest of the State Department ready to stop the shipment the minute the law was passed by Congress. The Coast Guard vessel even ordered the Spanish ship to stop and boarded her with a writ claiming back pay for two disgruntled American fliers, Burt Acosta and Gordon K. Berry, who claimed that they had not been paid by the Spanish Loyalist Government for flying in Spain.

In other words the State Department pulled every conceivable wire to prevent arms from going to the Loyalist Republican Government of Spain despite the fact that President Roosevelt had had the friendliest relations with the Spanish Ambassador, despite the fact that Spain was a friendly government properly accredited to the United States, properly recognized by the United States, and despite the fact that Mussolini and Hitler were doing everything possible to aid the Spanish Government's leader Franco.

This, I repeat, was done while Secretary Hull and Under Secretary Sumner Welles were absent in South America. The Spanish ship sailed on January 6. Congress passed the Neutrality Act on January 6. Secretary Hull and Mr. Welles did not return until January 14. President Roosevelt had been out of the country for more than a month and was not familiar with the details.

Thus, I repeat, it is impossible for any President to be his own Secretary of State unless he has working with him and for him a group of men who thoroughly sympathize with and support his foreign policy.

To illustrate conclusively, I quote from the book The Time for Decision, written by the former Under Secretary of State, Sumner Welles, who of all people was in a position to know and who on page 61, referring to the Spanish embargo, said:

"During the time that the legislation was receiving final consideration in Congress, and at the moment when the official spokesman for the Department of State was making the statement above quoted, the President and the Secretary of State were absent from the country, attending the opening session of the Inter-American Conference for the Maintenance of Peace at Buenos Aires. I have always believed that if the President had been in Washington during those weeks he would

at least have explained to the American people why the measure was unwise and why it was so extremely prejudicial to the national interests of this country. In the long history of the foreign policy of the Roosevelt administration, there has been, I think, no more cardinal error than the policy adopted during the civil war in Spain."

And that illustrates why it is so necessary that we must have trained executives to handle our foreign policy when the President has to be away and when he cannot keep his fingers on all the minute details of the State Department.

Mr. CHAVEZ and Mr. CLARK of Missouri addressed the Chair.

The VICE PRESIDENT. Does the Senator from Pennsylvania yield, and if so, to whom?

Mr. GUFFEY. I yield the floor. I have finished.

Mr. CHAVEZ. Mr. President, the Senator from Pennsylvania has spoken with reference to Mr. Dunn. I do not know him at all. But I should hate to think that the Congress of the United States, which passed the neutrality law, could now "pass the buck" and say that it was the doings of Mr. Dunn. The passing of the law was our responsibility. At the time it was passed the Congress felt that it would be a good law, and it passed it. What the State Department had to with passing the Neutrality Act I do not know.

Mr. PEPPER. Mr. President, as I understood the remarks of the Senator from Pennsylvania, as well as the discussion which took place in the committee, the Senator called attention to the fact that the State Department had recommended that the Congress pass the neutrality law, and, as Mr. Welles has said in his book The Time for Decision, it was a spokesman for the Department who spoke in the absence of the President and the Secretary of State.

Mr. CHAVEZ. Oh, yes; but I have seen the Senate in session over and over again, and I have seen it in session when it did not follow suggestions of the State Department. Congress passed the neutrality law.

Mr. CLARK of Missouri. Mr. President, I tried to get the Senator from Pennsylvania [Mr. GUFFEY] to yield to me, and he declined to do so. I am now claiming the floor in my own right.

I wonder whether the Senator from Pennsylvania ever read that beautiful poem entitled "The Grand Old King of France." He had 10,000 men. He marched them up the hill and he marched them down again.

The Senator from Pennsylvania, the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. PEPPER] had 10,000 men. They marched them up the hill and then they marched them down again.

When the matter actually came to a showdown on the floor of the Senate they did not have more than seven men. I believe they finally had nine men at one time. So, Mr. President, I merely desired to invite attention to the fact that when the grand old King of France marched up the hill and marched down again he actually had more than nine men.

Mr. DANAHER obtained the floor.

Mr. GUFFEY. Mr. President, I wish to reply to the Senator from Missouri. I did not hear him ask me to yield to him. In the second place the first man to change his position in the Senate and in the committee was the Senator from Missouri who was going to fight MacLeish to the end because he wrote poetry. Now the Senator is advocating the confirmation of his nomination. The man who marched down the hill first was the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, if I have the floor——

The VICE PRESIDENT. The Senator from Connecticut has the floor.

Mr. DANAHER. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, I wish to say that the reason I changed my mind about Mr. MacLeish was that a distinguished Member of this body, who was present the other day in the Foreign Relations Committee, stated as a reason for his disagreement with General Holmes the fact that General Holmes had been said by Edgar A. Mowrer to be friendly to the well-to-do. The Senator who made the statement—I may be mistaken about it—is probably the wealthiest man in the Senate. I said that I was not very well-to-do, that I wished very much that I was much more well to do, but that I would not oppose a man whom I had never seen before in my life until that morning, who had an excellent record in the State Department and an excellent record in the Army, on the ground that he was friendly with the well-to-do. That is the way the matter came up. The courage of the man who went with General Clark on the submarine which made the original landing at the north African front to my mind was very outstanding. The Senator to whom I refer said that I was indulging in personalities. I did not think so.

Mr. MURRAY rose.

Mr. CLARK of Missouri. I shall be glad to yield to the Senator from Montana. I see him standing.

Mr. MURRAY. Mr. President, I did not desire to get up. I have the greatest sympathy for the Senator from Missouri, and I do not care to carry on any debate. I know he was mistaken when he made those remarks in the Senate committee because I was reading from a statement and I did not make any statement of my own whatever. The Senator misunderstood me. He was not able to hear what was going on. He was at the other end of the room at the time, and he was not giving attention to what was taking place.

Mr. CLARK of Missouri. Did the Senator from Montana read a statement from Edgar A. Mowrer in which he said that the nomination of General Holmes should not be confirmed by us because he was friendly to the well-to-do?

Mr. MURRAY. No; nothing of the kind. The Senator is mistaken.

Mr. CLARK of Missouri. The Senator from Montana is completely mistaken. I can call on any Member of the Senate to confirm what I have said.

Mr. MURRAY. I believe that I am in better position to recall what was said than is the Senator from Missouri.

Mr. CLARK of Missouri. Very well. I will call on any member of the committee to get up and speak as to what was actually said. The Senator from Montana said that he did not think that General Holmes should be confirmed because General Holmes had been friendly with the well-to-do.

Mr. MURRAY. I have said that the Senator from Missouri is entirely mistaken.

Mr. CLARK of Missouri. I challenged the Senator from Montana on the floor of the committee at that time.

Mr. MURRAY. The Senator from Missouri also challenged me in the corridor. [Laughter.]

Mr. DANAHER. Mr. President, unless the Senator from Missouri desires to proceed further I should like to speak for a moment.

Mr. CLARK of Missouri. If the Senator from Connecticut wishes to speak I shall defer making any further statement.

Mr. DANAHER. I thank the Senator.

Mr. President, in reference to the statement which the Senator from Pennsylvania [Mr. GUFFEY] has placed in the RECORD, I wish to say that I do not know its contents but shall interestingly read it. Of course, the Senator from Pennsylvania has had the statement inserted in the RECORD for that purpose.

As bearing upon the subject matter, insofar as it has been read to us, it seems to me that there is a bit of evidence which the RECORD also should contain. I turn to a volume entitled "Great Contemporaries," written by Winston S. Churchill and published in 1937. I should like the RECORD to contain an excerpt from Mr. Churchill's writings at that time, and to that end I will read them into the RECORD at this point. I read from page 199:

But communism is not only a creed. It is a plan of campaign. A Communist is not only the holder of certain opinions; he is a pledged adept of a well-thought-out means of enforcing them. The anatomy of discontent and revolution has been studied in every phase and aspect, and a veritable drill book prepared in a scientific spirit for subverting all existing institutions. The method of enforcement is as much a part of the Communist faith as the doctrine itself. At first the time-honored principles of liberalism and democracy are invoked to shelter the infant organism. Free speech, the right of public meeting, every form of lawful political agitation and constitutional rights are paraded and asserted. Alliance is sought with every popular movement toward the left.

The creation of a mild Liberal or Socialist regime in some period of convulsion is the first milestone. But no sooner has this been created than it is to be overthrown. Woes and scarcity resulting from confusion must be exploited. Collisions, if possible, attended with bloodshed, are to be arranged between the agents of the new government and the working people. Martyrs are to be manufactured. An apologetic attitude in the rulers should be turned to profit. Pacific propaganda may be made the mask of hatred never before manifested among men.

No faith need be, indeed may be, kept with non-Communists. Every act of good will, of tolerance, of conciliation, of mercy, of magnanimity on the part of governments or statesmen is to be utilized for their ruin. Then when the time is ripe and the moment

opportune, every form of lethal violence, from mob revolt to private assassination, must be used without stint or compunction. The citadel will be stormed under the banners of liberty and democracy; and once the apparatus of power is in the hands of the brotherhood, all opposition, all contrary opinions must be extinguished by death. Democracy is but a tool to be used and afterwards broken; liberty but a sentimental folly unworthy of the logicians. The absolute rule of a self-chosen priesthood according to the dogmas it has learned by rote is to be imposed upon mankind without mitigation progressively forever. All this set out in prosy textbooks, written also in blood in the history of several powerful nations, is the Communist's faith and purpose. To be forewarned should be to be forearmed.

I wrote this passage nearly 7 years ago: But is it not an exact account of the Communist plot which has plunged Spain into the present hideous welter against the desires of the overwhelming majority of Spaniards on both sides?

I do not know Mr. Dunn, I have never seen him, I have never met him, but perhaps he would be entitled to this comment from the Prime Minister of Great Britain, our great ally.

Mr. GUFFEY. Will the Senator yield for a question?

Mr. DANAHER. Yes; I am glad to yield.

Mr. GUFFEY. I did not say anything about communism.

Mr. DANAHER. Oh, I did.

Mr. GUFFEY. The Senator was replying to me, but I said nothing about communism.

Mr. DANAHER. The Senator from Pennsylvania was talking about the Spanish Revolution. He was also talking about Mr. Dunn's part with reference to it.

Mr. GUFFEY. I said it was financed by Hitler and Mussolini. That is what I said.

Mr. DANAHER. Mr. Churchill says otherwise. That is why I offered contrary evidence.

Mr. CONNALLY. Mr. President, in fairness to Mr. Dunn, I ask unanimous consent to insert in the RECORD Mr. Dunn's statement as it appears in the record of the hearings.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

STATEMENT OF JAMES CLEMENT DUNN

The CHAIRMAN. We shall next hear the statement of Mr. James Clement Dunn. His biography will appear in the record at this point.

"JAMES CLEMENT DUNN

"Born Newark, N. J., December 27, 1890. Studied law and architecture. Architect, 1912–17. United States Navy, 1917–19; served as lieutenant, assistant United States Naval attaché, Habana, 1918–19; entered the Department of State 1919, assigned as secretary in the Embassy at Madrid February 26, 1920; at Port-au-Prince March 1, 1922; at Brussels March 7, 1924; to the Department April 29, 1927; resigned August 7, 1930. Appointed Chief, Division of International Conferences in the Department of State, September 10, 1931; secretary of delegation, Fourth Pan American Commercial Conference, Washington, 1931; secretary general of American delegation, First Stage, General Disarmament Conference, Geneva, 1932; assistant, first meeting of Experts Preparatory Committee for International Monetary and Economic Conference, Geneva, 1932, and secretary of the American delegation to the Conference, London, 1933; Chief, Division of Protocol and Conferences, June 1, 1933; secretary general of American delegation, Seventh International Conference of American States, Montevideo, 1933; special assistant to the Secretary of State, February 12, 1934; Chief, Division of Western European Affairs, July 1, 1935; Chief, Division of European Affairs, June 16, 1937; Advisor on Political Relations, July 17, 1937; Director, Office of European Affairs, January 15, 1944. He accompanied Mr. Hull to Moscow as his principal adviser on political affairs at the Moscow Conference of Foreign Ministers which resulted in the Moscow Four-Nation Declaration. He served in the same capacity with Mr. Hull at the Quebec Conference of 1943. Mr. Dunn was also one of the United States representatives at the Dumbarton Oaks conversations."

Mr. Dunn, the President has sent your nomination to the Senate for the position of Assistant Secretary of State. The Committee on Foreign Relations will be pleased to have any statement you desire to make.

Mr. DUNN. Mr. Chairman, with your permission, I will read a statement I have prepared for this occasion.

The Department of State is not new to me. In fact, after 2 years as a naval officer in the last war, I have served 25 years either in the Foreign Service or in the Department. After Mr. Hull became Secretary, I served as special assistant to him, as adviser on political affairs and as Director of the Office of European Affairs. I was adviser to Mr. Hull at the Moscow Conference. No one serving under Secretary Hull could fail to become imbued with his faith in this country and in its constructive influence in world affairs.

These have been trying years, years which have seen much evil and suffering. But they have also brought new strength and a toughened moral fiber to the people of this country and to free peoples everywhere. Freemen, whose liberty has temporarily been lost or threatened, gain new strength and determination to safeguard it in the future.

In our democracy the basic determination of foreign policy rests with the people. Foreign policy is and must be a living thing; it is the process of dealing with a constant succession of new developments in the light of our fundamental principles and interests.

After the complete defeat of our enemies, all necessary measures, however rigorous, must be taken to prevent their being able to make war again. Meanwhile, our national interest requires that we encourage the establishment of strong, democratic governments in liberated countries. Our security and welfare will be best served by having in other countries liberal governments which will be dedicated, as we are, to improving the standards of living of their peoples and to creating the atmosphere and conditions conducive to the preservation of peace and security. We look forward to the development in other countries of freedom, of increased opportunities, and improved social welfare of their people.

I am deeply conscious of the new responsibilities which the President and Mr. Stettinius have asked me to assume.

Shortly before Secretary Hull started for Moscow, Mr. Stettinius came to the Department of State as his principal assistant. I was one of his advisers at Dumbarton Oaks, and I have seen at first hand his skilled leadership and his deep sense of the importance of the task and of the responsibilities which lie ahead.

Public office today, especially in the field of foreign relations, carries a heavy responsibility. The President and the Secretary of State are devoting themselves to the advancement of the interests of the American people and the establishment of peace and security. So long as I can be of use in any capacity in carrying out the policies laid down by the President, Mr. Hull, and Mr. Stettinius, I shall consider it a duty and an honor to do so.

The CHAIRMAN. Mr. Dunn, you were with Secretary Hull at Moscow?

Mr. DUNN. Yes, Mr. Chairman.

The CHAIRMAN. And also at Quebec?

Mr. DUNN. Yes, Mr. Chairman.

The CHAIRMAN. You were one of the delegates or, rather one of the representatives of this Government at Dumbarton Oaks?

Mr. DUNN. At Dumbarton Oaks.

The CHAIRMAN. Have you any questions, Senator George?

Senator GEORGE. No questions.

The CHAIRMAN. Senator JOHNSON.

Senator JOHNSON of California. There was a declaration that we made with some degree of emphasis in our first meeting with our allies, was there not?

Mr. DUNN. Do you refer to the Atlantic Charter?

Senator JOHNSON of California. Sir?

Mr. DUNN. Do you refer to the Atlantic Charter, Senator?

Senator JOHNSON of California. Yes. Where is it now?

Mr. DUNN. It is still there, Senator.

Senator JOHNSON of California. Still where?

Mr. DUNN. It is still right before us, and we are carrying on under the principles of the Atlantic Charter.

Senator JOHNSON of California. You say we are working on that policy still?

Mr. DUNN. Yes; we have not left the principles of the Atlantic Charter.

Senator JOHNSON of California. Perhaps it would not be appropriate for me to ask you about particular relations of the State Department concerning that pronouncement. Would you rather I would not interrogate you concerning them?

Mr. DUNN. Well, Senator, I will be very glad indeed to answer any questions that I can, provided, of course, it would not interfere with our relations with other countries—specific countries.

Senator JOHNSON of California. If you see in any question that I ask something that you think—even think—may interfere with our relations with other countries, you are, of course, at liberty to decline to answer.

Mr. DUNN. Thank you.

Senator JOHNSON of California. Is there any trouble with the announcement or the pronouncement or with the carrying into effect of the "four freedoms" that were originally provided for?

Mr. DUNN. The "four freedoms," of course, were not stated as such in the Atlantic Charter, Senator.

Senator JOHNSON of California. Well, I do not know what it is. You can designate it better than I. I will accept your designation.

Mr. DUNN. Well, I do not know just exactly what you mean. We stand for our own principles, our own position, our own policies, and our own attitudes.

Senator JOHNSON of California. Has there been any difference arise with our allies concerning our construction of that particular pronouncement?

Mr. DUNN. I would not like to be specific, Senator. We have had some difficulties; yes. We are bound to have some difficulties as we go forward in carrying out our program.

Senator JOHNSON of California. What was that?

Mr. DUNN. We are bound to have some difficulties as we go forward in our relations with other countries.

Senator JOHNSON of California. Yes; I assume so. I do not want you to take those up in detail, but how are you with Greece at the present time?

Mr. DUNN. With Greece, did you say, Senator?

Senator JOHNSON of California. Yes.

Mr. DUNN. With Greece we stand on the statement made by the Secretary of State just a few days ago, which confirmed the statement made by Prime Minister Churchill, that we are in favor of permitting the Greek people to choose their own form of government.

Senator JOHNSON of California. Is that the situation of the dispute with Greece at the present time?

Mr. DUNN. Well, Senator, I would rather not go into the details of Greece; as a matter of fact, that has not been directly under my charge in the Department.

Senator JOHNSON of California. The opportunity will present itself for everyone to express his views. I do not want to sneak up backward and ask your views concerning these matters. If you feel that you cannot answer concerning Greece at the present time, we will let it pass.

Mr. DUNN. Yes. I have not been directly in charge of relations with Greece.

Senator JOHNSON of California. Would that come within your jurisdiction?

Mr. DUNN. It does not come within the present jurisdiction that I have in the Department; it will in the future alinement.

Senator JOHNSON of California. It will ultimately?

Mr. DUNN. It will.

Senator JOHNSON of California. Then, we can get it later?

Mr. DUNN. Oh, yes; yes, sir.

The CHAIRMAN. Are there any other questions by members of the committee?

Senator MURRAY. Mr. Dunn, what was your attitude toward Franco during the civil war in Spain?

Mr. DUNN. During the period of civil war, as you will recall, the executive branch of the Government took the view that in line with the existing Embargo Act, arms would not be shipped to participants in the civil war in Spain. That policy was embodied in an enactment—an act of Congress of January 8, 1937—which specifically prohibited the shipment of arms to Spain.

Senator MURRAY. Did you discuss during that period the problem which confronted us in our attitude toward the situation in Spain?

Mr. DUNN. Did I discuss it?

Senator MURRAY. Yes.

Mr. DUNN. Oh, yes; it was discussed in the Department.

Senator MURRAY. What was your advice to the Department at that time?

Mr. DUNN. My advice was entirely in line with the decision which was made by the executive branch at that time—by the President and the Secretary of State.

Senator MURRAY. What is your attitude now with reference to the trouble that is going on in Greece?

Mr. DUNN. In Greece, as I think I have stated to Senator JOHNSON, my position is squarely in line with the position taken by the Secretary of State within the last few days.

Senator MURRAY. Did you mean the position of Churchill in that respect? Did you mean Churchill?

Mr. DUNN. Yes. The statement of the Secretary of State quoted Mr. Churchill, in which he said that the kind of government that was to be chosen in Greece was to be left to the Greek people. The Secretary of State said he was in accord with that statement.

Senator MURRAY. Is that the actual position taken by Churchill in regard to the problem there?

Mr. DUNN. Well, of course, he enunciated those words in his statement on Greece.

Senator MURRAY. But those words were taken out of the context.

Mr. DUNN. They were in the context, of course.

Senator MURRAY. When you read the entire statement, it appears that he is against the people there determining for themselves the form of government they desire to have, and he undertakes to insist that they should have a kingdom or a monarchy; is not that true?

Mr. DUNN. Well, of course, I do not think it is perhaps very advisable to discuss right here in detail the Greek situation. I do not think or believe I am in a position to do so. But the position of this Government, as expressed by the Secretary of State, was, I think, quite clear as to the attitude and policy of this Government toward that situation.

Senator MURRAY. Well, is it your judgment generally that there should be an expansion of democracy in the world for the future welfare of the world, for the protection of the world from wars, and to bring about better conditions?

Mr. DUNN. It is. I feel very strongly that way. You will find in my statement a definite statement of that purpose.

Senator MURRAY. And that policy will guide you in your position?

Mr. DUNN. Entirely, Senator.

Senator MURRAY. Have you always held to those views and policies?

Mr. DUNN. There have been a great many misrepresentations and outright lies printed about me; but I have always held those views, and I think people who know me, and have known me throughout my career, and of the way I have acted, would always substantiate that statement.

Senator MURRAY. There is an opinion in the country, held by many people, that men in the State Department are largely under the influence of the British. Have you had very close relationships with the British diplomatic representatives, and have they had any influence on you in the course of your duties?

Mr. DUNN. None whatever. Neither have I ever seen any of that in my entire career in the State Department and in the Foreign Service.

Senator MURRAY. When I first came to the Senate, I heard the statement made before the Foreign Relations Committee that the British Foreign Office dominated the American State Department.

Mr. DUNN. Of course, that is not true and never has been true. I am always very much surprised to hear Americans make statements of that kind, because we have the finest Foreign Service in the whole world. The men who work in it are earnest and sincere, are good Americans, and have no idea of being influenced by anyone or by any other foreign country. That I can vouch for.

Senator MURRAY. Is it not true that Churchill in the present situation in Europe is forcing the State Department to play a sort of second fiddle to his activities over there?

Mr. DUNN. I have seen no evidence of that, and I have no knowledge of that, Senator. Lots of statements are made.

Senator MURRAY. He did not consult with the American State Department in reference to his course of action in Greece?

Mr. DUNN. That is true; yes.

Senator MURRAY. Does not that indicate that he feels that he occupies a position where he can do as he pleases?

The CHAIRMAN. Just a moment, Senator Murray. I do not want to intervene, but it seems to me that to ask a member of the State Department to interpret the feelings, sentiments, and back-stairs views of Mr. Churchill at this critical stage of the war is of very doubtful propriety. I suggest to the Senator the withdrawal of that question.

Senator MURRAY. Do I understand that these witnesses are going to appear in executive session?

The CHAIRMAN. Whenever you want them, we will have them in executive session. I am making that suggestion through no desire to suppress anything. But how would we like a British committee interrogating witnesses to have them interpret the private views or the other views of our Secretary of State? We would not stand for it.

Senator MURRAY. It seems to me that everything about which I have questioned Mr. Dunn concerns matters that are published daily.

The CHAIRMAN. You did not ask him about facts; you asked him about impressions and feelings, and things of that kind. However, I am willing to submit it to the committee. Propound your question, and we will take a vote.

Senator MURRAY. I do not care to press the question. I understand that there will be an opportunity for further questioning at some executive session.

The CHAIRMAN. Absolutely. While I am chairman, if any member of this committee wants any information from the State Department, we will see that he gets it.

Are there any other questions?

Senator PEPPER. Mr. Dunn, in view of your connection with the Dumbarton Oaks Conference and your intimate familiarity with the subject, would it be proper for you to express an opinion, if you have one, as to whether you think it is desirable, while the Dumbarton Oaks Conference is in process of extension into a complete agreement, for the several nations which will probably constitute member states in the new organization we envisage to refrain from contractual obligations, one toward another, which might interfere with their freedom later on as member states in this organization? In other words, if it is proper for you to say so, and if you have an opinion on the subject, do you think it is in the interest of the establishment of an effective world organization at the earliest possible time for the various nations now to be making alliances with one another?

Mr. DUNN. Well, Senator, certainly it would be inadvisable and would be rather too bad to see any arrangements made, or the alliances that you speak of, that would be detrimental to the purpose of the over-all international organization; but the Dumbarton Oaks proposals themselves provide for regional arrangements and also say that there is a provision made for regional arrangements which are not inconsistent with the purposes of the international organization. I think that should be the rule by which you should judge any arrangements that were made in the meantime.

Senator PEPPER. If it is proper for you to say so, is there not a likelihood or a possibility that that may lead back to the same sort of policy which in the past has been called the balance of power?

Mr. DUNN. Well, of course, that is not the intention in providing in the Dumbarton Oaks proposals for regional arrangements. We have the Pan American Union; we have arrangements in this hemisphere that we certainly would not want to abolish. They have other purposes; and there may be other situations in other parts of the world where it would be proper to have regional arrangements, provided always, as stated in the proposals, that they are not inconsistent with and that they will further the purposes of the international organization.

Senator PEPPER. You would distinguish, would you not, between alliances between two countries and the sort of association we have in the Western Hemisphere?

Mr. DUNN. No; arrangements between two countries also are considered as provided for, except, of course, where they are contrary to the purposes of the organization and contrary to the objective of the furtherance and maintenance of peace and security.

Senator PEPPER. Is it contemplated that at a later time all these so-called arrangements to which you have referred will be fully disclosed at the international organization and conference and that it will be determined whether they are in conflict with it or not or in harmony with its spirit?

Mr. DUNN. Oh, yes. I should think so. Yes; exactly. It would be expected and contemplated that they would be fully known about. They must be known about in detail by the members of the international organization, and they will be judged as to whether or not they are inconsistent in that respect.

Senator PEPPER. I have one other question. Do you consider that there is any fear or any possibility that what you call regional arrangements may be interpreted by other people as a grant of authority to certain strong nations in a given area to dominate smaller nations in that area?

Mr. DUNN. Of course, I have no idea what other nations might deduce or gather as an impression; but I think matters of that kind depend upon the explicit terms of an arrangement, as we might call it, or treaty or multilateral convention, and also the spirit behind it.

Senator PEPPER. Both in the nature of an observation and a question, you do not entertain the fear that many feel already that before the war is ever over, nations are already haggling and striving for positions that will further their own interests, rather than all the United Nations, in respect to international problems, working through a representative organization, and working collectively upon these world problems?

Mr. DUNN. Well, Senator, I do not believe it is the proper role of anyone in the State Department to fear or raise a possibility of the sort of thing you mention; but, on the other hand, it is our problem to keep closely in touch with the developments of all kinds as we go forward and to do our best to bring about—I think it is the purpose and the intention of the United States Government at this time to do everything in the world we can to bring about—a real international organization for peace and security and to do away with the kind of arrangements that might cause the fear you speak or at least to obviate them and try to present a program that will make for better understanding on a world-wide basis.

The CHAIRMAN. Are there any other questions? Thank you, Mr. Dunn.

Senator GUFFEY. Mr. Chairman, I have an arrangement with the Secretary of State to go to the Department tomorrow to see certain reports that were sent from Spain by the former Ambassador to Spain, Mr. Claude Bowers. Whether or not they will bear on this matter, I do not know. Mr. Bowers is now our Ambassador to Chile. If anybody wants to go with me, I shall be glad to have him. I am just telling you now.

The CHAIRMAN. We hope that you will go, Senator, and will come back imbued with information. We are sure you will.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of James C. Dunn, of New York, to be Assistant Secretary of State?

Mr. CONNALLY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I understand he would, if present, vote as I am about to vote. I vote "yea."

Mr. MEAD (when Mr. WAGNER's name was called). My colleague the senior Senator from New York [Mr. WAGNER] is unavoidably absent. If present he would vote "yea" on this nomination.

The roll call was concluded.

Mr. CONNALLY. The senior Senator from Georgia [Mr. GEORGE] authorized me to say that if present he would vote for the nomination. He was called away from the Senate.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Utah [Mr. THOMAS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD] the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from South Carolina [Mr. HALL], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], and the Senator from Washington [Mr. WALLGREN] would vote "yea."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Louisiana [Mr. ELLENDER]. I am advised that if present and voting, the Senator from West Virginia would vote "nay," and the Senator from Louisiana would vote "yea."

Mr. McKELLAR (when Mr. STEWART'S name was called). My colleague the junior Senator from Tennessee [Mr. STEWART] is conducting hearings in Indiana. He wishes me to say that if he were present and voting, he would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS]. If present the Senator from New Hampshire would vote "yea."

The Senator from Indiana [Mr. JENNER], who is necessarily absent, would vote "yea" if present.

The Senator from Minnesota [Mr. BALL] is absent on official business of the Senate.

The Senator from Oklahoma [Mr. MOORE] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is necessarily absent. If present he would vote yea."

The Senator from Idaho [Mr. THOMAS] is necessarily absent.

The result was announced—yeas 62, nays 10 as follows:

YEAS—62

Austin	Gillette	Radcliffe
Bailey	Green	Reed
Barkley	Hatch	Revercomb
Bilbo	Hawkes	Reynolds
Brewster	Hayden	Robertson
Brooks	Hill	Russell
Buck	Holman	Smith
Burton	Johnson, Colo.	Taft
Bushfield	Lucas	Thomas, Okla.
Butler	McCarran	Truman
Byrd	McClellan	Tunnell
Capper	McFarland	Tydings
Caraway	McKellar	Vandenberg
Chavez	Maloney	Walsh
Clark, Mo.	Maybank	Weeks
Connally	Mead	Wheeler
Cordon	Millikin	Wherry
Danaher	Murdock	White
Davis	Nye	Wiley
Downey	O'Mahoney	Willis
Ferguson	Overton	

NAYS—10

Aiken	La Follette	Pepper
Chandler	Langer	Shipstead
Guffey	Magnuson	
Johnson, Calif.	Murray	

NOT VOTING—24

Andrews	Gerry	Scrugham
Ball	Glass	Stewart
Bankhead	Gurney	Thomas, Idaho
Bridges	Hall	Thomas, Utah
Clark, Idaho	Jenner	Tobey
Eastland	Kilgore	Wagner
Ellender	Moore	Wallgren
George	O'Daniel	Wilson

So the nomination of James C. Dunn to be Assistant Secretary of State was confirmed.

NOMINATION OF BRIG. GEN. JULIUS C. HOLMES

The VICE PRESIDENT. The clerk will state the next nomination on the calendar.

The legislative clerk read the nomination of Brig. Gen. Julius C. Holmes, United States Army, of Kansas, to be Assistant Secretary of State.

Mr. CONNALLY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the junior Senator from Indiana [Mr. JENNER], who if present would vote as I am about to vote. I am therefore free to vote. I vote "yea."

Mr. MEAD (when Mr. WAGNER's name was called). I announce that my colleague [Mr. WAGNER] if present would vote "nay" on this nomination.

The roll call was concluded.

Mr. CONNALLY. I announce that the senior Senator from Georgia [Mr. GEORGE] is unavoidably absent. He has requested that I announce that if present he would vote "yea."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Utah [Mr. THOMAS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from

South Carolina [Mr. HALL], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. KILGORE], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], and the Senator from Washington [Mr. WALLGREN] would vote "yea."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Louisiana [Mr. ELLENDER]. I am advised that if present and voting, the Senator from West Virginia would vote "nay" and the Senator from Louisiana would vote "yea."

Mr. McKELLAR (when Mr. STEWART'S name was called). My colleague [Mr. STEWART] is conducting official hearings in Indiana. He wishes me to say that if he were present and voting, he would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS]. If present the Senator from New Hampshire would vote "yea."

The Senator from Indiana [Mr. JENNER], who is necessarily absent, would vote "yea" if present.

The Senator from Minnesota [Mr. BALL] is absent on official business of the Senate.

The Senator from Oklahoma [Mr. MOORE] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is necessarily absent. If present he would vote "yea."

The Senator from Idaho [Mr. THOMAS] is necessarily absent.

The result was announced—yeas 61, nays 9, as follows:

YEAS—61

Austin	Green	Revercomb
Bailey	Hatch	Reynolds
Barkley	Hawkes	Robertson
Bilbo	Hayden	Russell
Brewster	Hill	Shipstead
Brooks	Holman	Smith
Buck	Johnson, Colo.	Taft
Burton	Lucas	Thomas, Okla.
Bushfield	McCarran	Truman
Butler	McClellan	Tunnell
Byrd	McFarland	Tydings
Capper	McKellar	Vandenberg
Caraway	Maloney	Walsh
Chavez	Maybank	Weeks
Clark, Mo.	Millikin	Wheeler
Connally	Murdock	Wherry
Cordon	Nye	White
Danaher	O'Mahoney	Wiley
Davis	Overton	Willis
Downey	Radcliffe	
Ferguson	Reed	

NAYS—9

Aiken	La Follette	Mead
Chandler	Langer	Murray
Guffey	Magnuson	Pepper

NOT VOTING—26

Andrews	Gillette	Scrugham
Ball	Glass	Stewart
Bankhead	Gurney	Thomas, Idaho
Bridges	Hall	Thomas, Utah
Clark, Idaho	Jenner	Tobey
Eastland	Johnson, Calif.	Wagner
Ellender	Kilgore	Wallgren
George	Moore	Wilson
Gerry	O'Daniel	

So the nomination of Brig. Gen. Julius C. Holmes, of Kansas, to be Assistant Secretary of State, was confirmed.

NOMINATION OF ARCHIBALD MacLEISH

The VICE PRESIDENT. The Clerk will state the next nomination.

The legislative clerk read the nomination of Archibald MacLeish, of Virginia, to be Assistant Secretary of State.

Mr. CONNALLY and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HOLMAN (when his name was called). On this vote I have a general pair with the junior Senator from Tennessee [Mr. STEWART]. If he were present I understand he would vote "yea." If I were at liberty to vote, I would vote "nay."

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. I understand that if he were present he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

Mr. MEAD (when Mr. WAGNER'S name was called). I announce that my colleague, if present, would vote "yea."

The roll call was concluded.

Mr. CONNALLY. The senior Senator from Georgia [Mr. GEORGE] is unavoidably absent. I announce that if present, he would vote "yea."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Utah [Mr. THOMAS] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. KILGORE], the Senator from South Carolina [Mr. HALL], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from North Carolina [Mr REYNOLDS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

I am advised that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Idaho [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Utah [Mr. THOMAS], and the Senator from Washington [Mr. WALLGREN] would vote "yea."

The Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Louisiana [Mr. ELLENDER]. I am advised that if present and voting, the Senator from West Virginia would vote "nay," and the Senator from Louisiana would vote "yea."

Mr. McKELLAR (when Mr. STEWART'S name was called). My colleague [Mr. STEWART] is conducting hearings in Indiana. He wishes me to say that if he were present and voting, he would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS]. If present, the Senator from New Hampshire would vote "nay."

The Senator from Indiana [Mr. JENNER], who is necessarily absent, would vote "yea" if present.

The Senator from Minnesota [Mr. BALL] is absent on official business of the Senate.

The Senator from Oklahoma [Mr. MOORE] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is necessarily absent. If present, he would vote "yea."

The Senator from Idaho [Mr. THOMAS] is necessarily absent.

The result was announced—yeas 43, nays 25, as follows:

YEAS—43

Austin	Hatch	O'Mahoney
Bailey	Hayden	Pepper
Barkley	Hill	Radcliffe
Bilbo	Johnson, Colo.	Russell
Brewster	Lucas	Smith
Buck	McCarran	Taft
Byrd	McClellan	Thomas, Okla.
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	Magnuson	Tydings
Clark, Mo.	Maloney	Walsh
Connally	Maybank	Wheeler
Downey	Mead	White
Green	Murdock	
Guffey	Murray	

NAYS—25

Aiken	Ferguson	Robertson
Brooks	Hawkes	Shipstead
Burton	Johnson, Calif.	Vandenberg
Bushfield	La Follette	Weeks
Butler	Langer	Wherry
Capper	Millikin	Wiley
Cordon	Nye	Willis
Danaher	Overton	
Davis	Revercomb	

NOT VOTING—28

Andrews	Glass	Scrugham
Ball	Gurney	Stewart
Bankhead	Hall	Thomas, Idaho
Bridges	Holman	Thomas, Utah
Clark, Idaho	Jenner	Tobey
Eastland	Kilgore	Wagner
Ellender	Moore	Wallgren
George	O'Daniel	Wilson
Gerry	Reed	
Gillette	Reynolds	

So the nomination of Archibald MacLeish, to be Assistant Secretary of State was confirmed.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the State Department nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Rear Admiral Frederick G. Crisp, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 1st day of June 1942;

Rear Admiral Edward L. Cochrane, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 21st day of June 1942;

Captain Allan R. McCann, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 25th day of March 1943;

Commodore Burrell C. Allen, United States Navy, retired to be a rear admiral in the Navy on the retired list, for temporary service to continue while serving as chief of staff, to the commander, Western Sea Frontier;

Captain Paul E. Pihl, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as assistant chief of staff (logistics), to the commander, Western Sea Frontier, and until reporting for other permanent duty;

Captain Thomas E. Van Metre, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as assistant naval inspector general and until reporting for other permanent duty; and

Captain Ben H. Wyatt, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, Naval Air Bases, First Naval District, and until reporting for other permanent duty.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Laurence A. Steinhardt, of New York, now American Ambassador to Turkey, to be Ambassador Extraordinary and Plenipotentiary near the Government of Czechoslovakia now established in London.

NOMINATION OF LAURENCE A. STEINHARDT TO BE AMBASSADOR TO CZECHOSLOVAKIA

Mr. CONNALLY. Mr. President, I ask unanimous consent for the immediate consideration of the nomination of Laurence A. Steinhardt to be Ambassador to Czechoslovakia. The report of the committee is on the desk. The nomination was unanimously reported by the Committee on Foreign Relations, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of Lawrence A. Steinhardt, now Ambassador to Turkey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Czechoslovakia now established in London.

The VICE PRESIDENT. Is there objestion to the present ronsideration of the nomination? The Chair hears none. Without objection, the nomination is confirmed.

Mr. CONNALLY. I ask that the President be immediately notified.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

The clerk will state the next nomination on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters on the calendar be confirmed en bloc, and that the President be immediately notified.

The VICE PRESIDENT. Without objection, the postmaster nominations on the calendar are confirmed en bloc; and without objection, the President will be notified forthwith.

Mr. McKELLAR. I ask unanimous consent that a number of other postmaster nominations which have been approved by Senators from the respective States be considered at this time and confirmed en bloc.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee? The Chair hears none. Without objection, the nominations are confirmed en bloc; and, without objection, the President will be notified forthwith.

That completes the calendar.

NAVY NOMINATIONS CONFIRMED

Mr. WALSH. Mr. President, I have reported from the Committee on Naval Affairs several nominations involving promotions of officers of the Navy. I ask unanimous consent for the present consideration of the nominations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and the nominations will be stated.

The legislative clerk read the nomination of Rear Admiral Frederick G. Crisp, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 1st day of June 1942.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Rear Admiral Edward L. Cochrane, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 21st day of June 1942.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Commodore Burrell C. Allen, United States Navy, retired, to be a rear admiral in the Navy on the retired list, for temporary service, to continue while serving as chief of staff to the commander, Western Sea Frontier.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Capt. Paul E. Pihl, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as assistant chief of staff (logistics) to the commander, Western Sea Frontier, and until reporting for other permanent duty.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Capt. Thomas E. Van Metre, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as assistant naval inspector general and until reporting for other permanent duty.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Capt. Ben H. Wyatt, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as commander, Naval Air Bases, First Naval District, and until reporting for other permanent duty.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Capt. Allan R. McCann, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 25th day of March 1943.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. WALSH. I ask that the President be immediately notified of the confirmation of the nominations in the Navy.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. McLeod, one of its clerks, informed the Senate that, pursuant to the provisions of Senate Concurrent Resolution 23, Seventy-eighth Congress, the Speaker had appointed Mr. MONRONEY, Mr. COX, Mr. LANE, Mr. MICHENER, Mr. DIRKSEN, and Mr. PLUMLEY members of the Joint Committee on the Organization of the Congress on the part of the House.

LEGISLATIVE PROGRAM

Mr. MEAD. Mr. President, I ask the majority leader if we are about to return to legislative session?

Mr. BARKLEY. Yes; we shall shortly return to the consideration of legislative business. In that connection, I wish to make a statement.

There are a number of measures which are more or less tied up between the House and the Senate, and upon which it is obvious that no action can be taken at this session. It is my hope very shortly to submit a concurrent resolution for the adjournment of Congress sine die. It seems to me to be futile to come back here tomorrow. Most of the Members of the House have left the city, and there is not a quorum of the House present. The announcement has been made that the House does not intend to transact any further business. No legislation that we might send over there would receive attention; and no House bills to which there are Senate amendments would receive attention. Therefore it seems to me that the sensible thing to do when we conclude our business today is to adjourn. I have ready a resolution to that effect.

In that connection, I wish to state that the Senator from North Carolina [Mr. BAILEY] and the Senator from Louisiana [Mr. OVERTON] desire to make statements with reference to the river and harbor bill. I believe the conference report is now back before the Senate. It has a privileged status. It is my understand-

ing that as soon as we return to legislative session the Senator from North Carolina will wish to make a statement about the conference report.

Mr. O'MAHONEY. Mr. President——

The VICE PRESIDENT. Does the Senator have a matter on the Executive Calendar?

Mr. O'MAHONEY. I desire to address an inquiry to the majority leader.

Mr. BARKLEY. I yield to the Senator.

Mr. O'MAHONEY. There are about six or seven bills on the calendar which have been reported by various committees.

Mr. BARKLEY. Since the last call.

Mr. O'MAHONEY. Since the last call.

Mr. BARKLEY. I will say to the Senator that it is my purpose, if the Senate adopts the adjournment resolution, to have those bills called before we actually adjourn.

Mr. O'MAHONEY. I suggest to the Senator that it might be better procedure to call the bills before the adjournment resolution is submitted.

Mr. BARKLEY. Of course, the Senator understands that the Senate can remain here and transact business as long as it wishes after it adopts the resolution providing that when it adjourns today it shall adjourn sine die.

Mr. O'MAHONEY. That is true.

Mr. BARKLEY. It makes no particular difference to me, except that the House is waiting to learn what we propose to do about an adjournment today. I am anxious to get word to the House as soon as possible. I do not think that would in any way interfere with the call of the bills the Senator has in mind. I will cooperate to see that they are all called, and they will be called under the same conditions as if they were called now.

Mr. O'MAHONEY. Mr. President, at the beginning of the session today I consulted with the acting majority leader, with the acting minority leader, and with other Members of the Senate with respect to a bill which has been reported by the Senate Committee on Public Lands and Surveys, dealing with the Jackson Hole Monument in the State of Wyoming. I found, after numerous conferences, that there would probably be no objection to action on that bill. It is my intention, Mr. President, as soon as we resume legislative session, to ask unanimous consent for consideration of that bill.

Mr. BARKLEY. Let me say in that connection that the Senator from North Carolina [Mr. BAILEY] will have precedence because of the conference report which he wishes to bring before the Senate.

Mr. O'MAHONEY. I recognize the precedence of the Senator from North Carolina, since he is endeavoring to call up a conference report on the river-and-harbor bill. He and the distinguished Senator from Louisiana [Mr. OVERTON], and other Members of the Senate have devoted a great deal of attention to that measure, and I have no desire to claim precedence over them. I shall be very glad to postpone my request until after that matter has been disposed of.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McKELLAR. I should like to ask the Senator from Wyoming whether the bill to which he refers, the Jackson Hole bill, is in substance the same as the provision which the Senator put in the appropriation bill?

Mr. O'MAHONEY. It is. It involves the disestablishment of the monument.

RIVER AND HARBOR IMPROVEMENTS—CONFERENCE REPORT

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. BAILEY. Mr. President, I shall detain the Senate only long enough to express what I have in mind. I am mainly concerned that the Senate shall adjourn. That is paramount in my consideration. I do not believe it would be good for the party or for the country for us to stay in session through another prolonged debate. I shall not go into that.

I am willing to cooperate with the majority leader of the Senate and other Senators in bringing about as rapidly as possible a decent and dignified termination of this session of the Congress. I do not think it would be well for us to stay here much longer, if things such as those which have been said on the floor in the last few days are again to be said.

So Mr. President, in matter of the river and harbor bill we are confronted with what I conceive to be the necessity for adjournment. I am informed that if we undertook to bring up the river and harbor bill there would be debate. That information comes from the senior Senato from New Mexico [Mr. HATCH]. The only difference between the House and the Senate in the matter of the river and harbor bill is the Elliott amendment. The House insists upon including it. The Senate voted to strike it out. We cannot come together. When I returned from the conference I did the extraordinary thing, under the necessities of the situation, of moving that the Senate disagree to the conference report. I did so in order to avoid prolonged debate and, I think I may say, I hope I do so without giving offense—the possibility of what has sometimes been spoken of in the Senate as a filibuster.

But the House could not recede. That would require unanimous consent, and it was lacking. Unanimous consent was not granted. The chairman of the House committee, Judge Mansfield, sought to get a rule. He found that a quorum of the Rules Committee of the House could not be had.

So we returned here, and I entered my motion to reconsider.

The matter may be a little disappointing. It may be regrettable in some degree; but it is not in the nature of a calamity or a disaster. It does not mean anything except that we shall have to do the work over again. It does not delay construction in any degree, because the bill does not contemplate any construction until after the war. Of course, I do not know how long the war will last. So I have no sense of disappointment about the matter.

I am here at this moment hoping to take a course which will bring about a swift adjournment. If we are to go on and legislate, then I wish this bill to be heard. I think it is my duty to press for it.

Mr. McKELLAR. Mr. President, it can be heard at the incoming session, which will begin in 2 weeks.

Mr. BAILEY. Certainly. I am not troubled about that, but I think the chairman of the committee owes it to his committee, I think I owe it to the Senators who are interested in the various projects in the bill, I probably owe it to my constituents in North Carolina—a considerable number of small projects in North Carolina are provided for in the bill—and I certainly owe it to my distinguished friend the Senator from Louisiana [Mr. OVERTON], who has done 10 times as much work on the legislation as I have—in short, I owe it to all those groups and categories—to insist that at any rate the river and harbor bill shall be heard if other legislation is to be heard.

My proposal is that if we can bring about a quick adjournment by way of tabling my motion, if necessary—my motion is one to reconsider—or by way of withdrawing the bill, if necessary, I am ready.

But if there are Senators here who would try to take advantage of that situation and would proceed with debate and discussion, and would bring up no end of bills, then I think it would be my duty to insist upon being heard, notwithstanding I am face to face with the prospect of prolonged debate.

I make my inquiry of the leader. What may I expect, Mr. President?

Mr. BARKLEY. Mr. President, I wish to ask the Senator a question in that connection, if he will yield to me. If I understand the situation, the conference report was rejected by the Senate largely on account of the Elliott amendment, which was originally in the bill as it passed the House.

Mr. BAILEY. The report was rejected on my motion.

Mr. BARKLEY. Yes; on the Senator's motion.

It went back to the House; and because of the parliamentary situation there, they could not obtain another conference. They could not get a rule which would bring about a conference in any way. So it occupied practically a dead status.

The Senator then asked that the papers be returned to the Senate in order that he might be able to move to have the Senate reconsider the vote by which the conference report was rejected.

Mr. BAILEY. That is correct.

Mr. BARKLEY. And that matter is now before us.

Mr. BAILEY. The papers are here and the motion is on the desk.

Mr. BARKLEY. If the Senate again rejects the conference report because of the Elliott amendment, then the legislation is back in the same status in which it was when it went to the House and when the House refused to take action on it. So no further steps could be taken.

If the Senate votes to reconsider the vote by which it rejected the conference report, and opens it up again, then, of course, it is subject to unlimited debate.

Mr. BAILEY. That is correct.

Mr. BARKLEY. And, as the Senator understands, and as I understand, there will be prolonged debate upon it, on account of the same provision which was in the bill when the conference report went back to the House. Is that correct?

Mr. BAILEY. That is correct.

Mr. BARKLEY. Under those circumstances it would seem that it would be almost futile to proceed further.

Mr. BAILEY. It would not only be futile; it would be cruel.

Mr. BARKLEY. Yes.

Mr. BAILEY. I have often heard that death takes many forms, but that the most cruel and painful form of death is that of being talked to death. [Laughter.]

Mr. BARKLEY. Yes. Under the circumstances, I would say to the Senator from North Carolina that I would feel justified and that it would be my duty under those circumstances to offer a resolution of sine die adjournment before we finish our business today; and that is my purpose.

Mr. BAILEY. The Senator said, "Before we finish our business today." But what business is there? Is the Senator going to bring up other bills? That is my plain inquiry.

Mr. BARKLEY. There are seven bills on the calendar, which have been there since the last call. They would have to be taken up by unanimous consent, as all bills on the calendar have to be. Most of the bills are House bills. I thought it would be fair to request unanimous consent to bring up those seven bills.

Mr. BAILEY. Just those seven bills? And any Senator could object, of course.

Mr. BARKLEY. Of course. There would have to be no objection in order that any of the bills could be considered.

Mr. BAILEY. And any Senator could object to the consideration of any of the seven?

Mr. BARKLEY. Yes.

Mr. BAILEY. That would be the end of the bill, under the 5-minute rule.

Mr. BARKLEY. That is true.

Mr. BAILEY. The Senator sees what I am driving at. I am driving at a swift and reasonably decent conclusion.

Mr. BARKLEY. I concur in both those objectives.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield if I have the floor.

Mr. PEPPER. I am sure that before disposition is made of the river and harbor bill many of us, would like to urge that we stay here in night session, and perhaps until tomorrow. There might be some chance of concluding action on the bill if we do so. The bill is very important, and it has been laboriously developed to this point. While there are matters in controversy, I thought it might be possible that within a reasonable time those matters could be disposed of.

Mr. BARKLEY. Mr. President, I will say to the Senator that, of course, if that objective could be attained by having one more day's session, I have no doubt the Senator from North Carolina [Mr. BAILEY] and the Senator from Louisiana [Mr. OVERTON] would be amenable to that suggestion. But my information is that in all probability it cannot be accomplished. Those who oppose the objectionable item are prepared to discuss it indefinitely.

Mr. BAILEY. Those who advocate it are also prepared to discuss it indefinitely. The Senators from California are for it, and I, myself, think the Elliott amendment is a fairly good one.

Mr. BARKLEY. I was not speaking of those who advocate the amendment. But the point is that with that atmosphere surrounding the river and harbor bill, it does not seem to me to be likely that we can dispose of it at this session.

I say that with regret, because I wish to pay tribute to the Senator from Louisiana [Mr. OVERTON], who has worked as diligently upon this legislation as any man has ever worked on anything, and I regret that a situation has developed which makes it necessary to do all that work over, although it probably would not be necessary to do all of it over. The hearings have been had, and the general outline of the bill has been agreed to by the two Houses.

Mr. BAILEY. Allow me to ask the leader this question: If we should go on into what we politely call a prolonged debate, a prolonged discussion, what course might be taken? I am sure that we would not be speaking on the river and harbor bill, or any of its amendments. I am sure the discussion would follow the course of the discussions which have taken place during the past several days in which we have included everything from the ice-bound streets of Siberia to the sands of Africa. I am not inclined to look with any favor upon that kind of a program.

Mr. BARKLEY. I concur completely in the Senator's suggestion. I think that nothing more unfortunate could occur to this Congress than to wind up this session in a turmoil or anything which might be so regarded.

Mr. BAILEY. Not only a turmoil, but a lamentable waste of time.

Mr. BARKLEY. I did not catch the last part of the Senator's statement.

Mr. BAILEY. I say not only a turmoil, but a lamentable waste of time. It would be very disagreeable to my ears.

Mr. BARKLEY. In other words, it would be a wailing and gnashing of teeth.

Mr. BAILEY. Certainly some wailing and, I think, some gnashing. However, I do not wish to go that far. My whole thought is that the best thing we can do is to adjourn the Congress and come back in January with, I hope, a very great sense of our responsibility in an hour such as this. I am not inclined to make a speech here, but I have one in my system.

Mr. BARKLEY. I do not wish to provoke it.

Mr. BAILEY. I know; nor does anyone else.

Mr. BARKLEY. Notwithstanding the fact that I always enjoy hearing the Senator.

Mr. BAILEY. I ask the Senator not to tempt me unduly.

Mr. BARKLEY. I understand that the Senator from Louisiana wishes to make a few remarks concerning the situation, and I do not want to cut him off.

Mr. OVERTON. I should like to speak.

Mr. BAILEY. Mr. President, when it comes to speaking, the restraints on any Member of the Senate are certainly not very great, and I shall take my seat.

Mr. OVERTON. Mr. President, it is indeed very much to be regretted that after so many days and weeks of work on the part of a committee in the House, and a committee in the Senate, a bill of the magnitude of the river and harbor bill should be submarined by a provision which would apply exclusively to an area in a single State. The bill contains projects affecting almost every State in the Union. Many Senators are interested in the enactment of the bill into law. Millions of people are interested in the passage of the river and harbor bill. I am quite sure that if it were possible to bring to a vote the motion which the Senator from North Carolina contemplates submitting, it would be carried by a very large majority and we would reconsider the vote by which the conference report was rejected and would agree to the conference report. That would send the bill to the White House with the Elliott amendment in it.

Personally, when I think of the numerous projects in the river and harbor bill and look at this little Elliott amendment, it makes no difference to me whether the amendment is in or out of the bill. Personally, I thought it ought to be out, and so did the Senate Committee on Commerce. The committee thought it should have been deleted from the bill, and it so recommended. I thought it should be deleted, not because of its merits or demerits, but because I did not think it had anything to do with the river and harbor bill, and that it was an amendment which ought to be considered by the Committee on Irrigation and Reclamation. I still entertain such a view

Mr. President, I have been advised by the very able Senator from New Mexico [Mr. HATCH], for whom I entertain a high personal regard as well as a warm, affectionate friendship, that he proposes to debate, not for hours, but for days, in conjunction with the very able Senator from Wisconsin [Mr. LA FOLLETTE], the conference report. I certainly would not be doing justice to my colleagues in the Senate if I were to ask them to remain here through the Christmas holidays in order to vote on the conference report. I am consoled by the fact that the river and harbor bill relates to projects which are not to be constructed until the termination of the present war. Therefore, it can be reenacted at the

next session and, I hope, in the early part of the session. I hope there will be no Senators or citizens asking for further hearings, because very exhaustive hearings have been held on the bill.

Mr. President, I wish to be perfectly frank with my colleagues. I believe a great mistake was made in the consideration of this bill, in that instead of adhering to the traditional policy of Congress in dealing with river and harbor bills by merely legislating the authorization of projects, we went far afield. We have gone into the realm of irrigation, of power, and a fight between the Department of the Interior and a large majority of the citizens in California with respect to the Central Valley Authority which, in itself, is an irrigation project.

I think it would be well, when we consider the bill at the next session, to go back to the historic treatment of a river and harbor bill and deal solely with the authorization of projects, omitting all extraneous matters, and letting them be referred for consideration and recommendation to appropriate committees other than the Senate Committee on Commerce and the Rivers and Harbors Committee of the House of Representatives.

Mr. President, again I express my belief that it will be quite impossible, as I view the situation, for the Senate to act on the motion contemplated by the Senator from North Carolina, if he were to make it, until after Christmas. I regret, therefore, that we cannot act upon this bill at this session. However, I wish to state that I hope to bring it up as early as possible at the next session.

Mr. HATCH subsequently said: Mr. President, I shall not delay the Senate at this time, except that I think I should say, in view of the fact that I was referred to in the colloquy which took place on the floor of the Senate regarding the river and harbor bill, that I do not want it to appear that either I or the distinguished and able senior Senator from Wisconsin [Mr. LA FOLLETTE], in expressing our intention to speak at length on the Elliott amendment to the river and harbor bill, was motivated by any caprice or design to be obstreperous. I have, and I am sure other Senators have, a deep conviction not only as to the so-called Elliott amendment, but also as to the method of legislation.

Furthermore, Mr. President, I had a desire to protect somewhat the dignity and integrity of the United States Senate. In my opinion no lawmakers could have been fairer than were the Senator from North Carolina [Mr. BAILEY] and the Senator from Louisiana [Mr. OVERTON] in their efforts to secure the passage of the bill. I have never seen men assume better and finer attitudes than they assumed. After they came back to this body and said, "We cannot agree on the Elliott amendment, and we would like to have another conference," and, obedient to their request, the Senate sent the bill back to conference, on the objection of one man in the House of Representatives the House said, "No; we will not meet the Senate in conference."

Mr. President, I thought that was a matter of concern, when the Senate had merely asked for an additional conference. I had not said I would filibuster, nor had anyone else. We had asked the opportunity to discuss this particular amendment. That opportunity was refused and denied, and the Senate of the United States was told, "Pass this bill as it is, or not at all."

With all due regard to the other branch of the Congress, when that attitude is assumed, I feel there is a duty and a responsibility upon the Senate to maintain its position, and I have nothing but credit and nothing but praise for the Senator from Louisiana and the Senator from North Carolina. I think they have performed their duties in a fine manner. I am not willing to accept responsibility for the defeat of the rivers and harbors bill. That responsibility rests upon other shoulders.

Mr. President, in connection with these remarks I ask to have printed in the body of the RECORD an editorial from the Washington Post of this morning.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ELLIOTT RIDER

The so-called Elliott rider, tacked onto the river and harbor bill by the House, is no more than a bald attempt to shut small farms out of California's great and potentially fertile Central Valley. It would set aside the excess lands provisions of the reclamation laws in respect to the Federal development of irrigation in this particular area. The reclamation laws, supported and reenacted by Democratic and Republican administrations alike since 1902, provide that property owners benefiting from Federal irrigation projects must dispose of their holdings in excess of 150 acres at reasonable, appraised prices. The requirement is a wise one, designed to prevent land speculation and to promote independent, as contrasted with corporation, farming. To revoke it so far as the Central Valley is concerned would be to grant an unconscionable handout at the public expense to a few individuals with huge holdings in the region.

The Senate rejected this rider when it passed the rivers and harbors bill. It is to be hoped that it will also reject the report of its conference committee recommending that it yield to the House view. As things stand now, so many Members of the House have gone home for the holidays that that Chamber cannot, on its own side, take action acceding to the Senate's will. Senate rejection of the conference agreement would, therefore, nullify the entire rivers and harbors measure. We face this result with perfect equanimity. Indeed, as we have already argued, we consider it thoroughly unfortunate to have legislation of this character enacted by a lame duck Congress. The projects involved in it cannot be undertaken until the war is ended. There is no need for haste in authorizing them. And there is every need to forestall a grab which would entrench more strongly than ever the vast baronies which have given California's agriculture a feudal character. We can get a much better rivers and harbors law from the new Congress which will assemble next month.

Mr. OVERTON. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield.

Mr. OVERTON. I hope that when the Senator absolves himself from any responsibility for the defeat of the river and harbor bill he does not infer that that responsibility rests upon either the Senator from North Carolina or the Senator from Louisiana.

Mr. HATCH. If I may answer, I thought I had paid as high a tribute and compliment as I could to the Senator from North Carolina and the Senator from Louisiana. Certainly no responsibility rests upon the shoulders of either of them. I said they had performed their duties in a statesmanlike, a fair, and a reasonable manner, and if that had been met from other sources I do not think the river and harbor bill would have been defeated.

Mr. OVERTON. I thank the Senator.

ADMINISTRATION OF THE CONTRACT SETTLEMENT ACT—REPORT OF WAR CONTRACTS SUBCOMMITTEE OF COMMITTEE ON MILITARY AFFAIRS

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the recent report of the War Contracts Subcommittee of the Senate Committee on Military Affairs entitled "Administration of the Contract Settlement Act."

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ADMINISTRATION OF THE CONTRACT SETTLEMENT ACT

(Report of the War Contracts Subcommittee to the Committee on Military Affairs pursuant to Senate Resolution 198, a resolution to investigate war contracts, the termination of war contracts, and related problems, December 13, 1944)

Your War Contracts Subcommittee, appointed by the chairman in September 1943 and continued pursuant to Senate Resolution 198, submits its first report, with recommendations, on the administration of the Contract Settlement Act (Public Law 395, 78th Cong.).

While the instant report deals solely with the administration of the Contract Settlement Act, an additional report is under preparation appraising the adequacy of other reconversion legislation from the viewpoint of both the short-range problem of transition from war to peace and the long-range problem of achieving full employment in the post-war period.

1. HISTORY OF THE CONTRACT SETTLEMENT ACT

The Contract Settlement Act of 1944 is the first of the three industrial demobilization measures passed by the Seventy-eighth Congress.[1] The act was prepared by your War Contracts Subcommittee, in cooperation with the Senate Special Committee on Post-war Economic Policy and Planning. Extensive hearings were held by the subcommittee. Consultation unprecedented in scope, with representatives of war contractors, small and large, and the administrative agencies concerned, accompanied the drafting of the act.

At an early stage in the drafting process, the proposed bill (S. 1718) was submitted for comment to the Advisory Unit for War and Post-war Adjustment Policies in the Office of War Mobilization. The principles contained therein were incorporated in the so-called Baruch-Hancock report of February 15, 1944.

In preparing the act, the subcommittee rejected suggestions that separate laws be

[1] The other two are the Surplus Property Act of 1944 (Public Law 457), and the War Mobilization and Reconversion Act of 1944 (Public Law 458).

enacted dealing with advance payments, validation of defective contracts, personal liability of contracting officers, etc. We insisted that Congress develop a bill dealing comprehensively with all phases of contract termination. We insisted further that the Congress set forth in the act, to the fullest extent possible, the basic policies to be followed by the contracting agencies rather than merely authorize these agencies to do what they please.

We also urged that the Office of Contract Settlement be established as a civilian policy making and coordinating agency, and advised against two alternative approaches which had been suggested. Under one of these approaches, termination settlements would have been subjected to preaudits by the General Accounting Office. Under the other, the formulation of settlement policies would have been entrusted to an interdepartmental committee, consisting of representatives of the principal contracting agencies, the Comptroller General and the Attorney General. These two alternative approaches were subsequently sponsored by the House Military Affairs Committee and the House Naval Affairs Committee, respectively.[2] After lengthy consideration and debate, however, they were rejected by the Congress, while the original concept developed by your subcommittee was accepted.

While the subcommittee gratefully acknowledges the cooperation and assistance, in the drafting of the bill, of Government officials and representatives of industry and commerce, we point to the fact that the Contract Settlement Act is truly an act of Congress, written in the Congress and not formulated by any administrative agency or private group.

2. SUPPLEMENTAL LEGISLATION NEEDED

Careful inquiry has as yet failed to uncover the need for any amendments to the Contract Settlement Act. It is generally agreed that the act, as it now stands, provides a thoroughly satisfactory legislative foundation for solving the problems with which it deals.

Reconversion loans by, and extension of life of, the Smaller War Plants Corporation

Supplemental legislation, however, is needed to provide more adequate financial assistance for small businessmen during the reconversion period. The fundamental need of many small manufacturers with terminated war contracts will be reconversion loans, based upon a liberal appraisal of their future business prospects. Such loans would eliminate much of the accounting and verification problems involved in termination loans. In one transaction they would meet all the reconversion needs of a small company—including, among others, interim financing on termination claims.

At the present time, the Smaller War Plants Corporation is not authorized to make reconversion loans. Its authority is limited to loans for war and essential civilian production (Public Law 603, 77th Cong.), termination loans (Public Law 395, 78th Cong.), and surplus-property loans (Public Law 457, 78th Cong.). It is recommended, therefore, that the Smaller War Plants Corporation be authorized to make or guarantee reconversion loans to small business concerns for any type of civilian production.

Furthermore, prompt action should be taken at the opening of the next session to extend the life of the Corporation, which (under Public Law 603, 77th Cong.) is due to expire on July 1, 1945. Delay in the extension of the Corporation's life would impede the development of an adequate organization to assist small businessmen with terminated contracts.

[2] See H. Rept. No. 1268 from the Committee on Military Affairs to accompany H. R. 3022, and H. Rept. No. 1355 from the Committee on Naval Affairs to accompany H. R. 4469.

3. RESPONSIBILITY OF THE OFFICE OF CONTRACT SETTLEMENT

Magnitude of the task

The magnitude of the task before the Office of Contract Settlement, the War Department, the Navy Department, and other contracting agencies, cannot be underestimated. When Germany is defeated, contract-termination notices will flood the country. Manufacturers who today are taking terminations in their stride will find themselves face to face with intricate and detailed problems of accounting and negotiation.

Some indication of the difficulties that will face us on VE-day is provided by figures submitted to the subcommittee on December 6, 1944, by the Office of Contract Settlement. These figures show that even today, when the burden of handling contract termination claims is very slight, about 40 percent of all pending cases—or over $3,000,000,000 in terms of the contract price of items canceled—have been awaiting settlement for over 6 months. A significant proportion of all pending cases—namely, 15 percent—have been awaiting settlement for over a year. These figures deal only with the time interval since the submission of claims by prime contractors. They, therefore, underestimate the amount of delay in settling subcontractors' claims.

If this is the picture of what is happening now, one cannot help but wonder how large the backlog of cases pending for over 6 months may become when terminations really become an acute problem.

Interdepartmental committee insufficient

Recognizing the magnitude of the task, the Contract Settlement Act set forth two major objectives:

1. First and foremost, speed and equity in contract settlement, interim financing, and plant clearance.

2. Protection of the Government against fraud and waste.

It then set forth specific policies to be followed in achieving these objectives. It established a new civilian office to interpret these policies and to see that they are carried out. As stated in a previous part of this report, the creation of an interdepartmental expediting committee, in lieu of an agency that would really make decisions and follow through on decisions, was rejected.

At the present moment, however, the Office of Contract Settlement represents litle more than an interdepartmental committee. In fact, the first quarterly report[3] submitted to Congress by the Director of Contract Settlement characterizes the Office of Contract Settlement as "a continuation, on a statutory basis, of the Joint Contract Termination Board," which was an interdepartmental committee established by agreement among the principal contracting agencies prior to the passage of the act.

Your subcommittee appreciates the fact that the task of developing a genuine Office of Contract Settlement is no easy one and that the time thus far at the disposal of the Director of Contract Settlement has been short indeed. Such an office must be staffed with men of suitable capacity; and while it is hard to recruit such men for Government service even in normal times, it is particularly difficult in times of war. However, your subcommittee feels that within the next 2 months—and whether that much time will be available depends on the fortunes of war—the organization of the Office of Contract Settlement should be completed.

More active control by Office of Contract Settlement

In terms of issuing policy statements, the Office of Contract Settlement has already made considerable progress. Your subcommittee feels that the agency should be given due credit for having already promulgated regulations dealing with interim financing, plant clearance, fair compensation, standard settlement proposal forms, pretermination settlement agreements, and delegation of authority to war contractors to make final settlements on claims for less than $1,000. But in the period ahead, it is hoped that the Office of Contract Settlement will directly concern itself with how its policies are being carried out by each of the contracting agencies.

This means that the Office must strongly avoid the ivory-tower psychology that so often develops among so-called policy makers. It means that the Office must use every method at its disposal of finding out how claims are really being settled, how interim financing is really being provided, and how termination inventories are really being removed. This will call for a very drastic improvement in the current system of statistical reporting by the contracting agencies, which, in the case of some agencies, is little more than a temporary makeshift. This will call for continuous observation of the operating habits and peculiar problems of each contracting agency. It will call for an examination of the procedures being followed in the lower echelons of each department and for the thorough investigation of bottlenecks.

Only by this "grass roots" contact with the problems of contract termination, will the Office of Contract Settlement really be in a position to formulate, let alone enforce, effective policies. Policy making is a sterile process if it proceeds only from the top down and neglects the vast wealth of experience and ideas among the lieutenants, sergeants, privates, and lowly civilians who really do the work.

4. PROTECTION OF SUBCONTRACTORS

The one field in which more vigorous action by the Office of Contract Settlement is most needed is the protection of subcontractors.

In the discussions preliminary to the passage of the act, both the contracting agencies and the Department of Justice testified that the Government had no legal responsibility whatsoever with regard to providing prompt settlement of termination claims presented by subcontractors. It was pointed out again and again that the Government's legal relationship did not extend below the level of the prime contractor.

Congress, however, rejected the suggestion that the Government's contractual liability be made the yardstick of its responsibility to companies with terminated war contracts. Congress did not want the Government to stop at the doorstep of prime contractors. It decided that the Government should assume responsibility for speedy and equitable settlements with subcontractors as well as prime contractors. This policy is expressed unmistakably in section 6 (a) of the act.

Recognizing that there could be no single way of discharging this new responsibility, the Congress set forth a variety of methods for dealing with subcontractors through the contractual chain and through direct dealings. As yet, however, the Office of Contract Settlement and the contracting agencies have only begun to explore some of these methods. There is still much to be done in developing more effective procedures in the termination departments of prime contractors. Experiments on company-wide settlements should be pushed more aggressively. Direct settlements and pretermination planning call for broader and more intensive study. The Office of Contract Settlement must make certain that smaller subcontractors are being educated in the intricacies of contract settlement, and that small banks, on whom smaller contractors will generally have to rely for interim financing, are familiar with the operations and details of the T-loan program.

It is hoped that the January report of the Office of Contract Settlement will discuss

[3] Appendix I.

this subject more fully than the report submitted in October, and that by April 1945, the Director of Contract Settlement can report to Congress on the details of an all-out, comprehensive program designed to guarantee prompt settlement and interim financing for all subcontractors, particularly the smaller ones.

5. PREVENTION AND DETECTION OF FRAUD AND OVERPAYMENTS

The need for speed in connection with settlements, interim financing, and plant clearance does not diminish the necessity of protecting the Government against fraud and improper payments.

Office of contract settlement

In order to prevent and detect fraud and overpayments, the Director of Contract Settlement has two functions under section 18 of the Contract Settlement Act:

(1) Section 18 (a) makes it incumbent upon the Director to establish policies to be followed by the contracting agencies in reviewing termination settlements and interim financing.

(2) Section 18 (d) directs the Director through his own staff or through the staffs of other agencies to make the necessary investigations of termination settlements and interim financing. The investigatory power pursuant to section 18 (d) of the act is not restricted to fraudulent practices, but is designed to afford the Director an opportunity to make businesslike spot checks of the operations of the contracting agencies in order to assure the use of efficient methods and to prevent excessive payments in connection with contract settlements and interim financing.

Although the Office of Contract Settlement has thus vital functions to perform in safeguarding the Government's interest, it is not apparent from the first report of the Office that it is organizationally prepared to discharge these responsibilities.

General Accounting Office

Section 16 of the Contract Settlement Act deals with the part played by the General Accounting Office in determining whether settlement payments to war contractors are made in accordance with settlements and whether the records transmitted to the General Accounting Office or other information, warrant a reasonable belief that any settlements were induced by fraud. In addition, the Comptroller General is authorized to investigate completed settlements for the purpose of reporting to the Congress whether the settlement methods and procedures employed will result in expeditious and fair settlements, and whether such methods and procedures adequately protect the interests of the Government.

In a letter of recent date, the chairman of your subcommittee requested of the Comptroller General a summary of his activities under section 16 of the Contract Settlement act.[4] In his report, the Comptroller General describes the administrative machinery and procedures established in the General Accounting Office for the purpose of discharging the obligations of the Office under the act. While to date the activities of the Office under the act have not been numerous, the Comptroller General states that he anticipates a material increase thereof with the acceleration of the settlement program.[4]

6. FUTURE REPORTS BY OFFICE OF CONTRACT SETTLEMENT

One of the important provisions of the Contract Settlement Act is section 2 (b), which calls for quarterly reports to the Congress. These reports will provide the Director of Contact Settlement with a threefold opportunity:

(a) The opportunity to keep Congress informed of the administration of the act;

(b) The opportunity to explain his activities and those of the contracting agencies, to the general public; and

(c) The opportunity to make a periodic appraisal of his own organization, for use in planning the future course of operations.

If these opportunities are to be taken advantage of, each quarterly report should constitute a full balance sheet of the operations of the Office and the contracting agencies, against the background of the various provisions of the act.

7. SURVEILLANCE BY CONGRESS

In the mature opinion of most students of our legislative system, the congressional committees which have developed a law should, in view of their expert knowledge of the subject matter involved, keep in close touch with its administration by the executive branch of the Government. This philosophy is set forth in section 2 (a) of the Contract Settlement Act, which calls for continuous surveillance of the act's administration by the appropriate committees of each House.

In the Senate, the Military Affairs Committee is the appropriate committee. Accordingly, your subcommittee hopes to keep the full committee regularly informed as to whether the broad discretion and authority delegated under the act to the administrative agencies is being used properly to achieve the objectives of the act, whether the agencies are doing a diligent and conscientious job, whether additional legislation is needed, and whether the authority granted should be restricted or broadened.

In particular, it is hoped that within the next 2 or 3 months a comparative picture can be presented of the effectiveness of contract settlement operations among the War Department, Navy Department, and other contracting agencies.

8. SUMMARY OF RECOMMENDATIONS

In summary, your subcommittee finds that the Contract Settlement Act provides a sound foundation for settling claims arising from terminated war contracts, and for handling related matters, and recommends—

(a) Supplemental legislation authorizing reconversion loans by, and extension of the life of, the Smaller War Plants Corporation;

(b) Continuous observation and evaluation by the Office of Contract Settlement of the termination operations of the contracting agencies;

(c) The development of a comprehensive program to guarantee speedy settlements for subcontractors, as called for under the act; and

(d) Specific action by the Office of Contract Settlement to protect the Government against waste and fraud, as required by the act.

APPENDIX I[1]

WAR CONTRACT TERMINATIONS AND SETTLEMENTS

REPORT OF THE DIRECTOR OF CONTRACT SETTLEMENT TO THE CONGRESS, OCTOBER 1944, PURSUANT TO THE CONTRACT SETTLEMENT ACT OF 1944

I. Summary

1. To date, items valued at $21,000,000,000 and involving 37,000 prime contracts have been canceled by the War and Navy Departments and the Maritime Commission. These cancelations have occurred while production was being brought to a peak and maintained. Therefore, they represent a transfer of manpower and facilities from one type of war production to another. The value of terminations for all agencies is only 7 percent of the over-all war program commitments of $325,000,000,000, $240,000,000,000 of which have already been produced.

2. VE-day will bring terminations exceeding $20,000,000,000, most of which will come within 3 months, according to the best available estimates. This represents at least one-third of the outstanding war-production program and equals approximately all terminations to date. VE-day cut-backs will release manpower and productive facilities from war production for other uses. Prompt settlement of terminated contracts will speed the shift to civilian production.

3. Experience with contract settlement shows that the challenge of mass terminations can be met. The War and Navy Departments and the Maritime Commission have already settled 28,000 terminations; these involved items valued at $9,000,000,000 and were settled by payment of $340,000,000. Recently, the average time required for settlement has been reduced considerably, and some operating units are now able to settle all but a few large claims well within 6 months after termination. It is clear, therefore, that conversion from war to peacetime production need not be delayed by contract settlement, particularly when adequate financing and prompt plant clearance is provided pending settlements of claims.

4. Many steps to meet the need for speedy and fair settlement have already been taken. Since terminations began, the contracting agencies have established and improved organizations, procedures, and policies for carrying on their contract settlement activities. The Joint Contract Termination Board developed uniform termination articles and a 60-day plant clearance policy. After months of deliberation and consideration by Congress, the Contract Settlement Act of 1944 was passed, providing a comprehensive statutory basis for the solution of contract settlement problems. The Office of Contract Settlement has issued regulations covering interim financing, pretermination settlement agreements, removal of Government-owned plant equipment, fair compensation, delegation of authority to contractors to settle certain small net claims, and uniform settlement proposal forms. The work to date has provided policies, procedures, and operating organizations by which terminated war contracts can be settled, but much still remains to be done.

5. The immediate tasks ahead are to expand and improve the operating units and to perfect present policies and procedures. Additional agency and contractor personnel must be trained by the contracting agencies. Contractors, especially the large prime contractors, must assume a larger share of the responsibility for getting the necessary information to their subcontractors. Special problems such as cost-plus-a-fixed-fee contracts, companywide settlement, direct settlement, and speedier settlement of the claims of subcontractors demand immediate attention. To meet the situation, cooperative efforts of the Office of Contract Settlement, the contracting agencies, and the contractors will be required.

II. Contract settlements to date

In the period July 1940 to date, this country entered upon a war program which required the commitment of more than $325,000,000,000 and resulted in the production of war goods and services totaling $240,000,000,000.

During this same period the War and Navy Departments and the Maritime Commission terminated 37,000 contracts. The value of items canceled by these terminations was

[4] See Appendix II.

[1] Complete copies of the report, including the appendixes referred to in the text of the report, may be obtained from the Office of Contract Settlement, Washington, D. C.

$21,000,000,000. Of the 37,000 contract terminations 28,000 have already been settled covering $9,000,000,000 of the $21,000,000,000 canceled. The terminations settled required payments of $340,000,000. Currently, the two military services and the Maritime Commission have 9,000 terminations pending settlement. The contract price of the items canceled in these pending cases totals $12,000,000,000.

Information from other contracting agencies (Treasury Department and the Reconstruction Finance Corporation) shows a large number of terminations but for relatively small amounts. These terminations aggregate some 79,000 and involve canceled commitments of $570,000,000. Over 98 percent of them in number, involving canceled commitments of $448,000,000, have already been settled by payments totaling $7,000,000.

The terminations effected to date have been made while war production has been increasing or maintained at its maximum level. These terminations adjusted the war production program to changing needs but did not decrease it. While terminations of all agencies totaling over $22,000,000,000 are large in absolute amounts, they represent an adjustment of only 7 percent in the total war program. Furthermore, these cancelations made possible the placing of other orders for types of munitions and equipment better suited to the military job. To date these adjustments have involved payments of slightly less than 4 percent of the contract price of the items canceled.

The size of the terminations and the progress made in settlement vary considerably among the three principal contracting agencies—War, Navy, and Maritime Commission. Terminations, as a result of the progress of the war, became a major problem for the War Department at an earlier date than for the Navy Department and the Maritime Commission. Of the 37,000 terminations by the three agencies, approximately 30,000 are War Department terminations. Similarly, of the $21,000,000,000 canceled, $17,000,000,000 are War Department cancelations. Since the War Department's terminations came earlier, it has had longer experience in meeting the problems of settlement. Currently, the War Department has settled 86 percent of the total number of its terminations, the Navy Department 47 percent, and the Maritime Commission 19 percent. The disparity in performance is somewhat less than these percentages indicate since the Navy Department and Maritime Commission have had no volume of terminations until recently. But this in no way detracts from the accomplishments of the War Department.

One of the most difficult problems in settlement arises from the structure of the contracting relationship. In the vast majority of cases, the contracting agencies settle only with their prime contractors. These prime contractors in turn must settle with those with whom they have subcontracts and so on down the line. To achieve speed and equity in the settlement of subcontractors' claims is a major task of the Office of Contract Settlement and the contracting agencies. There are considerable difficulties in passing policy and information down the contractual chain and in securing the speedy transmission of subcontractors' claims as they move up the chain to the contracting agency. The development of proper policies and methods to facilitate the settlement of subcontractors' claims is difficult because of the intervening contractual relationships.

III. Contract settlements ahead

The effect of the termination and settlement problem upon the total economy in the year 1945 will be extremely important and will require quick and effective action. The preparation for this task must be undertaken on the basis of the best available information.

Currently, the War Production Board estimates that there are outstanding contracts for $65,000,000,000 of goods yet to be delivered. More than 99 percent of this $65,000,000,000 is contained in 45,000 outstanding contracts having a value of $10,000 or over. The War Production Board further estimates that should hostilities continue on the present scale throughout the year the number and value of outstanding contracts as of December 31, 1944, should show no substantial change from present levels.

If VE-day comes before the end of the year, the War Production Board believes that the average rate of munitions production, in the next 12 months, will be about 32 percent below the rate of production during the third quarter of 1944, and that the greater part of the total VE-day cut-backs will be taken in the first 3 months following. The War Production Board estimates that these cutbacks would reduce, in 3 months, the number of outstanding contracts of $10,000 and over from 45,000 to 30,000, and the undelivered value of such contracts from $65,000,000,000 to $45,000,000,000. About 100,000 companies are involved in the production of the $65,000,000 worth of undelivered items. About 15,000 of these companies hold prime contracts of $50,000 and over; an additional 5,000 hold prime contracts from $10,000 to $50,000; and 80,000 hold contracts of less than $10,000 or subcontracts only. Approximately 85 percent of the $65,000,000 in outstanding prime contracts is held by 100 corporations and their subsidiaries. Ten corporations and their subsidiaries hold 45 percent of the $65,000,000,000 of undelivered value of outstanding prime contracts.

In the year 1944 to date, with war production being maintained, terminations were taking place at about $1,000,000,000 per month, with some 2,500 prime contracts being terminated per month by the military agencies and the Maritime Commission collectively. Some such rate will probably prevail (independent of VE-day cut-backs) during the months following VE-day. The burden of major cut-backs will, in this way, be added to by program adjustments which are an inevitable part of any continuing war program, even though the general level of that program remains constant.

If VE-day does not arrive before the end of 1944, but should come in the early part of 1945, the general magnitude of VE-day cut-backs would probably be the same. However, they would be more gradually introduced and less concentrated in the first quarter following VE-day.

The speedy settlement of terminations is clearly a big job. Policies and regulations must be established and issued. The internal organizations of both Government and business must be adjusted and personnel trained to do the job.

Speedy and equitable settlement of war contract terminations is a critically important step in starting industry toward reconversion for full employment in peace. The prompt settling of war contracts will allow private industry to devote its full energy and initiative to the rebuilding of peacetime production. The settling of terminations does not, of course, provide the complete solution to the adjustment of production to the lessened war requirements, but it is one of the first essentials to the solution of that problem. Other agencies of the Government working cooperatively with labor and industry must take many other steps to adjust war controls. These will make possible the speedy resumption of civilian production not in conflict with the continuing war effort.

IV. The Office of Contract Settlement

A. Predecessor Staff Organization: Joint Contract Termination Board

The Office of Contract Settlement is a continuation, on a statutory basis, of the Joint Contract Termination Board which had previously been set up in the Office of War Mobilization. This Board was formed on November 12, 1943, as the result of a growing conviction on the part of the contracting agencies and the Office of War Mobilization that a means had to be found for developing uniformity in termination settlement procedures. The Board originally included the six major procuring agencies (War Department, Navy Department, Maritime Commission, Treasury Department, Reconstruction Finance Corporation, and Foreign Economic Administration), and was later expanded by the addition of representatives of the War Production Board, Smaller War Plants Corporation, and the Department of Justice. It acted under the chairmanship of Mr. John M. Hancock, and the agreements which it reached on policies were effectuated by directives of the Office of War Mobilization.

The Board functioned through subcommittees representative of the member agencies, which developed drafts of policies and laid them before the Board for approval. In this way, important steps in the direction of uniform procedures were taken. A uniform termination article for fixed-price prime supply contracts and an accompanying statement of principles for determining cost were developed and announced. A termination article for use in subcontracts was recommended to contractors. The policy was developed of clearing contractors' plants of termination inventory within 60 days after a request. Policies were also established governing the types of organization which should be maintained by the contracting agencies to make termination settlements and governing the extent to which such settlement should be reviewed within the agencies.

The Board was also the means of coordinating the use of the views of the contracting agencies on the many policy questions regarding the Contract Settlement Act which arose while it was being debated in Congress. In addition, it initiated consideration of a number of other matters, on which action is being taken by the Office of Contract Settlement. A fuller view of the activities of the Board, prepared by its chairman, appears as appendix A, exhibit III.

B. Organization of the Office of Contract Settlement

The Contract Settlement Act of 1944 became effective on July 21, 1944, and on October 3, 1944, the Office of Contract Settlement was made a part of the Office of War Mobilization and Reconversion by Public Law 458. On July 28 the Director of Contract Settlement was appointed and assumed his duties under the act.

A first step of the Director was to provide for the continuance of the work which the Joint Contract Termination Board had under way. A second tep was to establish an organization adequate to perform the tasks prescribed by the act.

The organization adopted was based on the direction of the act to utilize "the personnel and facilities of the contracting agencies and other established Government agencies" to the maximum extent feasible. Thus only a small organization, easily expansible if necessary, was planned. This made it essential to have a staff consisting of persons of maturity and experience. Only in this way could the facilities of other agencies be used effectively and the knowledge and experience of those agencies be brought to bear upon the problems of this Office.

The Office was organized into nine major units in addition to the Contract Settlement Advisory Board and the Appeal Board. For the most part, responsibilities assigned to these units represent those imposed upon the

Director by specific sections of the act itself, as follows:

Terminations	Secs. 6, 7, 11, 17.
Plant Clearance	Sec. 12.
Interim Financing	Secs. 8, 9, 10.
Training	Sec. 21 (a).
Progress and Statistics	Secs. 18 (b), 2 (b) (in part).
Public Information	Sec. 2 (b) (in part).
Accounting	Staff.
Organization and Procedures.	Do.
General Counsel	Do.

An organization chart is shown in appendix A, exhibit I.

For successful operation the Office required a mechanism for effectively cooperating with the contracting agencies. This was done through a system of advisory committees of the Contract Settlement Advisory Board, similar to that of the Joint Contract Termination Board. These standing committees generally parallel organizational units of the Office of Contract Settlement. Special committees may be established for particular problems. Each committee is established by the Director who names a chairman from his own staff and asks each agency on the Advisory Board to designate a member. In some instances agencies not on the Advisory Board are asked to designtae representatives or consultants when this will facilitate coordination between the Office of Contract Settlement and other agencies or bring special knowledge to the committee. The committees already established are Committee on Termination Accounting, Committee on Financing, Committee on Property and Plant Clearance, Committee on Progress Reporting Statistics, Committee on Training, Committee on Public Information, and Special Committee on Preservation of Records.

Among the first problems considered was the appointment of an appeal board as required by section 13 (d) (1) of the act. Under the act there are two primary sources of appeals to this board—settlements by determination, the so-called formula settlements, under section 13, and disputes between contractors and contracting agencies under section 17.

No cases under section 17 have so far been brought. A survey was made of the number of formula settlements in process. It was found that only three such cases were now pending in the War and Navy Departments and the Maritime Commission. From such information it will be possible to estimate the future maximum case load of the board and thus to staff it in advance in ample time to meet its responsibilities.

In view of the minimum size of the present case load, it has been determined to appoint immediately to the board one man of national stature to devote full time to its work; and to appoint to it temporarily two members of the staff of this office, who will be supplanted, as soon as the work load justifies, by other full-time members. Thus the plan is to create an appeal board wholly independent of the staff of the office as soon as there is enough work for it.

The agencies on the advisory board, as well as others, but particularly the major procurement agencies, have been extremely generous in the assitance given this office since its inception. Both personnel and services requested by this office have been promptly provided. Staff members of the Bureau of the Budget have been very helpful to this office in gathering information as to the organization and operation of contracting agencies.

Without the help of all of these agencies, the accomplishments of the office would certainly have been much less. It will be necessary to continue to call on these agencies for assistance. The staff is not yet complete. Recruitment to date has been difficult, and there is every reason to expect it will continue to be so.

C. Relations With Contracting Agencies

There are 28 contracting agencies which may have war contracts potentially subject to the Contract Settlement Act of 1944. However, 5 of these have almost all of the job of terminating and settling war contracts. These are the War Department, Navy Department, Maritime Commission, Treasury Department, and Reconstruction Financé Corporation with its subsidiary corporations. A full list of the contracting agencies is shown in appendix A, exhibit II, and a brief description of the organization of the major contracting agencies is provided in appendix A, exhibit IV.

The task of the Director is to achieve the objectives of the act by controlling and supervising the contract settlement work of the contracting agencies. The principal means of doing this is the Director's authority to prescribe the policies, principals, methods, procedures, and standards for contracting agencies and to require or restrict the use by such agencies of authority and discretion under the act.

Subject to the supervision and control of this Office, the contracting agencies likewise are responsible for carrying out the act's objectives. Contracting agencies do the Government's actual work of terminating contracts and settling claims. It is the contracting agency which issues the termination notice. It is the contracting agency to which claims are presented. It is the contracting agency which arranges for the storage and removal of inventories and equipment. It is the contracting agency which makes final settlement of claims. Except for the delegation of work to contractors and the carrying of appeals beyond the contracting agencies, all contract settlement operations are carried out by the contracting agencies.

Action by the Director on matters of major policy has been taken only after full discussion among the agencies. This is done mainly through the Contract Settlement Advisory Board and its system of committees mentioned earlier and through close day-to-day working arrangements. Thus, this Office obtains a thorough knowledge and understanding of problems before taking action. The result is speed and uniformity in effectuating decisions once made.

An example of how this works is the development of uniform forms for the presentation of settlement proposals for terminated fixed-price war-supply contracts. Prior to the appointment of the Director, a subcommittee of the Joint Contract Termination Board, composed of representatives from the War Department, Navy Department, Maritime Commission, Foreign Economic Administration, and Reconstruction Finance Corporation, had been working cooperatively with a subcommittee of businessmen of the advisory committee to the Bureau of the Budget on Government questionnaires. This arrangement was continued but with the additional participation of the Office of Contract Settlement in the discussions and development of the forms. The committee was unanimous in its recommendations to the Director that they be approved. The Director accepted the recommendations and issued the forms as regulation 8.

Working arrangements with the agencies, however, go beyond joint consideration of proposed actions of the Director. Important actions which the agencies proposed to take on their own responsibility have been referred to the Director for his views and comments. In this way the Director has been able to achieve results without delaying action. An outstanding example is the new joint Army-Navy regulation for contract settlement. This regulation—which had been in the process of discussion and preparation by the Army and Navy for some time—was submitted to the Director for comment. As a result, changes were made on a number of points.

Successful supervision and control requires more than cooperative joint deliberation and action. Accurate and prompt knowledge of operations and results is also essential. This is recognized by the act which provides for flexibility in the manner in which information can be obtained.

More than one procedure will have to be used to provide the information required by the Director. Plans of the Office call for a threefold program of reports, studies, and investigations of operations and results.

First. There are to be statistical reports and studies. The basic recurrent reports—three of which already are in effect—will cover the status of terminations, claims, settlements, interim financing, plant clearance, and other subjects. These recurrent reports will be supplemented by special statistical studies, two of which are now in progress. It is planned to use the facilities of the existing agencies to do most of the work involved in the statistical reports and studies.

Second. Steps will be taken to make sure that adequate organization and procedures for handling, reviewing and checking settlements, interim financing, and plant clearance are in effect. Conferences are now being held with representatives of the contracting agencies for this purpose and to determine what further measures need to be taken.

Third. From time to time, as information from contractors, the agencies or other sources indicate a need for them, special studies will be made or special reports developed on particular phases of contract settlement.

The information from and about the contracting agencies developed under this program, together with the information from other sources, will provide the basis for decision and action by the Director. It is believed that most of this information is required in any case by the various agencies for their own effective administration. Hence, to give the information necessary for the satisfactory discharge of the Director's responsibilities will place little, if any, additional burden upon the agencies.

D. Relations With War Contractors

With regard to the actual termination and settlement of individual contracts, the relation of the Office of Contract Settlement to the contractor, other than through the Appeal Board, is indirect. The Office settles no contracts; it takes no action on individual terminations and claims. To obtain settlement of a terminated contract, the war contractor deals with the contracting agency.

But, even though the Office does not deal with contractors in the settlement of individual claims, contractors have felt entirely free to discuss their problems with representatives of this office and to invite them to participate in discussions in committees of trade groups.

The problems and views of war contractors have been and must continue to be available to the Office of Contract Settlement. It is constantly securing invaluable advice from qualified representatives of industry and of professional groups on particular questions as they arise. This office is also exploring the desirability of creating a formal advisory committee to assist in maintaing intimate contact with all aspects of settlement problems. In addition, it is planning to use other means of obtaining the views of those interested in contract settlement.

V. Regulations

A. Interim Financing—Regulations 1 and 2

The director has prescribed two alternative plans of interim financing pursuant to sections 8, 9, and 10 of the Contract Settlement Act. They are the guaranteed termination loan plan and the partial-payment plan.

1. Termination loans: On August 18, 1944, the Director of Contract Settlement issued regulation 1 (appendix B, exhibit V), authorizing the War Department, the Navy Department, and the Maritime Commission to guarantee loans made to finance termination claims. These T-loans are made by private banks and guaranteed by the Federal Reserve banks as fiscal agents for the contracting agency having the preponderant interest in the contractor's war production. They are available to all types of contractors and are especially appropriate (a) for prime contractors who have a large number of terminations, and (b) for lower tier subcontractors. Commitments for such loans may be obtained in advance of termination, thus facilitating prompt and speedy financing immediately upon cancellation of a war contract.

A standard form of loan agreement has been issued in order to discourage the imposition of burdensome conditions and restrictions. The lending bank may add conditions, but only if they are "not unreasonable and not inconsistent with the standard loan agreement." Any such added conditions must be set forth in a separate schedule for the examination of the Federal Reserve bank and the contracting agency. If examination shows them to be inappropriate, their elimination may be requested as a condition of the guaranty.

The basic principle of T-loan financing is certificate borrowing. Loans are based on the contractor's certification as to his investment in canceled contracts. Through this medium, the contractor is enabled to convert to cash a high percentage of his over-all termination claims pending final settlement. Under this type of loan, the borrower agrees to assign to the lending bank moneys due and to become due on his war contracts. The borrowing base is an agreed percentage of the contractor's terminated contracts, including accounts receivable, reimbursable inventory costs, and reimbursable subcontract settlements which have been paid or are simultaneously to be paid. T-loans are available in connection with partial as well as complete terminations. In virtually every case, the borrower must maintain customary insurance coverage on his property. If his credit rating is weak, the lending bank may require a mortgage of the inventory attributable to the assigned contract.

The Board of Governors of the Federal Reserve bank has formally inaugurated the T-loan program. The schedules of guaranty and commitment fees have been announced. Where 80 percent or less of the T-loan is guaranteed, the bank pays the Government 10 percent of the interest payable by the borrower on the guaranteed portion of the loan. If over 95 percent of the loan is guaranteed, the bank must pay the Government 50 percent of the interest on the guaranteed portion. Banks cannot charge the borrower interest at a rate higher than 4½ percent per annum. The maximum commitment fee is one-fourth of 1 percent per annum or in the alternative, a flat fee of not more than $50.

2. Partial payments: General Regulation No. 2 (appendix B, exhibit VI), issued by the Office of Contract Settlement on September 8, 1944, sets up two principal types of partial payments: (*a*) partial payments based on estimates submitted by the contractor; and (*b*) partial payments based upon accounting data showing the contractor's costs. When the situation requires, either type may be channeled through a controlled account. A single standard application form has been approved by the Director.

Subcontractors, as well as prime contractors, are eligible for these payments. As a general rule, subcontractors must apply through their customers, who may be prime contractors or higher-tier subcontractors. The customer checks the application to determine whether it is reasonable and allocable to Government work and transmits it up the contract chain. After approval, the contracting agency draws a check to the prime contractor who passes the payment on down the contract chain. The Office of Contract Settlement and the contracting agencies are working on procedural modifications which will cut to a minimum the complications of this process.

Particular provision was made for the possibility that the prime contractor or some intervening subcontractor may be unable to pass the money on to the applicant for some reason such as insolvency. In this situation, the contracting agency may utilize the controlled account procedure, or in special cases, may make partial payments directly to the subcontractor. Direct application for partial payments may be made by subcontractors where the usual procedure would result in unwarranted delay.

Any war contractor in sound business condition may obtain immediate partial payment of at least 75 percent of the contract price of undelivered completed articles, plus 75 percent of his estimated costs of raw materials, purchased parts, supplies, direct labor, and overhead allocable to the terminated portion of his contract. Larger sums not in excess of 90 percent of the cost certified to be due in the application may be advanced if the contracting agency believes the request to be reasonable. Furthermore, as a general rule the contracting agency will look entirely to the information contained in the contractor's application in determining the amount of the advance. To discourage contractors from overestimating claims, the amount of any overpayment is subject to a 6-percent penalty; and in addition, any overpayment is treated as a loan carrying a penalty of 6 percent per annum.

Contractors are encouraged to estimate in advance of actual termination what partial payments they will require.

Cost-supported partial payments also may be made. Items completed prior to termination, or completed thereafter with approval, are paid for at the full contract price as soon as they are inspected and accepted. In addition, the contractor is paid 90 percent of the cost of raw materials, purchased parts, supplies, direct labor, and manufacturing overhead allocable to the terminated portion of the contract as soon as he supports them by substantial accounting data. These cost-supported advances may also include a reasonable percentage of other allocable costs, such as administrative overhead. Additional amounts may be paid if necessary, but total payments may not exceed the amount which the contracting agency believes to be due by reason of the termination.

Controlled partial payments will be made if a contractor is insolvent or in imminent danger of insolvency. The immediate or cost-supported partial payment will be deposited in a special account, and released under the supervision of a representative of the contracting agency.

B. Pretermination Settlement Agreements—Regulation 3

Regulation No. 3 (appendix B, exhibit VII) of the Office of Contract Settlement authorized the contracting agencies to make pretermination settlement agreements. These agreements, made before termination, may cover one or more of the elements in the claim that would otherwise have to be settled after termination. They must be based on data which permit reasonable forecasts, consistent with sound commercial standards, of the factors involved.

Pretermination agreements provide a means for shortening the time between termination and settlement. They may cover such items as unit costs of termination inventories at various stages, unit prices at which the contractor is to retain selected inventories, inventory items to be scrapped, and overhead rates. By agreeing, when possible, upon such items prior to termination, settlement, plant clearance, and financing are expedited. For example, it may permit immediate use or disposition of inventories by the contractor rather than delay in the use or dispcsition pending agreement after termination.

Similar principles can be applied in agreements between prime contractors and subcontractors, or between subcontractors, which will be binding on the contracting agency when it approves them.

C. Plant Clearance—Regulation 4

The policies of the Joint Contract Termination Board and later the provisions of the Contract Settlement Act deal specifically with most of the problems of plant clearance. Removal of Government-owned plant equipment, however, is not covered by the act in this way. In many cases this equipment is covered by contracts which require its maintenance in stand-by condition after the contract is terminated. Regulation 4 (appendix B, exhibit VIII) directs that unless the national defense requires otherwise, these stand-by provisions will be waived.

The regulation gives contractors the right to bid first on equipment in their plants and directs that the Government act promptly on these bids. It gives both prime contractors and subcontractors the first call on equipment they may need for their peacetime production. To alleviate the tremendous storage problem facing the contracting agencies after VE-day, the regulation urges contractors wherever possible to store unwanted equipment under agreement with the contracting agency. But if a contractor neither wants to purchase the equipment nor is able to store it, the regulation requires its removal by the contracting agency within 60 days.

A further regulation is in preparation, covering aspects of plant clearance that are not specifically dealt with by the act. Among these, is the right of subcontractors to make their request for plant clearance directly to the contracting agency.

D. Fair Compensation—Regulations 5, 6, and 7

Prior to the passage of the Contract Settlement Act, the Office of War Mobilization had issued a uniform termination article for use in prime contracts accompanied by a statement of principles for determination of costs. It had also recommended a substantially similar but briefer termination article for use in subcontracts.

Experience with the statement of cost principles disclosed the necessity for two amendments. These are made by regulation 5 of the Office of Contract Settlement which appears as appendix B, exhibit IX. The effect of the first of these amendments is to eliminate a provision which had the effect of tying together renegotiation and contract settlement. Similarly, the effect of the second is to eliminate from contract settlement any consideration of the tax base of special facilities owned by the contractor.

Regulation 6 (appendix B, exhibit X) makes certain amendments in the recommended subcontract article and in the accompanying statement of policy regarding the settlement of subcontracts. It makes clear that the profit provisions of the subcontract article are the same as those of the prime contract article. It also announces that pretermination settlement agreements are applicable to subcontracts to the same extent as to prime contracts. Finaly, it makes certain changes so that the subcon-

tracts in which the subcontract article may be used will be those specified by the act.

Regulation 7 (appendix B, exhibit XI) embodies a determination by the Director that the provisions of the prime contract termination article, as amended, and the subcontract termination article, as amended, covering formula settlements afford fair compensation within the meaning of the act. This regulation also establishes the standards to guide the negotiation of settlements by agreement, both under these articles and under contracts not containing them. These standards permit flexible negotiations on the basis of sound business principles. Under the regulation, negotiations may take into account the elements recognized in a formula settlement, but they need not do so. Operations under this regulation will be reviewed from time to time, and any changes will be made which experience shows to be necessary.

E. Delegation—Regulation 6

In regulation 6, paragraph 3, the Director acted to simplify and speed up payment for a vast number of small subcontractors. It delegates to all war contractors authority to settle finally termination claims for less than $1,000, where the subcontractor retains or disposes of all termination inventory, except in cases where the authority is specifically withdrawn. Contracting agencies are directed to recognize these subcontract settlements as final and conclusive for the purpose of settling the terminated prime contracts to the extent allocable. The public interest is protected by a provision that the settlement must be made in good faith.

This in no way affects the contracting agencies' existing practice of delegating to prime and intermediate subcontractors authority to settle claims of $10,000 or less where review procedures have been examined and approved.

F. Standard Settlement Proposal Forms—Regulation 8

The Office of Contract Settlement has provided uniform settlement proposal forms for use in settling claims connected with terminated fixed-price supply contracts and subcontracts, and has issued detailed instructions for their use. Regulation 8 (appendix B, exhibit XII) issued on October 18, makes these forms mandatory for all contracting agencies. The forms do not apply to cost-plus-a-fixed-fee prime contracts or subcontracts, but they must be used in preparing claims on terminated fixed-price subcontracts underlying such agreements.

War contractors at any level in the contract chain will now use this single set of standard forms. Previously a number of forms were in use. It is to be expected that issuance of the new forms will result in a more uniform and efficient presentation of claims. This should be reflected in a reduction of the average time necessary to file and process a claim.

Proposals prepared on the inventory basis are submitted on form 1. If the inventory basis cannot be used, form 1b is available for the presentation of proposals on the total cost basis. These two forms are for general use, unrestricted by the amount of the settlement. Form 1a may be used for proposals involving less than $1,000 in which the contractor is willing to retain or dispose of all inventory. The importance of this form cannot be overemphasized. By its use, many small prime contractors and subcontractors will receive payment of their termination claims more quickly and with a minimum of clerical work.

The inventory schedules give a contractor an option of simply listing his inventory for settlement purposes or of classifying it and describing it in detail if he calls upon the Government to remove it. Thus contractors can submit their inventory disposal schedules before, with, or after their settlement proposals.

VI. Other activities

A. Progress Reporting and Statistical Studies

One of the first steps of the Office of Contract Settlement was to arrange with the contracting agencies for the development of reporting systems which would provide adequate and comparable information. While considerable data were available on contract terminations and settlements, particularly in the War Department, no method of collecting the information so that it could be assembled on a comparable basis for all the important contracting agencies had been developed. In specifying uniform reports for all contracting agencies every attempt was made to utilize existing reports, particularly those used by agencies with well-developed reporting systems. The information requested was the type that would be helpful not only to the Office of Contract Settlement in analyzing the progress of settlements, but also to the contracting agencies themselves.

The first uniform system of reporting which was developed covered information on contract terminations and settlements. The reporting forms being used are presented in appendix B, exhibit XIII. Tables 1 through 6, appendix C, are based upon the first reporting form OCS–R1. The other reporting forms, OCS–R2 and OCS–R3 (appendix B, exhibit XIII) will provide information, beginning with the month of October, on the speed of settlements.

Currently, arrangements are being made for the establishment of comparable reports on interim financing and plant clearance. These reports will show the extent of interim financing and the promptness of plant clearances.

In addition to the regular reports such as those above, the Office of Contract Settlement will make special studies. Presently, studies are being formulated to determine the speed with which subcontractors are being paid and also the speed with which they are being financed prior to final payment.

B. Dissemination of Information

Success in meeting the problems of contract settlement depends not only on the Government's ability to do its share but also on the ability of war contractors to do their part of the task. The important job is getting information to contractors through the contracting agencies, established channels of communication organized groups and direct contacts.

To meet this need the Office of Contract Settlement is distributing copies of its regulations to contracting agencies, contractors, national trade associations, and interested individuals. The main part of the distribution of the standard forms has been assumed by the War and Navy Departments, Smaller War Plants Corporation, and other contracting agencies so that these forms are now reaching contractors through the local offices of contracting agencies.

The American Bankers' Association in collaboration with the Office of Contract Settlement has launched an extensive educational program involving Nation-wide regional meetings of bankers. The Credit Policy Commission of the association has printed and distributed a booklet on T-loans which include regulation 1 and complete explanations designed to assist bankers in handling such loans. The program is reaching most of the 15,000 bankers of the country. A companion booklet designed for war contractors, giving complete details on how to obtain partial payments or T-loans on terminated war contracts, is now in the Government Printing Office. This will be distributed to contractors by the War and Navy Departments, Smaller War Plants Corporation, Maritime Commission, and other contracting agencies in cooperation with this office.

Because of the existing contractual relationships, it is becoming evident that further cooperation on the part of industry is necessary to get information to contractors, especially the smaller subcontractors. This Office, in cooperation with the contracting agencies, is taking steps to encourage cooperation in these efforts on the part of larger prime contractors and through industry and trade groups. A number of large corporations have on their own initiative undertaken action in this direction and every effort is being made to have others follow their example.

Section 20 (g) of the Contract Settlement Act of 1944 directs the Smaller War Plants Corporation to disseminate information and to assist small business concerns with their problems on terminated war contracts. To render every possible assistance to the Smaller War Plants Corporation in carrying out the provisions of the act, the Office of Contract Settlement has maintained close contact with Smaller War Plants Corporation's personnel charged with contract settlement and information. Smaller War Plants Corporation will distribute the major portion of the initial printing of the interim financing booklet.

C. Training

The War and Navy Departments have set up training schools for their employees which have been functioning for varying lengths of time. The largest and oldest is the Army Industrial College in Washington which is training not only Army personnel but people from other contracting agencies. There are also special schools in other places, such as Fort Benjamin Harrison, Ann Arbor, Vandalia, and Harvard.

Contracting agencies are cooperating in the establishment of special courses for contractors at a number of colleges. Courses are already being given at Philadelphia, Cincinnati, Cleveland, Toledo, Detroit, Buffalo, New York City, Dallas, Fort Worth, St. Louis, and Champaign; and others are being started.

This office is now working with the contracting agencies to develop simplified and standardized training materials and methods with particular attention to the training of subcontractors.

D. Cost-Plus-a-Fixed-Fee Contracts

Approximately $6,000,000,000 of cost-plus-a-fixed-fee contracts have been canceled but little progress has been made in finally settling them. This is due largely to several uncertainties concerning the extent to which terminated cost-plus-a-fixed-fee contracts can and should be finally settled by the contracting agencies. This office is working to clear up these uncertainties and to develop procedures which will permit termination settlements of contracts of this type to be kept abreast of settlements of fixed-price contracts. The volume of cost-plus-a-fixed-fee contracts now outstanding is such a substantial proportion of the total that delay in settling them finally would seriously impede speedy reconversion.

During performance and before termination, vouchers representing expenditures under such contracts are transmitted to the representatives of the contracting agencies, who audit them and pay them if found to be proper. They are subsequently audited by the General Accounting Office, which makes inquiries about items which it questions. These in some cases result in disallowances, which are charged back against the disbursing officer and in turn against the contractor. In many cases, therefore, when a cost-plus-a-fixed-fee contract is terminated, there are pending many matters which are in dispute between the contractor and the Government or which have not been completely processed by either the contracting agencies or the General Accounting Office. Contractors have generally been reluctant to make final settlement of their termination claims unless the settlement can also finally establish their

right to retain payments made on the performed part of the contract. In the absence of such assurance, moreover, cost-plus-a-fixed-fee contractors have little incentive to settle with their subcontractors or dispose of the termination inventories resulting from cancelation.

A legal question has been raised concerning the extent of the power of the contracting agencies, under regulations established either by them or by this Office, to agree finally in a termination settlement on matters relating to the performed part of a terminated contract. The opinion of the Attorney General on this question has been requested. This opinion will establish the extent to which this Office can go, in cooperation with the contracting agencies, to develop procedures to attain the degree of finality in termination settlements of settlement and to protect the interests of the Government.

E. Company-Wide Settlements

Experiments are actively under way on company-wide settlements. In several cases a large company with many contracts from more than one service has been assigned to one of them with authority to make settlements for all other services and departments. There are many obvious administrative and legal difficulties. Companies may be prime contractors on some contracts and subcontractors on others. There are even cases where through intervening tiers of contractors they may find themselves sub-subcontractors on their own prime contracts. To overcome these various difficulties is not simple, but the gain from company-wide settlements in the kind of case to which they are adapted would be so great that the experiments are being watched with close attention.

1. Direct determination of claims and property disposition: In a number of cases, particular companies have been assigned to one of the several contracting agencies with which they deal. This agency has installed accounting and material disposal personnel, whose decisions may be relied on by any other agency. This means a great saving in personnel and does not subject the contractor to reviews by all the different contracting agencies and customers with which he deals.

2. Local coordinating committee: These committees will promote uniformity in termination procedure, as well as delegation of authority from one agency to another.

F. Preservation of Records

Section 19 (a) of the Contract Settlement Act of 1944 requires the preservation for specified periods of time of records relating to war contracts. It also provides that the Director by regulation may authorize the destruction of records upon such terms and conditions as he deems appropriate. To facilitate carrying out the provisions of this section of the act, a Special Committee of the Advisory Board on Preservation of Records has been formed, comprising representatives of the various contracting agencies and headed by a representative of the Office of Contract Settlement. This committee will recommend regulations covering the records which must be preserved by war contractors for the statutory period; the form in which such records must be maintained; and the records which need not be preserved.

G. Exemption of Foreign Contracts

Section 25 of the act permits any contracting agency, subject to policies prescribed by the Director, to exempt from the act its contracts made or to be performed, and any termination inventory situated outside the United States or in Alaska. Of the three agencies having the largest volume of foreign contracts, the War Department and Foreign Economic Administration have already acted, and the Navy Department is now acting, to exempt such contracts and inventories from the act. A determination of the proper scope, if any, for the act in connection with foreign contracts is dependent on more detailed knowledge of conditions surrounding foreign procurement than is yet available to this Office.

APPENDIX II

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, December 1, 1944.

Hon. JAMES E. MURRAY,
Chairman, War Contracts Subcommittee,
Committee on Military Affairs,
United States Senate.

DEAR SENATOR MURRAY: I have your letter of November 17, 1944, requesting a summary of the activities of the General Accounting Office under the provisions of section 16 of the Contract Settlement Act of 1944.

Following enactment of the law, there was promulgated Office Order No. 57 by which I assigned and directed the performance of the several functions of this Office as required by section 16 of the act. This order also established a Committee on Termination Settlements to review reports emanating from the various divisions of this Office relating to matters arising under section 16, and to advise me with respect thereto. A copy of Office Order No. 57 is enclosed. Also, I have had occasion to meet several times with the Director of Contract Settlement and representatives of various contracting agenciess for the purpose of discussing with them problems arising in connection with the termination and settlement program and the administrative regulations dealing therewith affecting the duties of this Office under the act.

While the examination of termination settlements under various fixed price contracts is going forward, this Office has been endeavoring to obtain from the contracting agencies and the Office of Contract Settlement, information regarding reported settlements of cost-plus-a-fixed-fee contract terminations; but I have been informally advised that no settlements have been completed for this class of contracts since the effective date of the act. However, arrangements have been made for prompt advice to be furnished as soon as any such settlements are completed, whereupon immediate examination will be initiated.

In addition to the steps taken to organize the efforts of this Office to perform its functions under the act, the audit of payments covering completed portions of 95 war contracts being terminated has been expedited at the request of the War Department. To date the War Department has been advised of the audit status under 65 of these contracts, and reports on the remaining 30 contracts are currently in process of preparation. No similar requests have been received from other departments or agencies.

It is anticipated that the activities of this Office under the act will materially increase with the acceleration of the administrative termination-settlement procedures. At such times as developments indicate I shall, of course, make reports as provided in section 16 (c) of the act, or otherwise as circumstances warrant.

Sincerely yours,

LINDSAY WARREN,
Comptroller General of the United States.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, October 5, 1944.

PRESCRIBING FUNCTIONS OF THE GENERAL ACCOUNTING OFFICE UNDER THE CONTRACT SETTLEMENT ACT OF 1944

Office order No. 57

The functions of the General Accounting Office prescribed by section 16 of the Contract Settlement Act of 1944, Public Law 395, approved July 1, 1944, relating to the final settlement of claims arising from the termination of war contracts, are assigned and shall be performed as directed herein:

Audit Division: After final settlement of such claims, the Audit Division shall examine the records transmitted to the General Accounting Office and—to the extent deemed necessary for the purposes specified in section 16 (a)—the records of the contracting agency or the contractor relating to the termination settlements and shall determine whether the settlement payments to the war contractor were made in accordance with the settlement. Also, the Audit Division shall make the investigations authorized under section 16 (c) of the act and shall report its finding thereon to the Committee on Termination Settlements.

If, from any examination provided for in the preceding paragraph or from other information coming to the attention of the Audit Division, there should be reason to suspect that a termination settlement was induced by fraud, the Chief, Audit Division, shall promptly report the case to the Committee on Termination Settlements stating the facts and circumstances tending to indicate such fraud. After such a report has been made the Audit Division shall not examine further the records of any contracting agency or those of any war contractor relative thereto unless specifically directed by the Comptroller General to do so.

Office of Investigations: Any information coming to the attention of the Office of Investigations bearing upon the functions of the General Accounting Office under section 16 shall be reported promptly to the Committee on Terminatioin Settlements for appropriate action and no investigation of such matters shall be initiated without specific direction of the Comptroller General.

The Chief of Investigations shall cause to be promptly and thoroughly investigated the circumstances surrounding any termination settlement referred to him by the Comptroller General and shall promptly report to the Committee on Termination Settlements all facts obtained in the investigation relative to the determination authorized by section 16 (a) (2).

Committee on termination settlements: There is hereby established in the General Accounting Office a committee on termination settlements to be composed of three members to be designated by the Comptroller General. The committee shall consider the reports submitted to it relating to termination settlements suspected of having been induced by fraud, and advise the Comptroller General whether, in the opinion of the committee, the facts and circumstances submitted warrant reference of the case to the case to the Office of Investigations. The committee shall consider, also, the reports of the Chief of Investigations relating to cases so referred and advise the Comptroller General whether, in its opinion, the record warrants a reasonable belief that settlement in any case was induced by fraud.

Also, the committee shall consider the reports submitted to it relative to the methods and procedures employed by contracting agencies in making termination settlements and shall advise the Comptroller General whether, in its opinion, reports and recommendations should be made as provided for in section 16 (c) of the act.

In each case in which the committee on termination settlements recommends to the Comptroller General a certification under section 16 (b) of the act or a report under section 16 (c), such recommendation shall be accompanied by an appropriate final draft to be prepared in the Office of the General Counsel.

LINDSAY C. WARREN,
Comptroller General of the United States.

NOVEMBER 17, 1944.

Hon. LINDSAY WARREN,
The Comptroller General,
Washington, D. C.

DEAR MR. WARREN: The War Contracts Subcommittee is preparing a preliminary analysis of the administration of the Contract Settlement Act of 1944.

Accordingly, it will be extremely helpful if you could submit, at an early date, a summary of your activities under section 16 of this act, and any additional observations or recommendations that you may wish to make in connection with the administration of the act.

Sincerely,

JAMES E. MURRAY,
Chairman, War Contracts Subcommittee.

LEGISLATION FOR RECONVERSION AND FULL EMPLOYMENT—YEAR-END REPORT OF WAR CONTRACTS SUBCOMMITTEE OF COMMITTEE ON MILITARY AFFAIRS

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the year-end report of the War Contracts Subcommittee of the Senate Committee on Military Affairs. This report, which is entitled "Legislation for Reconversion and Full Employment," includes the draft of a full-employment bill which I hope will be carefully studied by the Members of the Senate. While this bill has not been endorsed by the subcommittee, it has been transmitted without commitment for the purpose of stimulating discussion.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

LEGISLATION FOR RECONVERSION AND FULL EMPLOYMENT

(Year-end report of the War Contracts Subcommittee to the Committee on Military Affairs pursuant to Senate Resolution 198 a resolution to investigate war contracts, the termination of war contracts and related problems, December 16, 1944)

I. INTRODUCTION: SUMMARY OF SUBCOMMITTEE ACTIVITIES

Your War Contracts Subcommittee (appointed by the chairman in September 1943 and continued pursuant to S Res. 198) submits the following report on its activities during the Seventy-eighth Congress, together with recommendations on industrial demobilization and on the need for additional legislation during the Seventy-ninth Congress to help develop a post-war economy that will assure continuing full employment.

Since its inception, 18 bills and resolutions[1] have been referred to your subcommittee. These measures deal with the following subjects:

1. Contract termination.
2. Surplus war property.
3. War mobilization and reconversion.
4. Cost-plus-fixed-fee contracts.

Your subcommittee has been extremely active in each of these fields. We have held 45 days of public hearings, at which testimony was offered by over 100 witnesses from all walks of life on various aspects of the four fields with which we have been concerned. We have held a large number of conferences and executive sessions with representatives of the public and of the various administrative agencies. We have submitted to the full committee periodic reports of our activities, together with a number of special studies on various aspects of surplus property disposition and contract termination.[2]

Cost-plus-fixed-fee contracts

Of the four subjects with which we have dealt, the problem of cost-plus-fixed-fee contracts is the only one upon which no legislative recommendations have been submitted to the full committee. The proposal received on this subject was Senate Joint Resolution 80, "to prohibit the use of the cost-plus-fixed-fee system of contracting in connection with war contracts." Although we discovered many instances of waste under cost-plus-fixed-fee contracts, we also found similar examples under fixed-price contracts. We soon came to the conclusion that the form of contract is not the decisive factor in determining the efficiency or inefficiency with which manpower, materials, and machinery are put to use in war production. In fact, we have found many situations where highly effective operations were being conducted under cost-plus-fixed-fee contracts and where any other form of contract would have contributed to inefficiency.

In the course of our studies on this question an intensive field investigation was made into the operations of the Alabama Dry Dock & Shipbuilding Co. under a cost-plus contract entered into between this company and the Maritime Commission. This investigation was conducted jointly by the chairman of your subcommittee and by the able Senator from Michigan, Mr. FERGUSON, the sponsor of Senate Joint Resolution 80, on behalf of the Special Senate War Investigating Committee. The investigation indicated that while the form of contract gave opportunities for poor performance, it was not one of the primary causes of the deficiencies that were found to exist.

A comprehensive report was thereupon prepared by your subcommittee, staking out specific recommendations to improve the efficiency of tanker production at the Alabama Dry Dock & Shipbuilding Co. This report[3] was transmitted on a confidential basis to the company, to the Maritime Commission, and to the chairman of the full committee.

Your subcommittee feels that, largely as a result of the criticism and suggestions contained in this executive report, there has been a significant improvement in the production of vitally needed tankers at this shipyard. Up to the time of the investigation, the yard was averaging only 2.5 ships per month. Today, they are operating at the rate of 4½ ships per month and will very likely reach 5 ships per month in December of this year. There has also been a corresponding increase in labor productivity. At the time of the investigation, 9,200 men, on a gross employment basis, were being used to build each ship. The subcommittee report recommended 5,000 men per ship. Today, this number has been reduced to 4,777. The management is to be complimented upon its efforts toward improvement.

Accordingly, even considering the normal improvement which always comes with increased know-how as more and more ships are launched, your subcommittee can report that its activities in connection with this shipyard have resulted in the conservation of valuable manpower resources and the saving of many millions of dollars. Above all, it has meant the production of additional tankers to help bring oil to our fighting fronts throughout the world.

Industrial demobilization

With regard to our other fields of interest, the results of your subcommittee's work are written in the statute books.

First. In cooperation with the Special Senate Committee on Post-War Economic Policy and Planning, we prepared the Contract Settlement Act of 1944 (Public Law 395).

Second. We cooperated with the Surplus Property Subcommittee of the Senate Committee on Small Business in preparing, for the consideration of the full committee, S. 2065, which formed the basis for the Surplus Property Act of 1944 (Public Law 457). The subcommittee also prepared Senate Resolution 195, agreed to by the Senate on March 14, 1944, calling upon the President to submit regular reports to the Senate on the amounts and types of surplus property, the adequacy of current inventory methods and ways of improving the Government's inventory methods. Two reports were submitted by the President (S. Doc. Nos. 203 and 239). Subsequently, this resolution was superseded by the Surplus Property Act.

Third. We worked at great length on various bills proposing the creation of an Office of War Mobilization and Reconversion. While the recommendations of the majority of your subcommittee were, with minor changes, approved by the full committee when S. 2061 (the Murray-Kilgore bill) was reported on the floor of the Senate, the Senate approved an alternative measure from the Finance Committee. After being considerably weakened in the House, the Senate bill became law. The majority members of the subcommittee regard the present War Mobilization and Reconversion Act as inadequate to cope with the dislocations that will result from large-scale cut-backs in war production. We point out, however, that a number of the constructive provisions contained in the act were drafted and recommended by your subcommittee. Specific reference is made to the sections on—

(1) The coordination of war production cut-backs (sec. 203);

(2) The protection of small business in the allocation of materials for civilian production (secs. 203–204);

(3) Reports to Congress from the Attorney General on factors affecting the concentration of economic power (sec. 205); and

(4) Loans or advances from the Federal Works Agency to local communities for the preparation of advance plans for post-war public works (sec. 501).

Survey of post-war legislation

Following the enactment of these measures, the subcommittee staff was instructed to make preliminary surveys of the adequacy of these acts, and of the administration thereof, to cope with the short-term problems of transition from a wartime economy to a peacetime economy. The results to date of this appraisal are set forth in the subcommittee's report of December 13, 1944, on the administration of the Contract Settlement Act, and in part II of this report.

Finally, your subcommittee has directed its attention to the relationship between existing reconversion legislation and the long-range problem of building a post-war economy capable of assuring continuing full employment. The results of this study, together with certain general recommendations and the draft of a full employment bill which is transmitted for the purpose of stimulating discussion, are contained in part III of this report.

II. LIQUIDATING THE WAR ECONOMY

Each of the three laws resulting from the subcommittee's activities have a direct and important bearing upon the prosecution of the war. The Secretaries of War and Navy requested contract settlement legislation to facilitate the placement of war contracts with companies who would otherwise fear substantial losses upon termination and avoid accepting new war contracts. One of the main purposes of the Surplus Property Act is to provide for the prompt transfer to other war uses of war property surplus to any one Fed-

[1] See appendix 1 for a full list of the measures referred to the War Contracts Subcommittee.

[2] See appendix 2 for a full list of the published hearings and reports of the War Contracts Subcommittee.

[3] [Confidential] Executive Report on Production at the Alabama Dry Dock & Shipbuilding Co., Mobile, Ala., August 1944.

eral agency. A major objective of the War Mobilization and Reconversion Act is to obtain the most effective use in other war production of manpower released through individual cut-backs.

Nevertheless, each of these acts also represents an attempt to deal with various aspects of industrial demobilization. Together, they represent the fundamental body of law relating to the liquidation of war production.

The Contract Settlement Act

The Contract Settlement Act of 1944 is a comprehensive statute that sets forth specific policies and procedures governing the settlement of claims arising from terminated war contracts, the provisions of working capital during the period between contract termination and final settlement, the removal of termination inventories from war plants, advance notice, the protection of small business in contract termination, the prevention and detection of waste and fraud, and many other related matters. Careful inquiry has as yet failed to uncover the need for amendments. It is generally agreed among executive agencies, contractors, and informed observers, that the act is one of the best-conceived and best-drafted statutes in the field of contractual law and that it provides a thoroughly sound legislative foundation for solving the problems with which it deals.

The subcommittee has already submitted a report analyzing the administration of the act.[4] This report makes the following recommendations with regard to the operations of the Office of Contract Settlement:

(1) Supplemental legislation authorizing reconversion loans by, and extension of the life of, the Smaller War Plants Corporation;

(2) Continuous observation and evaluation by the Office of Contract Settlement of the termination operations of the contracting agencies;

(3) The development of a comprehensive program to guarantee speedy settlements for subcontractors; and

(4) Specific action by the Office of Contract Settlement to protect the Government against waste and fraud.

Surplus Property Act

The Surplus Property Act of 1944 is based substantially upon a bill (S. 2065) prepared by the Surplus War Property Subcommittee of the Special Senate Committee on Small Business (consisting of Senators TOM STEWART, Tennessee, chairman; JAMES E. MURRAY, Montana; and ROBERT A. TAFT, Ohio). Your subcommittee, which had before it many other bills relating to the disposal of surplus property, recommended to the full committee that S. 2065 be reported favorably to the Senate floor. The Military Affairs Committee studied the bill in considerable detail and made a number of amendments that amplified and improved the policies and procedures contained therein. Soon thereafter, with only minor amendments, the bill was passed by the Senate.

The House of Representatives had earlier passed a surplus-property bill (H. R. 5125) which was based on a draft bill prepared by the Surplus War Property Administrator. In conference, the basic features of the Senate bill were preserved.

Danger of Hasty Amendments

Various groups inside and outside of the Government have charged that the Surplus Property Act is unworkable. Essentially, these charges have generally been based not so much upon an objective appraisal of the administrative problems created by the act but upon a fundamental disagreement with the policies and objectives of the act.

[4] See Administration of Contract Settlement Act, December 13, 1944. War Contracts Subcommittee Print No. 11.

The act sets forth a clear-cut program for using surplus property to help develop and expand our post-war economy. It provides specific protection against the acquisition of surplus property by monopolists and speculators. It sets forth a clear-cut program for using surplus Government land to promote family-type farming. It provides careful protection for the interests of small business. It protects the Government against fraudulent activities and "inside deals." In short, the act is preeminently sound, and if its administrators are basically sympathetic with the policies set forth therein, the act will be preeminently workable.

Naturally, any measure which covers such a wide field of economic and social interests will eventually require innumerable amendments. Except for minor matters of detail, however, such amendments should be based upon actual administrative experience. Your subcommittee warns against any hasty attempt to amend the Surplus Property Act until this experience has been gained and the committee has had a full opportunity to discuss the operations of the act with the Surplus Property Board.

Need for Additional Legislation on Property Management

While there is no immediate need for amendment to the Surplus Property Act, it is essential that prompt action be taken upon supplemental legislation to establish a comprehensive system of property management for the Federal Government. In his report to the Senate of June 15, 1944, pursuant to Senate Resolution 195, President Roosevelt made the following statement:

"The Congress has never provided comprehensive legislation with respect to property management, of which inventory and record controls are basic. The several agencies have been left largely to their own devices for the procurement, recording, and control of property and, therefore, there is no common pattern for and no consolidated inventory of the capital investment of the Federal establishment."

Accordingly, the President called for the passage of legislation along the lines of H. R. 2795, which directed the Bureau of the Budget to establish a general system of property management and which had already passed the House of Representatives in the previous year.

The relationship between this type of legislation and the Surplus Property Act may well be likened to the relationship between the foundation of a building and the superstructure. Today, we are in the paradoxical position of having built the superstructure before the building. As a result, the executive agencies have inadequate knowledge of the amounts and types of the Federal property under their control. Lacking such knowledge, they cannot accurately determine what property should be declared surplus nor can they adequately predict ahead of time the volume of potential surplus property.

Your subcommittee recommends that at the beginning of the next session of Congress the Senate Committee on Expenditures in the Executive Departments, headed by the able and distinguished junior Senator from Alabama, Mr. HILL, draft a new measure along the lines of H. R. 2795 and press forward toward immediate enactment.

Need for Amendment of Public Law 289

Prior to passage of the Surplus Property Act, Congress enacted (in Public Law 289, of the 78th Cong.) a statute providing:

"That prior to the acquisition or disposal, by lease or otherwise, of any land acquired for naval use under the authority of this, or any other act, the Secretary of the Navy shall come into agreement with the Naval Affairs Committees of the Senate and the House of Representatives with respect to the terms of such prospective acquisitions or disposals."

The purpose of this provision was to establish appropriate liaison between the Navy Department and the Committees on Naval Affairs. Now that the Surplus Property Act is on the statute books, there is a comprehensive legislative foundation for appropriate interchange of information between all executive agencies and the interested congressional committees—without any danger of having executive or administrative functions devolve upon legislative groups. Accordingly, it would seem fitting that the provision referred to be amended or repealed.

Relationship Between Surplus Property Board and Congress

The successful administration of the Surplus Property Act will be impossible without a close working relationship between the Surplus Property Board and the Congress. The decisions of the Board will often have a direct and immediate effect upon large sections of the population. It is imperative that Members of Congress be kept currently informed of these decisions. Furthermore, as a result of their broad contacts with people from all walks of life, the Members of Congress can provide a valuable source of information and guidance for the members of the Board.

It would be unfortunate, therefore, if the Surplus Property Board failed to establish an effective working relationship with the committees and Members of the Senate and House of Representatives. As one of its first acts, the Board should discuss this problem and work out a practical program of congressional liaison. Consideration should be given to delegating the responsibility of handling general relationships with Congress to a responsible official who will work in close cooperation with members of the Board. This official would have the twofold responsibility of providing Congress with full and current information on the administration of the act and of providing the Board with full and current information on the views and recommendations of the committees and Members of Congress. It might be particularly helpful if the Board followed the example of the War Department, the War Production Board, and other agencies by establishing liaison offices in both the Senate and House Office Buildings.

War Mobilization and Reconversion Act

The first report of the Director of War Mobilization and Reconversion has not yet been submitted to Congress and it is too early to make an accurate appraisal of the act's administration. Yet, in the opinion of the majority members of the subcommittee, it is already becoming increasingly apparent that the act is a defective instrument for coping with the problems of transition from war to peace. There is an urgent need for additional legislation to remedy its defects. Implementation in the form of more adequate appropriations is also needed.

Need for Supplemental Legislation

Specific reference is made to the following:

Unemployment compensation: The act merely provides for loans to State unemployment compensation boards. It fails to extend coverage to the millions of workers who are unprotected by unemployment insurance. It fails to increase the duration or magnitude of benefits.

Travel allowances: The act fails to provide Federal assistance to help war workers return to the location of their former homes or future jobs.

Advance planning of public works: Section 501 establishes a sound program of loans or advances by the Federal Works Agency for the advance planning of post-war public

works by States and local communities. However, no appropriation for this purpose has been included in the First Deficiency Appropriation Act. Unless funds are provided in another deficiency bill in the beginning of the next session, the Federal Works Agency will not be able to embark upon this program until the following fiscal year, and the clear intent of Congress will be frustrated.

At the present moment the Budget Bureau's estimate for this program is $75,000,000. This sum will finance advance plans for only $500,000,000 of public works per year over a 3-year period.

In view of the magnitude of the post-war employment problem, it would certainly be the better part of wisdom to provide for public works amounting to at least $1,000,000,000 a year, over a 3-year period. This can be done by appropriating $150,000,000 to the Federal Works Agency instead of only $75,000,000. In this connection, we should like to point out that under section 501 (c), this money will be repaid to the Government when the projects are built.

Smaller War Plants Corporation: In establishing the Smaller War Plants Corporation the Congress created an administrative vehicle through which it intended to extend a helping hand to small business concerns in connection with war production. The three reconversion measures enacted by the Congress give difficult assignments to the Smaller War Plants Corporation in connection with contract termination, surplus disposal, and general reconversion problems (Public Law 395, sec. 20 (g); Public Law 457, sec. 18; and Public Law 458, sec. 204). Under the statute creating the Smaller War Plants Corporation (Public Law 603, 77th Cong.), however, the life of the Corporation is due to expire on July 1, 1945. Thus the paradox exists that Congress has charged the Smaller War Plants Corporation with definite responsibilities throughout the reconversion period but has failed to extend the life of the Corporation for a corresponding period of time. This circumstance has affected adversely, and will continue to affect adversely, the operations of the Smaller War Plants Corporation. No sound planning of its reconversion activities can be achieved and no adequate organization, particularly in the field, can be built to cope with difficult reconversion problems if the Smaller War Plants Corporation must continue to face uncertainty as to its continuance after July 1, 1945.

Through recent action Congress increased the capital of Smaller War Plants Corporation by $200,000,000 without at the same time extending the life of the Corporation. Obviously, there was no intent that this increased lending authority be used up within 6 or 7 months. It is imperative that at the earliest possible date, at the opening of the Seventy-ninth Congress, the life of the Corporation be extended for at least 2 years.

Furthermore, in order to permit the proper discharge of its obligations under the three reconversion measures, its authority should be extended to make loans for civilian purposes to any concern, whether engaged in manufacture or distribution. The failure on the part of Congress to act promptly will bring to nought the provisions written into the three reconversion measures for the purpose of aiding and protecting small business during the reconversion period.

Antitrust Division: The Attorney General, under section 205, is directed to "make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter."

The results of these surveys are to be reported to Congress within 90 days after the approval of the act, and at such subsequent times as he deems desirable. It should be noted that the surveys referred to extend somewhat beyond the scope of the Sherman and Clayton Antitrust Acts.

A more detailed responsibility is given the Attorney General by section 20 of the Surplus Property Act, which calls for him to analyze the proposed terms of disposition of plants costing $1,000,000 or more, and to advise the Surplus Property Board whether such terms may violate the antitrust laws.

Your subcommittee wants to emphasize that the availability of adequate reports and advice to the Congress and the several agencies handling surplus property and other aspects of reconversion, is indispensable to the proper administration of the War Mobilization and Reconversion Act and the Surplus Property Act. The tasks imposed on the Antitrust Division by these acts differ somewhat from the responsibility of the Division under the antitrust laws. In the past, the Antitrust Division has concentrated its attention on clearing away obstacles found to exist in the path of competition in various industries. Positive measures supplementing the elimination of existing restraints have only infrequently been studied and applied by the Division. The mere removal of existing obstacles, however, does not suffice where other economic conditions make unlikely the entry of new businesses into an industry, or the expansion of existing small concerns whose growth has been stymied by the larger concerns in the industry. This is particularly true where the lack of credit facilities or present tax laws can be found to stand in the way of increased competition. In connection with surplus property disposal and other reconversion activities, it will not be sufficient to point out in reports existing restraints which violate the antirust laws. Such reports and advice, in order to be of value to the Congress and the administrative agencies, must approach the problem of strengthening and maintaining free enterprise on a broader basis. They should contain positive suggestions which may have to vary from industry to industry as to how healthy competition may be achieved throughout American industry.

Need for active congressional surveillance

The legislative responsibility of Congress does not end when a bill is signed by the President and entered on the statute books. This is particularly true with regard to laws which, like the three measures discussed above, can have such a profound effect upon the economy of the country.

The continuing responsibility of Congress with regard to evaluating the administration of these acts and to preparation of any necessary amendments has been appropriately recognized in the statutes themselves. Section 2 of the Contract Settlement Act specifically declares that the appropriate congressional committees shall "maintain continuing surveillance of the operations of Government agencies under the act." All three of these statutes provide for quarterly progress reports to the Senate and the House of Representatives. The Surplus Property Act, moreover, calls not only for general reports to Congress every 3 months but also for the following types of specific reports:

(1) Reports setting forth proposed programs for the disposition of the various types of Government plants and facilities (sec. 19 of the act). In the case of some types of property, no disposition may be made until 30 days after the report has been submitted to Congress;

(2) A report from the Army and Navy by January 3, 1945, on the amounts of critical and strategic materials to be stock-piled (called for in sec. 22 of the act); and

(3) Reports from the Surplus Property Board on any property that an owning agency may refuse to declare surplus.

This reporting procedure will be effective only if the reports received by Congress are carefully studied and analyzed by the appropriate committees and their staffs. Naturally, a large number of Senate committees will be very properly interested in many of these reports. This is particularly true of the reports under the Surplus Property Act, which will be of special concern to the Senate Committee on Small Business and the Senate Committee Investigating the War Program. Nevertheless, the responsibility of the Senate Military Affairs Committee, which played a major role in developing this legislation and which will also handle most of the amendments that will be proposed, is very great. Your subcommittee is confident that this responsibility will be discharged in a manner that will set a high example of congressional efficiency and will contribute to the satisfactory solution of the intricate problems involved in industrial demobilization.

On its part, the subcommittee has already instructed its staff to make a careful study of—

(1) The coordination of war production cut-backs under the War Mobilization and Reconversion Act (secs. 203–204);

(2) The comparative effectiveness of contract-settlement operations among the War Department, Navy Department, and other contracting agencies; and

(3) The need for amendments in the Surplus Property Act.

In the near future, reports will be submitted to the full committee on each of these subjects.

III. BUILDING THE POST-WAR ECONOMY

Threat of post-war unemployment

During the war, we have transformed our economy into an economic skyscraper of breath-taking magnitude. At present, our economy is producing goods and services at the rate of $196,000,000,000 a year. This compares with a gross national product of around $90,000,000,000—or only about half the size—in 1929.[5]

Almost half of the framework supporting this giant structure consists of war contracts. When war contracts are withdrawn, the danger is that the entire edifice will topple over.

In considering the magnitude of this problem, we must remember that we have reached the present unprecedented level of production without the services of the more than 11,000,000 men and women in the Army and Navy. When the war is over, these people will want jobs. Moreover, during the war almost 7,000,000 individuals have been added to the civilian labor force. A large proportion of these, particularly women, will insist upon their rights to continued employment.

Unless an economic substitute is found for war contracts, mass unemployment will become a serious threat and the number of unemployed men and women in this country could easily surpass anything that was dreamed of during the last depression.

Inadequacy of existing post-war legislation

At various times one or another of the demobilization statutes have been discussed as though they represented a significant approach to the problems of post-war unemployment. Before passage of the Contract Settlement Act, for example, many manufacturers talked as though all they needed to assure a high level of post-war production was the quick settlement of their termination claims. In the same fashion, the coordination of war production cut-backs and the disposal of surplus war property have on various occasions been endowed with an importance which, in the light of cold analysis, they never deserved. The blunt fact is that all three measures are basically aimed at liquidating war production. They are purely

[5] In 1929, prices in general averaged about the same as during the present year.

transition measures—yes, important transition measures—but nothing more. None of them attempts to assure a sound post-war economy.

In addition to the three industrial demobilization laws, a number of other post-war measures have been enacted during the Seventy-eighth Congress. We have enacted a G. I. bill of rights. But its provisions are not yet fully adequate to meet the needs of returning soldiers and sailors. Although we have provided for loans to State unemployment compensation boards, we have done nothing to increase coverage under unemployment compensation and old-age and survivors insurance, to liberalize benefits, or to provide for health insurance. We have passed legislation to provide for a miscellaneous assortment of flood-control and rivers and harbors projects, but have postponed action to develop the river basins of our country in a courageous and comprehensive fashion under a Missouri Valley Authority, an Arkansas River Authority, and similar agencies in other areas. We have done little in the preparation of a post-war tax program, on the promotion of foreign trade, or in the adjustment of freight rates that discriminate against industrial activity in the South and the West. We have passed a road bill but have delayed action on post-war airports. We have not come to grips with the problem of monopoly and international cartels. We have not yet mapped out post-war policies on the fundamental questions of labor relations, wages, and prices.

As measured against the background of our economic needs, the post-war laws that have been enacted add up to very little. The balance sheet shows the Seventy-eighth Congress never came to grips with the problem of providing an economic substitute for war production.

The repercussions of this failure have already been felt. Knowing that practically nothing has been done to provide for post-war employment, hundreds of thousands of war workers, vitally needed in the production of the weapons of war, have quit their war jobs and sought refuge in civilian industry and trade. It is incumbent, therefore, upon the Seventy-ninth Congress to map out a broad program of post-war legislation. This is essential not only to the preservation of our economy in the years to come, but also to our catching up on delayed schedules of war production.

Sixty million jobs: A public responsibility

In January 1944 the President of the United States, in his message to Congress on the state of the Union, outlined an "economic bill of rights." The first point in this document was the following:

"The right of a useful and remunerative job in the industries, or shops, or farms, or mines of the Nation."

Ten months later, in an address at Chicago, the President stated that "to assure the full realization of the right to a useful and remunerative employment, an adequate program must provide America with close to 60,000,000 productive jobs."

Statisticians may debate among themselves as to whether the precise goal should be a little more or a little less than the President's 60,000,000 figure. But no thoughtful American—no matter what his creed or station in life—would deny that every man or woman in the country who is willing to work and capable of working has the right to a job.

As yet, unfortunately, we do not have in America an "adequate program" to provide 60,000,000 productive jobs. Nor will such a program develop out of thin air. The right to a job is not self-enforceable. It can be translated into reality only through the joint action of the people of our country—business, labor, agriculture, and all other groups—acting through the medium of their duly elected Government. In short, the so-called right to a job is a meaningless figure of speech unless our Government assumes responsibility for the expansion of our peacetime economy so that it will be capable of assuring full employment.

Strategy of full employment

The fight for full employment is a two-fold battle.

On the one hand, the Government must do everything in its power to stimulate increased opportunities for employment in private enterprise. This is the major front.

On the other hand, to the extent that private enterprise cannot by itself assure full employment, the Government must take such measures as may be necessary to fill the gap.

A more precise way to describe the relationship between private and public activity is by examining the various types of investment and other expenditure that make up our total production of goods and services—technically referred to as "the gross national product." [6] As of the middle of this year, the gross national product, or total expenditures, amounted to about $196,000,000,000. As can be seen from table I, this total is made up of the following:

	Billion dollars
Consumers' expenditures	95.5
Capital outlays of business	2.0
Expenditures by State and local governments	7.2
Expenditures by the Federal Government	91.6
Total	[1] 196.4

[1] The comparable figure for the national income during the first half of 1944 is $155,000,000,000.

[6] The gross national product, as calculated by the Department of Commerce, is at present the commonly used measurement of our Nation's total economic activity. When taxes and reserves are subtracted from the gross national product, the remainder is the "national income."

TABLE I.—*Expenditures for gross national product*

[In billions of current dollars—annual rates—calendar year] [1]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944 [2]
Consumers:																
Durable goods (except housing)	9.9	8.1	6.3	4.2	3.4	4.8	5.7	6.7	7.6	6.0	6.4	7.4	9.1	6.4	6.5	6.3
Nondurable goods	35.6	32.5	27.9	22.0	21.6	25.1	27.4	31.8	32.8	30.3	32.6	34.4	40.1	48.0	55.2	59.0
Services (excluding rent) [3]	20.2	24.3	20.0	16.8	13.2	17.8	14.9	16.3	17.5	17.4	17.7	18.8	20.1	22.0	23.4	24.3
Rent	5.1				4.2		4.2	4.3	4.6	4.8	5.0	5.1	5.3	5.6	5.8	6.0
Subtotal, consumers	70.8	64.9	54.2	43.0	42.4	47.7	52.2	59.1	62.5	58.5	61.7	65.7	74.6	82.0	91.0	95.5
Business (capital outlays):																
Construction:																
Residential	3.6	1.8	1.5	.6	.4	.6	.9	1.4	1.7	1.8	2.0	2.4	2.9	1.5	.8	.8
Other	4.7	3.8	2.3	1.2	.9	1.0	1.2	1.5	2.0	1.5	1.6	2.0	2.5	1.5	.8	1.0
Producers, durables	7.3	6.0	4.2	2.4	2.1	3.1	4.0	5.2	6.3	4.5	5.5	6.9	8.9	5.1	3.1	4.0
Net increase on inventories	1.6	−.3	−2.0	−2.3	−.7	−.1	.2	2.2	1.1	−1.3	.9	1.8	3.5	−.5	−.5	−.6
Net foreign investment [4]	.4	.8	.4	.3	.6	.7	.4	−.3	.5	1.2	1.0	1.8	1.2	−.1	−2.1	−3.0
Subtotal	17.6	12.1	6.4	2.2	3.3	5.3	6.7	10.0	11.6	7.7	10.9	14.8	19.0	7.5	2.2	2.0
State and local government (adjusted)	8.3	8.8	8.7	7.8	6.5	5.9	8.0	8.0	7.5	7.6	8.1	7.9	7.8	7.3	7.2	7.2
Federal Government (adjusted):																
War											1.4	2.8	12.8	50.3	81.3	86.4
Nonwar											6.5	6.1	5.3	5.0	4.9	5.5
Subtotal, Federal Government	2.7	2.4	2.8	2.4	2.6	4.9	3.9	4.6	6.1	6.8	7.9	8.8	18.1	55.4	86.2	91.6
Total expenditures for gross national product	99.4	88.2	72.1	55.4	54.8	63.8	70.8	81.7	87.7	80.6	88.6	97.1	119.6	152.1	186.5	196.4
Addenda: Net national income	83.3	68.9	54.5	40.0	42.3	49.5	55.7	64.9	71.5	64.2	70.8	77.6	96.9	121.6	147.9	[5] 155.0

[1] Detail will not necessarily add to totals because of rounding.
[2] Annual rate, based on second quarter.
[3] Includes rent for 1930-32 and 1934.
[4] Estimate includes net export of goods and services, net export of gold and silver, and net change in monetary stock.
[5] Annual rate, based on first and second quarters.
Source: Department of Commerce, Dec. 1, 1944.

If the gross national product is high enough after the war—in other words, if there is enough productive economic activity—there will be enough jobs for everyone. If the gross national product is too low, we shall have unemployment.

If we are to achieve full employment in the post-war period, therefore, the Government must assume the responsibility of seeing to it that the gross national product is maintained at a high level. Some say that this calls for a post-war gross national product of $200,000,000,000 within a few years after the defeat of Japan. They point out that our productive capacities have increased enormously as a result of the war and should not be allowed to lie idle, particularly since there are vast sections of this country that

remain undeveloped, and millions of our people whose standards of living are still too low.

In the opinion of your subcommittee, the question of what level of gross national product we should aim at is a direct concern of the Government. We believe that the Government should calculate the total of all investment and other expenditures—by consumers, by business, by State or local government, and by the Federal Government—needed to provide jobs for everybody.

We believe that the Government should give full and complete opportunity for an expansion of business investment and that it should promote increased consumer expenditures.

We believe that, to the extent that non-Federal expenditures do not provide the necessary total, the Government must develop an investment and expenditure program to make up the deficiency.

Only in this way can we be sure of providing an economic substitute for war production. Only in this way can we protect our economic structure from collapsing when the framework of war contracts is withdrawn.

A full employment bill

In August 1944, the president of the National Farmers Union, Mr. James Patton, submitted to your subcommittee a legislative measure designed to have the Government guarantee a $40,000,000,000 level of capital investment every year. While no action was taken upon this proposal, the chairman of the subcommittee had it printed in the form of an amendment to the pending war mobilization and reconversion legislation. In filing this amendment, he made it clear that he did not intend to call for action upon it at that time.

Subsequently your subcommittee forwarded copies of this measure to the various executive agencies and departments for comment. Letters were received expressing sympathy with the objectives of the measure from the Secretary of Agriculture, the Secretary of the Interior, the Secretary of Labor, the Bureau of the Budget, the Foreign Economic Administrator, the Price Administrator, and others. Many of the agencies objected to the specific $40,000,000,000 figure for capital investment and pointed out other shortcomings in the measure.

The subcommittee staff was thereupon instructed to make a careful study of the proposal and to draft a new measure which would meet most of the objections that had been raised. Accordingly, an entirely new bill was prepared, entitled "Full Employment Act of 1945."

Your subcommittee has not had sufficient time to make a complete study of this new bill and there is not time to make such a study during the remainder of this session. However, the bill is transmitted herewith, without commitment, for the purpose of stimulating discussion. Your subcommittee believes that it raises challenging problems concerning the economic future of our country and that the central concept of balancing our national budget by providing full employment merits the most careful analysis by the committee and the general public.

The Right to a Job

The fundamental premise of the proposed bill is that every American has the right to a job. This is spelled out at the beginning of the declaration of policy (sec. 2 (a)).

The declaration of policy also makes it clear that this right must be made meaningful by governmental responsibility to assure continuing full employment (sec. 2 (b)). Finally, the policy is set forth of going as far as possible toward obtaining full employment without Federal investment and expenditure. It is made clear, however, that if full employment cannot otherwise be assured, the Government must provide whatever volume of Federal investment and expenditure is necessary (sec. 2 (c)).

Balancing the National Budget

To carry out the policy in section 2, the proposed bill sets up a new type of budget—a National Production and Employment Budget. This is done by establishing a new title in the Budget and Accounting Act of 1921 (sec. 3).

The National Production and Employment Budget deals with the total amount of investment and expenditure by all groups in the country—consumers, business, State, and local governments, and the Federal Government. It is made up, on the one hand, of the total expenditures needed to guarantee full employment and, on the other hand, of prospective total expenditures. Obviously, if there were a deficiency of expenditures, the result would be unemployment.

Accordingly, a twofold program is set forth for balancing the National Production and Employment Budget.

First. There is to be a general program for encouraging increased non-Federal investment and expenditure. This may call for new policies or programs dealing with banking and currency, taxation, wages and working conditions, social security, and related fields.

Second. To the extent that this program may not be sufficient to balance the Budget, a second program is called for—a program of Federal investment and expenditure. This program would be "designed to contribute to the national wealth or well-being." It could include specific programs for assistance to business, public works, public services, conservation, and other public activities. A provision is added calling for the performance of all public construction work by private concerns.

The general outlines of both programs are to be submitted to Congress on the first day of each regular session, along with the regular budget for the operations of the Federal Government.

The National Production and Employment Budget, together with the regular Budget, is to be prepared by the Bureau of the Budget under the direction of the President.

Joint Committee on the Budget

At the present moment there is no single body within either House of the Congress which considers, in a comprehensive manner, the general contents of the President's regular budget message. This situation has often been criticized by Members of Congress and students of the legislative process. It has often been suggested that a single joint committee, made up of members of the individual committees dealing with various aspects of the Budget, be set up to analyze budgetary policy as a whole.

It is the fundamental premise of the proposed bill that the Senate and the House of Representatives take an active and responsible part in the full employment program. Accordingly, a joint committee is created, composed of representatives from the appropriate individual committees to make a detailed study of the Budget message which is to be sent to Congress under this bill.

On the first day of each regular session, the President's Budget message would immediately be referred to the Joint Committee on the Budget. By March 1, at the very latest, this committee would be expected to introduce a joint resolution in both Houses of Congress. This resolution would set forth the general outlines of the Federal Budget for the next fiscal year, and would include expenditures, receipts, and borrowings. It could then be amended in any manner that the majority of Congress determines is appropriate. As finally agreed to, the resolution would serve as a general policy framework within which the individual committees of Congress could work on individual appropriation acts and tax measures.

A full employment bill

The text of the bill is as follows:

"SECTION 1. This act may be cited as 'The Full Employment Act of 1945.'

"DECLARATION OF POLICY

"SEC. 2. The Congress hereby declares that—

"(a) Every American able to work and willing to work has the right to a useful and remunerative job in the industries, or shops, or offices, or farms, or mines of the Nation.

"(b) It is the responsibility of the Government to guarantee that right by assuring continuing full employment; and

"(c) It is the policy of the Government to assure continuing full employment by (1) encouraging, to the fullest extent possible without Federal investment and other expenditure, the highest feasible levels of employment by private enterprise, (2) providing whatever volume of Federal investment and other expenditure may be needed to assure continuing full employment.

"SEC. 3. The Budget and Accounting Act of 1921, as amended, is hereby amended by inserting immediately following section 217 of title III a new title, to be title IV, which shall read as follows:

"'TITLE IV. THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

"'SEC. 401. (a) In addition to the estimates and other information called for in section 201 of the Budget and Accounting Act of 1921, as amended, the President shall transmit to Congress on the first day of each regular session the National Production and Employment Budget (hereinafter referred to as the "National Budget"), which shall set forth in summary and detail—

"'1. The estimated number of jobs needed during the ensuing fiscal year or years to assure continuing full employment, and the estimated dollar volume of the gross national product, at the expected level of prices, required to provide such number of jobs (hereinafter referred to as "full employment volume of the gross national product");

"'2. The estimated volume of investment and other expenditure by private enterprises, consumers, State and local governments, and the Federal Government required during the ensuing fiscal year or years to assure a full employment volume of the gross national product; and

"'3. The estimated volume of prospective investment and expenditure by private enterprises, consumers, State and local governments, and the Federal Government during the ensuing fiscal year or years, and the estimates and information herein called for shall take account of such foreign investment and other expenditure for exports and imports as affect the volume of the gross national product

"'(b) If the estimated aggregate volume of prospective investment and other expenditure, as set forth in (a) 3 of this section, is less than the estimated aggregate volume of investment and other expenditure required to assure a full employment volume of the gross national product, as set forth in (a) 2 of this section, the President shall in the National Budget set forth a general program for encouraging increased non-Federal investment and other expenditure, particularly such investment and expenditure as will promote increased employment in private enterprises, together with such legislative recommendations as he may deem necessary or desirable. Such program may include, but need not be limited to, a presentation of current and projected Federal policies and activities with reference to banking and currency, monopoly, and competition, wages and working conditions, foreign trade and investment, agriculture, taxation, social security, the development of natural resources, and in such other

topics as may directly or indirectly affect the level of non-Federal investment and other expenditure.

"'(c) To the extent that such increased non-Federal investment and other expenditure as may be expected to result from actions taken under the program set forth in accordance with (b) of this section are insufficient to provide a full employment volume of the gross national product, the President shall include, in the Budget transmitted in accordance with section 201 of the Budget and Accounting Act of 1921, as amended, a general program of such Federal investment and other expenditure as will be sufficient to bring the aggregate volume of investment and other expenditure by private business, consumers, State and local government, and the Federal Government, up to the level required to assure a full employment volume of the gross national product. Such program shall be designed to contribute to the national wealth or well-being, and may include, but need not be limited to, specific programs for assistance to business enterprises, particularly small business enterprises; for useful public works, particularly such public works as tend to promote increased investment and other expenditure by private enterprises; for useful public services, particularly such public services as tend to raise the level of health and education; for slum clearance and urban rehabilitation; for conservation and development of natural resources; and for rural electrification. All programs calling for public construction shall provide for the performance of the necessary work by private concerns on the basis of contracts awarded in accordance with applicable laws.

"'(d) The President may from time to time transmit to Congress such supplemental or revised estimates, information, programs, or legislative recommendations as he may deem necessary or desirable.'

"'PREPARATION OF NATIONAL BUDGET

"'SEC. 402. (a) In addition to the duties imposed upon the Bureau of the Budget by section 207 of the Budget and Accounting Act of 1921, as amended, the Bureau, under such rules and regulations as the President may prescribe, shall—

"'(1) With the assistance of the several departments and agencies, prepare for him the information and estimates called for in section 401;

"'(2) Cooperate with the several departments and agencies in developing such estimates and programs as may be useful in guiding the preparation of the National Budget.

"'(b) The President, through the Bureau of the Budget, shall issue such directives to the several departments and agencies as will enable them to prepare such plans and programs as may be needed during the ensuing or subsequent fiscal years to help achieve a full employment volume of the gross national product.'

"JOINT COMMITTEE ON THE BUDGET

"SEC. 4. (a) There is hereby established a Joint Committee on the Budget, to be composed of six Members of the Senate, to be appointed by the President of the Senate from among the members of the Senate Committees on Appropriations, Finance, and Banking and Currency, and six members from the House of Representatives to be appointed by the Speaker of the House of Representatives from among the members of the House Committees on Appropriations, Ways and Means, and Banking and Currency, with such party representation as will reflect the relative membership of the majority and minority parties in the Senate and the House of Representatives.

"(b) It shall be the function of the Joint Committee on the Budget—

"1. To make a detailed study of the information and estimates transmitted to Congress by the President on the first day of each regular session in accordance with section 401 and section 201 of the Budget and Accounting Act of 1921, as amended; and

"2. To report to the Senate and the House of Representatives, no later than March 1 of each year, its findings and recommendations on the National Budget, together with a proposed joint resolution setting forth for the ensuing fiscal year a general policy on the total volume of Federal expenditures and other investment, the total receipts to be collected from taxes and other revenue, and the volume of borrowings or net debt retirement, for the purpose of serving as a guide to the individual committees of Congress dealing with such subjects.

"(c) Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members.

"(d) The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

"(e) The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistance as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee may utilize such voluntary and uncompensated services as it deems necessary and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government.

"(f) The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

"AUTHORIZATION OF FUNDS

"SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to eliminate any deficiency in the National Budget.

"RATE OF EXPENDITURES

"SEC. 6. (a) The President shall periodically review all Federal expenditures under appropriations for periods of more than 1 year for the purpose of ascertaining the extent to which the current and anticipated level of non-Federal investment and other expenditure warrants a decrease in such Federal expenditure.

"(b) Subject to such principles and standards as may be set forth in individual appropriation acts and other statutes, the rate of Federal expenditure under appropriations for periods of more than 1 year may be varied to whatever extent and in whatever manner the President, acting through the Director of the Bureau of the Budget, may determine to be necessary for the purpose of assuring continuing full employment, with due consideration being given to current and anticipated variations in savings and in investment and other expenditure by private business, consumers, and State and local governments.

"SEC. 7. Section 212 of the Budget and Accounting Act of 1921, as amended, is amended to read as follows:

"'The Bureau of the Budget shall, at the request of any committee of either House of Congress, furnish the committee with such aid and information as it may request.'

"SEC. 8. Section 213 of the Budget and Accounting Act of 1921, as amended, shall apply with equal force to the provisions of this title.

"SEC. 9. Nothing contained herein shall be construed as calling for or authorizing—

"(a) The operation of plants, factories, or other productive facilities by the Federal Government;

"(b) The use of compulsory measures of any type whatsoever in determining the allocation or distribution of manpower; or

"(c) Any change in the existing procedures on appropriations.

"DEFINITIONS

"SEC. 10. As used in this act—

"(a) The term 'full employment' means a condition in which the number of persons able to work, lacking work, and seeking work, shall be no greater than the number of unfilled opportunities to work, at locally prevailing wages and working conditions for the type of job available, and not below minimum standards required by law, and in which the amount of factional unemployment, including seasonal and technological unemployment, and other transitional and temporary unemployment, is no greater than the minimum needed to preserve adequate flexibility in the economy.

"(b) 'Gross national product' means the gross national production of goods and services, as calculated by the Department of Commerce.

"(c) The term 'Federal investment and other expenditure' includes all outlays made by any department or branch of the Government, including any independent agency or any corporation owned or controlled by the United States."

APPENDIX I

Legislative measures referred to the War Contracts Subcommittee, Senate Committee on Military Affairs

I. CONTRACT TERMINATION

	Title	Subcommittee action	Full committee action	Further action
S. 1268	To facilitate the termination of war contracts	Favorable action on S. 1718, amended, recommended to full committee Apr. 28, 1944.	S. 1718 reported unanimously May 2, 1944 (Rept. No. 836).	S. 1718 signed by the President July 1, 1944 (Public Law 395).
S. 1280	To provide authority to the Secretary of War to use funds now or hereafter appropriated for adjustment of contracts, and for other purposes.			
S. 1470	To provide for mandatory loans to small business concerns upon termination of their war contracts.			
S. 1718	To provide for the settlement of claims arising from terminated war contracts, and for other purposes.			

APPENDIX I—Continued

Legislative measures referred to the War Contracts Subcommittee, Senate Committee on Military Affairs—Continued

II. SURPLUS WAR PROPERTY

	Title	Subcommittee action	Full committee action	Further action
S. Res. 195	Requesting an investigation concerning Government property and materials no longer needed for war purposes.	Favorable action on S. Res. 195 recommended to full committee Nov. 26, 1943.	Reported favorably by full committee Nov. 26, 1943 (Rept. No. 543).	Agreed to by Senate Mar. 14, 1944; 2 reports received in compliance therewith (S. Docs. Nos. 203 and 239).
S. 1478	To provide for the conservation and proper disposal of surplus war properties, and for other purposes.			
S. 1609	To provide for the equitable disposal and effective utilization of Government-owned surplus machine tools, and for other purposes.			
S. 1680	To provide for disposition of surplus war materials.			
S. 1775	To provide for restoring real property acquired by the United States for military purposes to the former owners thereof.			
S. 1794	To provide that in disposing of lands which have been acquired by the United States for national defense or war purposes, a preference shall be given to the former owners of such lands or their successors in interest.	Favorable action on S. 2065, amended, recommended to full committee Aug. 15, 1944.	S. 2065, amended, reported unanimously Aug. 22, 1944 (Rept. No. 1057).	H. R. 5125 (based substantially on S. 2065) signed by the President Oct. 3, 1944 (Public Law 457).
S. 1803	To provide for the sale of surplus Army general-purpose automobiles to rural mail carriers.			
S. 1815	To provide for distribution of surplus war materials through domestic lend-lease to States and their political subdivisions and instrumentalities thereof.			
S. 2045	To provide for the disposal of surplus Government property and plants.			
S. 2065	To establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property; and for other purposes.			

III. INDUSTRIAL MOBILIZATION AND POST-WAR ADJUSTMENT

S. 1730	To create an Office of Demobilization, establish general policies for the operation of that office, provide for the settlement of claims arising from terminated war contracts, provide for the disposal of surplus Government property, and for other purposes.	Favorable action on new bill, based on S. 1730 and S. 1893, recommended to full committee by majority of subcommittee, Aug. 2, 1944.	New bill, amended (S. 2061), reported favorably by majority of full committee, Aug. 5, 1944 (Rept. No. 1036).	S. 2051 (based in part on S. 1730, S. 1893, S. 2061), signed by the President Oct. 3, 1944 (Public Law 458).
S. 1823	To establish an Office of War Mobilization and Adjustment.			
S. 1893 [1]	To provide for the establishment of an Office of War Mobilization and Adjustment, and for other purposes			

IV. COST-PLUS CONTRACTS

S. J. Res. 80	To prohibit the use of the cost-plus-fixed-fee system of contracting in connection with war contracts.	After detailed studies and investigations, no action was recommended.		

[1] Supersedes S. 1823.

APPENDIX II

PUBLICATIONS OF THE WAR CONTRACTS SUBCOMMITTEE OF THE SENATE COMMITTEE ON MILITARY AFFAIRS

I. Reports submitted by the subcommittee

Seventy-eighth Congress, first session: Preliminary Report on Contract Termination Legislation: December 23, 1943.

Seventy-eighth Congress, second session:

Contract Termination and Related Post-war Legislation: March 20, 1944.

Demobilization and Post-war Adjustment Legislation: May 12, 1944.

Summary of Recommendations Submitted on Surplus Property Legislation: June 5, 1944.

[Confidential] Executive Report on Production at the Alabama Dry Dock & Shipbuilding Co., Mobile, Ala.: August 1944.

War Mobilization and Post-war Adjustment—Additional Report: August 2, 1944.

War Mobilization and Post-war Adjustment—Minority Report: August 5, 1944.

Administration of the Contract Settlement Act: December 13, 1944.

Legislation for Reconversion and Full Employment: December 18, 1944.

II. Reports submitted or referred to the subcommittee

Seventy-eighth Congress, first session: Letter and Supplementary Material from the Secretary of Labor to the Subcommittee on War Contracts in response to request of the subcommittee for a report on cancelation of war contracts after First World War: November 20, 1943.

Seventy-eighth Congress, second session:

Report of the Special Committee on Post-war Economic Policy and Planning to the War Contracts Subcommittee in reference to S. 1718; Report No. 539, Part 3: April 7, 1944.

Report by Harvard Graduate School of Business Administration on Disposal of Surplus Aircraft and Major Components Thereof: June 26, 1944.

Report from the Secretary of Labor on Disposal of Surplus War Materials; Policies and Procedures, 1918-26: September 25, 1944.

III. Hearings

Problems of Contract Termination:

Parts 1–5 (consolidated). October 14, 15, 21, 22, 27, 28; November 4, 5, 8, 9, 10, 1943.

Part 6. Letters from Business and Government Agencies.

Cost-plus Contracts:

Part 7. March 2, 1944.

Part 8. March 6, 1944.

Part 9. March 7, 8, 1944.

Mobilization and Demobilization Problems:

Part 10. April 4, 1944.

Part 11. April 5, 6, 1944.

Part 12. April 11, 12, 1944.

Part 13. April 14, 1944.

Part 14. April 18, 19, 1944.

Part 15. April 20, 1944.

Part 16. April 20, 1944.

Part 1. April 26, 1944.

Part 2. April 27, 1944.

Part 3. May 2, 1944.

Part 4. May 4, 1944.

Part 5. May 5, 1944.

Part 6. May 30, 1944.

Part 7. June 12, 1944.

Part 8. June 9, 14, 15, 16, 1944.

Part 9. July 10, 11, 12, 1944.

Part 10. August 3, 4, 1944.

Utilization and Disposition of Surplus War Property:

Part 11. August 7, 1944.

Part 12. August 10, 1944.

Part 13. Letters from Government Agencies.

Part 14. August 14, 1944.

Part 15. August 16, 17, 1944.

Part 16. Letters and Statements—Agricultural, Industrial, and Educational Questions.

RECONVERSION LOAN FINANCING FOR SMALL BUSINESS

Mr. MURRAY. Mr. President, I ask unanimous consent to insert in the RECORD at this point the text of a letter sent by me as chairman of the Senate Small Business Committee to several Government agencies and the replies thereto received from the Chairman of the Smaller War Plants Corporation and the Chairman of the Federal Trade Commission. My inquiry related to reconversion loan financing for small business, a problem which is the subject of measures now pending before the Banking and Currency Committees of both Houses. I believe that these replies merit the careful study of all those concerned with this urgent problem.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
SPECIAL COMMITTEE TO STUDY PROBLEMS
OF AMERICAN SMALL BUSINESS.

Recent developments in and out of Congress indicate the likelihood that the problem of reconversion loan financing for small business will reach the stage of legislative consideration in the near future. Several measures dealing with this problem are now pending before the Banking and Currency Committees of both Houses.

The Senate Small Business Committee is studying this problem with the view to recommending enactment of one of the pending measures or introducing a new measure combining the best features of the pending ones together with such additional provisions as may be found desirable.

To assist it in this study and as a possible basis of future hearings, the committee would like to have from the many responsible individuals and organizations in and outside the Government, which are concerned with this problem, the benefit of their own views and supporting data. I would, therefore, appreciate a statement from you (if practicable, in the next 10 days) which will serve the purpose indicated.

It is suggested that you include in your treatment as many as possible of the following points in which the committee is particularly interested, though these are not intended to limit the scope of your statement in any way:

1. The adequacy of existing facilities, Government and private, to meet the reconversion loan financing needs of small business;

2. The groups and sizes of the business units to which any legislation on this problem should be restricted;

3. The kind and degree of Government participation in reconversion loan financing for small business and the Government agency best suited to be given the appropriate administrative authority;

4. The merits of the proposal whereby the Government is to insure reconversion loans made by private banks to small concerns according to a procedure modeled (with appropriate variations) on the F. H. A. plan, and the percentage and dollar volume of the risk to be assumed by the Government in connection with any such plan;

5. The merits of a provision for "character loans" to small business and the terms and conditions to be prescribed for any such kind of loan;

6. The merits of the Baruch-Hancock recommendations with reference to small business reconversion financing (Report on War and Post-war Adjustment Policies, Feb. 15, 1944, pp. 25–26, 38) and the best means of giving them legislative effect;

7. The integration of the financing provisions of the Contract Settlement Act (sec. 8–10, Public Law 395, 78th Cong.) and of the Surplus Property Act (sec. 18 (e), (f), Public Law 457, 78th Cong.), with any over-all small business financing legislation;

8. The particular reconversion needs of small business with which any measure should be primarily concerned and the maturities, sizes, interest rates, and other conditions of the loans to be provided in connection therewith;

9. The merits of the several measures on this subject which are now pending in Congress;

10. The sum to be appropriated in connection with any Government participation and the administrative means by which it should be made available for small business loan financing purposes.

Your statement or any part thereof will be treated confidentially if you indicate your preference to that effect.

* * * * *

Sincerely yours,

JAMES E. MURRAY,
Chairman.

NOVEMBER 15, 1944.

Hon. JAMES E. MURRAY,
United States Senate,
Washington, D. C.

DEAR SENATOR MURRAY: Your letter of October 31 raises quite a number of very broad and complicated questions. To answer them at all adequately would require a very lengthly document. Even in attempting to present a short digest of our views, I find that certain of the questions are now being studied by us, and I do not wish to present our ideas on such questions until those studies are completed.

However, I shall do my best to present the position of the Corporation on the questions raised, and to make my answers as brief as possible. I will not here include supporting data. As you know, we have been working up for some time a considerable volume of statistical information on these problems which, at the proper time, I hope to present to your committee. I shall answer your questions in the order in which they were presented.

1. The adequacy of existing facilities, Government and private, to meet the reconversion loan financing needs of small business.

All the facts clearly indicate that existing facilities will not be sufficient to meet the reconversion loan financing needs of small business. The inability of small business to obtain financial assistance in peacetime is a matter of record, especially in the case of intermediate and long-term loans and equity capital. It has become virtually impossible for most small firms to obtain capital. Only a few small firms even try to float security issues, and those that do have to pay very high costs and can find buyers for only about one-quarter of their issues. With respect to credit, the unsatisfied needs of small business have been very large, particularly in the field of intermediate and long-term loans. Furthermore, those small plants which have obtained bank credit have had to pay interest rates that are, on the average, about three times those paid by larger borrowers. While the war has brought many changes, it has not, in my opinion, so changed our existing financial institutions as to warrant the belief that the situation prevailing before the war will be completely changed, and that the financial needs of small business will be adequately met by existing facilities.

Evidence of the conservative lending policies of private banks is afforded in the loan record of the Smaller War Plants Corporation itself. Most of the loans we have made were offered to the banks and refused by them. Yet our loss on them has been negligible.

2. The groups and sizes of business units to which any legislation on this problem should be restricted.

With respect first to "groups" of business units, I assume that you are referring to the controversial question of whether or not this possible legislation should be expanded to include fields other than manufacturing.

First, let me say that we feel the legislation should definitely include the fields of transportation, the repair and maintenance of production equipment, mining, and probably construction, service, and wholesale fields. I am somewhat doubtful, however, as to whether or not we ought to undertake to cover retail stores.

However, if the legislation is expanded to include all distributive and service fields, the economic characteristics of such areas will have to be borne in mind in framing any proposed legislation. Of particular importance is the fact that the expected loss on loans to the retail and service trades on the part of the lending agency would be higher if those fields were included, and should therefore probably be dealt with separately in our Corporation if we enter that field.

With respect to the question of size of the business units to be covered by legislation, there are a number of observations relating to manufacturing which can be made. It has been rather common practice to use the figure of 500 employees under Public Law 603, with exceptions made for certain industries in which the average size of small business was obviously greater.

In the recently-enacted Reconversion Act, Congress set the level at 250 wage earners, but provided a flexibility clause, granting the heads of executive agencies, in consultation with the Chairman of the Smaller War Plants Corporation, the power to define small business at varying levels, depending upon the economic characteristics of the industry.

Although not expressed in any law, it is generally understood that the terms "small business" or "small plants" refer to independently owned enterprises, and do not include subsidiaries or divisions of large corporations.

Our experience with these various criteria would lead us to suggest that any definition of small business must contain a flexibility clause which would permit the Chairman of the Smaller War Plants Corporation to define small business at the level which in a given industry clearly demarcates it from large business. In addition, it must provide that the term refers to independently owned enterprises and does not include subsidiaries of large concerns. If a definite figure is specified, whether 250 or 500 wage earners or some other figure, it should definitely be accompanied by these two provisions.

There can be no doubt but that the great bulk of the activity of this Corporation would in the future, as it has in the past, be concerned with plants employing less than 250 wage earners. On the other hand, the figure of 500 has been so widely used by us, by the War Department, and other agencies, that it might be wise to continue its use.

In the distributive fields S. 1913 contains certain definitions. Small wholesale establishments are defined as those whose net sales amount to less than $1,000,000 per year, or retail, amusement, service, or construction establishments as those whose net sales are less than $250,000 a year. These may well serve as a starting point for discussion.

(Questions 3 and 4 are both directed toward closely related problems, and I would, therefore, prefer to answer them together.)

3. The kind and degree of Government participation in reconversion loan financing for small business and the Government agency best suited to be given the appropriate administrative authority. 4. The merits of the proposal whereby the Government is to insure reconversion loans made by private banks to small concerns according to a procedure modeled (with appropriate variations) on the F. H. A. plan, and the percentage and dollar volume of the risk to be assumed by the Government in connection with any such plan.

If Congress wants to extend special aids and guaranties to small business, this will not be achieved, in our opinion, except by maintaining a special organization to do the job; a dynamic organization with no conflicting interests or activities.

With respect to the general question of guaranteeing loans, the Smaller War Plants

Corporation is now guaranteeing loans up to 100 percent at the present time through its repurchase bank loan plan. Under this plan the Corporation agrees to repurchase, at the bank's request, that portion of the loan undertaken by the bank. This system is proving to be satisfactory, and there is no reason why it should not be continued and expanded.

The broader questions of insuring loans seems to be adequately covered in the proposed legislation contained in the confidential Senate Small Business Committee Print No. 2, dated October 26, 1944. Since I only received this in the last few days, I am not in a position to recommend its adoption without further study. However, it seems to represent a very practical and intelligent approach of the problem.

With respect to the last part of question 4, "the percentage and dollar volume of the risk to be assumed by the Government in connection with any such plan," I believe that no restrictions of this character need be incorporated in the legislation. The Corporation should be allowed to make its own rules as to the percentage of a loan which it will guarantee or insure. The multitudinous economic problems of the numerous small business applicants, coupled with the varying degrees of reluctance on the part of individual banks, create such a complicated and varying situation that I believe this matter can be handled only by administrative experience and not by advance legislative determination.

The activities of the Corporation would, of course, be a matter of continuous public record through the regular reports which it presumably would have to publish. If the record indicated a real need for changes in procedures, I am sure that the Corporation would put them into effect. The presentation of the record of the Corporation will, in my opinion, be a much better check on the activities of the Corporation than would any restrictions of this kind imposed in legislation.

5. The merits of a provision for "character loans" to small business and the terms and conditions to be prescribed for any such kind of loan.

A substantial percentage of Smaller War Plants Corporation loans may be described as "character loans" because of the marginal or submarginal nature of the credit risk. All of our direct loans have first been discussed with and most of them declined by private banks. Our record of losses has been unusually low, and on the basis of this record, we feel justified in requesting authority to make loans made principally on the character of the borrower. Many small businessmen who, in peacetime made excellent business records but were forced to close their doors during the war because of inability to adapt their business to war conditions, will undoubtedly prove to be excellent risks, even though the financial assistance rendered to them will have to be in the nature of character loans. For the same reasons as are presented above, I do not believe that any restrictions should be written into the act, but rather should be developed through administrative experience.

6. The merits of the Baruch-Hancock recommendations with reference to small business reconversion financing (report on War and Post-War Adjustment Policies, February 15, 1944, pp. 25–26, 38) and the best means of giving them legislative effect.

The Baruch-Hancock recommendations affecting small business may be summarized as follows:

A. Representation of the Smaller War Plants Corporation on (1) Surplus Property Policy Board, (2) Joint Contract Termination Board, and (3) War Production Board.

B. Extension of lending powers of the Smaller War Plants Corporation to permit short-term loans to assist small business in the "change over" from war to peace.

C. Authority of Federal Reserve banks to make industrial loans should be expanded and liberalized.

D. Revision of present tax laws.

E. Surplus property should be sold in small lots on credit.

The first recommendation of the Baruch-Hancock report has been realized because the Smaller War Plants Corporation has been included in the Surplus Property Act and the contract termination acts.

The second recommendation would, of course, merely broaden our power, since the Smaller War Plants Corporation has always had the authority to finance "essential civilian production." The Smaller War Plants Corporation is now, and has been for some time, financing the change-over of many plants from war to peacetime production, but our authority is still far too restricted in all cases needing and deserving help. There should be specific authority granted to make reconversion loans.

In my opinion, however, small business needs much more than "short-term loans" referred to in the Baruch-Hancock report.

The third recommendation, that of providing a permanent source of credit for small business, is, of course, of the greatest importance. And we believe that the Smaller War Plants Corporation is admirably suited to perform this function. It has had over 2 years of experience in making loans to small business. Its losses, amounting to less than 1 percent, have been remarkably low, especially when it is realized that most of our loans have been declined by private banks.

In addition to our loan record, we have developed a widespread and rather intimate knowledge of thousands of small businesses throughout the country. This knowledge has been obtained not only as a result of our financial activities, but also from performing our procurement functions and rendering to small businesses our various other services, such as engineering assistance, the Technical Advisory Service, assistance on appeals from restrictive orders, help on the spot authorization plan, etc. No organization, either inside or outside the Government, can even approach the detailed, first-hand knowledge of individual small businesses which is already possessed by the corporation. And this knowledge will increase rapidly as the corporation expands its activities under the contract termination and the surplus property laws.

There is a third compelling reason why the corporation should be a permanent source of credit for small business. It has learned how to make loans to those small businesses which cannot obtain credit from regular sources. It has developed procedures which have placed its loan activities on a systematic and scientific basis. It knows which types of cases require engineering and other forms of assistance in order to increase the probability of repayment, and it knows how much of such assistance is generally required in each type of case.

The small business world is so diverse and heterogeneous that the "know-how" of dealing with its extraordinarily difficult financial problem can be acquired only through years of operating experience. I think that it would be a great loss to the country if this invaluable "know-how" of the corporation, which has been so arduously obtained, were, in effect, to be cast aside and forever lost as a result of making some other agency the permanent source of credit for small business.

In regard to the other recommendations of the Baruch-Hancock report, the revision of tax laws is imperative if we are to prevent a stagnant economy. While we have certain opinions on this subject. I gather that it is outside the scope of your present inquiry.

The recommendation regarding surplus property has, of course, already been put into effect in the Surplus Property Act.

7. The integration of the financing provisions of the Contract Settlement Act (secs. 8–10, Public Law 395, 78th Cong.) and of the Surplus Property Act (sec. 18 (e), (f), Public Law 457, 78th Cong.), with any over-all small business financing legislation.

If any such integration is recommended, I trust that it would not in any way weaken the present powers of the Corporation. I think that the repeating of the financing provisions of the Contract Settlement Act and the Surplus Property Act in the proposed reconversion financing legislation would be sufficient. The powers as now written in these acts are satisfactory without change, to meet those needs of small business and of the Corporation. The immediate need of the Corporation, of course, is for additional capital and administrative funds with which to carry out the provisions of those two acts.

8. The particular reconversion needs of small business with which any measure should be primarily concerned and the maturities, sizes, interest rates, and other conditions of the loans to be provided in connection therewith.

Without entering into the almost endless detail which is implicit in this question, I would like to set forth my ideas on the three types of financial assistance—short-term loans, intermediate, and long-term loans, and equity capital—which I believe are all essential to any adequate reconversion financial program for small business.

1. Short-term loans: I believe that a considerable part of the needs of small business for short-term credit, not supplied regularly through the banks, can be met through some form of insurance plan similar to that set forth in Confidential Senate Small Business Print No. 2, of October 26, 1944. The insurance of loans is particularly adaptable to short-term credit, inasmuch as the average bank regularly makes a large number of short-term loans and is therefore in a position, through an insurance plan, to spread the risk among them.

2. Intermediate and long-term loans: In my opinion, this type of financing can adequately be provided for small business only through direct loans made by the Corporation. Any insurance plan would be of relatively little value in these types of loans. The reason for this is that the average bank, particularly the small banks, do not and will not make a sufficient number of intermediate and long-term loans to gain any substantial advantage for themselves by spreading the risk of such loans through an insurance plan.

In my opinion, the greater part of the direct loans made by the Corporation should be in the form of intermediate and long-term loans. The need of small business for this type of credit has been demonstrated to be much greater than its need for short-term credit. And, as stated above, I believe that the short-term credit needs can, to a considerable extent, be met by means of some type of insurance plan.

3. Equity capital: Inasmuch as most students of the financial problems of small business are agreed that the greatest of those problems is the need of equity capital, the various suggestions which have been advanced to meet this need should certainly be given serious consideration in drafting the proposed legislation.

For example, there is Senate bill 1777, introduced by Senator TAFT (78th Cong., 2d sess.), intended among other things to aid in the financing of "small business enterprises"

by insuring "purchases of stock in such enterprises." Essentially, this bill would provide for the insurance of preferred and common stock purchased by investment companies. It is the purpose of the bill to stimulate the activities of private investment companies by providing them with some degree of protection in the purchase of securities of small business.

I am not at all sure that this bill represents the best approach to the problem. Very strong arguments have been raised against it, both that it goes too far and that it does not go far enough. But I do believe, regardless of the merits of this particular bill, that we should strive to develop some method whereby small business can obtain equity capital without jeopardizing either the private control of industry or the public funds which might be used for such a purpose.

9. The merits of the several measures on this subject which are now pending in Congress.

(My ideas on this subject have been expressed above.)

10. The sum to be appropriated in connection with any Government participation and the administrative means by which it should be made available for small-business loan-financing purposes.

If the S. W. P. C. is given the authority to rediscount its paper with the Federal Reserve Board, it can meet the obligations which will be required of it with an addition of $200,000,000 to its capital, bringing its total capital to $350,000,000. In addition, it will need $150,000,000 for surplus-property loans.

These figures should be regarded only as rough estimates. We are now in the process of making studies to determine more precisely what our financial needs will be, and it is certainly possible that, as a result of these studies, the above estimates may be substantially changed.

Sincerely yours,

MAURY MAVERICK,
Chairman and General Manager.

FEDERAL TRADE COMMISSION,
Washington, November 17, 1944.

Hon. JAMES E. MURRAY,
Chairman, Special Committee to Study Problems of Small Business, United States Senate, Senate Office Building, Washington, D. C.

DEAR SENATOR MURRAY: This is in reply to the economic points mentioned in your letter requesting information and suggestions with respect to the problems of small business, particularly with respect to the problem of reconversion loan financing. It is noted that several legislative measures dealing with this subject are now pending before the Banking and Currency Committees of both Houses of Congress.

This Commission constantly has before it problems involving uneconomic competitive practices which bear heavily upon smaller businesses, and in its administration of the Robinson-Patman act, involving discounts allowed different classes of buyers, the Commission makes it possible for smaller distributors to buy at fairer prices in comparison with mass distributors. For example, a recent Commission action enabled approximately 41,600 retail grocers to obtain discounts from list prices who had never before had that privilege. The annual discounts aggregated a quarter of a million dollars.

In your letter you set forth 10 points with respect to small business problems in which you are particularly interested. Insofar as these are banking questions, the Commission does not consider itself qualified to answer because in section 6 (a) of its organic act it is provided that the Commission shall have power: "To gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices and management of any corporation except banks and common carriers," etc.

For this reason the Commission does not have up-to-date data with respect to purely banking problems. However, in its comprehensive inquiry into the electric and gas utilities industries, the Commission developed a great deal of information with respect to abuses in financing which were presented to the Congress and used by it in its consideration of the Securities Act of 1933, first administered by this Commission, the exchange legislation which led to the establishment of the Securities and Exchange Commission, the revised Federal Power Commission Act, and the Natural Gas Act.

In its utilities investigation, the commission developed facts respecting the constant draining of the cash resources of operating utilities away from the smaller communities to the headquarters of the large holding companies in New York and Chicago, thus limiting the funds which should have been available for the expansion of local businesses.

In this connection, this commission stated in its summary report to Congress on electric utilities corporations (S. Doc. 92, pt. 72A, p. 75, 70th Cong., 1st sess.), in part as follows:

"No large holding-company structure has grown to its present size without the aid of investment bankers, and it is also probably true that not many of the present holding-company structures have developed entirely without opposition from more or less powerful competitive banking groups. In consequence, almost every important holding-company group has more or less close business relations with certain investment bankers and, together with such banking interests, is more or less on the alert to forestall attempts of other holding-company managements, assisted by competing investment bankers, to encroach upon its control. The resulting situation is one in which there is great pressure on holding-company managements to give a great deal of attention to the desires and alignments of investment bankers in the formation and operation of holding-company groups. Professional managements apparently often give greater attention to the counsel of bankers than to the interests of widely scattered stock holders who are the equitable owners of the company so managed."

In its final report on the same inquiry, dealing with the natural-gas industry, utility corporations (S. Doc. 92, pt. 84A, p. 616, 70th Cong., 1st sess.), the commission listed 16 "positive evils," some of which stemmed from or influenced the financing methods used, as follows:

11. Inflation of assets and stock watering of certain natural gas companies.

12. Misrepresentation of financial condition, investment, earnings, and so forth, of some natural gas operating and holding companies.

13. Reckless financing and stock manipulation by certain natural gas holding companies.

14. Exploiting subsidiary natural gas companies through fees for construction, management, promotion, and so forth.

15. Exaction of excessive bonuses or commissions by investment bankers in connection with financial transactions with natural gas companies in certain instances.

16. Exaction of excessive fees and bonuses or commissions by officials of certain companies in connection with sales and construction of properties.

One of the seven specific recommendations made for the consideration of Congress, on page 617 of the report just mentioned, was:

"6. Banking control of utilities. Another matter not peculiar to the gas utilities requires mention. This is the question of control of utilities by bankers. In the various reorganizations that are taking place and that seem inevitable, this question may well become acute.

"Clearly, management of utilities is not a banking function. The Commission recommends Federal and State legislation which shall restrict banks to investment in, and shall forbid their control and management of, utilities."

This situation may very well apply in other industries. The past practice of private-loaning institutions has been described (Harvard Business Review, vol. XXII, No. 1, autumn, 1943, pt. I, p. 6) as "the crowding by banks toward the riskless end" of loans and investments. Although this practice is highly conservative it largely limits available investments and loans to business concerns able to offer gilt-edged security.

From data available, it appears that the larger corporations are in a stronger financial position than ever before, but that this is not true for smaller corporations. For example, reports to the Bureau of Internal Revenue for the period 1917–40, and estimates of the Department of Commerce for the years 1941–43, show that the average annual net income of all manufacturing corporations after all taxes, including war taxes, were $3,121,000,000 for the 4 years 1917–20, decreased to an annual average of only $523,000,000 for the 4 years 1929–32, and, based upon estimates of the Department of Commerce, increased to an annual average of $4,868,000,000 for the 3 years 1941–43. The annual averages for all manufacturing corporations, for the 3 years 1940–43, were $1,565,000,000, or 50 percent greater than for the previous record years 1917–20, and over nine times as great as for the 4-year period 1929–32. The average annual net income, before and after all Federal taxes, and the annual average Federal taxes of all manufacturing corporations, as reported by the Bureau of Internal Revenue, for the 24-year period 1917–40, and as estimated by the Department of Commerce for the 3 years 1941–43, were as follows:

[In millions of dollars]

Period	Net income before Federal taxes	Federal taxes	Net income after Federal taxes
1917–20	4,557	1,436	3,121
1921–24	2,214	414	1,799
1925–28	3,602	546	3,081
1929–32	804	282	523
1933–36	1,594	360	1,233
1937–40	3,162	800	2,362
1941–43, estimated	12,410	7,542	4,868

The estimated net income after all Federal taxes for each of the 3 years was:

1941	$4,990,000,000
1942	4,664,000,000
1943	4,950,000,000

These estimates for the years 1942 and 1943 show an increase of 6.3 percent. Recent reports for 85 corporations, which report net income for the first 9 months of 1943 compared with the first 9 months of 1944, after estimated provision for Federal taxes, of $401,319,882 for 1943, and $506,476,437 for 1944, showed an increase of 26.2 percent; 13 companies recently reporting for 12 months ending in 1943 and 1944, showed earnings of $80,843,443 for 1943, and $82,371,629 for 1944—a gain of 2.4 percent. These reports tend to indicate that the total results for 1944 will be similar to those for 1941, 1942, and 1943.

According to the Statistics of Income of the United States Treasury Department, Bureau

of Internal Revenue, 54 percent of the tax returns with balance sheets that were filed by all corporations in 1940, were from corporations with assets of less than $50,000, and nearly 95 percent of all returns were from corporations with assets less than $1,000,000. The total number of returns for 1940, by size groups, were as follows:

Assets	Returns with balance sheets	
	Number	Percent of total
Under $50,000	225,000	54.38
$50,000 to $100,000	61,053	14.76
$100,000 to $250,000	59,059	14.27
$250,000 to $500,000	27,832	6.73
$500,000 to $1,000,000	17,505	4.23
Total under $1,000,000	390,449	94.37
$1,000,000 to $5,000,000	17,627	4.26
$5,000,000 to $10,000,000	2,603	.63
$10,000,000 to $50,000,000	2,266	.55
$50,000,000 to $100,000,000	368	.09
$100,000,000 and over	403	.10
Total over $1,000,000	23,267	5.63
All returns	413,716	100.00

For all returns, the smallest size group, with assets under $50,000, had less than 1 percent of the total cash and only 1¼ percent of the total assets. The largest size group, with assets over $100,000,000, had more than 51 percent of the total cash for all reporting corporations and nearly 48 percent of the total assets.

Corporations with assets of less than $1,000,000 had about 8.5 percent of the total cash and nearly 12.5 percent of the total assets. Those with assets of more than $1,000,000 reported cash of 91.5 percent of the total for all returns and 87.5 percent of the total assets.

The smallest size group with assets under $50,000, reported cash in the amount of only $1,572 per company, while those corporations with assets of $100,000,000 and over reported cash in the amount of $52,519,541 per company. The total assets for the smallest companies averaged $18,383 per company, while the assets of the largest companies averaged $381,418,148 per company.

The following tabulation shows the total cash and total assets reported on all returns with balance sheets for the year 1940, and the percentage of cash and total assets, together with the average cash and average total assets per company, by size groups:

	Cash		Total assets	
Total for 413,716 returns	$41,423,370,000		$320,477,712,000	
	Percent of total	Average per return	Percent of total	Average per return
Under $50,000	0.85	$1,572	1.29	$18,383
$50,000 to $100,000	.72	4,863	1.35	71,117
$100,000 to $250,000	1.58	11,054	2.91	157,739
$250,000 to $500,000	2.09	31,141	3.05	351,652
$500,000 to $1,000,000	3.23	76,445	3.82	698,505
Under $1,000,000	8.47	8,985	12.42	101,956
$1,000,000 to $5,000,000	11.35	266,810	11.47	2,085,238
$5,000,000 to $10,000,000	5.80	923,411	5.66	6,969,758
$10,000,000 to $50,000,000	15.55	2,843,122	14.51	20,518,165
$50,000,000 to $100,000,000	7.73	8,696,783	7.98	69,469,560
$100,000,000 and over	51.10	52,519,541	47.96	381,418,148
Over $1,000,000	91.53	1,629,500	87.58	12,062,975
All returns	100.00	100,125	100.00	774,632

The 413,716 returns for all corporations for 1940 were about evenly divided between those reporting profits and those reporting losses. However, a greater number of returns for the group of smallest companies reported losses than profits, while for all other size groups the reverse was true. For the group of smallest companies 61 percent of the returns reported losses. On the other hand, 77 percent of the returns for the group of largest companies reported profits. The number of returns reporting profits and the number reporting losses, and the percentage of each to the total, for each size group, is as follows:

	Total returns	Returns reporting			
		Profits		Losses	
		Number	Percent of total	Number	Percent of total
Under $50,000	225,000	87,705	39.0	137,295	61.0
$50,000 to $100,000	61,053	34,656	56.8	26,397	43.2
$100,000 to $250,000	59,059	37,250	63.1	21,809	36.9
$250,000 to $500,000	27,832	18,802	67.6	9,030	32.4
$500,000 to $1,000,000	17,505	12,043	68.8	5,462	31.2
Under $1,000,000	390,449	190,456	48.8	199,993	51.2
$1,000,000 to $5,000,000	17,627	12,545	71.2	5,082	28.8
$5,000,000 to $10,000,000	2,603	1,924	73.9	679	26.1
$10,000,000 to $50,000,000	2,266	1,742	76.9	524	23.1
$50,000,000 to $100,000,000	368	292	79.3	76	20.7
$100,000,000 and over	403	211	77.2	92	22.8
Over $1,000,000	23,267	16,814	72.3	6,453	27.7
Total	413,716	207,270	50.1	206,446	49.9

From the standpoint of earnings, the group of smallest companies fared worse than any other size group. The group as a whole sustained a net loss in 1940 equivalent to 1 percent of the net profits reported by all corporations. The average net loss per company for this group was $426. On the other hand, the profits earned by the companies in the largest size group amounted to nearly 38 percent of the total for all corporations, and their average profit per company was $8,901,511.

The corporations with assets of less than $1,000,000 reported profits of 10.6 percent of the total for all companies, and the average profit for this group was $2,581 per company. The companies with assets of more than $1,000,000 earned 89 percent of the total net profits reported on all returns and their average profit per company was $363,778.

The following tabulation shows the total net profit reported in 1940 by all corporations with balance sheets, and shows the percentage of the total and the average profits per company, by size groups:

	Profit before income taxes	
Total for 413,716 returns	$9,471,613,000	
	Percent of total	*Average per return*
Under $50,000	[1] 1.01	[1] $426
$50,000 to $100,000	.60	938
$100,000 to $250,000	2.90	4,654
$250,000 to $500,000	3.64	12,379
$500,000 to $1,000,000	4.51	24,390
Under $1,000,000	10.64	2,581
$1,000,000 to $5,000,000	14.80	79,503
$5,000,000 to $10,000,000	7.25	263,986
$10,000,000 to $50,000,000	19.53	816,119
$50,000,000 to $100,000,000	9.91	2,551,777
$100,000,000 and over	37.87	8,901,511
Over $1,000,000	89.36	363,778
All returns	100.00	22,894

[1] Denotes loss.

The average loss per company for the 61 percent of all returns in the smallest size group that reported losses was $1,830, and the average profit per company for the profitable companies in the group was $1,770. For the 77 percent of returns by companies in the largest size group that reported profits, the average profit per company was $12,210,113, and the average loss per company for the nonprofitable companies was $2,283,000.

If the committee is interested, similar information concerning assets, profits, etc., can be compiled for manufacturing, wholesaling, and retailing companies, and returns on investment can be computed for the various size groups of companies.

This Commission has much information with respect to different industries accumulated during the past 29 years. In that time it has made more than 125 special inquiries covering the investment earnings and operations of various industries. In addition, at the request of the President, the Commission inaugurated a project designed to have available for the use of the Congress and the various governmental agencies, a record of the industrial operations of corporations in the various industries. This survey covered the years 1939 and 1940, when it was interrupted because the collection of similar information was undertaken by the Office of Price Administration for use in connection with price control.

The Commission believes that this type of information is especially valuable for the information of small business so that our medium-size and smaller business concerns

can be advised continuously with respect to the investments, profits, and operating results for their business. This belief is confirmed by numerous business concerns, chambers of commerce, business research organizations, and so forth, requesting such data. Such information will tend to safeguard investments and insure more continuous employment. This project was specifically recommended by the Temporary National Economic Committee set up by the Congress in 1938 to make an exhaustive study of our domestic economy.

For purposes of illustration there are enclosed reports on the following industries:

Bread and bakery products manufacturing corporations.

Electrical machinery and apparatus manufacturing corporations.

Paint, varnish and lacquer manufacturing corporations.

Flour milling corporations.

Rubber products manufacturing corporations.

Gray-iron and malleable-iron castings manufacturing corporations.

By reference to page 8 of the bread and bakery products report, it will be noted that the investments, sales, and profits for 82 companies are subdivided into size groups. As shown on this page, the 12 companies having assets of less than $50,000 lost at the average rate of 1.61 percent on the average investment. The next group consisting of 9 companies with assets ranging between $50,000 and $100,000, earned a net profit of 2.20 percent. The highest rate of return (13.76 percent) was earned by the 7 companies having assets ranging from $2,000,000 to $4,000,000 while the largest 4 companies earned at the average rate of 6.01 percent.

The Commission is of the opinion that long-term comparative statistics of industrial operations will prove helpful in advising small business with regard to the facts of financial organization and operation. The large corporations are able to maintain economic, engineering, and statistical staffs for the purpose of keeping abreast of changes in current conditions, but obviously small enterprises could not afford to establish such services. The Federal Government, however, at a nominal cost, could assume this responsibility and thereby materially assist small business by providing them with such services.

This Commission will be pleased to attempt to furnish the committee further information with respect to business activity for which the committee may be in need of assistance.

The committee is free to make any use of this letter which it may consider in the public interest.

By direction of the Commission.

Sincerely,

R. E. FREER, *Chairman.*

DECEMBER 7, 1944.

HON. JAMES E. MURRAY,

Chairman, Special Committee to Study the Problems of American Small Business, Senate Office Building, Washington, D. C.

DEAR SENATOR MURRAY: In response to your letter of November 6, 1944, the Commission makes the following comments and suggestions respecting reconversion-loan financing bills now pending before the Banking and Currency Committees of both Houses.

The Commission's statements are based on general economic considerations and upon its familiarity with what constitutes sound business financing policy and practice rather than upon intimate knowledge of banking practice for the reason that banks are specifically exempted from the Commission's jurisdiction under its basic act.

The comments are arranged under subject headings designated by Roman numerals which correspond to the 10 points in which the committee is interested, as outlined in its letter of November 6, and are as follows:

I. Adequacy of existing facilities, Government and private, to meet the reconversion-loan financing needs of small business: Past practice of private financing and loan institutions has been aptly described as "* * * the crowding of banks * * * toward the riskless end of loans and investments." (Harvard Business Review, vol. XXII No. 1, pt. 1, p. 6) such "crowding" makes private banks and other financing institutions an adequate source of loans only to business concerns and individuals able to offer gilt-edged security for loans.

Continuation of this conservative policy into the reconversion period will make private commercial and industrial financing institutions operated in the traditional way an inadequate source of funds. At the same time the flotation of security issues by small businesses through investment banks is accomplished at costs materially higher than the floating of similar issued by large concerns, as indicated by a recent report of the Securities and Exchange Commission. Likewise, except with respect to loans to servicemen as provided in the Servicemen's Readjustment Act of 1944, Government facilities for making or guaranteeing loans beyond those acceptable to banks have never been developed under the general policy of leaving such financing with respect to industry and trade generally to private financing institutions. The obvious need is to open wider sources of credit at reasonable cost to small business ventures which are economically sound.

II. Groups and sizes of business units to which legislation should be restricted. The Baruch-Hancock report (page 26) suggests the classes of small businesses to be considered for loans as follows:

1. Small businesses severely curtailed during the war which will wish to come back;

2. Small businesses which will have to change over plants from war to peace production;

3. Small businesses which wish to expand;

4. Persons who desire to start new enterprises.

Groups (1), (2), and (3) are not mutually exclusive. Number (1) includes mainly manufacturing, wholesaling, and retailing concerns in many lines which have continued to serve only civilian needs on a reduced scale due to scarcity of goods and manpower, but may also include some manufacturing plants of group (2). Group (3), likewise, will include some concerns of both group (1) and group (2). Group (4) will include large numbers of both veterans and civilian workers. All will be in the loan market. The most needy groups, and those with the least security to offer as assurance of soundness as risks, will be numbers (1), (3), and (4). In fact, many in number (4) will have no collateral to offer and, therefore, become practically character loans.

The groups and sizes of businesses to which legislation of the type proposed should be applied are not matters which can be intelligently or properly covered in detail in the law for the reason that the size and the type of business to which relief or assistance is most important varies widely in different lines of manufacture, in different lines of wholesale and retail trade, and in different service industries and trades. It would seem that the final establishment of groups and sizes should be left to the managers of the Government organizations which participate in the financing, namely: The Federal Reserve Board and Federal Reserve banks, under S. 1918, and H. R. 4804 and the Small Business Corporation (successor to Smaller War Plants Corporation) and possibly the Reconstruction Finance Corporation, under S. 1913. This involves divided authority to determine groups and sizes which might well be corrected by making the determination a function of a group made up of representatives of each of the agencies concerned. Or possibly one of the agencies might be given the function of determining the groups and sizes for all.

The determination of groups and sizes involves considerations not only of size but also of question of relative risks involved and relative economic results to be obtained by making loans of the different types applicable to the needs of the different groups. From the nature of the groups, the types of loans obviously will range from fully secured to character loans and will vary greatly in size from those covering the needs of manufacturing and large trading companies to those of small individual retailers and persons wishing to set up in some local service or other venture. Commercial banking practice covers the fully secured loans but shades off rapidly to inadequacy respecting reasonaly sound risk, but slow-pay personal paper or character loans.

III. The kind and degree of Government participation in reconversion loan financing should be carefully chosen to utilize and encourage existing financing agencies to undertake the maximum of loans at minimum rates. Local banks and other agencies which are on the ground and in a position to know prospective borrowers may be expected to skim the cream of reasonably sound loans, including both collateral and character loans. There will remain a vast number of prospective borrowers who will have neither collateral nor reputation upon which to gage their safety as loan risks. Some obviously may be dead-beat borrowers. Neither private agencies nor the Government should be expected to make loans to the latter.

What is needed is to sift the worthy from the unworthy applicants. In most instances local financing agencies are, or should be, in a better position than any Federal agency to do this. Therefore, it would seem preferable for the Federal agency, or agencies, to encourage such local private institutions to undertake broader risks at minimum rates by guaranteeing or insuring loans. This would suggest that Government financing of loans should predominantly take the form provided in both S. 1913 and S. 1918 (H. R. 4804) of insuring or guaranteeing loans.

If, however, the Federal Reserve bank and the Smaller War Plants Corporation are to engage in the business of insuring local financial institutions against loss on the risks they take, this business should be conducted on sound insurance principles: (1) the insurer should reject risks that in its judgment are too great; (2) all insurable risks, from safe to the limit of insurable risk, should be covered in the credit insurance contract; and (3) the insurer should collect from the insured premiums commensurate with the amount of risk underwritten. Otherwise the local financial institutions will take for themselves the cream of the business and pass on to the Federal Reserve bank the losses without compensation to the latter. It would seem desirable, therefore, for the legislation to clearly specify the types of loans to be included in portfolios of banks insured, and to provide for premiums to be paid to the Government agencies. The Government should neither assume unlimited responsibility for only the poorest risks, nor should it assume the entire responsibility for any type of risk without compensation.

S. 1913, section 11, paragraph (a), limits the loan-insurance activities of the Smaller War Plants Corporation, to loans by banks and financing institutions "provided the interest thereon shall be no more than the prevailing rate for the character of the loan applied for." Such prevailing interest rates, or interest rates plus other arrangements privately made between debtor and creditor, normally contain compensation for risks undertaken. If the Government agency underwrites part or all of the risk, the lender should

be willing to share with the insuring agency the risk compensation collected from the borrower.

Also, the language of S. 1913 provides no limitation upon the proportion of risk to be assumed in any such guaranty. It is suggested that the proportion of risk to be assumed by the Corporation in connection with any such loan be limited to, say, 10 percent of the total amount placed at risk in the transaction by the bank or institution. Nor does the language of the bill impose any requirement upon the Corporation to satisfy itself before guaranteeing the loan that the risk is a sound financial risk, e. g., that the enterprise was conducted profitably or, at most, at not more than an inconsequential loss, prior to the inauguration of the national defense preparedness program. It seems unwise to guarantee loans to a demonstrated pre-war failure. A further criticism of this subsection is that, explicitly at least, it makes no provision and imposes no requirement that the Corporation should impose upon the bank or institution a fee, or insurance premium, for guaranteeing a loan. In consequence the Corporation would be incurring the risk of having to make good losses—to pay out cash—but would be creating no prospect of receiving cash. The net result would be a depletion of the Corporation's capital with no source of replenishment except general taxation.

The language of section 11, subsection 1, paragraph (b) of S. 1913 sets a maximum limit of $250,000,000 of loans, discounts, or advances outstanding at any one time as the result of participations with any bank or other financing institution. The language of the bill, however, imposes no requirement upon the Corporation before granting such loan, discount, etc., to satisfy itself of the soundness thereof either (a) through ascertainment that the small business concern has an adequate margin of unimpaired proprietors' net worth to afford reasonable safety to the loan or (b) that the pre-war conduct of the enterprise was profitable or, at worst, did not sustain more than an inconsequential loss. The people of the United States cannot afford to waste public funds in the support of enterprises that have already demonstrated themselves to be failures.

With respect to reconversion loans to small businesses surviving on a curtailed basis, small businesses requiring conversion from wartime to peacetime activities, and small businesses of either type which wish to expand (Baruch-Hancock report, p. 26, groups (1), (2), and (3)), there should be imposed upon the management of the Corporation the requirement that it shall make no loan or commitment and that it shall guarantee no loan or commitment that, in its best judgment, is not a sound financial risk, and that in arriving at such judgment it shall give special consideration and weight to the applicant's pre-war performance as an indication of the probable financial success or failure of his enterprise and of the probable safety of the proposed loan or commitment.

Loans to persons who desire to start new enterprises (Baruch-Hancock report, p. 26, group 4) present the greatest risk and may present the greatest personal need. Criteria suggested above will in many instances be wholly lacking. This does not mean, however, that nothing should be done to aid this group.

Section 11, subsection 5, of S. 1913, requires the Corporation to "prescribe * * * classifications, limitations, interest rates, charges, maturities, amortizations, security, and such other terms, conditions, and regulations as it shall deem necessary and consistent with the purposes of this act"; but it goes on to provide "that upon any loan or other commitment incurred under this section, no application therefor shall be rejected solely upon the basis of the collateral offered or the lack of any collateral, or the status of the balance sheet or financial statement, whenever the Corporation shall be otherwise reasonably satisfied of the soundness of the loan by information concerning the character and competence, past performance, and business prospects of the applicant."

Respecting personal loans, including both persons able to furnish collateral and those who cannot do so, local banks will be much better able to judge the degree of safety of risk attached to any proposed loan than will the Federal agency or agencies. Here, especially, it would seem most important to rely on the judgment of local bankers and to assist them in financing only worthy persons and projects by the Corporation sharing the risk. Here, again, the extent of risk to be undertaken is most important. Attention is called to the fact that the Servicemen's Readjustment Act of 1944 provides that the participation of the Administrator of Veterans Affairs "shall not exceed 50 percent of a loan or loans * * * *Provided*, That the aggregate amount guaranteed shall not exceed $2,000"; and provided further that the loans are actually used for the purpose or purposes for which they are made. The need for similar provision in the case of unsecured loans for small business purposes to persons other than veterans is obvious. Otherwise the Government agency will be assuming only bad personal risks.

IV. Applicability of F. H. A. plan: It is safe to assume that if one or more Federal agencies guarantee loans made by private agencies and at the same time also make loans directly, the cream of risks will be skimmed by private agencies, either with or without Federal guaranties. What will be left will be the poorer risks only. The result would appear to be that the Federal agency (or agencies) would be guaranteeing all reasonably safe risks assumed by established agencies and, in addition, assuming all risks in connection with loans it made directly. It would seem preferable to avoid this dilemma so far as possible by so guaranteeing private agency loans as to encourage private agencies to make loans involving a wider range of risk than has been the practice in the past and to do so at minimum rates. In order, however, that private loaning agencies may not shift all financial responsibility for additional risk taking to the Government, it might be desirable to limit the insurance feature to insuring private agencies against loss only up to a specified percentage of the total loans insured. The National Housing Act limits the insurance granted to financial institutions to "10 percent of the total amount of such loans, advances of credit, and purchase."

This would have the distinct advantage already indicated of fostering broader risk-taking by banks, the broader risks to be shared rather than wholly underwritten by the Federal Government to the benefit of private loaning agencies, but at the expense of public tax funds. Such procedure would also give effect to the sound insurance principles already noted, especially to the principle that within the limits of risks assumed, all insurable risks, from "safe" to the limit of insurable risks as determined by the insuring agency, should be covered in the insurance contract.

V. Merits of the provision for character loans. This, as already indicated, presents the most patent difficulties. Inclusion of provision for assistance to existing financing institutions in assuming risks incurred in character loans can be effectively defended only provided such loans are made at minimum rates consistent with the risks involved, are made only to worthy individuals and are for use, and are used, by the borrowers in establishing themselves in, or expanding operations in small businesses which have a reasonable chance to succeed. As already stated, local financing agencies are in a better position than any Federal agency to judge the merits of individual applications and the risks involved. The soundest procedure would seem to be to follow the policy of encouraging them to expand their risk taking in this type of loans along lines similar to the provisions of the Servicemen's Readjustment Act of 1944 with respect to loans to veterans.

In view of the difficulties and dangers involved in direct loans by Federal agencies to this class of borrowers, it would not seem desirable to authorize the corporation to make such loans directly. It does not appear that its powers can safely be extended beyond the regulatory functions set out in section 11, paragraph 5 of S. 1913, such powers being exercised only with respect to character loans the risk of which it will share with local banks and other financing institutions under proper safeguards as to the use of funds loaned for the business purpose or purposes for which they are ostensibly made.

VI. The Baruch-Hancock recommendations with reference to small business are economically sound and outline a much-needed course of action for the reconversion period. The principal difficulties involved are those of formulating sound legislative and administrative policy to accomplish economically desirable aid to small businesses and individuals without putting the Federal Government in the position of assuming risks for loans which may be used for purposes other than those of reconverting to peacetime production or of providing for needed expansion of distribution facilities or of setting up needed new production, distribution, and service facilities. For this reason loans should be made only for business purposes, and, so far as possible, only to concerns with demonstrated competent managements or to persons of known character who propose to set up in trade or service ventures which, by reason of the size and character of the markets they serve, will have a reasonable chance of successful operation so that the loans may be repaid. Risks must be taken, and losses will be sustained. Mere volume of financing, especially of bad risks, whether the concerns be large or small, however, will not, of itself, solve the problem of absorbing back into civilian pursuits the millions for whom jobs must be opened. Financially sound assistance to small business and the extension of periods for repayment of loans beyond those customarily granted by established private financial institutions, however, does offer job-making possibilities which warrant the undertaking with public assistance of reasonable risks. Frustration and failure lie, on the one hand, if inadequate aid is given to sound ventures and, on the other hand, if aid is given indiscriminately so as to include economically unsound ventures. For this reason, Federal activity in guaranteeing loans or in making loans involving risks broader than those customarily taken by commercial banking and financial companies should stop short of the personal small loan. This is important for the reason that undue expansion of credit through Government loans or Government-guaranteed loans has highly objectionable inflationary possibilities. The two cardinal guides in the matter, one of which is suggested by the Baruch-Hancock report, and the other of which seems axiomatic, are that the Federal agency or agencies—

1. Shall set up sources of credit to supplement rather than compete with savings in the hands of banks and individuals, and

2. Do not set up agencies to make loans to unworthy persons or projects for use in economically unsound or socially undesirable ventures, or for personal use.

VII. Integration of financing provisions of the Contract Settlement Act and the Surplus Property Act: So far as may be necessary to coordinate and simplify the reconversion set-up and procedure and bring it

under rational centralized control and policy this should be done—

1. To prevent duplication of effort and expenditure.

2. Through the methods of surplus disposal and reconversion financing, to protect the competitive position of small business and prevent further concentration of control of business.

Settlement of contracts, disposal of surpluses and reconversion of industry and trade to peacetime operations are all vitally interrelated and should be so coordinated and managed to carry out rule 8 of the Baruch-Hancock report for the Surplus Administrator which is:

"No monopoly; equal access to surpluses for all businesses; preference to local ownership, but no subsidizing of one part of the country against another." (Baruch-Hancock report, pp. 24, 35).

VIII. Particular reconversion needs with which any measure should be concerned: The sound limits of assistance have already been touched upon. They are:

1. For going concerns, including both those which have survived in civilian production and distribution and those which have been converted to wartime production and now must be reconverted, the provision of working capital where the concerns, on the basis of past performance and management, have demonstrated their ability to make profit, or at least to operate at no more than an inconsequential loss, during the upward swing of the business cycle prior to the period of wartime operation. The principal need will be for capital loans in excess of risk capital (stock equity or owners investment) already in the business. Supplying this need for reconversion involves the least risk and can be met largely by private financing agencies with a minimum of Government assistance in the form of risk insurance by the Government agencies .

2. For concerns which, prior to the war demonstrated their ability to survive as outlined in (1) above, but during the war discontinued operations to stop losses arising out of shortages in materials, goods, manpower, and other reasons beyond their control, or the owners or managers of which sought employment in war-production industries, and now seek to reestablish or expand their businesses, the demand for loans will cover in varying degree for different applicants the entire field of risk capital, investment capital (normally supplied by investors in mortgages, bonds, and preferred stocks) and, working capital (normally supplied in short-time loans by commercial banks). Here the risks will be greater and more diversified, and the need for Federal emergency aid for sharing reconversion risks will be greater. The field, however, would seem to be a legitimate one for emergency risk sharing on the part of the Government provided it is not placed in the position of financing only doubtful or positively bad risks. Here it would seem economically sound to limit Government risk assumption to cooperation with private financial institutions in providing capital requirements of concerns and managements of demonstrated ability and, in exceptionally meritorious cases, to some assumption of risk capital commitments.

3. Many persons wishing to start new business enterprises, especially in the distribution and service trades, will have little or nothing to offer in the way of risk capital. It is a well-known fact that the great majority of such ventures ultimately end in insolvency. Financing risk capital needs gets practically into the field of personal character loans. In this field it would seem preferable for the Federal Government to participate in nonveteran financing no more generously in the assumption of risks than is provided in the Servicemen's Readjustment Act of 1944. Under the veterans' legislation loans are limited to the financing of the purchase or construction of homes, the purchase of farms and farm equipment and the purchase of business property. The government guarantees specified portions of limited loans, provided the loans are made and used under the conditions specified in the law. The interest rates should be as low as consistent with bringing about the participation in and servicing of loans by local lending agencies in accordance with rules and regulations laid down by the Government guaranteeing agency.

IX. Merits of small business legislation now pending in Congress: S. 1918 and S. 1913 provides a basic framework for implementing the Baruch-Hancock report. Their present form and terms, however, are such as to warrant the following questions, which are in a sense a summarization of preceding discussion.

1. Whether they specifically provide sufficiently close coordination of management and policy on the part of the various agencies involved in contract settlements, surplus disposal, and financing of small business both for war production and peacetime operations as to secure the maximum of efficiency and uniformity of policy.

2. Whether the field of loans and guaranties of loans to businesses and individuals is sufficiently restricted to limit loans to those that are economically sound, and to prevent the assumption by the Federal agency or agencies of only bad risks and even personal loans the making of which would be inflationary without furthering the real purpose of facilitating and encouraging only those small businesses and worthy individuals whose projects have reasonable probability of standing on their own feet. The Government cannot afford to subsidize either large or small business that has not demonstrated such probability of self-maintenance.

3. Whether in guaranteeing loans by banks and other exclusive loan institutions specific provision should not be made for the sharing of risk through the payment of fees or insurance premiums for the risks undertaken by the Federal agencies.

4. Whether there should not be some limitation on the proportion of risk undertaken in the guaranteeing of loans so as to provide for a definite sharing of risks between the original loaning institution and the Federal agency.

5. Whether the proposed legislation broadening the powers of the Smaller War Plants Corporation should not, as a matter of legislative policy, lay down definite restrictions as to the amounts and conditions under which the Government agency or agencies will make loans of risk capital to needy, but worthy, persons owning or proposing to establish small businesses.

In further explanation of the reason for raising this question it may be pointed out that there are sound economic reasons underlying the position normally taken by banks that it is not the function of a commercial bank, an industrial bank, or of any private investment institution to provide a private business enterprise with what is popularly termed "risk capital." This is the function of the enterprisers themselves. In an unincorporated enterprise, the risk capital consists of the proprietor's own investment in the enterprise and of any profit left in the enterprise. In a corporate enterprise, it consists of the funds provided by the stockholders, particularly by the common stockholders if there be more than one class, and of the profits left in the enterprise. This is risk capital because in the event of insolvency and liquidation of the enterprise, the just claims of all other parties against the enterprise must be satisfied in full before any portion of the liquidated assets is available for distribution to these proprietors or stockholders. One very important function of risk capital is to furnish reasonable safeguard to creditors and other investors in the enterprise against loss of their investment. After the enterprisers have provided their venture with a suitable amount of risk capital, they may supplement this (a) by short-time loans from commercial banks to meet temporary needs for additional working capital, (b) by selling mortgage bonds, or debentures, or even preferred stock of the enterprise to private investors and to investment institutions (such as savings banks, insurance companies, and endowments), or (c) by obtaining loans from industrial banks. But until after this safety cushion of risk capital has been provided by those who are willing to put their capital to this major risk of loss in the hope of commensurate gain, the enterprise cannot reasonably hope to obtain, either temporarily or permanently, capital funds from these supplementary sources. It is true that this safety cushion does not wholly remove the risk attached to investment from these other sources; but it reduces the degree of risk within the limits that these other sources of capital are willing to assume; and, without the suitable cushion, capital from these other sources cannot be expected.

The people of the United States cannot afford, through their Government, to go into the business of furnishing risk capital to private enterprise. The Government, operating upon a much broader scale than can any one private financing institution, can afford to include transactions of somewhat greater degree of risk—after the suitable safety cushion of risk capital has been provided—than can the individual financial institution. And precisely this should be the purpose of the Government if it goes into the business of assisting private financing institutions to finance the needs of small business enterprises, namely, to encourage them to extend suitably the degree of risk they are willing to assume by the Government's sharing with them both the risks and the profits accruing not only from transactions of the greater degrees of risk but from all loan business transacted by each private financing institution so assisted. If, as an emergency matter, it is regarded as good legislative and administrative policy for the Government to do more than this for selected individuals of good character who lack risk capital, there are very sound economic reasons for setting out, as a matter of legislative policy, limits at least as to the total amount of liability to be assumed by the Government in connection with such loans at any given time, the purpose or purposes for which they will be made, and the conditions under which the Government agency or agencies will share with the local financing agencies in furnishing risk capital.

X. Sum to be appropriated and administrative means by which it should be made available (letter, point 10): No suggestion is made as to the size of the fund to be appropriated by the Congress. This appears to be a matter of legislative and administrative policy best worked out by the Congress and the administrative agencies having to do with small business reconversion financing.

As to the administrative means by which it should be made available, the suggestions, both implicit and explicit, in the preceding discussion are that the over-all policy and control of the agencies engaged in loaning, guaranteeing, and insuring loans, terminating war contracts, and surplus disposal should be closely coordinated and so managed as to minimize duplication of effort on the part of the Government and of small business, minimize the expenditure of public funds, and minimize loss of public funds by confining loans and guaranties to projects that have reasonable likelihood of survival after they are established and to per-

sons of known or demonstrated personal ability and integrity. No volume of loans should be made or guaranteed which in the end prove to be mere gifts of public funds which only add fuel to the fire of inflation and increase the public debt.

The above comments may be used by the Committee to Study the Problems of American Small Business in any way that they deem useful.

The Commission has directed its chief economist to appear as a witness in the event your committee decides to call someone from the Federal Trade Commission.

By direction of the Commission.

Sincerely,

ROBERT E. FREER,
Chairman.

P. S.—This letter delivered to Senator MURRAY on December 7 with letter of transmittal of this date.

ABOLITION OF JACKSON HOLE NATIONAL MONUMENT

Mr. O'MAHONEY obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator permit me to offer a privileged resolution?

Mr. O'MAHONEY. Certainly.

Mr. BARKLEY. As I stated a while ago, the House is waiting, and I have given them my word that I would try to get this resolution through as soon as possible. It does not mean we will adjourn when it is agreed to. We would still have to wait for the House to act.

Mr. O'MAHONEY. If the Senator will bear with me for just a moment, I think perhaps I shall not delay him.

Mr. President, I am very much concerned about the request I am about to make, and therefore I shall make it as brief as possible.

There is on the Calendar Order of Business No. 1409, House bill 2241, an act to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943. The bill has been passed by the House of Representatives, it has been reported by the Committee on Public Lands and Surveys without amendment, and it therefore is in position to go directly from this body to the White House.

I have canvassed the Senate diligently, and my colleague, the junior Senator from Wyoming [Mr. ROBERTSON], has likewise canvassed the Senate. I am persuaded that we may act speedily.

Therefore, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the bill, and that it may be passed.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming?

There being no objection, the bill (H. R. 2241) to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, was considered, ordered to a third reading, read the third time, and passed.

Mr. O'MAHONEY. I thank the Senator from Kentucky.

ORDER OF BUSINESS

Mr. BARKLEY. Mr. President, I send to the desk a privileged resolution, and ask for its present consideration.

Mr. DANAHER. Mr. President, were we assured by the leader that we would have a call of the bills from the time of the last call of the calendar?

Mr. BARKLEY. As far as I could assure the Senator, I did state that.

Mr. DANAHER. Is it the Senator's purpose that the calendar will be called for the consideration of bills to which there is no objection?

Mr. BARKLEY. Those bills which have been placed on the calendar since the last call.

Mr. DANAHER. That is what I had in mind.

Mr. BARKLEY. The Senator is correct.

Mr. DANAHER. I wondered how it was that we proceeded with order 1409 out of order.

Mr. BARKLEY. That was by unanimous consent.

Mr. DANAHER. It was by more consent than unanimous consent.

Mr. BARKLEY. No one objected, and it was passed.

Mr. DANAHER. Does the Senator object to our asking that the calendar be taken up?

Mr. BARKLEY. No; I myself shall move that the Senate proceed to the consideration of the bills on the calendar which have not been called.

Mr. DANAHER. Very well.

RESOLUTION PROVIDING FOR SINE DIE ADJOURNMENT

Mr. BARKLEY. Mr. President, I send a privileged resolution to the desk which I ask to have considered.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read the concurrent resolution (S. Con. Res. 58), as follows:

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall adjourn on Tuesday, December 19, 1944, and that when they adjourn on said day they stand adjourned sine die.

The VICE PRESIDENT. The question is on the present consideration of the resolution. Is there objection?

There being no objection, the concurrent resolution was considered and agreed to.

AUTHORITY FOR SIGNING OF ENROLLED BILLS, ETC.

Mr. BARKLEY. Mr. President, I send another concurrent resolution to the desk which I ask to have considered.

The VICE PRESIDENT. The clerk will read the resolution.

The Chief Clerk read the concurrent resolution (S. Con. Res. 59), as follows:

Resolved by the Senate (the House of Representatives concurring), That notwithstanding the adjournment of the second session of the Seventy-eighth Congress, the President of the Senate and the Speaker pro tempore of the House of Representatives be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

The VICE PRESIDENT. The question is on the present consideration of the concurrent resolution. Is there objection?

There being no objection, the concurrent resolution was considered and agreed to.

AUTHORIZATION FOR APPOINTMENTS TO COMMISSIONS AND COMMITTEES AND FOR THE SECRETARY TO RECEIVE MESSAGES FROM THE HOUSE

Mr. BARKLEY. Mr. President, I send an order to the desk and ask that it be entered.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

Ordered, by unanimous consent, that, notwithstanding the adjournment of the second session of the Seventy-eighth Congress, the President of the Senate be, and he is hereby, authorized to make appointments to commissions or committees authorized by law, by order of the Senate, or by concurrent action of the two Houses.

Ordered further, That the Secretary of the Senate be, and he is hereby, authorized to receive messages from the House of Representatives subsequent to the final adjournment of the two Houses.

The VICE PRESIDENT. Is there objection to entering the order? The Chair hears none, and the order will be entered.

CLINCH RIVER BRIDGE, TENNESSEE

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 1401, House bill 5002.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will state the first bill in order.

The bill (H. R. 5002) granting consent of Congress to the State of Tennessee Department of Highways and Public Works to construct a bridge was considered, ordered to a third reading, read the third time, and passed.

PRESERVATION OF RECORDS OF ORES, METALS, AND MINERALS

The bill (H. R. 4852) to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals was announced as next in order.

Mr. BARKLEY. Mr. President, I have conferred with the Senator from Pennsylvania [Mr. GUFFEY] about this bill, and it is agreeable that it go over.

The VICE PRESIDENT. The bill will be passed over.

INCREASE IN COMPENSATION OF POSTAL EMPLOYEES

The bill (H. R. 4715) to increase the compensation of employees in the Postal Service was announced as next in order.

Mr. BAILEY. I object.

The VICE PRESIDENT. Objection is heard, and the bill will be passed over.

Mr. OVERTON. Mr. President, I should like to make a very brief statement. There were on my desk this morning a multitude of telegrams from postal employees, some of whom were under the impression that I was inimical to the consideration of the bill relating to increases in their salaries. I am not. My sole purpose has been an endeavor on my part to have the Senate act on the conference report on the river and harbor bill before any other legislation was

taken up. I favor the bill providing for increases in salaries of postal employees.

EXCHANGE OF LANDS ADJACENT TO PIKE NATIONAL FOREST, COLO.

The bill (H. R. 5409) for the exchange of lands adjacent to the Pike National Forest in Colorado, was considered, ordered to a third reading, read the third time, and passed.

TULALIP TRIBE OF INDIANS, WASHINGTON

The bill (H. R. 4782) to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington, was considered, ordered to a third reading, read the third time, and passed.

THE PRINTING OF NAMES OF PERSONS PUBLISHING OR DISTRIBUTING POLITICAL STATEMENTS

The bill (H. R. 2973) to provide that no person shall publish or distribute any political statement relating to a candidate for election to any Federal office which does not contain the name of the person responsible for its publication or distribution, was considered, ordered to a third reading, read the third time, and passed.

PERMISSION TO MAKE UNITED STATES PARTY DEFENDANT IN CERTAIN CASES

The Senate proceeded to consider the bill (H. R. 3609) to permit the United States to be made a party defendant in certain cases, and for other purposes, which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, on page 2, line 11, after the word "decedent", to strike out "to pay debts."

The amendment was agreed to.

Mr. McCARRAN. Mr. President, it is quite obvious that this bill, with its amendments, cannot become law now, because it is impossible to obtain a conference with the House at this time. Therefore I think the bill should go over.

The PRESIDING OFFICER. The bill will be passed over.

INCREASE IN WAGES FOR EMPLOYEES OF ALASKA RAILROAD

The bill (H. R. 4709) to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1, 1943, to September 30, 1943, inclusive, was considered, ordered to a third reading, read the third time, and passed.

OMISSION OF 5-YEAR VALUATION OF CIVIL-SERVICE FUND

The bill (H. R. 5571) to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter, was considered, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. That concludes the calendar.

INCREASE OF COMPENSATION OF EMPLOYEES IN THE POSTAL SERVICE

Mr. MEAD. Mr. President, at this time I trust that I can have the attention of the Senate, and I also hope that I will receive its cooperation. During the present session of the Congress the House and the Senate considered legislation reclassifying the salaries of the employees of the Postal Service. The matter was considered at great length in the House. Exhaustive hearings were held, and the bill was finally reported from the committee I am told, by unanimous vote. It took its place upon the House Calendar, and it was brought then to the attention of the Rules Committee, which, after considering the bill, reported a rule for its consideration. It was then considered by the House. The bill by this time was well understood. Everyone had had an opportunity to familiarize himself with it. As a result of this long consideration of this meritorious measure by the men and the women of the House of Representatives it was finally acted upon, and on a record vote there was only one "nay" in the entire roll call in the House of Representatives. This almost unanimous vote—perhaps the nearest to unanimous vote on a measure of such importance in this session of the Congress, brought the bill to the Senate, and it has been on the Senate Calendar for a number of days. We could not pass the bill, because objection has been made to it. But I want to make a motion, Mr. President, at this time, that the Senate proceed to the consideration of House bill 4715, which was reported some days ago by the Senate Committee on Post Offices and Post Roads, and I am sure if the motion prevails the bill can be disposed of very shortly. So, Mr. President, I move the present consideration of House bill 4715.

Mr. MALONEY. Mr. President, will the Senator yield to me?

Mr. MEAD. I yield.

Mr. MALONEY. I want to say while there is a chance that I am very hopeful that the Senate will support the motion made by the Senator from New York that the bill be now considered. The Senator has pointed out that the opposition in the House amounted to no more than one vote, and I think a similar feeling prevails in the Senate.

Mr. President, I think the employees of the Postal Service, as I have said so many times before, have been for too long a time greatly underpaid. This bill should not promote much discussion, in my judgment, and because there is no need for sending it back to the House, and because it is deserving, I am very hopeful that the Senate will vote for it.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. DAVIS. I hope the Senate will favorably consider the request of the junior Senator from New York, because we have watched this legislation all during the present Congress. It seems to me that we would be doing ourselves full justice if we were to pass the bill. I hope the motion of the Senator from New York will prevail.

Mr. WHITE. Mr. President, may I inquire of the Senator from New York what the number is on the calendar of the bill he is proposing to have the Senate consider?

Mr. MEAD. The calendar number of the House bill is 1404.

Mr. WILLIS. Mr. President, I had intended to make a statement respecting my attitude on this bill, but owing to the lateness of the hour, and since what I have to say is not controversial in character, and does not propose any change in the language of the bill, I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The passage of this bill will meet in part only the country's just recognition of the valuable and arduous service rendered by postal clerks and carriers.

It is a desirable step in the right direction. I understand it will be later superseded by another which goes a little farther in fitting adjustments of postal pay. The flat increase provided does not make postal work attractive to the older and more experienced men who have given 10, 15, 20 years to learning the profession.

I hope that this small increase of $100 over the temporary bonus already in effect will not be taken as a signal for general loosening of the floodgates of inflation by the route of pay increases. Postal workers have been working on a pay scale that was maintained during the economy of the depression following World War No. 1. They were probably overdue for a substantial raise when the war broke out and wages were frozen. Government has been paying common labor in a great many instances more than it allowed its trained postal workers. War has boomed the mails until postal employees are working harder than ever before, and the Post Office is showing a substantial profit on their services. So Post Office men and women are earning their raise, which is so small in comparison with the pay afforded to workers of similar importance and attainments. I sincerely hope that the President will recognize the special situation in which postal workers find themselves as to pay, and will complete the enactment of this law without delay.

Mr. MAYBANK. Mr. President, I join with the distinguished Senator from New York in the request that the bill be taken up for immediate consideration and passed.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. PEPPER. Mr. President, I certainly want to share in the sentiments expressed by the Senator from New York and other Senators. It seems to me that this is a very meritorious bill. It affects a large number of individuals who have served faithfully during the war. I think if the bill is taken up for consideration it will meet the approval of a great majority of the Senate. I certainly hope the bill will be considered.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. LANGER. As a member of the Committee on Post Offices and Post Roads I wish to say that we have spent many hours in considering this bill. We have received communications from every State in the Union asking that the bill be passed. I have heard of practically no opposition to it anywhere. I hope the bill will be passed.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. BAILEY. I wish to make a statement about this matter. I thought we had an agreement with a view to adjournment, and I objected to consideration of this bill under that impression. Now it comes back. I might have asked for special consideration for the conference report on the rivers and harbors bill, I think, in the same way, but I was actuated by the best of faith in looking to an adjournment. If we are not going to have an adjournment I should like to be informed. If we are not to have an adjournment, then if I understand the temper of the Senate we will discuss not only this bill but we will discuss everything.

I have serious objection, however, to this bill. I realize that there is a great temptation to vote for it. It provides an increase of pay for three or four hundred thousand postal workers. That is very popular of course. It is said that the bill went through the House with only one vote against it. It is plain that it will go through the Senate almost unanimously. I suspect it might. But what do we know about it? We know that the Bureau of the Budget declares that it is not in accord with the program of the President. Here are the documents in the House report. I could ask that they be read, and I think it would be well that they should be read to the Senate in a matter of such importance. Here is a letter from the Postmaster General of the United States. He advises against the proposed legislation. Here is a statement from the Postmaster General that the bill if passed would add to the expense of conducting the Post Office establishment $36,598,000 annually and forever. That has not been mentioned heretofore.

The bill is referred to as a meritorious and popular bill. I have been receiving telegrams from all over North Carolina for the past 2 or 3 days, because it became known that I was not supporting the bill. Very probably I could greatly enhance my popularity, or greatly reduce my unpopularity, by voting $36,000,000. I could do more. I could vote for increases in salaries to the Treasury employees, and all other Government employees. I am not disposed to yield to that temptation.

Why does the Post Office Department oppose this bill? I was present in the committee when the representatives of the Post Office Department appeared to testify about the matter. They said that the Post Office Department was then making a study for reclassification of all employees, and thought the Department would be ready to report within the next 6 or 8 weeks, and then we could legislate intelligently upon a reclassification. This bill is only a blanket increase in pay, regardless of merit and regardless of inequalities. It would add $400 a year, in lieu of the present $300 special allowance because of the war, to the salary of the highest paid postmaster in the United States. I believe he lives in New York. I think I could enhance my popularity with him to the extent of $33.30 a month. I am not going to do that, and I am not going to do it with regard to other postmasters who are receiving good salaries. I have a great deal of sympathy with the men and women who are receiving small pay. But this bill would grant an increase of $400 on a level all the way through, and the Post Office Department says that that will not do. The Post Office Department asks us to wait for 6 or 8 weeks, until it can submit recommendations on a practical basis.

Why should we not wait? I am sure that the petitioners all over the country would like to have the $100 extra. I never saw a man in my life who did not want $100 extra. It would be very acceptable around Christmas time. We could all go home and say to the Postal employees, "I voted $100 for you." Is that any way to do?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, its assistant enrolling clerk, announced that the House had agreed to the following Senate concurrent resolutions:

Senate Concurrent Resolution 58

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall adjourn on Tuesday, December 19, 1944, and that when they adjourn on said day they stand adjourned sine die.

Senate Concurrent Resolution 59

Resolved by the Senate (the House of Representatives concurring), That notwithstanding the adjournment of the second session of the Seventy-eighth Congress, the President of the Senate and the Speaker pro tempore of the House of Representatives be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

ENROLLED BILLS SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills:

S. 1481. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended;

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto;

H. R. 3429. An act to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148);

H. R. 5448. An act to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia; and

H. R. 5587. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

INCREASE OF COMPENSATION OF POSTAL EMPLOYEES

Mr. BAILEY. Mr. President, I wish to conclude, but I wish to be heard about this matter, since it has come up. I think that other Senators would like to be heard. If we wish to open the door after our leader had, as I thought, arranged to bring an end to the session, then we can go into many discussions. A little while ago I stated that I had a speech in my system. Heaven knows, I am willing to bury it. I have sat here through these days and listened to what has been said.

Mr. CLARK of Missouri. There is no one whom I would rather hear speak than the Senator.

Mr. BAILEY. I thank my good friend. I could make a speech about him, too. He is a great fellow. I am sorry he is leaving the Senate. I hope he will come back. God bless him. I should like to talk about him, but I shall not do so.

Mr. President, I have not yet reached the main point. The main objection to the proposed legislation is that it would break down the line of stabilization. If Senators wish to do that, let them do it. Let them defy the President and break the pledge they took when they voted for the Stabilization Act.

Throughout this country—and all of us who read the newspapers must be aware of the fact—there is an effort to break the stabilization line and destroy the Little Steel formula. If Senators do not know that, it is because they do not read the newspapers day after day. Those who wish to break the stabilization line are conspiring to get the Congress to break it first. If we pass this bill, those who are conspiring to break the stabilization line will say, "You raised the pay of postal employees. You went beyond the 15 percent. Now let us in." It will open a new series of strikes and a new series of demands.

I dislike to say it, because it has been said so often, but I must say it, because it is profoundly true—we shall have accursed inflation and shall lose the war. Hear me about that. I am about to make the speech which I have in my system.

Mr. WILEY. Hear! Hear!

Mr. CLARK of Missouri. We all want to hear the Senator.

Mr. BAILEY. We shall have inflation and lose the war. I must say that if we are to go much further along the line we have been following today, we shall do precisely what was done to the Allies in the Seven Years War, nearly 200 years ago, when the defeated German leader took advantage of division among his enemies, won his war, and established the German Empire, setting the example for Hitler and the Nazis.

I have no doubt about what Hitler is thinking tonight. He is thinking about Frederick the Great. I take it Senators know the story. Frederick the Great started the Seven Years War by taking Silesia from Austria. England was against it, but not fighting. France was against it, and fighting. Russia was against it, and fighting. Austria was against it, and fighting.

The war went against Frederick the Great year after year, until he actually took from his pocket a vial of poison with a view to making an end of his life. Berlin had been taken.

Mr. CLARK of Missouri. He lost Berlin seven times.

Mr. BAILEY. My friend from Missouri says he lost Berlin seven times. He was at the utmost degree of desperation.

What happened? Two events. The elder Pitt, the Earl of Chatham, resigned, and in consequence of that Britain left the war. The Empress of Russia, Elizabeth, died, and in consequence of that there came a czar, Peter, who took his army out of the war and became friendly with Frederick. Frederick, taking courage from those two small events, those slender threads upon which the fate of nations hangs, called his army together and won victory after victory, marched in triumph back to Prussia, and established his empire and the great dynasty of the Hohenzollerns. Silesia became German, and the death warrant of Austria was signed.

The model of Herr Hitler always has been Frederick the Great. He is fighting tonight, and our boys are retreating. He is fighting tonight on the faint hope that something will happen here or something will happen in Britain or something will happen in Russia that will destroy the unity of the Allies. I tell you, Mr. President, if we lose one we are sunk. We cannot win this war without Russia. We cannot win this war without Great Britain. And Russia and Great Britain can not win it without the United States.

Mr. WILEY. Hear, hear!

Mr. BAILEY. And win the war we must.

I said on the floor of the Senate, when I voted for the Lend-Lease Act, that we would fight to the last man and the last dollar. I thought I knew what it meant, and I admitted in the debate that I thought it meant war.

I do not wish to take any heroic pose. But a Senator who spoke the other day told me that he spoke in the interest of a negotiated peace. God forbid! I would not quote him in the Senate if he had not told me so in the presence of witnesses. Mr. President, I am not naming him. He said it. I have no doubt on earth that every Senator here will take my word for everything I utter. I may flatter myself, but I will go dying to my grave flattering myself to that extent.

Mr. CLARK of Missouri. Mr. President, I am very certain that my friend understands I would take his word for anything.

Mr. BAILEY. I meant just what I said when I talked about the Senator a while ago, too.

But, Mr. President, I am certain we must take care of our country to start with. I do not propose that we shall set up ideological tests for Presidential appointees. I do not undertake to divide my country at this time with any such thing as that.

I do not intend to make utterances here which are calculated to irritate our allies. They may not act in a way that will suit me. But God knows I never thought I was such a man that I should assume I had the right to make them suit me. I never felt that I was capable of grand strategy or statesmanlike diplomacy.

I believe I have said something to the Senate before in connection with a remark made by the late Senator Morrow—who previously had been our Ambassador to Mexico—when he came to the Senate. He uttered an aphorism; he said he would always stand by rule No. 7. All of us throughout America wondered what rule No. 7 was. Finally he told us, "Rule No. 7 is 'Don't take yourself so durn seriously.'" [Laughter.]

I doubt whether we have the right to check on Mr. Churchill. I doubt whether we have the right to impugn the motives of Mr. Stalin. I think it is our duty to uphold our country and those who are conducting the war, including the President as the President and the Commander in Chief as Commander in Chief.

Get this thing through. Do not act, take no step, calculated to destroy the unity here or the unity amongst our allies.

Now we come back to this bill. This bill repudiates the line of stabilization. It does lift the salaries in question. Everyone says it has been a long time since they were lifted. That makes no difference whatever. The Stabilization Act and the Little Steel formula base the lifting of wages on the January 1942 payments, and make it 15 percent more. This bill would make it 33 percent more. It was lifted to 300. Now it is proposed to make it 400. If we were correct when we made it 300, we are just 25 percent wrong now, 25 percent in excess.

So, Mr. President, notwithstanding I have heard from my constituents, notwithstanding I know I could sit quietly here and let this bill go through, and could go home and have a great Christmas celebration and reap harvests of popularity, by voting for a bill so popular that it swept through the House by unanimous vote and then swept through the Senate by unanimous vote, I choose to stand by the Stabilization Act. I choose to stand by the Bureau of the Budget, speaking for the President. I choose to stand by the Post Office Department. I choose to stand for classification, not made in the heart of a Senator, not conceived in the brain of a Member of the House, but wrought out by that Department from its long experience, founded upon service, and in accord with the program of the President and with our solemn promises to sustain the Stabilization Act. If we vary here we invite a train of evils the end of which none of us can foresee.

So, Mr. President, like many another Senator before me, I had something to say that I wished to say, and I tried my best not to say it. But here I am, having yielded to the temptation, and having uttered myself.

I thank the Senate very much for its patience.

Mr. REED. Mr. President, may I inquire of the Senator from New York whether he wishes to make some remarks on his side of the matter? I would prefer to take the floor in my own right.

Mr. MEAD. Certainly.

Mr. DOWNEY. Mr. President, will the Senator yield to me?

Mr. MEAD. I will yield to my distinguished colleague, and later I will yield the floor to the Senator from Kansas.

Mr. DOWNEY. Mr. President, I desire to express my support of the motion of the Senator from New York that the Senate proceed to the consideration of the postal bill. As a member of the Committee on Post Offices and Post Roads, I believe that this pay increase is long overdue and is well earned, and that in justice to the postal employees the bill should be passed.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. CHANDLER. I have voted for millions of dollars to be spent in the interest of the people of the United States. I hope that the money was well spent. I now wish to vote for this mere pittance in order to afford some relief to the overburdened postal employees of the United States. It would be a small amount, but it would represent a decent gesture to people who are not very fortunate.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. BAILEY. Does the Senator believe that $36,000,000 is a small amount?

Mr. CHANDLER. In contemplation of the billions of dollars which have been voted for other causes, I consider the amount to be a very small one.

Mr. BAILEY. Thirty-six million dollars is certainly not a small amount. It is $36,000,000.

Mr. MEAD. The amount would only be about $100 as affecting each employee to which the bill would apply.

Mr. BAILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from New York yield to the Senator from North Carolina?

Mr. MEAD. I yield.

Mr. BAILEY. What would the Senator think about the proposition of adding $100 to the salary of the postmaster in the city of New York?

Mr. MEAD. If the postmaster in the city of New York were doing what he is now doing for the Post Office Department for any big industrial organization in New York, he would probably be paid $50,000 a year.

Mr. BAILEY. Very well; let him go and get it.

Mr. MEAD. One hundred dollars to the salary which he is now receiving would make very little difference to us. It would probably make very little difference to him, too.

Mr. BAILEY. Then why ask for it?

Mr. MEAD. Because we are attempting to maintain a differential which was studied at some length when postal salaries were revised some time ago.

Mr. BAILEY. Does the Senator know how many men in the Postal Service of America now receiving $4,000 a year would receive $100 extra under this request?

Mr. MEAD. I do not know; but if we do not maintain the differentials which we have already established, there will be assistants in the Post Office Department receiving more than their superiors receive. We went into the question at great length, and arrived at the differential.

Mr. BAILEY. Would not the Senator be willing to have the Post Office Department work this matter out rather than give a blanket increase?

Mr. MEAD. The Post Office Department had all the opportunity in the world to do it during the time the bill was in the House and in the Senate. If the Post Office Department had come forward a few days before the committee voted to report the bill, and asked for more time, I am under the impression they would not have been trying to expedite the passage of the bill.

Mr. BAILEY. Was the Senator present when the representatives of the Post Office Department appeared before the committee?

Mr. MEAD. At the last meeting of the committee one member of the Post Office Department was present, and I talked with him, and he said he wanted a little more time.

Mr. BAILEY. They wanted more time on the ground that they were making a reclassification, and it was said that they would have it made by the 15th of February or the 1st of March. Is that not true?

Mr. MEAD. Whenever anything seems to be justified, reasons can always be found for putting it off. We are justified in passing this bill, and let us do it now.

Mr. BAILEY. Would we be justified in giving the postmaster of New York $100? What would be the ground for it?

Mr. MEAD. Probably we would not be justified insofar as one man was concerned, but to maintain the differential between all the salaries we would be justified.

Mr. BAILEY. Can the Senator tell me the salaries of the postmasters in San Francisco and Boston, for instance?

Mr. MEAD. No.

Mr. BAILEY. The Senator, nevertheless, is making the argument that this increase would be justified.

Mr. MEAD. I believe that I can prove that the maintenance of the differentials in the Postal Service, from the special messengers up to the postmasters, which have been scientifically arrived at, is justified. If we do not maintain them we will have men in superior positions receiving less salary than men in inferior positions.

Mr. BAILEY. The Senator is apparently taking the position that whenever a $2,000 man receives an increase in salary we must also increase the $10,000 man. That may be maintaining a differential, but it is certainly not responding to necessity.

Mr. MEAD. The Senator is comparing the salaries of men receiving $2,000 and $10,000 a year who are engaged in the Postal Service, but there are also men drawing $1,200.

Mr. BAILEY. All the better for the argument. The Senator says that one man receives $1,200 and another receives $10,000; and if we increase the salary of the $1,200 man in order to maintain the differential we must also increase the salary of the $10,000 man. If we let the Post Office Department work on this matter, they will come here with a just bill, and we will all be proud of it.

Mr. MEAD. And probably they will defeat the principle which we are trying to maintain.

Mr. President, 20 or more Members of the House, and an equal number of the Senate, went into the subject, and they believe in the maintenance of the differentials. They established the differentials which the Senator says are not justified.

Mr. BAILEY. Oh, no; I beg the Senator's pardon. I say that the Senator has said that the maintenance of the differentials would justify the requested increase.

Mr. MEAD. I do not say the maintenance of the differentials would justify the increase. I say the circumstances under which the men labor justify the increase, and most of the increases will go to the men who carry the mail, distribute it, and sort it.

Mr. BAILEY. If we wait for 6 weeks, we will——

Mr. MEAD. I am sure my distinguished colleague will not be disappointed if we wait and obtain more or pass the bill and take less.

Mr. BAILEY. I should rather wait and have a bill which is right. I am satisfied that what is sought to be accomplished now would have to be done again.

Mr. MEAD. In view of the fact that the vast majority seem to be perfectly satisfied, I am willing to let them make the decision.

Mr. BAILEY. I am not worried about the majority. Every man in America who receives an increase in salary is satisfied, of course, and any man who votes for an increase pleases the person who will receive it. However, that does not make any difference with me. I am not trying to please people at the public expense. All I am asking is that we wait until the Post Office Department can make a proposition to us on a subject which they have been studying, and with which they have been concerned. They know a great deal more about it than we do. I do not think there would be anything wrong about that. I am not afraid to go home and explain the situation to the postal workers of my State. Of course, I realize the force of what the Senator says, namely, that Santa Claus will be very popular on December 25.

Mr. MEAD. The Senator from New York did not say that.

Mr. BAILEY. And Santa Claus will be very popular on whatever day in the year he happens to come. But I do not want to be Santa Claus in that way. I will be Santa Claus with my own money, but not with the money of others.

Mr. MEAD. Mr. President, the Senator from New York did not make any mention of Santa Claus.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. CHAVEZ. The people working for the Post Office Department in Washington, and those working at Albuquerque, N. Mex.; Missoula, Mont.; and in New York City, are actually Santa Clauses, so far as work and labor are concerned. They are doing work while we are talking about a little pittance to be given to them. They are Santa Clauses so far as laboring and carrying something on their backs is concerned, but they are not Santa Claus so far as anything else is concerned. They are all human beings, and are entitled to fair play at the hands of this body.

Mr. President, how do we legislate? Mention has been made of the Post Office Department making an investigation. How long have we been waiting for an investigation? If we depend on a department to come forward and give us its views when we actually want them, and when any committee of Congress wants them, we will have to wait a long while. I think this is a fair bill. It was considered intensely by the Committee on Post Offices and Post Roads. I do not see any reason why we should not pass it now.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. LANGER. I wish to invite the Senator's attention to the fact that when we increased the salaries of the men temporarily to the extent of $300, the Post Office Department then said that they were about to consider this project as a whole. That was over a year ago. They came before us at the last meeting of the committee, and were not any further along than they were a year ago. This would be the first increase these poor people would have had since 1925, a little $300 temporary increase. All of us know that the cost of living has risen, and, as the distinguished Senator from New York said a while ago, there are postal employees drawing only $1,200 to $1,600 a year, on which they have to support their families, and they cannot do it. They should have had this increase many years ago.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from Kansas?

Mr. MEAD. I do not wish to yield the floor yet, because I have not had an opportunity to answer many statements which have been made while I have been attempting to explain the real reason back of the bill. I shall be glad to yield for a question.

Mr. HATCH. The Senator from New York told me some time ago that he would yield the floor in a moment.

Mr. MEAD. I wished to yield the floor after making reply to the first speech made against the bill by the distinguished senior Senator from North Carolina, but he has made one or two more since that time; I have been noting them down, and I desire to reply to them all as well as I can.

Mr. BAILEY. I wish to ask the Senator a question. Is he going to filibuster against his own bill?

Mr. MEAD. No; I am not going to filibuster, but I wish to reply to what the Senator said when he delivered a statement from his own seat, and I also desire to reply to the second statement he made, when he was in the front row.

Mr. President, I realize that it is a perfectly sound argument to base one's opposition on the fact that the Department has not yet had ample opportunity

to present its side of the case, to participate with the committee in the preparation of a scientific or rational measure. I realize, too, that at times we assert our independence, and assume that it is unnecessary for us to delay legislation merely because a department or an agency of government sees fit to ask us to conform with their wishes.

Anyway, Mr. President, the proposed legislation has been considered, it has been considered in the House and in the Senate, the Department has had ample opportunty to present its views in the matter, and if it has not done so by today, it is not our fault, the fault rests with the Department.

Another point that is missed is this: We talk about raising the salaries of the postal workers as though we were taking the money out of the pockets of the taxpayers, as though it were a case like that of a corporation, where money is taken out of the pockets of the stockholders. If Senators will look at the record they will agree with me that these postal employees have earned their reward.

In 1925, when they were receiving 86 cents an hour—and by comparison that is pretty small pay today—the revenues of the Department approximated $560,000,000. The last month that has been reported indicates that the revenues for that month are approximately $100,000,000, for 1 month alone. The Post Office Department has become a billion-dollar corporation, and it has been done without adding very greatly to the personnel. In fact, since the beginning of the war the Department has saved at least 50,000 places by distributing added burdens among those who are left in the service.

Mr. President, the employees are paying for this raise out of increased revenues. They are paying for this raise as the result of increased efficiency. Therefore these employees, who were getting 86 cents an hour in 1925, are here asking us in 1944, on the very threshold of 1945, to raise their basic pay a little bit above 86 cents an hour. All we are asked to do is to raise the pay they are now receiving from $300 to $400 a year. Just think of it, a hundred dollars spread over 12 months, less than $10 a month, less than $2 a week! One would assume it was a raise of gigantic proportions.

Then to suggest that the workers in the Postal Service, if they should be granted this raise, would have to assume the consequences of probably losing the war, after the vigilant work they have been doing in helping us win the war, is really, in my judgment, unjustified in this debate. Why did not the House committee find that this little raise would lose the war? Why did not the House itself ascertain that? There are as patriotic Members of Congress in the House as there are in the Senate. Why did they not determine that they could not pass the bill because it would mean losing the war? Why did not the Senate committee, which voted to report the bill, see the danger which all of a sudden is brought to our attention? Why did they not lock it up in the Post Office Committee?

Mr. President, the postal employees are not only increasing the volume of the mail they are handling day after day, but they are working for the Department of Agriculture in the sale of agricultural stamps, they are selling automobile stamps, they were a great help to us in the distribution of the bonus, they are selling bonds and War stamps. They are helping the O. P. A., the War Manpower Commission, and a number of other commissions, and they are taking it all in stride, and assuming a greater and greater burden.

I say, Mr. President, these employees who received 86 cents an hour in 1925 have not received a permanent basic increase since 1925, and there are workers in America—and we know them—who have received not only one, but have received two and in some instances have received five or six increases.

We have been niggardly, in my judgment, in our treatment of the postal employees, and I say that the bill is justified on the record which has been piled up in its favor in the House committee, in the House, and in the Senate committee. I venture to say that if it comes to a vote in the Senate the bill will receive the overwhelming approval of the Senate. All I ask is a chance for every Senator to make his own decision as to whether the employees of the Postal Service should receive a raise, and if so, whether or not this is the bill which will do the job.

Mr. President, I am willing to let the bill go to a vote. I hope the Senate will have an opportunity to vote on it. I rest my case on what has been said in favor of the bill.

Mr. REED. Mr. President, the Senator from New York and the Senator from Kansas are not often far apart on legislation which relates to the Post Office Department and the postal employees. I do not think we are far apart this time as to what really ought to be done. I wish to make a very brief statement about the matter and correct some misapprehensions, including one in which the Senator from New York has just indulged. It is very true, as he said, that there has been no increase in the basic pay of postal employees since 1925. But the 1925 pay rate was based on a 48-hour week. The postal employees receive the same amount of money now for working a 40-hour week, so instead of there being no increase, there has been an increase of 20 percent. That does not increase the take-home pay unless the employee works overtime. I am sure neither the Senator from New York nor I know how many of the postal employees work overtime, but most of them do, though not all of them. So they have a 20-percent increase in their pay if they work 48 hours and receive overtime pay. That is a 20-percent increase in pay.

In addition to that, they receive the bonus of $300 which all other employees receive. That is presumed to be a 15-percent increase on an average salary of $2,000 a year, which makes an increase for the postal employees since 1925 of roughly 35 percent. I am not saying that that is sufficient, but I do say that this bill ought not to pass at this late hour and under these circumstances. There was quite a definite understanding, I think, that the calendar would be called and that a bill objected to would go over, and that when the call of the calendar had been concluded the Senate would adjourn. Surely there is other legislation which is pressing. There is the land-grant provision with respect to the railroads which has been pressing on us. There is the conference report on the river and harbor bill, consideration of which might have been urged on the Senate. It was not my understanding, and I am sorry the majority leader is not present at the moment, that legislation would be taken up except by unanimous consent.

Let me go a little further, and I hope I have the attention of the Senator from New York, because, as I said, he and I usually agree. I pay my tribute to the Post Office Department and its employees. I was one of them for 28 years, and went from the bottom to the top ranks of the Postal Service. There is no better managed business institution in the Government than the Post Office Department. There are no more efficient workers and there is no better managed business in the Government; but let me state a fact which the Senator from New York knows as well as I do. What I now say, as the Senator from New York knows, I said in the committee, though I agreed to report the bill. I agreed to go along. The Post Office Department is due for an overhauling in its organization. I am sure the Senator from New York will agree with that statement. The Department has been working on it for some months. I do not remember when the bill was introduced; perhaps the Senator from New York can refresh my recollection; but it was some months ago, quite a considerable time ago.

The Post Office Department has advised us that the Bureau of the Budget does not approve the bill, that the Postmaster General does not approve it and does not want the Congress to take action at this time. The Post Office Department will be ready in the next few weeks with a comprehensive report which will permit the full subject of postal salaries, postal classifications, and postal organization to be brought up and considered the way it ought to be considered, carefully, between the congressional commitees and the Post Office Department, with advice and information from the Post Office Department.

Mr. BAILEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Kansas yield to the Senator from North Carolina?

Mr. REED. I yield.

Mr. BAILEY. What will be the consequences, if we convert the $300 temporary bonus into a $400 permanent bonus, which is what we would do by passing the bill? If the Treasury Department employees were to ask for the same in-

crease and if the Department of Agriculture employees were to ask for the same increase, how could we resist such a demand?

Mr. REED. I will let the Senator from New York answer the Senator from North Carolina, but I do not want the Senator from North Carolina to get me off the track on the question of differentials. I want to stay right on the track.

If we pass this bill it will mean the expenditure of about $30,000,000.

Mr. BAILEY. Thirty-six million dollars.

Mr. REED. Whatever the amount may be—thirty million or thirty-six million dollars. I think it will also do something else, which I think will invite a veto from the President. I may be mistaken about that, but I should say it is at least possible and may be probable. Congress has voted a $300 bonus, which is temporary, to every employee of the Government who earns up to $2,900 a year. That is to expire the 30th of June next. What we are doing here is in effect to pick out the employees of one department, and increase their bonus from $300 to $400 a year. If that does not invite a veto by the President because of discrimination between employees in the different departments, I do not know what will. I am sure the Senator from New York agrees with me upon that point.

Mr. President, I am not opposed to reorganization of these salaries. I am not opposed to reclassification for the postal employees; I think they richly deserve it; but I want to do it in the right way; I want to do it in order; I want to do it in connection with the Post Office Department.

We have assurance from the Department that within the next 2 or 3 weeks, before the time the next Congress convenes or before Congress is ready to go to work, the Department will have all the information necessary to enable us to act intelligently.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. McCARRAN. Let me say to the Senator from Kansas that the substance of this bill was introduced by me as Senate bill No. 1 at the beginning of the Seventy-eighth Congress. Let me also say that I have heard the Post Office Department make the very same statement which the Senator is now making, that the Department is engaged in a study of the question and will soon be able to furnish the result of the study. I have heard that statement made during the last 10 years, but have never seen the result of the study.

The Senator said that the postal clerks received an increase by a reduction in hours of work. I never yet knew an "increase" of that kind to bring home the bacon.

Mr. REED. Mr. President, I think I said that that did not increase the take-home pay. I made that statement. I have been here 6 years. The Post Office Department never yet has, to my knowledge, failed to make a report on any and every bill on which we asked it to make a report. I do not think that now at this late hour, under these circumstances, without consideration, we ought to pass a bill which involves $30,000,000 a year, which involves a departure from good sound administrative practice, and which raises a question as to whether a veto is invited from the President. I wish to help properly to organize and reorganize, if necessary, the Postal Service and the Post Office Department, and to give the postal employees their just dues. I was one of them for too many years to forget what they do and what they deserve. But this procedure is irregular and I think it is a highly inefficient way to handle the question.

Mr. MEAD. Mr. President, I should like to restate my motion. I move that the Senate proceed to consider House bill 4715, which is now on the desk.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New York.

Mr. REED. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Kansas suggests the absence of a quorum.

Mr. HATCH. Mr. President, will the Senator from Kansas withhold his point of no quorum for a moment?

Mr. REED. I will withhold it to allow the Senator from New Mexico to pay tribute to the departing lady Senator.

TRIBUTE TO SENATOR HATTIE W. CARAWAY

Mr. HATCH. Mr. President, while sitting here this afternoon and listening to several farewell speeches, the idea occurred to me that we were about to lose many close associations and friendships. I shall not attempt to enumerate them all. I see present the Senator from Missouri [Mr. CLARK]. Just a moment ago I saw the Senator from Oregon [Mr. HOLMAN], and other Senators who are about to depart and will not be with us at the beginning of the next Congress. Of course, to all those Senators I express, not only for myself, but I am sure for the vast majority of Senators, our regrets that they will not be with us again.

But it occurred to me that possibly Senators had overlooked the fact that there is leaving us this afternoon, not to return again, the only lady Senator, Mrs. HATTIE W. CARAWAY, the Senator from Arkansas. To her I wish to pay a brief tribute.

Mrs. CARAWAY has been a Member of the Senate longer than I have. She has always been most gracious, most kindly, and most ladylike. If I may be forgiven for saying so, inasmuch as I believe that her votes throughout the years since I have been here have corresponded almost exactly with mine, I am tempted to say that the Senator from Arkansas has been most statesmanlike in the votes she has cast.

So, without regard to the gentlemen who are leaving the Senate and will not return, I think it would be a very fitting thing for us, who are men, to stand for a moment and give a handclap for the Senator from Arkansas [Mrs. CARAWAY]. May it be done?

(The Senators rose in their places and applauded.)

Mr. HATCH. Mr. President, the Senator from Arkansas is not present, but I hope the RECORD will show that every Senator present rose and applauded.

SALARY INCREASES FOR POSTAL EMPLOYEES

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from Kansas renew his point of order?

Mr. REED. I suggest the absence of a quorum.

Mr. BAILEY. Mr. President, a point of order.

Mr. REED. I yield to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAILEY. The motion pending is the motion by the Senator from New York [Mr. MEAD] that the Senate proceed to the consideration of Calendar No. 1404, House bill 4715.

That bill was reported to the Senate on December 14, 1944. This is the legislative day of Tuesday, November 21, 1944. Therefore the motion is out of order. The bill would have to lie over 1 legislative day before being considered by the Senate.

The PRESIDING OFFICER. The Senator from North Carolina makes the point of order that the motion of the Senator from New York [Mr. MEAD] is not in order because of the fact that the bill, reported during the legislative day of November 21, 1944, has not lain over a legislative day.

Does the Senator from New York desire to be heard on the point of order? Under the rules the point of order is not debatable, but the Chair desires information, and he invites the Senator from New York to enlighten him.

Mr. MEAD. Mr. President, I appreciate the attitude of the Chair.

The bill came over from the House on December 14, as has been pointed out by the distinguished senior Senator from North Carolina. Evidently, we have not had a change in legislative day, unless the adjournment earlier in the day had something to do with it. I really must rely upon the decision of the Chair and the Parliamentarian.

The PRESIDING OFFICER. The Chair will say for the benefit of the Senator from New York that there was no adjournment today. The Senate merely went back into legislative session after the executive session.

Mr. MEAD. I am anxious to hear the decision of the Chair in the matter.

Mr. CLARK of Missouri. Mr. President, will the Chair hear from me for a moment?

The PRESIDING OFFICER. The Chair is very glad to hear from the Senator from Missouri. The Chair is not allergic to information.

Mr. CLARK of Missouri. Mr. President, I am very certain that that is true.

This question has been the subject of conflict ever since I have been a Member of the Senate, for 12 years. The former President pro tempore of the Senate, the late Senator from Nevada, Mr. Pittman,

had one view, and the former Vice President, Mr. Garner, had another. I think I should state both views.

Personally I was very much impressed with the view of the former Vice President, Mr. Garner. His view was that when the rule says that no Senator may speak more than twice, and, in another place, where the rule mentions a day, it means a calendar day.

Senator Pittman held the contrary view. It has always been my view that Vice President Garner was correct. Therefore I am opposing the point of order of the Senator from North Carolina. It is a matter upon which any Senator has the right to make up his own mind, as to whether the word "day" means a legislative day or a calendar day. I hold with the distinguished former Vice President that it means a calendar day.

Senator Pittman, who was a very distinguished Member of the Senate, and President pro tempore of the Senate, took the contrary view. He took the position, as he announced from the rostrum, that the word "day" meant a legislative day. Every Senator has the right to make up his mind on that question. I believe it is very important to have the question settled.

Mr. MEAD. Mr. President, if I may interject briefly, first of all, if we go back to the intention behind this rule, we find that it was for the purpose of giving Senators an opportunity to read the message which came over from the House or the bill was laid on the desk. A calendar day was the time limit which was set—a 24-hour period—in order that the Senate might acquaint itself with what was on the desk.

As the distinguished senior Senator from Missouri [Mr. CLARK] has well said, the matter has been the subject of interpretation. It has been interpreted by different presiding officers and Senators differently. In my judgment the legislative day which is listed on the calendar as being November 21 is a myth; it is a fiction; and it has no relation whatsoever to the underlying principle upon which the rule was based. The rule came about for the sole purpose of allowing Senators sufficient time to become acquainted with measures.

Mr. CLARK of Missouri. Mr. President, will my friend yield to me at that point?

Mr. MEAD. I am glad to yield. What I have said is my opinion.

Mr. CLARK of Missouri. Of course, Mr. President, the Senate has a legislative day and a calendar day. The situation did not come about by the application of that rule at all. As a matter of fact, the late Senator Pittman, from Navada, announced that he would enforce the rule that no Senator could speak more than twice on the same subject or the same proposition on the same legislative day. That point came up during the fight on the court bill.

The Senator from New York, of course, in my opinion, is entirely mistaken in his opinion about the way the application of the rule came up. I have no particular feeling about the matter one way or the other, Mr. President, but I do have some recollection of the practice of the Senate.

Mr. MEAD. Mr. President, I should like to ask my distinguished colleague whether there is a well-determined, fixed, and established rule with reference to the calendar-day and the legislative-day controversy.

Mr. CLARK of Missouri. I will say to my dear friend the Senator from New York that there has never been an established practice. At the time when Vice President Garner was President of the Senate and the late Senator Pittman was President pro tempore, one of them told me he would rule one way if he happened to be in the chair when the matter came up, and the other one told me he would rule the other way if he happened to be in the chair when the question arose.

So the matter is one for the Senate to take a position on at any time.

The PRESIDING OFFICER. The Chair will state that he is informed by those who know that neither the then President pro tempore of the Senate, the late Senator Pittman, or Vice President Garner made a specific ruling on such a point of order. They stated how they would rule if the question were presented to them.

But the Chair does not think that is the point now. The point the Senator from Missouri has been discussing is whether a Senator may speak more than twice on the same day.

The question then arises whether a Senator may speak twice on a legislative day, which may last a month, or whether he may speak twice on a calendar day.

Mr. CLARK of Missouri. Mr. President, if the Chair will indulge me——

The PRESIDING OFFICER. The Chair asks the Senator to wait for a moment, please.

The Chair's own personal view as to that matter—although the Chair thinks his personal view is not in point at all—is that the calendar day was intended by the rule. But the rulings heretofore have not sustained that view.

Mr. CLARK of Missouri. If the Chair will indulge me for a moment—and let me say I think the matter is of no particular significance to me now—I should like to say that the term is exactly the same, namely, "1 day." The term "1 day" is used in two different rules. The Parliamentarian of the Senate and I have long disagreed about this matter. The term is precisely the same in two different rules of the Senate, namely, "1 day."

The Parliamentarian of the Senate, Mr. Watkins, for whom I have great affection and respect, has always entertained the opinion that the term "1 day" means 1 legislative day. I have always entertained exactly the opposite opinion.

The late Senator Pittman agreed with Mr. Watkins. Vice President Garner agreed with me. It was entirely a matter as to who would be in the chair when the question arose for opinion and for exposition.

Let me say to the Chair that I am perfectly willing to have the Chair rule now.

Mr. PEPPER. Mr. President, under what rule is the point of order made?

The PRESIDING OFFICER. The point of order is made that the bill was reported from the House of Representatives on the calendar day of December 14, but on the legislative day November 21; that the Senate is still on the legislative day November 21; that therefore the bill has not lain over a day, and therefore——

Mr. PEPPER. What rule is referred to, Mr. President?

The PRESIDING OFFICER. The matter comes up under rule XXVI, paragraph 2, which reads as follows:

> 2. All reports of committees and motions to discharge a committee from the consideration of a subject, and all subjects from which a committee shall be discharged, shall lie over 1 day for consideration, unless by unanimous consent the Senate shall otherwise direct.

The report of the committee was, of course, what brought the bill before the Senate.

The Chair has no preconceived ideas about the point of order. The Chair has consulted the Parliamentarian, in whom the Chair has great confidence. The Parliamentarian advises that the uniform precedents are to the effect that the bill cannot be taken up on the same legislative day, except by unanimous consent.

The Chair will refer to a precedent cited by the Parliamentarian, to be found in the CONGRESSIONAL RECORD for the Seventy-seventh Congress, first session, at pages 9601 and 9604:

> On December 10, 1941, Mr. REYNOLDS, of North Carolina, from the Committee on Military Affairs, reported with an amendment the bill (S. J. Res. 117) removing restrictions on the use and terms of service of units and members of the Army of the United States, and asked unanimous consent for its present consideration, during the order of submittal of reports.
>
> After the conclusion of morning business, Mr. REYNOLDS again asked unanimous consent to take up the joint resolution, when the Vice President ruled that unanimous consent was necessary in view of a statement by Mr. BARKLEY, of Kentucky, that the resolution could be considered on motion until 2 o'clock.
>
> Mr. McNary, of Oregon, said: "Mr. President, unanimous consent is necessary because the joint resolution was not reported until today, and under the rule it must lie over a day unless unanimous consent is given for its consideration.
>
> The Vice President stated that the Senator from Oregon was correct.
>
> Mr. BARKLEY stated that he thought the joint resolution had been reported yesterday.

On the point as to what is a legislative day, the Chair submits a statement prepared by the Parliamentarian prior to the time when this matter came before the Senate. The memorandum was prepared by the Parliamentarian, Mr. Watkins, in connection with the nominations which were confirmed by the Senate today. It reads as follows:

> Under the precedents of the Senate, the word "day," unless otherwise indicated, means a legislative, and not a calendar, day; and a motion to take up a legislative matter that has gone over for a day is not in order, upon objection, until there has been an adjournment of the Senate, and thereby a termination of the legislative day.

Under the circumstances, the Chair has no course to pursue except to observe the precedents.

Mr. MEAD. Mr. President, I assume that the Chair, in handing down the ruling, has ruled that my motion is out of order.

The PRESIDING OFFICER. The Chair would have done so, but the Senator from New York asked to be recognized.

Mr. MEAD. Well, Mr. President, I shall wait to hear the verdict.

The PRESIDING OFFICER. Under the precedents, the Chair has no choice whatever, regardless of what might be the Chair's personal view. The Chair has already stated it in respect to the other question as to how often a Senator could speak on a day.

The Chair thinks the purpose of the rule was to make the term "1 day" mean a calendar day. But that is not the point now before the Senate.

If no other Senator desires to address the Chair——

Mr. BARKLEY. Mr. President, if the Chair will indulge me for a moment——

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BARKLEY. My recollection is that in the discussion of the question heretofore with former Vice President Garner, both in private with him and in colloquy here on the floor, former Vice President Garner, in considering the question whether a Senator might speak more than twice on the same day, and discussing the difference between a calendar day and a legislative day, announced that some day he would hold that the rule meant a calendar day, but he never really so ruled.

The PRESIDING OFFICER. He did not.

Mr. BARKLEY. It was regarded as ex cathedra, so the ruling of the Chair has never, as I recall, been reversed. The same question was brought up a couple of years ago.

My only interest is to preserve the integrity of the rules of the Senate, because they rise up to plague us from time to time if we make a mistake.

Some years ago it was held that the Chaplain need not open the Senate with prayer except following an adjournment of the Senate. Sometimes we went for weeks without the Senate being opened with prayer by the Chaplain, because there had been no new legislative date, and there had been no adjournment.

I recall that former Senator Neely, from West Virginia, submitted a resolution providing for opening the Senate each day with prayer, and from that time on we have had a prayer each time the Senate has convened. However, that resolution defined the word "day" only insofar as it applied to the opening exercises of the Senate. As I recall it, it did not go any further.

Frankly, I think that the ruling of the Chair is correct insofar as it conforms to the uniform precedents of the Senate. My only interest is to preserve the rules in their integrity.

Whenever we deviate from them in order to deal with a particular situation we find that the precedent frequently rises in the future to plague us in connection with some other matter.

Mr. CLARK of Missouri. Mr. President, am I to understand that the Chair has sustained the point of order?

The PRESIDING OFFICER. No; the Chair was about to announce his decision when he was interrupted—but agreeably so—by the Senator from Kentucky.

Mr. CLARK of Missouri. I merely wished to know what the decision of the Chair was.

The PRESIDING OFFICER. The Chair will announce his decision in a very few moments if the Senator will be patient.

The Chair wishes to cite an additional ruling on the same point. The Chair is thankful to the majority leader for his remarks in this matter, which the Chair thinks are borne out by the RECORD.

The Chair desires to cite an instance which occurred.

On the calendar day of March 3 (legislative day of March 2), 1927——

Mr. CLARK of Missouri. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. To what year did the Chair refer?

The PRESIDING OFFICER. The year was 1927.

The Chair continues to read:

Mr. Warren moved that the Senate proceed to the consideration of the deficiency appropriation bill, H. R. 17291, when Mr. Reed of Missouri made the point of order that Mr. Warren's motion was not in order in view of the fact that the bill was reported to the Senate during this legislative day, and must go over, if objection is made, for one legislative day.

The VICE PRESIDENT (Charles G. Dawes) sustained the point of order. (Senate Journal, 69th Cong., 2d sess., p. 274.)

On the next day, the Senate having taken a recess, Mr. Warren renewed the motion, when Mr. Robinson of Arkansas made the same point of order, which was likewise sustained by the Vice President. (Senate Journal ib., p. 277.)

Subsequently, on the same day, the House sent to the Senate a joint resolution (H. J. Res. 379) making appropriations for the Veterans Bureau, which was read twice by unanimous consent. A request of Mr. Warren to proceed to its consideration was objected to. Mr. Warren thereupon moved that the Senate take up the measure, when Mr. WALSH of Massachusetts made the point of order that the motion was not in order under paragraph 2 of Rule XXVI, requiring reports of committees to lie over 1 day.

The Vice-President sustained the point of order. (Senate Journal, 69th Cong., 2d sess., p. 282.)

Under these rulings, which all seem to be uniform, as well as the precedents, which seem perfectly clear, the Chair sustains the point of order made by the Senator from North Carolina.

Mr. MEAD. Mr. President, in a spirit of friendliness, and reiterating what I have said with regard to my respect and high regard for the present occupant of the chair, and only because my able colleague, the Senator from Missouri [Mr. CLARK] who is a splendid parliamentarian and who has told us that this is a question for every Senator to decide for himself, I wish to appeal from the decision of the Chair. I do so because my bill, which was reported by the committee, has been on the calendar for 2 weeks. Unless we determine that a calendar day is meant rather than a legislative day, a bill may lie over for months. So Mr. President, assuming that the purpose of the rule is to facilitate the consideration of legislation rather than to stifle it, in a spirit of friendliness I appeal from the decision of the Chair, and in that way ask the Senate to interpret the rule.

THE PRESIDING OFFICER. The Senator is within his rights. The question is whether the Senate wishes to overrule all these precedents at a night session.

Mr. BARKLEY. Mr. President, I wish to make this comment: I am in favor of the bill of the Senator from New York. I have repeatedly said that I would vote for it. I have no hesitancy in saying that if it were brought to a vote I would vote for it. But I think it is a serious thing to try to overrule the uniform precedents of the Senate merely because of one bill. It is unfortunate that the question has arisen at the last minute of the session. The proposed legislation has been pending before the Committee on Post Offices and Post Roads for months. I do not know how many months it has been pending there—perhaps a year.

Mr. MEAD. Mr. President, if I may interrupt the Senator, I may say that I have been trying for several days to have the bill considered.

Mr. BARKLEY. I understand; but the Senator's bill has been lying in the Committee on Post Offices and Post Roads for months.

Mr. MEAD. That was not my fault.

Mr. BARKLEY. I am not saying that it has been the fault of anyone, but it has been in that committee. Every time I have gone home to my State of Kentucky, postal employees have asked me when the bill would be reported by the committee. I could not tell them when it would be reported. I am not a member of the committee. The bill was reported only recently. We are now about to adjourn, and we are asked to overrule uniform precedents and decisions of the Senate on a point of order.

The PRESIDING OFFICER. Will the Senator permit an inquiry on the part of the Chair?

Mr. BARKLEY. Certainly.

The PRESIDING OFFICER. If the word "day" means a calendar day, what about all the recesses which have been taken? Would not the Senate be required to meet every day following an adjournment, and have a morning hour?

Mr. BARKLEY. I think so. The whole question is bound up in complications which involve the legislative situation. The Senate has from time immemorial, in order to expedite business, resorted to the recess in order not to have a calendar day, when the morning hour has to be gone through with, in order that a bill which is the unfinished business may be taken up at once without waiting a couple of hours in order that the morning hour's business may be transacted. It is a convenient device by

which the Senate can expedite its business. I think it would be most unfortunate from a legislative standpoint, regardless of my interest in the particular bill now under discussion, for the Chair to overrule the decisions of time immemorial.

Mr. CLARK of Missouri. Will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. The Senator is very familiar with the rule that a motion to reconsider has to be offered within the next 2 days. Exactly the same expression is used in the rule as to all these other questions. Does the Senator from Kentucky have any idea that the motion cannot be offered within the next 2 calendar days?

Mr. BARKLEY. No; of course it can be. It can be offered at once, as soon as the vote it taken. Any Senator can rise and offer a motion to reconsider.

Mr. CLARK of Missouri. What is the difference between the use of the words "one day" in the various instances?

The PRESIDING OFFICER. The Chair calls the attention of Senators to rule XIII, paragraph 1, on page 17, of the Senate Rules, which deals with this particular situation.

Mr. CLARK of Missouri. Mr. President, I was as familiar with that rule as the present Presiding Officer of the Senate.

The PRESIDING OFFICER. The Chair thought perhaps other Senators might not be so well advised. The Chair will read the rule.

When a question has been decided by the Senate, any Senator voting with the prevailing side or who has not voted may, on the same day or on either of the next 2 days of actual session thereafter, move a reconsideration; and if the Senate shall refuse to reconsider, or upon reconsideration shall affirm its first decision, no further motion to reconsider shall be in order unless by unanimous consent. Every motion to reconsider shall be decided by a majority vote, and may be laid on the table without affecting the question in reference to which the same is made, which shall be a final disposition of the motion.

The language "2 days of actual session thereafter" would certainly have an implication.

Mr. BARKLEY. In other words, that language is different from the language we are now considering.

I appreciate the enthusiasm of the Senator from New York for the proposed legislation and his interest in it, which is no greater than my own, but I think that the Senate should not be asked to overrule the uniform decisions of the Senate simply because of one bill. I am sure that no undue delay will be brought about by the ruling of the Chair. I think the proposal now before the Senate could be reported at the very beginning of the next session, and placed on the calendar, and then it would not find itself in the unfortunate position of being up against a wall at a time when we have already ordered an adjournment of the Senate. I do not think any harm will come or any loss will be sustained.

I hope the Senator from New York will see his way clear not to press his appeal, and, if he does, I certainly hope that the Senate, simply because of its interest in one piece of legislation, will not upset the rules of the Senate, which action might arise to plague us for a generation.

Mr. WHITE. Mr. President, I am of much the same attitude as that indicated by the distinguished majority leader. I had expected to vote for the bill when it properly came before the Senate and reached the voting stage. I do not know that I have ever directly made this statement before, but I have intimated that that was my attitude. I am not tremendously concerned about increasing by $100 the pay of the postal employees of the United States. I know something about them in my own section of the country, and in the next few months they will earn in the State of Maine more than they will receive.

I think the Senator from Kentucky is absolutely correct when he advises caution against overruling a decision of the Chair which sustains the acknowledged precedents of the Senate. But I think there is something involved beyond a rejection or a repudiation of the rules of the Senate. Earlier in the day the Senator from Kentucky told us of his purpose to submit a resolution of adjournment, and I think I can say without danger of contradiction that it was understood at that time that after the resolution had been agreed to we would proceed to consider bills on the calendar to which there was no objection, beginning with calendar 1401. The calendar was called. The bill under discussion was objected to when it was reached on the calendar. Senators who are interested in the proposal, and who were present at the call of the calendar when the bill went over, have left the Chamber. It is now proposed that we not only invalidate the precedents of the Senate, but it is proposed that we invalidate an agreement entered into in the Senate when the calendar was to be called for the consideration of bills to which there was no objection.

I think that when that agreement was entered into it excluded consideration of other matters except by unanimous consent, and I am not sure that even anything could be done by unanimous consent and not be a violation of the agreement we had with respect to procedure in the Senate.

I know one Senator in particular asked me to announce his attitude when the bill was reached on the call of the calendar. When it went over, I saw no reason for stating his position. The Senator is not now present, and I think he had a right to assume that when the calendar was called and the bill was passed over on the objection of a Senator, that disposed of the matter for this legislative day.

Mr. President, I am not enough of a parliamentarian to have any definite notions about the parliamentary question involved. I am disposed to believe the Chair is correct in his ruling. I do know that when an agreement is entered into, whether it is formal or informal, Senators of the United States should observe the integrity of the agreement, and I think that what is now proposed does not respect the integrity of the agreement entered into by the Senate today. I should regret even more than a breach of the rules such a departure from an understanding reached by Senators.

Mr. CLARK of Missouri. Mr. President, I must say that I do not agree with the position taken by the distinguished occupant of the Chair, for whom I have great respect and great affection.

The PRESIDING OFFICER. The Chair has not taken any position.

Mr. CLARK of Missouri. In order to settle the matter, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Missouri suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Downey	Overton
Bailey	Ferguson	Pepper
Barkley	Guffey	Radcliffe
Bilbo	Hatch	Revercomb
Brewster	Johnson, Colo.	Shipstead
Burton	La Follette	Smith
Butler	Langer	Tunnell
Chandler	McCarran	Walsh
Chavez	Magnuson	Weeks
Clark, Mo.	Maloney	Wheeler
Connally	Maybank	Wherry
Cordon	Millikin	White
Danaher	Murdock	Wiley
Davis	O'Mahoney	Willis

The PRESIDING OFFICER. The Chair announces that the roll call discloses that there are only 42 Senators present, not a quorum.

ADJOURNMENT SINE DIE

Mr. BARKLEY. Mr. President, in accordance with the terms of Senate Concurrent Resolution 58, heretofore agreed to today, I move that the Senate do now adjourn.

The motion was agreed to; and (at 8 o'clock and 22 minutes p. m.) the Senate adjourned sine die.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 19 (legislative day of November 21), 1944:

FOREIGN SERVICE

Laurence A. Steinhardt to be Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Czechoslovakia now established in London.

DEPARTMENT OF STATE

UNDER SECRETARY OF STATE

Joseph C. Grew to be Under Secretary of State.

TO BE ASSISTANT SECRETARIES OF STATE

Nelson A. Rockefeller

W. L. Clayton

James C. Dunn

Brig. Gen. Julius C. Holmes, United States Army.

Archibald MacLeish

IN THE NAVY

TO BE REAR ADMIRALS IN THE NAVY, FOR TEMPORARY SERVICE, TO RANK AS INDICATED

Allen R. McCann, from March 25, 1943.

Frederick G. Crisp, from June 1, 1942.

Edward L. Cochrane, from June 21, 1942.

Burrell C. Allen, to be a rear admiral in the Navy, on the retired list, for temporary service, to continue while serving as chief of staff to the commander, Western Sea Frontier.

TO BE COMMODORES, FOR TEMPORARY SERVICE

Paul E. Pihl, to be a commodore in the Navy, for temporary service, to continue while serving as assistant chief of staff (logistics) to the commander, Western Sea Frontier, and until reporting for other permanent duty.

Ben H. Wyatt, to be a commodore in the Navy, for temporary service, to continue while serving as commander, naval air base, first naval district, and until reporting for other permanent duty.

Thomas E. Van Metre, to be a commodore in the Navy, for temporary service, to continue while serving as assistant naval inspector general and until reporting for other permanent duty.

POSTMASTERS

ALABAMA

Martin V. Griffith, Hanceville.

ALASKA

Beatrice A. Huntley, Palmer.

ARKANSAS

Cecil L. Horn, Black Rock.

ILLINOIS

Albert Engel Croegaert, Annawan.
Ralph Leinicke, Ava.
Nautee F. McCrary, Robbins.

IOWA

Florence E. Wynn, Gilman.

KENTUCKY

Ralph M. Ramey, Praise.

LOUISIANA

Lydia M. Coroy, Gonzales.

MICHIGAN

Meda G. Keith, Bellevue.
Ida Belle Telling, Byron.
Roland H. Kolb, Fairview.
Velma Strait, Horton.
Ambrose J. Powell, Laingsburg.
Blanche McGraw, Napoleon.
Elmer M. Clapp, Oshtemo.
Carol F. Acre, Otter Lake.
Matti Halmet Oja, Pelkie.
Gerald A. Gale, Owosso.
Elgin Quick, Richmond.

MINNESOTA

Hannah L. Strand, Perley.

MISSISSIPPI

Olin H. Akers, Pontotoc.

MISSOURI

Vera T. Sydnor, Blackburn.

NEVADA

Harold E. Haviland, Winnemucca.

NEW JERSEY

Thomas H. Ryan, Jr., Cliffwood.

NEW YORK

Earl J. Hotwes, Elma.
Roy A. Alstead, South Wales.

NORTH DAKOTA

Myrna M. Sillman, Sawyer.

OKLAHOMA

May McElroy, Amber.
William W. Stepp, Headrick.
Pearl L. Bulman, Mill Creek.
Ward H. Roysden, Pocasset.
Nina Murphy, Wirt.

PENNSYLVANIA

Frank D. Harriger, Leeper.
George W. Althouse, Mohnton.
Reba H. Galley, Perryopolis.
David H. Baughman, Rillton.
Grethel V. Shawley, Youngstown.

SOUTH DAKOTA

Oscar G. Westgard, Astoria.

TEXAS

Elmer Carlton, Carlton.
Alice W. Griffin, Hooks.
Willie Reagan Martin, Loraine.
Oscar B. Fields, Jr., San Angelo.

UTAH

Orion Gottfredson, Circleville.

WASHINGTON

Sadie Ensch, Clearlake.

COMMISSION FOR NATIONAL MEMORIAL STADIUM IN THE DISTRICT

Under authority of the order of the Senate of December 19, 1944, the Vice President, on December 21, 1944, appointed Mr. BILBO, Mr. MEAD, and Mr. BURTON members on the part of the Senate of the Joint Commission to Consider a Site and Design for a National Memorial Stadium in the District of Columbia, established by Public Law No. 523, approved December 20, 1944.

ENROLLED BILLS SIGNED AFTER SINE DIE ADJOURNMENT

Subsequent to the sine die adjournment of the Senate, the Vice President, under the authority of Senate Concurrent Resolution 59, signed the following enrolled bills, which had been signed previously by the Speaker pro tempore of the House of Representatives:

S. 1481. An act to amend further the Civil-Service Retirement Act, approved May 29, 1930, as amended;

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto;

H. R. 2241. An act to abolish the Jackson Hole National Monument created by Presidential Proclamation No. 2578, dated March 15, 1943,

H. R. 2973. An act to provide that no person shall publish or distribute any political statement relating to a candidate for election to any Federal office which does not contain the name of the person responsible for its publication or distribution;

H. R. 3429. An act to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148);

H. R. 4709. An act to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1, 1943, to September 30, 1943, inclusive;

H. R. 4782. An act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington;

H. R. 5002. An act granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E;

H. R. 5409. An act for the exchange of lands adjacent to the Pike National Forest in Colorado;

H. R. 5448. An act to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia;

H. R. 5571. An act to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter; and

H. R. 5587. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

ENROLLED BILLS PRESENTED AFTER SINE DIE ADJOURNMENT

The following enrolled bills, heretofore duly signed by the Presiding Officers of the two Houses, were presented on December 20, 1944, by the Committee on Enrolled Bills to the President of the United States:

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto; and

S. 1481. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended.

APPROVALS AND DISAPPROVALS OF SENATE BILLS AND JOINT RESOLUTIONS AFTER SINE DIE ADJOURNMENT

The President of the United States, subsequent to the sine die adjournment of the Senate, notified the Secretary of the Senate that he had approved and signed acts and joint resolutions, as follows:

On December 19, 1944:

S. 198. An act to amend further section 2 of the Civil Service Retirement Act, approved May 29, 1940, as amended;

S. 209. An act authorizing the conveyance of certain property to the State of North Dakota; and

S. 963. An act relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States.

On December 20, 1944:

S. 1571. An act to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the Alva B. Adams tunnel;

S. 1688. An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes;

S. 1954. An act to amend the act entitled "An act to authorize the use for war purposes of silver held or owned by the United States," approved July 12, 1943;

S. 1962. An act extending the provisions of Public Law No. 47, Seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System;

S. 2105. An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes;

S. 2194. An act authorizing appropriations for the United States Navy for additional ordnance manufacturing and production facilities, and for other purposes; and

S. J. Res. 155. Joint resolution to consider a site and design for a National Memorial Stadium to be erected in the District of Columbia.

On December 21, 1944:

S. 1159. An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.;

S. 1819. An act to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry in Charlotte County, Va.; and

S. J. Res. 148. Joint resolution authorizing the disposal of certain blood plasma reserves.

On December 22, 1944:

S. 1925. An act to authorize and direct the Secretary of the Interior to issue to Charles F. White a patent in fee to certain land;

S. 1971. An act to provide for the disposal of certain mail matter condemned by the Director of Censorship;

S. 2026. An act authorizing the issuance of a patent in fee to Richard Pickett; and

S. 2208. An act providing for the transfer of certain property from the Home Owners' Loan Corporation to the United States for national-park purposes.

On December 23, 1944:

S. 1481. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended;

S 1827. An act for the relief of Oliver N. Knight;

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto; and

S. 2071. An act to eliminate as uncollectible certain credits of the United States.

POCKET VETOED

On December 23, 1944:

S. 1602. An act authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind, a patent in fee to certain land; and

S. 1746. An act authorizing and directing the Secretary of the Interior to issue to Peter A. Condelario, a patent in fee to certain land.

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from S. 1602, authorizing and directing the Secretary of the Interior to issue to Winnie Left Her Behind, a patent in fee to certain land.

The application for a patent in fee filed in 1943 by the restricted Indian named in this bill indicates that neither she nor her husband has had any practical business experience and that they are not capable of handling their affairs competently. The available evidence is to the effect that the granting of a patent in fee would tend to the dissipation of an asset which now is a source of permanent revenue, even though small, and which should be preserved for the benefit of the present owner and her heirs.

There is ample authority under existing law for the Secretary of the Interior to issue a patent in fee to the particular tract of land here involved. The Congress has authorized him to issue such patents when, in his judgment, the best interests of the Indian would be served by so doing. It has directed him not to issue such patents to an Indian whom he finds to be incompetent in business affairs. The only effect of this measure, therefore, would be to compel the Secretary to act contrary to his best judgment in a situation where his determination is amply supported by the facts.

Since it is evident that the action directed by S. 1602 would work to the disadvantage of the Indian concerned, I do not feel that I would be justified in giving my approval to this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 23, 1944.*

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from S. 1746, "Authorizing and directing the Secretary of the Interior to issue to Peter A. Condelario a patent in fee to certain land."

The passage of this measure would appear to have been predicated on the assumption that the restricted Indian named in the bill is entitled to a patent in fee because of the expiration of the 25-year-trust period referred to in the trust patent under which he now holds his lands. This assumption overlooks the fact that the Congress has enacted general legislation extending all such trust periods until their termination is deemed justified.

It is the considered judgment of the Secretary of the Interior and of the officers of the local Indian Agency that the best interests of Mr. Condelario would not be served by the issuance of a patent in fee at the present time while Mr. Condelario is absent in military service. Should he still desire to dispose of his land when he returns, his application for a fee patent will be given every consideration.

There is ample authority under existing law for the Secretary of the Interior to issue a patent in fee to the particular tract of land here involved whenever he determines that the best interests of the Indian would be served by this action. The facts of the present case fail to reveal any reason for departing from the sound policy of the Congress to continue restrictions on Indian land until the owner is found competent to manage his affairs in accordance with the general procedure established for this purpose. Accordingly, I do not feel that I would be justified in giving my approval to S. 1746.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 23, 1944.*

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 19, 1944

The House met at 12 o'clock noon, and was called to order by Mr. Cox as Speaker pro tempore.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Infinite and eternal God, who art the inspiration and strength of heroic spirits in every age, we pray that in these dark and difficult days we may be numbered among those who walk courageously the path of high idealism which alone leads to noble achievement.

Grant unto us a clear and constant vision of the kingdom of righteousness and peace which nothing can dim and a determination to hasten its coming which nothing can daunt.

We pray that Thou wilt emancipate our souls from that low visibility which comes from self-seeking and spiritual cowardice. Give us the guiding and sustaining presence of the Holy Spirit, for we humbly confess that we are frequently so bewildered and we doubt our own best judgment.

When this Congress adjourns may all whom Thou hast entrusted with positions of leadership and service in the life of our Republic receive Thy benediction, "Well done, thou good and faithful servant." May the Christmas season be full of blessedness because the Christ of prophecy who became the Christ of history has become for all of us the Christ of experience. In His name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate recedes from its amendment to the bill (H. R. 3429) entitled "An act to amend section 1 of an act entitled 'An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work,' approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148)."

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 2185. An act to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products; and

H. R. 5587. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

DECLARATION OF RECESS OF THE HOUSE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker pro tempore to declare a recess at any time for the balance of this week, subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, will opportunity be given Members to speak during the day?

The SPEAKER pro tempore. Ample opportunity will be given all Members to speak.

Mr. HOFFMAN. Mr. Speaker, may I prefer an unanimous-consent request at this time?

The SPEAKER pro tempore. As soon as the pending request is disposed of, the Chair will consider a request from the gentleman. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that upon conclusion of the legislative business for today, if any, and any other special orders, I may be permitted to proceed for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein an article from the American Butter Review.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

AVAILABILITY OF WORK SHIRTS

Mr. ROWE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ROWE. Mr. Speaker, this morning I received a letter from someone in the industrial section from which I come stating that no work shirts are available of dark material. This prompted me to call the Office of Civilian Requirements, and much to my surprise I learned from that source that the case is entirely hopeless, that all such material is being used by the Army and Navy and the only way, according to the Office of Civilian Requirements, that such material may be obtained for work shirts will be for the Government to pay a subsidy.

I learned further at that time that the material for denim overalls is entirely hopeless and that before the early part of the next year is far along no such material will be available for civilian purposes.

This is something that ought to be given attention for the reason that if the more profitable contracts with the armed forces are being used by the manufacturers of this sort of material, where no mandatory orders are in effect, it appears as though the people on the home front are going to be seriously neglected. I would suggest that that be given prompt consideration and inasmuch as this is the last day I shall appear here may I say in this connection that as serious as the circumstances portend themselves to be on the military front the destiny of this country and of the world almost will be settled in this body and in the body at the other end of the Capitol.

The SPEAKER pro tempore. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Walter Lippmann, American Women and Our Wounded Men, regarding the shortage of nurses in the Army.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

WORLD WAR VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks, and include a letter from the American Legion.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in this letter the American Legion thanks me and the members of the House Committee on World War Veterans' Legislation for their splendid work in connection with the widows and orphans bill. The committee worked very hard day and night on the so-called G. I. bill of rights. I was one of the sponsors of it.

THE AMERICAN LEGION,
Washington, D. C., December 15, 1944.

Hon. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

MY DEAR MRS. ROGERS: The news from the White House that the President had signed H. R. 1744, our Widows and Orphans Relief Act, spread enthusiastically throughout the American Legion.

I use the term "our" because the final enactment of this measure for the protection of these needy World War No. 1 widows and orphans is a joint success of your congressional committee and of the American Legion. The American Legion has been fighting for this legislative objective since 1933 as the fourth point of its four-point rehabilitation program. Four times the House of Representatives, on the recommendation of your committee, passed this legislation.

The American Legion will never forget the stalwart service which the members of the House Committee on World War Veterans' Legislation rendered in this cause. We shall always remember that you and your fellow committee members were the first to recognize the justice of the American Legion's case for these needy widows and orphans, and that you were in the forefront of the legislative battle to get them the square deal that is now assured. Your own record and that of your committee in this cause is eloquent proof of the high fidelity with which you are discharging your responsibility to the veterans of America.

In the knowledge that your own Christmas joy has been heightened by the knowledge you have brightened the thousands of American homes in which the impact of World War No. 1 is still being felt, I desire to express to you, on behalf of the 2,000,000 members of the American Legion and its auxiliary, our deep thanks and our wishes for a happy holiday and a new year filled with the best of contentment and prosperity.

Sincerely,

EDWARD N. SCHEIBERLING,
National Commander.

Mr. Speaker, I want to express my deep and personal regret that four Republican members of our committee will not be with us in the next session. The gentleman from Illinois [Mr. BUSBEY], the gentleman from Delaware [Mr. WILLEY], the gentleman from Ohio [Mr. JEFFREY], the gentleman from Michigan [Mr. BENNETT] will all be gone. They did yeoman service on that committee. The committee worked tremendously hard in trying to improve the American Legion bill of rights to make it workable. Many of these members worked day and night to do the best they could for the veterans of this war. We shall miss those men very much. I hope they will all be back with us again after 2 years.

Mr. Speaker, when I spoke of retiring members of the Committee on World War Veterans' Legislation we would miss, I should have included also the name of the gentleman from Connecticut [Mr. MILLER]. While he is not a member of our committee, yet he used to sit in with use frequently in the discussion of legislation for the veterans and has always been of untold help. A veteran himself, he has been an example of physical, moral, and mental courage. We shall miss him seriously not only in the committee but also in the House; and I hope 2 years will see him back again.

EXTENSION OF REMARKS

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Star of December 13.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

HOW TO REDUCE GOVERNMENT EXPENDITURES

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, we have heard a great deal about the national debt as well as Government expenditures Several months ago I pointed out the annual interest on our debt was over $6,000,000,000 at that time. Remember that was only the interest. Naturally in time we must pass a law that will provide for the liquidation of the debt. As we reduce the debt the interest charges will drop.

Our failure to drastically reduce normal expenditures is due in a large part to fear we will be criticized by various groups that benefit as a result.

I have given a great deal of thought to the subject seeking to find a way to remove the pressure as well as criticism. I have come to the conclusion the individual Members of Congress can solve the problem if they will. If we honestly place the financial picture before the people, show them we are headed for bankruptcy if we do not repeal scores of laws that require tremendous sums to be appropriated, citing benefits the various groups are receiving and then ask them whether they want the laws repealed or face bankruptcy. I am not afraid of their answer.

Congress itself, by laws it has passed, has sold to various groups the idea that they can get what they want by bringing pressure to bear. Some months ago I placed in the RECORD a list showing over a billion dollars we are advancing in the form of Federal aid during the present fiscal year. Once you provide for these popular hand-outs it is hard to discontinue them.

It is not the farmers' fault Congress has made them feel they are entitled to financial benefits from the Treasury. It is going to be hard to convince them we have gone too far. Nor is it the fault

of the States and subdivisions of the States that they feel they are entitled to Federal assistance for projects too numerous to mention.

During the last campaign we heard much of States' rights. We were told the Government had usurped the rights of the States. There was a demand that regimentation stop. I recall the meeting of the Republican governors in my home city, St. Louis. Candidates Dewey and Bricker were there. Read their resolutions. They wanted no interference nor dictation from what they termed "the Federal bureaucracy." I pointed out at the time Federal control resulted from Federal financial aid. I asserted if the States would discontinue their demands for money from the Federal Treasury the so-called Federal interference would disappear, but so long as they demand and Congress continues Federal aid it will be necessary for Government bureaus to see that money is used for the purpose for which it was appropriated. It is the regulations that govern expenditure of the money allocated to States that results in so-called Federal interference. Eliminate the Federal aid and you eliminate the Federal interference. The big question is, Can it be done? I feel it can, but only by educating the people, with Congress itself taking the lead. The people, the taxpayers, must be shown they are the goats because this Federal aid is secured by taxing them. Therefore they must bring pressure to bear upon their State, county, and municipal officials to stop insisting on Federal aid.

Chambers of commerce, boards of trade, and so forth, as well as civil organizations of all types will have to enter the picture. Their members must realize as long as they advocate and support Federal aid they must pay the bill through taxes. We must show them the only way Congress can get money is by taxing them. Also when it is a Federal grant based upon the State matching the allocation the only way the States can get the money to match is by taxing them. Ask them if they are willing to pay the bill that will be levied both by the Federal Government and States.

National, State, county, and city organizations of every character are used as pressure groups to force their Congressmen and Senators to support Federal hand-outs and they, too, must be educated. This will be no easy task because theirs is what can be termed a selfish interest. In other words, they benefit directly from many Federal grants. The officials of these organizations are paid and feel they must make a showing. The members who are the taxpayers must be shown these representatives, in urging appropriations, are inviting the Federal and State Governments to levy additional taxes to meet the cost, and they are the ones who must pay.

There will never be a more opportune time to start this educational program because the States are all in an excellent financial condition, far more able to assume these responsibilities than the Federal Treasury.

Time and again we have heard the suggestion when a legislative committee reports new legislation that authorizes an appropriation, the bill should be sent to the Ways and Means Committee, and not until that committee found ways to raise the money necessary, could it be considered. That is a very debatable suggestion but no one would doubt but it would serve as a check against new authorizations and appropriations.

It is inconceivable that following the war we can reduce taxes and still spend more than we can collect.

The St. Louis Post-Dispatch last Saturday printed an article from the Kansas City Star, then commented editorially. Under the permission granted me I include the article and editorial as part of my remarks. They follow:

[From the St. Louis Post-Dispatch]

SPEND OR SAVE MISSOURI'S SURPLUS?

(Next legislature must decide what should be done with the war windfall, says paper, as with other States, construction and maintenance costs have declined here while tax receipts increased; New York is building post-war fund, and we are urged to follow suit.)

(From the Kansas City Star)

The next Missouri Legislature, like most of the other State legislatures, will soon have to make up its mind the same as millions of individuals. The question is what to do about the war surplus—spend it or save it for the post-war period?

The people garnering the big war wages and profits are answering individually. Some are spending everything—others are laying by for the uncertain future. When it comes to the State governments it is the legislatures that have to decide.

The same war that is piling up a fantastic Federal debt is making most of the States rich; or, at least, they feel rich. Business activity has increased the sales tax and other tax collections. War restrictions have forced them to forego part of the maintenance on State buildings and highways. New construction has ceased.

MONEY IS PILING UP

The money is, or should be, piling up as surpluses. The Council of State Governments estimates the total of these State surpluses at $3,000,000,000 in addition to the $5,000,000,000 to their accounts for unemployment compensation.

The preview of Missouri departmental budget requests shows that the department heads want to spend their own State's surplus as fast as they can. Among them they are asking $36,500,000 more than they received for the last biennium. That's the asking price, of course. The legislature will have the last word.

The reasons for State saving for the duration are as obvious as the case for a wage earner's holding onto his war windfall. Nobody knows what big expenses will come with the peace.

For all the States' rights talk among State officials, most of them look to the Federal Government for everything. One of these days they may be shocked to discover that Congress has given them the right to pay their own bills, whether they like it or not.

Around Capitol Hill in Washington you hear a lot of talk about what the States will have to do in the post-war period. Many Congressmen reason that State treasuries will be a lot better able to pay their post-war debts than a Federal Government that is two hundred and fifty to three hundred billion dollars in debt.

COULD BUILD STATE SURPLUS

In wartime individuals are expected to put their money into War bonds instead of baubles. State governments are expected to hold theirs as the first line of defense against the uncertainties of the future.

Henry F. Pringle, writing in the Saturday Evening Post, reports that most States are determined to hold their war surpluses. Early this year Governor Dewey, of New York, was able to get his legislature to put $163,000,000 in a post-war reconstruction fund which has grown to one hundred and eighty millions.

"This is not a normal surplus," he said. "It has come to us out of the hurricane of war. We hold it only as trustees."

California has set up a special post-war reserve of $118,500,000. Many of the surpluses of smaller States are keeping the same proportion.

Before the next Missouri Legislature can decide individual appropriations intelligently it will have to answer the main question of policy: Does it intend to save or spend the war windfall? If it intends to get ready for the post-war years, it could well afford to follow the example of New York and California—set up a post-war fund and make sure the money doesn't get away.

[From the St. Louis Post-Dispatch]

POST-WAR FUND FOR THE STATE

A highway construction program to cost from ninety to one hundred million dollars, as envisaged by the Missouri State Highway Department, lends emphasis to the Kansas City Star's proposal, reprinted in today's Mirror of Public Opinion, of a post-war fund for the State, to be made up of savings during the war. Half of the road program, according to the dispatch from our Jefferson City correspondent, would be financed by the State, while Uncle Sam would be expected to put up the rest.

Most State officials look to Washington for funds for everything, but, as the Kansas City paper suggests, many Congressmen are figuring that State treasuries will come out of the war in much better shape than the Federal Government's, and may ask the States to pay their own bills.

The State's post-war construction needs will be tremendous, and a post-war fund would be of the greatest benefit to getting the work under way promptly and on a comprehensive and substantial scale. Or the money might be kept as cash in the bank, a backlog for unpredictable emergency.

EXTENSION OF REMARKS

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one to extend my remarks on the tobacco price ceiling and include an editorial from the Hartford Courant, and in the other to include a resolution adopted by the board of aldermen of the city of Hartford.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

VETERANS ADMINISTRATION FACILITY, LOS ANGELES, CALIF.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. I note there is on the Speaker's desk the bill (S. 2185) to au-

thorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the city of Los Angeles, Calif., for fire-station purposes, the title to certain land located at Veterans Administration facility, Los Angeles, Calif. I am wondering if that bill, since it is on the Speaker's desk, has passed the Senate.

The SPEAKER pro tempore. It has.

Mr. RANKIN. It seems to me, Mr. Speaker, that this bill is necessary in order to enable the city of Los Angeles to provide fire facilities which are really necessary for the protection of veterans' facility at Los Angeles; and while the gentlewoman from Massachusetts [Mrs. ROGERS] is present, if it is all right with her, as the ranking minority member of the Veterans' Committee, I, as chairman of that committee, ask unanimous consent that this bill be taken from the Speaker's table and agreed to.

The SPEAKER pro tempore. Allow the Chair to suggest that the gentleman from Mississippi take the matter up with the minority leader as well as the objectors on both sides.

Mrs. ROGERS of Massachusetts. Mr Speaker, I wonder if that matter could not be brought up a few minutes later so that we will have a right to discuss it with the gentleman.

The SPEAKER pro tempore. Will the gentleman follow the suggestion of the Chair?

Mr. RANKIN. That will be all right.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

SMEAR CAMPAIGN AGAINST MEMBERS OF CONGRESS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain newspaper articles and editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I would like the attention of the Republican leaders who are on the floor. I notice the minority leader is not here, being unavoidably absent, but I see our assistant leader, the gentleman from Michigan [Mr. MICHENER], is at hand, as well as some others who are so regarded. May I have their attention to these words that come from Michigan. They come from the editorial page of the Detroit Free Press, John S. Knight's publication.

You will remember that Mr. Knight has papers at Miami, Fla., at Akron, Ohio, and I think at Memphis, Tenn., as well as at Detroit. It is also my understanding that he has purchased a controlling interest in one of the Chicago publications. This particular editorial is not signed by Mr. Knight. Presumably it is written by Mr. Malcolm W. Bingay, who has the Good Morning column in the adjoining space and who has on occasion given me some unjustified criticism.

The gentleman from Michigan [Mr. MICHENER] does not live very far from Detroit. I should like to have him listen to this because he and other Republican leaders of the House are being advised by the Detroit Free Press as to what the Republican Party should do.

This is dated December 18 of this year. The caption is "No loyal opposition."

Heretofore this paper has had plenty of headlines meaning "destructive criticism," and down through the news stories there has been many a critical reference to sniping and discreditable practices on the part of the Republican Members of this House when they ventured to make constructive suggestions which, had they been adopted, would have remedied some of the things of which the Detroit Free Press has recently been critical.

To return to the editorial. I read:

No loyal opposition—G. O. P. sleeps.

I hope the gentlemen get that. I only wish our minority leader was here, and the gentleman from Indiana [Mr. HALLECK], chairman of our congressional committee. But I know their absence is unavoidable—that they are away on official business.

I will read again:

No wonder the Republican Party was defeated in the last election. There is now revealed in Washington the reason.

Of course, being here, none of us knew about that until the Detroit Free Press tells us.

The party possesses no leadership with vision, courage, and the evangelical zeal of men flaming with righteous wrath in a fight for fundamental principles.

I am reading this, but I do not believe it. I know more than one Republican who is really burning up in his efforts to get the administration back on a sound, sensible foundation—though, no doubt, they cannot be characterized as recognized leaders. I am reading you what the Detroit Free Press has to say about our leadership.

Reading again:

The party possesses no leadership with vision, courage, and the evangelical zeal of men flaming with righteous wrath in a fight for fundamental principles.

Do not forget where that comes from, now. Not my words. That comes from the Detroit Free Press of December 18, 1944.

I quote:

Instead, its legislative leaders present the pusillanimous attitude of mind always associated with opportunistic politics. They trim and hesitate to investigate the scandalous charges made against the Attorney General of the United States, and the affaire Corcoran with all its ramifications, touching upon the disposal of $100,000,000,000 worth of war material.

If any Republican had last year ventured to suggest that the Attorney General, or any member of the Cabinet, or any Federal official appointed by the President be investigated or be impeached that paper would have printed an extra issue damning him for it. I know because I tried constructive criticism; and that is all I got from the Detroit Free Press, that and abuse from one of its columnists.

There is no election on, and, therefore, they have no interest. There are no immediate jobs in sight. Not for 10 long years has there at any time been any job in sight for the constituents of a Republican Congressman.

Practically every Republican from Michigan who ventured to suggest that there was anything wrong with the New Deal back through the years has been lied about by this paper in its editorial columns.

The party of "the loyal opposition"—

"The loyal opposition" is in quotation marks—

becomes, as before, the party of mere opportunism—hibernating—

You are hibernating, gentlemen. Did you know that?—

hibernating for another 3 years until the old elephant is aroused once more to wage another makeshift campaign.

That compares you to the hibernating bear, which, having fattened up, crawls into a cave or a hollow tree, waiting for the winter to pass, spring to come. So gentlemen, the D. F. P. says we have crawled into our holes, or at least the Republican leadership has crawled into a hole.

That from the editor and the paper that did its utmost over a period of 6 or 7 years to defeat every Republican candidate who did not agree wholeheartedly with all of the silly, foolish notions that its editor thought he had in his mind.

Why fight now? seems to be the attitude; there isn't another Presidential election until 1948.

There is, naturally, no hope of any exposures from the Democratic side. Yet it is a progressive Democrat who is making the only demand in Congress for an investigation of Corcoran—

Listen to this, you Republican leaders:

President Roosevelt appoints two "lame ducks" and a California high-pressure promoter to the board for the disposal of this one hundred billions of real estate, factories, machinery, and a million and one other things paid for by the taxpayers.

Is there any outbreak of protest on the part of the party of the opposition?

Our Republican leaders roar like a dove.

Will the gentleman from Michigan [Mr. MICHENER] our astute, profound, and most helpful Republican leader listen to these words from the Detroit Free Press, which too late discovered it was headed the wrong way; followed the New Deal, then with the other two Detroit papers tried to turn the tide in the right direction—and, alas, found it too late, because Detroit and Wayne County went overwhelmingly for the fourth-term candidate—a candidate the D. F. P. had all too often followed blindly, fatuously, servilely—here are the words addressed to the leaders of the Republican Party by the D. F. P. and the words are these: "Our Republican leaders roar like a dove."

Nothing more clearly reveals their paucity of principle and their fidelity to opportunism.

There is the man whom the President appointed to go to England on a special

mission. He went over. He came back. Apparently he did not get what he wanted or what he saw and heard did not suit him. Now he is telling Republicans we ought to criticize the administration:

Where are the crusaders of yesteryear who made the once militant party of Lincoln vibrate with life because of an all-consuming passion to serve their country and the common man?

As dead as the epitaph on a nameless sepulcher.

The D. F. P. in this editorial gave some advice. The editor wrote:

It is the solemn high duty of the minority party to call attention to the derelictions of the party in power. That should be its only purpose of existence in our scheme of government.

But there is no voice from the tomb.

That is a correct statement of the duty of a minority party but every time during the past 8 years that a House Republican has ventured to criticize a New Deal policy, or the head of the New Dealers, F. D. R., or to call attention to the Communists in the New Deal organization, or to the left wingers who held policy-making positions in the administration, he was castigated by the D. F. P. The D. F. P., like the dad of a dirty-faced kid, will permit no one to criticize the New Deal. It reserves that right for itself and now, seeing the folly of its course, the results of some New Deal policies, itself turns adviser to those who then sought to accomplish what it now says should be done.

When the devil was sick, the devil a saint would be; when the devil was well, the devil a saint was he.

That truly great reporter, Thomas L. Stokes almost daily in his articles in the Detroit Free Press—there is some good in the paper, according to its own ideas—"hands them information for investigative leads almost on a silver platter. But they seem allergic to the fodder of truth."

Such investigating requires desperately hard, gruelling work and courage, and sacrifice, and they have not the stomach for it.

The editor is writing about Republicans, he was writing about all of us over here. No; I will take that back—he was writing about Republican leaders.

They have defaulted in their rightful responsibility as the party of the opposition. Hence we drift into a one-party government that will mean the end of the democracy.

That is from a newspaper, from the editorial department which only a few weeks before the last election sat as a worshipper at the feet of the indispensable man. Now they come along when they see what a mess they have helped us to get into, when they realize or begin to realize what is happening to our country and its fighting men, when they know what is happening, and as was said in the other body yesterday, when they know what is happening to the Greeks, where as one of the Members of that body said, the Greeks were being shot down like dogs with guns and ammunition paid for by American dollars and transferred through lend-lease to those who are doing the shooting—now this paper comes along and says that something should be done. But when here in this House some of us during the last 6 or 8 years, wanted to do something and raised our voices in an effort to bring about an investigation, when we criticized some of the things about which they now complain, when we offered remedial legislation, the print would hardly stand up under the burning words they used to describe us as pro-Hitler, as disloyal and as unpatriotic.

This paper, apparently realizing the rocks toward which we are drifting, now editorially seeks to arouse Republican leadership in Congress to offer opposition to New Deal wasting, bungling, and worse. But when some in the rear ranks of the Republican Party pointed out the danger into which we were drifting, its editor had a song with different words, set to other not so sweet music.

Mr. Speaker, here are some of the things which John S. Knight, the publisher of the D. F. P., put into an editorial which he wrote on May 17, 1942, and which, on May 28, 1942, were read by me to this House. You will find them in the CONGRESSIONAL RECORD, on page 4729, of part 4, of volume 88, of the second session of the Seventy-seventh Congress.

Let me read you some of the words of our mentor, who then, by his signed editorial, did so much to destroy the confidence of the people in their representatives. He wrote:

A Congressman is a man who played ball with the drys during prohibition, but never missed an opportunity to sample his friends' private stock. A Congressman is a man who will drink your liquor all night. A Congressman is a man who collects mileage from the Government for trips he never takes.

I do not know anything about the drinking, but Knight joins the Ananias Club when he makes that statement about collecting mileage which is never traveled, and many an individual who lacks his means of information has repeated that misstatement.

Knight continues:

A Congressman is a bumptious, slow-witted politician who depends upon smarter men to elect and reelect him, a small chip in the big international poker game now being played at Washington. He is susceptible to flattery, devoid of backbone, lacking in principle, short on ability.

Aside from that, may I add he may be all right.

He usually labors under the delusion that our Government exists chiefly to perpetuate him and his kind on the public pay roll. In brief, most Congressmen are a total waste of time, money, and effort.

Is it any wonder that the average citizen, reading comments like that in a daily publication in a great city like Detroit, lacks confidence in the man he has always respected, he has always supported, believed to be honest, courageous and patriotic?

And that fellow's dad, an older and a wiser Knight, was a distinguished Congressman, honored and respected by the people of his district and by the Members of Congress.

By the action of some 200 of its Members who participated in an undignified scramble for unlimited-ration cards, the Seventy-seventh Congress has again confirmed its reputation as one of the worst in history.

When John S. Knight, the owner and the publisher of several newspapers with hundreds of thousands of readers, put those sentiments into print, was he preaching unity or disunity?

The logical effect of his characterization of Congress was to destroy the people's confidence in Congress. "Congressional bums" was the title of his song then. Today he complains because the Congress which he belittled, in his opinion now lacks courage.

Well, Brother John, had you not abused the Members of Congress as you did some of us might now show more courage, more independence, more of a disposition to investigate, to criticize, to legislate.

But let me read some more of John's billingsgate:

"Bundles for Congress" and the X gasoline rationing farce are but symbols of its restricted collective mentality—

I hope our leaders got that—

and utter inability to sense the national temper before hearing from the people back home. A stupid, spineless, post-war Congress which yielded to the insistent demands of each selfish pressure group could very well throw this Nation into an economic tailspin from which there could be no recovery under our present system of government

Here is some more:

The inept, spineless, Seventy-seventh Congress now assembled in Washington should be a direct challenge to every good citizen to see to it personally that the Seventy-eighth Congress will be a better one.

Now get this one—here is a honey. Johnny Knight wants to encourage Congressmen. He wants them to have self-respect, courage, independence. So he hands out this one:

Capable men have hesitated to run for Congress because it meant the absolute subordination of their own ideals if they expected to be elected. For years upon end it has been traditional that no candidate for Congress, who hoped to be successful, could afford to offend the farm bloc if he came from an agricultural area, or the labor vote if he hailed from an industrial district.

Now listen to what Johnny writes as to what he thinks Congressmen do:

Then he—a Congressman—has had to cater to the Townsendites, the wets and the drys, the old-age pension folks, the racial and religious groups, and at the same time contrive to extract a few campaign contributions from self-seeking industrialists and businessmen.

And the industrialists and businessmen are the folks who advertise in his paper and make his publications possible.

Yet John S. Knight, the great, great publisher and editor, charges that Congressmen—in days gone by at least, if not at present—were contriving to either force or bribe industrialists and businessmen to support them. He slanders the memory of his Congressman father. He just damns every Congressman. If that man, on getting up in the morning, looked in the glass, he would awaken cussing himself.

The foregoing quotations have been given you from John S. Knight's editorial of May 17, 1942, so that you might

compare those statements with his present criticism of the Republican leaders of Congress.

It is my hope that some day all of the editors, columnists, and radio commentators who are so critical of the Members of Congress, who have so much to say and to write of Congressmen's lack of ability, of their lack of courage, of their indolence and laziness, their greed and their selfishness, some day do as I, in a letter sent to Mr. Knight about the time of the publication of that editorial, asked him to do.

I asked him to be a candidate in that great district and come down here and give Congress an example of what a Congressman ought to be. His father years ago, represented an Ohio district for one term here in the House of Representatives, and the kid—well, the young man, or John S. Knight, I do not know how old he is, might with profit, go back and read, as I have read, some of the speeches which were made by his Dad, who apparently did not pass on to the kid the same degree of common sense, good judgment, discernment, and charity that the old gentleman possessed when he was here. Now, it is just too bad that statements like that editorial of May 17, 1942, are printed.

I am not criticizing free speech, not at all. My point is that we are all here ready and willing and anxious to get advice—in fact I am all the time writing my folks at home asking them to suggest how I can be a better Congressman, intending to follow their directions and their judgment, and so be a better Congressman. While it is all right for the Detroit Free Press and the editor to tell us what to do, I wish they would not get so badly confused about it.

Having tried for 8 years, day in and day out, having often made a nuisance of myself on the floor trying to point out the faults and the shortcomings—yes, and the policies which I was satisfied would get us into war as well as into national bankruptcy, and having received as a reward only the vilification and abuse of the Detroit Free Press, I wish that man Knight would try to follow some consistent course and not be like the weathervane on granddad's barn, which every time the wind blew shifted its position. The difference is that the weathervane used to tell which direction the wind was coming from, but you cannot tell anything from this newspaper's editorials as to what public policy it advocates except its policy of the moment—of that day. All you can learn from the editorials is the state of digestion or indigestion of the author on that particular day, perhaps what he had for breakfast before he wrote his editorial. They have blown hot and they have blown cold; they are ugly and vicious or commendatory as the spirit or the stomach, rather, and its reaction happen to affect what is called the brain as they sit down to write the current day's piece.

I am looking for advice. I would like to be consistent. I have been accused of being a Hitlerite because I opposed our entrance into the war and the policies I thought would get us into war. I see before me the gentleman from Mississippi. Many a long earnest conversation did we have prior to our entrance into the war about this very subject of staying out; and I know no man on either side who tried harder to keep us out of war than the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes; if I may have unanimous consent for 5 more minutes, Mr. Speaker.

The SPEAKER pro tempore. The gentleman must submit his unanimous-consent request.

Mr. HOFFMAN. That is what I desire to do now.

The SPEAKER pro tempore. Without objection the gentleman from Michigan may proceed for 5 additional minutes.

There was no objection.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. RANKIN. Let me say to the gentleman from Michigan that my interest was to keep the entire world out of what I thought would be a world conflagration.

Mr. HOFFMAN. That is right; that is the way I understood the gentleman.

Mr. RANKIN. I did not hesitate to go to the very highest authority.

Mr. HOFFMAN. And many an evening have I walked around the Supreme Court Building with the gentleman from Mississippi exchanging views about it, listening to his predictions, most of which have come true.

Mr. RANKIN. I discussed this matter with the highest authority in America because I hoped something might be done in 1939 which would prevent the outbreak of a world war. We are in that war now and I regret to see that some of our allies are quarreling over boundaries. We are in the midst of the most serious phase of the greatest conflict of all time, and I for one want to do everything possible to back our men up and encourage them. I hope the leaders of the foreign nations will quit quarreling about boundaries and help end this war before it is too late.

Mr. HOFFMAN. Mr. Speaker, I join the gentleman in that hope. I know that he was honest, I know that he was sincere, I know he was disturbed, deeply disturbed because of what he saw coming, and I know that not only on the floor but at other places and to other men here in Washington he expressed his fears many many times and earnestly and persistently tried so to act and to induce others to act so as to prevent this war involving us, but he was unsuccessful. He was not criticized very much, as were some on the Republican side like our friend the gentleman from Illinois [Mr. DAY], and the gentleman from New York [Mr. FISH], about whom some people have had so much to say. Now that I mentioned his name, I would like to say that, as far as I am concerned, and I know that feeling is almost universal on both sides even though some of the Members do not dare open their mouths to say it because of what they know they will catch if they do—I know that the Representative from the Twenty-sixth District of New York [Mr. FISH] is just as loyal, patriotic, and public-spirited a citizen as there is in this House or anywhere in the country. His record of service on the fighting front of World War No. 1 is not equaled by that of any of his critics. Not until the legislature of New York changed his district and our candidate for the Presidency condemned him, only then were his enemies able to accomplish what the New Deal was never able to do in the district where lived the people who knew him.

Collaborate? Yes, I was attacked a dozen times during the campaign because it was said I did not collaborate. "Why didn't you?" "Were you working for Hitler?" and all those foolish questions. I have always wanted, I now will, collaborate for world peace. After the election was over I invited those who had opposed me in the press, the P. A. C. representatives who spread as propaganda some of the most damnable lies and false charges that ever could be put in words—I invited them all to meet me. I told them that I was going to give them the answers and wanted them to come down to the Hotel Vincent, the Rose Room, as my guests not to have a dinner but just to have coffee and doughnuts, to come and meet me face to face, to tell me wherein I had been wrong, where I had made mistakes; and that I would give them the answers to these charges. I will try to answer them, I stated, I will try to explain. Did they come? They did not come. They did not want to hear the answers. I had promised to treat them courteously, to be kind, to be generous and not be offensive. I know they believed me when I made those statements, but still they did not want to come because the mere answering of the questions would have shown their lack of knowledge of what had been happening of the issues they raised during the campaign.

Far be it from me to give you my views of that meeting. From the next day's issue of the News-Palladium at Benton Harbor, where the meeting was held, I insert the news story and from a subsequent issue an editorial from the publisher who sometimes thinks I am a good Representative and who sometimes is not quite sure. The news story and the editorial follow:

[From the Benton Harbor (Mich.) News-Palladium]

MR. HOFFMAN GOES TO TOWN—PAEANS, NOT PLANNING, ARE CONGRESSMAN'S REWARD

There was fun at the crossroads of East Main and Sixth last night.

Up in the mezzanine floor banquet hall of the Hotel Vincent, Congressman CLARE E. HOFFMAN, winner in last week's election by a fat 25,000 majority, held forth for a couple of hours while a goodly company of admiring compatriots chatted and laughed with him, fired questions at him and then, at the end, ate his doughnuts and drank his coffee with evident relish.

Mr. HOFFMAN advertised it as a "panning session." He wanted friend and foe—foes preferred—to turn out and tell him how to vote and conduct himself in Washington.

But no foes turned up. Or if they were there, they didn't ask him any provocative questions. Possibly memories of the Hoffman-Foley debate were too fresh in their memories.

GOOD FOLK WERE THERE

Folks from the good earth were there—horticulturists and agriculturists—like L. A. Boyd, the New Troy fruit grower and canner, and a moving spirit in Michigan Fruit Sponsors, Inc.

Lawgivers and lawmakers were there, like State Representatives Loomis K. Preston of St. Joseph and "Bill" Cleary of Benton Harbor.

They came from the professions, for Dr. L. M. Globensky, the dental surgeon, and Dr. M. R. Swindell.

There were serious minded (and good looking) young matrons with children clinging to their skirts, like Mrs. Dorothy Orlaskey, who's against compulsory military training, and wanted to know how much of lend-lease support England was going to pay back.

And there were retailers, commission men, C. I. O. ladies, and Fred Moore, of New Buffalo, who made a 5-minute talk thanking God for HOFFMAN, the unions, and promising to vote for his host if running 10 years from now.

A REPORTER WADES IN

The meeting was all HOFFMAN and there was no panning. But there was one hot exchange of argument between a newspaper reporter and the Congressman.

Perhaps forgetting that reporters are always to be seen but never heard, Don Carlson, of Niles, put in a question. It was about the F. E. P. C.—the Fair Employment Practices Committee and Act.

Was Mr. HOFFMAN in favor of it?

He was and he wasn't, said Mr. HOFFMAN. He wasn't in favor of it, he said, unless such a law provided for the submission of contests to the courts. Carlson insisted on drawing Mr. HOFFMAN out on the issue and a 15-minute colloquy ensued in which the Congressman's blood pressure was obviously rising. The audience, too, seemed to grow impatient with the verbal exchange between the two, but the Fourth Estate lad stubbornly persisted in trying to find out whether Mr. Hoffman believed in the fair employment practices proposal.

FROM THE SUN? WOW!

At this point an exasperated spectator yelled at the reporter:

"Stand up and let's look at yuh!"

Brother Carlson, young, pale, and thin, stood up.

"Where are you from?" somebody yelled.

"From the Sun," calmly replied the scribe.

"The Chicago Sun?", roared Congressman HOFFMAN, glowering and glaring.

"That lying Sun?", chorused a dozen from the audience.

Brother Carlson might have landed in the alley if a brother newsman hadn't explained to the meeting that Carlson was from Niles and represented the Niles Star. He explained that he had said "Sun" by mistake.

The excitement died down and Carlson whispered to a colleague at the press table. "Gosh, I was only trying to develop the subject from an academic angle."

"Academic angles at a HOFFMAN meeting are explosive," was the whispered advice in reply.

A FREE TRADER THERE

One good, orthodox free trader was there—A. S. Lindenfeld, of St. Joseph. Now, Mr. Lindenfeld had come over to the meeting to invite Mr. HOFFMAN to an election bet dinner he (Lindenfeld) is throwing tonight at the Whitcomb. He stayed for the panning and 10 minutes later was engaged in a question-and-answer duel with HOFFMAN that involved free trade. Lindenfeld's point was that if we had free trade with all the world most of our economic troubles would evaporate.

HOFFMAN exploded violently at this and the audience demonstrated vocally its positive disagreement with Brother Lindenfeld's free-trade views.

PLEADS FOR FARM-LABOR UNITY

Fruit grower Boyd read a brief speech pleading for farm and labor unity and neighborliness.

Ten minutes later Mr. HOFFMAN was scorching a decision of the Supreme Court that permitted union teamsters in the big cities to shake down farmers when they brought their trucks to the city's corporation limits.

"It all goes back to your belly, as I said," commented Mr. Boyd. The audience howled.

Representative Preston wanted to know what was back of about $9,000,000,000 in specie that the Government had issued in the last few years.

Mr. HOFFMAN cocked his head to one side, in bantam rooster fashion, and just gazed, for a second or two, at the St. Joseph legislator.

The crowd got another good laugh.

HOFFMAN said he was for the unions and had tried to help them, but he denounced labor racketeers and leaders, charging that some unions had not held an election for 30 years.

A nice lady in the midsection of the audience put in:

"We had a free election in our union."

"What union?" cried Mr. HOFFMAN.

"C. I. O. No. 210, Industrial Rubber," the lady sweetly replied.

"Good. I'm glad to hear it," he answered, the crowd applauding.

"NO, NO, NO," CRIES THE AUDIENCE

"Do you want me to vote for all these fool appropriations?" asked HOFFMAN, along toward the end.

"No, no, no!" yelled the audience.

Then he talked about Mrs. Dilling.

"I never saw her but three times," he said, "and goodness knows, I never said a word to her. She talked all the time."

HOFFMAN said he would never vote for any league of nations set-up that gave one man on the supreme council of the league the power to plunge this country into war. The crowd applauded and it applauded again when he said that he would never vote for any extension of the President's wartime powers if they provided for prosecution, trial, and punishment by bureaucrats without appeal to the courts.

Again the crowd applauded.

HOPES TO DO BETTER

And so the questions and answers rolled along, in a happy, old fashioned town meeting fashion.

Several times HOFFMAN called for C. I. O. suggestions and criticism but none came.

Finally he said:

"Well, folks, thanks for coming out, I didn't expect so many. I hope to be a better Congressman, but God knows I can't please everybody." Then he invited them to coffee and doughnuts and most everybody closed in on the serving table.

Some stayed until almost midnight.

[From the Benton Harbor (Mich.) News-Palladium]

MR. HOFFMAN DOESN'T MEET HIS CRITICS

No one can say that Congressman HOFFMAN did not give his critics a chance to come forward and tell him what they thought he should do when he gets back to Washington. He left himself wide open for some constructive suggestions at his "panning session" Wednesday evening but instead he got mostly cheers and applause. It was like an old home week affair, or a New England town meeting, with everybody happy and nobody willing to plot a pattern of official conduct for the Allegan gentleman.

Obviously, nobody can tell Mr. HOFFMAN what he should do in the next Congress or how he should vote, for nobody knows exactly what matters of legislation will be coming up. There is much talk about post-war questions and issues but few details as to just how all the discussions on matters of post-war interest will reach Congress in the shape of concrete legislation.

Mr. HOFFMAN told his "panning" audience that he hoped to make a better Congressman, adding "but I can't please everybody." That, too, is quite obvious, for if he votes for all the Treasury grabs that will be tossed into the legislative hopper at Washington he will simply be voting to bankrupt the country. Every Congressman and every Senator is up against the same thing—and has been ever since the New Deal was born. On this issue, we're supporting Mr. HOFFMAN and all other Members of Congress. Either the reckless spending and extravagant operations of the Federal Government have got to be sharply curtailed or the net results are going to be disastrous. Taxing to spend and spending to tax can go on for a time, as it has, but there's a limit to the financial endurance of the country. Already the Government is fighting inflation under the guise of wartime necessity. Heavy Federal taxation is already slowing down business operations and discouraging investment capital. If this continues all the super-duper promises of producing 60,000,000 jobs will be just so much idle campaign oratory.

Mr. HOFFMAN says he will never vote to invest American authority to go to war in one man on a supreme council of the new league or whatever it is will be set up to maintain the peace and discourage new Hitlers and Hirohitos. As a matter of fact, he will never have any chance to vote on such a question because it's the Senate of the United States, and not the House, that votes on such questions, except, of course, when the President asks Congress to declare war. This is the isolationist viewpoint, and if it can't be compromised or resolved by the Senate, we'll be right back to where we were after the last war—with no guaranties that in another generation our boys won't be fighting and dying overseas again in another world war. This world can't stand another war—at least the white world can't. Out of the military victory that is now in the making over our enemies there must be set up some machinery that will at least try and prevent another holocaust—and back of that machinery must be the weight and authority and power of military force. You can't crack down on a Hitler with soft words and idle gestures. Munich is the monument of this folly—and the curtain raiser to the thousands of crosses that dot the eternal rendezvous of American boys far, far from home.

Mr. HOFFMAN hinted that he was going to discourage the nit-wits and the political racketeers that seem in past years to have gravitated to his company and office. We hope so. Demagogs beget demagoguery—and neither has any place in the American pattern of democracy. The Nation today needs a rebirth of unity and cooperation; men in public place, as Mr. HOFFMAN is, should discourage Black Shirts and White Shirts and Kluxers, rabble rousers, parlor pinks, and Communists. After this war all Europe may well be under a spell of communism. Almost alone, America may be the last refuge of democratic ideals and institutions. They boys who are fighting and winning the war for us expect us to do one thing above all others—keep America safe and secure from the termites of dissolution and treason. Those who spread racial and religious poison, as well as political racketeers, like Gerald Smith, do nothing to promote the common weal and welfare. Mr. HOFFMAN knows all this without being told. We want him to march with forward-looking Americans—and in the vanguard—that the Union we love and cherish so dearly may never perish from this earth.

Everyone in town did not come to the meeting, so I asked those who did not

show up in person to write me and tell me how to cooperate and what I should do. I received probably 10 or 15 letters in the last couple of weeks telling me to be sure now, Mr. HOFFMAN, and cooperate with our allies. I have replied and said, "I sure want to." I always thought that cooperation meant that the other fellow would come along, not half-way but at least part way. I told them in my answer to their letters, "Now, while I am going along with you and, while I am going to cooperate as you suggest, let me ask you whether in this particular situation now before us, do you want me to cooperate with the Greeks who, with the British, are shooting down other Greeks or do you want me to cooperate with the Greeks who are standing alone shooting down British and other Greeks?" I have not yet received an answer. Listening to the debate in the Senate yesterday, I learned that others were not clear as to the course we should follow.

I do not know who is right or who is wrong. I know about as much as the average Congressman as to what is happening over there, what really is happening over there, and if there is anyone in this House or anyone else who chances to read the RECORD who really has the low-down on what is happening abroad, I hope they will call me or write me a letter and set me right so I can get my feet on the straight and narrow road.

The same thing is true as to what is happening over in Poland. This Detroit Free Press printed the Atlantic Charter and what it meant. They stated it was the one thing we could follow as a guide which would establish after the war was over a universal and enduring peace. Then a little while ago they came along and stated that the Atlantic Charter was all out the window and did not mean anything at all. I hope that the great John S. Knight and Mr. Bengay, who is a fine old gentleman, just about my age, probably in about my mental condition, will take time off and write a consistent, straight-forward article telling a poor dumb Congressman whose heart is all right, no matter what his brain condition may be, what he ought to do and give me something on which to base loyal opposition and constructive criticism which will aid the Republican leadership and the rear-rank Republicans in becoming and continuing to be a courageous, constructive minority party during the coming session.

AUTHORIZING ADMINISTRATOR OF VETERANS' AFFAIRS TO TRANSFER CERTAIN LAND LOCATED AT VETERANS ADMINISTRATION FACILITY, LOS ANGELES, CALIF.

Mr. RANKIN. Mr. Speaker, I renew my request to take from the Speaker's table the bill (S. 2185) to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the city of Los Angeles, Calif., for fire-station purposes, the title to certain land located at Veterans Administration facility, Los Angeles, Calif., and its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not object, my understanding is that General Hines sent a similar bill to the World War Veterans' Committee and asked that it be passed; so there can be no objection that I can see. It is a transfer of property that belongs to the Veterans Administration to be used as a site for a fire station for their protection.

Mr. RANKIN. General Hines sent this bill to both Senator GEORGE, chairman of the Finance Committee of the Senate, and to me as chairman of the Committee on World War Veterans' Legislation. I introduced the bill on November 16, and Senator GEORGE introduced it the same day. The House bill I introduced, H. R. 5471, is identical with the Senate bill. It permits them to transfer part of this property adjacent to the veterans' facility in order that the city of Los Angeles may provide more ample fire protection.

Mrs. ROGERS of Massachusetts. And it certainly is very much needed. General Hines has always been extremely careful in any request of this kind he has made to the Congress.

Mr. RANKIN. Yes. It is very necessary, General Hines thinks, for the protection of the veterans in the hospital there at Los Angeles.

Mr. MICHENER. Mr. Speaker, reserving the right to object, I do not like these bills coming up at this time when it has been understood no controversial matters will be considered. This bill came up in November.

Mr. RANKIN. It did not come up in November. It was introduced in November.

Mr. MICHENER. It was introduced in the House in November. That is just the point I am making. It did not come up.

Mr. RANKIN. No.

Mr. MICHENER. Was it given committee consideration?

Mr. RANKIN. No.

Mr. MICHENER. It never has had committee consideration at all?

Mr. RANKIN. No. It was considered by the Finance Committee in the Senate, and the Senate passed it unanimously.

Mr. MICHENER. A lot of things pass the Senate unanimously to which the gentleman from Mississippi would not want to agree.

Mr. RANKIN. The facts are stated in the face of the bill. I may say to the gentleman from Michigan that I consulted the ranking minority member of the committee, and, so far as I am concerned and so far as she is concerned, we can see no objection whatsoever. The truth of the matter is that it would be greatly in the interest of the protection of the veterans' facility at Los Angeles.

Mr. MICHENER. But here is a bill that was introduced, and it lays in committee for weeks, and then, in the closing days of the Congress, unanimous consent is asked to pass the bill without a committee report or committee consideration, simply because two members of the committee feel that General Hines, when he sent it up last November, had a feeling that the committee would consider it. I do not like to object. Is the Member from California who represents the district to be affected by this legislation present or has he been consulted?

Mr. RANKIN. No; I have not consulted any Member from California.

Mr. MICHENER. I do not think, Mr. Speaker, we ought to establish a precedent passing bills in this way.

Mr. RANKIN. I will say to the gentleman from Michigan that his objection will kill the bill for this session of the Congress. If a fire occurs out there and the veterans are burned, I just want the RECORD to show that at least the ranking minority member of the committee and the chairman are not responsible for it.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, if the gentleman's committee has held this emergency bill, protecting the lives of these men, in his committee from November 7th and has not said or done anything about it, and then comes in here just before we adjourn when it is understood that there will be no business and attempts to pass the bill, it does not seem to me that he was impressed with the seriousness of the situation or he and his committee certainly would have given it attention.

Mr. RANKIN. The Senate passed the bill and I am merely asking that the House approve it. If we send it to the committee it will have to go out.

The SPEAKER pro tempore. Objection is heard.

RIVER AND HARBOR BILL

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I have had numerous calls at my office both from the Senate side and the House side regarding the river and harbor bill now pending in the Senate. I have been told over the telephone that I am blocking the passage of the river and harbor bill.

I want to inform the House that such a statement is false. The river and harbor bill passed the House before we recessed early in the summer. My amendment, known as the Elliott amendment, was accepted by the full Committee on Rivers and Harbors, and was offered on the floor by the chairman as a committee amendment. There has been no secret about this. It has all been out in the open, and for my part I attempted at no time to cover this up. I am going to tell you the truth of the situation as I see it. The amendment involves no money whatsoever. It was offered to the river and harbor bill because it was germane, owing to the fact that the Central Valley water project originated from the Committee on Rivers and Harbors and has been under construction for several years. To date the Secretary of the Interior, Mr. Ickes, has made no attempt to solve the problem of the acreage limitation that he knew sooner or later would have to be adjusted one way or the other before the project would be workable. All he has done is

to spend thousands of dollars of the taxpayers' money with men in that department running up and down the San Joaquin Valley putting out false propaganda, making the point that the large farmers would benefit from this amendment. That kind of information and propaganda is false, it is misrepresentation. The truth of the matter is that my amendment makes it possible that the people can buy the water, small farmers and large farmers alike.

My amendment is practically the same amendment that passed this House and passed the Senate and was signed by the President of the United States on the Big Thompson project in Colorado. Practically the same wording was passed for two projects in the State of Nevada, with not one dissenting vote in the House or one dissenting vote in the Senate. But when I put in practically the same wording as was accepted by the House, I am told that the Secretary of the Interior says he will object and the President will not sign the river and harbor bill if the Senate accepts it.

The provision went from the House to the Senate. The Senate took the amendment out of the bill. In conference the Senate and House agreed and Members of the Senate and House signed the conference report. It went back to the Senate and was objected to on the floor of the Senate. It came back to the House here and unanimous consent was asked to reopen the negotiations and send the matter to conference, and I objected. So it went back to the Senate, and it is in the laps of the Senators and not in the House of Representatives. For my part, they can vote it up or down as they see fit.

They put out the suggestion that the President will veto the bill. The President has made no statement in writing, as far as I can find out, neither has he made an oral statement that he will not sign the bill if it is passed by the Senate. So it is not up to me and it is not my fault that you have no river and harbor bill; it is the fault of two or three Senators who are objecting in the Senate and using the story that the President will veto the bill, when nobody knows whether or not he will veto it.

Mr. Speaker, on November 15, 16, and 17 in Denver, Colo., the representatives of 17 Western States passed a resolution, and it will be found on page A4825 of the Appendix of the RECORD. I am going to read the latter part of this resolution:

Resolved, That the National Reclamation Association urges the immediate enactment of the so-called Elliott amendment to H. R. 3961 exempting the Central Valley project from the excess-land provisions of the Reclamation Act as well as legislation so affecting other like projects in order that this project may secure the relief it requires without being delayed until general legislation may be enacted.

Seventeen Western States were all in accord that this amendment should be accepted in order that the projects in the Western States that are irrigation projects might be workable.

We find one man, a department man, who is spending most of his time with his engineers in trying to block this project, rather than going ahead and doing what he can to make it possible for it to be workable.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Iowa.

Mr. JENSEN. I wonder if the gentleman will not explain the provisions of his amendment so that it will appear in the RECORD and all of us then may know what his amendment does provide. It is a very important amendment, and I am sure the Members and the people of the country generally would like to know definitely just what the amendment provides.

Mr. ELLIOTT. The reclamation law of 1902 was passed when a lot of land was owned by the Federal Government, and it contained a 160-acre limitation. This means that the Secretary of the Interior can determine the size farm for which an individual can receive or purchase water under the Reclamation Act. He can limit the size of farm one might have from 10 acres up to 160 acres. My amendment lifts that limitation, making it possible that one having more than 160 acres might be able to become a member of the water district and secure water under the Central Valley project.

Mr. JENSEN. This land is not Government land?

Mr. ELLIOTT. It is not Government land. It has been on the tax roll from 50 to 75 years. Only 10 percent of the water needed is what the farmers are asking for at the present time.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to my colleague the gentleman from California [Mr. CARTER].

Mr. CARTER. Is it not true that at least a portion of this water supply which they desire to replenish there is to be replenished by underground or percolating water?

Mr. ELLIOTT. That is correct.

Mr. CARTER. If that is the case, if a man owns more than 160 acres and declines to come into the water district, are not his wells going to be replenished by the underground percolating water just the same as the man who owns a smaller farm and pays for the water and does come into the water district?

Mr. ELLIOTT. That is correct. In other words, as the gentleman from California [Mr. CARTER] stated, a man who might have 200 acres of land, and who under this provision of the present law, would be prevented from coming into the water district, can sit there with his acreage and all the rest of the farmers around him would be members of the water district and they would pay for the water and then the underground water would seep into his area and with his pumping system he can pump that water out and not pay 5 cents for it.

The SPEAKER pro tempore (Mr. Cox). The time of the gentleman from California has expired.

EXTENSION OF REMARKS

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER pro tempore. For what purpose does the gentleman from Michigan rise?

Mr. HOFFMAN. Mr. Speaker, if no one else is going to address the House under a special order, I ask for unanimous consent to proceed for 5 additional minutes to put into the RECORD or to read to some of my colleagues who are here some of the things the gentleman said about Congress. I have those statements before me now.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes after the gentleman from Michigan has consumed his 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

VETERANS ADMINISTRATION—NURSES AND DIETITIANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter from the Assistant Secretary of War, Mr. McCloy, with regard to the shortage of nurses in the Army Nursing Corps.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. The following is a letter from Dr. Charles M. Griffith, Medical Director of the Veterans Administration, transmitting a report on the Veterans Administration rehabilitation program:

DECEMBER 7, 1944.

Hon. EDITH NOURSE ROGERS,
New House Office Building,
Washington, D. C.

MY DEAR MRS. ROGERS: In compliance with your request there is attached a report on the Veterans Administration rehabilitation program.

This report covers the physical and mental rehabilitation of the disabled veterans in our hospitals.

It is hoped that this report will give you the desired information on the subject.

Very truly yours,

CHAS. M. GRIFFITH,
Medical Director.

[Enclosure.]

VETERANS ADMINISTRATION REHABILITATION PROGRAM

The physical and mental rehabilitation of disabled ex-members of the armed forces is the problem of the Veterans Administration. The execution of the plan for rehabilitation of disabled veterans during this wartime period and in the post-war period to follow is a tremendous undertaking.

Many years of experience in the treatment of disabled veterans of World War No. 1, and

prior wars, has paved the way for the setting up of an extensive formulated rehabilitation treatment program for those who are casualties of World War No. 2. In addition to complete medical, surgical, and dental care and treatment a rehabilitation program is now perfected for young men and women veterans of World War No. 2 which is designed to hasten their recovery from physical and mental handicaps and to enable those who are eligible to enter upon a vocational program which offers exceptional opportunities for educational courses and on-the-job training in many fields.

The Veterans Administration now has in operation 94 facilities (hospitals), 3 additional now in the process of completion, and regional offices under its direct and exclusive jurisdiction. These field stations are divided into four groups, namely, 50 general medical and surgical, 31 neuropsychiatric, 13 tuberculosis, and 53 regional offices.

The Medical Corps of the Army, Navy, and Air Forces has developed and now has in operation programs for reconditioning of its sick and wounded personnel. The Army and Army Air Forces designate their treatment program as "reconditioning," and the Navy as "maximum adjustment." The sick and wounded personnel of the Army and Navy who do not obtain full reconditioning or maximum adjustment to return to military duties are discharged or released from their respective services and the disabled veterans become beneficiaries of the Veterans Administration. These disabled veterans are turned over to the Veterans Administration facilities for continuation of their treatment or are returned to their homes. All men and women upon their discharge from military service are fully informed and advised of their rights and privileges and those of their dependents under the G. I. bill of rights. The Veterans Administration assumes the full responsibility for the administration of the rights and benefits available to ex-service men and women.

The physical rehabilitation program has many benefits available for World War No. 2 disabled veterans. When a veteran becomes disabled from disease or injury, a complete physical examination is made to determine the need for treatment either in a hospital or as an out-patient. If the veteran has a disability which was incurred or aggravated in line of duty in military service, he is then entitled to out-patient clinic service as well as to hospitalization. All veterans who served during this war are potentially entitled to hospitalization even though their disabilities have no relation to prior military or naval service, provided they were discharged or released from active service under conditions other than dishonorable. Therefore, in order to accommodate the steadily increasing number of disabled World War No. 2 veterans applying for treatment, it was necessary to authorize emergency beds over the standard capacity in 52 of our facilities (hospitals). It has also been necessary to establish regional offices in some localities to render all services to the influx of World War No. 2 veterans who make application.

In addition to provisions for complete medical, surgical, dental, and nursing care for disabled veterans, the physical medicine activities have been reorganized under a physical medicine specialist as an essential part of an integrated program of physical rehabilitation. The physical medicine departments in all facilities are being expanded by the addition of personnel, equipment, increased space, and the setting up of specific treatment programs for bed patients and those who report to the clinics. The physical treatment techniques have been modified and developed to meet the present needs for physical rehabilitation of sick and severely wounded veterans. These adjustments were necessary in order to treat intensively the younger men and women veterans disabled by illness and battle casualties now admitted to our hospitals.

In the further development of the physical medicine program, 22 physicians were designated to take special courses in physical medicine in recognized institutions to prepare them to be in charge of physical medicine clinics. Also additional qualified technicians, aides, and physical directors have been employed in order to adequately carry out the formulated treatment program designed for the increased number of young, more vigorous patients. The physician in charge of physical medicine is also designated to supervise occupational therapy, recreational activities and physical therapeutic exercises. The ward physician in charge of the patient under the supervision of the Chief of the Service prescribes the necessary treatment in all instances and recommends that the patient receive treatment at the bedside or in the clinic. The physical medicine and occupational therapy departments operate separately from other services but their activities are closely correlated with all clinics of the hospital. Physical medicine departments vary as to size and equipment depending on the bed capacity and are set up to meet the needs of the types of patients hospitalized. In the general medical and surgical group, the physical medicine department consists of a large treatment room which is fully equipped with electrotherapy apparatus, lamps for thermo and light therapy, and equipment for all types of exercises. There are additional rooms provided for all other types of physical treatment and devices for making necessary tests in connection with the treatment. There is, in addition, a room equipped for mechanotherapy devoted to remedial gymnastics and therapeutic exercises, which is equipped with pulleys, weights, parallel bars, steps, shoulder wheel, hand, finger, foot, and toe exercise apparatus, body mirror for corrective exercises, rowing machines, stationary bicycles and floor mats. The use of this equipment is valuable in the development of weak muscles and in increasing the range of motion and mobility of joints where restricted motion and impaired function of any part of the body exists. Hydrotherapy treatments are provided in adjacent rooms which are equipped with arm and leg whirlpool, Sitz and tub baths. In this section there are a number of electric light body cabinets used for warming and sweating effects given in conjunction with shower baths and Scotch douche sprays for tonic, stimulative, and eliminative effects.

Some of the general medical and surgical hospitals, strategically located, have been designated for the treatment of the severely wounded spinal cord injury cases with transverse myelitis and paralysis. The following specific treatment program for this type of patient is briefly outlined as follows:

These cases are hospitalized as far as possible in designated facilities where the patients can be treated individually and in groups by the physical medicine department. These patients are carried through a well formulated and specific series of exercises for the development of the muscles of the upper extremities and trunk muscles. An encouraging increased degree of regeneration of the muscle strength in the muscle groups, such as the abdominal, shoulder girdle and all extensors has been demonstrated. They are at this stage instructed carefully in graduated exercises with the aid of mechanical appliances, And finally they are taught the art of proper walking with the assistance of parallel bars and crutches. These exercises and instructions are combined throughout, beginning at the bedside and later in the physical medicine department, with physical modalities such as local heat, massage, galvanic and sinusodial stimulation of all the paralyzed muscles to reduce spasm in the spastic cases and to tone up the muscles in the flaccid types. In cases where decubitus ulceration is present, treatment is given as follows: Infrared therapy followed by local and general ultraviolet irradiation daily.

These types of cases should be encouraged from the beginning to do things for themselves as much as possible for self-reliance and independence which is of prime importance in the task of restoring them to economic usefulness.

During the entire course of treatment everything possible must be done in order to prevent boredom and weariness of these disabled and crippled patients, to assist them in keeping up their morale. The prescribing of suitable occupational therapy to keep the patient busy between treatment periods is essential in these cases; also diversional activities and entertainment ar furnished at specified times by the recreational department. The supplying of interesting literature, books and magazines for reading is handled by the librarian and is an important factor in keeping these patients happy and contented.

In the tuberculosis hospitals, similar but less extensive physical medicine departments are set up, except hydrotherapy in all its forms, while ultraviolet ray therapy and heliotherapy are stressed, therefore many more ultraviolet ray lamps are provided for bedside and general use than at other types of hospitals. There is a general program for tuberculous patients put into operation as an aid to the medical treatment regimen, coordinating exercise, occupational therapy, recreation, and bibliotherapy for their therapeutic value, to improve morale and to provide encouragement for future activity. This program is supervised by a physician in order to hold a proper balance between activity and rest. The outlined treatment schedule and therapeutic time table is conducted by a physical therapy technician qualified in physical education. In order that each patient may be assigned a schedule according to his stage of recovery, the following groups are set up:

Group 1. Occupational therapy to be the equivalent of 30 minutes exercise on level ground.

Group 2. Occupational therapy to be the equivalent of 45 minutes exercise.

Group 3. Exercise and occupational therapy to be the equivalent of 1 hour exercise.

Group 4. Extended exercise privileges.

The task assigned should be well within the limit of the capacity of the patient and should be stepped up gradually as the patient improves and should be maintained throughout recovery. It has been found that the maintenance of interest and improvement of morale by entertainment, recreation, and diversional activities are most satisfactory.

In the neuropsychiatric facilities the same treatments are available in the physical medicine departments as in the general medical and surgical except that hydrotherapy is stressed and is utilized on a much larger scale. Hydrotherapy is administered in these institutions mainly in the form of continuous baths, packs, shower baths, needle sprays, Scotch douche sprays, arm and leg whirlpool, and Sitz baths. There are continuous bath and pack treatments available at all hours for disturbed patients. In addition to the main department in the continued treatment buildings, there are smaller units and provision for tub and pack therapy in or adjacent to each acute treatment building. Group therapy physical exercises and outdoor recreational activities are prescribed for many types of mental cases and carried out routinely under the supervision of a qualified physical director.

It is essential that all necessary forms of physical treatment should be started as early as possible at the bedside and as the patient improves it is continued in the clinic. There

is ample mobile equipment furnished in all facilities for bedside and ward work to administer most forms of treatment.

Centers have been established in certain designated facilities (hospitals), where hydrotherapy in all forms is administered including mineral baths and pools. These treatments are provided for selected types of patients, particularly those suffering from chronic arthritis. A treatment unit for such disabled veterans has been in operation for some time at the famous spa at Saratoga Springs, N. Y., and the facility at Bay Pines, Fla., where the natural resources of ocean bathing, air and sunshine are utilized as a valuable means for the treatment of bone and joint disabilities.

A program is now being further developed in a selected number of hospitals for the treatment and management of amputation cases of veterans of World War No. 2 to be designated as amputation centers. These centers are being set up to render care and treatment for amputees as follows: Further amputation surgery, if indicated, to obtain a proper weight bearing stump; necessary physical therapy treatment for hardening and shrinking of amputation stump; therapeutic corrective exercises for restoration of normal motion prior to the fitting of a permanent artificial limb; supplying and fitting the artificial limb; and finally, giving the proper training in the use of the limb. These centers will have a physician in charge who is thoroughly trained and competent to handle all necessary amputation surgery and in the fitting and adjustment of artificial limbs.

Occupational therapy has been further developed and expanded and there are departments now in operation in 54 veterans' hospitals. These departments are in all of the neuropsychiatric and tuberculosis and in some of the larger medical and surgical hospitals where occupational therapy is needed as part of the medical rehabilitation program. Occupational therapy activities are closely correlated with physical therapy to assist in overcoming physical handicaps and when indicated are prescribed to prevent boredom and weariness. All projects are prescribed only after careful consideration has been given to the interests and aptitudes of the patients and their physical, mental, and emotional conditions. In neuropsychiatric facilities some of the occupational therapy projects are of the industrial types, but in no instances are these occupational assignments considered to be work. All these assignments are based on medical indications and cover a number of projects such as, making furniture and articles which are useful to the hospital, fabrication and repair of mattress covers, aprons, pajamas, brushes, brooms, tub hammocks, covers for continuous flow tubs and many other incidental repairs necessary for maintenance. Occupational therapy activities for the more severely injured should begin at the bedside and later continued in the curative workshops. In the neuropsychiatric hospitals habit training, arts and crafts, group therapy, trades and industries are stressed and there is no doubt that the employment of these various projects for the mentally ill patients is one of the most beneficial treatment measures. The outdoor activities such as agriculture, horticulture, and poultry have been especially acceptable and helpful. Occupational therapy is always prescribed by the physician in charge of the case and is supervised by the physician in charge of the physical medicine department, who is designated as a reconstruction officer. The assigned activities are administered under the instruction and direction of qualified occupational therapy aides.

The physical exercise program is under a physical director who supervises the physical exercise programs in the 31 neuropsychiatric facilities. These activities are being expanded and a uniform physical therapeutic exercise program is being set up for the mentally ill patients of World War No. 2. A center in one of the larger neuropsychiatric hospitals has been selected for instructing, teaching, and training newly appointed physical directors and for giving refresher courses to the physical directors already on duty, in order to formulate a more uniform physical exercise program in all neuropsychiatric hospitals. The expansion of this type of therapy is necessary for the treatment of the young, vigorous World War No. 2 veterans now being hospitalized for treatment of mental conditions. The physical directors have charge of all calisthenics, games, track athletics, competitive sports, bowling, and outdoor recreational activities in the mental hospitals, and arrange for group therapy treatment programs for those patients who cannot participate in usual assignments.

There are recreational aides assigned in all facilities (hospitals) to provide for indoor recreational activities, such as card games, moving pictures, radio programs, to prepare schedules for other diversional activities for entertainment, and to keep up the morale of those who must be hospitalized for a prolonged period of time. Library activities, under the direction of a librarian, are available in all facilities (hospitals) to furnish reading matter of all kinds desired by both bed and ambulatory patients in order to keep the patient interested and occupied between treatment periods. There are a number of stations where clinics are being organized for the correction of speech defects and for training in lip reading when needed as part of hospital treatment or clinic treatment. There are also facilities where the teaching of the Braille system is available for the blind veterans.

The major social-work contribution to the rehabilitation of patients is found in the following three areas: (1) Bringing to the medical staff and other personnel a real understanding of the patient as a person; (2) enabling the patient to use to advantage the health and other resources available to him; and (3) assisting the patient in reestablishing himself in his home, work, and community life with the minimum sense of disablement and the maximum sense of self-respect and self-dependence. The psychotic patient ready for a trial visit, the patient with the compensated heart condition, or syphilis, or an amputation, or orthopedic, or any other condition, may need guidance in making a successful transition from the hospital to satisfying, contributing, self-respecting community living. He may need to be put in touch with the great network of community resources supplying social and health services, or employment agencies, in addition to the services supplied by the Veterans Administration, that may be available to him for the asking. With the patient's consent, an interpretation of his problems is given the agency to facilitate his approach to them. Today, adequate attention to the personal problems and emotions involved in the patient's illness is recognized as a prime necessity in the full rehabilitation of the patient. In addition to the many types of activities offered for the sick and wounded veterans, there is available in all our facilities (hospitals) spiritual counsel and prevocational guidance.

The over-all rehabilitation program is now expanding with the addition of physicians, specialists, nurses, social service workers, and other necessary personnel needed for the increasing number of World War No. 2 veterans. The coordinated efforts of all these groups is supplemented by physical medicine, occupational therapy, physical exercises, recreational and library activities. The disabled veteran must be fully rehabilitated both physically and mentally before plans can be effected to carry out suitable vocational training. The Director of Vocational Rehabilitation and Education Service has vocational officers and advisers on duty in hospitals and regional offices and in other designated places to hold necessary interviews and advise all disabled veterans considered ready for vocational training. If the veteran is found to be eligible the proper vocational training program is arranged. The physical handicap of each veteran is evaluated, noted, and checked by a physician with the counsel of vocational advisers before assignment to placement training. A plan has been initiated which will integrate the medical services with those of vocational and educational services in order to insure provision of benefits to the more severely disabled veterans to which they are entitled. This program will be advanced by a rehabilitation team made up of representative experts at each of the facilities (hospitals) who will promote the veterans' physical, social, and vocational rehabilitation. This service will also be extended to all veterans who have been discharged or released from the Army or Navy hospitals who apply for vocational training benefits.

"Rehabilitation" has been defined as "the restoration of the handicapped to the fullest physical, mental, vocational, and economic usefulness of which they are capable." The entire rehabilitation program is designed so that the end results will be restoration of the veteran as far as possible to the point where he can pursue some form of useful occupation or return to his home as a useful citizen of his community.

The rehabilitation program for World War No. 2 veterans is a tremendous task to accomplish but can be done by full cooperation of all concerned, especially the medical activities in close relationship with vocational and educational services. The ultimate goal in the Veterans Administration program is to overcome the many physical and mental handicaps of veterans to a maximum degree, by instituting early and intensive rehabilitation to its fullest extent which will obviate prolonged or lifelong invalidism. The war will undoubtedly produce its toll of disabled veterans with many handicaps and disabling conditions. Therefore, in this day of world conflict and the post-war period to come, our responsibility for the rehabilitation of disabled veterans is necessary in order that they may become self-sufficient and fit for employment in a gainful occupation in civilian life.

Mr. Speaker, Assistant Secretary McCloy's letter, dated December 14, reads as follows:

WAR DEPARTMENT,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D. C., December 14, 1944.

Hon. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

DEAR CONGRESSWOMAN ROGERS: I have looked into the matter of General Hines' request of November 25 that nurses and dietitians employed by the Veterans Administration be commissioned in the Army of the United States.

General Hines bases his request on the fact that his agency continues to lose nurses and dietitians at a time when the responsibilities of the Veterans Administration are rapidly increasing and that the military status which he seeks for such personnel is essential to prevent further losses. He further states that by bringing this personnel into the Army of the United States they will be extended veterans' rights and privileges, which factor at the present time gives the Army and Navy an advantage over his agency in recruiting and retaining such personnel.

He believes that a precedent for granting his request has been established by the appointment of doctors, employed by the Veterans Administration, in the Army of the United Stats.

General Somervell has informed me that the shortage of nurses is slightly worse in the Army than in the Veterans Administration and the situation on dietitians and physical therapists is definitely worse in the Army than in the Veterans Administration. This condition results from an over-all shortage of nurses and dietitians in the Army and civilian life. Relatively speaking, the Veterans Administration is having no greater difficulty in meeting its requirements for this type personnel than is the Army. The War Department under its over-all ceiling allotment of personnel has established ceilings on officers of the Medical Corps, to whom persons in the positions General Hines' requests would be assigned. This ceiling is now exceeded. At the same time, the Army is approximately 8,700 nurses short of its requirements.

Insofar as commissioning the doctors concerned, that action should not be considered as a precedent for the commissioning of nurses, since different considerations apply. The inducement to leave the Veterans Administration for private practice is much more alluring for doctors than for nurses or dietitians since disparagement between compensation received by doctors in private practice over salaries paid by the Army or the Veterans Administration is greater than the income derived by nurses in the same field. It was only with the greatest reluctance that the Army consented to the commissioning of doctors for service with the Veterans Administration. It is the general Army policy, which I believe is eminently sound, that officers should be commissioned in the Army for military duties in the Army Establishment.

It is also to be considered that the Veterans Administration has other means of solving the problem, such as increasing pay or offering other inducements.

Sincerely,

JOHN J. MCCLOY,
Assistant Secretary of War.

Mr. Speaker, in this letter the Assistant Secretary, Mr. McCloy, states that there is in the Army a shortage of approximately 8,700 nurses; and in the Veterans Administration there is a shortage, so I am advised, of approximately 9,000 nurses. The shortage is greater therefore in the Veterans Administration.

The servicemen overseas have been given very fine medical and nursing care, and the men in this country in the Army and Navy hospitals are receiving it. It seems very unjust and not what the country would like to do to have the men when they are sent to the Veterans Administration hospital, discharged from the service, receive less nursing care than they did in the Army.

The SPEAKER pro tempore. The time of the gentlewoman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the editorial I just inserted in the RECORD at the beginning of the session today by Mr. Walter Lippmann is very powerful.

It spoke of the tremendous need there is in the Army for nurses, and we all know, Mr. Speaker, that there is a dearth of nurses everywhere. Due to the seriousness of the situation abroad, there will be many more casualties and nurses must be provided in some way for the service men and women in the Army and Navy and for the service men and women after they are discharged and go under the jurisdiction of the Veterans Administration.

The veterans should have first priority for nursing care. If nurses are not recruited, it seems to me, Mr. Speaker, that we must have a drafting of the women of the country, much as I dislike it, and much as I protest against it. We must see that the men and women who are doing so much for us in fighting battles of untold magnitude have adequate care. It is the only decent thing for the United States to do in caring for its wounded.

I repeatedly begged General Hines to have a nurse corps in the Veterans Administration with comparable rank and pay to the Army and Navy Services. For years I have recommended that. Also that the Army and Navy have their own training schools. If they had started the training schools when I first advocated it they would now have enough nurses in the armed services and the Veterans Administration.

AUTHORIZING SECRETARY OF THE INTERIOR TO PURCHASE LOGS, LUMBER, AND OTHER FOREST PRODUCTS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to take up the conference report on the bill (H. R. 2185) to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products.

The SPEAKER pro tempore. The Chair thinks that, under the circumstances, he cannot put the gentleman's unanimous-consent request unless the gentleman is in position to inform the Chair that he has cleared the matter through the minority and the standing objectors on both sides of the aisle.

Mr. O'CONNOR. Mr. Speaker, I may say that we have been unable to clear the unanimous-consent request on the minority side of the House, but the gentleman from Oklahoma [Mr. DISNEY] wants to have something to say.

The SPEAKER pro tempore. The Chair's suggestion was that the gentleman clear it also through the standing objectors on both sides.

Mr. MICHENER. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman perhaps is not familiar with the existing situation. The Speaker stated the other day that these matters would not be brought up unless they were cleared through the standing official objectors, as has been stated by the present occupant of the chair.

The SPEAKER pro tempore. The Chair understands the gentleman does not press the request.

Mr. MICHENER. Mr. Speaker, I do not want the minority to be placed in the position of preventing this being called up.

The SPEAKER pro tempore. The Chair does not intend that the gentleman shall be put in that position. The understanding is as he stated it.

Mr. RAMSPECK. Mr. Speaker, may I say that the gentleman from Michigan, the acting minority leader, has correctly stated the understanding existing between the leadership on both sides.

The SPEAKER pro tempore. The gentleman may present the conference report for printing in the RECORD.

Mr. O'CONNOR. Mr. Speaker, may I say that I conferred with the Speaker of the House on yesterday morning with reference to presenting this conference report. The conferees of the Senate and House did not agree upon a report until yesterday, and we were unable to get it out in time to present to the House before the Speaker left the chair and appointed the distinguished gentleman who is now Speaker pro tempore of the House. We were trying to clear it just as the Speaker of the House suggested when I spoke to him. As I say, we are not pressing the request, and I am not asking the Chair to rule upon it now. Mr. Speaker, I now yield to the gentleman from Oklahoma.

The SPEAKER pro tempore. Does the gentleman wish to file the conference report for printing in the RECORD?

Mr. O'CONNOR. Yes.

Mr. O'CONNOR submitted the following conference report and statement on the bill (H. R. 2185) to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2185) to authorize the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and to the amendment to the title, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: On page 2, line 15, of the engrossed amendment, after the word "interest", insert the following words: "contains express restrictions against alienation or "; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In the last line of the engrossed amendment strike out the words "United States" and in lieu thereof insert the following: "Cheyenne and Arapaho Tribes of Indians"; and the Senate agree to the same.

JAMES F. O'CONNOR,
JOHN R. MURDOCK,
FRED C. GILCHRIST,
KARL E. MUNDT,
A. M. FERNANDEZ,
Managers on the part of the House.

JOSEPH C. O'MAHONEY,
ELMER THOMAS,
HENRIK SHIPSTEAD,
B. K. WHEELER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2185) authorizing the Secretary of the Interior, in carrying out the purposes of the act of May 18, 1916 (39 Stat. 137), to purchase logs, lumber, and other forest products, submit the following statement explaining the effect of the action agreed upon:

The Senate recede from its amendment No. 2, providing that no conveyance made by an Indian of the Five Civilized Tribes on or after April 26, 1931, and prior to the date of the enactment of this act, of lands purchased, prior to April 26, 1931, for the use and benefit of such Indian with funds derived from the sale of, or as income from, restricted allotted lands and conveyed to him by deed containing restrictions on alienation without the consent and approval of the Secretary of the Interior.

The House recede from its disagreement to the amendment of the Senate No. 1, which in effect restored section 2 of the bill as it passed the House.

The House recede from disagreement to the amendment to the title, which title as amended will be in conformity with the provisions of the bill as amended.

The House recede from its disagreement to the amendment of the Senate No. 3, and agree to same with amendment on page 2, line 15, of the engrossed amendment, after the word "interest," by inserting the following words: "Contains express restrictions against alienation or".

This amendment is designed to protect the restricted Indians of the Five Civilized Tribes in the alienation of their property.

The House recede from its disagreement to the amendment of the Senate No. 4, and agree to the amendment with the following amendment in the last line of the engrossed amendment: Strike out the words "United States" and in lieu thereof insert the words "Cheyenne and Arapaho Tribes of Indians." This amendment agreed to by the conferees, that in case of abandonment of said property for school purposes the title of ownership will revert to the Cheyenne and Arapaho Tribes instead of the United States.

JAMES F. O'CONNOR,
JOHN R. MURDOCK,
FRED C. GILCHRIST,
KARL E. MUNDT,
A. M. FERNANDEZ,
Managers on the part of the House.

Mr. DISNEY. Mr. Speaker, there is probably no use in my infringing on the time of the House at this time.

The SPEAKER pro tempore. Does the gentleman propound a unanimous-consent request?

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to proceed for 7 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DISNEY. Mr. Speaker, I want to discuss this very matter that is up for consideration. I did not understand there had been any agreement that bills which were not completed must clear through the official objectors. I understood that they had to clear through the minority leader.

Mr. RAMSPECK. Will the gentleman yield?

Mr. DISNEY. I am stating I did not so understand. If that is the fact, all right.

Mr. RAMSPECK. The reason the agreement applies to this is because the conference report will not be in order until tomorrow. If the House is in session tomorrow the gentleman has a privileged matter and may then bring it up. It has to come up by unanimous consent, and we do have an agreement that no unanimous-consent request shall be granted unless it is agreeable to both sides.

Mr. DISNEY. Mr. Speaker, this matter is of very serious public importance.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Missouri.

Mr. COCHRAN. The conference report was printed in the RECORD this morning. Of course, it has to be acted upon in the House because it is a House bill. The trouble as I saw it, when I looked over the RECORD, was that the original had been amended but there was no statement, no explanation.

Mr. DISNEY. If the gentleman will pardon me, may I offer this suggestion?

Mr. COCHRAN. Yes.

Mr. DISNEY. Since I have the opportunity to present this matter, if I can get the attention of the distinguished gentleman from Michigan, I believe that he will agree that this ought to be passed whether or not there is some agreement at this late hour that prevents its passage.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Michigan.

Mr. MICHENER. I could not agree to it because I do not know anything about it. I understood the Department was opposed to it. If that is true it certainly should not be passed without consideration.

Mr. DISNEY. Very well, Mr. Speaker. This is of most serious public importance to the eastern half of Oklahoma, involving only that portion of Oklahoma which is known as the territory of the Five Civilized Tribes, that is to say, the Choctaws, the Chickasaws, the Creeks, the Seminoles, and the Cherokees. Under the Hastings Act, which this House passed—and to digress for a moment for the benefit of the gentleman from Missouri—not a nickel of public money is involved here. This bill is designed to cure some titles that have been upset by an extremely technical court decision by the Tenth Circuit Court of Appeals, which puts in danger vast numbers of land titles in eastern Oklahoma. It ought not to be delayed purely for technical reasons here.

I am not going to attempt to discuss this unless I can get the attention of the gentleman from Michigan. Even though there are technical reasons, this bill ought to be passed. As I said, it endangers a vast number of titles in eastern Oklahoma.

As an illustration, I have a letter lying on my desk from a teacher over at Depew, Okla., who in good faith bought land about 15 years ago. He improved the land, and now is in danger of having his title completely upset, and of not having the opportunity even to get a return for the improvements put upon the land. The gentleman from Michigan says that the Department had opposed it. There were certain amendments which the Department did oppose, and we eliminated those from the conference report. The conferees worked earnestly on it. The gentleman from New Mexico [Mr. FERNANDEZ], the gentleman from South Dakota [Mr. MUNDT], the gentleman from Montana [Mr. O'CONNOR], and the gentleman from Oklahoma [Mr. STIGLER] very conscientiously considered this bill, but could not agree on certain amendments, the Indian Department opposing those amendments.

As to the amendments which are involved here and agreed upon by the conferees, here is the language of the department:

> The Department has no objections to the results contemplated by subsections 9 and 11.

It is fair to say that the Department proposes different language than in the bill. Two of those are in this bill.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Michigan.

Mr. MICHENER. I am not arguing the merits of this matter. I am not on the committee. I am not familiar with the bill, and I daresay there are not three or four men on the floor who are familiar with it. I do not think there is a single member of the committee on the minority side present, because it was announced and understood that none of these controversial matters would come up.

Mr. DISNEY. But they are not controversial.

Mr. MICHENER. We have a right to rely on the statement coming from the floor leadership. Some of us who happen to be controlling the matter are placed in a rather difficult position.

Mr. DISNEY. This is not controversial now.

Mr. MICHENER. There is a difference of opinion as to what "controversial" means. I have been advised that it is. Some of them do not like to get up and object, but they say "while you are acting minority leader, take me off the spot."

This ought to have further consideration, and we should see to it that agreement is lived up to. That is the position I am put in, and I do not want to be put in that position.

Mr. DISNEY. It is unfortunate we could not get this up sooner, but it has not been humanly possible to do it. Members went away during election time and since election other Members have been away. Then the conference had a good deal of difficulty in agreeing on this bill, and it was not humanly possible to get this matter to the House short of today, not yesterday, but today, because the conference agreed only yesterday.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DISNEY. Let me read to you the language of the Department itself. Of

course, the Department has been busy around here trying to defeat other amendments which ought to be passed in the next session. I presume the time has come in this House that no bill can pass unless it has department approval. If I were returning I think I would make it a point to object to every bill that had departmental approval that should come before the House, so as to get the House out of the habit of requiring that departmental approval be had on bills that had been worked on seriously by the Members of the House and conclusions reached, and then were killed simply by departmental objection.

The Department does not object to the principle involved in the amendments agreed on by the conferees. But the Department does not disagree to the substance of the amendments. If that is the shape we are in here, that we cannot pass this or even get it considered, we have to bow in obedience to the rules.

Mr. FERNANDEZ. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. The one amendment to which the Department did object has been completely eliminated from the bill by the conferees.

Mr. DISNEY. Yes; we did that. It has been completely eliminated, and there is not a thing controversial in these amendments, so it is a question of whether or not the House wants to hold us up on this important public matter, not a private matter.

The SPEAKER pro tempore. May the Chair suggest that the House will be in session for some time, and the gentleman will have opportunity to see if he can comply with the provisions of the rules?

Mr. DISNEY. The official objectors are scattered and gone. This is not a matter of a claim. I have understood that the official objectors objected only to claims. This is not a claims bill; it is a bill to acquire titles that have been considered good in Oklahoma for 25 years and are now being upset. There is nothing else involved in this bill. If the gentlemen will sit down with us and reason this thing out, they can readily understand it. Now, the Department wants to have its way and kill every item of legislation that the Department has not given its definite, written consent to.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I want to give the Members of the House a little history of what is before us. We passed the bill involving the right of the Indians in the State of Wisconsin to purchase timber outside of the reservation for the purpose of producing lumber to meet some of the war requirements in that section of the country. Over in the Senate, after the House had passed the bill, H. R. 2185, the Senate put on three different bills, one of which contains the section the gentleman from New Mexico has already told you and the gentleman from Oklahoma has already told you has been eliminated entirely by the conferees. We met with the Senate conferees, who included Senator THOMAS, Senator SHIPSTEAD, Senator O'MAHONEY, and Senator WHEELER, and the five of us tried to get together to work this matter out to meet the situation down in the State of Oklahoma.

I may say that the question of Indian affairs in Montana is not affected at all. This report does not touch anything in Montana. I am trying to work out something to relieve the situation that exists in the State of Oklahoma.

After we had gotten together and we thought we had agreed, then some matters came up later which required a further meeting of the conferees. We held conferences for nearly 2 days on this bill. Finally, yesterday morning we agreed on the matter, to eliminate matters of controversy to which the Department objected.

I want to add a few words to what the distinguished gentleman from Oklahoma has already said. If we have reached the point in legislative action where this House will not act except when the Department approves, then we have reached the point where we no longer function as a legislative body. I for one may take the position hereafter that when any of these Departments come in here and want a bill passed, they may find me objecting to its passage, too, because I am getting sick and tired of being forced to yield constantly to the demands of the Departments, who know nothing about what we are talking about. I think I know more about Indian affairs in my State of Montana and I think these gentlemen know more about Indian affairs in the State of Oklahoma than some man sitting in a swivel chair in Washington.

Following this conference the gentlemen from Oklahoma [Mr. DISNEY and Mr. STIGLER] and I conferred with the Speaker yesterday noon in regard to getting this report out; first of all, to see whether or not we could get it up by unanimous consent without the necessity of having filed it.

The SPEAKER pro tempore (Mr. COX). Let the Chair make an observation which might possibly be of interest to the gentleman from Montana. The Chair understands this is simply a conference report on a matter which both Houses have agreed upon. If the standing committees are agreed on it, the Chair thinks if the gentleman would clear this through the acting minority leader and such objectors as are present, if there are any present, the Chair would be justified in entertaining the unanimous-consent request of the gentleman.

Mr. O'CONNOR. That is the identical thing which we were trying to do.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. O'CONNOR. Mr. Speaker, I ask permission to proceed for 2 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Speaker, no requirement was made by the Speaker to us at the conference that we had to clear through the objectors, because I think we all are familiar with the rule that the objectors pass upon claims, or bills which have to do with claims, while this is simply a bill to quiet the title to some land down in the State of Oklahoma. That is the purpose of it. The Speaker advised me to try to clear it through the Republican side with the acting minority leader, the gentleman from Michigan [Mr. MICHENER], and through the majority side with the acting majority leader, the gentleman from Georgia [Mr. RAMSPECK]. The gentleman from Georgia [Mr. RAMSPECK] will verify my statement that I spoke to him about it yesterday. So we have been doing the identical thing which the Speaker told us to do. Of course, if we cannot clear it, it is all right; but I want the House to know and I want the Speaker to know what we have been trying to do in this matter.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I think this is a matter which is becoming confused by virtue of the statements that are being made. The CONGRESSIONAL RECORD of this morning shows that the conference report on this bill was filed in the Senate, and it is printed in the RECORD. But the trouble is that the statement was not printed. I called up the document room to get a copy of this bill. It was not available. I wanted a copy of it as it passed the Senate and could not get a copy of the bill. Well, you cannot make any sense out of what was printed in the RECORD this morning unless you have the bill before you. So when I came up on the floor I asked if the conference report was on the desk and I got the conference report from the desk. You have to study that conference report before you begin to understand what it is about. Now, the trouble was the House passed the bill, to which there was no objection whatsoever, as the gentleman said a minute ago. But the Senate added amendments concerning another matter. The amendments were never discussed in the House nor, so far as I could find, in the RECORD. It seems to me that the proper thing to do is to file the conference report now with a statement explaining in detail just what the conferees did and just what the amendment is that has been agreed to, then tomorrow, under the rules of the House, it will be in order to call up the conference report. I think that is perfectly plain. The gentleman is asking unanimous consent to consider a conference report, which was not presented to the House until today. Under the rules, unanimous consent must be obtained to call it up now, but after it lays over for 1 day it is in order to call it up. I think the proper procedure is, if you are going to be here tomorrow, to call it up tomorrow, but in the meantime print in the RECORD underneath the

conference report a statement, as every committee should do, showing in detail what the amendment really means. The gentleman from Oklahoma explained the amendment to me. I talked to the gentleman from Iowa [Mr. GILCHRIST], who has been watching these reports. He was a member of the conference committee and signed the conference report. He said it was satisfactory to him. He said there was no money involved. I think you should file your statement so the Members of the House will know what it is about.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. O'CONNOR. I have a statement already prepared.

Mr. COCHRAN. Then put it in the RECORD.

Mr. O'CONNOR. I was going to have the House consider it with the report.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that this statement may be printed with the report.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

CONVEYANCE OF CERTAIN PUBLIC PROPERTY TO THE STATE OF MINNESOTA FOR PARK PURPOSES

The SPEAKER pro tempore. The gentleman from Florida [Mr. PETERSON], I believe, was seeking recognition.

Mr. PETERSON of Florida, from the Committee on Public Lands, filed the following conference report and statement on the bill (S. 629) to authorize the conveyance of certain public lands in the State of Minnesota to such State for use for park, recreational or wildlife refuge purposes, for printing under the rule:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 629) to authorize the conveyance of certain public lands in the State of Minnesota to such State for use for park, recreational, or wildlife-refuge purposes; having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: ": (5) *Provided*, That nothing herein contained shall interfere with existing grazing privileges enjoyed by persons prior to the passage of the Act, but such privileges shall not extend beyond the lifetime of persons now exercising the same and no such grazing privilege shall be exercised by any person during any period of time when such islands are being actually used for military training or maneuvers"; and the House agree to the same.

J. HARDIN PETERSON,
J. W. ROBINSON,
COMPTON I. WHITE,
K. M. LECOMPTE,
Managers on the part of the House.

CARL A. HATCH,
CHAN GURNEY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 629) to authorize the conveyance of certain public lands in the State of Minnesota to such State for use for park, recreational, or wildlife-refuge purposes", submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House originally amended the bill as follows: Page 3, line 3, after "lands" insert: "; (5) that the grazing privileges heretofore enjoyed by adjacent or nearby land owners shall not be abridged or interfered with."

In lieu thereof the new wording provides as follows:

"(5) *Provided*, That nothing herein contained shall interfere with existing grazing privileges enjoyed by persons prior to the passage of the Act, but such privileges shall not extend beyond the lifetime of persons now exercising the same and no such grazing privilege shall be exercised by any person during any period of time when such islands are being actually used for military training or maneuvers"

This is to insure existing grazing privileges enjoyed by persons prior to the passage of the Act and not abridge them during their lifetime, except for short periods when the islands are actually being used for military training or maneuvers.

J. HARDIN PETERSON,
J. W. ROBINSON,
COMPTON I. WHITE,
K. M. LECOMPTE,
Managers on the part of the House.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 629), conveying certain lands in the State of Minnesota. I believe I have complied with the rule. If not, I have no desire that this be taken up, but I believe I have complied with the rule as I understand it. This conference report has been agreed to. It was an amendment which I introduced myself when the bill was on the floor of the House. It was one in which the gentleman from Minnesota was interested, and after a series of conferences we have worked it out satisfactorily to everybody.

The SPEAKER pro tempore. Permit the Chair to inquire whether the gentleman has cleared this through the minority leader and such objectors as may be present?

Mr. PETERSON of Florida. Yes; such as are present. I have been unable to confer with one of the objectors on the majority side; but I have conferred with all the objectors who are present.

The SPEAKER pro tempore. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. KNUTSON. Mr. Speaker, reserving the right to object, inasmuch as the legislation applies entirely to the district I have the honor to represent I should like some further information. As the gentleman from Florida well knows, I have been opposed to this legislation from its very inception. It is a Senate bill, passed by the Senate. It came over, was reported out by the proper committee of the House of which the gentleman from Florida is chairman. We have conferred a number of times, as the gentleman will recall.

Mr. PETERSON of Florida. Yes; the gentleman has been most zealous trying to protect the rights of his people.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the amended section may be read as it now appears, if that is in order.

The SPEAKER pro tempore. Without objection, the Clerk will read the statement of the managers on the part of the House.

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. PETERSON of Florida. Mr. Speaker, we tried to work things out and take care of the situation. The gentleman from Minnesota was very diligent in his efforts to protect the grazing rights of the good people who are using the little islands at the present time.

There was a desire also to use those islands for maneuvers, and the verbiage of the bill as reported back by the conferees is such as to limit the interference with present grazing to the period during which the area is actually being used for maneuvers and training.

Mr. Speaker, I spent a great deal of time on this bill and worked probably as hard on it as on any bill that has ever come out of the committee in a wish to take care of the problem affecting the gentleman from Minnesota. He has been very diligent and has kept in close touch with me. I assure him that after a series of conferences this is the very best that can be worked out and I believe it will take care of his situation.

Mr. MURRAY of Wisconsin. Mr. Speaker, reserving the right to object, similar situations to this have developed during the last 2 or 3 days. I do not believe this "quickie" legislation is going to be of any value to anyone. I see no harm to be done by its going over for just one more day.

Mr. Speaker, I object to the consideration of this conference report today. I think we should have a chance to know where we are before voting on it.

Mr. PETERSON of Florida. May I say to the gentleman that I have spent days trying to reach an agreement in conference. This means nothing to me; I am doing this in the interest of the House and I have tried to work it out to take care of the problem of the gentleman from Minnesota. The gentleman from Minnesota [Mr. KNUTSON] and the Senator from Minnesota had problems of their own. I have literally walked back into the conference day after day and spent a great deal of time trying to work this out. I hope the gentleman will not object.

Mr. MURRAY of Wisconsin. But I did object.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, this legislation affects a number of small islands in the Mississippi River adjacent to the so-called Camp Ripley Military

Reservation in Minnesota. As I understand the measure its purpose is to authorize the Secretary of the Interior to transfer title to those islands from the Federal Government to the State of Minnesota.

These islands have been used for grazing purposes by neighboring farmers as far back as the written history of Minnesota goes. There really is not any need for this legislation that I can see. As the gentleman from Florida knows, I have consistently opposed enactment of the legislation. It is not necessary, but my good friend, the able Representative from the St. Petersburg district in Florida, has been very diligent and active in promoting the measure due to pressure from another part of the Capitol.

I am not going to object, but I want the RECORD to show that I am very, very loath to see the conference report adopted and were it not for the fact that we are in the closing days of the session I would ask that it go over until such time as the matter may be given further consideration, and interested parties heard.

Mr. MURRAY of Wisconsin. Mr. Speaker, I did object.

The SPEAKER pro tempore. Does the gentleman from Wisconsin object to the present consideration of the conference report?

Mr. MURRAY of Wisconsin. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BRADLEY] may have permission to extend his own remarks in the RECORD and to include a radio address.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PREVIOUS ORDER

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Kentucky [Mr. ROBSION] is recognized for 20 minutes to address the House.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROBSION of Kentucky. Mr. Speaker, I do not desire to speak today, and I ask unanimous consent that I may have permission to address the House tomorrow for 20 minutes at the conclusion of any special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OF SECTIONS 4, 7, AND 17 OF THE RECLAMATION PROJECT ACT OF 1939

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, as chairman of the Committee on Irrigation and Reclamation of the House, which has in charge legislation reported out of that committee, I find myself at the present time in a rather peculiar position, due to the end of the session and the uncertainty of a quorum. I refer to legislation that has been passed and acted upon by our committee and reported favorably to the House embodied in H. R. 4932, to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939, for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes.

A companion bill to this measure, S. 1782, was passed by the Senate. There was a provision added in the Senate bill, section 4, which I am going to read to the Members of the House and I invite the particular attention of the members of the Ways and Means Committee to this section 4 because that is the main issue involved in the legislation:

SEC. 4. The act entitled "An act authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona," approved September 18, 1922 (42 Stat. 847), is hereby amended by adding thereto a new section, as follows:

"SEC. 2. After the retirement of all debt owed by the project to the United States and all bonded debt, the net power revenues shall be covered into the reclamation fund. No distribution or dividend of power revenues, before or after completion of debt retirement, shall be made to individual water users or others: *Provided*, That the application of power revenues heretofore or hereafter made to reduce the cost of water service shall not be deemed a distribution or dividend."

Mr. Speaker, that bill was passed by the Senate on May 25 and signed by the Secretary of the Senate.

This is a very serious issue that is before the Congress and before the department.

The Salt River project is federally owned and the income from the sale of power generated on the project is being applied as Congress has directed in paying the cost of construction of the project, and assistance in carrying other burdens otherwise falling on irrigation.

It is not intended that any part of the power revenues be used for the private profit of any corporation or individual and this bill will remove any doubt on that point and assure that this revenue be used for project purposes until the project is paid for and after the payment of the project cost is completed all the net revenues from power sale will go to the Government.

The bill is more fully explained in the statement of the House conference managers and in the committee report on H. R. 4932, Report No. 2045.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Missouri.

Mr. COCHRAN. As I understood the gentleman, the money derived is to go into the reclamation fund and not into the Treasury; is that correct?

Mr. WHITE. I am sure the gentleman appreciates the fact that the reclamation fund is a fund of the United States Government that is being used to develop Federally owned projects; that under the reclamation law all the revenues derived from the sale of public lands, oil leases, royalties, repayments of construction charges, and power revenues in excess of operation and maintenance costs after the projects are paid for, are covered into the reclamation fund, which is a revolving fund and used to finance the construction of Government-owned reclamation projects. The money so obtained is used to finance the construction of reclamation projects and build up the country and increase the production of these areas and thereby increase the growth of the country and increase the taxable revenues of the Government. I do not think that the gentleman wants to raise that question, because that issue has been settled. This program is one of the greatest development plans the Government has ever instituted to upbuild the country. I do not think the gentleman wants to go into that issue at all. If he did, he would make a mistake in raising it.

Mr. COCHRAN. I may say to the gentleman that I remember the original act, and I remember the amendment, and I did not like the way the amendment was presented to us. It is now law. The original act provided that 50 percent went into the reclamation fund and 50 percent went into the Treasury. Then we had an appropriation bill, the Interior Department appropriation bill, in which there were a lot of disputed projects. There was some log-rolling: You vote for mine and I will vote for yours. When the conference report was submitted, although we had defeated one project in the House, it was in the bill again when it came back from the Senate, and along with it was the amendment which provided that thereafter 100 percent of the money went into the reclamation fund and not 50 percent as the original law provided. That 50 percent that was to go into the Treasury, we thought, would eventually get back to the people of this country some of the money that they had advanced for these reclamation projects. So this is not a one-sided affair. That amendment was offered not as an individual piece of legislation, but was tacked onto an appropriation bill where it did not belong.

Mr. WHITE. I may say to the gentleman from Missouri that he seems to miss the main point and objective of this legislation and the Government's policy behind the legislation. He is referring to another piece of legislation entirely. What we seek to do, and what has always been undertaken in this country, is to build up the country. Either the Treasury of the United States or money derived from the resources in Western States will have to bear the burden of financing these projects which are reimbursable, or the country will have to wait for the Western States to do it themselves, so it has been decided by the Congress that it is for the best interest of the country that the income from the sale of Federally owned properties in the Western States, in the reclamation States, should be covered into the reclamation fund and used to build up a fund by which to finance the further development of the country. Power revenues of a project, after helping retire its cost and paying operation and maintenance, go

into this revolving fund for the same purposes.

May I call to the gentleman's attention that outside of any pecuniary return from these reimbursable provisions of the law, this money will be used to build up a development and bring in a source of revenue that will be permanent and never end; so that we will have a stream of taxes pouring into the Treasury from these new communities and new districts; that will do more to relieve the tax situation and find homes for returning soldiers than anything that can be done.

I do not think the gentleman wants to put himself in a position of opposing a plan that will build up the reclamation fund, as a means of financing a program with which to develop the great resources of this country. When he stops to think, by doing that we are increasing the tax revenue and building up communities and doing things that have been done all over the country, which has put our Nation in the forefront among the powers of the earth and has given us a great country with great resources.

Mr. Speaker, I read this from the statement of the managers on the part of the House, annexed to the conference report:

STATEMENT RE SECTION 4—SALT RIVER PROJECT, ARIZONA

Section 4 relates to the Salt River project in Arizona. It appeared in S. 1782, as passed by the Senate. The same provision was reported unanimously by the House Irrigation and Reclamation Committee (H. Rept. No. 2045, 78th Cong., 2d sess.), in a report upon an identical bill (H. R. 4932) for which S. 1782 was substituted in the House. The conferees have included section 4 for the reasons, stated in the House report, which is to be deemed a part of the legislative history of this legislation.

The effect of this bill is to clarify and restate existing law, relating to the Salt River project. It is intended to make clear:

First, that after the retirement of all debt owed by the project to the United States and all bonded debt, the power revenues shall be covered into the reclamation fund. This is the general law, and the present bill removes any doubt that this policy was intended to apply to the Salt River project.

Second, that no distribution or dividend of power revenues before or after completion of debt retirement, shall be made to individual water users or others. All of the power and water revenues on Salt River project are derived from the operation of federally owned works, and are applied to project purposes by law, and Congress has never intended that they shall be for the private profit of any corporation or individual.

Third, that the application of power revenues heretofore or hereafter made to reduce the cost of water service shall not be deemed a distribution or dividend. This is a multipurpose project on which power has been developed and sold in order to bear part of the burden otherwise falling on the cost of irrigation, and to thereby aid in making the project self-supporting. Such an application of revenues to project purposes does not constitute a dividend or distribution to the farmers who use the water.

Section 4 does not confer any advantage or special treatment upon the Salt River project, but instead is designed to assure this project the same treatment that prevails as to the projects operated by the Secretary of the Interior and those operated by irrigation districts. The reclamation laws intended no discrimination between the three types of projects.

COMPTON I. WHITE,
J. W. ROBINSON,
JAMES F. O'CONNOR,
ROBT. F. ROCKWELL,
Managers on the part of the House.

I wish also to call attention to the text of our committee report, No. 2045:

AMENDING SECTIONS 4, 7, AND 17 OF THE RECLAMATION ACT OF 1939 (53 STAT. 1187) FOR THE PURPOSE OF EXTENDING TIME IN WHICH AMENDATORY CONTRACTS MAY BE MADE, AND FOR OTHER RELATED PURPOSES

Mr. O'CONNOR, from the Committee on Irrigation and Reclamation, submitted the following report:

The Committee on Irrigation and Reclamation, to whom was referred the bill (H. R. 4932) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, having considered the same, report favorably thereon within amendment and recommended that the bill do pass.

H. R. 4932 is the counterpart of S. 1782, as passed by the Senate. The first three sections of the bill amend sections 4 (d), 7 (c), and 17 of the Reclamation Project Act of 1939. These changes were proposed by the Secretary of the Interior, and authorize certain amendments of contracts made under the 1939 act.

Section 4 amends an act authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, approved September 18, 1922 (42 Stat. 847), by adding thereto a new section, as follows:

"SEC. 2. After the retirement of all debt owed by the project to the United States and all bonded debt, the net power revenues shall be covered into the reclamation fund. No distribution or dividend of power revenues, before or after completion of debt retirement, shall be made to individual water users or others: *Provided*, That the application of power revenues heretofore or hereafter made to reduce the cost of water service shall not be deemed a distribution or dividend."

This language is believed to be declaratory of the existing law affecting this project, as found in the general reclamation laws and the special statutes and contracts relating to the Salt River project, but is made necessary as clarifying legislation by the misinterpretation placed upon the reclamation laws by the Bureau of Internal Revenue in a case involving this project now pending in the United States Tax Court (*Salt River Valley Water Users' Association* v. *Commissioner of Internal Revenue*, Docket No. 109376).

The tax question would disappear if the farmers on Salt River project should dissolve the association and reorganize as an irrigation district, which is specifically exempt from income tax by virtue of section 101 of the Internal Revenue Code. This would not be to the interest of the project or of the United States.

There are three types of Federal reclamation projects:

(1) Projects operated by the United States.

(2) Projects operated by political subdivisions of States such as irrigation districts.

(3) Projects operated by incorporated water users' associations.

The association form, at least on this project, has two advantages over the district form of organization:

First. The authority to refuse delivery of water unless assessments are paid in advance.

Second. The associations' bylaws limit voting participation to not in excess of 160 acres per farmer, which is in accordance with the intent of the reclamation law. This places the political control of the project in the hands of those who own family sized farms.

The association's stock is appurtenant to the land, like the water rights, and cannot be sold separately. Association landowners vote in proportion to their acreage, and pay association assessments, instead of district taxes, but the assessments, like taxes, are construed by the local court as lien having precedence over private mortgages.

The general parallel between water users' associations and irrigation districts is explained in *Citrus Growers Development Association* v. *Salt River Valley Water Users' Association* (268 Pac. 773 (Ariz., 128), at p. 755); *Saylor* v. *Gray* (20 P. (2d) 441 (Ariz., 1933), at p. 443); *Orme* v. *Salt River Valley Water Users' Association* (25 Ariz. 324, 217 Pac. 935). In the Citrus case the Arizona Supreme Court said:

"Its affairs are conducted in many respects as are those of a municipal corporation, its purposes are those generally found only in organizations such as irrigation districts and other similar institutions, which are considered as municipal corporations for most purposes, and it has been given the right to exercise many powers similar to those usually conferred only on branches of the Government. It can probably be best described as a private corporation with a public purpose, and having quasi-governmental powers."

Power and water revenues on all three types of Federal projects are controlled by the same Federal statutes and are applied in exactly the same way, that is, to operation, maintenance, and debt service, all to the end of lightening the burden on the farmer by reducing the cost of his water. Congress intended no discrimination between these types of projects.

The association receives and pays out project revenues as Congress directs, for the benefit of the landowners, just as would be done by the Secretary of the Interior or by an irrigation district if the operating type were changed.

Title to the project, including its power features, is vested in the United States. Upon complete payment of the indebtedness incurred in respect of the project, title thereto under present law will still remain in the United States. No equity resulting from the activities of the Salt River Valley Water Users' Association accrues to or is to be realized by individual members.

The Bureau of Internal Revenue, however, in the Salt River case, has taken the position that although these power revenues are applied as Congress has directed and for the purposes stated above, they constitute a profit upon which the association is taxable, and that the power revenues so applied for the reduction of water charges are in the nature of a dividend or distribution, and that the association is the owner of these revenues and subject to tax upon them. The net effect of this contention would be to increase the cost of water service to the farmers by several dollars per acre per year, and to bankrupt the project. This contention is contrary to the true intent of the existing reclamation laws, and this bill clarifies and restates the existing law applicable to this project.

The Salt River Valley Water Users' Association, operating the Salt River project under contract for the United States and the farmers, is simply the conduit or trustee of the revenues received, both in the form of power revenues and water assessments. It performs the functions which the Secretary of Interior did in the management of the project prior to 1917, and which he may resume again, under the terms of the applicable contracts.

This committee intends H. R. 4932 to correct the misinterpretation placed by the Bureau of Internal Revenue upon the reclamation law, and to put an end to the contention that the revenues of the Salt River project ever have been or are now subject to income tax.

The approval of this bill by the committee is not to be construed as establishing a policy or procedure respecting debt retirement or the future disposition of power revenues upon other irrigation projects.

In compliance with the rules, below is printed the text of the provisions of existing law which would be amended by the enactment of this bill:

"(Reclamation Project Act of 1939; Public, No. 260, 76th Cong., ch. 418, 1st sess.)

"SEC. 4. (d) For each project contract unit where a repayment contract is entered into pursuant to this section, each year the percent of the normal returns for said year by which the annual returns of said year exceed or are less than said normal returns shall be determined by the Secretary. For each unit or major fraction of a unit of said percentage of said increase or decrease there shall be an increase or decrease, respectively, of 2 percent in the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section. Said latter amount or amounts as thus increased or decreased shall be the payment or payments of construction charges due and payable for said year, except that in no event shall the amount of the said payment or payments due and payable for any year be less than 15 percent of the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section.

"SEC. 7. (c) The Secretary from time to time shall report to the Congress on any proposed contracts negotiated pursuant to the authority of subsection (a) or (b) (1) of this section, and he may execute any such contract on behalf of the United States only after approval thereof has been given by act of Congress.

"SEC. 17. (a) The authority granted in sections 3 and 4 of this act for modification of existing repayment contracts or other forms of obligations to pay construction charges shall continue for 5 years from the date of this enactment in order to provide opportunity for negotiating and consummating said modifications and opportunity for enactment by the legislature of any State in which a project contract unit is located of any legislation which may be necessary to empower water users and organizations to execute and carry out the provisions of contracts entered into pursuant to the authority of this act.

"(b) The authority of the Secretary under the act entitled 'An act to authorize further relief to water users on United States and on Indian reclamation projects,' approved May 31, 1939 (Public, No. 97, 76th Cong. 1st sess.), is hereby extended in connection with the construction charges due and payable, under any existing obligation to pay construction charges, for each of the years 1939 to 1943, inclusive, to the extent such charges are not covered by modification of said obligation under section 3 or 4 of this act."

[Public—No. 309—67th Congress]

H. R. 10248

"An act authorizing the sale of surplus power developed under the Salt River reclamation project Arizona

"*Be it enacted, etc.*, That whenever a development of power is necessary for the irrigation of lands under the Salt River reclamation project, Arizona, or an opportunity is afforded for the development of power under said project, the Secretary of the Interior is authorized, giving preference to municipal purposes, to enter into contracts for a period not exceeding 50 years for the sale of any surplus power so developed, and the money derived from such sales shall be placed to the credit of said project for disposal as provided in the contract between the United States of America and the Salt River Valley Water Users' Association, approved September 6, 1917: *Provided*, That no contract shall be made for the sale of such surplus power which will impair the efficiency of said project: *Provided, however*, That no such contract shall be made without the approval of the legally organized water users' association or irrigation district which has contracted with the United States to repay the cost of said project: *Provided further*, That the charge for power may be readjusted at the end of 5-, 10-, or 20-year periods after the beginning of any contract for the sale of power in a manner to be described in the contract.

"Approved, September 18, 1922."

Mr. Speaker, I want the Committee on Ways and Means to pay particular attention to the facts I am going to call to their attention. If the contention of the Treasury is supported, then the revenue from the sale of power that is now going to repay the cost of building this project will be decreed to be a dividend and the Treasury will take part of it in taxes. That will establish the fact that these water users have a vested right in the revenue from the sale of the power, because it will be a taxable property. When the payment of the construction charges is completed, then the water users can step in and claim as their property, as their vested right, the receipts from the sale of power.

This bill, which our committee believes declares the existing law, will settle that issue, and will establish the fact that the Government owns this revenue.

By passing this bill, the Government will reassert its right to get all the revenue that is paid in, in repayment of construction charges, and after the cost of the project is completely paid for, then the net power revenue all will flow into the Treasury. If the contention of the Treasury that is made here on the floor and that is made in their attempt to levy taxes on this revenue is sustained, then the water users will have a vested right in the revenue from the sale of power, and after the construction charges are paid off, that money will pass from the Government and go into private dividends. We believe that the Treasury's contention is contrary to the plain intent of the reclamation law.

It is the effort of your committee and the effort of the conferees to clarify and restate the existing law, to settle that issue, to protect the interests of the Government, and to declare by legislation that this revenue is owned by the Government, that the Government receives the revenue to apply it on the construction charges, and after the construction charges are paid off it is to go into a Government fund.

I am sorry the Speaker and the leaders of this House have found themselves in such a position, due to the end of the session, that a piece of legislation that has been worked out by the Senate and the House, and on which a conference committee has reached an agreement, cannot in this term of Congress be brought to a vote and passed to protect the best interests of the Government and the people of the United States. The bill, the committee report, and the conference report, however, represent the views of the committee which has had the major responsibility in writing the reclamation laws, as to the proper interpretation of these reclamation laws affecting the Salt River project.

The Salt River project in Arizona was the first project built under the Federal Reclamation Act. It has also been one of the most succesful. It embraces over 240,000 acres of land, and more than a quarter of the total population of the State of Arizona lives there. Its wealth comprises more than a third of the assessed valuation of the State. The project works consist of Roosevelt Dam and five other dams on the Salt and Verde Rivers, and a system of canals, power plants, transmission lines, and auxiliary steam and diesel plants. All of these works are owned by the United States. About half of them, however, were not built at Federal expense, but out of the proceeds of bond money. The bonds are mortgages upon the farmers' lands.

The Government works are operated by the Salt River Valley Water Users' Association under contract with the United States. This association is like an irrigation district, but was organized in territorial days, before Arizona had any irrigation district laws. The lands of the project, rather than the landowners, are really the members of the association, for the stock is appurtenant to the land, like the water rights, and cannot be sold separately. There are 14,000 landowners on the project.

Both the power and water revenues are controlled by acts of Congress. These laws require that the power revenues be applied for the retirement of the debt, and for operation and maintenance. No dividends or distributions to any individuals are permitted. The intended effect of the existing law is to reduce the cost of water to the farmer, and to apply the power revenues to make a more feasible and economic investment for the United States. The policy has been eminently successful. The project has never defaulted on its bonds, and stands almost alone among irrigation projects in that respect. It has prepaid the installments of its Government debt until 1949.

This fine result has been due in part to the unusual form of the water users' organization. This association, unlike an irrigation district, must, by the terms of its bylaws, require the farmer to pay for his water in advance. The budget system requires its assessments to be the amount which, added to the power revenues, will be adequate to meet all operation and maintenance and all principal and interest installments on the debt. The farmer cannot make any segregation in his payment as between water and power debts, nor between operation and maintenance and debt service. Also, voting is limited to 160 acres per person, which keeps control of the project in the hands of owners of family-sized farms.

The association's constitution and bylaws have been the model for formation

of other associations in several of the Western States, and many of their provisions were adopted by Congress in legislation controlling the revenues of the irrigation projects.

S. 1782—H. R. 4932—has become necessary because the Bureau of Internal Revenue has misinterpreted the existing reclamation law as permitting or contemplating operation of the power and water system for profit, and the Bureau treats the power revenues, which Congress has decreed shall be applied to the reduction of water charges, as though they were dividends paid by a private corporation to the farmers. This legislation clarifies the existing law, but would not be necessary if the Bureau of Internal Revenue had correctly interpreted the law as it exists.

The bill is intended to make perfectly clear, first, that after the project debt is retired, including both present and future debts owed to the United States, and owed to the bondholders, the power revenues shall go into the reclamation fund, and can never become the private property of the landowners or of anyone else. Second, that no distribution of these power revenues shall be made to individuals either before or after the project debt is retired; and, third, that the application of these revenues, both in the past and in the future, to the reduction of the cost of water to the farmer, shall not be construed to be a distribution or dividend.

The enactment of this legislation will not confer any special privilege or exemption or benefit upon the Salt River project, but will assure that it gets identically the same treatment as the projects which are operated by irrigation districts. No attempt is or can be made to tax them, because irrigation districts are municipal corporations. Congress has no desire to drive out of existence water users' associations, nor to discriminate between projects operated directly by the Interior Department and projects operated by irrigation districts and projects operated by water users' associations. It intended all of them to be treated exactly alike, and this bill is intended to prevent discrimination against one of the greatest of these projects, which happens, for historical reasons, to be operated by a water users' association instead of an irrigation district.

EXTENSION OF REMARKS

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter and a newspaper clipping.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

THE RECLAMATION ACT OF 1939

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the bill, S. 1782, which was passed by the Senate, appear at this point in the RECORD, together with the report of the committee on the bill, and the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

S. 1782

An act to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes

Be it enacted, etc., That section 4 (d) of the Reclamation Project Act of 1939 is hereby amended to read as follows:

"(d) For each project contract unit where a repayment contract is entered into pursuant to this section, each year the percent of the normal returns for said year by which the annual returns of said year exceed or are less than said normal returns shall be determined by the Secretary. For each unit or major fraction of a unit of said percentage of said increase or decrease there shall be an increase or decrease, respectively, of 2 percent in the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section. Said latter amount or amounts as thus increased or decreased shall be the payment or payments of construction charges due and payable for said year, except that in no event shall the amount of the said payment or payments due and payable for any year be less than 15 percent nor, as determined by the Secretary, more than from 150 to 200 percent, inclusive, of the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section. The Secretary is hereby authorized to amend any repayment contracts heretofore or hereafter entered into pursuant to the provisions of this section to conform to the provisions of this amendment."

SEC. 2. Section 7 (c) of the Reclamation Project Act of 1939 is hereby amended to read as follows:

"(c) The Secretary from time to time shall report to the Congress on any proposed contracts negotiated pursuant to the authority of subsection (a) or (b) (1) of this section, and he may execute any such contract on behalf of the United States only after approval thereof has been given by act of Congress. Contracts, so approved, however, may be amended from time to time by mutual agreement and without further approval by Congress if such amendments are within the scope of authority heretofore or hereafter granted to the Secretary under any act, except that amendments providing for repayment of construction charges in a period of years longer than authorized by this act, as it may be amended, shall be effective only when approved by Congress."

SEC. 3. Section 17 of the Reclamation Project Act of 1939 is hereby amended to read as follows:

"(a) The authority granted in sections 3 and 4 of this act for modification of existing repayment contracts or other forms of obligations to pay construction charges shall continue through December 31, 1950, or December 31 of the fifth full calendar year after the cessation of hostilities in the present war, as determined by proclamation of the President or concurrent resolution of the Congress, whichever period is the longer.

"(b) The Secretary is hereby authorized, subject to the provisions of this subsection, to defer the time for the payment of such part of any installments of construction charges under any repayment contract or other form of obligation (exclusive of contracts entered into under this act) that are due and unpaid as of the date of this amendment or which will become due prior to the expiration of the authority under subsection (a) of this section as he deems necessary to adjust such installments to amounts within the probable ability of the water users to pay. Any such deferment shall be effected only after findings by the Secretary that the installments under consideration probably cannot be paid on their due dates without undue burden on the water users, considering the various factors which in the Secretary's judgment bear on the ability of the water users so to pay.

"The Secretary may effect the deferments hereunder subject to such conditions and provision relating to the operation and maintenance of the project involved as he deems to be in the interest of the United States. If, however, any deferments would affect installments to accrue more than 12 months after the action of deferment, they shall be effected only by a formal supplemental contract. Such a contract shall provide by its terms that, it being only an interim solution of the repayment problems dealt with therein, its terms are not, in themselves, to be construed as a criterion of the terms of any amendatory contract that may be negotiated pursuant to sections 3, 4, or 7 of this act."

SEC. 4. The act entitled "An act authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona," approved September 18, 1922 (42 Stat. 847), is hereby amended by adding thereto a new section, as follows:

"SEC. 2. After the retirement of all debt owed by the project to the United States and all bonded debt, the net power revenues shall be covered into the reclamation fund. No distribution or dividend of power revenues, before or after completion of debt retirement, shall be made to individual water users or others: *Provided*, That the application of power revenues heretofore or hereafter made to reduce the cost of water service shall not be deemed a distribution or dividend."

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1782) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

COMPTON I. WHITE,
J. W. ROBINSON,
JAMES F. O'CONNOR,
ROBT. F. ROCKWELL,
Managers on the part of the House.

PAT MCCARRAN,
DENNIS CHAVEZ,
ERNEST W. MCFARLAND,
CHAN GURNEY,
Managers on the part of the Senate.

AMENDING SECTIONS 4, 7, AND 17 OF THE RECLAMATION ACT OF 1939 (53 STAT. 1187) FOR THE PURPOSE OF EXTENDING TIME IN WHICH AMENDATORY CONTRACTS MAY BE MADE, AND FOR OTHER RELATED PURPOSES

Mr. O'CONNOR, from the Committee on Irrigation and Reclamation, submitted the following report:

The Committee on Irrigation and Reclamation, to whom was referred the bill (H. R. 4932) to amend sections 4, 7, and 17 of the Reclamation Project Act of 1939 (53 Stat. 1187) for the purpose of extending the time in which amendatory contracts may be made, and for other related purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

H. R. 4932 is the counterpart of S. 1782, as passed by the Senate. The first three sections of the bill amend sections 4 (d), 7 (c), and 17 of the Reclamation Project Act of 1939. These changes were proposed by the Secretary of the Interior, and authorize certain amend-

ments of contracts made under the 1939 act.

Section 4 amends an act authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, approved September 18, 1922 (42 Stat. 847), by adding thereto a new section, as follows:

"SEC. 2. After the retirement of all debt owed by the project to the United States and all bonded debt, the net power revenues shall be covered into the reclamation fund. No distribution or dividend of power revenues, before or after completion of debt retirement, shall be made to individual water users or others: *Provided*, That the application of power revenues heretofore or hereafter made to reduce the cost of water service shall not be deemed a distribution or dividend."

This language is believed to be declaratory of the existing law affecting this project, as found in the general reclamation laws and the special statutes and contracts relating to the Salt River project, but is made necessary as clarifying legislation by the misinterpretation placed upon the reclamation laws by the Bureau of Internal Revenue in a case involving this project now pending in the United States Tax Court (*Salt River Valley Water Users' Association* v. *Commissioner of Internal Revenue*, Docket No. 109376).

The tax question would disappear if the farmers on Salt River project should dissolve the association and reorganize as an irrigation district, which is specifically exempt from income tax by virtue of section 101 of the Internal Revenue Code. This would not be to the interest of the project or of the United States.

There are three types of Federal reclamation projects:

(1) Projects operated by the United States.

(2) Projects operated by political subdivisions of States, such as irrigation districts.

(3) Projects operated by incorporated water users' associations.

The association form, at least on this project, has two advantages over the district form of organization:

First. The authority to refuse delivery of water unless assessments are paid in advance.

Second. The associations' bylaws limit voting participation to not in excess of 160 acres per farmer, which is in accordance with the intent of the reclamation law. This places the political control of the project in the hands of those who own family-sized farms.

The association's stock is appurtenant to the land, like the water rights, and cannot be sold separately. Association landowners vote in proportion to their acreage, and pay association assessments, instead of district taxes, but the assessments, like taxes, are construed by the local courts as liens having precedence over private mortgages.

The general parallel between water users' associations and irrigation districts is explained in *Citrus Growers Development Association* v. *Salt River Valley Water Users' Association* (268 Pac. 773 (Ariz., 1928), at p. 775); *Saylor* v. *Gray* (20 P. (2d) 441 (Ariz., 1933), at p. 443); *Orme* v. *Salt River Valley Water Users' Association* (25 Ariz. 324, 217 Pac. 935). In the Citrus case the Arizona supreme court said:

"Its affairs are conducted in many respects as are those of a municipal corporation, its purposes are those generally found only in organizations such as irrigation districts and other similar institutions, which are considered as municipal corporations for most purposes, and it has been given the right to exercise many powers similar to those usually conferred only on branches of the Government. It can probably be best described as a private corporation with a public purpose, and having quasi-governmental powers."

Power and water revenues on all three types of Federal projects are controlled by the same Federal statutes and are applied in exactly the same way, that is, to operation, maintenance, and debt service, all to the end of lightening the burden on the farmer by reducing the cost of his water. Congress intended no discrimination between these types of projects.

The association receives and pays out project revenues as Congress directs, for the benefit of the landowners, just as would be done by the Secretary of the Interior or by an irrigation district if the operating type were changed.

Title to the project, including its power features, is vested in the United States. Upon complete payment of the indebtedness incurred in respect of the project, title thereto under present law will still remain in the United States. No equity resulting from the activities of the Salt River Valley Water Users' Association accrues to or is to be realized by individual members.

The Bureau of Internal Revenue, however in the Salt River case, has taken the position that although these power revenues are applied as Congress has directed and for the purposes stated above, they constitute a profit upon which the association is taxable, and that the power revenues so applied for the reduction of water charges are in the nature of a dividend or distribution, and that the association is the owner of these revenues and subject to tax upon them. The net effect of this contention would be to increase the cost of water service to the farmers by several dollars per acre per year, and to bankrupt the project. This contention is contrary to the true intent of the existing reclamation laws, and this bill clarifies and restates the existing law applicable to this project.

The Salt River Valley Water Users' Association, operating the Salt River project under contract for the United States and the farmers, is simply the conduit or trustee of the revenues received, both in the form of power revenues and water assessments. It performs the functions which the Secretary of the Interior did in the management of the project prior to 1917, and which he may resume again, under the terms of the applicable contracts.

This committee intends H. R. 4932 to correct the misinterpretation placed by the Bureau of Internal Revenue upon the reclamation law, and to put an end to the contention that the revenues of the Salt River project ever have been or are now subject to income tax.

The approval of this bill by the committee is not to be construed as establishing a policy or procedure respecting debt retirement or the future disposition of power revenues upon other irrigation projects.

In compliance with the rules, below is printed the text of the provisions of existing law which would be amended by the enactment of this bill:

"(Reclamation Project Act of 1939; Public, No. 260, 76th Cong., ch. 418, 1st Sess.)

"SEC. 4. (d) For each project contract unit where a repayment contract is entered into pursuant to this section, each year the percent of the normal returns for said year by which the annual returns of said year exceed or are less than said normal returns shall be determined by the Secretary. For each unit or major fraction of a unit of said percentage of said increase or decrease there shall be an increase or decrease, respectively, of 2 percent in the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section. Said latter amount or amounts as thus increased or decreased shall be the payment or payments of construction charges due and payable for said year, except that in no event shall the amount of the said payment or payments due and payable for any year be less than 15 percent of the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsection (b) and (e) of this section.

"SEC. 7. (c) The Secretary from time to time shall report to the Congress on any proposed contracts negotiated pursuant to the authority of subsection (a) or (b) (1) of this section, and he may execute any such contract on behalf of the United States only after approval thereof has been given by act of Congress.

"SEC. 17. (a) The authority granted in sections 3 and 4 of this act for modification of existing repayment contracts or other forms of obligations to pay construction charges shall continue for 5 years from the date of this enactment in order to provide opportunity for negotiating and consummating said modifications and opportunity for enactment by the legislature of any State in which a project contract unit is located of any legislation which may be necessary to empower water users and organizations to execute and carry out the provisions of contracts entered into pursuant to the authority of this act.

"(b) The authority of the Secretary under the act entitled 'An act to authorize further relief to water users on United States and on Indian reclamation projects,' approved May 31, 1939 (Public, No. 97, 76th Cong., 1st sess.), is hereby extended in connection with the construction charges due and payable, under any existing obligation to pay construction charges, for each of the years 1939 to 1943, inclusive, to the extent such charges are not covered by modification of said obligation under section 3 or 4 of this act."

"[Public—No. 309—67th Congress]

"H. R. 10248

"An act authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona

"*Be it enacted, etc.*, That whenever a development of power is necessary for the irrigation of lands under the Salt River reclamation project, Arizona, or an opportunity is afforded for the development of power under said project, the Secretary of the Interior is authorized, giving preference to municipal purposes, to enter into contracts for a period not exceeding 50 years for the sale of any surplus power so developed, and the money derived from such sales shall be placed to the credit of said project for disposal as provided in the contract between the United States of America and the Salt River Valley Water Users' Association, approved September 6, 1917: *Provided*, That no contract shall be made for the sale of such surplus power which will impair the efficiency of said project: *Provided, however*, That no such contract shall be made without the approval of the legally organized water users' association or irrigation district which has contracted with the United States to repay the cost of said project: *Provided further*, That the charge for power may be readjusted at the end of 5-, 10-, or 20-year periods after the beginning of any contract for the sale of power in a manner to be described in the contract.

"Approved, September 18, 1922."

RECESS

The SPEAKER pro tempore (Mr. Cox). The House will stand in recess subject to the call of the Chair. Fifteen minutes' notice will be given by the ringing of the bells.

Thereupon (at 1 o'clock and 48 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER THE RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. Cox) at 4 o'clock and 20 minutes p. m.

EXTENSION OF REMARKS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article from the Combustion Patriot of Chattanooga, Tenn., entitled "Jim Farley, the Patriot and Statesman."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. KING] may extend his remarks in the RECORD and include therein certain information relative to benefits for veterans.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD and insert an editorial from the Times-Picayune of New Orleans.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CHRISTMAS CANDY

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to further extend my own remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, as Members of the House of Representatives prepare to leave Washington to spend the Christmas holidays with their families I believe it is important to warn them against any discussion of the Christmas lollipop because I have just made the startling discovery that certain types of Christmas candies are now a military secret.

And furthermore I have been officially warned that if I reveal information I have just learned about this great secret I will be subject to a fine of $10,000 or imprisonment for not more than 30 years or both. Therefore my lips are sealed.

I would advise Members of Congress not to speculate or publicly discuss the contents of old Santa's cargo of gifts, especially if they suspect that there might be included a bag of hard candy.

Of course, I have no information as to whether War Department officials have entered into a secret agreement with Santa Claus for a lollipop raid on enemy installations on Christmas Eve, but I have been warned that my inquiry concerning the Christmas candy situation is of gravest military importance and that my revelation of any facts concerning it comes under the category of military secrets.

It all came about when I attempted to get some information concerning the shortage of American-made candy. If you will visit candy stores in Washington and elsewhere today, you will find people standing in line to get 1 or 2 pounds of American-made candy. Some candy stores are open only 2 hours a day because they cannot get enough sugar to make the candy.

Many mothers have searched in vain for the old-fashioned striped Christmas canes and striped stick candy such as only American candy kitchens can produce.

Therefore I thought it proper to inquire into the situation as to why sugar was not available for making these typically American candies when great quantities of hard candy were being imported from Cuba. The question arose in my mind as to why the sugar should not be brought here from Cuba and made into the pure candies as American confectioners know how to make them and under United States pure food and drug laws, instead of having the sugar converted into hard candy in Cuba and then sent here.

Having received reports that some stores, unable to get American-made candy, were able to get great quantities of Cuban hard candy, I immediately launched an inquiry.

Naturally I wanted to know if great cargoes of candy were being imported from Cuba. I got the answer. But it is a military secret.

Seeking information as to whether hundreds of thousands or millions of pounds of candy had been imported for Christmas from Cuba, I telephoned the Bureau of the Census, which now handles statistics on imports and exports. I received the information but under a warning that if I discussed it publicly I faced a possible 30-year prison sentence.

Here is how the information reached me.

Yesterday afternoon a mailman came to my office with Registered Letter No. 991,877, which I hope is not revealing a military secret. He thrust a receipt book at my secretary and asked him to sign for the letter. The letter was in an envelope of the Department of Commerce, Bureau of the Census, Washington 25, and marked "official business."

Opening that envelope we found it to contain another sealed but smaller envelope of the Department of Commerce, Bureau of the Census, and on the face of it was typewritten in capital letters the word "confidential." Someone had underscored the word with a red-leaded pencil.

Then on the inside of that was a letter written on Department of Commerce, Bureau of the Census, stationery, and headed by the word "confidential" was a letter to be over the signature of Mr. J. C. Capt, Director.

That letter follows:

MY DEAR MR. CRAWFORD: This will confirm a telephone conversation of yesterday's date in which Mr. Hackett, of your office, was furnished with information on United States general imports from Cuba of sugar candy and confectionery valued at 6 cents or more per pound, as recorded in our accounts for the period January through October 1944. These data are shown on the enclosed typewritten statement.

This enclosure contains information affecting the national defense of the United States within the meaning of the Espionage Act (U. S. C. 50; 31 and 32). The transmission or revelation of its contents in any manner to an unauthorized person is prohibited by law.

Sincerely yours,

J. C. CAPT, *Director.*

Then on the sheet which he attached and on which was rubber stamped the word "confidential" were the statistics on imports of candy from Cuba.

At the bottom of the page was the imprint of another rubber stamp which warned:

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act (U. S. C. 50; 31 and 32). Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

Being curious to learn what law I had almost violated by snooping into the Christmas-candy import situation I looked up the statutes referred to and find that the section 31 is entitled "Unlawfully obtaining or permitting to be obtained information affecting the national defense," and that section 32 is entitled "Unlawfully disclosing information affecting national defense." In the eyes of the bureaucrat, I had almost become a spy.

Ironically enough, although I cannot discuss the matter of the candy shortage involving sugar or candy imports from Cuba under this bureaucratic edict which has made lollypops a military secret, the same mailman which brought me the restricted information on candy also brought me a public press release from the War Food Administration dated December 16 telling how many millions of pounds of flour we had exported to Cuba.

Therefore, in the eyes of one bureaucrat it is public information how many millions of pounds of flour we export to Cuba, but in the eyes of another bureaucrat it is a military secret how many million pounds of lollypops we import from the same country.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD as part of my remarks a resolution which was presented to his Excellency, the British Ambassador, by the Polish-American Congress, and I call the attention of the membership to this very timely and tempered, I should say, scholarly resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Further, Mr. Speaker, I ask unanimous consent to insert in the RECORD a sermon which was delivered recently by the Reverend Monsignor James H. Griffiths, S. T. D., for the victims of Warsaw.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ORDER OF BUSINESS

The SPEAKER pro tempore. The Chair would like to inform the membership that there is a possibility, and maybe better than a fair possibility, that the Senate will conclude the business before it this afternoon and send over an adjournment resolution. The Chair hopes it might come earlier possibly than 7:30 or 8 o'clock. The Chair does not want to inconvenience the Members, and yet,

if there were a chance of adjournment today the Chair would feel justified in declaring a further recess until say, 5:30.

Mr. DINGELL. Mr. Speaker, could the Speaker pro tempore inform the House as to what progress is being made on the other side?

The SPEAKER pro tempore. Progress is being made and there seems to be prospects of concluding their work during the day.

Mr. RANKIN. Mr. Speaker——

The SPEAKER pro tempore. The gentleman from Mississippi.

Mr. RANKIN. I just learned from one of the employees of the House that the Senate is now voting on the nomination of Mr. Grew. I presume the votes on the other nominees will be taken right away.

Mr. COCHRAN. Does the gentleman from Mississippi have any information as to whether the Senate has other unfinished business to dispose of?

Mr. RANKIN. Yes; I understand there are one or two bills to be taken up.

Mr. COCHRAN. It was indicated in this morning's RECORD that Senator OVERTON still planned to take up the river and harbor bill.

Mr. RANKIN. I so understand, and also that the postal employees bill is to be disposed of. I do not know how much time those matters will take or whether they will attempt to go through with them.

The SPEAKER pro tempore. The Chair will state that he understood that there was a commitment to take up the bills to which the gentlemen from Missouri and Mississippi have referred, but when the majority leader of the Senate was last consulted he did not have much hope of finishing this afternoon.

HON. HATTON W. SUMNERS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to make a brief statement and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, a distinct honor came to this House and to its Committee on the Judiciary this year through the action of the American Bar Association in presenting its medal "For conspicuous service to the cause of American jurisprudence" to HATTON W. SUMNERS.

Today the Seventy-eighth Congress will pass into history. In its passing, HATTON SUMNERS will have completed 16 consecutive terms of service in Congress. A son of Tennessee, a servant of Texas—which was his first District—of the Districts that later honored themselves by honoring him, and also of the Nation, he has made a record so outstanding in its excellence that each of us may well ponder not only its highlights but also its tenor.

It is a mark of his greatness that we who lack his ability have never been jealous of his power and have been content to follow his leadership because his exercise of that quality has never left us with a sense of inferiority. We have never envied him his opportunities because in the main he made them. His head has always been above the clouds but, just as surely, he has kept his feet on the ground. He has walked with kings, nor lost the common touch. He was poor without self-pity, fawning, nor covetousness. Wise investments of honest earnings have made him modestly wealthy, but none would ever know it save for his generosity to friends in need. The humblest Member never sought his advice in vain. A delicious sense of humor has kept him laughing at himself as well as with his friends. Deeply religious, describing himself as a God fan, he pities those whose faith makes them and others unhappy. With these attributes and qualities of mind and heart, he has gone in and out among those on Capitol Hill day in and day out performing his duties as a legislator whose studious practice of his profession has made him a philosopher and an authority on the Constitution. His love of the law, however, has not made him unmindful of other interests. Even before he came to Congress his services to agriculture were recognized as unusual and fruitful. He studied, spoke and wrote in the many practical fields of agricultural thought. In Congress he continued to emphasize the necessity of prosperous farms if this was to be a prosperous Nation. We are all sincerely grateful that his well-rounded career is still at flood tide and running strong, as he is about to begin his service in the Seventy-ninth Congress to which he has been elected.

We should not let this Congress, nor the year in which he won the signal honor conferred upon him by that great national body composed of his brothers of the bar, join the past without making record of our right to be proud of this unsought, though highly deserved, distinction which has come to one of our most honored and beloved Members. His record in this field of legislative endeavor is so unique, both as to the substantive body of the law and its administration, as to warrant this high preferment.

Please let me read what another great lawyer, a president of the American Bar Association said of our friend and colleague at the time the medal was presented:

RE: AMERICAN BAR ASSOCIATION MEDAL "FOR CONSPICUOUS SERVICE TO THE CAUSE OF AMERICAN JURISPRUDENCE"

HATTON W. SUMNERS was born in Lincoln County, Tenn., in 1875. He began the practice of law in Dallas, Tex., in 1897. He practiced there for many years and served as prosecuting attorney of Dallas County for 2 terms. He was elected as Congressman at large from the State of Texas in 1912. At the expiration of that term he was elected to represent the Fifth Congressional District of Texas and has been reelected each succeeding term. His service as a member of the Judiciary Committee of the House of Representatives has been continuous since 1921. He has served as chairman of that committee since December 1931.

Mr. SUMNERS was credited, probably more than any other Member of the Congress, by the members of the United States Supreme Court, for the passage of the Judiciary Act of February 13, 1925. This revision of the Judicial Code was largely directed to enabling the Supreme Court to become virtually current with its docket after arrearages which had obtained for many years. Chief Justice Taft said that "Without the time that HATTON SUMNERS spent in the study of the bill and the influence he exerted on his colleagues to prove its usefulness, I do not think it would have been possible to get the measure through."

Mr. SUMNERS introduced and sponsored in the Seventy-third Congress the act which is the authority for the present Rules of Civil Procedure in the Federal Courts.

Mr. SUMNERS introduced and sponsored the bill in the Seventy-sixth Congress authorizing the Supreme Court to prescribe rules in Federal criminal cases. It is under this act that the new rules of procedure for criminal cases in the Federal courts are in process of completion.

Mr. SUMNERS was responsible for the bill which resulted in the enactment in 1939 of the statute creating the Administrative Office of the Federal Courts.

Mr. SUMNERS introduced the bill in the Seventy-fifth Congress which resulted in the act providing for intervention by the United States, direct appeals to the Supreme Court, and regulation of the issuance of injunctions in certain cases involving the constitutionality of the acts of Congress.

Mr. SUMNERS was responsible for the introduction in the Seventy-fifth Congress of the bill which resulted in the statute under which Supreme Court justices may retire.

Mr. SUMNERS actively sponsored the legislation in 1934 granting the consent of the Congress to the States to enter into agreements, or compacts, for cooperative effort and mutual assistance in the prevention of crime.

Mr. SUMNERS is the only man in the history of the United States who has represented the House as a manager in three different impeachments (the cases of English, Louderback, and Ritter).

Mr. SUMNERS has appeared before the Supreme Court in the unusual role of representing the legislative branch of the Government in the case involving the constitutionality of the Municipal Bankruptcy Act, (*United States* v. *Beekins* (304 U. S. 27)); in the case testing the power of a House of Congress to punish for contempt (*Jurney* v. *MacCracken* (294 U. S. 125)); in the case establishing the right of the President to sign bills within 10 days after the adjournment of Congress (*Edwards* v. *United States* (286 U. S. 482)), in the *Pocket Veto Case* (279 U. S. 655).

Mr. SUMNERS' speech in the House of Representatives on July 13, 1937, is regarded by many persons as the most effective statement, of the myriad of statements made, in the defeat of the proposals to enlarge the membership of the Supreme Court.

Not only during the more than 14 years Mr. SUMNERS has served as the chairman of the Judiciary Committee of the House, but for a period beginning long prior to that time, he has been considered as the most comprehending, most interested, and most effective Member of the Congress in matters pertaining to Federal jurisprudence. It is probably not too much to say that had he been in opposition to the measures affecting Federal jurisprudence which he supported, many, if not all, of them would not yet have been enacted. It would be difficult not to concede that Mr. SUMNERS is the acknowledged outstanding legislator of the current generation in the field of jurisprudence and law reform.

Mr. SUMNERS' active interest in and support of the organized bar and its efforts to "advance the science of jurisprudence and promote the administration of justice" are known throughout our country. His activity as a participant and a counselor in attaining the jurisprudence objectives of the American Bar Association has probably exceeded that of any national legislator for a decade or more. In considering HATTON W.

SUMNERS for selection as recipient of the American Bar Association medal it is not without significance that the motto on that medal reads "To the end it may be a government of laws and not of men."

Mr. SUMNERS has been an acclaimed advocate of that thesis all over this country.

MAY 6, 1944.

The SPEAKER pro tempore. From the latest information at hand, it will be 5 o'clock before any indication can be had as to whether the Senate thinks it possible to conclude the business of the session during the day. Therefore the Chair feels justified in declaring a further recess. The House will stand in recess until 5:30.

Thereupon (at 4 o'clock and 31 minutes p. m.), the House stood in recess until 5:30 p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. COOPER) at 5 o'clock and 30 minutes p. m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5448. An act to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1481. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended.

The SPEAKER pro tempore (Mr. COOPER). Permit the Chair to state that the latest information received is that it may be possible that business will be concluded in the other body by about 6:30 or between that time and 7 o'clock.

Mr. RANKIN. Mr. Speaker, I desire to state that I have just come from the Senate. They have voted on three of the Presidential appointees, and there are still three more to be voted on. They will probably be voted on in the next hour.

EXTENSION OF REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Brig. Gen. Carlos P. Romulo before the Press Club under the date line of the 14th of this month.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

(Mr. WICKERSHAM asked and was given permission to extend his remarks in the RECORD.)

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and include a minority report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, the last report issued by the Joint Committee on Reduction of Nonessential Federal Expenditures, Senate Document No. 241, on the subject of unexpended balances, presented to the Senate on December 15, 1944, contains the following recommendation:

The committee recommends that—

1. Section 303 of the Second Deficiency Appropriation Act, approved June 28, 1944, be amended to provide that the Bureau of the Budget submit a report to Congress showing the condition of the balances of appropriations and contract authorizations at any time prior to, but not later than 6 months after, the conclusion of the European and Japanese Wars and that the Congress consider unexpended balances then current and provide legislation to lapse or cancel out all unnecessary balances.

Lest this recommendation be misunderstood by those not familiar with the preceding action of Congress and the Executive with respect to balances of war appropriations, I desire to place in the RECORD section 303 of the Second Deficiency Appropriation Act, 1944, approved June 28, 1944:

SEC. 303. The President shall direct the Bureau of the Budget to maintain a continuous study of appropriations and contract authorizations granted for the national defense, war agencies, and the prosecution of the present wars for the purpose of submitting for the consideration of Congress, when the state of the wars make such action possible a list showing the condition of the balances of each of such appropriations and contract authorizations together with his recommendations for the repeal of such of those funds or portions thereof as are deemed no longer required for the purposes for which they were granted.

Section 303 was recommended to the Congress by the Senate and House Committees on Appropriations last June with a view to recouping, when the state of the wars makes such action feasible, such portion of the balances of the war appropriations and contract authorizations as may be possible. This is the first step in a program of the House and Senate Appropriations Committees to follow the pattern set by them at the close of World War No. 1, when these committees recommended to the Congress the legislation which recouped balances of appropriations and contract authorizations totaling approximately $15,000,000,000. Action for that recoupment started early in December 1918, following the armistice on November 11, 1918, and was complete by February 25, 1919, or in 3 months from the time Congressional consideration started.

Following the enactment of section 303 in June 1944, the President on September 18, 1944, sent a letter to the Director of the Budget directing him to take steps looking to the making of recommendations to the President for converting Government structure from the needs of war to the needs of peace and to liquidate war agencies and on September 23, 1944, the Director communicated with the various Federal agencies to secure from them the necessary information to accomplish this as soon as possible after the termination of either or both of the wars. Agencies have submitted data along this line to the Bureau of the Budget for analysis and study.

In the First Supplemental Appropriation Act, 1944, just completed by the Congress, there is provision repealing $2,000,000,000 of contractual authority heretofore granted for naval aviation. Section 303 has already borne fruit and will continue to do so from time to time even before the wars end. Speaking for the House Committee on Appropriations I feel that the suggestion of the Joint Committee that agencies have 6 months in which to determine what amount of war time funds they should retain is too long. The time to recapture unneeded wartime appropriations and contract authorizations is just as soon after the cessation of hostilities as it is possible to accumulate the data and prepare the closing out programs.

The House and Senate Committees on Appropriations are entitled to credit for their farsightedness in recommending section 303 and initiating the ground work for this repeal action 6 months ago.

They are also watching current balances from time to time and will continue to recommend the repeal of any amounts found to be unnecessary even though the wars may still be in progress.

RECESS

The SPEAKER pro tempore. Without objection, the House will stand in recess subject to the call of the Chair.

There was no objection; accordingly (at 5 o'clock and 41 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER THE RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. Cox) at 6 o'clock and 50 minutes p. m.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 2241. An act to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943;

H. R. 2973. An act to provide that no person shall publish or distribute any political statement relating to a candidate for election to any Federal office which does not contain the name of the person responsible for its publication or distribution;

H. R. 4709. An act to authorize increases in wages for certain employees of The Alaska Railroad for services rendered from May 1, 1943, to September 30, 1943, inclusive;

H. R. 4715. An act to increase the compensation of employees in the Postal Service;

H. R. 4782. An act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington;

H. R. 5002. An act granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E;

H. R. 5409. An act for the exchange of lands adjacent to the Pike National Forest in Colorado; and

H. R. 5571. An act to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter.

The message also announced that the Senate had passed concurrent resolutions

of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 58. Concurrent resolution providing for the sine die adjournment of the second session of the Seventy-eighth Congress; and

S. Con. Res. 59. Concurrent resolution authorizing the President of the Senate and the Speaker pro tempore of the House to sign enrolled bills and joint resolutions duly passed by the two Houses and examined and found truly enrolled by the Committee on Enrolled Bills of each House.

SINE DIE ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution No. 58.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There being no objection, the Clerk read the resolution (S. Con. Res. 58), as follows:

Resolved, That the two Houses of Congress shall adjourn on Tuesday, December 19, 1944, and that when they adjourn on said day they stand adjourned sine die.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZATION TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

The SPEAKER pro tempore laid before the House the following Senate concurrent resolution (S. Con. Res. 59):

Resolved by the Senate (the House of Representatives concurring), That notwithstanding the adjournment of the second session of the Seventy-eighth Congress, the President of the Senate and the Speaker pro tempore of the House of Representatives be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO APPOINT COMMISSIONS AND COMMITTEES AUTHORIZED BY LAW OR BY THE HOUSE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that notwithstanding the sine die adjournment of the House the Speaker be authorized to appoint commissions and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

GENERAL LEAVE TO PRINT

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that all Members of the House shall have the privilege until the last edition authorized by the Joint Committee on Printing is published to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and also to include therein such short quotations as may be necessary to explain or complete such extension of remarks, but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that notwithstanding the sine die adjournment of the House, the Clerk be authorized to receive messages from the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

COMMITTEE TO WAIT UPON THE PRESIDENT

Mr. RAMSPECK. Mr. Speaker, I offer a privileged resolution and ask for its immediate adoption.

The Clerk read the resolution (H. Res. 682), as follows:

Resolved, That a committee of two Members be appointed by the House to join a similar committee appointed by the Senate, to wait upon the President of the United States and inform him that the two Houses have completed the business of the session and are ready to adjourn, unless the President has some other communication to make to them.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF COMMITTEE TO NOTIFY PRESIDENT OF ADJOURNMENT OF CONGRESS

The SPEAKER pro tempore. The Chair appoints as members of the Committee of the House to join a similar committee of the Senate to wait upon the President to inform him that the two Houses have completed the business of the session and are ready to adjourn unless the President has some further communication to make to them the following Members of the House: Messrs. RAMSPECK and MICHENER.

THE LATE HON. EZEKIEL SAMUEL CANDLER

The SPEAKER pro tempore. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, it becomes my sad duty to announce to the House the death of my distinguished predecessor in this body, the Honorable Ezekiel Samuel Candler, who passed away at his home in Corinth, Miss., on yesterday.

Mr. Candler was first elected to the Fifty-seventh Congress and served continuously from 1901 to 1921, when he retired from public life.

He was one of Mississippi's most distinguished citizens, an able lawyer, and a loyal American, whose ideals were in the clouds, but who always managed to keep his feet on the ground.

He was a Christian without hypocrisy, a patriot without pretense, a friend without treachery, and a man without guile.

His life was gentle, and the elements
So mix'd in him that Nature might stand up,
And say to all the world, This was a man!

REPORT OF COMMITTEE APPOINTED TO NOTIFY THE PRESIDENT OF ADJOURNMENT OF CONGRESS

Mr. RAMSPECK. Mr. Speaker, your committee appointed to join a committee of the Senate to inform the President that the Congress is ready to adjourn, and to ask him if he has any further communications to make to the Congress, has performed that duty. The President has directed us to say that he has no further communication to make to the Congress, and he wishes to have his kindest regards expressed to the Members.

RESOLUTION OF THANKS

Mr. MICHENER. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read (H. R. 683) as follows:

Resolved, That the thanks of the House are presented to the Honorable SAM RAYBURN, Speaker of the House of Representatives, for the able, impartial, and dignified manner in which he has presided over the deliberations and performed the arduous duties of the Chair during the present term of Congress.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I can add very little to this resolution. It says what it means and it means what it says. History will record the gentleman from Texas, Speaker RAYBURN, as serving in one of the most difficult periods in the life of the Congress. The burdens of his exalted office are not comparable to those of any predecessor. He has acquitted himself well. His uniform fairness, his courtesy, and his impartiality as a presiding officer are well recognized and appreciated. We all hope that his short vacation in Texas will be most enjoyable and that he will return to the new Congress refreshed and rested.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The resolution was agreed to.

Mr. PLUMLEY. Mr. Speaker, in these last moments of an expiring session I have in mind to paraphrase a statement to the effect that in alpha and omega there is a beginning and an end. I have made it a practice for all the years of legislative service I have rendered to be present at both the birth and the death of every session of which I have been a part or a Member.

I have learned to my edification that the beginning of one session only speaks and begets necessary consideration of matters to which there is no end. The session's end, as of tonight, means only the beginning of new responsibilities so impending and ponderous as to almost threaten us by their gravity and seriousness.

There is no alpha or omega where or when the rights of the people are involved.

The burden of the responsibility of those of us who must carry on is almost oppressive, as evidenced by the seriousness with which we here undertake to

adjourn sine die tonight. No responsibility such as is ours to bear in the days to come was ever laid on the shoulders of the representatives of any people throughout all time or history—and no man who does not realize that fact should be qualified to sit in this or the succeeding Congresses to represent the people.

I wish all of you such a merry Christmas as comports with the times in which we are living, and many happy new years contributed to and made happy by our unselfish devotion of service, to the end that wars may end, and a lasting peace may be established among all men of good will forever as we take our rightful place in the world of tomorrow.

Parting is such sweet sorrow,
That I shall say good night, till it be morrow.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. EBERHARTER] may extend his own remarks in the RECORD and include therein a short article from a newspaper.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. STARNES] be permitted to extend his remarks in the RECORD and to include therein a report from the Committee on un-American Activities.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks in the RECORD and include certain excerpts. I make two requests, Mr. Speaker, for two separate extensions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may extend as part of my remarks made earlier today a letter from Dr. Griffith, Medical Director of the Veterans Administration, together with certain information regarding the Veterans Administration rehabilitation program.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain excerpts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H. R. 3429. An act to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148);

H. R. 5448. An act to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia; and

H. R. 5587. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 1481. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; and

S. 1979. An act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto.

ADJOURNMENT SINE DIE

Mr. RAMSPECK. Mr. Speaker, in accordance with Senate Concurrent Resolution 58, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. In accordance with Senate Concurrent Resolution 58, the Chair declares the second session of the Seventy-eighth Congress adjourned sine die.

Thereupon (at 7 o'clock p. m.) the House, pursuant to Senate Concurrent Resolution 58, adjourned sine die.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HART: Committee on the Merchant Marine and Fisheries. Report pursuant to House Resolution 52. Resolution on study and investigation of charters of vessels (Rept. No. 2088). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. Report pursuant to House Resolution 30. Resolution to investigate the national war effort; without amendment (Rept. No. 2092). Referred to the Committee of the Whole House on the state of the Union.

Mr. ANDERSON of New York: Special Committee to Investigate Campaign Expenditures. Report pursuant to House Resolution 551. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives, and for other purposes (Rept. No. 2093). Referred to the Committee of the Whole House on the state of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. Report pursuant to House Resolution 281. Resolution authorizing a study by the Committee on the Public Lands of certain public-land problems and the use of public lands in rehabilitation of veterans (Rept. No. 2094). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA of California: Select Committee to Investigate the Federal Communications Commission. Report pursuant to House Resolution 21. Resolution authorizing an investigation of the organization, personnel, and activities of the Federal Communications Commission (Rept. No. 2095). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA of California: Committee on Interstate and Foreign Commerce. Report pursuant to House Resolutions 290 (76th Cong.), 383 (77th Cong.), and 58 (78th Cong.). Resolution authorizing the Committee on Interstate and Foreign Commerce to continue the investigation with respect to petroleum begun under House Resolution 290, Seventy-sixth Congress (Rept. No. 2096). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBERTSON: Select Committee on Conservation of Wildlife Resources. Report pursuant to House Resolution 20. Resolution to authorize the Select Committee on Wildlife Conservation of the Seventy-eighth Congress to investigate all matters pertaining to the replacement and conservation of wildlife (Rept. No. 2097). Referred to the Committee of the Whole House on the state of the Union.

Mr. POAGE: Committee on Agriculture. Report pursuant to House Resolution 346. Resolution providing for an investigation of the program for the planting of guayule to serve as a domestic source of crude rubber (Rept. No. 2098). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE: Committee on Irrigation and Reclamation. Report pursuant to House Resolution 262. Resolution authorizing the Committee on Irrigation and Reclamation to make an investigation of the Columbia River and its tributaries for the utilization of its waters for reclamation, flood control, navigation, and hydroelectric power generation (Rept. No. 2099). Referred to the Committee of the Whole House on the state of the Union and ordered to be printed with illustrations.

MESSAGE FROM THE SENATE

A message from the Senate, transmitted to the Clerk of the House subsequent to adjournment, announced that the Vice President had appointed the Senator from Connecticut [Mr. MALONEY]; the Senator from Utah [Mr. THOMAS]; the Senator from Florida [Mr. PEPPER]; the Senator from Maine [Mr. WHITE]; the Senator from Illinois [Mr. BROOKS]; and the Senator from Wisconsin [Mr. LA FOLLETTE] as the members on the part of the Senate of the Joint Committee on the Organization of Congress, established by Senate Concurrent Resolution 23, agreed to December 15, 1944.

ENROLLED BILLS SIGNED AFTER SINE DIE ADJOURNMENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H. R. 2241. An act to abolish the Jackson Hole National Monument as created by

Presidential Proclamation No. 2578, dated March 15, 1943;

H. R. 2973. An act to provide that no person shall publish or distribute any political statement relating to a candidate for election to any Federal office which does not contain the name of the person responsible for its publication or distribution;

H. R. 4709. An act to authorize increases in wages for certain employees of The Alaska Railroad for services rendered from May 1, 1943, to September 30, 1943, inclusive;

H. R. 4782. An act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington;

H. R. 5002. An act granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River, at the point where such river is crossed by United States Highway No 25E;

H. R. 5409. An act for the exchange of lands adjacent to the Pike National Forest in Colorado; and

H. R. 5571. An act to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter.

BILLS PRESENTED TO THE PRESIDENT AFTER SINE DIE ADJOURNMENT

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On December 20, 1944:

H. R. 3429. An act to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148);

H. R. 5448. An act to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia; and

H. R. 5587. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

On December 21, 1944:

H. R. 2241. An act to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943;

H. R. 2973. An act to provide that no person shall publish or distribute any political statement relating to a candidate for election to any Federal office which does not contain the name of the person responsible for its publication or distribution;

H. R. 4709. An act to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1 to September 30, 1943, inclusive;

H. R. 4782. An act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington;

H. R. 5002. An act granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E;

H. R. 5409. An act for the exchange of lands adjacent to the Pike National Forest in Colorado; and

H. R. 5571. An act to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter.

HOUSE BILLS AND JOINT RESOLUTIONS APPROVED AND DISAPPROVED BY THE PRESIDENT

The President of the United States, subsequent to the sine die adjournment of the House, notified the Speaker pro tempore of the House that he had approved and signed bills and joint resolutions of the following titles:

On December 7, 1944:

H. R. 4366. An act for the relief of Alex Wylie, and the estate of James Evans.

On December 13, 1944:

H. R. 933. An act for the relief of Conrad H. Clark and Rocco Cellette; and

H. R. 4917. An act conferring upon the State of Montana authority to exchange for other lands certain lands selected by the State of Montana for the use of the University of Montana for biological station purposes pursuant to the act of March 3, 1905 (33 Stat. 1080).

On December 14, 1944:

H. R. 1744. An act to provide Government protection to widows and children of deceased World War No. 1 veterans, and for other purposes; and

H. R. 3929. An act for the relief of Katherine Scherer.

On December 15, 1944:

H. R. 3150. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 3313. An act to amend section 10 of the act of March 3, 1925, entitled "An act to provide for the regulation of motor-vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes," as amended;

H. R. 3621. An act to amend an act entitled "An act to provide for the regulation of motor vehicle traffic in the District of Columbia, increase the number of judges of the police court, and for other purposes";

H. R. 4665. An act authorizing the Secretary of the Interior to convey certain lands in Powell townsite, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming; and

H. R. 5494. An act to amend the act entitled "An act authorizing the President to appoint an Under Secretary of War during national emergencies, fixing the compensation of the Under Secretary of War, and authorizing the Secretary of War to prescribe duties", approved December 16, 1940.

On December 16, 1944:

H. R. 1951. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942;

H. R. 3619. An act to amend sections 675 and 676 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia;

H. R. 3720. An act to authorize the Commissioners of the District of Columbia to appoint notaries public;

H. R. 4916. An act to amend the act of June 19, 1934 (Public Law 435, 73d Cong.);

H. R. 5408. An act to amend the Mustering-Out Payment Act of 1944, to provide a method for accomplishing certain mustering-out payments on behalf of mentally disabled veterans, and for other purposes; and

H. R. 5564. An act to fix the tax under the Federal Insurance Contribution Act on employer and employees for calendar year 1945.

On December 20, 1944:

H. J. Res. 289. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1945, and for other purposes;

H. J. Res. 290. Joint resolution to provide for the maintenance of public order and the protection of life and property in connection with the Presidential inaugural ceremonies of 1945;

H. J. Res. 291. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies;

H. J. Res. 317. Joint resolution recognizing the outstanding service rendered to the United States by Field Marshal Sir John Dill;

H. R. 1033. An act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts;

H. R. 2116. An act to amend the laws of the District of Columbia relating to exemption of property from judicial process, the assignment of salary or wages, and the advance payment of salary or wages for the purpose of preventing attachment or garnishment;

H. R. 2644. An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes;

H. R. 2874. An act for the relief of Robert Will Starks;

H. R. 3791. An act for the relief of the estate of Charles Noah Shipp, deceased;

H. R. 4327. An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes;

H. R. 4867. An act to extend the health regulations of the District of Columbia to Government restaurants within the District of Columbia;

H. R. 4993. An act to amend Public, No. 507, Seventy-seventh Congress, second session, an act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942;

H. R. 5029. An act to assist in the internal development of the Virgin Islands by the undertaking of useful projects therein, and for other purposes;

H. R. 5543. An act extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code, and for other purposes; and

H. R. 5590. An act to increase clerk hire, and for other purposes.

On December 21, 1944:

H. R. 195 An act for the relief of Gladys A. Ennis as executrix of the estate of George Pearse Ennis, deceased, and Oscar H. Julius; and the Excelsior Automotive Service, Inc.;

H. R. 545. An act for the relief of G. F. Odom;

H. R. 763. An act for the relief of Lindsey Harcrow;

H. R. 1218. An act for the relief of F. L. Riddle;

H. R. 1556. An act for the relief of Archie Barwick;

H. R. 1643. An act for the relief of Mary Lovis Elliott;

H. R. 1772. An act for the relief of Henry Stovall;

H. R. 2213. An act for the relief of Mrs. Agnes Wolters;

H. R. 2300. An act for the relief of Rose B. Luzar;

H. R. 2373. An act for the relief of Pearl Saievitz Hurwitz and Ruth Levin;

H. R. 2543. An act for the relief of Mrs. Nelle Jones;

H. R. 2688. An act for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor;

H. R. 2903. An act for the relief of the Washington Asphalt Co.;

H. R. 2969. An act to establish official checking accounts with the Treasurer of the United States for clerks of United States courts and United States marshals;

H. R. 3017. An act for the relief of Hubert McMahon and the legal guardian of Barbara McMahon;

H. R. 3138. An act for the relief of Mrs. Bertha Macklin;

H. R. 3191. An act for the relief of Lillian Hill;

H. R. 3192. An act for the relief of Mrs. Bertha Grantham;

H. R. 3279. An act for the relief of Clarence G. Doelling and Doris J. (McNeil) Doelling;

H. R. 3323. An act for thee relief of Mrs. William M. Watson and R. H. Price;

H. R. 3369. An act for the relief of Harry V. Hearn;

H. R. 3465. An act for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osgetel Berberian;

H. R. 3484. An act for the relief of Mrs. Pearl W. Peterson;

H. R. 3852. An act for the relief of the O. S. Stapley Co.;

H. R. 4049. An act for the relief of Alfred F. Ross; and

H. R. 4918. An act to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service.

On December 22, 1944:

H. R. 1023. An act to establish a chief of chaplains of the United States Navy;

H. R. 1284. An act relating to the naturalization of persons not citizens who serve honorably in the military or naval forces of the United States during the present war;

H. R. 2016. An act for the relief of William H. Linhart;

H. R. 2066. An act for the relief of A. L. Rinkenberger and John Floering;

H. R. 3467. An act for the relief of Anne Watt;

H. R. 3584. An act for the relief of Elsie Hawke;

H. R. 3639. An act for the relief of Herman Weinert, Jr., M. D.;

H. R. 3678. An act for the relief of Floyd E. and Lena Mae Drummond;

H. R. 3727. An act for the relief of the legal guardian of Violet DeGroot;

H. R. 3732. An act to repeal the prohibition against the filling of a vacancy in the office of district judge in the district of New Jersey;

H. R. 3781. An act for the relief of Hall Farris;

H. R. 3814. An act for the relief of M. Senders & Co.;

H. R. 3880. An act for the relief of Mrs. Anna Zukas;

H. R. 3881. An act for the relief of Mrs. Anna Chandler;

H. R. 3928. An act for the relief of James LeRoy Eden;

H. R. 3931. An act for the relief of the estate of Dr. A. D. Gibson;

H. R. 4014. An act for the relief of Mrs. Ruby Winsch;

H. R. 4016. An act for the relief of John Casey and Marie Casey;

H. R. 4038. An act for the relief of Joseph W. Steel;

H. R. 4080. An act for the relief of certain former employees of the United States Court for China;

H. R. 4101. An act for the relief of P. E. Brannen;

H. R. 4111. An act for the relief of Louis Beckham;

H. R. 4125. An act for the relief of Kelly Hobbs;

H. R. 4144. An act for the relief of Brig. Gen. Louis J. Fortier;

H. R. 4159. An act to amend section 33 of the act of September 7, 1916, as amended (39 Stat. 742);

H. R. 4305. An act for the relief of Henry Clay Walker;

H. R. 4331. An act for the relief of Mrs. Florence Armstrong;

H. R. 4380. An act for the relief of Mabelle E. Olive;

H. R. 4485. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes;

H. R. 4502. An act to amend the act of Congress approved May 20, 1935, entitled "An act concerning the incorporated town of Seward, Territory of Alaska," as amended;

H. R. 4547. An act to amend the act of February 14, 1931, as amended, so as to permit the compensation on a mileage basis, of civilian officers or employees for the use of privately owned airplanes while traveling on official business;

H. R. 4588. An act for the relief of Robert L. Whiddon;

H. R. 4629. An act for the relief of Ludwig Wolf;

H. R. 4703. An act for the relief of the estate of Annie Brown;

H. R. 4817. An act for the relief of Wilfred T. Plant, Sr.;

H. R. 4910. An act authorizing the Atchison, Topeka & Santa Fe Railway Co. or its successors, to convey to the States of Arizona and California, jointly or separately, for public-highway purposes, an existing railroad bridge across the Colorado River, formerly known as the Red Rock Bridge, near Topock, Ariz.;

H. R. 4927. An act for the relief of Francis D. Stovall, Jr.;

H. R. 5453. An act authorizing the conveyance by the Secretary of the Interior to the Chesapeake & Ohio Railway Co., a railroad corporation, of certain perpetual easements near Afton, in Augusta and Nelson Counties, Va., being a portion of the Blue Ridge Parkway land of the Shenandoah National Park;

H. R. 5551. An act to transfer certain land in Nacogdoches County, Tex., to the United States Forest Service;

H. R. 5563. An act to authorize the Administrator of the Farm Security Administration to exchange certain land of the United States within the Angostura irrigation project, Hot Springs, S. Dak., for certain land owned by the city of Hot Springs, S. Dak.;

H. R. 5565. An act to authorize collectors of internal revenue to receive certain checks and money orders in payment of taxes and for revenue stamps; and

H. R. 5587. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, and to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, and for other purposes.

On December 23, 1944:

H. J. Res. 324. Joint resolution to extend the time for filing a report by the Civil Aeronautics Board relating to multiple taxation of air commerce;

H. R. 449. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 2354. An act for the relief of the estate of Mrs. Phoebe Sherman, and for Mrs. Harriett W. Vanderhoef and Allan Vanderhoef;

H. R. 3429. An act to amend section 1 of an act entitled "An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work," approved February 28, 1929 (45 Stat. 1406), as amended by the act of April 22, 1940 (54 Stat. 148);

H. R. 4631. An act for the relief of John L. MacNeil;

H. R. 4968. An act to amend section 511 (c) of the Merchant Marine Act, 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes;

H. R. 5206. An act to authorize Belfry Coal Co. to construct, maintain, and operate a free suspension bridge conveyor across the Tug Fork of the Big Sandy River at or near Sprigg, W. Va.;

H. R. 5331. An act to authorize the transfer of certain lands within the Colonial National Historical Park, Yorktown, Va., to the Secretary of the Navy;

H. R. 5448. An act to permit construction, maintenance, and use of a tunnel for the purpose of carrying lines for petroleum products in the District of Columbia;

H. R. 5566. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944;

H. R. 2973. An act to provide that no person shall publish or distribute any political statement relating to a candidate for election to any Federal office which does not contain the name of the person responsible for its publication or distribution;

H. R. 2994. An act to extend Reissued Letters Patent No. 19,023;

H. R. 4709. An act to authorize increases in wages for certain employees of the Alaska Railroad for services rendered from May 1, 1943, to September 30, 1943, inclusive;

H. R. 4782. An act to authorize the sale of certain lands of the Tulalip Tribe of Indians, State of Washington;

H. R. 5002. An act granting the consent of Congress to the State of Tennessee Department of Highways and Public Works to construct, maintain, and operate a free highway bridge across the Clinch River at the point where such river is crossed by United States Highway No. 25E;

H. R. 5409. An act for the exchange of lands adjacent to the Pike National Forest in Colorado;

H. R. 5571. An act to omit or defer the required 5-year valuation of the civil-service retirement and disability fund for the duration of the present war and for 1 year thereafter;

H. R. 1963. An act for the relief of G. H. Garner;

H. R. 2005. An act for the relief of Christine Mangrum, Luster Mangrum, and Nathan Mangrum;

H. R. 2150. An act for the relief of Diemer Adison Coulter and Frances Andrews Coulter;

H. R. 2827. An act for the relief of the estate of Ida M. Rutherford;

H. R. 3218. An act for the relief of Enid M. Albertson;

H. R. 3285. An act for the relief of Mrs. Rose Poisson;

H. R. 3400. An act for the relief of LaVerne Whipple;

H. R. 3414. An act for the relief of Edward C. Robbins;

H. R. 3590. An act for the relief of the city and county of San Francisco;

H. R. 3645. An act for the relief of Mary Agnes Lichtefeld Droppelman and Fred J. Lichtefeld and Josephine Lichtefeld;

H. R. 3709. An act for the relief of Harley E. Carter;

H. R. 3995. An act for the relief of Walter Lundmark;

H. R. 4105. An act for the relief of Ira Cannon;

H. R. 4200. An act for the relief of William Weber;

H. R. 4212. An act for the relief of Robert Rowe and Mary Rowe;

H. R. 4213. An act for the relief of Karl Lungstras;

H. R. 4309. An act for the relief of Rosa Lee Foreman;

H. R. 4322. An act for the relief of the estate of Floyd M. Adair, deceased;

H. R. 4333. An act for the relief of Bertha LeFrancq;

H. R. 4363. An act for the relief of Ollie Brashear Hearldson;

H. R. 4367. An act for the relief of Mrs. Julia Toler;

H. R. 4442. An act for the relief of Albert B. Weaver;

H. R. 4451. An act for the relief of John McLaughlin, Sr., and John McLaughlin, Jr.;

H. R. 4481. An act for the relief of William H. Crompton;

H. R. 4525. An act for the relief of M. Grace Murphy, administratrix of the estate of John H. Murphy.

H. R. 4542. An act for the relief of Harold Miller;

H. R. 4549. An act for the relief of Sandy C. Brown;

H. R. 4786. An act for the relief of the estate of Kimball Lee Beckner;

H. R. 4815. An act for the relief of the Board of County Commissioners of Volusia County, Fla.;

H. R. 976. An act for the relief of Mr. and Mrs. Sebastian Eger;

H. R. 3250. An act to confer jurisdiction upon the United States District Court of Maine;

H. R. 4593. An act for the relief of Thomas R. Clark;

H. R. 4674. An act for the relief of the estate of Everette Maxwell; the estate of Redman P. Maddux; and the legal guardian of Elmer Massa, a minor;

H. R. 4736. An act for the relief of Dr. H. L. Klotz;

H. R. 4876. An act for the relief of the estate of Emma B. Fleet, deceased;

H. R. 4911. An act to amend the Federal Crop Insurance Act;

H. R. 4921. An act for the relief of Dr. J. Sims Norman;

H. R. 4962. An act for the relief of Jessie Springsteen and John Springsteen;

H. R. 5034. An act for the relief of the estate of Francis A. Collins;

H. R. 5048. An act for the relief of the estate of Cecile H. Burgett, deceased;

H. R. 5060. An act for the relief of Clyde H. Palmer; estate of Lola Palmer; legal guardian of Margie Joan Palmer, a minor;

H. R. 5062. An act to authorize certain transactions by disbursing officers of the United States, and for other purposes;

H. R. 5154. An act relating to dual employment in the Postal Service, and for other purposes;

H. R. 5167. An act to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital;

H. R. 5219. An act to provide for the granting of rights-of-way for pipe lines for petroleum and petroleum products and for telephone and/or telegraph lines through and across lands of the United States within the area of Indian Rock Dam and Reservoir, located in York County, Pa.;

H. R. 5248. An act to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps," approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard; and

H. R. 5518. An act to amend section 119 of the Judicial Code.

POCKET VETOED

On December 23, 1944:

H. R. 3302. An act for the relief of Eleanor Parkinson;

H. R. 3614. An act for the relief of the Queen City Brewing Co.; and

H. R. 4345. An act for the relief of the legal guardian of Luther Marcus Smith, a minor.

On December 28, 1944:

H. R. 2825. An act for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.

On December 29, 1944:

H. R. 2241. An act to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943.

MEMORANDUM OF DISAPPROVAL

I have before me the bill (H. R. 2825) for the relief of Sigfried Olsen, doing business as Sigfried Olsen Shipping Co.

The bill directs the Secretary of the Treasury to pay Sigfried Olsen, doing business as Sigfried Olsen Shipping Co., the sum of $37,710.12 as just compensation for actual cash losses incurred by him in the operation of two vessels to South America and return in 1941, in accordance with the "specific directions" of the Maritime Commission.

The Maritime Commission and the War Shipping Administration in their report on the bill to the Committees on Claims of the House and Senate, expressed their view that there is no legal basis for the claim. There is no indication in the history of the enrolled enactment that the Congress allowed the claim on a legal basis. It appears that the claimant was not legally bound to make the voyages as to which the alleged losses were sustained.

In view of the lack of legal basis for the claim, it is believed that approval of the measure would create a precedent for the assertion of similar claims. Such claims should be considered under some generally applicable system or measure.

It appears that Mr. Olsen realized a net profit on other voyages made by the ships in question during the period under the provisions of the Ship Warrants Act. It appears that this should have been taken into account in measuring the extent of the equitable relief to be accorded.

In view of the lack of legal basis for the relief measure, and a failure to give due weight to all pertinent factors on an equity basis, I am withholding my approval of the bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 28, 1944.*

MEMORANDUM OF DISAPPROVAL

I am withholding my approval from the bill (H. R. 3302) to provide for the payment of the sum of $4,637.50 to Eleanor Parkinson, of Mount Carmel, Ill., as compensation for damages caused to her property by the overflow of the Wabash River.

It appears that Miss Parkinson is the owner of certain real property located on the right bank of the Wabash River near St. Francisville, Ill. A levee known as the Brevoort levee is located on the left bank of the river, opposite Miss Parkinson's property. The levee was completed in 1916 by local interests and has been owned, operated, and maintained by a levee committee, elected pursuant to State law, to represent landowners.

Under authority of the Federal Flood Control Act, approved June 22, 1936, the United States restricted the Brevoort levee system to a height approximately 1 foot above its previous elevation. The War Department was furnished with appropriate assurances required by the Flood Control Act that the local committee would hold and save the United States free from damages due to the construction works. It is claimed that during a flood which occurred on the Wabash River in 1943, sand was deposited on Miss Parkinson's land. Apparently it is further claimed that the effects of the flood were accentuated by the raising of the height of the dam.

It is a well-established principle of law that the United States has plenary power to legislate for the benefit of navigation and to construct such works as are appropriate to that end without liability for remote or consequential damages. To provide for the payment of damages suffered in this instance would result in a preferential treatment of one property owner and accord a right to the claimant not extended to others in similar situations. There seems to be no reason for making an exception in this instance to the general rule.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 23, 1944.*

MEMORANDUM OF DISAPPROVAL

I am withholding my approval of a bill (H. R. 3614) for the relief of the Queen City Brewing Co., Cumberland, Md. The bill would authorize and direct the Secretary of the Treasury to pay to the Queen City Brewing Co. the sum of $3,062.25 on account of the tax paid by it on 510.375 barrels of fermented malt liquor which were returned to the brewery from the company's bottling house because of its unsalable condition resulting from a flood.

The records of the Internal Revenue Bureau show that a claim filed by the Queen City Brewing Co. for refund of the said tax was rejected for the reason that it was not filed within the time prescribed by the relief statute. The statute, section 3154, Internal Revenue Code, requires that such claims be filed within 90 days after the return of the fermented malt liquor to the brewery, whereas 140 days elapsed before the claim in this case was filed. The report of your Committee on Claims includes a copy of an application executed by the secretary of the company on October 21, 1942, for the return of the damaged beer to the bottling house. This application states that it is made in accordance with the provisions of section 3154 of the Internal Revenue Code, and article XXVI of Regulations 18. The requirement that a claim for refund on Form 843 must be filed with the Collector within 90 days after the return of the beer to the brewery is set forth in these same sections of the law and regulations referred to by the taxpayer in its application.

The claim was rejected under the provisions of a statute having general application to all claims under the same circumstances. Its approval would have a discriminatory effect, providing as it does for the relief of one taxpayer under circumstances in which relief would be denied all others similarly situated. No facts appear in connection with this case which warrant a departure from the general policy of the law expressed in the applicable limitation period.

In view of the foregoing, I am withholding my approval of the bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 23, 1944.*

MEMORANDUM OF DISAPPROVAL

I am withholding my approval from the bill (H. R. 4345) for the relief of the legal guardian of Luther Marcus Smith, a minor.

The measure proposes to provide for the payment of the sum of $5,000 to Luther Marcus Smith, in full settlement of all claims against the United States for personal injuries sustained in an accident at the Bristol Industrial School, at Bristol, Tenn.-Va.

It appears that Luther Marcus Smith entered the Bristol Industrial School at Bristol, Tenn.-Va., in October 1943, for the purpose of preparing himself for employment in a navy yard. On October 25, he and two other students were examining an airplane, which was on display in the school building. They attempted to start the motor. Smith apparently was struck by a propeller blade and seriously injured.

It further appears that the Bristol Industrial School was maintained and operated by the city of Bristol. The school was financed in part by funds derived ultimately from the Federal Government, in the following manner: The act of July 2, 1940, authorized the President through the appropriate agency of the Government, to provide for the procurement and training of civilian personnel necessary in connection with the protection of critical and essential items of equipment and material and the use and operation thereof. An appropriation was made available for payments to States or other public agencies operating public educational facilities for the furtherance of the education and training of defense workers, the United States Commissioner of Education being authorized to certify to the Secretary of the Treasury the name of the agency or school to which payment was to be made and the amount to be paid (the Labor-Federal Security Appropriation Act of 1944).

It further appears that a payment of Federal funds was made to the Bristol Industrial School out of the foregoing appropriation, through the Virginia State Board of Education. The school, however, was not operated under the control or supervision of the Federal Government.

While Mr. Smith is entitled to profound sympathy for the lamentable injuries which he has sustained, assumption of liability on the part of the United States does not appear to be warranted, since the school was a purely local institution, subject to no supervision or control by the Federal Government. The accident was not caused by any negligence on the part of any officer or employee of the United States. In fact, there does not seem to have been any connection between the accident and any action of any Federal Government officer or employee. No liability should in fairness and justice devolve on the United States for accidents occurring at the school, merely on the ground that the institution was assisted by Federal funds.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 23, 1944.*

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from H. R. 2241, "To abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943."

The effect of this bill would be to deprive the people of the United States of the benefits of an area of national significance from the standpoint of naturalistic, historic, scientific, and recreational values. The Jackson Hole National Monument as established by Proclamation No. 2578 constitutes an outstanding example of a valley formed by block-faulting and glacial action, and has as significant a story to tell of these great forces of nature as has the Grand Canyon to reveal of erosive processes. It also constitutes a breeding and feeding ground for rare types of birds and animal life. For many years it was a celebrated rendevous of trappers and Indians; very few areas of the West preserve as many frontier associations. In addition, it provides the necessary foreground for the great mountain peaks in the adjoining Grand Teton National Park, and in its scenic and geologic characteristics forms an integral part of the whole Grand Teton region.

In issuing the proclamation creating the Jackson Hole National Monument, I followed precedents repeatedly established by my predecessors, beginning with President Theodore Roosevelt, in exercising the authority conferred by section 2 of the Antiquities Act approved by the Congress on June 8, 1906 (34 Stat. 225). Eighty-two national monuments have been established by Presidents of the United States of both political parties. Seven of these monuments are larger than the Jackson Hole National Monument. There are few official acts of the President of the United States, in the field of conservation or in any other phase of Government, so amply supported by precedent, as is the proclamation establishing Jackson Hole National Monument. In the light of the legislative history of the Antiquities Act of June 8, 1906, and the interpretation placed thereon by the Supreme Court of the United States in *Cameron* v. *United States* (252 U. S. 450), I am convinced that Jackson Hole is an "object of historic or scientific interest" within the meaning of that act. Therefore, I cannot assent to the position taken by the proponents of H. R. 2241 that the monument reserve should be annulled on the ground that there was no authority for its creation.

The proclamation establishing the Jackson Hole National Monument reserved only the Federal lands within appropriately designated boundaries, and was issued subject to all valid existing rights. As in the case of many other Federal reservations, certain private and State lands are also within the boundaries designated in the proclamation. These lands, which comprise a small fraction of the total acreage, are not affected in any way by the proclamation. They are still in private and State ownership and the rights of the owners are the same as they were before the proclamation was issued. No lands have been or can be confiscated; no citizens have been or can be dispossessed. Moreover, private property and incomes within the monument boundaries remain subject to taxation by the State and county to the same extent as they were before the monument was established.

Soon after Jackson Hole National Monument was created, the Secretary of the Interior issued a policy statement setting forth definite principles to govern the administration of the Federal lands within the monument. This statement provides for the continuance of all permits issued by the Forest Service or other Federal agencies for the use of lands now within the national monument during the lifetime of the present holders and the members of their immediate families. In this statement the Secretary recognized existing grazing privileges on monument lands and existing stock driveway privileges, and declared that cattlemen desiring in the spring and fall to drive their cattle across monument lands, between their respective ranches and the summer ranges, would be permitted to do so as a matter of settled administrative policy.

I recognize the seriousness of the tax problem that might be produced in Teton County, Wyo., were those lands within the monument boundaries which have been acquired by private interests, for ultimate incorporation in the monument, to be removed from the tax rolls at a time when fully equivalent revenues have not as yet accrued to the county through the development of the tourist attractions of the region. I would be sympathetic to the enactment of legislation whereby revenues derived by the Federal Government from the national park and monument system could be used to offset, on an equitable basis, any loss of taxes due to the Federal acquisition, by donation or purchase, of private lands within the monument. I would also be sympathetic to the enactment of legislation that would incorporate into law the administrative policies with respect to the private utilization of Federal lands within the monument to which I have already referred. Among other things, such legislation might provide assurance for private landholders within the monument who now have grazing privileges on Federal lands that these privileges will be continued to them, and to their heirs and assigns, so long as the lands to which these privileges are appurtenant remain in private ownership.

In the establishment of the Jackson Hole National Monument consideration was given to the interests of the people of the United States as a whole in order that the area might be preserved and made available to our citizens for the realization of its highest values, including its scenery, its scientific interest, its wildlife, and its history. I believe that whatever reasonable objections may exist to the continuance of the monument can be overcome without depriving this area of the protection to which it is justly entitled under the Antiquities Act of June 8, 1906, and under the other laws relating to national monuments. Therefore, it would seem to me that the proper remedy in this situation is not the undoing of what has been done, but the making of such adjustments as may be appropriate to meet the local conditions.

For these reasons I feel that it is my duty to withhold approval from H. R. 2241.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 29, 1944.*